



National Rental Report

First Quarter of
2023





Methodology

The National Rental Report produced by HouseCanary summarizes the state of the single-family detached rental market by aggregating key metrics at the state and Metropolitan Statistical Area (“MSA”) levels.

As a national brokerage, HouseCanary leverages data and analytics summaries to include key statistics for 46 states and 204 metropolitan areas. The data and analytics include 3rd party listings received from MLS providers that are normalized and appropriately cleaned to accurately reflect the trends currently happening in the SFR space.

This report is run at a quarterly cadence in order to capture the quick changes that can occur in a volatile market which has been experiencing record level growth and prices over recent years.

While the Rental Report is a nationwide snapshot of the health of the market, detailed rental statistics are available for 204 MSAs for SFR investors looking for insights into specific markets.

For more information or to schedule a demo, please contact sales@housecanary.com.

The State of the Single-Family Rental Market

Following a year of consecutive rate hikes from the Federal Reserve and recent U.S. bank collapses, **the national rental market has experienced overall increases in median listings, prices and days on market compared to the same periods in recent years.** The uncertainty of where the housing market is headed has slowed down property acquisitions heavily, resulting in potential buyers minimizing risk by looking towards the single-family rental market.

Despite SFR inventory returning to pre-pandemic levels over the past two years, **high mortgage rates, low inventory on the purchase side, uncertainty about the direction of the market and lagging new construction completions all increase the demand for rentals.** These factors are forcing potential homebuyers into the rental space and outpacing the increase in inventory.

After a thorough analysis of the aggregated insights and data including listing volume, new listings and median listing price information for 46 states and 204 individual MSAs, HouseCanary's State of the Single-Family Rental Market: Q1 2023 explores the trends shaping the U.S. rental market across the nation's top 79 MSAs with the most rental market activity.

What seemed like a never-ending trend of increasing interest rates has actually hit a two-month low in Q1 2023, and is expected to continue a slow trend downwards.

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Mortgage rates are now above 6%, causing demand and future demand for purchases to stabilize, according to the Mortgage Applications Index from MBA. With demand being at historically low numbers, potential home buyers waiting on the sidelines are **increasing the demand for rentals.** Additionally, given that rent inflation has such a significant influence on overall inflation, a decline in rent inflation will have to come from apartments and multifamily in order to bring some relief to overall inflation.

It is essential to keep a close eye on the inflation rate in the coming months to determine whether these trends will persist or whether there will be a shift in the market. A senior member of the Federal Reserve's governing board recently expressed that inflation "is still much too high and so my job is not done." If the other members share the same sentiment, the Federal Reserve could continue to raise interest rates. This can continue to push the demand for rentals upward as economic uncertainty continues to influence the real estate market and limit the inventory on the purchase side of the market.

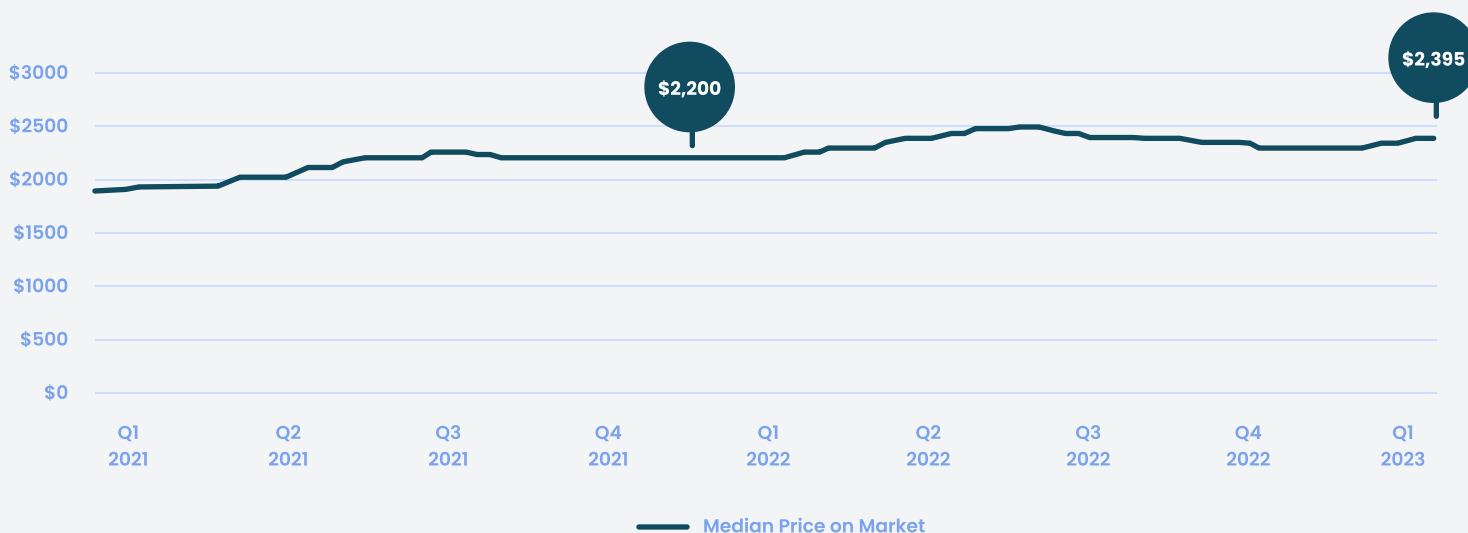
The national average of rent prices in the next three to six months will be a key indication of how inflation rates have affected the market. According to data collected in recent years, we can see that the lowest prices are usually observed around the end of January and the highest at the end of July. In the absence of any major deflationary factors, **we can expect a similar seasonal upward trend in rental prices until July 2023.**

