

Statistical bulletin

Index of Private Housing Rental Prices, UK: July 2023

An experimental price index tracking the prices paid for renting property from private landlords in the UK. Includes measures of owner occupiers' housing costs.

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1 . Main points

- Private rental prices paid by tenants in the UK rose by 5.3% in the 12 months to July 2023, up from 5.2% in the 12 months to June 2023.
- Annual private rental prices increased by 5.2% in England, 6.5% in Wales, and 5.7% in Scotland in the 12 months to July 2023.
- Within England, the highest annual percentage change in private rental prices in the 12 months to July 2023 was in the West Midlands, Yorkshire and the Humber, and London, at 5.5%, while the North East saw the lowest (4.6%).
- London's annual percentage change in private rental prices was 5.5% in the 12 months to July 2023, above the England average and its highest annual rate since the London data series began in January 2006.

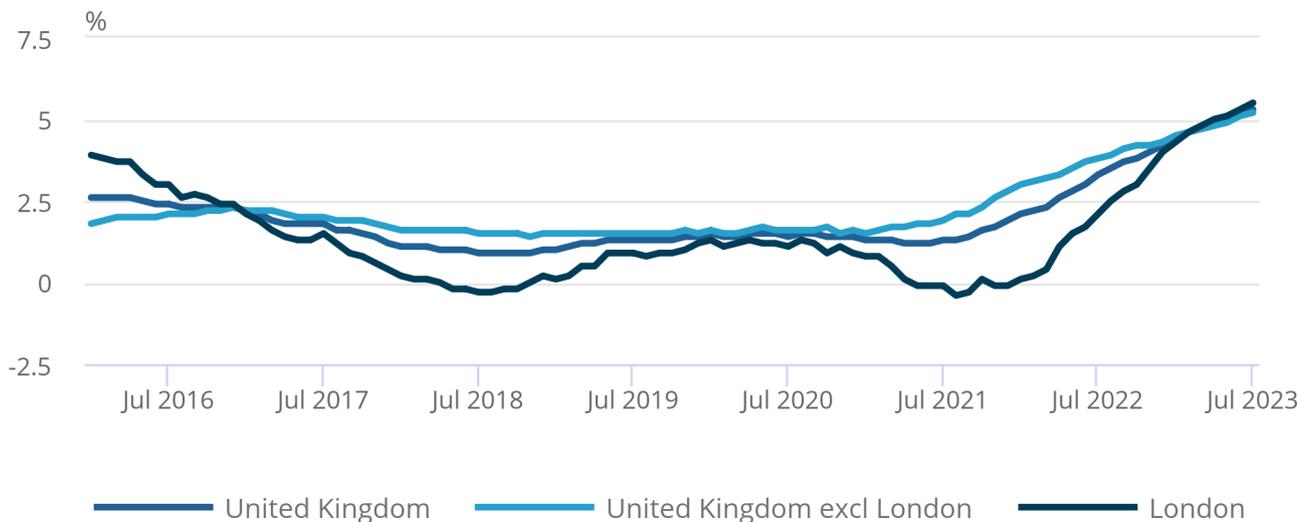
2 . UK private rental prices

Figure 1: The UK annual private rental price percentage change rose to 5.3% in the 12 months to July 2023

Index of Private Housing Rental Prices percentage change over 12 months, UK and London, January 2016 to July 2023

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Index of Private Housing Rental Prices percentage change over 12 months, UK and London, January 2016 to July 2023



Source: Index of Private Housing Rental Prices from the Office for National Statistics

Notes:

1. Data presented are classified as Experimental Statistics. More information is available in [Section 8: Strengths and limitations](#).
2. Northern Ireland data is currently available up to May 2023. To estimate UK figures up to July 2023, Northern Ireland's May 2023 index has been carried forward. Updated Northern Ireland data will be available for publication on 20 September 2023 and will be used to revise UK estimates for June 2023 and July 2023.

Private rental prices paid by tenants in the UK increased by 5.3% in the 12 months to July 2023 (provisional estimate), representing the largest annual percentage change since this UK data series began in January 2016.

