

Rent up 5 percent in spring survey

Average rent increase similar to last year, higher than usual

By GUNNAR SCHULTZ and ROB KREIGER

Our annual survey of rental costs in Alaska's largest markets showed continuing increases in 2025 that were well above the 15-year average. Vacancy rates remained below historical averages, with a few exceptions.

Rents and vacancy rates are clearly relevant to current and prospective renters and landlords — about a third of Alaska households rent, and the other two-thirds pay mortgages or own their homes outright. But trends in rental costs and vacancy rates also hint at what's happening in the broader housing market.

When buying a home becomes more expensive, for example, more people may have to (or choose) to rent.

Rent around the state this spring

In March 2025, median rents including utilities for two-bedroom apartments ranged from about \$1,200 in the Kenai Peninsula Borough to almost \$2,100 in

Two-bedroom apartment rents, 2025

	Adjusted rent*	Change from 2024	Avg chg from 2010
Bethel Census Area	\$2,075	-	-
Kodiak Island Borough	\$1,713	0%	2.0%
Anchorage, Municipality	\$1,680	4.3%	2.7%
Fairbanks N Star Borough	\$1,676	8.7%	2.9%
Juneau, City and Borough	\$1,661	6.4%	2.5%
Ketchikan Gateway Borough	\$1,600	0%	2.4%
Sitka, City and Borough	\$1,564	3.6%	2.3%
Matanuska-Susitna Borough	\$1,389	8.6%	3.2%
Chugach Census Area	\$1,375	-3.2%	2.3%
Wrangell-Petersburg	\$1,235	14.2%	3.4%
Kenai Peninsula Borough	\$1,203	4.4%	2.4%

Notes: Adjusted rent includes the amount paid to the landlord (contract rent) plus estimated monthly utility costs not included in the payment. Utility adjustments were not available for Bethel until this year.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and The Alaska Housing Finance Corporation

Bethel. Two-bedroom apartments are the most common in our survey, and all the data that follow are for that type of unit.

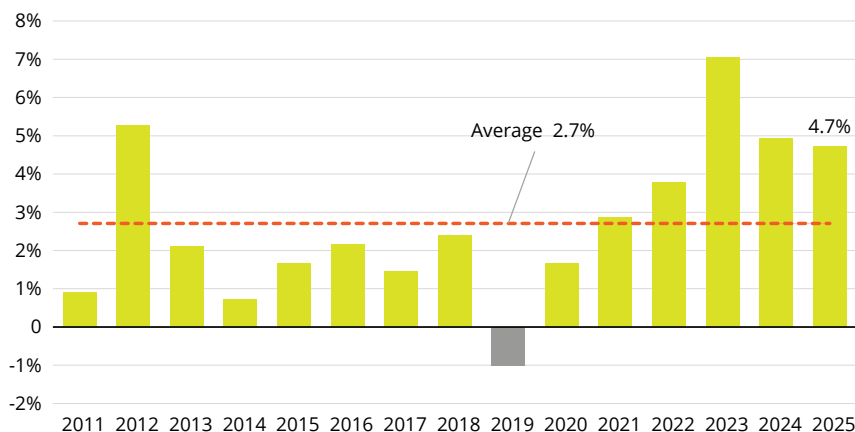
Rents were around \$1,675 per month in Anchorage, Fairbanks, and Juneau. The Matanuska-Susitna and Kenai Peninsula boroughs' rents were much lower at about \$1,400 and \$1,200, respectively.

Anchorage has consistently been between \$200 and \$400 higher than Mat-Su since 2010, making the 2025 gap about average.

In the Gulf Coast Region, rent was highest in Kodiak (\$1,710), followed by the Chugach Census Area (\$1,380) and the Kenai Peninsula Borough (\$1,200). The Chugach Census Area includes Cordova, Valdez, and Whittier.