National Analytics Snapshot for Single Family Listings – End of Q1 2023

The seasonal price cooling seen at the end of 2022 quickly reversed heading into Q1 2023. Would-be homebuyers who were waiting for prices to cool in the purchase market, as well as waiting out high interest rates and purchase price uncertainties, have continued to shift the market, resulting in an increase to the median price of listings, which have reached multi-year highs. At the close of Q1 2023, **the median national rent was \$2,395, a 19.75% increase since the same period in 2021 and a 6% increase since the same period in 2022.** Additionally, there was a weekly average of 64,210 listings on the market (+75% YoY).

As the Federal Reserve continues to hike rates, rental prices are not expected to cool despite the increased number of listings. **Furthermore, inventory is unlikely to keep increasing and will likely remain steady or start coming back down slightly over the coming year.**

Median Price on Market (National)



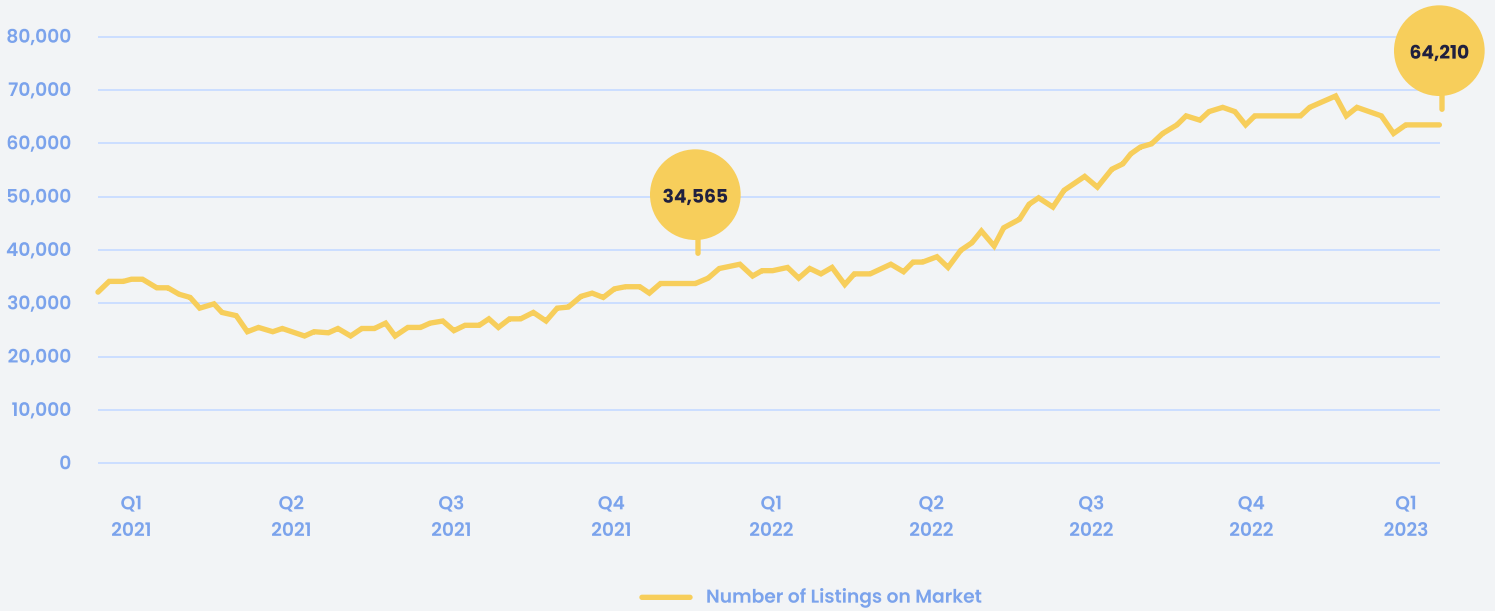
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Inventory is unlikely to keep increasing and will likely remain steady or start coming back down...

