Alaska rent now similar to the U.S.

Gap narrowed in the last decade and then disappeared

By GUNNAR SCHULTZ and ROB KREIGER

A fter several years of slower increases than most of the country, Alaska's median rent in 2022 was on par with the U.S. for the first time. Several other states that once had lower rent than Alaska have also overtaken us in the rankings.

In 2023, the most recent year available, Alaska's median monthly rental cost including utilities, was \$1,373. That ranked slightly below the U.S. median of \$1,406 and 20th among states — Alaska's lowest ranking since at least 2005.

Although the pace of Alaska's rent increase picked up briefly during the pandemic, it remained slower than most states, bringing Alaska rent in line with the national level in 2022 and 2023. (Although the Alaska and U.S. rent lines cross in the graph below, both recent estimates fall within the margin of error, making it unclear which is truly higher. For more on the precision of these estimates and what gross rent includes, see "About the data" on page 7.)

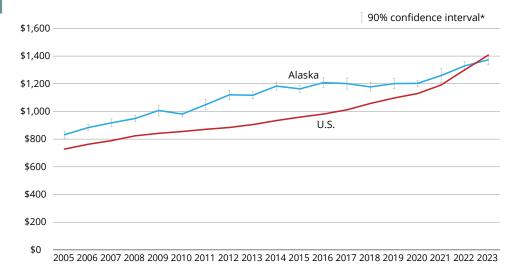
Still, the recent equalizing is a big change historically. Alaska's rent was the highest in the country by far during the early decades of statehood. We ranked first in the 1960, 1970, and 1980 censuses.

The most recent median rents across the U.S. and state rankings

In 2023, Alaska's 20th-ranking median gross rent was close to Georgia, Rhode Island, and Delaware. To put that into context, as recently as 2016, Alaska's rent ranked sixth, on par with New York and Massachusetts and below Hawaii; Washington, D.C.; California; Maryland; and New Jersey.

Since 2016, Massachusetts and New York have pulled ahead of Alaska, as have Colorado, Washington, Florida, Nevada, Arizona, Virginia, Utah, New Hampshire, Oregon, Connecticut, and Texas. In contrast to Alaska, many of these states had recent net migration inflows.

Gap closed between Alaska and U.S. median rents

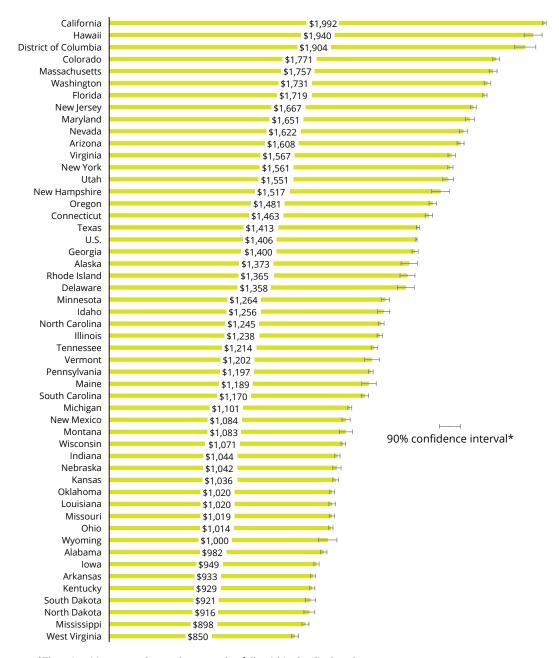


*There is a 90 percent chance the true value falls within the displayed range.

Note: Rent includes utility costs, whether included in the monthly rent payment or paid separately.

Sources: U.S. Census Bureau, American Community Survey 1-Year Estimates and 2020 ACS 1-Year Experimental Data Tables

Median rental costs across the country in 2023



^{*}There is a 90 percent chance the true value falls within the displayed range.

Note: Rent includes utility costs, whether included in the monthly rent payment or paid separately.

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates

Alaska's pattern and rank have changed over the decades

Alaska's typical rent falling into the middle of the pack is also a departure from the state's early decades. In 1980, Alaska was about 50 percent above the national level and 18 percent higher than Hawaii, which ranked second that year. As the exhibit on the next page shows, Alaska's household income in 1980

was also the country's highest.