The annual inflation rate of private rental prices in the UK began to increase in the second half of 2021. Annual growth was seen across all regions except London, where prices decreased. The annual percentage change in rents increased across all regions in 2022, including in London, and this continued in early 2023.

In the 12 months to July 2023, rental prices for the UK (excluding London) increased by 5.2% (provisional estimate), up from an increase of 5.1% (revised estimate) in the 12 months to June 2023. Private rental prices in London (which account for almost a third of UK rental expenditure, as shown in our [Index of Private Housing Rental Prices, UK: annual weights analysis dataset](#)) increased by 5.5% in the 12 months to July 2023, up from an increase of 5.3% in the 12 months to June 2023. This is the highest annual percentage change since the London data series began in January 2006.

The Royal Institution of Chartered Surveyors (RICS) reported in their [July 2023 UK Residential Market Survey](#) that tenant demand increased over the three months to July, which is the strongest quarterly rise since the start of 2022. They also reported a decline in landlord instructions once again. With rising demand and dwindling supply, RICS noted that rental prices are expected to increase over the next three months.

Supply and demand pressures can take time to be reflected in the Index of Private Housing Rental Prices (IPHRP). This is because the IPHRP reflects price changes for all private rental properties, rather than only newly advertised rental properties. Our [Measuring rents: stock vs flow blog post](#) explains how we measure price change in the IPHRP.

3 . Annual UK private rental price percentage change by country

England

In England, private rental prices increased by 5.2% in the 12 months to July 2023. When London is excluded from England, private rental prices increased by 5.1% in the 12 months to July 2023. The figures are the highest annual percentage changes since these data series began in January 2006.

Wales

Private rental prices in Wales increased by 6.5% in the 12 months to July 2023. This is up from an increase of 5.8% in June 2023, and is the highest annual percentage change since the Wales data series began in January 2010. Wales' annual inflation rose this month because the average rental price rose sharply in July 2023 (0.8%), compared with a smaller monthly rise a year before in July 2022 (0.1%).

Private organisations, such as Homelet, report annual and monthly inflation for new tenancies in Wales. Over the past year, [HomeLet's annual inflation for new tenancies in Wales](#) has increased to 9.1% in the 12 months to July 2023. On a monthly basis, HomeLet reported an increase of 1.2% in July 2023. It is likely that the rise in the Index of Private Housing Rental Prices' (IPHRP's) annual inflation for Wales in July 2023 is starting to reflect the observed rise in new lets annual inflation over the past year.

Scotland

Private rental prices in Scotland increased by 5.7% in the 12 months to July 2023. This is up from an increase of 5.5% in June 2023, and is the highest annual percentage change since the Scotland data series began in January 2012. However, IPHRP's stock measure remains substantially below [HomeLet's annual inflation for new tenancies in Scotland](#), at 15.8% in the 12 months to July 2023. On a monthly basis, HomeLet reported an increase of 3.5% in July 2023. It is likely that the continued rise in IPHRP's annual inflation for Scotland is reflecting the high new lets annual inflation observed during the past year, as it feeds into IPHRP's stock measure. The [Cost of Living \(Tenant Protection\) Scotland Bill](#) capped mid-tenancy rental price increases to 0% (and up to 3% in certain circumstances) until 31 March 2023. On 1 April 2023, this rental price increase cap was increased to 3% (and up to 6% in certain circumstances), as reported on the [Scottish Government website](#). This rental price cap only applies to in-tenancy rent increases, with no restriction on rent increases for new lets.

The rise in annual rental price inflation for Scotland since this bill was passed will largely reflect increasing rental prices from new lets as they continue to feed into the Scotland IPHRP stock measure. There are also compositional differences between the Scotland rental data and Scotland's rental sector. Measures for Scotland are mainly based on advertised rental data for new lets, along with assumptions on average periods between rent price increases, so changes in rents for existing tenants are largely estimated. The IPHRP methodology assumes that rental price remains constant for up to 14 months if updated rental data for that property are not available, and replaces records more than 14 months old. Since only a small proportion of Scotland data collected are based on updated rental data from existing lets, replacement data will be predominantly based on newly advertised rents, which are not subject to the price cap. Users are advised to bear this in mind when interpreting the estimates for Scotland and comparing with other UK countries.

