The State of Renting 2025: Annual Rent Report & Renter Survey

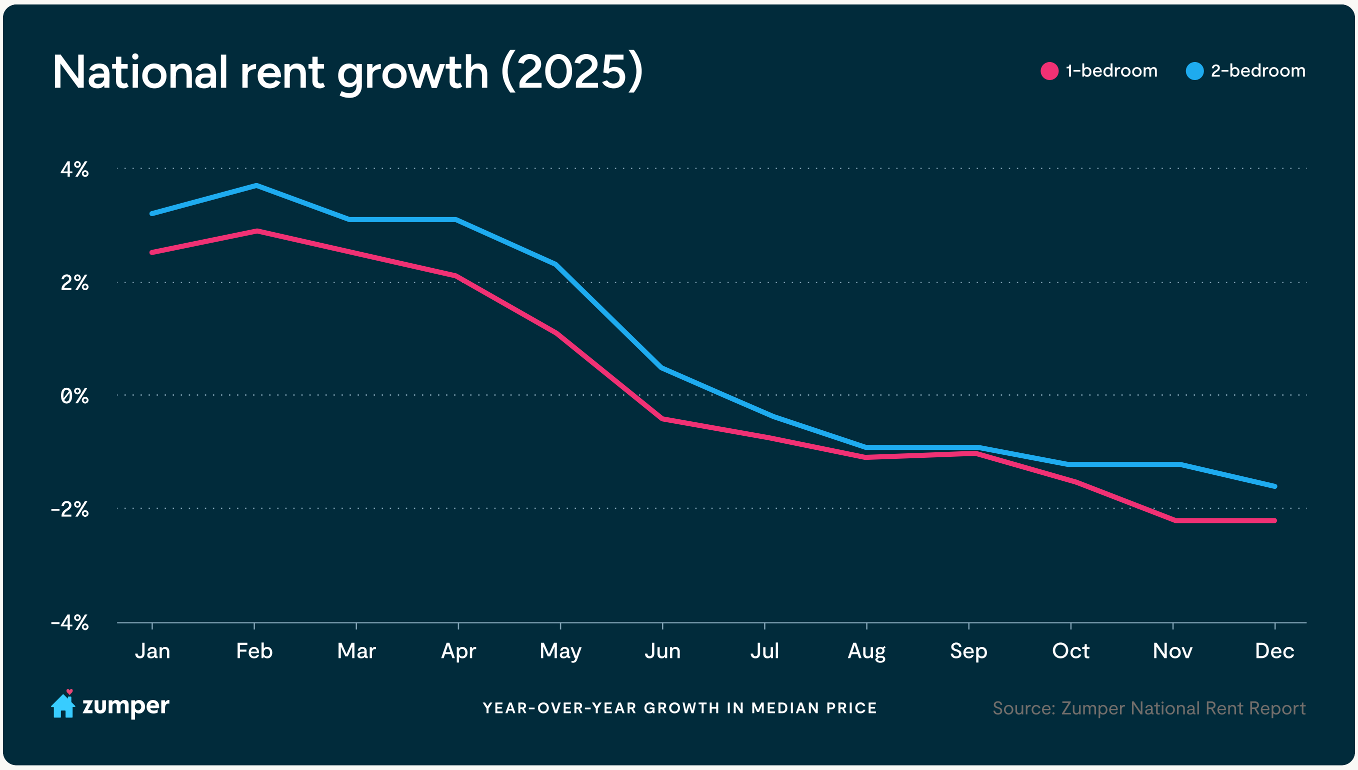
CONTENTS

INTRODUCTION

After two years of historic construction levels that delivered the most significant wave of new units in decades, 2025 marked a pivotal inflection point for the rental market. Supply that began flooding the market in late 2023 and accelerated through 2024 finally reached its peak, setting off a cooling cycle that stretched across much of the country. In many regions, especially the Sun Belt and Mountain West, the sheer volume of new units softened rent prices, elevated concessions, and significantly expanded choice for renters. Even some typically tight coastal markets, like those in Southern California, felt the ripple effects as renters gained more leverage and vacancy rates edged up from their post-pandemic lows.

But beneath the national averages, the U.S. rental market increasingly reflected a two-tiered economy this year: while many cities slowed as job markets softened, a small group of high-wage job hubs continued to accelerate.

“The impact of new supply was impossible to miss in 2025,” said Anthemos Georgiades, CEO of Zumper. “More units coming online meant more options for renters, and that naturally created a filtering-down effect in older stock. Concessions were plentiful, and renters gained more negotiating power. At the same time, we saw a rental market split in two. While many cities slowed under weaker labor conditions and abundant inventory, high-wage hubs like San Francisco and New York continued to accelerate as demand stayed anchored to strong job centers.”



National rent trends told a clear two-part story. In the first half of 2025, Zumper's National Rent Index remained positive on an annual basis, reflecting resilient underlying demand even as massive amounts of new supply were delivered. But by June, rents began to soften. That midyear inflection marked the start of a broader cooldown: annual rents were negative from June through December, an unusual pattern during the summer as this season is typically the most competitive for leasing. This unexpected shift reflected mounting economic pressures that reshaped renter behavior in the second half of the year. Job growth slowed, consumer confidence deteriorated, and household financial strain became more apparent. As a result, many renters opted to stay put rather than move, prioritizing stability over new leases. Property owners were left to navigate not just abundant inventory but increasingly cautious demand.

Against this backdrop, Zumper's 2025 Renter Survey reveals how these broader forces translated into lived experience. Affordability remains a key concern, especially in expensive coastal cities like San Francisco and New York, where rents have surpassed their pre-pandemic benchmarks.

More than half of surveyed renters are considered rent-burdened, and nearly two-thirds believe the U.S. is currently in a recession, capturing just how deeply economic uncertainty has shaped household decision-making.

Renters today are navigating a complex environment of increased choice, persistent affordability pressures, and broad uncertainty. This report explores those dynamics in depth, unpacking regional differences, behavioral shifts, and the evolving forces that will define the rental landscape heading into 2026 and beyond.

CPI and inflation data

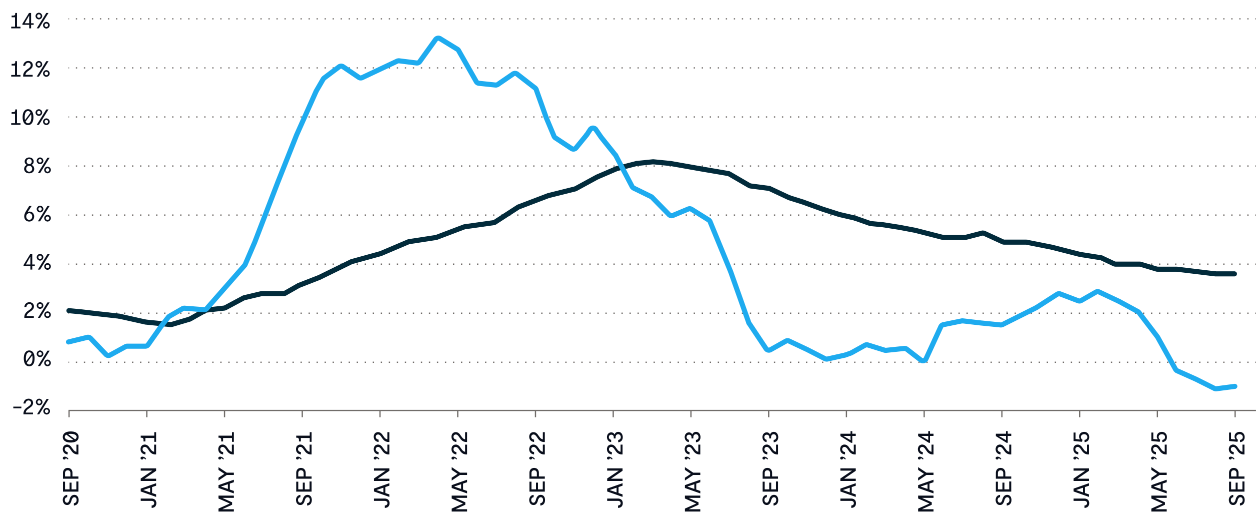
Zumper's rent data provides insights into where the Consumer Price Index (CPI) is heading. Produced monthly by the Bureau of Labor Statistics (BLS), the Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for goods and services, including rent. Since the Cost of Shelter CPI uses existing paid rents, among other data points, as part of its calculation, there is a lagging nature to the CPI's shelter cost component. Zumper's data, however, serves as a leading indicator of shelter cost as we measure true market rents.

