



Nest Seekers

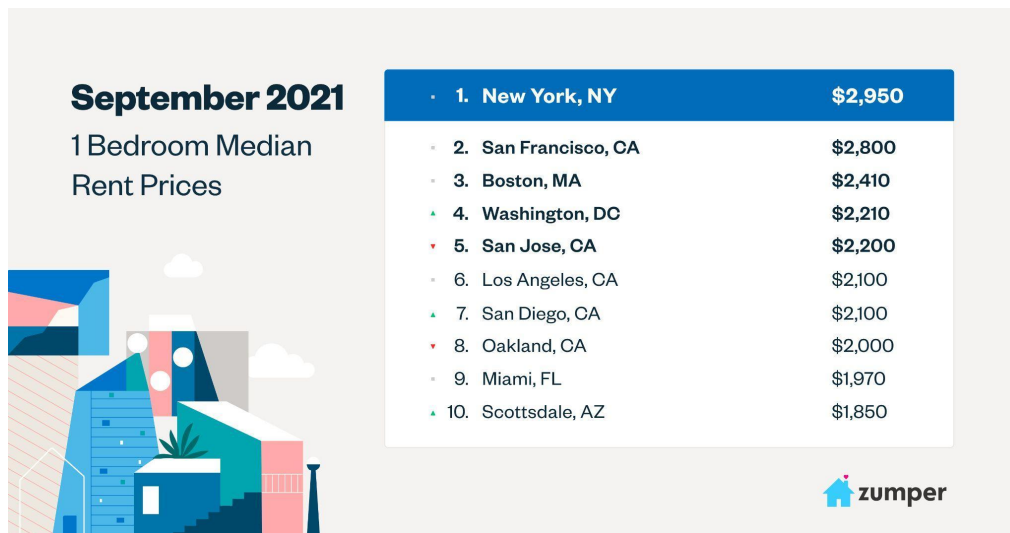
INTERNATIONAL

Zumper National Rent Report

September 27, 2021

Notable Trends

1. Scottsdale, AZ, one of a number of Phoenix area suburbs that's experienced substantial rent growth over the course of the pandemic, is now the 10th most expensive market in the country among the 100 most populous cities in the US, after rent rose 5.1 percent in September.
2. National rent growth continues to accelerate at an alarming pace. While prices were generally static during 2020, they've risen dramatically in 2021. Relative to March 2020, the median one-bedroom rent nationally is up 10.7 percent, while two-bedrooms are up even more at 13.1 percent.
3. The City of Los Angeles is among the West Coast markets where rent remains down considerably relative to where it was before the pandemic. But that's not true for the entire metropolitan area, as many cities in Orange County have experienced the opposite—rapidly rising rents.

