

Again, Rents Start Up: Zillow

By Suzanne De Vita

Appreciation Fastest in 21 Months

The ebb-and-flow in rents is shifting.

According to the latest [Real Estate Market Report](#) by Zillow, annual appreciation in February was 2.8 percent—the fastest it has been in roughly two years. With the median, nationally, at \$1,445, and home prices rocketing, there can be some struggle, says Aaron Terrazas, senior economist at Zillow.

“Rental appreciation slowed between 2015 and mid-2017, but is once again picking up steam, reaccelerating over the past nine months,” Terrazas says. “For-sale inventory is tight, and with home prices continuing their rapid climb, it’s becoming more and more difficult for renters to become owners, forcing them to rent longer than they otherwise would have. Searching for the ‘right’ home has become a drawn-out affair and rising prices require more savings for a down payment. Were it not for strong new apartment construction over the past half-decade, rental appreciation would be even stronger than it is now.”

Appreciation has been the most solid on the West Coast, with rents in Sacramento, Calif., up 8.2 percent year-over-year (to a median \$1,849); in Riverside, Calif., up 6.7 percent to \$1,872; and in Seattle, Wash., up 4.9 percent to \$2,204. In all three markets, home prices have risen year-over-year, as well: 9.1 percent, 8.3 percent and 14.2 percent, respectively.

Atlanta, Ga., and Minneapolis-St. Paul, Minn., are on similar trajectories. In Atlanta, rents are up 4.4 percent to a median \$1,394, while in Minneapolis-St. Paul, rents are up 4.5 percent to \$1,639.

The breakdown of the February Real Estate Market Report: