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Renting Is Usually Cheaper Than Owning, but Not Always — Here's How They Compare in the Nation's 50 Largest Metros

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Why use LendingTree?



Finding a place to live can be challenging, as can choosing between renting and buying a home. This is especially true given [how competitive markets can be for renters](#) and buyers.

Renting might be better for someone who doesn't plan to stay in one area for long or is looking for short-term savings. On the other hand, buying a home can be a valuable investment that's cheaper in the long term.

Either way, cost is one of the biggest factors to consider when choosing between buying and renting.

LendingTree analyzed U.S. Census Bureau data to compare monthly rental and housing payments for homes with and without mortgages in the 50 largest metros in the U.S. We found that median rent costs are lower than median homeowner costs for those with mortgages but higher than costs for homeowners without mortgages.

Key findings

- **If you're still paying off your mortgage, renting is likely cheaper than owning in each of the nation's 50 largest metros.** The difference in 2022 between median housing costs for homes with a mortgage and median gross rent was \$563 a month — \$1 less than \$564 in 2021.
- **The spread in costs between renting and owning a home with a mortgage is widest in the San Jose, Calif., San Francisco and New York metros.** The difference between the median monthly housing costs for homes with a mortgage and the median monthly gross rent in these metros in 2022 was \$1,341, \$1,303 and \$1,289, respectively. These differences are up from \$1,306, \$1,229 and \$1,250 in 2021.
- **Phoenix, Orlando, Fla., Jacksonville, Fla., and Atlanta have the narrowest gaps between renting and owning a home with a mortgage.** In Phoenix and Orlando, median gross rent costs in 2022 were \$87 and \$145 less than median monthly housing costs for homes with a mortgage. In both Jacksonville and Atlanta, the difference was \$216. While rent costs were still lower, the gap shrank between 2021 and 2022. In Phoenix, the difference decreased by \$159 from 2021. It decreased by \$87 in Orlando, \$71 in Atlanta and \$62 in Jacksonville. These smaller differences were the result of rents rising faster than homeowner costs between 2021 and 2022 in these metros.
- **San Jose, San Francisco and San Diego are the metros where the spread in costs between renting and owning a home without a mortgage (i.e., homes purchased with cash or homes with paid-off mortgages) is**

the widest. In San Jose, the median monthly gross rent was \$1,547 more each month in 2022 than the median monthly housing costs for homes without a mortgage. In San Francisco and San Diego, it was \$1,362 and \$1,254 more. Even in parts of the U.S. where buying a home is usually anything but cheap, homeownership can save money relative to renting in some instances.

- **The gap between renting and owning a home without a mortgage is the narrowest in Hartford, Conn., Buffalo, N.Y., and Cleveland.** In these metros, the median monthly gross rent in 2022 was \$330, \$349 and \$353 more, respectively, than the median monthly housing costs for homes without a mortgage. While these figures are smaller than in places like San Jose, a \$300-plus monthly difference is still a decent chunk of change.

Metros where the spread in costs between renting and owning a home with a mortgage is the widest

No. 1: San Jose, Calif.

- Median monthly housing costs for homes with a mortgage: **\$3,942**
- Median monthly gross rent: **\$2,601**
- Difference: **\$1,341**

No. 2: San Francisco

- Median monthly housing costs for homes with a mortgage: **\$3,603**
- Median monthly gross rent: **\$2,300**
- Difference: **\$1,303**

No. 3: New York

- Median monthly housing costs for homes with a mortgage: **\$2,974**
- Median monthly gross rent: **\$1,685**
- Difference: **\$1,289**

Metros where the spread in costs between renting and owning a home with a mortgage is the narrowest

No. 1: Phoenix

- Median monthly housing costs for homes with a mortgage: **\$1,703**
- Median monthly gross rent: **\$1,616**

- Difference: **\$87**

No. 2: Orlando, Fla.

- Median monthly housing costs for homes with a mortgage: **\$1,756**
- Median monthly gross rent: **\$1,611**
- Difference: **\$145**

No. 3 (tie): Jacksonville, Fla.

- Median monthly housing costs for homes with a mortgage: **\$1,659**
- Median monthly gross rent: **\$1,443**
- Difference: **\$216**

No. 3 (tie): Atlanta

- Median monthly housing costs for homes with a mortgage: **\$1,765**
- Median monthly gross rent: **\$1,549**
- Difference: **\$216**

Full rankings: Spread in costs between renting and owning a home

Rank	Metro	Median monthly housing costs for homes with a mortgage	Median monthly gross rent	Difference in costs for homes with a mortgage vs. monthly gross rent
40	Richmond, VA	\$1,870	\$1,278	\$592
41	Raleigh, NC	\$1,788	\$1,424	\$364
42	Indianapolis, IN	\$1,450	\$1,092	\$358
43	Nashville, TN	\$1,749	\$1,413	\$336
44	Las Vegas, NV	\$1,726	\$1,485	\$241
45	Charlotte, NC	\$1,590	\$1,355	\$235
46	Tampa, FL	\$1,697	\$1,477	\$220
47	Atlanta, GA	\$1,765	\$1,549	\$216
			

Metros where the spread in costs between renting and owning a home without a mortgage is the widest

No. 1: San Jose, Calif.

