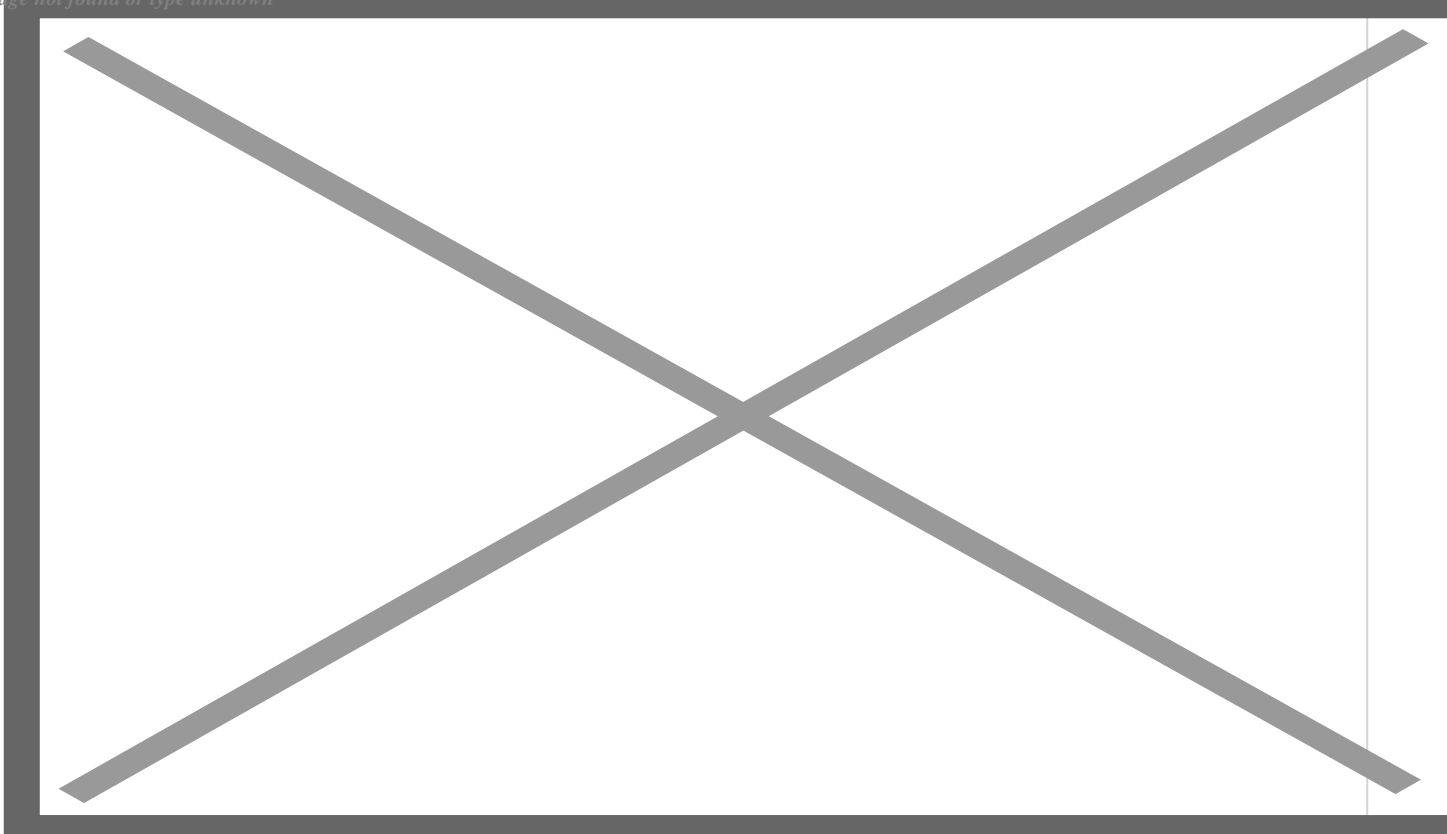


U.S. rents soar amid runaway inflation

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Rents in the largest 50 cities of the US have risen an average of 20% over the last year, according to a recent study. FILE PHOTO © Getty Images / Thomas Winz

Washington, February 22 (RHC)-- Rents in the largest 50 cities of the United States have risen an average of 20% over the last year, according to a recent study conducted by apartment-finding site Zumper. Another recent study, by Realtor.com, appeared to confirm those numbers – median rents on apartments with two or fewer bedrooms spiked 19.3% from December 2020 to 2021.

A number of American cities even exceeded that rate, with rents in Miami reportedly skyrocketing by 49.8% since last year, according to Realtor.com's figures. Meanwhile, Zumper's analysis shows that Boston nearly overtook historically-pricey San Francisco to become the country's second most expensive rental market, with average prices rising 27%, while the Californian city itself barely budged north of 6.3%. The priciest city, however, remains New York, where rents have surged 22.8% year on year.

Analysts blame the hike on a number of factors, from adults who moved in with their parents during the pandemic striking back out on their own, to the costs of an ever-more-bloated housing bubble shutting many young people out of being able to buy a home.

Labor Department statistics, which include existing rents as well as newly-posted listings, show a decidedly smaller increase of 0.5% between December and January. However, that increase represents the largest the department has measured in over two decades, and it is expected to grow.

Some economists are concerned because soaring rents contribute to the US consumer price index, which is used to calculate inflation – a marker which jumped 7.5% since January 2021, the largest yearly gain in 40 years.

Landlords can then feel compelled to raise the rent further with the dollar worth less, forcing the consumer price index and inflation to become higher still. The Federal Reserve recently announced it plans to raise interest rates multiple times this year in order to prevent further runaway inflation, after repeatedly previously describing rising prices as a “transitory” situation. However, the impact of that policy shift is not expected to be felt by ordinary Americans for months.

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