Earlier censuses show the rent gap was even wider before 1980, with Alaska about 75 percent above the nation in 1960 and 1970 and 35 percent above Nevada, which was second then.

More home-building slows rent rise

The 1970s and 1980s were huge for home-building in Alaska, which likely pulled rents closer to the

national level as the young and developing state rapidly expanded its home supply. During those decades, only Arizona and Nevada grew their housing stock faster than Alaska.

Cheaper options for home heating

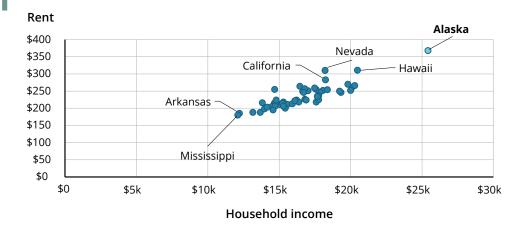
More Alaskans using less-expensive utility gas instead of heating oil over the early decades probably also slowed rental cost increases.

In 1960, before residential natural gas was used in Alaska, more than 70 percent of households heated with oil. Coal and wood accounted for most of the balance. The share using utility gas rose sharply during the 1960s, 1970s, and 1980s and was the state's primary residential heat source by 1990. Today, about 50 percent of households use gas and about 30 percent heat with oil.

The foreclosure crisis of the 1980s

In the late 1980s, new construction fell sharply. Alaska was hit by a foreclosure crisis during its first state-level recession brought on by lower oil prices, which also appears to have slowed rent increases by making more homes available. Homebuying also became more affordable after prices fell, further softening rental demand.

Alaska was highest for rent, household income in 1980



Source: U.S. Census Bureau, Historical Census of Housing Tables and Historical Income Tables

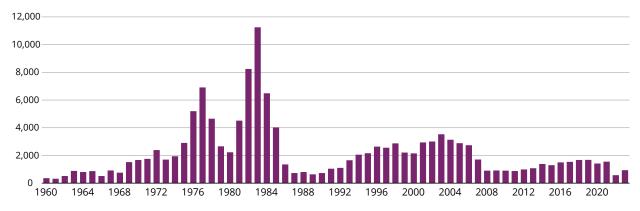
Between 1980 and 1990, the number of rented homes increased at a much faster rate than owned homes, and estimated rental vacancy rates back to 1986 show the rate in Alaska was far above the national level during that time and higher than at any time since.

By 1990, Alaska's rent premium had decreased to the point that the state no longer topped the median rent list. Between 1960 and 2000, Alaska ranked last for its overall rate of increase.

A few exceptions to Alaska's trend of slower rent increases

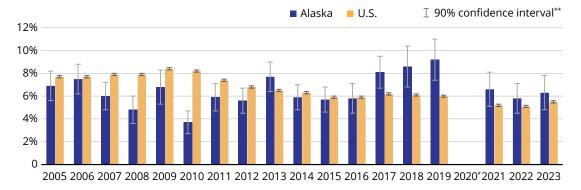
While slower rent growth was the prevailing trend for the state in these early decades, the period from

New housing units permitted in Alaska, 1960 to 2023



Source: U.S. Census Bureau, Building Permit Survey

Alaska and U.S. rental vacancy rates from 2005 to 2023



^{*}No rental vacancy rate estimates were published for 2020.

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates

2005 to 2014 is a clear exception. Rent in Alaska increased faster than in the U.S. and most states over those years.

That period included the U.S. Great Recession and national foreclosure crisis in the late 2000s that only briefly brushed Alaska. It also included the most recent period in which more people were moving into Alaska than leaving.

From 2005-2014, Alaska's median rent rose 42 percent while the national median increased 28 percent. Alaska's rise ranked fifth fastest behind D.C., North Dakota, Wyoming, and Hawaii.

For comparison, half of the states recorded rent hikes of 24 to 35 percent from 2005-2014, and rent in Nevada only rose about 11 percent. Nevada was at the center of the foreclosure crisis during the Great Recession.

Alaska, which had a relatively strong economy, received more movers than it lost from 2008 to 2012, including the biggest single-year net increase since the early 1990s (2010).

