



Memorandum

DATE: March 23, 2026
TO: Honorable Members of the Berkeley Rent Stabilization Board
FROM: DeSeana Williams, Executive Director
BY: Amanda Eberhart, Registration Supervisor
SUBJECT: Market Medians: January 1 – December 31, 2025

Understanding Berkeley Rental Markets in 2025

The Market Medians report looks at new rentals that started in 2025 and compares those rents with the rents paid by tenants currently living in rent stabilized units. The goal of this report is to show what new renters are paying in the market today, how that compares to long-term rent-stabilized tenants, and what that tells us about housing affordability in the City of Berkeley.

Understanding Median Rent Levels

We use the median, instead of the mean, to report on recent rent levels because it provides a more accurate picture of typical rents, especially in a city like Berkeley where a few unusually high or unusually low rents would skew the average.

When we report the “median” rent, we’re showing the middle price paid. Not the highest, or the lowest, and not the average. If you aligned all the rents from lowest to highest, the median is the one exactly in the middle.

New Tenancies in 2025

In 2025, landlords registered 3,991 new tenancies across the city. Most of these were studios and one-bedroom apartments, which make up the bulk of Berkeley’s rental housing. The typical (median) rent paid by new tenants in 2025 across all new tenancies, regardless of unit size, was \$2,495. The table below shows the medians for various unit sizes and represents the initial rent for new tenancies registered in 2025. This Initial Rent is what we refer to as the Market Rent.

Unit Type	Count	Median Rent
Studio	987	\$1,895
1-Bedroom	1499	\$2,280
2-Bedroom	1162	\$3,069
3-Bedroom	252	\$4,095
4-Bedroom	59	\$5,678
5+ Bedroom	32	\$6,998
ALL UNIT TYPES	3,991	\$2,495

Quarterly Analysis – 2025 Q4

From October through December 2025, the Rent Board recorded 316 new tenancies. Consistent with previous trends, most new registrations were for studios and one bedroom units. During this period, median new rents were:

- Studio: \$1,950
- 1-bedroom: \$2,650
- 2-bedroom: \$4,200

Please note that larger units (3- and 4-bedrooms) were rare in Q4. Due to low volume and wide variation, those data were not used for a reliable comparison in this report.

New Tenancies vs. Long-Term Tenancies

When we look at all active rent stabilized units to date with tenancies starting between January 1, 1999 and December 31, 2025, we can see that longer-term tenants have rent ceilings noticeably lower than the market rents paid by tenants who moved in in 2025.

This variance is to be expected as a result of the market effects of Berkeley’s Rent Stabilization Ordinance, which limits how much rents can increase each year for existing tenants; and the Costa-Hawkins Act of 1995, which allows landlords to set the rent at market rate when a unit becomes vacant and a new tenancy starts. As a result, long-term renters benefit from annual modest, stabilized rent increases, while newer renters pay current market prices.

The table below illustrates the difference between median rents for new tenancies in 2025 versus the median current rent ceilings for tenancies that began in prior years. For example, the median 1-BR unit in 2025 was rented for \$2,280, while the median current rent for a 1-BR unit with a tenancy that started between 1999 and 2005 was \$1,336, or 41.4% lower in 2025.

Median Rent Ceilings by Tenancy Start Date:

Tenancy Start Date	1999-2005	2006-2010	2011-2015	2016-2020	2021-2024	2025
Studio	\$1,010	\$1,063	\$1,279	\$1,792	\$1,825	\$1,895
1 BR	\$1,336	\$1,369	\$1,634	\$2,240	\$2,227	\$2,280
2 BR	\$1,795	\$1,884	\$2,185	\$3,004	\$2,979	\$3,069
3 BR	\$2,253	\$2,632	\$2,834	\$3,783	\$4,072	\$4,095
4 BR	\$2,366	\$3,300	\$3,645	\$5,396	\$5,304	\$5,678
5+ BR	\$3,250	\$3,638	\$5,533	\$5,272	\$6,623	\$6,998
Median, All Units	\$1,426	\$1,497	\$1,797	\$2,373	\$2,395	\$2,495

Difference Between Median Rent Ceiling and 2025 Median, by Tenancy Start Date:

Tenancy Start Date	1999-2005	2006-2010	2011-2015	2016-2020	2021-2024
Studio	-46.7%	-43.9%	-32.5%	-5.4%	-3.7%
1 BR	-41.4%	-40.0%	-28.3%	-1.7%	-2.3%
2 BR	-41.5%	-38.6%	-28.8%	-2.1%	-2.9%
3 BR	-45.0%	-35.7%	-30.8%	-7.6%	-0.6%
4 BR	-58.3%	-41.9%	-35.8%	-5.0%	-6.6%
5+ BR	-53.6%	-48.0%	-20.9%	-24.7%	-5.4%
Median, All Units	-42.9%	-40.0%	-28.0%	-4.9%	-4.0%

In 2025, new tenants paid about \$109 more per month for studios (~6% higher), \$466 more for one bedrooms (~21% higher), and \$1,376 more for two bedrooms (~49% higher) than long-term tenants living in comparable units. Several factors may influence these differences, including but not limited to total supply of various unit types; differing submarkets within the Berkeley rental submarket; and variance in preferences between population/market segments.