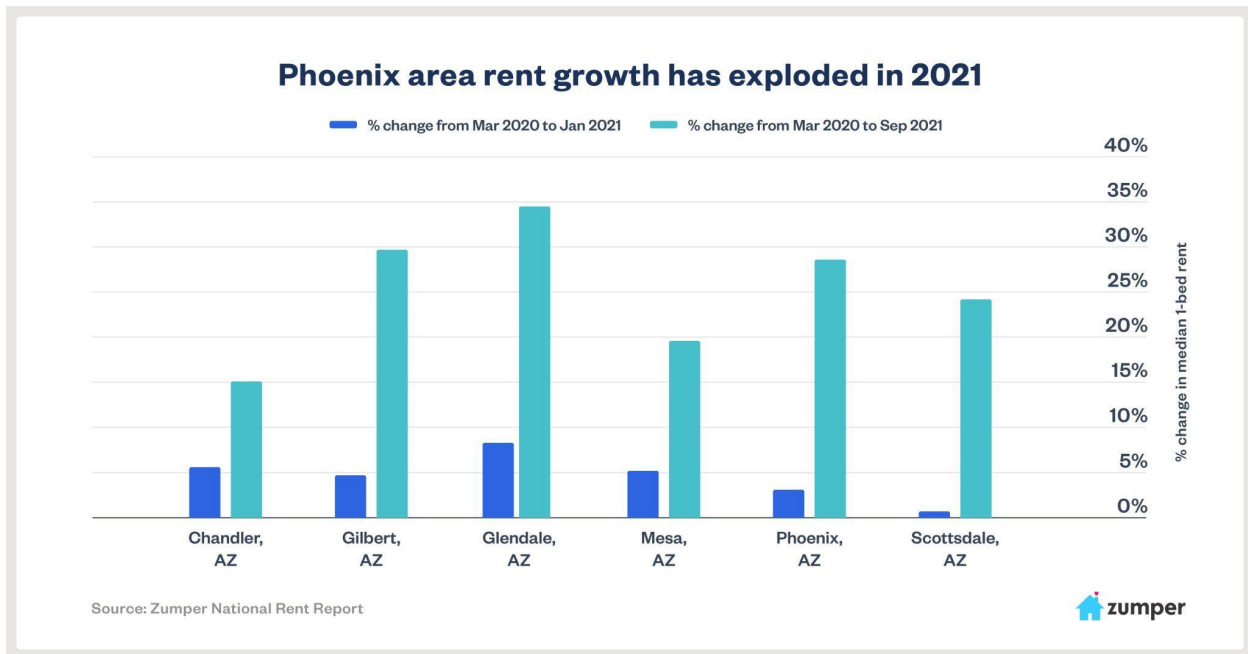


Scottsdale, AZ, is now the 10th most expensive rental market in the country

The Phoenix area likely isn't the first metro that comes to mind when thinking about the most expensive places to live in the United States. In fact, it's known for the opposite— affordable, uniform housing where land is readily available. But rent in The Valley of the Sun has risen so rapidly during the pandemic that one of its suburbs, Scottsdale, is now ranked 10th in Zumper's most expensive markets among the 100 most populous cities.

Scottsdale's one-bedroom median rent rose to \$1,850 in September. That's a 5.1 percent gain compared to August, and it's up 23.3 percent relative to last year. That's consistent with rent growth from other cities in the area, as Phoenix (22.3 percent), Mesa (20.8 percent), Glendale (22.8 percent), and Gilbert (24.8 percent) have all experienced rapid year-over-year rent growth.

So what's driving rent up? The population of the Phoenix area has been booming over the last 10 years, growing by about 20 percent between 2010 and 2020. On top of that, the pandemic set off a nationwide housing boom that pushed prices in the home sales market through the roof in markets where single-family homes are the predominant form of housing. In Phoenix, home prices have risen by 38 percent since March 2020. Phoenix also has a disproportionate share of so-called iBuyers, tech-enabled home flipping companies who increase the amount of capital and activity in the market.