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Number of Listings on Market (National)



Median Days on Market (National)



Median National Rent and Days on Market

by Bedroom for Single Family Listings

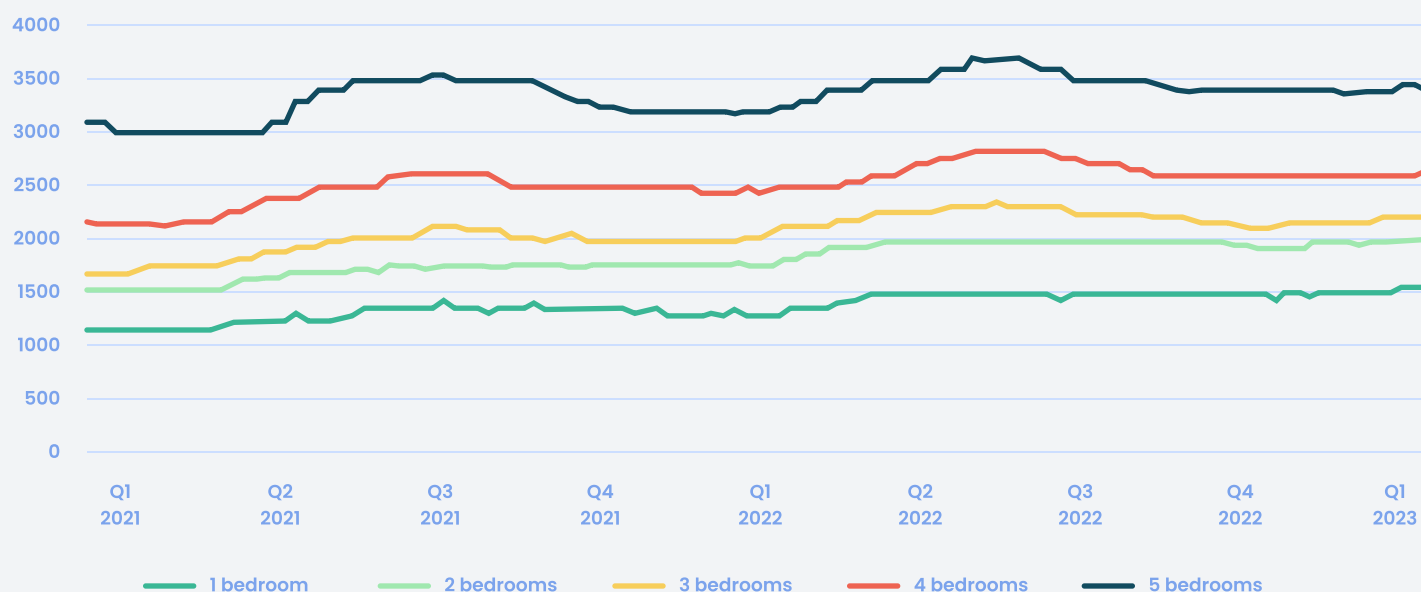
By the end of Q1 2023, **rental properties stayed on the market for an average of 30.4 days**, roughly a 43.4% increase since the same period in 2022 and a 12.6% increase since Q4 2022. Despite increasing supply, rental prices continue to remain high which can be seen by a **6% YoY increase in rental prices at the end of the first quarter of 2023**.

