

Redfin Report: America's Renter Population Is Growing Three Times Faster Than Its Homeowner Population Amid Rise in Homebuying Costs

Los Angeles, San Diego and New York have the highest shares of renter households, while Worcester, MA, North Port, FL and Albany, NY have the lowest

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — The number of renter households in America grew 1.9% year over year in the second quarter to a record 45.2 million, according to a new [report](#) from Redfin (redfin.com), the technology-powered real estate brokerage. That's over three times faster than the number of homeowner households, which grew 0.6% to a record 86.3 million.

The number of renter households grew at the second-fastest pace since 2021, while the number of homeowner households grew at the slowest pace since 2019.

Growth in the number of renter households hit a peak of 2.8% in the first quarter of 2024. That was the largest gain since 2015.

This is based on a Redfin analysis of U.S. Census Bureau data going back to 1994. A renter household is defined as one where the head of the household reports to the Census that they are renting out the property, while a homeowner household is one where the head of household reports they own the property. The number of homeowner and renter households are both at record highs because the U.S. population is at a record high.

Renter households have formed faster than homeowner households for three straight quarters, partly because homebuying costs have risen much faster than rents.

The median apartment asking rent increased [less than 1%](#) year over year in June, while the median monthly mortgage payment jumped roughly 5%. Asking rents were 23% above pre-pandemic (June 2019) levels, while mortgage payments were 90% above pre-pandemic levels. Mortgage payments climbed because home prices hit a [record](#) high, and mortgage rates, while below their recent peak, were more than double the all-time low hit during the pandemic. While homebuying costs did come down a bit in July, that has [yet to bring buyers](#) off of the sidelines.

"The cost of both renting and buying a home has skyrocketed in recent years, but the affordability crunch isn't quite as severe in the rental market. That's because America has been building a lot of apartments to [keep pace](#) with robust demand from renters," said Redfin Senior Economist Sheharyar Bokhari. "The country's leaders should heed this lesson when considering how to improve affordability in the homebuying market: When there's more

housing to go around, prices don't increase as fast."

It's important to note that while rents aren't growing as quickly as homebuying costs, finding an affordable place to live is still a challenge for many renters. June's \$1,654 median U.S. asking rent was the highest since October 2022 and only \$46 below the all-time high. Nearly [two in five](#) renters don't think they'll ever own a home.

Renters may be able to find deals in Austin, TX and many parts of Florida, where rents are [falling](#), but Florida faces intensifying risk from natural disasters and an insurance [crisis](#).

America Has Been on a Multifamily Building Spree, But That Could Come to an End Soon

America has added a lot of renter households over the past year—855,000, to be exact. But it also has ramped up construction, which has helped accommodate that rise in demand and limit rent growth. The country is adding new multifamily housing units at an annual rate of 563,000 (as of the second quarter)—the second fastest pace in records dating back to 1994. The fastest pace was in the first quarter of 2024.

America still faces a housing shortage, but the recent boom in multifamily construction has helped narrow the gap. Multifamily building completions are at historic highs because many projects started during the pandemic housing frenzy are just now being finished. But it's worth noting that multifamily building permits and starts have [slowed](#) significantly, which could cause asking rents to jump again in the coming years.

Over Half of Households In Los Angeles Rent—the Highest Rate in the U.S.

Nationwide, just over one-third (34.4%) of households in the U.S. are renter households—a figure that has remained fairly steady over time. The share is much higher in coastal metros where it's expensive to buy a home.

Los Angeles has a rentership rate of 53%—the highest among the 75 largest U.S. metropolitan areas. It's followed by San Diego (52.4%) New York (50.1%), Fresno, CA (49%) and Austin, TX (46.3%). Fresno is the outlier in the group; it's not nearly as expensive as, say, Los Angeles or San Diego. But over 20% of residents in Fresno County live below the poverty line—nearly double the statewide share—making it challenging for many people to own a home.

Rentership rates are lower than average in parts of the country where it's more affordable to buy a home. In Worcester, MA, 23.2% of households are renter households—the lowest share among the metros Redfin analyzed. It's followed by North Port, FL (23.3%), Albany, NY (25.6%), Rochester, NY (25.7%) and Syracuse, NY (26.2%).

To view the full report, including charts, please visit: <https://www.redfin.com/news/renter-household-growth-2024>

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