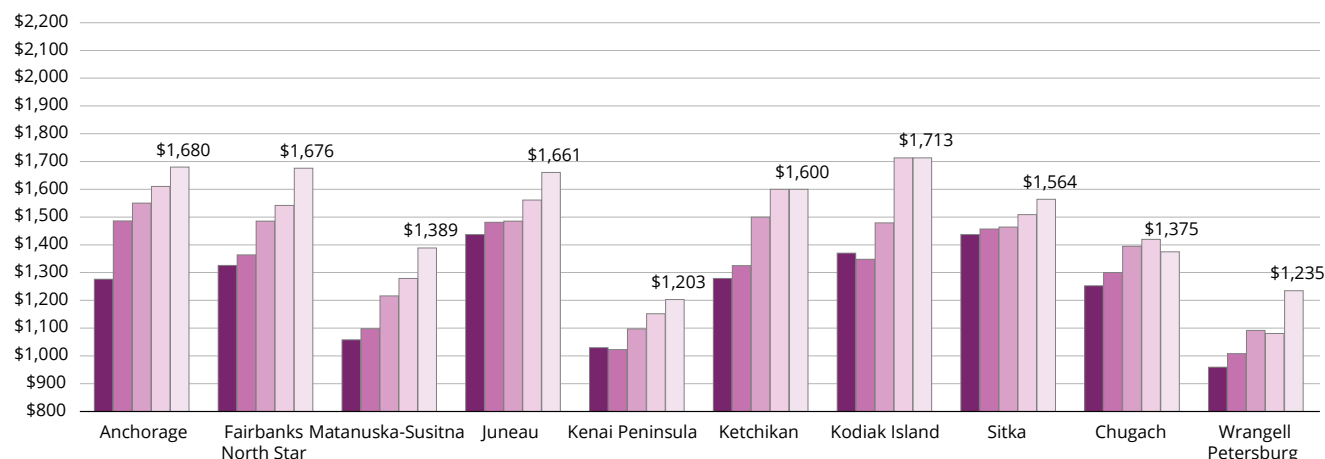
In Southeast, rent was highest in Juneau (\$1,660), followed by

Average percent change in rents from 2011-2025



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and The Alaska Housing Finance Corporation

Median rent plus utilities for a 2-bedroom apartment by area, 2020 to 2025



Notes: Median adjusted rent includes the amount paid to the landlord (contract rent) plus estimated monthly utility costs not included in the payment. This is the first year median adjusted rent was available for Bethel, so Bethel is excluded.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and The Alaska Housing Finance Corporation

Ketchikan (\$1,600), Sitka (\$1,560), and Wrangell-Petersburg (\$1,240).

Faster rent increases continue

Higher-than-average rent increases have been common since 2021, a notable shift from the pre-pandemic years.

Median rents rose an average of 5 percent across surveyed areas in 2025, similar to last year and well above the 15-year average of 3 percent.

Rents rose about 4 percent in Anchorage, the Kenai Peninsula Borough, and Sitka; 9 percent in Fairbanks and Mat-Su; and 6 percent in Juneau. Ketchikan and Kodiak rents were unchanged from last year after increasing dramatically in 2023 and 2024.

Wrangell-Petersburg and Chugach, the two smallest areas, saw the largest rent increase and the only decrease this year. Wrangell-Petersburg's rent jumped 14 percent; Chugach's fell 3 percent.

Overall, rent increases across areas have averaged 2-3 percent a year since 2010 (excluding Bethel).

The exhibit above shows median rents for the last five years. Rent increases over that period averaged about \$300, ranging from \$120 in Chugach to \$440 in Kodiak.

In the largest areas, rents rose by about \$400 in Anchorage and Fairbanks, \$350 in Mat-Su, and \$200 in Juneau and the Kenai Peninsula Borough.

Rental trends since the pandemic

Rent increases were lower before the pandemic, and vacancy rates were higher. Those years included a multi-year state-level recession and the most severe net migration losses of Alaska's current loss streak, which began in 2013.