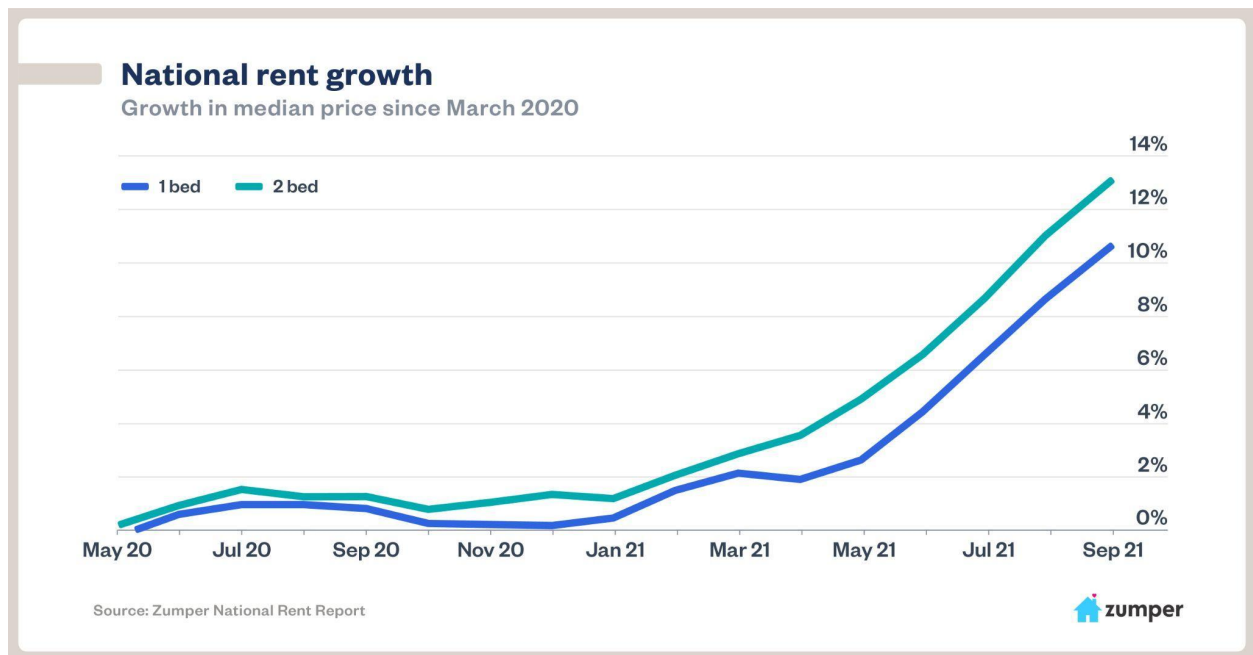
This has priced a lot of would-be buyers out of the home sales market, and others simply don't want to deal with the intense competition of bidding on a house with numerous other potential buyers. What that means is a lot of people who would normally be buying are still renting. These renters have grown in numbers over time and have gradually put upward pressure on rent prices. While the home sales market took off almost immediately after the pandemic hit, the slow buildup of renters who would normally be buying has taken time to impact rental prices.

This is evident in the data: much of the rent growth in the US has happened in 2021. This is true for the Phoenix area as well. In Scottsdale, the median-one bedroom rent was flat between March 2020 and January 2021, rising by a negligible 0.7 percent. But from January 2021 to September 2021, rent rose 23.3 percent. Other cities in the area experienced similar trends. Phoenix's median one-bedroom rent rose by a paltry 3.1 percent between March 2020 and January 2021. But from January 2021 and September 2021, it's risen by 24.8 percent.

As a result, Scottsdale isn't the only Phoenix area city rising on Zumper's top 100. Gilbert now sits at 15, Chandler is at 22, and Phoenix jumped five spots this month to 40. Given rent growth in the area appears to be driven by the housing market, one would expect rent to keep rising in the area as long as the housing market stays hot.

National rent growth accelerates—again

If the housing story of 2020 was how the pandemic set the sales market on fire, the story of 2021 is how the sales market set the rental market on fire. Zumper’s national index for one-bedrooms has reached a new all-time high in every month of 2021 except April, and two-bedrooms have hit a new all-time high in every month since February.



The median one-bedroom rental price now sits at \$1,352, while for two bedrooms it's \$1,663. Since March 2020, one-bedroom rent has risen 10.7 percent, while two bedrooms have risen a whopping 13.1 percent. For context, rent hovered around 1 percent higher during 2020, and in 2019, rent was flat on a year-over-year basis. To have double digit rent growth over the course of a year and a half is a shocking level of growth, especially considering the vast majority of it has come in the last 9 months.

