

Redfin Reports Asking Rents for New Apartments Drop 6% to Lowest Level Since 2022, as Finished Buildings Soar

Asking rents dropped at the same time new apartment completions rose to the highest level in at least 12 years

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — Asking rents for newly constructed apartments fell to \$1,746 in the second quarter, down 6.2% from a year earlier to the lowest level in more than two years. That’s according to a new [report](#) from Redfin ([redfin.com](#)), the technology-powered real estate brokerage.

It was the second consecutive quarter that rents for newly built apartments posted an annual decline and the second-steepest drop in the past five years—trailing only this year’s first quarter, when rents fell 7.5%.

That’s according to a Redfin analysis of the U.S. Census Bureau’s data for newly-constructed, unfurnished, unsubsidized, privately financed rental apartments in buildings with five or more units, dating back to the first quarter of 2012. The most recent data available measures apartments that were completed in the first quarter of 2024, and either rented or not rented within three months of then.

Apartment building construction boom leading to lower rents

Monthly asking rents for new apartments hit a peak of \$1,889 in the first quarter of 2022, but have trailed off since, as the number of newly constructed apartments shot up. Apartment completions rose 18.7% in the first quarter year over year to reach the highest number in over a decade.

“Rents for new apartments will likely fall a little more this year, because there are still a ton of new buildings being completed,” said Redfin Senior Economist Sheharyar Bokhari. “With new apartments popping up everywhere, owners are competing with one another to find tenants by reducing rents and offering concessions like free parking. If you’re a renter in a market like Dallas or Nashville, where construction has been booming, there are likely deals to be found.”

An example of how much impact new construction has on asking rents can be found in Austin, TX, where overall rents (for new and existing apartments) fell 17.6% in August year over year, according to Redfin’s [Rental Tracker](#). Austin—like many Sun Belt metros—saw some of the highest levels of multifamily housing construction over the past few years, but rents are now starting to fall as supply increases and demand levels off.

Newly-built one-bedroom apartments have seen the largest rent declines

Rents for one-bedroom apartments—the most common type of new apartment—fell the most in the second quarter, down 9% year over year to \$1,566. Two-bedroom apartments dropped 4.5% to \$1,934, while three-or-more-bedroom apartments fell 3% to \$2,309.

Studio apartments saw asking rents climb slightly, up 0.9% to \$1,617. The median asking rent for newly constructed studio apartments is more volatile and—like this month—can sometimes be higher than those for one-bedroom apartments. That's because there are far fewer studios being built and they are more likely to be located in larger, more expensive cities.

To view the full report, including charts please visit: <https://www.redfin.com/news/new-construction-rents-Q2>

About Redfin

Redfin (www.redfin.com) is a technology-powered real estate company. We help people find a place to live with brokerage, rentals, lending, title insurance, and renovations services. We run the country's #1 real estate brokerage site. Our customers can save thousands in fees while working with a top agent. Our home-buying customers see homes first with on-demand tours, and our lending and title services help them close quickly. Customers selling a home can have our renovations crew fix it up to sell for top dollar. Our rentals business empowers millions nationwide to find apartments and houses for rent. Since launching in 2006, we've saved customers more than \$1.6 billion in commissions. We serve more than 100 markets across the U.S. and Canada and employ over 4,000 people.

Redfin's subsidiaries and affiliated brands include: Bay Equity Home Loans®, Rent.™, Apartment Guide®, Title Forward® and WalkScore®.

For more information or to contact a local Redfin real estate agent, visit www.redfin.com. To learn about housing market trends and download data, visit the [Redfin Data Center](#). To be added to Redfin's press release distribution list, email press@redfin.com. To view Redfin's press center, [click here](#).

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20240926385085/en/>

Redfin Journalist Services:

Kenneth Applewhaite

press@redfin.com

Source: Redfin