Although the BLS has not yet published post-September CPI figures at the publication of this report, the latest available data shows shelter inflation rising 3.6% annually, its slowest pace in four years.

At the same time, Zumper's National Rent Index for September showed a 1% annual decline in one-bedroom rent, indicating that market softness is already well underway. Even with the CPI data cycle running slightly behind current conditions, the broader direction is clear. Both private and public indicators point to a notable cooling in housing inflation.

That trend has been reflected in the Federal Reserve's recent decisions. As of December 2025, the Fed enacted its third straight 0.25% rate cut, lowering the policy rate to 3.50%-3.75%, a sign that it views both inflation and shelter costs as easing enough to shift toward a softer monetary posture heading into 2026.

1-BR National index vs. shelter CPI



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Source: Zumper National Rent Report, U.S. Bureau of Labor Statistics

The state of the American renter

The 2025 Annual Renter Survey offers a detailed look at how renters are living today, and how those patterns are shifting. The share of renters living with non-family, non-partner roommates continued its steady decline, dropping to 19% in 2025 from about 22% in 2022. This trend mirrors a broader cultural shift: as The Economist has noted, singlehood in the U.S. has been rising for decades, reshaping household formation and what adulthood looks like for many Americans. Parental involvement also remained notable, with about 1 in 8 renters living with their parents and roughly 1 in 10 receiving help from parents to pay rent.

Renter living

As in previous years, renters continued to embrace their pets, with nearly half reporting that they are pet owners. These animal companions ranged from cats and dogs to more unconventional ones like lizards and iguanas. Preferences around living environments are evolving alongside those lifestyle choices. Access to outdoor space has become increasingly important, with nearly 20% of renters naming it a top-three priority when choosing where to live, up from 16.5% in 2023. Eco-friendly home features were also important to many, with about 1 in 4 renters identifying sustainability as a meaningful factor.

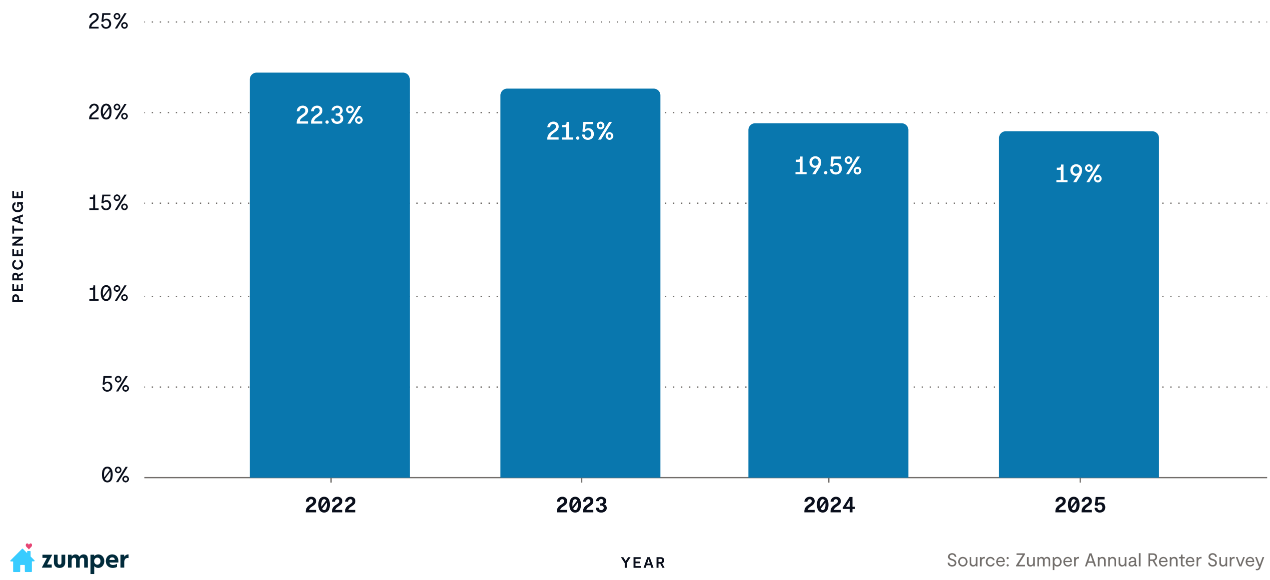
45% are pet owners

13% live with parents

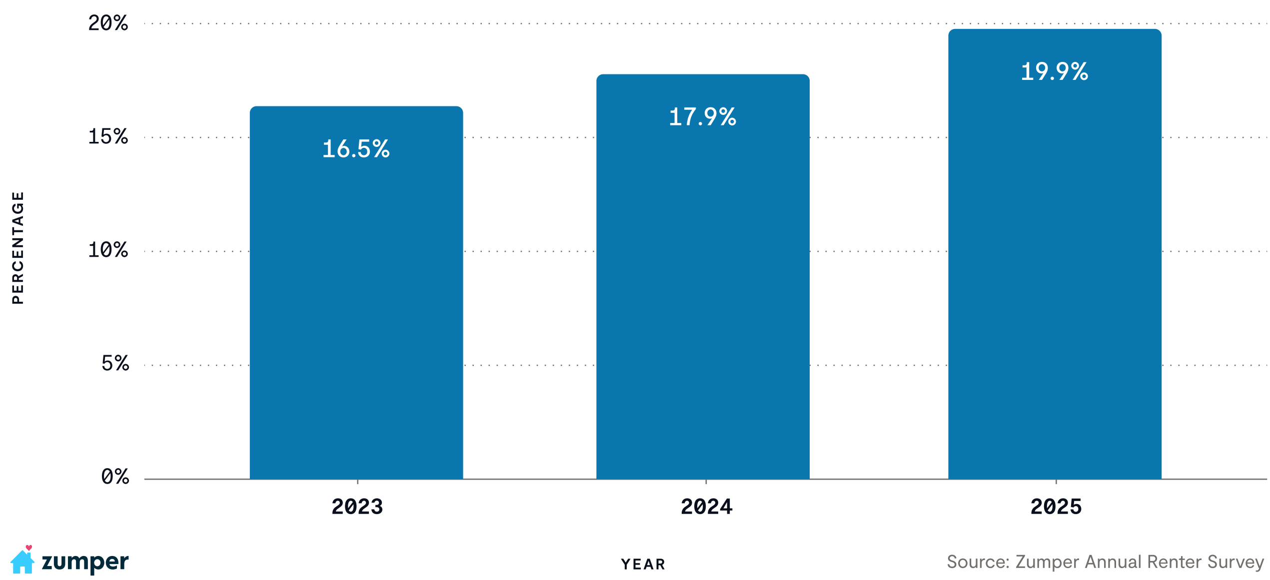
28% say eco-friendly features are important

9% have parents help pay rent

Renters who live with roommate(s)



Outdoor space ranked as top 3 priority



Migration and mobility

This year's top five U.S. markets renters reported they were moving to include three coastal hubs and two fast-growing Southern cities. Los Angeles topped the list, followed by Atlanta, New York City, San Francisco, and Charlotte. In California, Los Angeles' palm-lined streets, temperate climate, and lifestyle appeal made it a standout draw, while San Francisco attracted renters who wanted to live in the country's most dynamic AI and tech scenes. New York City's cultural depth and endless entertainment options continued to draw people in, though its high rents likely kept it from cracking the top two. Meanwhile, Atlanta and Charlotte offered a compelling balance of Southern charm, growing job markets, and strong affordability relative to coastal cities, making them increasingly popular landing spots for relocating renters.

Many of the top five markets renters moved to this year were also among the nation's largest job hubs, a trend that aligns with shifting work patterns. The share of renters who work exclusively from home has fallen sharply, dropping to about 12%, which is less than half the rate seen from 2021 to 2023. Additionally, 63% of respondents report a commute time of 30 minutes or less, and commute was the third most cited reason for deciding where to live. All of this together reflects the widespread implementation of return-to-office policies a few years after the beginning of the pandemic and helps explain why more renters are relocating to, or returning to, major employment centers. The fully remote era that defined the early 2020s has largely faded, and renters are once again gravitating toward cities where in-person career opportunities are concentrated.

