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## PAYROLL

# House Rents Unchanged Year-Over-Year for First Time Since 2012

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Sep. 24, 2018

For the first time since 2012, rents nationwide remained at the same level as they were a year earlier, with a median rent of \$1,440.

Annual rent appreciation has slowed for six straight months, according to the [August Zillow® Real Estate Market Report](#). Rent appreciation has remained below 3 percent annual increase for the past 27 months after growing as fast as 6.6 percent in July 2015.

The median rent fell on an annual basis in 19 of the 35 largest markets. Rent declined the most in Portland, Ore., where the \$1,834 median is 1.8 percent lower than in August 2017. The typical rent is growing fastest in Riverside, Calif., where it rose 3.7 percent over the past year to \$1,899.

It's not only rent appreciation that slowed in August: Home value appreciation is at its slowest pace in two years. Nationally, home values rose 6.5 percent over the past year to a median value of \$216,700, down from a peak post-recession annual appreciation rate of 8.2 percent in March 2018. In August 2017, home values were increasing 7.4 percent annually.

San Jose is seeing the fastest home value appreciation, up 22.7 percent since August 2017. Las Vegas and Atlanta are the only other two large markets where home values grew at a double-digit pace, up 12.0 percent and 10.4 percent, respectively.

“Earlier this year, the housing market was a story of diverging paths, with rents steadily cooling and home values picking up speed. Normally rents and home values are tied together, but strong apartment construction and a surge of young homebuyers contributed to this historical anomaly. As summer turns to fall, the more typical pattern is reemerging, as rents and home values are both slowing in unison,” said Zillow Senior Economist Aaron Terrazas. “The feverish housing crunch of the past few years seems to be cracking. Slower rent growth means that renters may feel less urgency to buy. While home values continue to grow at double their historic pace, the speed of appreciation is down sharply from its spring highs.”

In August, there were 3.6 percent fewer homes for sale than the year before. The lack of available homes has been a defining characteristic of the housing market for several years, but this trend is easing. Inventory has fallen on an annual basis for 43 consecutive months, but the speed of its decline has slowed substantially. A year ago, inventory was down 13.1 percent from the previous year.

Among the largest U.S. housing markets, the biggest inventory declines are in Pittsburgh, Atlanta and Columbus, where inventory is falling at a double-digit pace.

The number of available homes on a given day is on the rise in more than half of the nation’s largest markets, but they are returning from very low levels. Inventory is at its lowest point since 2015 in nearly every large market.

Mortgage rates on Zillow<sup>ii</sup> ended August at 4.32 percent. Rates were highest at the beginning of the month, when they were at 4.43 percent. Zillow’s real-time mortgage rates are based on thousands of custom mortgage quotes submitted daily to anonymous borrowers on the Zillow Mortgages site and reflect the most recent changes in the market.

<b>Metropolitan Area</b>	<b>Zillow Home Value Index, August 2018</b>	<b>ZHVI Year-over-Year Change</b>	<b>Zillow Rent Index, August 2018</b>	<b>ZRI Year-over-Year Change</b>	<b>Inventory Year-over-Year Change</b>
United States	\$ 216,700	6.5%	\$ 1,440	0.0%	-3.6%

New York / Northern New Jersey	\$ 426,300	4.4%	\$ 2,371	-1.3%	3.3%
Los Angeles, CA	\$ 641,800	5.2%	\$ 2,751	1.3%	21.6% <sup>iii</sup>
Chicago, IL	\$ 219,100	4.2%	\$ 1,636	-1.4%	2.0%
Dallas, TX	\$ 229,400	9.7%	\$ 1,594	-0.3%	N/A
Philadelphia, PA	\$ 227,200	4.2%	\$ 1,566	-1.4%	-9.5%
Houston, TX	\$ 198,500	5.3%	\$ 1,548	0.3%	-4.3%
Washington, DC	\$ 397,800	3.2%	\$ 2,133	-0.6%	0.1%
Miami, FL	\$ 274,000	7.0%	\$ 1,856	0.3%	3.4%
Atlanta, GA	\$ 204,600	10.4%	\$ 1,394	1.5%	-11.8%
Boston, MA	\$ 451,500	5.2%	\$ 2,366	-1.3%	9.6%
San Francisco, CA	\$ 947,700	9.0%	\$ 3,399	-0.2%	22.2%
Detroit, MI	\$ 153,900	7.4%	\$ 1,194	1.3%	4.6%
Riverside, CA	\$ 356,600	5.5%	\$ 1,899	3.7%	18.5%
Phoenix, AZ	\$ 254,400	6.3%	\$ 1,359	0.9%	-8.0%
Seattle, WA	\$ 486,800	8.2%	\$ 2,171	-1.1%	32.9%
Minneapolis-St. Paul, MN	\$ 258,900	5.4%	\$ 1,638	1.0%	1.2%
San Diego, CA	\$ 580,500	4.9%	\$ 2,541	0.3%	41.9%
St. Louis, MO	\$ 161,200	4.6%	\$ 1,139	-0.9%	-5.3%
Tampa, FL	\$ 205,000	8.9%	\$ 1,390	1.7%	0.9%
Baltimore, MD	\$ 263,300	3.9%	\$ 1,740	-0.1%	-1.2%
Denver, CO	\$ 396,200	6.2%	\$ 2,054	0.4%	-1.7%
Pittsburgh, PA	\$ 140,200	6.1%	\$ 1,084	-1.1%	-14.7%

Portland, OR	\$ 387,900	4.2%	\$ 1,834	-1.8%	14.8%
Charlotte, NC	\$ 195,000	8.8%	\$ 1,293	0.4%	3.1%
Sacramento, CA	\$ 397,100	4.3%	\$ 1,842	3.1%	7.8%
San Antonio, TX	\$ 184,600	4.4%	\$ 1,331	-0.8%	12.5%
Orlando, FL	\$ 226,300	7.9%	\$ 1,449	1.4%	-7.7%
Cincinnati, OH	\$ 161,000	5.4%	\$ 1,277	-0.1%	-4.7%
Cleveland, OH	\$ 140,400	5.2%	\$ 1,140	-0.7%	-7.4%
Kansas City, MO	\$ 181,300	7.5%	\$ 1,264	-1.3%	-0.6%
Las Vegas, NV	\$ 263,300	12.0%	\$ 1,306	2.3%	N/A
Columbus, OH	\$ 180,700	6.5%	\$ 1,336	0.8%	-11.1%
Indianapolis, IN	\$ 152,700	8.1%	\$ 1,195	-0.6%	N/A
San Jose, CA	\$ 1,281,100	22.7%	\$ 3,499	-0.4%	87.7%
Austin, TX	\$ 296,300	5.3%	\$ 1,682	-1.7%	1.2%

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