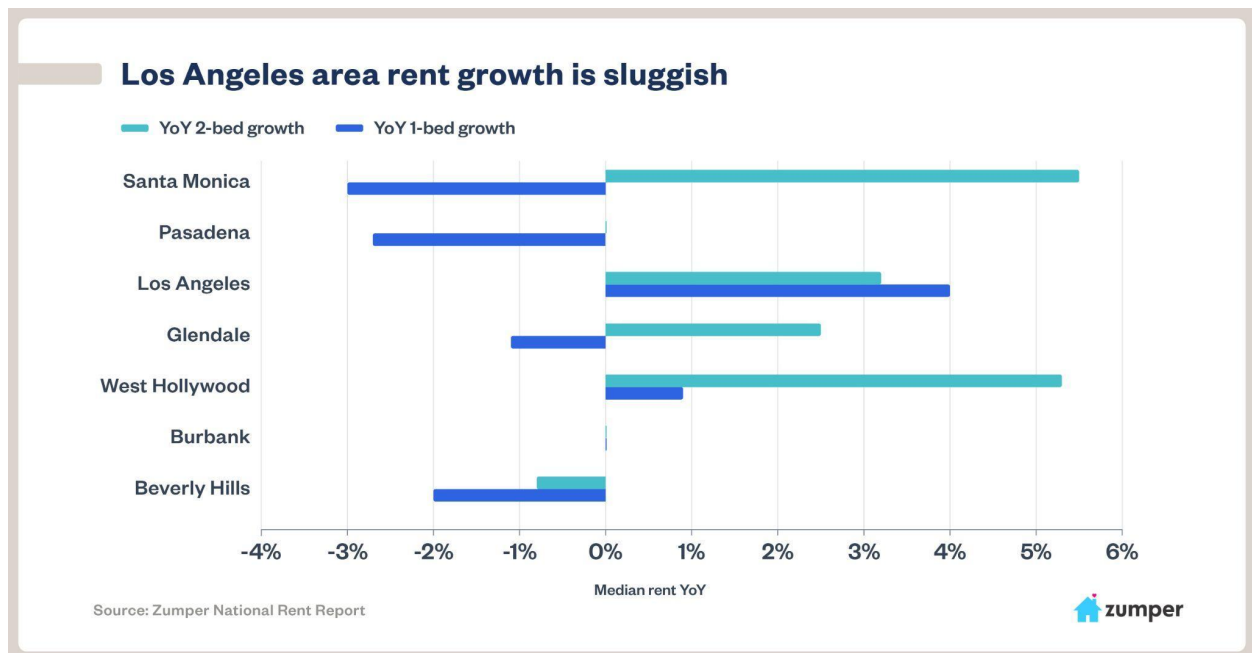
There are a few things driving the growth. First, the hot housing market that's pushing rent up in Phoenix is doing the same in similar markets where single-family home values have risen rapidly in the aftermath of the pandemic. As prices soar and competition becomes overly intense, people who are at the stage in their life where they'd

usually buy a home are priced out or exhausted with the process. They're building up in the rental market over time and driving up costs.

Second, a number of big cities that saw precipitous rent drops are seeing rent snap back to where it was prior to the pandemic. New York City's median one-bedroom rent dropped by 17.6 percent between March 2020 and January 2021, but is now up 3.5 percent relative to March 2020. This has played out in a number of East Coast cities, including Miami, Washington, and Boston, although to varying degrees.

Los Angeles rent remains down but Orange County is booming

The Los Angeles metro area has been a mixed bag when it comes to rent growth after the pandemic. Like a lot of big cities, particularly on the West Coast, the City of Los Angeles saw median one-bedroom rent fall by 13.8 percent between March 2020 to January 2021 and remains down by 6.7 percent relative to pre-pandemic levels, and much of that rebound has come in the last few months.



Many of the areas around LA are experiencing similar rent stagnation. The median one-bedroom rent in Beverly Hills is down 2 percent year-over-year. Burbank's is flat at 0 percent, West Hollywood is up 0.9 percent, Glendale is down 1.1 percent, and Santa Monica is down 3 percent.

But the further you get from Los Angeles, the less this trend holds. In Orange County, and particularly communities on the water, rent is rising as fast as anywhere else in the country. The median one-bedroom rent in Irvine is up 24.5 percent year over year. Dana Point (15.2 percent), Huntington Beach (7.2 percent), Newport Beach (15.1 percent), and Santa Ana (9.7 percent) are among the cities experiencing substantial rent growth.

