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In Rental Market, Landlords Gain Upper Hand



Perhaps tired of doubling up with family or living in mom's spare bedroom, renters are heading back into the market, driving down vacancies and driving up rents.

Nationwide, the vacancy rate measured 7.2% in the third quarter, down from 7.9% a year earlier—one of the sharpest declines on record, according to new data released Wednesday by Reis Inc.

“Despite lackluster economic growth and continuing uncertainty in the labor markets, households appear to be returning in droves to the rental market and signing leases,” writes Victor Calanog, Reis' director of research. (See [Apartment Market, Rents Rebound](#))

Landlords took the opportunity to bump up rents for the third quarter in a row. “We are getting more rent every time we either renew the lease or a new resident comes in,” Jeffrey Friedman, chief executive of apartment owner [Associated Estates](#) Realty Corp., tells *Developments*. The days of renter perks like free rent and flat-screen TVs are largely over, although landlords could be back in the incentive game if job growth doesn't materialize next year.

The New York City metro area saw the biggest jump in rents, gaining 2.2% from the second quarter; to an average of \$2,756—the costliest rent by far in the country. (If you want cheap rent move to [Tulsa](#), which ranks last of 82 markets with average rent of \$540.)

Greenville, S.C., and suburban Virginia also saw rental gains topping 2%. Not surprisingly, rents continued to decline in some of the markets hardest hit by the housing crash. The usual suspects—Miami, Jacksonville, Fla., and Las Vegas—each dipped 0.2%.

When measuring vacancy, the nation's tightest market is New Haven, Conn., with just 2.3% of units empty, thanks to those college kids. New York follows with 3.6%, while Long Island's vacancy rate is 3.9%.

Jacksonville tops the list at 12.1%.

Courtesy of JB Goodwin