Early in the pandemic, vacancy rates tightened. Emergency rental assistance, stimulus payments, higher unemployment insurance benefits, and expanded child tax credits helped people keep up on rent and utility payments despite substantial job losses. Eviction moratoriums also played a role.

Some aspiring homebuyers likely continued to rent during that time, too, despite record-low mortgage rates, as inventory was low.

In 2022, inflation reached a 41-year high after decades of low inflation. Landlords' higher operating costs in recent years may have been one factor driving higher rents. Inflation has also increased utility costs and affected property taxes.

Wages have also risen faster than usual since the pandemic, as unemployment has been low and many businesses have struggled to hire.

Inflation has come way down from its 2022 high, but wage growth has remained strong and mortgage costs — a combination of sales prices and interest rates — have stayed high since jumping in during 2022, pricing many potential buyers out of the market and boosting rental demand.

Wages rising faster than usual

Rapid wage growth began during the pandemic and has continued. In 2024, the average wage in Alaska rose by about 5 percent, similar to the previous two years. The average increase was 3 percent per year between 2010 and 2024.

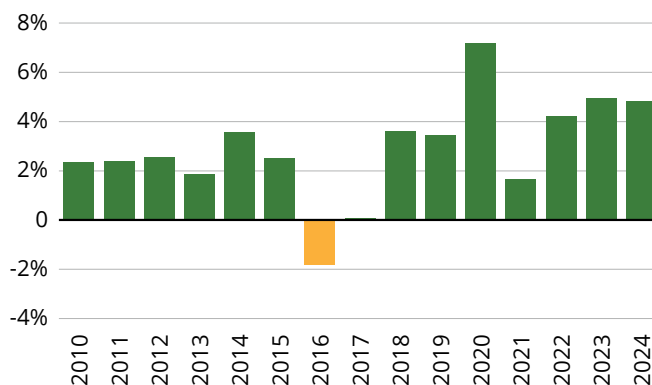
By area, faster-than-average wage increases were also common in 2024: about 5 percent in Anchorage and the Kenai Peninsula Borough, 6 percent in Fairbanks and Mat-Su, and 4 percent in Juneau and Ketchikan.

Average wages decreased in Kodiak, along with job counts, which may have contributed to its rent plateau and vacancy rate increase in March. For context, Kodiak rent jumped in 2023 and 2024, and vacancy tightened from 2021 to 2023.

Jobs also declined in the Chugach Census Area in 2024, although the average wage didn't, which may have influenced its lower rent and higher vacancy this year.

Between 2019 and 2024, Alaska's average wage rose

Change in average wage, 2010-2024



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

by about 25 percent, or \$1,200 a month, to \$5,900. By area, the average was 24 percent in Anchorage, 28 percent in Fairbanks, 29 percent in Mat-Su, 29 percent in Juneau, 22 percent in the Kenai Peninsula Borough, 28 percent in Ketchikan, 25 percent in Kodiak, 26 percent in Sitka, 26 percent in Petersburg, 33 percent in Wrangell, and 21 percent in Bethel.

About the data and the rental survey

Every March, we survey thousands of landlords and property managers in selected areas of Alaska in cooperation with the Alaska Housing Finance Corporation.

All rents and rent changes in this article are median adjusted rents for two-bedroom apartments. Two-bedroom apartments are the most common unit type in our survey results. Adjusted rent is the contract rent (the amount paid to the landlord) plus estimated monthly utility costs not included in the rent payment. This improves comparisons across areas by accounting for differences in unit types and utility inclusion across areas and within areas from one survey to the next.

March vacancy rates are for all units surveyed in an area and are the percentage of units that were vacant or anticipated to be vacant the week of March 11, including temporarily unavailable units.