Top cities

renters reported they are moving to (based on zip code data)

2025

RANK	CITY
1	Los Angeles, CA
2	Atlanta, GA
3	New York City, NY
4	San Francisco, CA
5	Charlotte, NC

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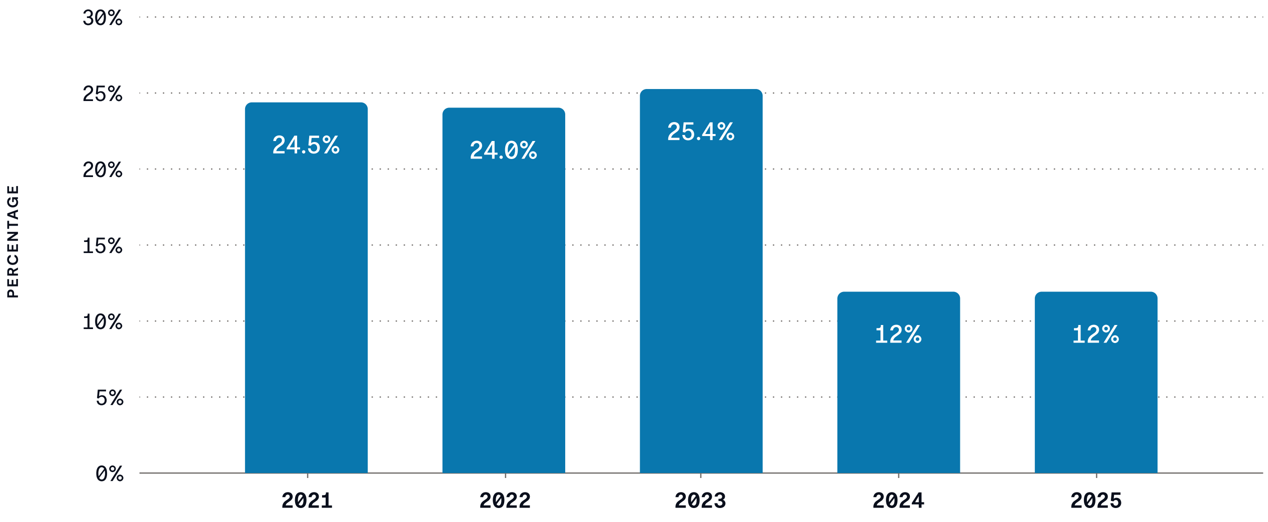
Source: Zumper National Rent Report

Renters who only work from home



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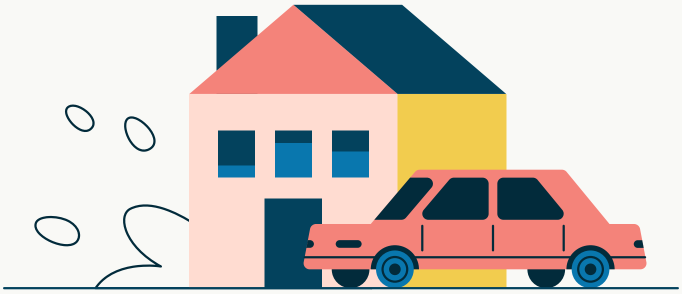
Source: Zumper Annual Renter Survey



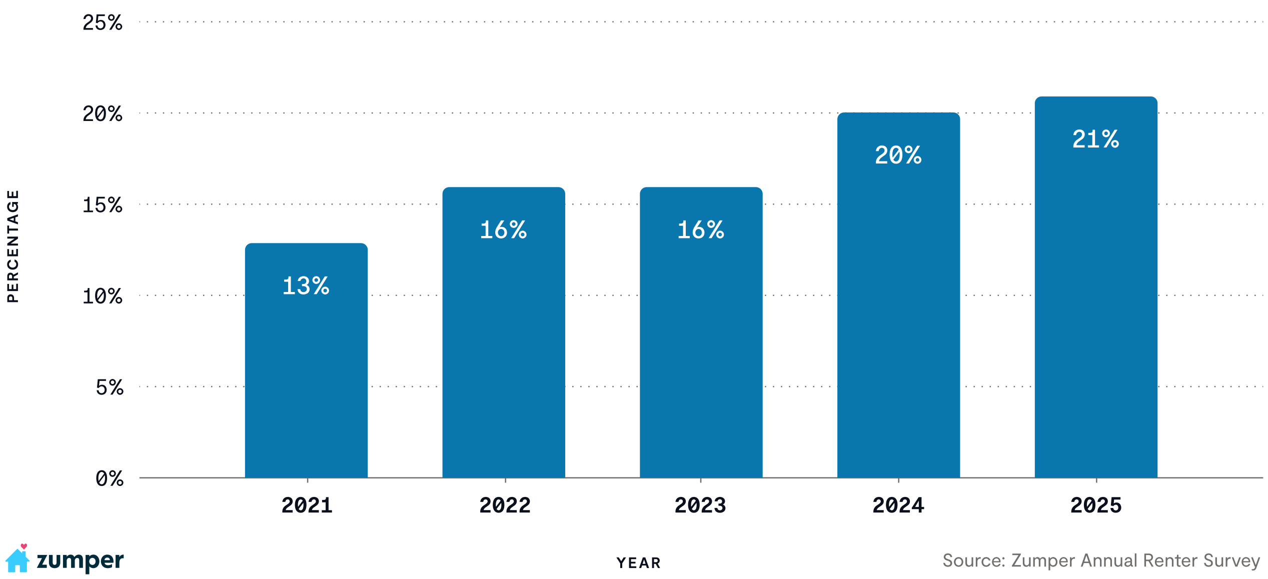
Finances and economic sentiment

Affordability remains one of the most pressing challenges facing renters in 2025. Our survey reveals that 59% of respondents are rent-burdened, meaning they spend more than 30% of their income on rent. This burden is widening the gap between what renters believe they should be paying and what they actually pay. On average, respondents felt that roughly 28% of their pre-tax income was a fair amount to allocate to rent, yet they reported spending closer to 40%. That 12-point gap underscores the growing mismatch between incomes and housing costs, even in a year when rents softened nationally. Additionally, about 1 in 5 renters cite lowering the cost of living as one of the main drivers of a move this year, up from about 1 in 8 in 2021. With such a large share of their paycheck going toward rent, many renters are struggling to build financial stability. Nearly three-quarters save 15% or less of their income each month, limiting their ability to build emergency savings or plan for future milestones.

Almost half carry credit card debt, and about one in four still face monthly student loan payments. Taken together, these financial pressures suggest that even modest improvements in rent prices are not enough to offset the broader affordability challenges renters face today.

- **28%** average % of income renters think should go to rent
- **40%** average % of pre-tax income they actually spend
- **59%** of renters are rent-burdened
- **72%** of renters save 0-15% of their paycheck every month
- **26%** of renters have student loans
- **45%** of renters have credit card debt

Lowering cost of living prompted a move



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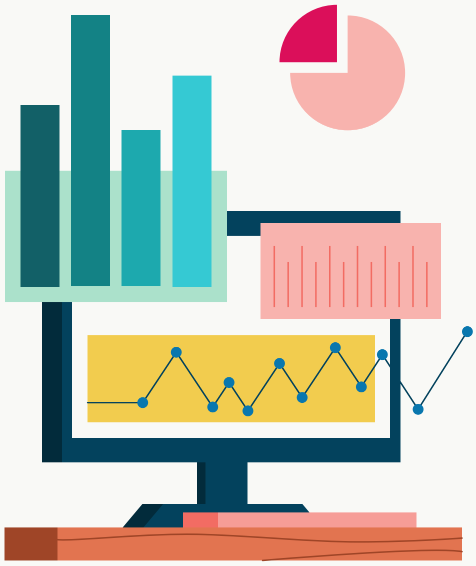
Source: Zumper Annual Renter Survey

Renter sentiment around the economy



While confidence in the economy has improved slightly compared to recent years, most renters remain uneasy about the broader financial landscape. The vast majority of respondents reported feeling either unsure or not confident in the state of the U.S. economy. That uncertainty is reflected in their perceptions: roughly two-thirds believe the country is currently in a recession and cite the high cost of living and inflation as the main drivers.

Economic volatility is shaping major life decisions as well. About 2 in 3 renters said rising interest rates discouraged them from buying a home in 2025, keeping more households in the rental market for longer. Many also reported that economic fluctuations have forced them to save less, further weakening their financial resilience and making long-term planning more difficult. The one silver lining is that 80% of renters reported feeling secure in their current job.

