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Business/Economy

Rents rose rapidly in Anchorage and statewide in 2024, continuing a trend

By Alex DeMarban

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Vehicles on A Street pass Park Plaza Apartments, left, on Wednesday. (Marc Lester / ADN)

Rents rose faster than normal in Anchorage and statewide last year, continuing a trend that started during the pandemic, according to a new [report](#) from the

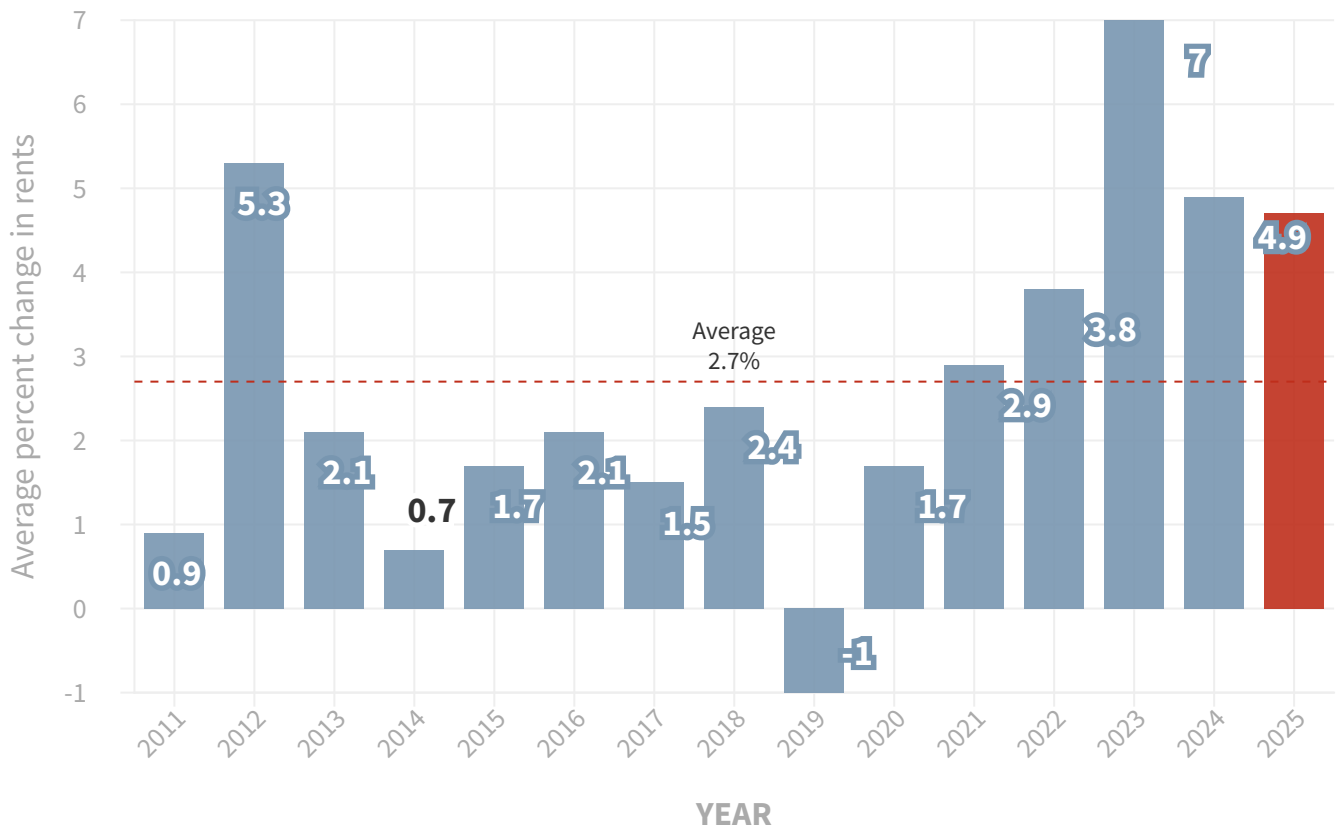
Alaska Department of Labor and Workforce Development.

The cost of a two-bedroom rental with utilities jumped 5% in major markets in the state over the past year, well above the long-term average of 3%, the survey found.

A swirl of factors has limited rental supply and buoyed demand, causing higher-than-normal jumps in monthly payments starting in 2021, the survey found.

Average percent change in Alaska rents for 2011-2025

Amounts show as percent change from previous year



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and The Alaska Housing Finance Corporation • **KEVIN POWELL** / Anchorage Daily News

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Factors cited in the survey include inflation, much higher home prices and higher wages. Another issue could be a vacation rental market that may be taking units

away from long-term renters, a point the report raises while also noting that data is lacking.

“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 Bethel,” the survey found.

Anchorage rents at \$1,680 were among the highest in the state, up by 4.3%. Bethel rents are exceptionally high partly because of the high utility costs there, said Gunnar Schultz, an economist with the state.

Anchorage median adjusted rent for 2-bedroom apartment

Notes: Median adjusted rent includes the amount paid to the landlord (contract rent) plus estimated monthly utility costs not included in the payment.



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and The Alaska Housing Finance Corporation • **KEVIN POWELL** / Anchorage Daily News

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Rents increased fastest in Fairbanks and the Matanuska-Susitna Borough, more than 8.5%.

Fairbanks rents jumped to \$1,676. The Mat-Su Borough jumped to \$1,389.

Rental payments are the biggest monthly expenses for many Alaskans, so the increase can squeeze other parts of the economy, Schultz said. About one-third of households rent in the state.

“If people are spending more on rent, they’re spending less on other things,” Schultz said.

High demand, limited supply

The big upswings in rent payments in Alaska began as the pandemic shook up population trends and inflation skyrocketed for a couple of years. Inflation has slowed but remains well above pre-pandemic levels while mortgage costs remain high.

“Landlords’ higher operating costs in recent years may have been one factor driving higher rents,” the survey said. “Inflation has also increased utility costs and affected property taxes.”



A sign advertises availability at King's Court Apartments at 15th Avenue and Cordova Street on September 3, 2025. (Marc Lester / ADN)

Multiple factors helped boost demand for rental units and kept vacancies low since the pandemic, the survey found.

During the pandemic, stimulus checks and other assistance helped renters keep their units, contributing to a tight rental market.

Next, higher home prices and interest rates boosted borrowing costs and led to bigger down payments, keeping some households in rental status, the survey found.

In the last three years, “estimated mortgage payments increased about 74 percent in Anchorage, 72 percent in Fairbanks, 81 percent in Mat-Su,” the survey found. They were similarly high in other areas of the state.

Vacancy rates are low even though Alaska has faced more than a decade of outmigration, the survey shows.

That may be in part because some property owners have turned their units into short-term rentals, Schultz said. Another contributor may be more people living alone rather than with roommates, the survey found.

Rising wages, which add pressure to rental payments, have also jumped faster than normal, the survey found. Wages are up statewide by 25% over the last five years to \$5,900 monthly, an increase of \$1,200.

“When wages are up, that’s just another thing where you might have somebody that before would have had a roommate are now maybe able to live alone on their own,” Schultz said.

In Anchorage, a recent jump in permitting applications for multifamily housing could increase vacancies in the future, potentially lowering rents. The increase came after the Assembly loosened taxes and restrictions to boost construction.

The report is based on a survey conducted every March of thousands of landlords and property managers.

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