Pre-1999 Tenancies

Currently, the Rent Registry contains 2,448 tenancies that began prior to January 1, 1999 when Costa-Hawkins vacancy decontrol provisions took effect. The median rent ceiling for these units in 2025, regardless of unit size, was \$905.97.

What does the 2025 Market Medians Report Tell Us About Berkeley's Rental Market?

In 2025, moving into a new rental unit in Berkeley continues to be expensive. According to the 2024 American Community Survey, the median household income for a family of four in Berkeley was \$103,727, or \$8,644 per month, compared to the market median 2-bedroom rent of \$3,095. This means that the typical household looking to rent a typical

2-bedroom unit would pay 36% of their gross income on rent, above the 30% threshold to be considered housing cost-burdened.

The rental activity in 2025 was dominated by studios and one-bedroom units, reflecting Berkeley's student and single renter population. Larger units were less common and more expensive, and because so few turn over each year, changes to the median rents tended to fluctuate more dramatically.

Closing

In summary, the 2025 data show a rental market where new tenants face substantially higher rents than long term residents, consistent with Berkeley's rent stabilization ordinance. While move in rents remained high, especially for larger units; stabilized tenancies continued to play a critical role in preserving affordability.

At this time, Staff will continue to monitor these trends and provide regular updates and analysis to support the Rent Board's policy discussions and community understanding.

Contact Person

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Attachments

2025 Data



2025 Market Median Report Data by Tenancy Start Date:

Unit Size	2025 Median Rent	1999- 2005 Current Rent Ceiling	1999- 2005 Difference From 2025 Median	2006- 2010 Current Rent Ceiling	2006- 2010 Difference From 2025 Median	2011- 2015 Current Rent Ceiling	2011- 2015 Difference From 2025 Median	2016- 2020 Current Rent Ceiling	2016- 2020 Difference From 2025 Median	2021- 2024 Current Rent Ceiling	2021- 2024 Difference From 2025 Median
Studio	\$1,895	\$1,010	-46.7%	\$1,063	-43.9%	\$1,279	-32.5%	\$1,792	-5.4%	\$1,825	-3.7%
1 BR	\$2,280	\$1,336	-41.4%	\$1,369	-40.0%	\$1,634	-28.3%	\$2,240	-1.7%	\$2,227	-2.3%
2 BR	\$3,069	\$1,795	-41.5%	\$1,884	-38.6%	\$2,185	-28.8%	\$3,004	-2.1%	\$2,979	-2.9%
3 BR	\$4,095	\$2,253	-45.0%	\$2,632	-35.7%	\$2,834	-30.8%	\$3,783	-7.6%	\$4,072	-0.6%
4 BE	\$5,678	\$2,366	-58.3%	\$3,300	-41.9%	\$3,645	-35.8%	\$5,396	-5.0%	\$5,304	-6.6%
5+ BE	\$6,998	\$3,250	-53.6%	\$3,638	-48.0%	\$5,533	-20.9%	\$5,272	-24.7%	\$6,623	-5.4%
Median Rent, All Sizes	\$2,495	\$1,426	-42.9%	\$1,497	-40.0%	\$1,797	-28.0%	\$2,373	-4.9%	\$2,395	-4.0%

New Tenancies 1.1.25 - 12.31.2025

Bedrooms	Count of Bedroom Count	Median
0	987	\$1,895.00
1	1499	\$2,280.00
2	1162	\$3,069.00
3	252	\$4,095.00
4	59	\$5,678.00
5	21	\$6,998.00
6	3	\$7,600.00
7	4	\$6,000.00
8	2	\$7,812.50
9	2	\$13,700.00
Grand Total	3391	

All Tenancies Pre and Post 1999

PRE 1999 Tenancies:

Row Labels	Count of Bedroom Count	Median Rent Ceiling
0	427	\$724.32
1	1037	\$857.17
2	780	\$1,028.28
3	143	\$1,369.26
4	38	\$1,666.92
5	12	\$2,980.06
6	7	\$2,451.60
7	4	\$4,941.06
Grand Total	2448	

POST 1999 Tenancies:

Row Labels	Count of Bedroom Count	Median Rent Ceiling
0	4402	\$1,730.60
1	8105	\$2,100.00
2	6041	\$2,850.00
3	1142	\$3,850.00
4	253	\$5,000.00
5	67	\$5,973.97
6	15	\$7,186.03
7	8	\$8,467.20
8	3	\$1,625.00
9	6	\$14,347.50
Grand Total	20042	

All Rented Units:

Row Labels	Count of Bedroom Count	Median Rent Ceiling
0	4829	\$1,663.48
1	9142	\$2,015.68
2	6821	\$2,726.68
3	1285	\$3,700.00
4	291	\$4,574.39
5	79	\$5,763.41
6	22	\$4,833.35
7	12	\$7,467.20
8	3	\$1,625.00
9	6	\$14,347.50
Grand Total	22490	