82% are unsure or not confident in the economy

62% say rising interest rates deterred them from buying a home

66% of renters think we're in a recession

68% claim fluctuations in the economy have caused them to save less

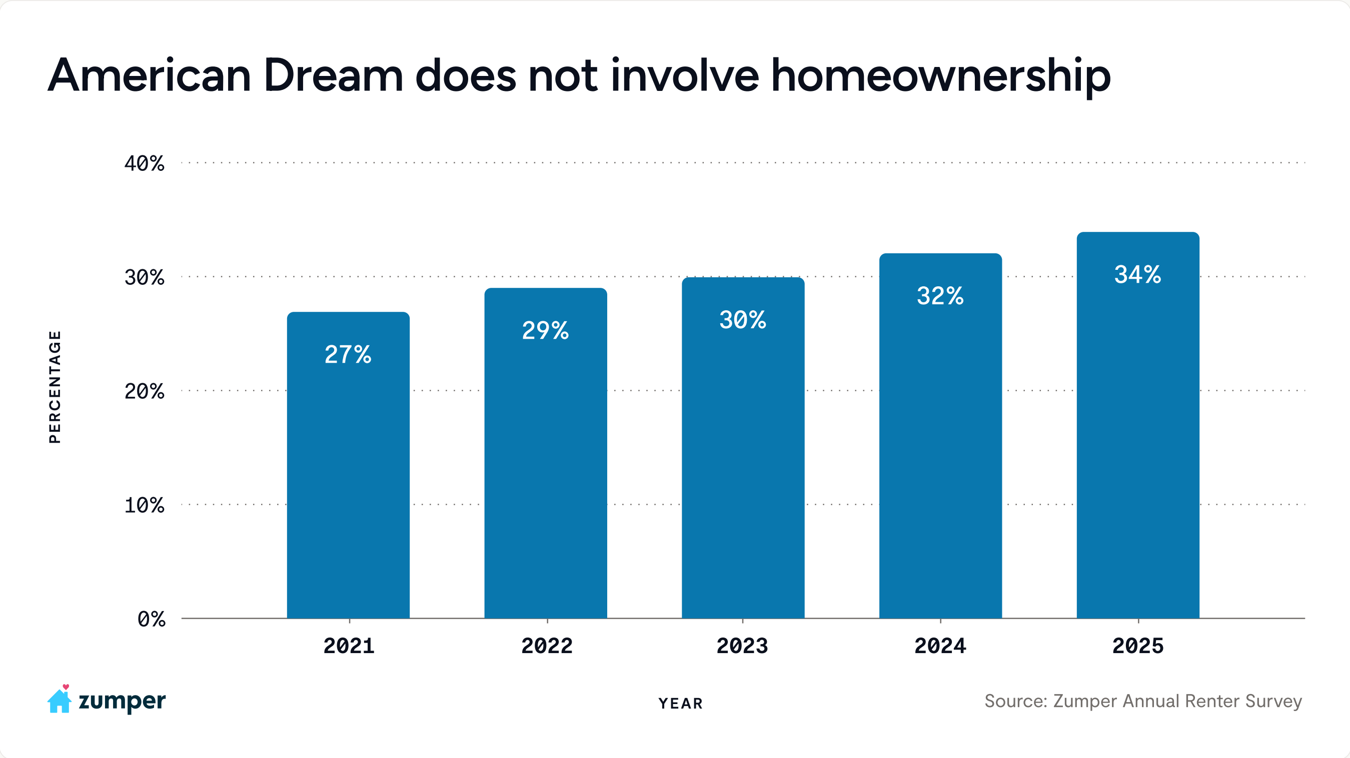
Homeownership as part of the American Dream continues to decline

The idea of homeownership as a core part of the American Dream has been shifting, and 2025 was no exception. This year, 34% of renters said they do not believe the American Dream includes owning a home, up from 27% in 2021. At the same time, the share of renters who believe the new American Dream is defined by being untethered from homeownership has steadily risen to 60% in 2025.

These shifting attitudes reflect both economic pressures and changing cultural values. With 76% of renters saying 2025 was not a good time to buy a home, and 30% reporting they never plan to buy at all, many are reevaluating what long-term security and success look like. Between high mortgage rates, elevated home prices, and broader affordability constraints, more renters are embracing flexibility over ownership, signaling a long-term redefinition of the American housing experience.

76% believe now is not a good time to buy a home

30% never plan to buy a home



Technology and renting

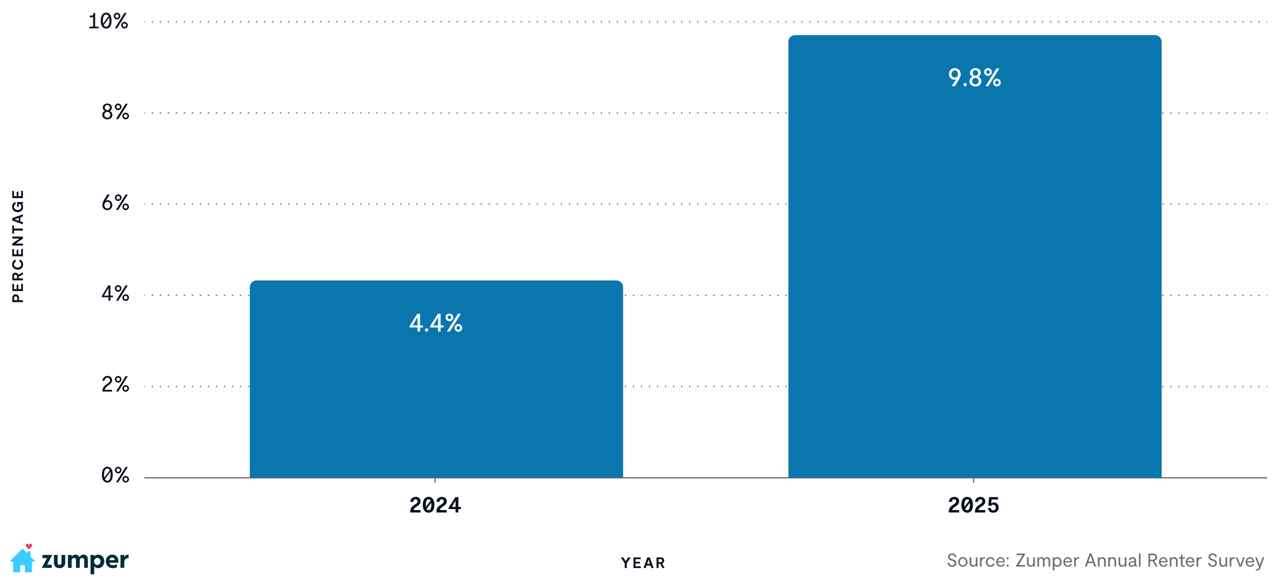
Digital payment tools are growing in popularity for how renters navigate the housing market, but traditional methods still have a significant presence. Nearly half of renters reported paying rent via digital platforms like Zelle or Venmo, signaling a continued shift toward faster, more convenient payment options. Yet cash remained the second most common method at 21%, followed by checks and money orders, underscoring that many renters either lack access to digital banking tools or rely on payment methods that offer greater perceived control. Credit cards were used least often, accounting for just 6% of payments.

Technology adoption is accelerating in other areas as well. AI usage during the rental search more than doubled this year, rising from 4.4% in 2024 to 9.8% in 2025.

Adoption is even higher in major coastal cities like San Francisco, New York City, and Los Angeles, where 13-15% of renters reported using AI tools such as ChatGPT during their rental searches. Virtual leasing has also maintained its foothold: 18% of renters signed a lease after only a virtual tour, a rate similar to last year.

18% signed a lease based only on a virtual tour

Have used an AI tool during their rental search



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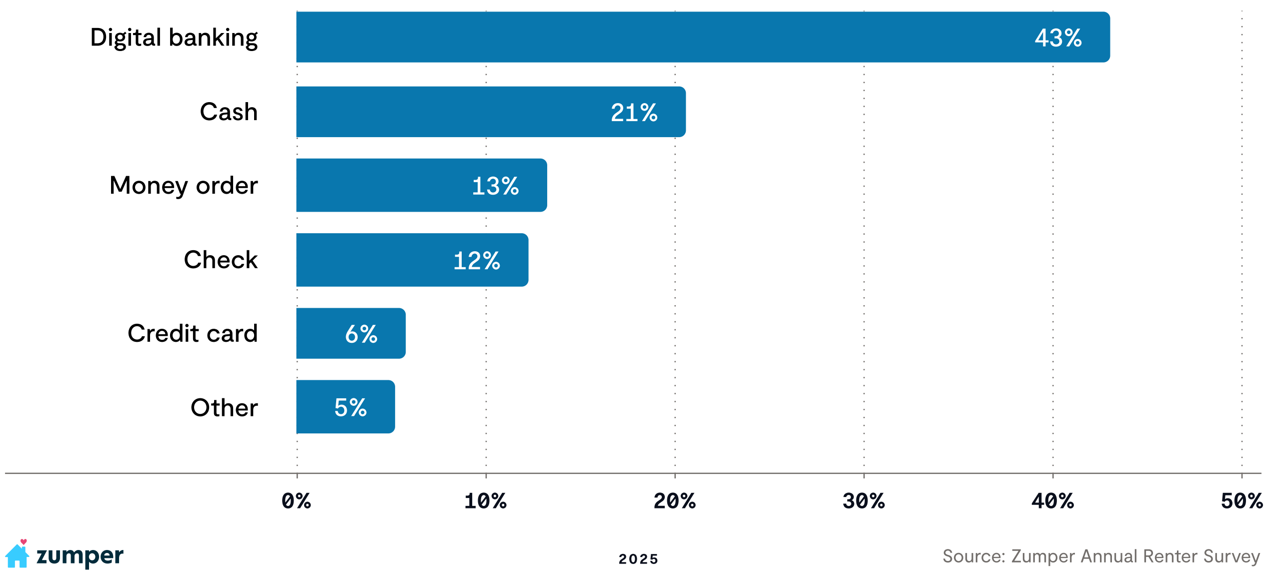
Source: Zumper Annual Renter Survey