According to the American Community Survey, Alaska's rental vacancy rate was also lower than the national rate for six straight years from 2007 to 2012 and tied for the lowest among states in 2010, reflecting a tight market in Alaska with high rental demand.

While data weren't available for the years between the decennial censuses of 1960 through 2000, other

About the data

Median gross rent data come from two U.S. Census Bureau sources. The American Community Survey provides annual estimates from 2005 to 2023 while longform census data give decennial estimates from 1960 through 2000.

Gross rents from these two sources are the contract rent (the amount paid to the landlord) plus additional utility costs it doesn't include, regardless of who pays them. Using gross rent makes costs more comparable across areas. The median is the middle value of all rents paid, excluding units without rent payments.

Data from the decennial census long form aren't comparable with the ACS because of a methodological change when the bureau replaced the former with the latter. Specifically, the bureau excluded single-family rentals on 10 or more acres from decennial census

calculations from 1960 to 2000 but included them in the ACS after 2005. About 2 percent of households renting in Alaska fell into that category in 1980, similar to many states. In Iowa, it was about 15 percent.

American Community Survey estimates include margins of error because they are based on a sample. Adding or subtracting the margins of error from an estimate gives a range called a confidence interval in which the area's median rent likely falls. When two estimates' confidence intervals don't overlap, the difference between them is statistically significant, meaning they probably are different. If they do overlap, the estimates often aren't precise enough to determine the actual difference with a high degree of confidence.

The Census Bureau provides a tool for testing whether two ACS estimates are statistically different, and it's available here.

^{**}There is a 90 percent chance the true value falls within the displayed range.

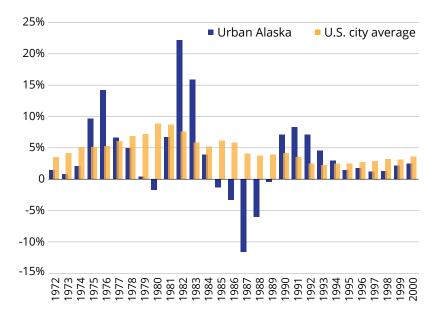
Historical gross rent by state, 1960-2000

	1960	1970	1980	1990	2000*
US	\$71	\$108	\$243	\$447	\$602
AL	\$45	\$69	\$188	\$325	\$447
AK	\$126	\$189	\$368	\$559	\$720
ΑZ	\$69	\$109	\$264	\$438	\$619
AR	\$47	\$71	\$185	\$328	\$453
CA	\$79	\$126	\$283	\$620	\$747
CO	\$72	\$110	\$252	\$418	\$671
CT	\$77	\$127	\$260	\$598	\$681
DE	\$77	\$111	\$247	\$495	\$639
DC	\$81	\$119	\$224	\$479	\$618
FL	\$71	\$112	\$255	\$481	\$641
GA	\$51	\$86	\$211	\$433	\$613
HI	\$72	\$132	\$311	\$650	\$779
ID	\$65	\$92	\$218	\$330	\$515
IL	\$85	\$124	\$246	\$445	\$605
IN	\$70	\$105	\$218	\$374	\$521
IA	\$68	\$99	\$226	\$336	\$470
KS	\$66	\$94	\$218	\$372	\$498
KY	\$55	\$83	\$198	\$319	\$445
LA	\$53	\$81	\$214	\$352	\$466
MN	\$64	\$90	\$216	\$419	\$497
MD	\$78	\$127	\$266	\$548	\$689
MA	\$75	\$117	\$255	\$580	\$684
MI	\$77	\$115	\$250	\$423	\$546
MN	\$77	\$117	\$236	\$422	\$566
MS	\$43	\$65	\$180	\$309	\$439
MO	\$65	\$96	\$211	\$368	\$484
MT	\$66	\$89	\$200	\$311	\$447
NE	\$67	\$95	\$213	\$348	\$491
NV	\$91	\$141	\$310	\$509	\$699
NH	\$65	\$99	\$251	\$549	\$646
NI	\$80	\$126	\$270	\$592	\$751
NM	\$71	\$88	\$215	\$372	\$503
NY	\$74	\$111	\$249	\$486	\$672
NC	\$55	\$86	\$205	\$382	\$548
ND	\$71	\$97	\$206	\$313	\$412
ОН	\$75	\$105	\$225	\$379	\$515
OK	\$57	\$82	\$215	\$340	\$456
OR	\$70	\$107	\$257	\$408	\$620
PA	\$64	\$93	\$224	\$404	\$531
RI	\$62	\$93	\$222	\$489	\$553
SC	\$49	\$77	\$206	\$376	\$510
SD	\$67	\$88	\$188	\$306	\$426
TN	\$52	\$82	\$203	\$357	\$505
TX	\$60	\$95	\$246	\$395	\$574
UT	\$66	\$97	\$235	\$369	\$597
VT	\$62	\$98	\$233	\$446	\$553
VA	\$71	\$115	\$259	\$495	\$650
WA	\$71	\$113	\$254	\$445	\$663
WV	\$53	\$72	\$195	\$303	\$401
WI	\$79	\$113	\$234	\$399	\$540
WY	\$67	\$87	\$252	\$333	\$437
441	407	407	4232	4223	4 4 5/

