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Pittsburgh Emerges as the Only Major U.S. City Where Buying Beats Renting

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Pittsburgh is now the only major metropolitan area in the United States where purchasing a starter home is still more affordable than renting, according to new data from Realtor.com. At a time when homeownership feels out of reach for many Americans, the Steel City has carved out a unique position by keeping housing costs within a manageable range, defying the national trend.

In June, the monthly cost of buying a starter home, defined as a zero to two-bedroom property, was estimated at \$1,361 in Pittsburgh. Renting a comparable property costs

\$1,472. That's a 7.5 percent saving, or \$111 per month, for buyers in the city. In every other major U.S. metro, renting remains the cheaper route.

National Rental Advantage

The rest of the country tells a different story. Realtor.com found that in the 50 largest U.S. metro areas, the average monthly cost of buying a starter home was \$908 higher than renting. This figure includes mortgage payments, calculated with a 9 percent down payment and homeowners association (HOA) fees, taxes, and insurance. Median rents for similar properties came in at \$1,711 nationwide in June, slightly up from May but still 2.7 percent below the peak in August 2022.

Economist Jiayi Xu explained to Newsweek that the pandemic housing boom left lasting impacts. Home prices surged, and while they've cooled in some areas, they remain historically high. Add today's elevated mortgage rates and rising insurance premiums, and buying simply isn't financially feasible for many households. "During the pandemic, housing prices surged significantly," Xu said. "Today's elevated mortgage rates and increasing insurance premiums have made owning a home more expensive."

Meanwhile, a wave of new multifamily construction has propped up renting, increasing supply and stabilizing prices. "Rents have remained stable or even declined due to abundant inventory," Xu added. That's given renters an edge, even though home prices have started to level off in some areas.

But that gap may not hold forever. In certain cities, lower home prices attract buyers again, leading to increased competition and higher sale prices. Xu noted that the advantage of renting has already started shrinking in select markets.

Pittsburgh's story is notably different. The city escaped the worst of the pandemic-era home price surge and has maintained affordability. Xu pointed out that Pittsburgh is one of only three major U.S. metros where a typical household can afford to buy a home while spending less than 30 percent of its annual income, a commonly accepted affordability benchmark.

David Dean, president of the Pennsylvania Association of Realtors, said the city's resilience comes from its strong healthcare sector, older yet accessible housing stock, and ability to adapt during the pandemic. "Pittsburgh has continued to be a steady real estate market throughout history," Dean told Newsweek.

The city's older homes, many built before 1961, compared to the national median of 1981, also help keep prices down. While these properties may require updates, they present buyers with renovation opportunities that are still financially attainable.

According to Redfin, Pittsburgh's median home price has increased 1.9 percent year over year to \$270,000. However, local experts believe affordability will remain stable. "We have a variety of dynamic communities, modest cost of living, and industrial growth that keeps the market grounded," said Michelle Senko, president of the Realtors Association of Metropolitan Pittsburgh.

As high housing costs persist across the country, Pittsburgh is a rare city where the American dream of homeownership remains within reach.