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Despite decline, Tampa Bay asking rents remain above the national average

The report found that elevated mortgage rates are likely bolstering U.S. rental demand and, as a result, propping up prices nationally.

FERRANTRAITE

By Devonta Davis – Digital Producer, Tampa Bay Business Journal
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Tampa Bay renters are finally seeing relief as rent prices begin to decline for the first time in months, but they still remain above the national mark.

According to a report from real estate company Redfin, the biggest rent declines year over year have been in America's Sun Belt — the lower, warmer half of the continent, which includes Florida, Southern California, Arizona, Texas and Tennessee.

Tampa Bay rents have declined by 4.3% year-over-year, reaching a median asking rent of $1,765.

Nationally, rent is increasing by 1.2% year over year, with a median price of $1,648.

"These metro have built a ton of new apartments in recent years, partly to meet the surge in demand brought on by the flood of people who moved in during the pandemic housing boom. But the boom is over, and now property owners are struggling to fill vacancies, which is causing rents to fall," said Redfin Senior Economist Sheharyar Bokhari in a statement.

Other Sun Belt metro areas that have seen rent declines include Austin, Texas (-6.6%); Nashville, Tennessee (-5.9%); Jacksonville (-5.6%); Miami (-5%); San Diego (-4.7%); Phoenix (-4.6%); Charlotte, North Carolina (-.5%); and Orlando (-3.2%).

Rents climbed fastest in the Midwest, which hasn't been building as much as the Sun Belt.

The report found that elevated mortgage rates are likely bolstering U.S. rental demand and, as a result, propping up prices nationally. The average 30-year-fixed mortgage rate is more than double the 2.65% record low hit during the pandemic. Some renters are putting off their homebuying plans because monthly payments are near their all-time high.

A separate report by Redfin found that high interest rates have kept mortgage rates above 7%, and the Federal Reserve gives little indication that interest rates will be declining in the near future.