Note: See the table on page 10 for 2005-2023 rents. Median gross rent estimates for 1960-2000 are not comparable to 2005-2023 because the Census Bureau changed how it calculated median gross rent when its American Community Survey replaced the longform census.

Source: U.S. Census Bureau, Historical Census of Housing Tables

Historical rent change by consumer price index



Note: The CPI for Urban Alaska only covered Anchorage during these years. **Sources:** U.S. Department of Labor, Bureau of Labor Statistics, rent of a primary residence index for Urban Alaska and the U.S. city average

sources show rent increases in Alaska probably also outpaced the U.S. during other years of relative economic strength and major net migration flows into the state.

Consumer price index rent growth data, which only covered Anchorage until the late 2010s, show Anchorage temporarily outpaced the national index during the mid-1970s, early 1980s, and early 1990s. (See the chart above.)

The index also shows sharp rent decreases in the late 1980s during the state's recession and foreclosure crisis.

Rent stagnation for Alaska in the 2010s

After the nation recovered from the Great Recession, Alaska's rent increases stagnated during the second half of the 2010s as the state weathered its own recession. Alaska lost jobs from the end of 2015 through 2018 with a plunge in oil prices, then recorded a brief employment uptick in 2019 before the pandemic hit.

The late 2010s also included the years with the current negative net migration streak's deepest losses. Alaska's rental vacancy rates were notably higher than the U.S. over those three years.

Thirty-three states and D.C. had significantly lower vacancy rates than Alaska in 2019, and only Wyoming's rate was distinguishably higher.

Between 2016 and 2019, Alaska's median rent barely budged as the nation's rent rose by about 12 percent. Half of states' increases fell between 7 and 12 percent.

Overall, changes by state ranged from -2 percent in Wyoming to 20 percent in Washington. Wyoming was the only other state with rent estimates that stayed essentially flat over those years.

Alaska's pandemic recovery was slower than most states

Between 2014 and 2019, Alaska ranked last for its pre-pandemic rent growth. Even with a pick-up during the pandemic, Alaska also ranked last for rent increases from 2014 to 2023.

One reason Alaska rent continued to rise slower than the nation during the pandemic is Alaska was among the hardest-hit states and its economic recovery from COVID was more protracted than most.

From 2019 to 2023, Alaska's median rent increased by about 14 percent, the second slowest among states and half the U.S. rate.

For comparison, state increases ranged from 14 percent in North Dakota over those years to 46 percent in Arizona. Half of the states' rent increases ranged from 20 to 30 percent. Many of the states where rent rose the fastest had strong net migration gains.

Alaska's net migration loss streak reached its 11th year in 2023, although the losses from 2021 through 2023 were smaller than in the late 2010s.