How renters pay rent



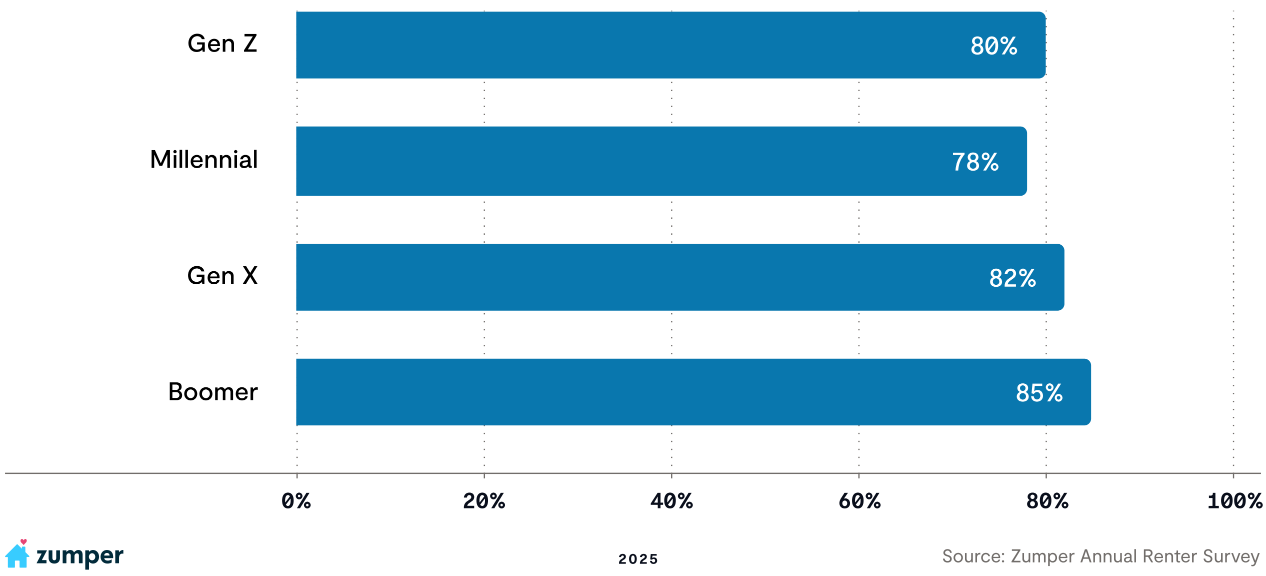
Generations at a glance

Breaking down the survey results by generation reveals distinct differences in attitudes toward homeownership and technology adoption. One of the clearest patterns emerged around homebuying: the older renters are, the less likely they are to say they plan to ever purchase a home. Older generations are also more likely to believe that the new American Dream is no longer tied to homeownership. This shift may reflect a combination of financial realism, exposure to multiple economic cycles, and a pragmatic reassessment of where long-term investments make the most sense outside of the for-sale market.

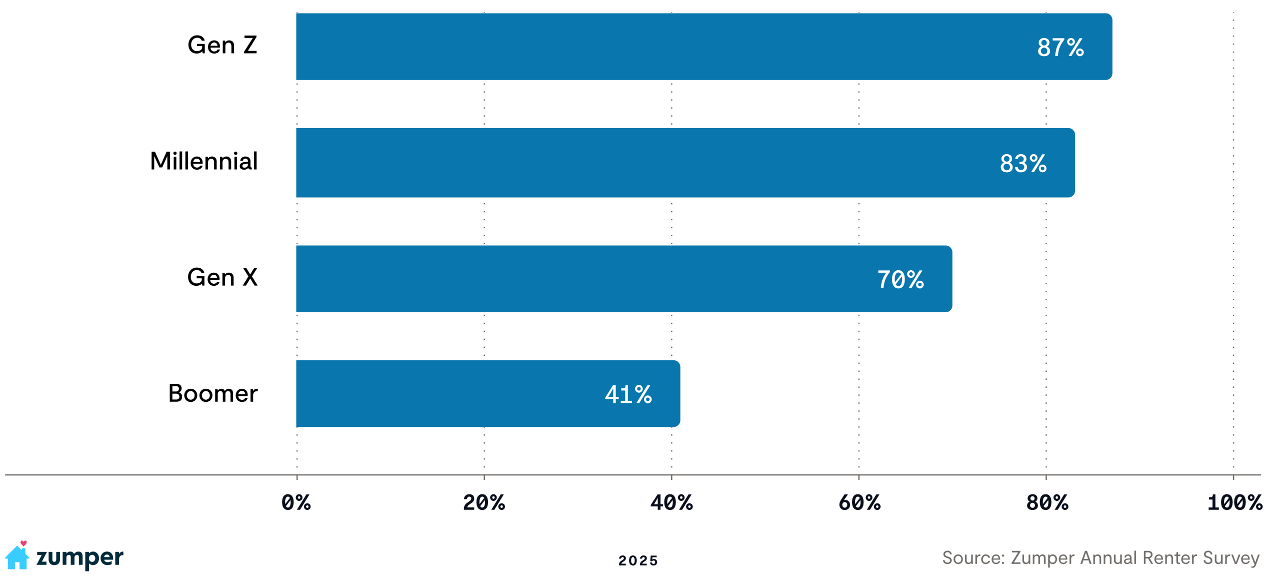
Generational differences also appeared in job confidence. Feelings of job security tended to rise with age, with Baby Boomers reporting the highest level at 85%. Millennials, meanwhile, stood out as the least secure among the four generational groups, potentially reflecting their exposure to multiple recessions, layoffs in key industries, and persistently high housing costs during their prime working years.

Technology adoption showed an equally significant generational divide. Younger renters, Gen Z and Millennials, were significantly more likely than older generations to embrace new-age digital tools during their housing search. The younger generations were more likely to sign a lease after only a virtual tour (21% of Gen Z and 22% of Millennials, compared to 18% overall), use a credit card to pay rent (10% Gen Z and 8% Millennials vs. 6% overall), and rely on AI tools like ChatGPT during their hunt for an apartment (20% of Gen Z and 13% of Millennials, compared to 9.8% overall). These differences suggest that digital-first rental behaviors are poised to grow as younger generations take a larger share of the rental market.

