

# Boston Rents Higher than SF, But Supply Slowing Growth in Other Markets

By [Erin Delaney](#) | Special to Banker & Tradesman | Jul 10, 2024 | [Reprints](#) | [Unlock Link](#) | [Print](#)



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The fastest growing rents are in places that are issuing fewer multifamily housing permits, according to new housing market analyses by [Zillow](#) and [Redfin](#).

Rents are most expensive in large coastal markets such as New York, San Jose, California – home to Silicon Valley – and Boston, but are growing fastest in more affordable markets in the Northeast and Midwest.

[New data from Zillow](#) shows that rents are growing faster in Hartford than any other major market, with Cleveland and Louisville following close behind. Rents have grown 7.8 percent over the past year in

Hartford, 7.2 percent in Cleveland and 6.8 percent in Louisville, according to Zillow.

“More people move during the summer, which causes the rental market to heat up,” Skylar Olsen, chief economist at Zillow, said in a statement. “Renters are being drawn to more affordable areas within the Northeast and Midwest. Commuting into New York City or Boston from places like Hartford or Providence might have been a deterrent before, but in this new age of remote and hybrid work, the savings seem worth it for many renters, even if it means an occasional painful commute.”

Nationally, the typical rent is \$2,054, according to Zillow data. That is a 3.5 percent increase from last year, the fastest annual growth since last July.

The rent increases come as a significant number of multifamily building projects that were started during the pandemic are just now being finished, creating a backlog of new units, according to [a new Redfin analysis](#). This means that property owners in many areas are competing with one another for tenants, putting a cap on how much rent prices in some metros can grow and helping to explain the slow rent growth in some U.S. metro areas.

“Prospective renters should be aware that now may be a better time to sign a lease than later,” Redfin Senior Economist Sheharyar Bokhari said in a statement. “Property owners might start jacking up rents again once all of the new apartments hitting the market fill up with tenants and there’s no longer so much supply, which could be the case in a year or two.”

Builders obtained permits to construct 13 multifamily housing units for every 10,000 people in the U.S. this year, down from an average of 18 in 2021-2023, according to Redfin.

However, only seven permits per 10,000 people were issued in Boston this year, down from an average of nine permits issued per 10,000 people in 2021-2023.

In Austin, Texas, where Zillow reported very little rent growth at a 0.2 percent month over month change, an average of 21 permits were issued per 10,000 people in 2024 compared to an average of 40 permits issued in 2021-2023, according to Redfin. This still leaves Austin as one of the highest permit-issuing metros in the U.S. in 2024.

New York City is the most expensive rental market with a typical rent of \$3,472 per unit across the metro area, Zillow said. The second highest rental market is in the San Jose metro area with a typical rent of \$3,429, followed by Boston (\$3,127). San Francisco’s typical rent is \$3,119, Zillow said.

Rent in the Boston housing market, defined by Zillow as the five-county metro area of Essex, Middlesex, Norfolk, Plymouth and Suffolk counties, experienced a 0.5 percent month over month change and a 4.5 percent year over year change, according to Zillow.

The Redfin analysis used data from the U.S. Census Bureau covering building permits for multifamily units in buildings with five or more units during the first five months of 2024, and the same periods in 2021-2023. A building permit is defined by Redfin as an approval given by local jurisdiction to move forward with a construction project.

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