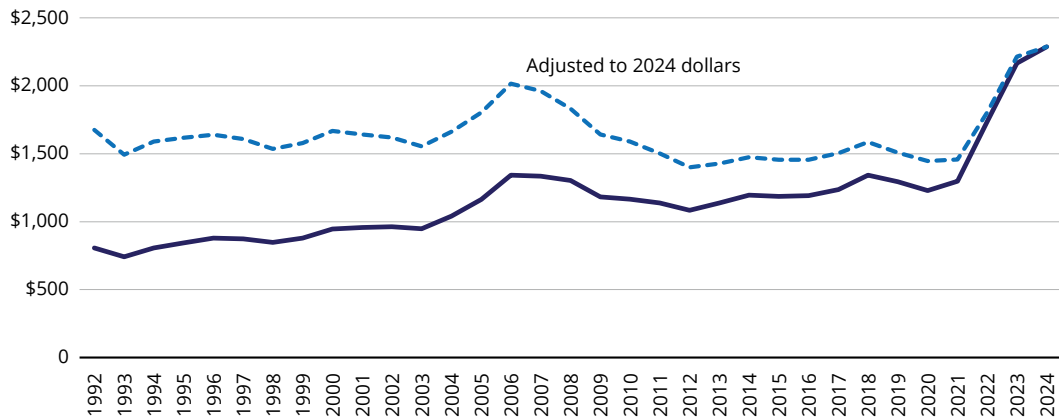
In 2023, we added the Bethel Census Area to the 10 areas we have surveyed historically. Long-run comparisons of average rent changes and March vacancy rates in the article exclude Bethel, for consistency over time.

The survey combines the Wrangell and Petersburg boroughs because of their small sizes. Rent and vacancy rate changes can be volatile in small areas and for unit types with small sample sizes.

Rental survey results back to 2010 will be available on our website by mid-September and will include average and median contract and adjusted rents, vacancy rates, and the percentages of units with utilities included in contract rent by area, building type, and number of bedrooms.

For areas our rental survey doesn't cover, five-year estimates are available from the U.S. Census Bureau's American Community Survey. The most recent release is for 2019-2023.

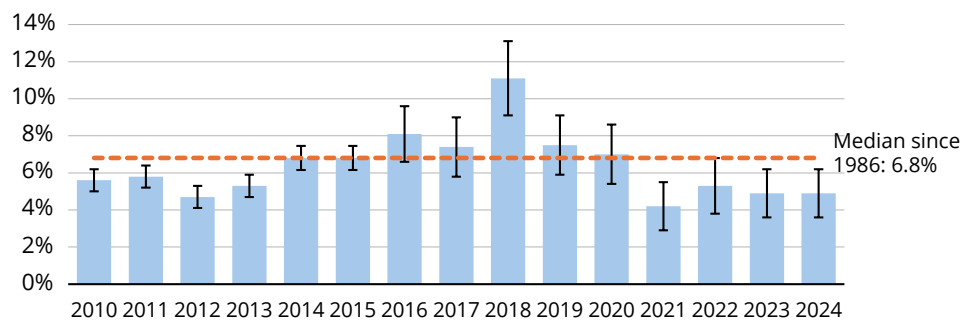
Average Alaska monthly mortgage payment, 1992 to 2024



Note: The estimated monthly mortgage payment is for a 30-year fixed-rate mortgage on an average-priced single-family home with a 20 percent down payment and the average interest rate. It does not include other ownership costs such as utilities or property tax.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and The Alaska Housing Finance Corporation

Statewide rental vacancy rate, 2010 to 2024



Note: Error bars show the level of uncertainty around each estimate.

Source: U.S. Census Bureau, Housing Vacancy Survey, Rental Vacancy Rates by State

Mortgage rates jumped in 2022, from historical lows to the highest level in more than a decade. High mortgage costs can push rents up by increasing demand for rentals.

In 2024, the principal and interest payment on a typical mortgage was about \$2,300, which was 6 percent higher than the previous year and a whopping 75 percent above 2021, before interest rates increased.