Northern Ireland

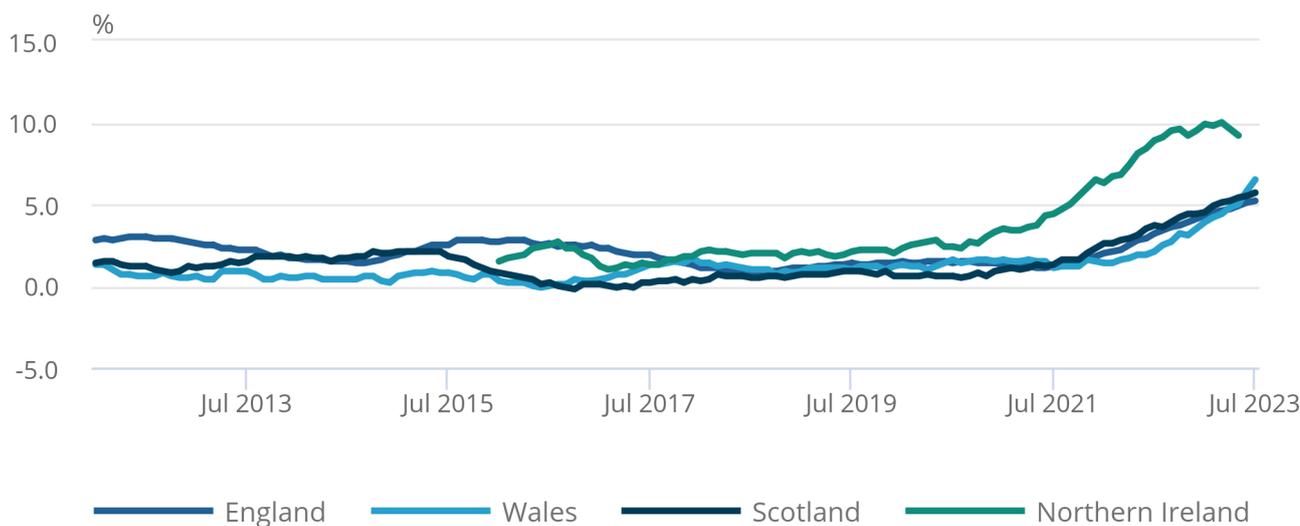
Private rental prices in Northern Ireland increased by 9.2% in the 12 months to May 2023. The annual rate for Northern Ireland has slowed since the recent peak of 10.0% in the 12 months to March 2023, but remains higher than for other UK countries. Northern Ireland data lag behind the rest of the UK and will be updated in our next [Index of Private Housing Rental Prices, UK bulletin](#), to be published on 20 September 2023.

Figure 2: Annual rental price inflation was higher in Wales than in England and Scotland

Private rental price percentage change over 12 months for countries of the UK, January 2012 to July 2023

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Private rental price percentage change over 12 months for countries of the UK, January 2012 to July 2023



Source: Index of Private Housing Rental Prices from the Office for National Statistics

Notes:

