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Redfin Reports Asking Rents Fall Across All Bedroom Counts for First Time in 4 Years

The nationwide median asking rent was \$1,647 in July, down \$53 from the all-time high in 2022

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) —The median asking rent fell across all bedroom counts in July year over year, the first time that’s occurred since June 2020. That’s according to a new [report](#) from Redfin ([redfin.com](#)), the technology-powered real estate brokerage.

Median asking rents for 0-1 bedroom apartments fell 0.1% (to \$1,498 a month), 2 bedroom apartments fell 0.3% (to \$1,730) and 3+ bedroom apartments fell 2.4% (to \$2,010). All three categories are down at least \$50 from all-time highs posted in the last two years.

Prices remained steady for 0-1 bedroom and 2 bedroom apartments due to higher demand in those categories, even with increased supply coming onto the market. The increased supply of 3+ bedroom apartments, however, led to prices falling faster in July due to lower demand for larger, more expensive units which also compete against single-family home rentals.

The overall rental vacancy rate has remained at 6.6% for four consecutive quarters, the highest level since 2021, while the vacancy rate for buildings with 5+ apartments—the subject of Redfin’s report—was at 7.8% in the second quarter, up from 7.4% a year earlier.

“Rents have recently steadied—or even dropped slightly—because of the sheer number of apartments built over the past two years,” said Redfin Senior Economist Sheharyar Bokhari. “Construction is [slowing down](#) and prices will eventually start rising again, but now is still a good time for renters to find a deal, especially families looking for an apartment with at least three bedrooms.”

Nationwide median asking rent rises slightly, but still down \$53 from all-time high

The median asking rent for all bedroom counts combined actually rose 0.4% year over year in July to \$1,647. This discrepancy between the combined result (showing a gain) and the three different bedroom types (which all fell) is the result of a statistical phenomenon known as [Simpson’s paradox](#).

The national median asking rent was down 0.2% month over month from June and \$53 less than the all-time high of \$1,700 recorded in August 2022. Despite the slight dip, affordability is still a serious issue for renter households, which earn roughly [\\$11,000 less](#) than is needed to afford a typical apartment.

Rents drop across Sun Belt, as East Coast and Midwest cities record big increases

Metro areas in Texas and Florida, two states which have built a high number of new apartments since the pandemic, continue to see large falls in price.

The median asking rent in Austin, TX dropped the most of any metro we analyzed in July, falling 16.9% year over year. Jacksonville, FL, was not far behind, with the median asking rent falling 14.3%.

San Diego (down 12.7%), San Francisco (down 7.6%) and Tampa, FL (down 5.9%) rounded out the five metros with the biggest drops in asking rents.

The median asking rent in Virginia Beach, VA rose 13.7% year over year in July, the biggest jump among the metros Redfin analyzed. Baltimore, MD (up 12.5%), Washington, D.C. (up 11.6%), Chicago (up 10.3%) and Cincinnati, OH (up 9.9%) posted the next highest gains.

To view the full report, including charts, metro-level data and methodology, please visit: <https://www.redfin.com/news/rental-tracker-july-2024>

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