There are a few different possibilities for why Los Angeles has been slower to rise than Orange County. Orange County, with its heavy real estate industry presence and single-family homes, more closely resembles the suburban communities across the country that have seen home prices spike and then rent prices spike after. Meanwhile, the City of Angels has experienced an apartment construction boom that's brought a lot of new supply to the market, contributing to the downward pressure on rent.



Full Data

			1 Bedroom			2 Bedrooms		
Pos.	+/-	City	Price	M/M %	Y/Y %	Price	M/M %	Y/Y %
1	0	New York, NY	\$2,950	5.00%	13.50%	\$3,150	5.00%	5.40%
2	0	San Francisco, CA	\$2,800	0.00%	-1.10%	\$3,900	1.80%	2.60%
3	0	Boston, MA	\$2,410	4.80%	4.80%	\$2,800	2.60%	0.00%
4	1	Washington, DC	\$2,210	2.30%	11.10%	\$2,950	1.40%	7.70%
5	-1	San Jose, CA	\$2,200	0.00%	-1.30%	\$2,750	1.10%	-0.70%
6	0	Los Angeles, CA	\$2,100	2.40%	4.00%	\$2,900	3.60%	3.20%
7	1	San Diego, CA	\$2,100	5.00%	16.70%	\$2,710	0.40%	14.80%
7	-1	Oakland, CA	\$2,000	0.00%	-6.10%	\$2,620	0.80%	-3.00%
9	0	Miami, FL	\$1,970	4.80%	12.60%	\$2,600	4.80%	10.60%
10	1	Scottsdale, AZ	\$1,850	5.10%	23.30%	\$2,420	5.20%	22.20%

11	0	Anaheim, CA	\$1,820	3.40%	11.70%	\$2,140	-0.90%	7.50%
11	-2	Santa Ana, CA	\$1,810	-1.10%	9.70%	\$2,420	5.20%	11.00%
13	0	Fort Lauderdale, FL	\$1,740	4.80%	3.60%	\$2,480	5.10%	12.70%
13	1	Seattle, WA	\$1,690	2.40%	2.40%	\$2,230	5.20%	1.40%
15	1	Gilbert, AZ	\$1,660	2.50%	24.80%	\$1,980	4.80%	23.80%
16	-3	Atlanta, GA	\$1,640	-1.20%	14.70%	\$2,190	3.30%	15.30%
17	0	Long Beach, CA	\$1,630	1.90%	1.90%	\$2,100	-2.30%	0.00%
18	0	Denver, CO	\$1,610	5.20%	15.00%	\$2,090	1.00%	8.90%
19	1	Providence, RI	\$1,580	5.30%	2.60%	\$1,700	0.60%	-5.60%
20	2	Honolulu, HI	\$1,530	4.80%	-4.40%	\$2,200	2.30%	-1.80%
21	5	Henderson, NV	\$1,490	4.90%	19.20%	\$1,690	5.00%	24.30%
22	5	St Petersburg, FL	\$1,470	5.00%	15.70%	\$2,060	5.10%	20.50%
22	-4	Chandler, AZ	\$1,450	-4.60%	15.10%	\$1,830	5.20%	20.40%

24	6	Austin, TX	\$1,440	5.10%	12.50%	\$1,820	5.20%	14.50%
25	6	Charlotte, NC	\$1,440	5.10%	17.10%	\$1,660	5.10%	14.50%
26	0	Chicago, IL	\$1,440	-0.70%	-4.00%	\$1,750	1.20%	-2.80%
27	1	New Orleans, LA	\$1,440	0.70%	-0.70%	\$1,680	-1.20%	-4.00%
27	-7	Sacramento, CA	\$1,430	-4.00%	1.40%	\$1,790	-4.30%	8.50%
29	0	Nashville, TN	\$1,410	2.20%	11.00%	\$1,510	0.70%	4.10%
30	-2	Portland, OR	\$1,410	0.70%	0.70%	\$1,780	1.10%	4.10%
30	4	Tampa, FL	\$1,410	5.20%	18.50%	\$1,670	5.00%	16.00%
32	-1 0	Orlando, FL	\$1,400	-4.10%	14.80%	\$1,690	5.00%	20.70%
33	0	Dallas, TX	\$1,390	3.70%	11.20%	\$1,880	5.00%	8.00%
33	-1	Philadelphia, PA	\$1,390	3.00%	-7.30%	\$1,700	0.00%	-3.40%
35	0	Boise, ID	\$1,380	5.30%	20.00%	\$1,500	4.90%	21.00%
36	0	Plano, TX	\$1,370	5.40%	21.20%	\$1,820	5.20%	19.70%