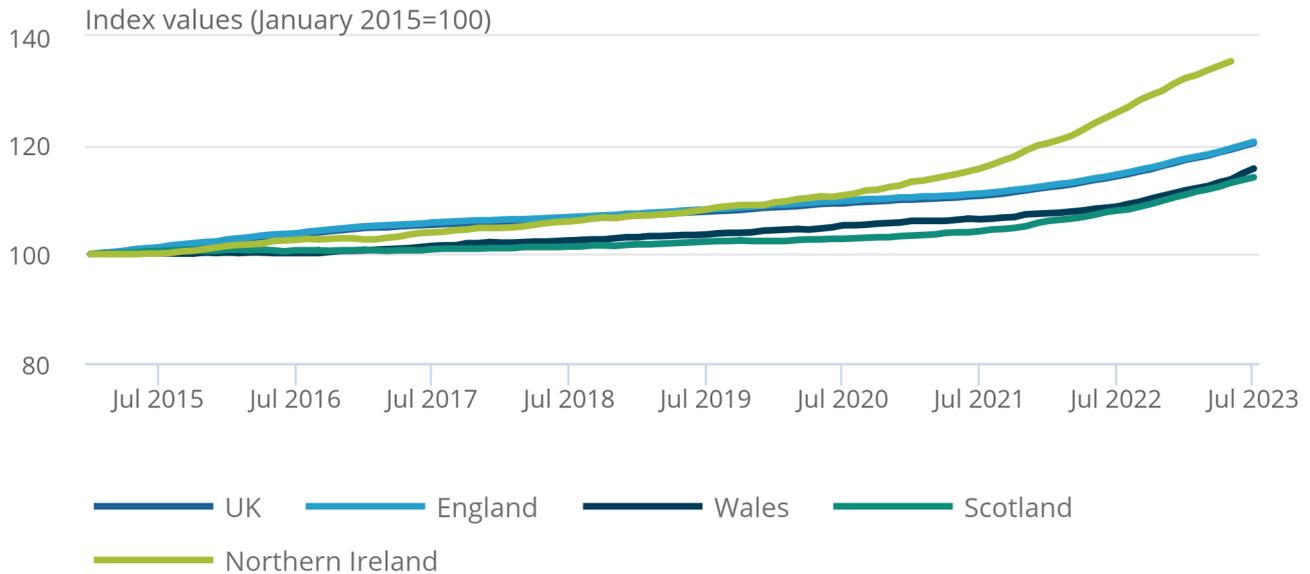
1. Data presented are classified as Experimental Statistics. More information is available in [Section 8: Strengths and limitations](#).
2. Northern Ireland data are currently available up to May 2023. Updated data will be available for publication on 20 September 2023.
3. The [Cost of Living \(Tenant Protection\) Scotland Bill](#) passed on 6 October 2022, introducing a temporary rent cap in the private rented sector in Scotland. This cap, which applies to in-tenancy rent increases, was initially set at 0% for rent-increase notices served from 6 September 2022 until 31 March 2023. Private landlords could alternatively apply for a rent increase of up to 3% to help cover certain increases in costs in defined and limited circumstances. The Act has since been extended to 30 September 2023, with a mid-tenancy rent-increase cap of 3% from 1 April 2023. Private landlords are able to apply for a rent increase of up to 6% to help cover certain increases in costs in defined and limited circumstances.

Figure 3: Rental prices have increased more in England and Northern Ireland than in Wales and Scotland since 2015

Private rental price indices for countries of the UK, January 2015 to July 2023

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Private rental price indices for countries of the UK, January 2015 to July 2023



Source: Index of Private Housing Rental Prices from the Office for National Statistics

Notes:

1. Data presented are classified as Experimental Statistics. More information is available in [Section 8: Strengths and limitations](#).
2. Northern Ireland data are currently available up to May 2023. Updated data will be available for publication on 20 September 2023.
3. See Footnote 3 below Figure 2.

