

## WHAT REDFIN'S NEW REPORT REVEALS

# RENT OR BUY IN 2025?



Source: Redfin | August 2025

Building What's Next Together

### Key Highlights from the Report

- Income Required to Buy: As of early 2025, Americans need to earn \$116,633 annually to afford the median-priced U.S. home.
- Income Required to Rent: In contrast, the income needed to afford the typical apartment for rent is \$64,160 annually.
- Affordability Gap: The gap between buying and renting has widened, with homebuyers needing to earn over 80% more than renters.
- Home Prices: The median U.S. home sale price reached \$423,892 in February 2025.
- Rent Prices: Median asking rents have remained relatively steady at \$1,604, due to an increase in rental supply.

### What This Means

- ✓ The expanding affordability gap between renting and buying suggests a growing number of Americans are priced out of homeownership. This strengthens the long-term demand for rental housing, making multifamily and single-family rental properties an increasingly attractive investment opportunity.
- ✓ Today's economic conditions—marked by elevated home prices, high mortgage rates, and slower wage growth—signal a strong rental market. For investors, this highlights the importance of targeting markets where demand for rentals is likely to rise, and where stable cash flow can be achieved despite housing affordability challenges.



### Tools and Resources

To support smart investment decisions, Redfin offers a Rent vs. Buy Calculator:

 [Redfin Rent vs. Buy Calculator](#)

This allows you to compare estimated rental yields vs. ownership costs in specific markets—factoring in variables such as taxes, maintenance, and projected rental income. It's a helpful resource when evaluating whether a market presents strong potential for cash-flowing rental investments.




### About the Source

This information is based on Redfin's publicly released report:

 [Redfin Press Release – April 2025](#)




Please reach out with the contact info below. I'd love to share my knowledge on RE investments.

 217-653-3079

 [info@nextlegacy.net](mailto:info@nextlegacy.net)

 [Nextlegacy.net](https://www.nextlegacy.net)

 <https://www.linkedin.com/in/teresa-loos-tedrow-38660410/>

*Talk soon, Teresa  
Loos-Tedrow!*

 Disclaimer:

This content is for informational purposes only and does not constitute financial, legal, or investment advice. Always consult a licensed professional before making decisions related to housing or real estate investments.