36	1	Cleveland, OH	\$1,320	2.30%	20.00%	\$1,410	5.20%	24.80%
38	3	Durham, NC	\$1,320	4.80%	18.90%	\$1,420	0.70%	10.90%
39	5	Virginia Beach, VA	\$1,290	4.90%	19.40%	\$1,400	0.00%	9.40%
40	-4	Baltimore, MD	\$1,260	-3.10%	-6.00%	\$1,400	-4.10%	-13.60%
40	5	Phoenix, AZ	\$1,260	5.00%	22.30%	\$1,450	-4.00%	15.10%
42	-3	Madison, WI	\$1,250	-2.30%	10.60%	\$1,540	3.40%	13.20%
43	0	Newark, NJ	\$1,250	0.00%	-12.00%	\$1,580	3.90%	-15.10%
44	-2	Reno, NV	\$1,250	-0.80%	14.70%	\$1,610	-1.20%	15.00%
45	1	Raleigh, NC	\$1,240	5.10%	19.20%	\$1,410	4.40%	14.60%
46	-3	Irving, TX	\$1,210	-2.40%	15.20%	\$1,710	4.90%	20.40%
47	2	Aurora, CO	\$1,200	5.30%	12.10%	\$1,600	0.60%	11.90%
48	0	Minneapolis, MN	\$1,190	3.50%	-8.50%	\$1,690	3.70%	-11.50%
49	1	Pittsburgh, PA	\$1,180	4.40%	9.30%	\$1,430	5.10%	10.00%

50	1	Las Vegas, NV	\$1,170	4.50%	12.50%	\$1,420	4.40%	13.60%
51	1	Fresno, CA	\$1,160	5.50%	7.40%	\$1,500	4.90%	13.60%
52	1	Houston, TX	\$1,160	5.50%	5.50%	\$1,480	5.00%	9.60%
52	1	Mesa, AZ	\$1,160	5.50%	20.80%	\$1,380	-3.50%	15.00%
52	-7	Salt Lake City, UT	\$1,150	-0.90%	15.00%	\$1,470	5.00%	13.10%
52	-3	Chattanooga, TN	\$1,140	3.60%	15.20%	\$1,280	3.20%	14.30%
52	1	Glendale, AZ	\$1,130	4.60%	22.80%	\$1,400	5.30%	19.70%
57	3	Anchorage, AK	\$1,090	4.80%	21.10%	\$1,260	3.30%	5.00%
58	3	Colorado Springs, CO	\$1,090	4.80%	13.50%	\$1,410	1.40%	13.70%
59	3	Fort Worth, TX	\$1,090	4.80%	2.80%	\$1,450	5.10%	9.80%
60	1	Richmond, VA	\$1,090	1.90%	-3.50%	\$1,310	0.80%	-6.40%
60	-2	Buffalo, NY	\$1,050	0.00%	-0.90%	\$1,100	-3.50%	-12.70%
60	-9	Chesapeake, VA	\$1,050	-4.50%	-11.00%	\$1,240	-4.60%	0.80%