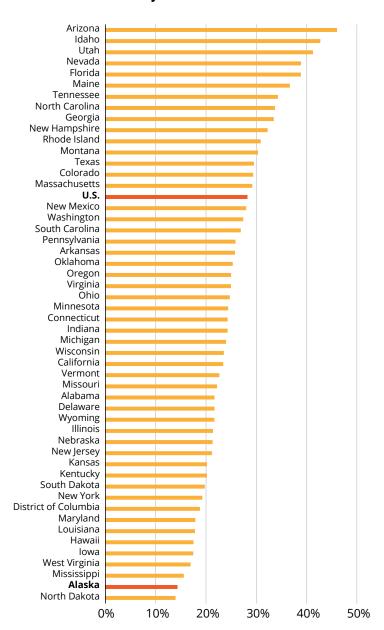
What 2024 migration and iob numbers show so far

How rent growth in Alaska compares in the future will likely continue to depend on the strength of Alaska's economy relative to the rest of the country and how that affects its migration patterns.

Alaska's negative net migration streak continued in 2024, but the losses were small again, on par with the milder post-pandemic years rather than the severe loss years just before the pandemic.

While the differences between Alaska's employment growth and other states were small recently, neither

Rent increase by state from 2019-2023



Note: Rent includes utility costs, whether included in the monthly rent payment or paid separately.

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates

Alaska nor the nation was in economic turmoil during the last two years, and turmoil in one or the other has usually been the cause of diverging rates of rent increases.

Rent estimates and vacancy rates for 2024 will be available this September.

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Median monthly gross rent by state, 2005 to 2023