Regardless of the number of bedrooms, all rentals saw a YoY increase in price with the highest increase being 1 bedroom, which saw a 10.8% YoY increase. As observed in recent years, the lowest priced rentals will continue to experience the largest YoY price gains. In an inflationary market, the lowest priced options will have the highest demand as renters look for more affordable options to offset overall price increases across all goods.

Q1 2023 by the Numbers

Bedroom Count	Median Price	Median Days on Market	YoY Price Change
1	\$1,511	29	+10.8%
2	\$1,994	30	+8.9%
3	\$2,165	29	+6.1%
4	\$2,599	31	+5.1%
5	\$3,405	33	+5.6%

Median Price on Market (Q1 '21 - Q1 '23)



Largest Annual Increase

Average Days on Market

In the last year, **Days on Market increased by more than 50% in over 35 MSAs**. Although median prices have been increasing all around, the average days on market in Q1 2023 remains significantly higher compared to Q1 2022. Most notably, the **Southeast areas of the United States (e.g. New Orleans–Metairie, LA; Raleigh, NC; Durham–Chapel Hill, NC) experienced some of the biggest increases YoY**, making up 8 of the 10 MSAs with the largest annual increases in average Days on Market.

Similar to the trends predicted for inventory, it is unlikely that Days on Market trends will experience such large increases again year after year. **Days on market are expected to remain steady or start trending downwards slowly**.

Days on Market

Largest Annual Increases (by MSA)

MSA	Q1 2022	Q1 2023	% Change
New Orleans–Metairie, LA	12	33	+175%
Raleigh, NC	21	56	+167%
Durham–Chapel Hill, NC	20	48	+140%
Denver–Aurora–Lakewood, CO	18	43	+139%
Memphis, TN–MS–AR	19	45	+137%
Ocala, FL	14	30	+114%
Pensacola–Ferry Pass–Brent, FL	12	25	+108%
Jacksonville, FL	19	39	+105%
Baton Rouge, LA	19	37	+95%
Riverside–San Bernardino–Ontario, CA	18	34	+89%

Largest Annual Decrease

Average Days on Market

While many MSAs saw heavy annual increases in Days on Market, only a few experienced notable decreases or significantly slower increases. **The East Coast of the U.S. saw the largest decrease in Days on Market** and made up 6 spots of the top 10 list. Punta Gorda, FL and Albany-Schenectady-Troy, NY took the top spots of the list after experiencing a 51% and 22% decrease in average Days on Market compared to Q1 2022, respectively.

Days on Market

Largest Annual Decreases (by MSA)

MSA	Q1 2022	Q1 2023	% Change
Punta Gorda, FL	104	51	-51%
Albany-Schenectady-Troy, NY	55	43	-22%
Providence-Warwick, RI-MA	25	25	+0%
Greensboro-High Point, NC	23	23	+0%
St. Louis, MO-IL	25	26	+4%
Omaha-Council Bluffs, NE-IA	21	22	+5%
San Jose-Sunnyvale-Santa Clara, CA	21	22	+5%
Cape Coral-Fort Myers, FL	34	36	+6%
Clarksville, TN-KY	25	28	+12%
Winston-Salem, NC	21	24	+14%

Largest Annual Increase

Inventory Average

Inventory saw some of the largest increases on average of all data sets observed with more than 20 MSAs increasing by over 100% in the last year. The data went hand in hand with the trends mentioned in Days on Market, as **the South of the U.S. experienced dramatic growth and took 7 spots of the top 10 largest annual increases list.** Most notably, New Orleans–Metairie, LA experienced the largest annual increase with approximately 280% more listings in Q1 2023 compared to the year prior and topping the top 10 increase charts for both Days on Market and Inventory averages.