4 . Annual UK private rental price percentage change by English region

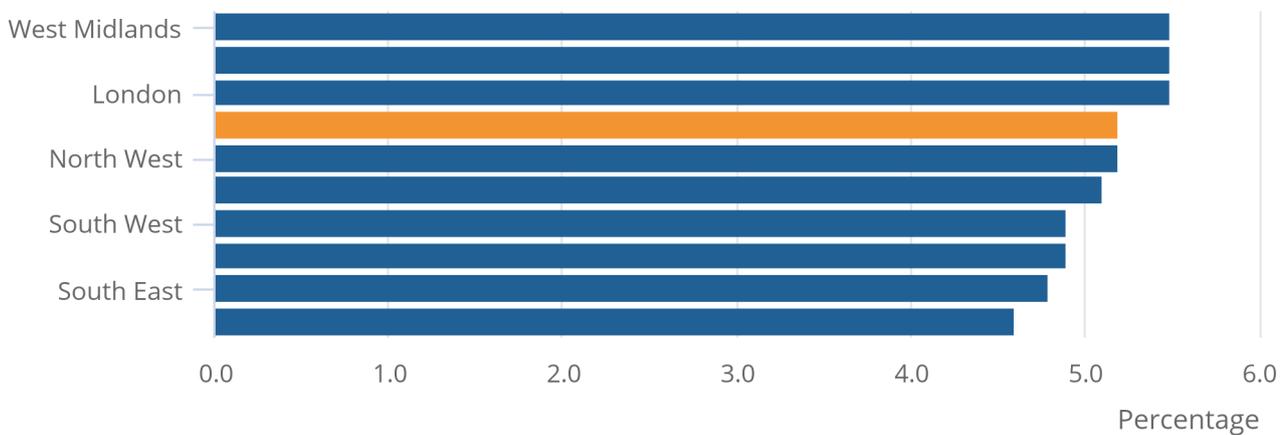
Of the English regions, the highest annual rents inflation was in the West Midlands, Yorkshire and the Humber, and London, at 5.5% in the 12 months to July 2023. The lowest annual inflation was in the North East, at 4.6% in the 12 months to July 2023.

Figure 4: Highest annual rents inflation was in the West Midlands, Yorkshire and the Humber and London

Private rental price percentage change over the 12 months to July 2023, by English region

Figure 4: Highest annual rents inflation was in the West Midlands, Yorkshire and the Humber and London

Private rental price percentage change over the 12 months to July 2023, by English region



Source: Index of Private Housing Rental Prices from the Office for National Statistics

Figure 5: London rental prices experienced larger peaks and troughs than other regions

Private rental price percentage change over 12 months, by English region, January 2007 to July 2023

Notes:

1. The grey line shows England's 12-month average rental price percentage change.

Download the data

[.xlsx](#)

5 . Private rental data

[Index of Private Housing Rental Prices, UK: monthly estimates](#)

Dataset | Released 16 August 2023

Rental price statistics historical data time series (indices and annual percentage change).

[Index of Private Housing Rental Prices, UK: annual weights analysis](#)

Dataset | Released 22 March 2023

Aggregate weights information used in the experimental Index of Private Housing Rental Prices (IPHRP).

See our [Guide to experimental statistics article](#) for more information.

6 . Glossary

Index of Private Housing Rental Prices (IPHRP)

The IPHRP measures the change in the price that tenants face when renting residential property from private landlords.

Administrative data

Administrative data are data that people have already provided to the government through day-to-day activities, for example, health records, social security payments or educational attainment information.

7 . Measuring the data

Economic statistics governance after EU Exit

More information regarding the new governance following UK's exit from the EU (Brexit) is available in our [Index of Private Housing Rental Prices, UK: September 2022 bulletin](#).

Future developments

Following the [Digital Economy Act 2017](#), the Office for National Statistics (ONS) gained access to Valuation Office Agency (VOA) private rental microdata. We aim to redevelop the Index of Private Housing Rental Prices (IPHRP) and private rental market summary statistics (PRMS) to produce mix-adjusted average rental prices that are comparable over time. We also aim to refine geography to lower geographic levels, to better meet user needs.

An overview of the methodology that we intend to use is available in our article, [The redevelopment of private rental prices statistics, intended methodology](#). We will now need to spend more time ensuring the production system is developed on a strategic platform and is sustainable. This has resulted in our initial timetable being out of date. More information, and a timetable for these developments (updated 6 July 2023), is available in our [Private rental prices development plan: updated February 2022](#). If you have any queries or feedback on these developments, please email us at hpi@ons.gov.uk.

Sources

The IPHRP is created using administrative data. This means that the index makes use of data that are already collected for other purposes to estimate rental prices. The sources of private rental prices are the VOA, Scottish Government, Welsh Government and Northern Ireland Housing Executive (NIHE). Data for Northern Ireland also include data provided by [Propertynews.com](https://www.propertynews.com).