•	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020*	2021	2022	2023
US	\$728	\$763	\$789	\$824	\$842	\$855	\$871	\$884	\$905	\$934	\$959	\$981	\$1,012	\$1,058	\$1,097	\$1,129	\$1,191	\$1,300	\$1,406
AL	\$535	\$573	\$601	\$631	\$657	\$667	\$687	\$689	\$694	\$717	\$729	\$743	\$750	\$788	\$807	\$800	\$861	\$913	\$982
AK	\$832	\$883	\$918	\$949	\$1,007	\$981	\$1,049	\$1,120	\$1,117	\$1,183	\$1,163	\$1,208			\$1,201	\$1,203			
AZ	\$717	\$762	\$819	\$866	\$859	\$844	\$850	\$888	\$890	\$916	\$933		\$1,020	\$1,036	\$1,101				
AR	\$549	\$566	\$573	\$606	\$606	\$638	\$639	\$640	\$659	\$683	\$695	\$701	\$711	\$731	\$742	\$760	\$820	\$846	\$933
CA	\$973	\$1,029	\$1,078	\$1,135	\$1,155	\$1,163	\$1,174	\$1,200	\$1,224	\$1,268	\$1,311	\$1,375	\$1,447	\$1,520	\$1,614	\$1,661	\$1,750	\$1,870	\$1,992
CO	\$757	\$780	\$788	\$848	\$851	\$863	\$900	\$934	\$971	\$1,020	\$1,111	\$1,171	\$1,240	\$1,289	\$1,369	\$1,401	\$1,491		\$1,771
CT	\$839	\$886	\$931	\$970	\$1,006	\$992	\$1,021	\$1,019	\$1,040	\$1,076	\$1,108	\$1,115	\$1,125	\$1,171	\$1,177			\$1,360	\$1,463
DE	\$793	\$830	\$910	\$917	\$949	\$952	\$960	\$960	\$999	\$1,024	\$1,049	\$1,048	\$1,086	\$1,108	\$1,116		\$1,208	\$1,274	
DC FL	\$832 \$809	\$914 \$872	\$934 \$925	\$1,011 \$947	\$1,059 \$952	\$1,198 \$947	\$1,216 \$949	\$1,235 \$954		\$1,360		\$1,376 \$1,086	\$1,499 \$1,128		\$1,603 \$1,238		\$1,668 \$1,348	\$1,843 \$1,525	\$1,904 \$1,719
GA	\$709	\$738	\$768	\$787	\$800	\$819	\$833	\$837	\$850	\$882	\$909	\$933	\$958		\$1,049	\$1,270			
HI	\$995	\$1,116	\$1,194	\$1,298	\$1,293	\$1,291	\$1,308	\$1,379		\$1,448		\$1,483		\$1,613	\$1,651		\$1,774	\$1,813	
ID	\$594	\$623	\$654	\$690	\$694	\$683	\$689	\$702	\$725	\$755	\$770	\$790	\$822	\$848	\$880		\$1,035	\$1,138	
IL	\$734	\$761	\$783	\$811	\$828	\$848	\$859	\$868	\$885	\$905	\$936	\$950	\$974	\$995	\$1,020	\$1,065	\$1,106		\$1,238
IN	\$615	\$638	\$638	\$670	\$687	\$683	\$707	\$715	\$730	\$753	\$758	\$768	\$793	\$820	\$840	\$850	\$905		\$1,044
IA	\$559	\$584	\$567	\$607	\$611	\$629	\$643	\$661	\$679	\$711	\$718	\$741	\$760	\$777	\$808	\$785	\$847	\$891	\$949
KS	\$588	\$609	\$623	\$654	\$671	\$682	\$709	\$711	\$745	\$773	\$782	\$789	\$815	\$840	\$862	\$877	\$904	\$975	\$1,036
KY	\$527	\$548	\$563	\$578	\$613	\$613	\$626	\$636	\$668	\$678	\$702	\$707	\$724	\$779	\$773	\$795	\$830	\$891	\$929
LA	\$569	\$618	\$651	\$698	\$715	\$736	\$747	\$747	\$763	\$801	\$800	\$808	\$836	\$854	\$866	\$866	\$924		\$1,020
MN	\$623	\$636	\$650	\$702	\$722	\$707	\$747	\$744	\$760	\$776	\$792	\$797	\$806	\$839	\$870	\$903	\$945	\$1,033	\$1,189
MD MA	\$891 \$902	\$953 \$933	\$1,000 \$946	\$1,074 \$991	\$1,108 \$988	\$1,131 \$1.009	\$1,153 \$1.034	\$1,170 \$1.036	\$1,210 \$1,077	\$1,242 \$1,107	\$1,278 \$1,164	\$1,314 \$1,179	\$1,337 \$1,208	1,371 1,295	\$1,401 \$1,360	\$1,425 \$1,449	\$1,473	\$1,550 \$1,634	
MI	\$655	\$675	\$683	\$706	\$716	\$730	\$739	\$748	\$768	\$788	\$803	\$818	\$835	\$861	\$888	\$908		\$1,054	
MN	\$692	\$701	\$711	\$734	\$757	\$764	\$787	\$813	\$832	\$859	\$888	\$912	\$939	\$969	\$1,016	\$1,070		\$1,200	
MS	\$538	\$584	\$609	\$638	\$644	\$672	\$689	\$666	\$708	\$711	\$724	\$728	\$742	\$777	\$777	\$779	\$831	\$873	\$898
МО	\$593	\$607	\$618	\$657	\$668	\$682	\$708	\$706	\$734	\$754	\$763	\$771	\$800	\$830	\$834	\$841	\$882	\$954	\$1,019
MT	\$552	\$571	\$579	\$631	\$627	\$642	\$650	\$681	\$690	\$711	\$763	\$741	\$759	\$811	\$831	\$854	\$883	\$1,005	\$1,083