When adjusted for inflation, the typical new mortgage payments in 2023 and 2024 were the highest in Alaska since at least 1992, surpassing the previous high in 2006.

Estimated monthly mortgage payments are calculated using the average single-family home sales

price and the average interest rate on a monthly 30-year fixed-rate mortgage payment, assuming a 20 percent down payment.

Higher mortgage costs also don't reflect the higher down payments required recently. Between 2019 and 2024, a 20 percent down payment on an average-priced single-family home in Alaska increased from \$67,000 to \$92,000.

Overall, from 2021 to 2024, estimated mortgage payments increased about 74 percent in Anchorage, 72 percent in Fairbanks, 81 percent in Mat-Su, 64 percent in Juneau, 94 percent in Kenai Peninsula Borough, 76 percent in Ketchikan, 82 percent in Kodiak, and 36 percent in Bethel.

These sharp increases have significantly changed

how those payments compare to typical rental costs. For example, in Anchorage, the estimated mortgage payment in 2024 was \$2,540 a month. Rent plus utilities for a two-bedroom apartment this year was \$1,680. That's a difference of nearly \$900 a month; in 2021, a mortgage was only about \$200 more per month.

These comparisons also understate the actual cost differences because estimated mortgage costs don't include other home ownership expenses, such as utilities, property taxes, insurance, and maintenance.

Vacancy is still lower than usual

Vacancy likely played an ongoing role in the pace of rent increases over the past year. In 2024, the statewide rental vacancy rate from the U.S. Census Bureau's Housing Vacancy Survey was around 5 percent. The rate was similar to 2021-2023 but significantly tighter than 2014-2020 and the historical median of 7 percent since 1986.

Low vacancy rates give landlords more market power to raise rents, as renters have fewer options.

Vacancy trends by area

In 2025, the average March vacancy rate as measured by our annual survey was 6.1 percent — although it varied by area — in line with last year and half a percentage point below the 15-year median of 6.6 percent. Vacancies were lower in 2022 and 2023.

Vacancy rates this year ranged from about 3 percent in Wrangell-Petersburg to 14 percent in Fairbanks.

March 2025 vacancy rates by area

	Vacancy rate, 2025	Median since 2010
Fairbanks North Star Borough	13.5%	11.6%
Bethel Census Area	12.2%	12.9%
Ketchikan Gateway Borough	7.0%	9.9%
Chugach Census Area	6.2%	4.9%
Sitka, City and Borough	6.1%	7.7%
Municipality of Anchorage	5.6%	4.0%
Kenai Peninsula Borough	5.5%	7.2%
Kodiak Island Borough	5.0%	5.4%
Matanuska-Susitna Borough	4.2%	4.6%
City and Borough of Juneau	4.0%	4.0%
Wrangell-Petersburg	3.4%	5.1%
Survey average (excl. Bethel)	6.1%	6.6%

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Most areas fell between 4 and 7 percent and have been at least slightly above their pandemic lows over the last two years.

However, rates were higher than usual in Anchorage, Fairbanks, and the Chugach Census Area and lower than usual in the Kenai Peninsula Borough, Ketchikan, Sitka, and Wrangell-Petersburg.