Inventory Average Largest Annual Increases (by MSA)

MSA	Q1 2022	Q1 2023	% Change
New Orleans–Metairie, LA	130	494	+280%
Naples–Immokalee–Marco Island, FL	125	429	+243%
Denver–Aurora–Lakewood, CO	77	254	+230%
Ocala, FL	68	183	+169%
Crestview–Fort Walton Beach–Destin, FL	55	148	+169%
Memphis, TN–MS–AR	65	172	+165%
McAllen–Edinburg–Mission, TX	72	177	+146%
Lakeland–Winter Haven, FL	209	507	+143%
Atlanta–Sandy Springs–Roswell, GA	1,538	3,702	+141%
Lexington–Fayette, KY	53	125	+136%

Largest Annual Decrease

Inventory Average

Similar to the Largest Annual Decreases in Average Days on Market data, only a few MSAs saw average inventory decreases and there were no U.S regions that experienced more decreases and slow growths YoY. Of note, **Albany-Schenectady-Troy, NY saw the largest decrease among any MSA, with a 16% decrease in inventory YoY.**

Inventory Average Largest Annual Decreases (by MSA)

MSA	Q1 2022	Q1 2023	% Change
Albany-Schenectady-Troy, NY	75	63	-16%
Omaha-Council Bluffs, NE-IA	53	48	-9%
Greensboro-High Point, NC	76	79	+4%
Punta Gorda, FL	134	143	+7%
Greenville-Anderson-Mauldin, SC	121	131	+8%
San Jose-Sunnyvale-Santa Clara, CA	82	92	+12%
Tulsa, OK	110	129	+17%
Charlotte-Concord-Gastonia, NC-SC	737	901	+22%
Montgomery, AL	80	100	+25%
Corpus Christi, TX	137	173	+26%

Largest Annual Increase

Median Monthly Single-Family Rental Listing Price

Based on MSA-level data, the following 10 MSAs saw the largest single family rental price increases YoY. Besides the notable exception of El Paso, TX, these trends **indicate that rental price growth along the East Coast and throughout the Midwest remain stronger than other parts of the country.**

Additionally, MSAs previously featured in the H2 2022 Rental Report, such as Naples-Immokalee-Marco Island, FL, St. Louis, MO, New Haven-Milford, CT, Charleston-North Charleston, SC, Indianapolis-Carmel-Anderson, IN and Augusta-Richmond County, GA, continued to experience some of the strongest price growth in Q1 2023. This indicates that renters are increasingly interested in inexpensive, growing metro areas.

Median Monthly Rent Price

Largest Annual Increase (by MSA)

MSA	Q1 2022	Q1 2023	Price Change	% Change
Albany-Schenectady-Troy, NY Metro Area	\$1,519	\$1,974	\$455	+30.0%
Naples-Immokalee-Marco Island, FL Metro Area	\$4,637	\$5,756	\$1,119	+24.1%
St. Louis, MO-IL Metro Area	\$1,372	\$1,684	\$312	+22.7%
New Haven-Milford, CT Metro Area	\$2,411	\$2,946	\$535	+22.2%
Jacksonville, NC Metro Area	\$1,348	\$1,639	\$291	+21.6%
Anchorage, AK Metro Area	\$1,422	\$1,723	\$301	+21.2%
Charleston-North Charleston, SC Metro Area	\$2,201	\$2,665	\$464	+21.1%
El Paso, TX Metro Area	\$1,499	\$1,771	\$272	+18.2%
Indianapolis-Carmel-Anderson, IN Metro Area	\$1,454	\$1,699	\$245	+16.9%
Augusta-Richmond County, GA-SC Metro Area	\$1,376	\$1,603	\$227	+16.5%

Largest Annual Decrease

Median Monthly Single-Family Rental Listing Price

Although Q1 2022 to Q1 2023 was a strong year for increases in rental prices, some areas exhibited slight YoY price decreases. The following MSAs have seen the most significant decreases.

Of note, **Denver, CO saw the largest decrease from Q1 2022 to Q1 2023 of -4.72%**. Areas in the Southeast that saw significant growth during the pandemic are seeing rent prices pull back from their previous highs.