NE	\$569	\$593	\$614	\$626	\$644	\$669	\$673	\$692	\$714	\$742	\$750	\$769	\$801	\$830	\$859	\$870	\$912	\$983	\$1,042
NV	\$861	\$917	\$980	\$1,011	\$993	\$952	\$936	\$944	\$952	\$955	\$980	\$1,003	\$1,051	\$1,108	\$1,168	\$1,229	\$1,311	\$1,461	
NH	\$854	\$861	\$892	\$914	\$918	\$951	\$939	\$967	\$995	\$994	\$1,017	\$1,026	\$1,072	\$1,090	\$1,147		\$1,263		\$1,517
NJ	\$935	\$974	\$1,026	\$1,068	\$1,108	\$1,114	\$1,135	\$1,148	\$1,171	\$1,202	\$1,214	\$1,244	1,284	\$1,336	\$1,376				
NM NY	\$587 \$841	\$617	\$637 \$907	\$668 \$953	\$680 \$984	\$699	\$729 \$1.058	\$753	\$772	\$777	\$783	\$804	\$813	\$830	\$847	\$834	\$906	\$955	\$1,084 \$1,561
NC	\$635	\$875 \$656	\$678	\$694	\$984 \$720	\$1,020 \$731	\$745	\$1,079 \$756	\$1,109 \$778	\$1,148 \$803	\$1,173 \$827	\$1,194 \$839	\$1,226 \$861	\$900	\$1,309 \$931	\$1,358 \$943	\$1,409	\$1,499 \$1,131	\$1,361
ND	\$479	\$497	\$516	\$534	\$564	\$583	\$626	\$644	\$690	\$728	\$775	\$776	\$785	\$808	\$804	\$748	\$839	\$863	\$916
ОН	\$613	\$627	\$643	\$667	\$670	\$685	\$692	\$700	\$709	\$735	\$746	\$759	\$772	\$797	\$813	\$831	\$870		\$1,014
OK	\$547	\$580	\$588	\$614	\$636	\$659	\$675	\$686	\$705	\$737	\$759	\$744	\$780	\$808	\$814	\$811	\$855		\$1,020
OR	\$689	\$714	\$743	\$780	\$819	\$816	\$840	\$862	\$887	\$924	\$943	\$1,015	1,079	\$1,130	\$1,185	1,239	\$1,282	\$1,370	\$1,481
PA	\$647	\$664	\$685	\$726	\$738	\$763	\$786	\$798	\$828	\$848	\$868	\$881	\$893	\$927	\$951	\$979	\$1,036	\$1,116	\$1,197
RI	\$775	\$840	\$830	\$850	\$890	\$868	\$875	\$878	\$918	\$934	\$938	\$948	\$941	\$998	\$1,043	\$1,069		\$1,254	
SC	\$611	\$640	\$645	\$675	\$706	\$728	\$741	\$754	\$766	\$791	\$819	\$841	\$848	\$892	\$922	\$937	\$976	\$1,084	\$1,170
SD	\$500	\$522	\$526	\$569	\$562	\$591	\$612	\$651	\$637	\$647	\$675	\$706	\$722	\$734	\$769	\$724	\$830	\$866	\$921
TN	\$583	\$613	\$634	\$660	\$682	\$697	\$715	\$730	\$748	\$770	\$785	\$806	\$833	\$861	\$904	\$907	\$981	\$1,096	\$1,214
TX UT	\$671	\$711	\$734	\$768	\$788	\$801	\$813 \$822	\$831	\$857	\$896	\$932	\$956	\$987	\$1,046	\$1,091	\$1,113		\$1,290	\$1,413
VT	\$665 \$683	\$697 \$716	\$733 \$756	\$784 \$797	\$793 \$829	\$796 \$823	\$822 \$849	\$851 \$860	\$881 \$865	\$886 \$917	\$925 \$923	\$954 \$925	\$986 \$950	\$1,043 \$969	\$1,098 \$980	\$1,158	\$1,208 \$1,115	\$1,372 \$1,141	\$1,551
VA	\$812	\$846	\$892	\$934	\$989	\$1,019	\$1,062	\$1,068	\$1,086	\$1,116	\$1,144	\$1,159	\$1,179		\$1,254			\$1,141	. , .
WA	\$741	\$779	\$816	\$874	\$911	\$908	\$930	\$954	\$989	\$1,110	\$1,144	\$1,135	\$1,175	\$1,316	\$1,359	\$1,209		\$1,630	\$1,731
WV	\$483	\$499	\$525	\$528	\$552	\$571	\$599	\$607	\$620	\$656	\$675	\$682	\$690	\$735	\$727	\$723	\$767	\$795	\$850
WI	\$643	\$658	\$673	\$704	\$708	\$715	\$739	\$743	\$758	\$782	\$792	\$802	\$819	\$847	\$867	\$872	\$921		
WY	\$537	\$601	\$636	\$636	\$700	\$693	\$759	\$742	\$780	\$792	\$815	\$840	\$832	\$818	\$822	\$800	\$889	\$895	\$1,000

Note: See the table on page 8 for 1960-2000 rents. Median gross rent estimates for 1960-2000 are not comparable to 2005-2023 because the U.S. Census Bureau changed how it calculated median gross rent when its American Community Survey replaced the longform census. The bureau also cautions against comparing 2020 Experimental Estimates with other ACS data.

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates 2005-2023 and 2020 ACS 1-Year Experimental Data Tables