63	2	Jacksonville, FL	\$1,050	1.90%	14.10%	\$1,290	3.20%	15.20%
64	3	Norfolk, VA	\$1,050	2.90%	2.90%	\$1,270	5.00%	18.70%
64	6	San Antonio, TX	\$1,050	5.00%	16.70%	\$1,300	4.80%	17.10%
64	-2	Spokane, WA	\$1,000	-2.00%	14.90%	\$1,330	4.70%	19.80%
67	5	Columbus, OH	\$980	4.30%	10.10%	\$1,100	0.00%	-0.90%
67	0	Des Moines, IA	\$980	-2.00%	15.30%	\$1,030	-1.90%	8.40%
69	-3	Rochester, NY	\$980	-3.90%	-2.00%	\$1,210	-4.70%	0.00%
70	3	Arlington, TX	\$950	2.20%	6.70%	\$1,320	2.30%	10.90%
70	7	Bakersfield, CA	\$950	5.60%	17.30%	\$1,200	4.30%	14.30%
72	1	Indianapolis, IN	\$940	1.10%	6.80%	\$1,000	0.00%	4.20%
73	-2	Kansas City, MO	\$940	-1.10%	-5.10%	\$1,140	-5.00%	-0.90%
73	-3	Knoxville, TN	\$940	-3.10%	14.60%	\$1,120	-1.80%	15.50%
73	1	Cincinnati, OH	\$920	0.00%	-5.20%	\$1,160	5.50%	5.50%

76	-2	St Louis, MO	\$920	-1.10%	-6.10%	\$1,210	-4.00%	-4.70%
77	1	Louisville, KY	\$910	2.20%	7.10%	\$1,000	1.00%	4.20%
78	0	Memphis, TN	\$900	1.10%	5.90%	\$950	1.10%	5.60%
78	-8	Milwaukee, WI	\$900	-5.30%	-17.40%	\$1,120	1.80%	-9.70%
78	2	Detroit, MI	\$890	4.70%	15.60%	\$1,000	-3.80%	14.90%
81	0	Lincoln, NE	\$880	1.10%	3.50%	\$1,010	-1.90%	4.10%
82	-4	Augusta, GA	\$870	-2.20%	8.70%	\$1,000	1.00%	9.90%
82	0	Winston Salem, NC	\$870	2.40%	8.70%	\$970	-2.00%	9.00%
82	2	Syracuse, NY	\$860	3.60%	11.70%	\$1,000	-2.90%	-4.80%
85	1	Baton Rouge, LA	\$850	2.40%	1.20%	\$990	1.00%	5.30%
86	0	Omaha, NE	\$850	1.20%	0.00%	\$1,160	0.00%	6.40%
86	-5	Corpus Christi, TX	\$840	-1.20%	1.20%	\$1,120	3.70%	6.70%
88	1	Tucson, AZ	\$840	3.70%	15.10%	\$1,080	1.90%	14.90%

88	-1	Tallahassee, FL	\$810	0.00%	6.60%	\$990	2.10%	7.60%
88	2	Albuquerque, NM	\$800	3.90%	8.10%	\$1,060	2.90%	15.20%
91	-2	Greensboro, NC	\$800	-1.20%	5.30%	\$900	2.30%	4.70%
92	2	Lexington, KY	\$800	3.90%	6.70%	\$1,050	5.00%	16.70%
92	1	Oklahoma City, OK	\$800	0.00%	5.30%	\$930	2.20%	4.50%
92	-2	El Paso, TX	\$780	1.30%	14.70%	\$940	-3.10%	14.60%
95	0	Laredo, TX	\$760	0.00%	-5.00%	\$970	5.40%	9.00%
96	0	Tulsa, OK	\$730	1.40%	12.30%	\$890	-1.10%	8.50%
97	0	Shreveport, LA	\$680	0.00%	4.60%	\$800	0.00%	1.30%
97	-1	Lubbock, TX	\$670	-1.50%	3.10%	\$830	-2.40%	3.80%
99	0	Akron, OH	\$640	1.60%	14.30%	\$780	2.60%	9.90%
100	0	Wichita, KS	\$600	-3.20%	-3.20%	\$800	0.00%	9.60%