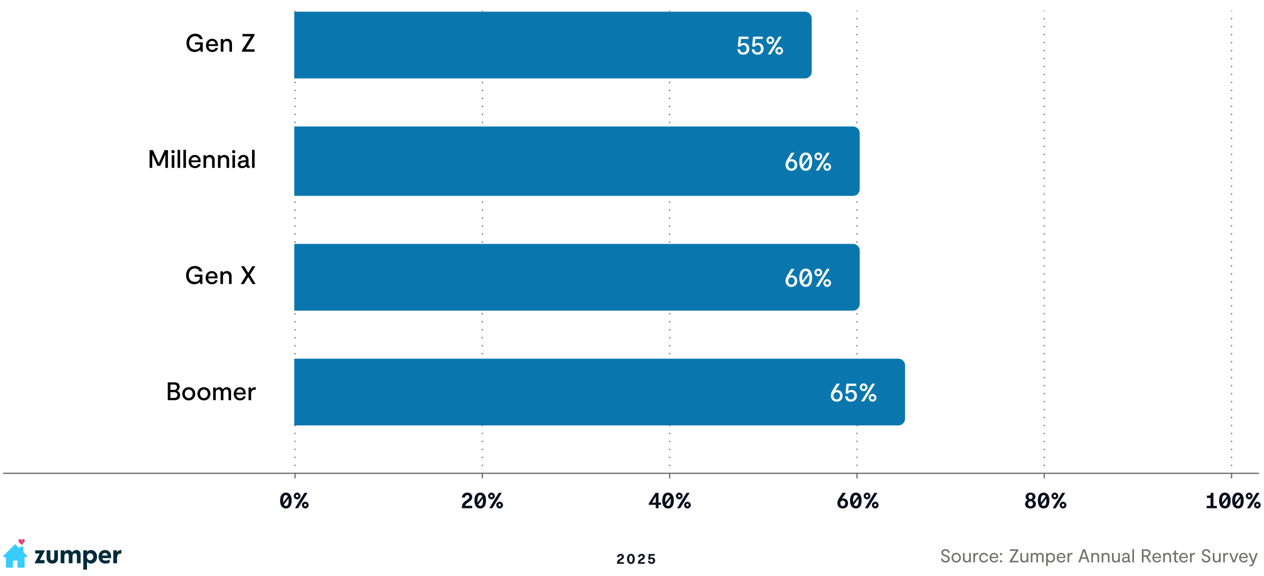
Feels secure in current job



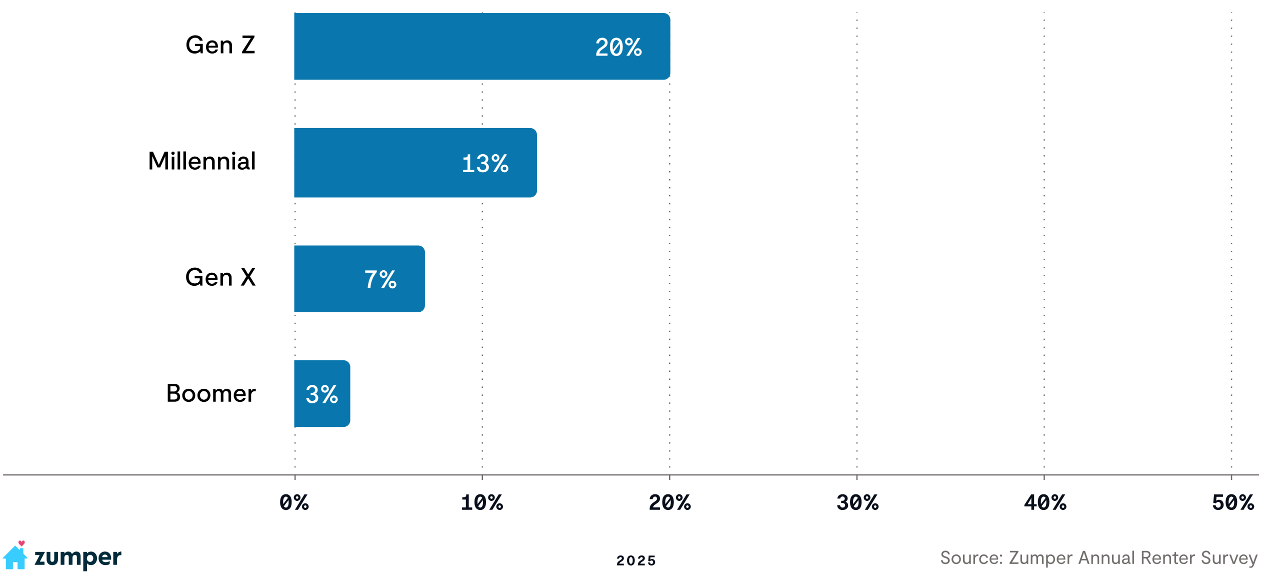
Plan to buy a home



New American dream is being untethered from homeownership



Used an AI tool during rental search



Regional trends

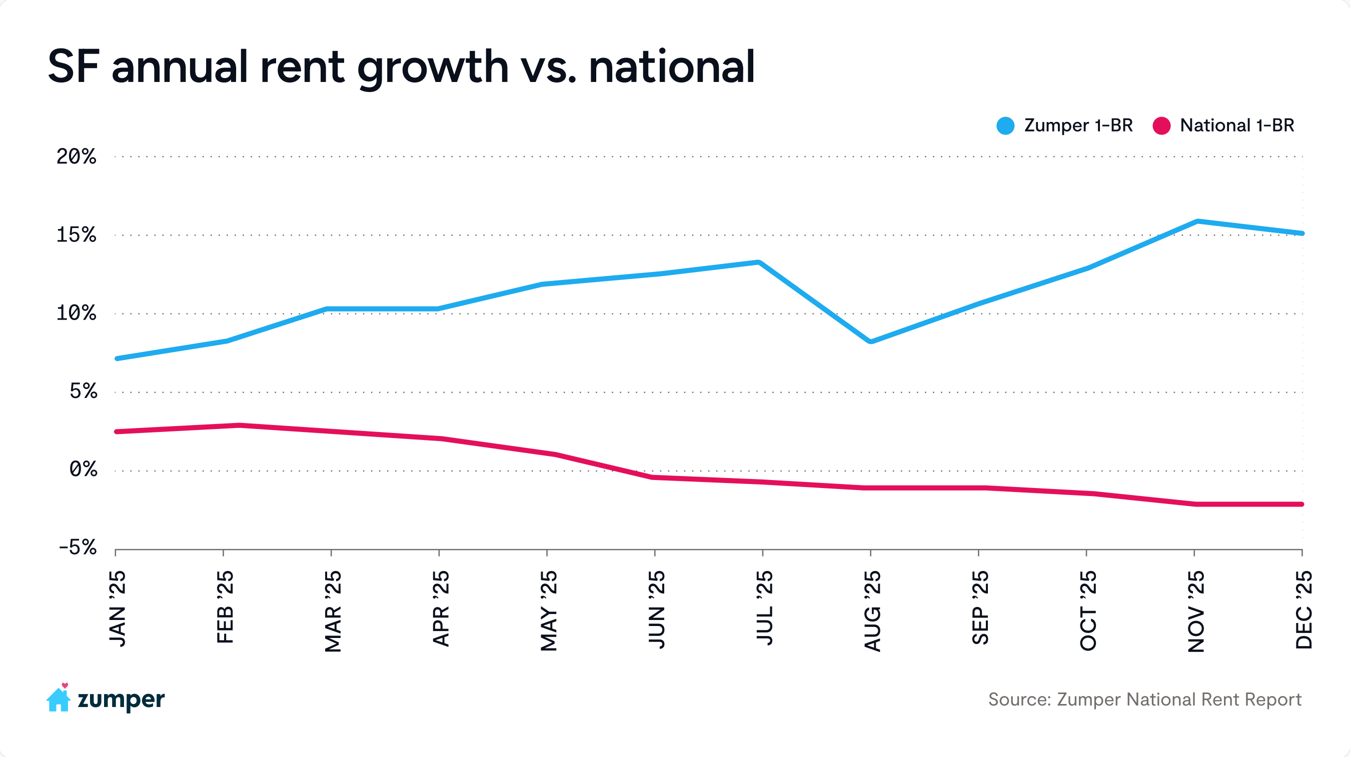
California

San Francisco's milestone year

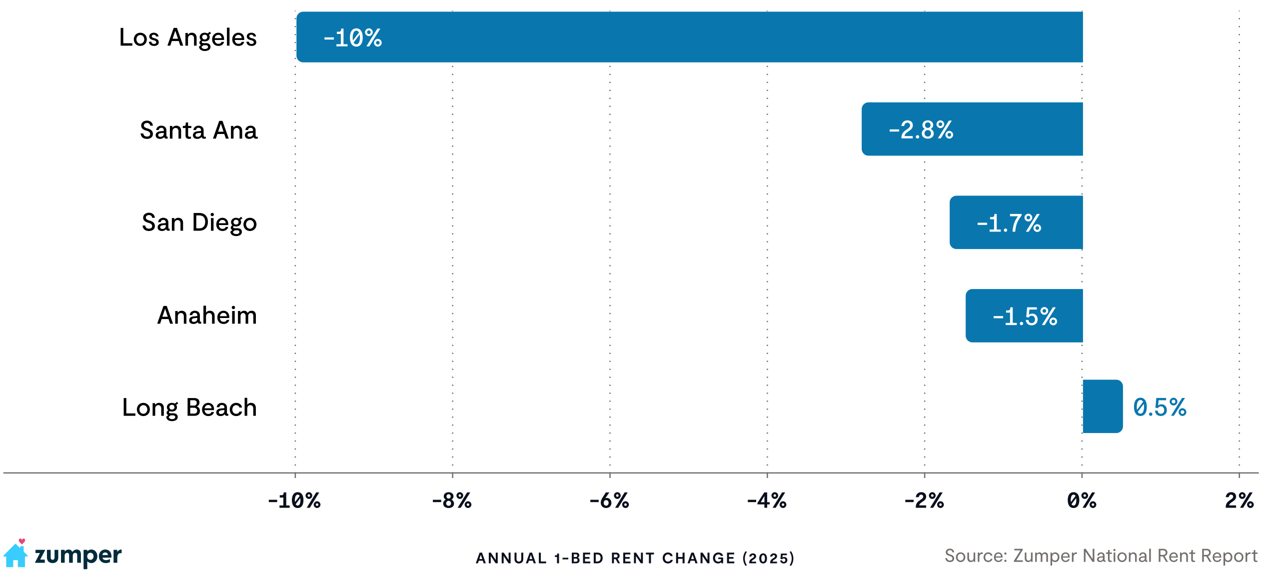
2025 was a milestone year for San Francisco. After years of pandemic-era declines, the city kicked off this year by reclaiming its position as the second-priciest rental market in the nation, a spot it had lost to Jersey City for about a year and a half. San Francisco also surpassed its pre-pandemic benchmark for one-bedrooms and set a new all-time high for two-bedrooms, which crossed $5,000 for the first time since Zumper began tracking prices a decade ago. Demand surged as the tech sector, particularly AI, expanded hiring and companies tightened return-to-office expectations, pulling workers back into the city. Vacancy rates fell to their lowest point in years, while office leasing hit multiyear highs. As a result, San Francisco is ending the year with one-bedroom rent up 15.1% annually to $3,500, and two-bedroom rent up 14.5% to $4,830.

Southern California on the decline

The picture could not be more different in Southern California. Los Angeles rent reached a historic high in January, $2,520 for one-bedrooms, but this was quickly overshadowed by consecutive months of annual declines driven by an unprecedented construction boom and waning demand. Los Angeles ended the year with one-bedroom rent down in the double digits, reflecting the city's 94% annual increase in new supply. Delivery volumes in other Southern California markets are exploding as well, with San Diego and Anaheim's delivery pipelines both expected to grow over 70% in 2026. With more supply scheduled and demand softening at the margins, SoCal markets appear headed for at least several more months of downward rent pressure, making the state's north and south divergence one of the most striking regional splits of 2025.



Annual rent changes in SoCal markets



Northeast

NYC rents reached all-time highs in first half of 2025, but market is now recalibrating

