

Inflation's Impact on JMU Students' Rental Prices

By Madeline Gallagher

National inflation, largely caused by the Covid-19 pandemic, is affecting housing prices in Harrisonburg: what this means for JMU students living off-campus.

The housing market took an unfortunately large hit concerning inflation in the aftermath of the 2020 pandemic. Data from the Federal Reserve concluded that the price of houses has grown 15-25% from 2021-2022.

Since the curtailing of the pandemic, experts from the Federal Reserve have noticed a sharp deceleration of housing prices and have predicted that in 2023, "inflation should step down somewhat in the future, given the sharp slowdown in house price growth and absent other inflationary shocks."

In spite of this national economic trend, many residents in various, local rental properties have not seen this trend come to fruition in Harrisonburg.

Many apartment complexes in the area surrounding the JMU campus are increasing rental prices, which leaves JMU students to feel the impact of this financial burden the housing market poses.

Rent is rising at The Fox Townhomes between rentals now and rentals that will begin in the summer of 2023 for the upcoming JMU fall semester.

Kayla Sehein, the leasing consultant at The Fox Townhomes, attributes their rising rent prices, currently \$510 per tenant per month, to national inflation. Sehein was unable to disclose the significance of the increase, but confirmed, nevertheless, the existence of it.

"Our owners watch that [national rate] very closely," Sehein said, "and if the market increases, a lot of times the rent will increase as well."

She noted the cost of living goes up every year as well, so the complex must account for that when pricing out units. "[The price] kinda goes up with the years, just like a lot of other complexes do," Sehein said.

The Cottages on Port Republic, another complex in the area, also increased its rental prices since its past leasing cycle. Savannah Bates, a junior at JMU and current resident at the Cottages, said rental prices increase each semester by about \$50-100. She lived at the Cottages last year and will live there again next year.

During her sophomore year, her rent went from \$645 for the fall semester to \$755 for the spring semester. This 17% increase has reduced to an 8% increase this year when her rent went from \$800 in the fall to \$865 in the spring.

Bates and her roommate believe they should receive “seniority” and discounts because they’ve lived there for so long, whereas new residents should get higher rates.

Conversely, another complex, Squire Hill Apartments, rewards its returning customers with lower costs. Heather Opie, another junior at JMU, considers herself one of the “lucky” ones who lives there now and is renewing her lease to return next year.

Opie said renewing her lease “locked in” her starting price, which she called a “good incentive” to make people want to keep living there.

She also mentioned that her neighbors were not as lucky. For newcomers, the rental prices were the inflated versions, which were nearly \$200 more than what Opie pays.

Residents all over the Harrisonburg area have been feeling the aftershocks of this national inflation in many different ways. Some townhouses and apartment complexes have attempted to combat inflation while others have inflated their prices to coincide with recent economic trends.

Bob Pinnegar, president and CEO of the National Apartment Association, said “Inflation is starting to show signs of easing, but any of those impacts are unlikely to be seen until the end of 2023.”

With these Harrisonburg resident testimonies, we can see that Pinnegar’s prediction may be the most accurate for this particular area.

For students who are worried about making upcoming rent payments, senior economist for Zillow, Jeff Tucker, offers advice for young renters. In the face of this inflation, Tucker suggests that renters who are deciding to renew their leases will have a unique advantage this year.

He said renters facing lease renewal should know they have more “bargaining power” than ever, which could be good news for financially burdened JMU students in the upcoming leasing cycle.