Median Monthly Rent Price

Largest Annual Decrease (by MSA)

MSA	Q1 2022	Q1 2023	Price Change	% Change
Denver–Aurora–Lakewood, CO Metro Area	\$3,007	\$2,865	-\$142	-4.7%
Memphis, TN–MS–AR Metro Area	\$1,708	\$1,637	-\$71	-4.2%
Atlanta–Sandy Springs–Roswell, GA Metro Area	\$2,162	\$2,099	-\$63	-2.9%
Punta Gorda, FL Metro Area	\$3,512	\$3,424	-\$88	-2.5%
Port St. Lucie, FL Metro Area	\$2,842	\$2,805	-\$37	-1.3%
Killeen–Temple, TX Metro Area	\$1,765	\$1,743	-\$22	-1.3%
Palm Bay–Melbourne–Titusville, FL Metro Area	\$2,265	\$2,260	-\$5	-0.2%
San Antonio–New Braunfels, TX Metro Area	\$1,889	\$1,896	\$7	+0.37%
Tulsa, OK Metro Area	\$1,600	\$1,615	\$15	+0.94%
Cape Coral–Fort Myers, FL Metro Area	\$3,530	\$3,578	\$48	+1.36%

Most Expensive in Q1 2023

Median Monthly Single-Family Rental Prices

Since Q4 2022, Naples, FL has continued to reign as the most expensive rental market in the country. Furthermore, **prices have remained the country's highest in large California metros, with Florida and New England MSAs rounding out the list.**

Of note, Seattle, WA was present in the top 10 MSAs for 2022, but is no longer on this list. This points to the trend of a strong rental market in states located in the East Coast and a weakening market along the West Coast.

These trends may soon change as remote work begins to decline based on the recent data from The US Bureau of Labor Statistics and large companies beginning to see employees return to the office on a more frequent basis. This could start to increase the rental demand for markets where these types of large commercial properties exist.

Median Monthly Rent Price

Most Expensive (by MSA)

MSA	Median Price	Median Square Footage	Median Rent Per Square Foot*
Naples-Immokalee-Marco Island, FL	\$5,756	2,019	\$2.85
San Diego-Carlsbad, CA	\$4,941	1,811	\$2.72
Los Angeles-Long Beach-Anaheim, CA	\$4,911	1,770	\$2.77
San Jose-Sunnyvale-Santa Clara, CA	\$4,585	1,616	\$2.84
Bridgeport-Stamford-Norwalk, CT	\$4,211	1,790	\$2.35
San Francisco-Oakland-Hayward, CA	\$4,193	1,525	\$2.75
Oxnard-Thousand Oaks-Ventura, CA	\$4,180	1,820	\$2.29
Miami-Fort Lauderdale-West Palm Beach, FL	\$4,173	1,738	\$2.40
Boston-Cambridge-Newton, MA-NH	\$3,705	1,634	\$2.26
North Port-Sarasota-Bradenton, FL	\$3,641	1,868	\$1.95

*Median Rent Per Square Foot is calculated from actual data observations and is not equal to Median Price/Median Square Footage

Least Expensive in Q1 2023

Median Monthly Single-Family Rental Prices

Among the least expensive median rental prices for Q1 2023, states in the southern U.S. take up 9 of the 10 spots on the list, with Cleveland, OH being the only exception. **Southeastern states also made up 5 of the 10 MSAs with the largest percentage decreases in rental prices** on a YoY basis. Whether these prices remain low due to lack of tenants or turnaround due to renters looking for cheaper prices remains to be seen.