- Median monthly gross rent: **\$2,601**
- Median monthly housing costs for homes without a mortgage: **\$1,054**
- Difference: **\$1,547**

No. 2: San Francisco

- Median monthly gross rent: **\$2,300**
- Median monthly housing costs for homes without a mortgage: **\$938**
- Difference: **\$1,362**

No. 3: San Diego

- Median monthly gross rent: **\$2,045**
- Median monthly housing costs for homes without a mortgage: **\$791**
- Difference: **\$1,254**

Metros where the spread in costs between renting and owning a home without a mortgage is the narrowest

No. 1: Hartford, Conn.

- Median monthly gross rent: **\$1,268**
- Median monthly housing costs for homes without a mortgage: **\$938**
- Difference: **\$330**

No. 2: Buffalo, N.Y.

- Median monthly gross rent: **\$980**
- Median monthly housing costs for homes without a mortgage: **\$631**
- Difference: **\$349**

No. 3: Cleveland

- Median monthly gross rent: **\$970**
- Median monthly housing costs for homes without a mortgage: **\$617**
- Difference: **\$353**

Full rankings: Spread in costs between renting and owning a home

Rank	Metro	Median monthly gross rent	Median monthly housing costs for homes without a mortgage	Difference between rent and housing costs for homes with a mortgage
1	San Jose, CA	\$2,601	\$1,054	\$1,547
2	San Francisco, CA	\$2,300	\$938	\$1,362
3	San Diego, CA	\$2,045	\$791	\$1,254
4	Phoenix, AZ	\$1,616	\$492	\$1,124
5	Los Angeles, CA	\$1,887	\$794	\$1,093
6	Denver, CO	\$1,749	\$677	\$1,072
7	Riverside, CA	\$1,707	\$656	\$1,051
8	Washington, DC	\$1,600	\$599	\$1,001

Is it better to rent or own?

If you're struggling with the decision to rent or buy a home, keep in mind there's no right or wrong answer. Carefully consider your budget, lifestyle and financial goals to help you choose your best option.

Below are some considerations to help you decide whether to rent or buy.

Consider renting if:

- **You can't afford a loan at today's rates.** [Mortgage rates](#) may be slowly trending downward, but they're still relatively high. Owing to this — as well as other factors like high home prices — payments on new mortgages can be expensive. Because rent payments tend to be cheaper than mortgage payments, renting can be good (at least in the short term) for those who would struggle to keep up with a mortgage at today's rates.
- **You don't have enough cash for a down payment.** Even if you could hypothetically afford your payments each month, you may struggle to get a mortgage if you don't have the money for a [down payment](#). The

upfront costs associated with renting — like a security deposit or a broker's fee — are likely much more affordable than a down payment on a house.

- **You don't plan to live in the home for very long.** Buying a home is typically a long-term investment. And depending on the market, selling a home can take months. If you don't plan to stay in an area long term or want the freedom to pick up and move for a new job or a change of pace, you may be better off renting.
- **You don't want the hassle and expense of maintaining a home.** Buying a home involves more than the mortgage payment. If you don't want to be saddled with covering maintenance and repairs, renting will put that responsibility on your landlord's shoulders.

Consider buying if:

- **You want an investment for the future.** Although [buying a home can be expensive](#), it can also be a good investment in the long run. Unlike renters, homeowners can build [home equity](#) by making their mortgage payments and may be able to sell their homes for a profit at some point.
- **You think you could benefit from taking advantage of certain tax benefits.** Homeowners can qualify for [tax deductions](#) to help lower their federal tax bill. For example, you can deduct the interest paid on up to \$750,000 of mortgage debt if you're an individual taxpayer or a married couple filing a joint tax return (\$375,000 for a married couple filing separately). Other potential tax breaks include deductions for mortgage points and property taxes.
- **You want more freedom over your space.** When you rent, you're ultimately beholden to a landlord's rules. This might mean you can't remodel, paint or do basic maintenance without someone else's approval. As a homeowner, on the other hand, you'll be allowed to modify your home however you see fit, so long as you aren't breaking any laws or violating homeowners association (HOA) rules.
- **You're financially secure.** While many perks can come with being a homeowner, they're unlikely to matter much to someone struggling with their finances and facing default on their mortgage. As a result, you should only consider buying a home if you're reasonably sure you can afford it.

Methodology

LendingTree analyzed data from the U.S. Census Bureau 2022 and 2021 American Community Surveys with one-year estimates to determine the median costs to rent and own a home in the nation's 50 largest metropolitan statistical areas (MSAs).

The housing cost variables used in this study — median monthly gross rent and median monthly housing costs with or without a mortgage — include the total monthly cost that renters or owners incur, including utilities, fees and/or taxes.

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