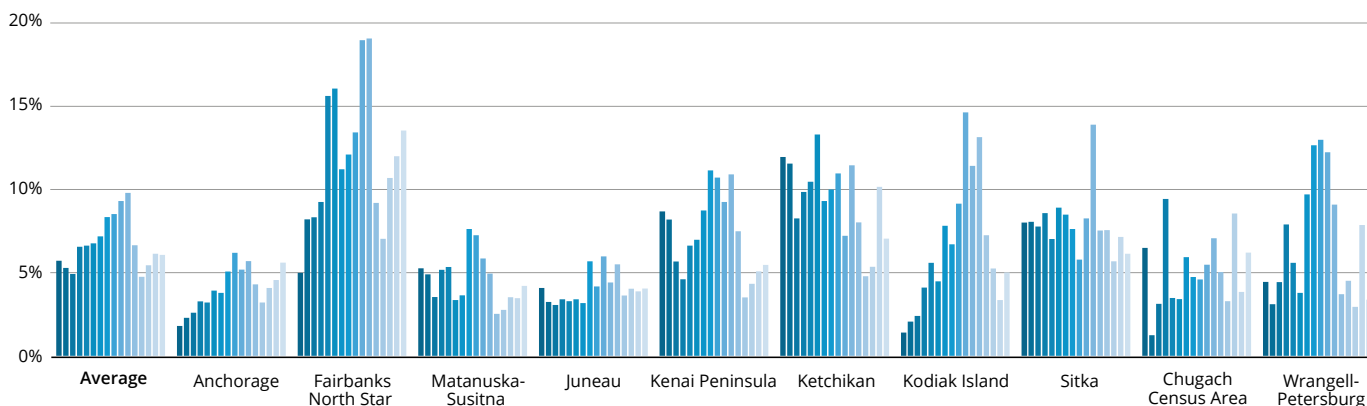
Mat-Su, Juneau, and Kodiak were within one percentage point of their historical medians.

Reasons for vacancy rate changes

New construction and the number of adults

Many factors affect vacancy rates, but if new home

March vacancy rates by surveyed area from 2010 to 2025



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and The Alaska Housing Finance Corporation

construction significantly exceeds adult population growth, vacancy rates will likely trend higher, everything else being equal.

Anchorage's March vacancy rate was its third-highest since 2010. New home construction has been low in Anchorage for years, but the number of new units permitted since 2020 has narrowly outnumbered the increase in its adult population.

Anchorage permitted about 1,780 new housing units from 2020 to 2024, including 840 multi-family units. The number of adults in Anchorage grew by about 1,750 from 2020 to 2024.

In contrast, about 1,530 units were built or permitted in Fairbanks from 2020-2024 (440 were multi-family) while the adult population grew by 1,830 over that period. Fairbanks' March vacancy rate was its fifth-highest since 2010, but much lower than in 2014-2015 and 2019-2020.

In Mat-Su, where the March vacancy rate was close to its long-term median, 4,350 new units were built or permitted between 2020 and 2024 (990 were multi-family). The area has grown by 7,447 adults since 2020.

The Kenai Peninsula Borough permitted about 530 new units (130 multi-family) and added 2,230 adults.

Juneau permitted 430 new units (210 multi-family) as the adult population declined by 270.

Adult populations also declined in Ketchikan, Kodiak, Sitka, Petersburg, Wrangell, and the Chugach and Bethel census areas, with varying levels of new home construction.

The fact that vacancies are lower than usual in some places despite a decreasing adult population reinforces the complexity of housing markets

and the limitations of measuring vacancy using a specific week.

Some rentals are converted to other uses

New home construction is just one indicator of potential changes to an area's rental supply over time; another change is units entering or leaving the rental market.

Some rentals become short-term vacation rentals or owner-occupied, but those data are lacking. Rental stock estimates for Alaska from the Census Bureau's American Community Survey are imprecise and cover a five-year span for most boroughs and census areas, and the most recent are only available through 2023. Public short-term rental data quantifying the impact of Airbnb, Vrbo, and similar services are not available.

More renters have been living alone

American Community Survey data suggest a higher percentage of renters have been living alone than in the past, which can also contribute to stable rental demand despite adult population decline.

Renters living alone became more common in Alaska during the pandemic, but it's not yet known whether that trend has continued, as 2024 data won't be available until later this month.

In 2023, roughly 42 percent of renters in Alaska lived alone, similar to the previous two years but higher than during the 2010s. For comparison, the rate from 2010 and 2023 averaged 35 percent.

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