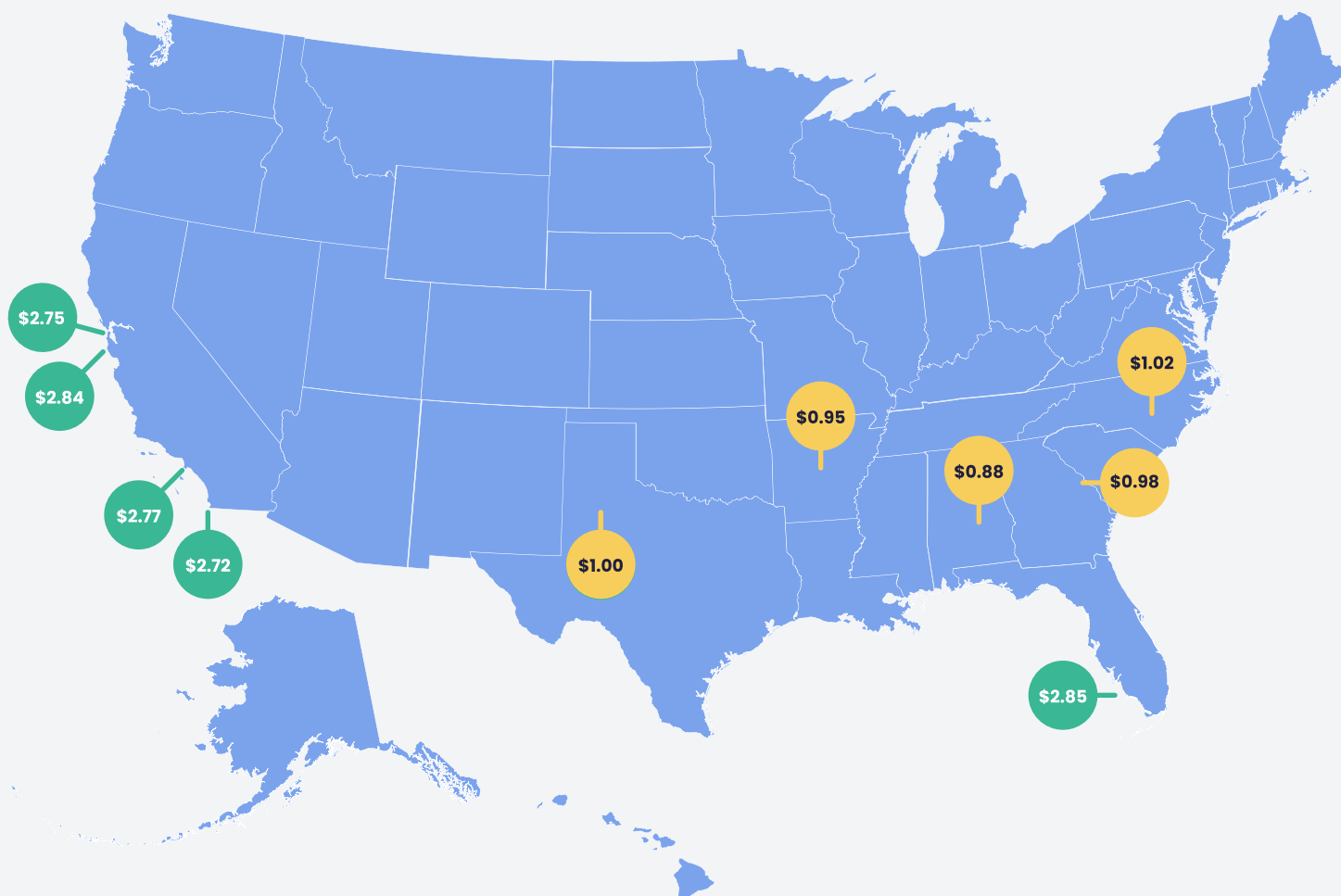
Median Monthly Rent Price Least Expensive (by MSA)

MSA	Median Price	Median Square Footage	Median Rent Per Square Foot*
Little Rock-North Little Rock-Conway, AR	\$1,165	1,382	\$0.95
Cleveland-Elyria, OH	\$1,401	1,302	\$1.10
Lubbock, TX	\$1,445	1,459	\$1.00
Montgomery, AL	\$1,434	1,694	\$0.88
Fayetteville, NC	\$1,378	1,499	\$1.02
Clarksville, TN-KY	\$1,466	1,512	\$1.05
Augusta-Richmond County, GA-SC	\$1,376	1,628	\$0.98
Tulsa, OK	\$1,600	1,545	\$1.04
Oklahoma City, OK	\$1,580	1,560	\$1.04
Memphis, TN-MS-AR	\$1,708	1,552	\$1.05

*Median Rent Per Square Foot is calculated from actual data observations and is not equal to Median Price/Median Square Footage

Median Monthly Rent Price

Most & Least Expensive Rents Per Square Foot



5 Most Expensive MSAs Per Square Foot

Naples-Immokalee-Marco Island, FL	\$2.85
San Jose-Sunnyvale-Santa Clara, CA	\$2.84
Los Angeles-Long Beach-Anaheim, CA	\$2.77
San Francisco-Oakland-Hayward, CA	\$2.75
San Diego-Carlsbad, CA	\$2.72

5 Least Expensive MSAs Per Square Foot

Montgomery, AL	\$0.88
Little Rock-North Little Rock-Conway, AR	\$0.95
Augusta-Richmond County, GA-SC	\$0.98
Lubbock, TX	\$1.00
Fayetteville, NC	\$1.02