The sources of the annually updated [Index of Private Housing Rental Prices, UK: annual weights analysis dataset](#) are the Department for Levelling Up, Housing and Communities (DLUHC), Scottish Government, Welsh Government, NIHE and VOA.

The IPHRP's indices are updated on a monthly basis with the new monthly estimate. Data are indexed with January 2015 as a base year. Data for England are provided from January 2005, data for Wales from January 2009, and data for Scotland from January 2011. UK data are from January 2015.

Northern Ireland rental data are not available for the latest two months. To produce provisional estimates of UK private rental price index and annual percentage change for the latest two months, Northern Ireland's index has been carried forward (for instance, rental price inflation has been assumed to be 0% for the latest two months). Each subsequent month, updated Northern Ireland data are used to revise estimates for the UK. This means there is a two-month revision period for the UK estimates in IPHRP.

Quality

More information on strengths, limitations, appropriate uses, and how the data were created is available in our [Index of Private Housing Rental Prices Quality and Methodology Information \(QMI\)](#).

8 . Strengths and limitations

Strengths

The Index of Private Housing Rental Prices (IPHRP) is constructed using large administrative sources, specified in [Section 7: Measuring the data](#). Annually, over 450,000 private rental prices are collected in England, 30,000 in Wales, 25,000 in Scotland and 15,000 in Northern Ireland. The index not only measures the change in newly advertised rental prices, but reflects price changes for all private rental properties, including for existing tenancies.

Limitations

Data collection differs between UK nations. For example, in England and Wales, rental price data for achieved rents are collected for both new tenancies and existing tenancies. When 12 months have passed following a property's last update, Rent Officers receive a notification, which supports Rent Officer aims to revisit previous properties.

However, in Scotland, rents data gathered are predominantly rents data for advertised new lets, not achieved rents. Additionally, data collection procedures do not include actively seeking to re-collect data for previously collected properties. Rents data for Northern Ireland are also based on advertised new lets data.

The IPHRP is published as price indices, rather than average prices. The published indices only provide detail to country and regional level. Average rental price levels cannot currently be published in IPHRP because of data access constraints. Our [redevelopment of private rental prices statistics](#) work aims to address this.

The IPHRP is released as [Experimental Statistics](#), and is subject to revisions if improvements in the methodology are identified. Results should be interpreted with this in mind.

9 . Related links

[UK House Price Index: June 2023](#)

Bulletin | Released 16 August 2023

Monthly house price inflation in the UK, calculated using data from HM Land Registry, Registers of Scotland, and Land and Property Services Northern Ireland.

[Consumer Price Inflation, UK: July 2023](#)

Bulletin | Released 16 August 2023

Price indices, percentage changes and weights for the different measures of consumer price inflation.

[Cost of living insights: Housing](#)

Interactive tool | Released 24 May 2023

The latest data and trends about the cost of living. Explore changes in housing costs and how this is affecting people.

[Changes in private rental sector behaviour, England: February 2022 to February 2023](#)

Article | Released 24 March 2023

Experimental longitudinal analysis of observed recent changes in the abundance and magnitude of private rental price changes in England.

[Private rental growth measures, a UK comparison: January to December 2022](#)

Article | Released 25 January 2023

Compares growth in the Index of Private Housing Rental Prices (IPHRP) with other measures of private rental growth.

[Private rental prices development plan, UK: updated February 2022](#)

Article | Released 8 February 2022

Overview of our plans for the statistical development of rental prices statistics, including a timeline for development.

[Private rental market summary statistics in England: April 2022 to March 2023](#)

Bulletin | Released 21 June 2023

Median monthly rental prices for the private rental market in England, calculated using data from the Valuation Office Agency.

10 . Cite this statistical bulletin

Office for National Statistics (ONS), released 16 August 2023, ONS website, statistical bulletin, [Index of Private Housing Rental Prices, UK: July 2023](#).