



Why We Study Rental Rates

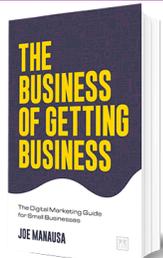


Zillow Releases Shocking Update

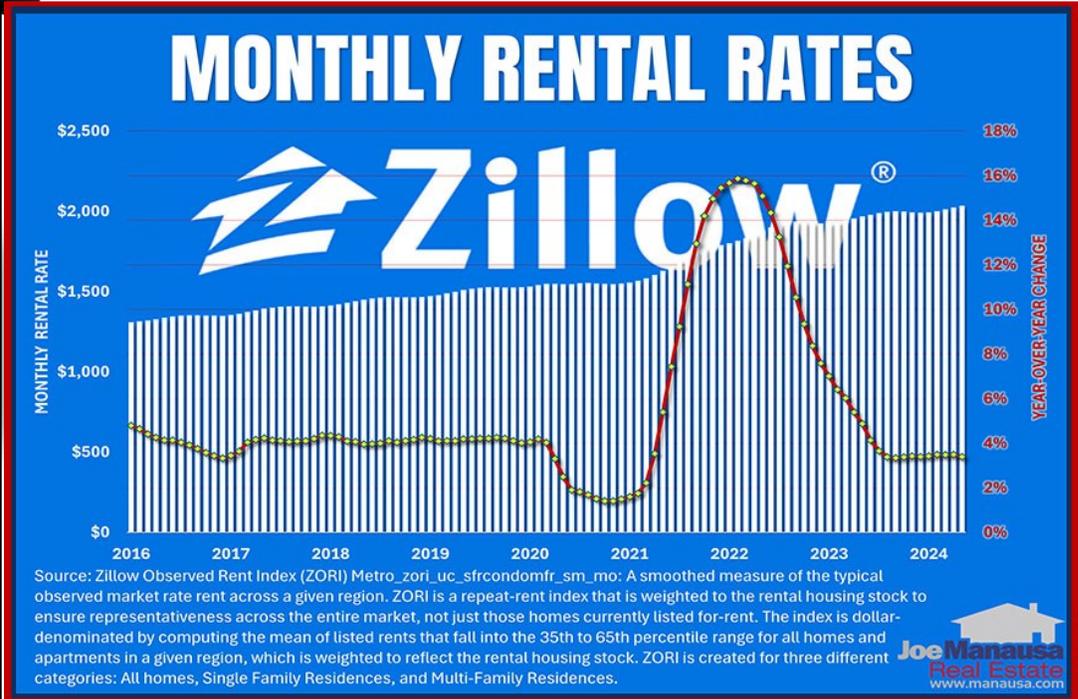


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Even though I mostly focus on the for-sale market, I also monitor the for-rent market to understand the overall supply and demand for housing.

Fortunately, Zillow makes this easy with the rent reports.

Landlord asking rental rates increased by zero-point-six percent month over month in May, slightly below the pre-pandemic average of zero-point-seven percent for this time of year.

Rents are up three-point-four percent from last year but have an average annual growth of 6.7% since pre-pandemic levels.

Why Do We Need To Study Rents?

The study of rental rates is imperative because most people waiting to buy a home are facing rent increases while home prices are rising. There is no cost-savings in an undersupplied

housing market. While renters face inflation; buyers can generally lock in their monthly costs with a fixed-rate mortgage.

The graph above is for US rents, but when I next pull a rental analysis for Tallahassee, I expect our growth rate to be sky high (it will be by next year).

Insurance costs are soaring, these are being passed along to tenants (as do all costs of an investment home).

Rents, like home prices, are moving beyond affordable levels for many people. I find it interesting when I read or hear about somebody “waiting for prices to drop,” and I always wonder if they notice their rents are rising while they wait.

We need to build more houses in most local US markets, help spread the word!