New York City spent most of 2025 pushing rent records higher. In April, one and two-bedroom rents peaked at all-time highs of $4,640 and $5,920, respectively, fueled by tight supply, strong population growth, and a resilient job market. Yet by late summer and fall, rents began to level off or decline slightly due to a surge in new supply, seasonal cooling, and shifting market behavior spurred by the FARE Act, which removed broker fees for renters.

Zumper's Chief Revenue Officer, Shawn Mullahy, who was previously a New York City principal broker, said this: "The FARE Act will push many NYC landlords to explore self-serve leasing models—relying more on internal teams, referrals, and digital platforms to fill vacancies without broker involvement. At the same time, it's likely to trigger downward pressure on existing broker fees as landlords absorb new costs and shift advertising budgets. This regulation isn't just a pricing change—it's a catalyst for leaner leasing operations, more direct landlord-tenant engagement, and a rebalancing of broker economics in the city's rental ecosystem."

Meanwhile, demand spillover continued into Jersey City and Newark, especially early in the year, though Jersey City later saw steep rent declines due to its own aggressive construction cycle.

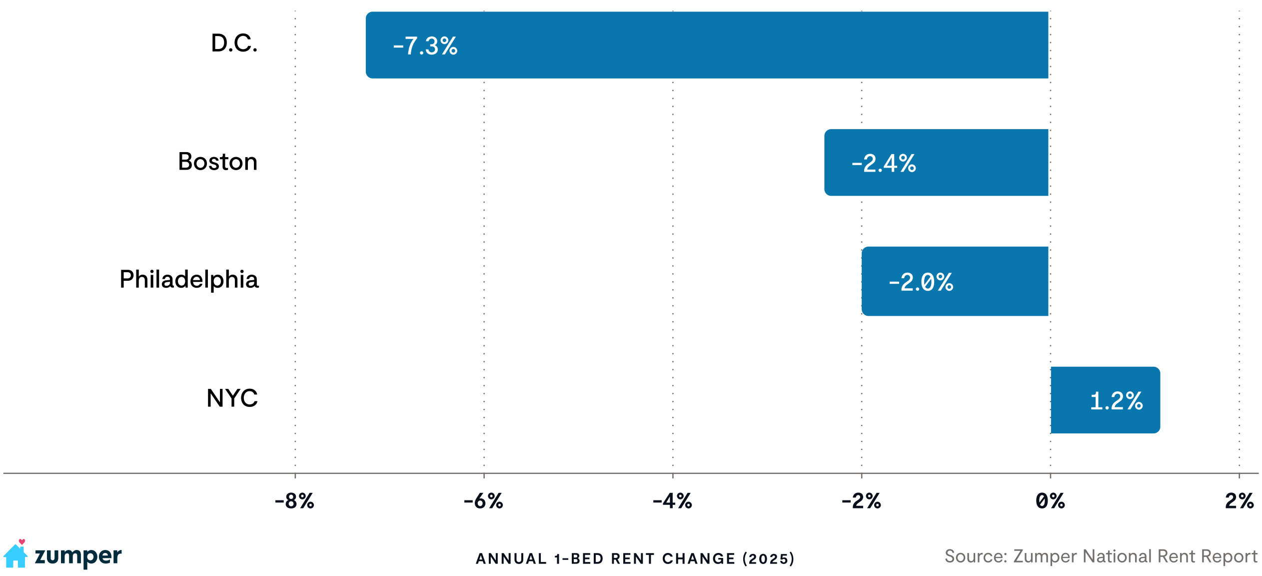
D.C.'s rental market losing momentum

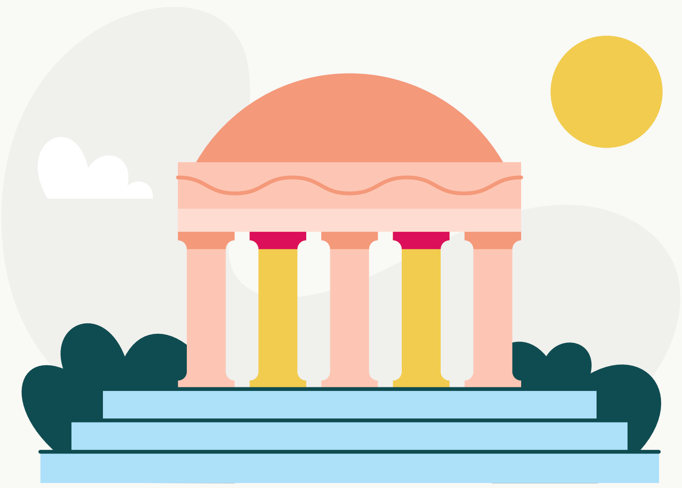
D.C. one-bedroom rent ended 2025 down 7.3% year-over-year, pushing the city out of the top 10 rankings in November. The rental market had already been modestly cooling following the DOGE cutbacks earlier this year, and the recent government shutdown added another headwind to a supply-demand dynamic that was already weakening. Neighboring Arlington, VA wasn't immune either, with one-bedroom rent down 2.5% annually this December, reflecting broader downward pressure across the D.C. metro area.

Boston and Philadelphia see cooling prices after years of intense competition

Boston and Philadelphia saw modest rent declines in 2025, both ending the year with one-bedrooms down about 2%. This cooling reflects a mix of new apartment construction, high mortgage rates, and high home prices keeping potential homebuyers out of the for-sale market, and economic uncertainty that has tempered household formation and slowed post-pandemic migration. Vacancy rates have begun to rise in Boston, prompting more property owners to offer concessions and competitive pricing, a notable shift from the hyper-competitive conditions seen in 2020-2022. Renters now have more options in markets that were once defined by chronic undersupply and bidding wars.

Annual rent changes in Northeast cities





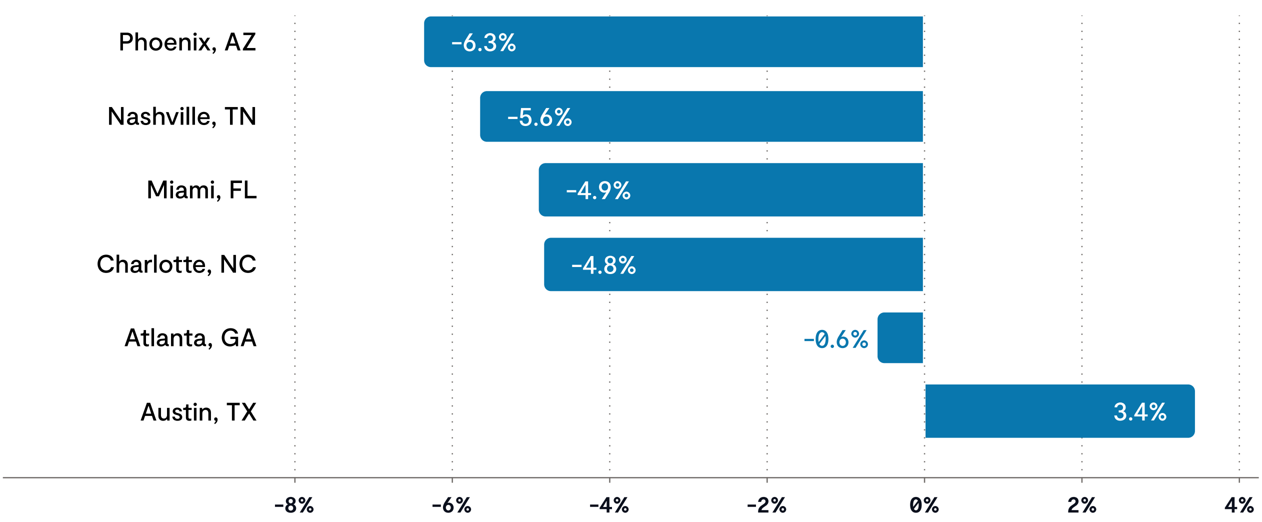
Sunbelt

Sun Belt rent declines ease as the region shows first signs of stability

Sun Belt markets saw some of the steepest, double-digit declines in 2024, and while rents continued to fall in 2025, the pace of declines has slowed. This reflects a region still digesting record-breaking construction, but finally seeing some demand begin to catch up.

While most Sun Belt cities still ended the year with declining rents, Austin began showing early signs of stabilization, with annual rent growth rebounding by over 3% in December. Slowing but still meaningful job growth, early absorption of new supply, a moderating construction pipeline, and steadier migration patterns after two years of intense churn are major contributors to this stabilization. While Austin still has excess inventory to work through, it is one of the first Sun Belt cities to move back into positive territory, hinting at the region's broader path toward balance.

Annual rent changes in Sun Belt cities



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Source: Zumper National Rent Report

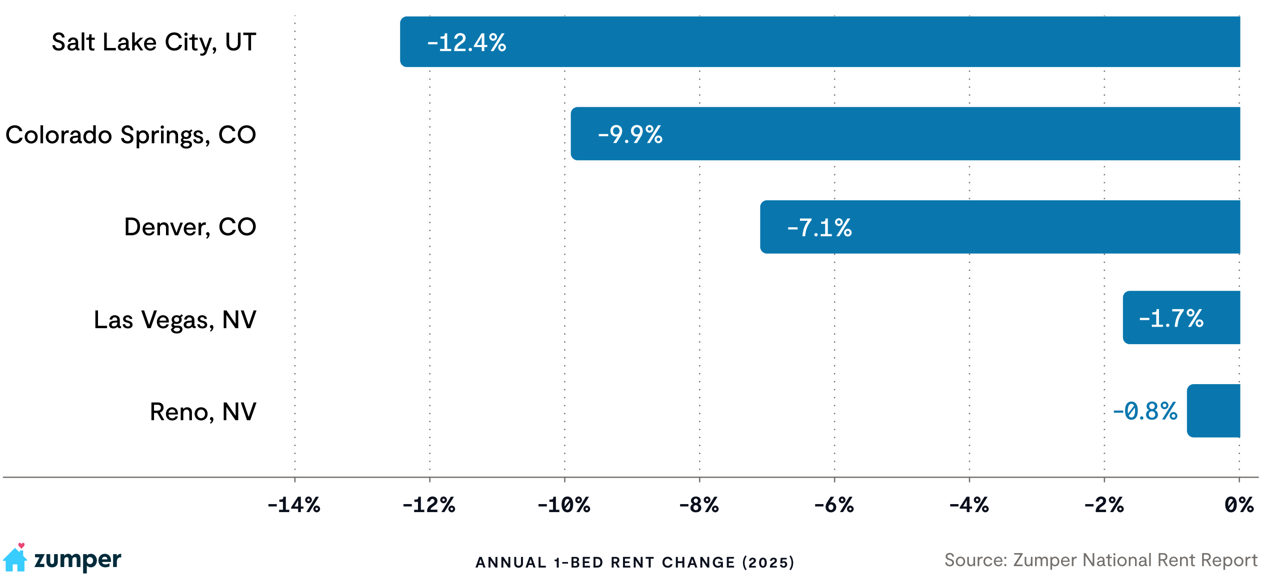
Mountain West

Mountain West defined by steep rent drops

The Mountain West experienced some of the most significant rent declines in the country this year. Salt Lake City ended 2025 leading the region in annual rent declines, down 12.4%, followed by Colorado Springs and Denver, with rents down 7-10%. Las Vegas and Reno posted smaller decreases, each under 2%, but still reflected the broader cooling trend. A major driver of this softening is the scale of new construction. This region added nearly 77,000 new units in early 2025, the second-highest inventory growth rate nationwide. This surge of new construction has pushed vacancy rates higher and depressed rent growth across the area.

Cities like Phoenix and Salt Lake City are facing sustained downward pressure, with even more units slated for delivery in 2026. Meanwhile, local market dynamics are compounding the slowdown in certain areas. Las Vegas, for example, has moved past its peak construction period, but is now contending with slower job growth and weaker in-migration, both of which will continue to moderate rent growth.

Annual rent changes in Mountain West cities



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Source: Zumper National Rent Report

2026 forecast

Construction slowdown will tighten the market, but national rent growth will be modest

After two years of record completions, construction starts have fallen sharply, down significantly from 2023 levels. This declining pipeline means that while renters enjoyed a rare stretch of bargaining power in 2024-2025, the window may start to close toward the back end of 2026 as supply tightens. However, national rates likely won't spike but will move in a narrow band, roughly flat to low single-digit growth, with more volatility at the regional level. Markets with the fastest declines in new development, particularly on the coasts, will likely see the earliest upward pressure on rents.

Demand in coastal, job-dense cities will remain elevated

As return-to-office policies solidify and employers continue expanding their urban footprints, cities like San Francisco and New York City are likely to see continued intense demand. These markets entered 2025 with spiking rents, and their limited pipelines mean any uptick in demand quickly translates into tighter vacancies and higher prices.

Growing popularity of longer leases & higher renewal rates

With consumer confidence still fragile, moving costs elevated, and the labor market softening, more renters, especially in high-cost markets, are likely to renew their leases rather than relocate. Affordability pressures are also pushing renters to lock in stability where they can. As a result, we expect a growing share of households to opt for longer lease terms, such as 24-month or multi-year agreements, to secure predictable housing costs.

Increased adoption of AI tools for renters & property owners

AI is poised to play a far more central role in the rental search experience in 2026. With the rollout of AI-powered assistants, like Zumper's Zoe, or Zumper's ChatGPT plugin, renters will increasingly rely on intelligent tools to streamline their search, book tours, and get immediate answers to questions. These tools reduce friction, shorten the discovery process, and offer renters a level of personalization that traditional search platforms were not previously able to.

Property owners and leasing teams will continue to adopt AI as well. Tools such as Zumper's AI-generated highlight reels and Powerleads AI, which analyzes renter behavior to predict the likelihood of a lease, will become more standard. These technologies will help teams operate leaner, improve conversion rates, and keep up with increased competition in high-supply markets.

The rise of micro-living

With construction costs rising and average unit sizes shrinking, developers will double down on high-impact, lifestyle-driven amenities to differentiate their buildings. Expect amenities like steam rooms and saunas, bowling alleys, immersive fitness studios, podcast rooms, and pet offerings like dog runs and bathing stations.

METHODOLOGY

For Zumper's 2025 annual renter survey, a total of 6,019 respondents aged 18+ from all 50 U.S. states, as well as Washington, D.C., were surveyed from July through September 2025. The survey was sent to Zumper and PadMapper users based in the United States and shared among their family and friends. All responses were gathered online, with a monetary incentive of the chance to win one of four $500 cash prizes. Zumper derives rental data from the listings on its platform. A full methodology on the rental data can be found here.