

Bankrate

Renting is Increasingly Cheaper Than Buying in Most Large U.S. Metros

An average mortgage payment costs 38% more per month compared to rent

NEW YORK - April 23, 2025 - Renting a home is still cheaper than buying a home in all 50 of the largest U.S. metros, with the cost difference between the two growing in 38 of those metros since last year, according to Bankrate's Rent vs. Buy Study. Bankrate compared average monthly mortgage payments to average monthly rent for all homes across all 50 of the largest metro-statistical areas (MSAs) in the United States to determine whether renting or buying is more affordable in the short term. Click here for more information:

<https://www.bankrate.com/real-estate/rent-vs-buy-affordability-study/>

Bankrate's report found that the average monthly mortgage payment for a median-priced home (\$425,583, per Redfin as of February) in the United States, including average property taxes and homeowners insurance, rose 2.4% from \$2,703 in 2024 to \$2,768 in 2025. In comparison, rents have remained relatively stable, with average national monthly rent down less than 2 percentage points (1.7%) from last year after adjusting for inflation (\$2,000 in 2025). On average, the study found that Americans are paying 38% less per month to rent a home compared to buying one.

"In the short term, renting continues to be the more affordable option in the 50 largest U.S. metros," said Bankrate Analyst Alex Gailey. "Over the last year, average mortgage payments increased while average rents either declined or remained stable in nearly all the metros we analyzed. Millions of Americans continue to be priced out of homeownership today because of rising mortgage rates, home prices, property taxes and insurance rates, even as housing inventory shows signs of improvement."

The five metros with the biggest cost gaps between renting and buying are all located in the West, where home prices and cost of living both tend to be higher.

Metro Areas With the Biggest Gaps Between Renting and Buying Costs

Metro-Statistical Area (MSA)	Average monthly rent	Average monthly mortgage payment	% difference between renting and buying
1) San Francisco-Oakland-Berkeley, CA	\$3,055	\$8,882	190.7%, up 10.1% YoY
2) San Jose-Sunnyvale-Santa Clara, CA	\$3,305	\$9,438	185.6%, up 23.3% YoY
3) Seattle-Tacoma-Bellevue, WA	\$2,265	\$4,971	119.5%, down 5.5% YoY
4) Denver-Aurora-Lakewood, CO	\$1,927	\$3,787	96.5%, up 17.6% YoY
5) Salt Lake City, UT	\$1,680	\$3,197	90.4%, up 1.4% YoY

Rounding out the 10 metros with the biggest cost differences in renting vs. buying are Los Angeles-Long Beach-Anaheim, CA (88.5%), Austin-Round Rock-Georgetown, TX (87.9%), Portland-Vancouver-Hillsboro, OR-WA (85.6%), San Diego-Chula Vista-Carlsbad, CA (79.9%), and Dallas-Fort Worth-Arlington, TX (73.4%).

In comparison, the metros with the smallest price gaps between renting and buying are mostly concentrated in the South and Midwest, where there tends to be a lower cost of living and more affordable home prices.

Metro Areas With the Smallest Gaps Between Renting and Buying Costs			
Metro-Statistical Area (MSA)	Average monthly rent	Average monthly mortgage payment	% difference between renting and buying
1) Detroit-Warren-Dearborn, MI	\$1,481	\$1,515	2.3%, up 0.3% YoY
2) Pittsburgh, PA	\$1,452	\$1,601	10.3%, up 5.1% YoY
3) Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	\$1,901	\$2,121	11.5%, up 2.8% YoY
4) Cleveland-Elyria, OH	\$1,419	\$1,607	13.2%, up 1.6% YoY
5) Tampa-St. Petersburg-Clearwater, FL	\$2,140	\$2,587	20.9%, down 3.6% YoY

The remainder of the top 10 metros with the smallest cost differences between renting and buying are Cincinnati, OH-KY-IN (23.4%), Chicago-Naperville-Elgin, IL-IN-WI (24.2%), Indianapolis-Carmel-Anderson, IN (25.4%), St. Louis, MO-IL (26.6%), and Grand Rapids-Wyoming-Kentwood, MI (29.8%).

“The rent vs. buy decision is heavily influenced by where you live in the U.S.,” Gailey added. “Big city dwellers are better off renting than buying a home, particularly in pricey coastal metros. However, in cheaper areas of the country, it's a lot easier to justify a home purchase right now because the cost differences between renting and buying are much smaller. Homeowners may pay more upfront, but they also generate equity, hedge themselves against rent increases and otherwise enjoy the intangibles that come with homeownership.”

Methodology:

Bankrate's Rent vs. Buy Study analyzed average monthly mortgage payments and average monthly rents for all homes in the 50 largest U.S. metros to compare the monthly cost of buying vs. renting.

Average monthly rents for all homes are measured by Zillow's Observed Rent Index (ZORI) as of Feb. 28, which is the average of the middle 30 percent of asking rent prices (35th to 65th percentile) — or what someone in the market for a rental would expect to pay today. ZORI accounts for changes in the types of homes available to rent in any given month by calculating price differences for the same rental unit over time, and then aggregating those differences. For average monthly rent payments, Bankrate factored an estimated monthly cost of renters insurance for every metro. Bankrate used one percent of monthly rent as an approximation for the monthly cost of renters insurance.

Bankrate utilized Redfin's median sale price data from February 2025 to calculate average monthly mortgage payments for the 50 largest metros. When estimating average monthly mortgage payments for every metro, Bankrate assumed a 20 percent down payment, no HOA fees or PMI, the average cost of homeowners insurance, the average cost of property taxes and the national average rate for a 30-year fixed mortgage. The average national rate for a 30-year fixed mortgage over the last 52 weeks was 6.90%, according to Bankrate's survey of large lenders as of March 18. Bankrate utilized 2023 average property tax data from ATTOM and average homeowners insurance rates as of March 2025 from Bankrate's Quadrant Information Services data.

The study doesn't factor in certain upfront and ongoing costs of renting and buying (closing costs, maintenance costs, rental application fees or security deposit), home equity built over time, the ability to refinance a mortgage for a lower rate, or savings from mortgage interest tax deductions. The quality of rental homes may not match the quality of homes for sale. Results in this study in no way indicate approval or financing of a mortgage.

About Bankrate:

Bankrate has guided savers and spenders through the next steps of their financial journeys since 1976. Whether it's rates or information on mortgages, investing, credit cards, personal loans, insurance, taxes or retirement, the company offers various free resources to help consumers reach their goals. From product comparison tools to award-winning editorial content, Bankrate provides objective information and actionable next steps. Bankrate also aggregates rate information from over 4,800 institutions on more than 300 financial products, with coverage in more than 600 local markets. It's why over 100 million people put their trust in Bankrate every year.

For more information:

Fontaine Gwynn

Publicist - Bankrate

fontaine.gwynn@bankrate.com

(917) 267-8710

Bankrate

