

Statistical bulletin

Household Costs Indices for UK household groups: October to December 2024

Household Costs Indices, 12-month growth rates, expenditure shares and contributions for UK household groups and all-households. These are official statistics in development.

Contact:
Consumer Price Inflation (CPI)
team
cpi@ons.gov.uk
+44 1633 456900

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1 . Main points

- Overall, UK household costs, as measured by the Household Costs Indices (HCI), rose 2.8% in the year to December 2024, compared with 2.0% in the year to September 2024.
- Over the past 12 months, the all-households inflation rate has followed the sixth income decile most closely; costs for these households rose 2.7% in the year to December 2024, compared with rises of 3.2% for high-income households (decile 9) and 2.6% for low-income households (decile 2).
- By tenure type, private renter households had the highest annual inflation rate of 3.9% in the year to December 2024, reflecting rising private rental payments; followed by mortgage households, with a 3.1% inflation rate, in the year to December 2024.
- Outright owner occupiers experienced the lowest annual inflation rate of all tenure types, at 2.1% in the year to December 2024; social and other renters had the next lowest (3.0%).
- Non-retired households continued to experience a higher annual rate of inflation (3.0%) in the year to December 2024 than retired households (2.3%).
- The annual inflation rate for households with children rose to 3.0%, and the rate for households without children rose to 2.8%, in the year to December 2024.

These are [official statistics in development](#), and we advise caution when using these data, as estimates may be revised because of methodological improvements. Priorities for development are discussed with our Advisory Panels. For more information, see [Section 7: Data sources and quality](#).

2 . Overview of the Household Costs Indices inflation rates

The Household Costs Indices (HCIs) complement the Consumer Prices Index including owner occupiers' housing costs (CPIH) and the Consumer Prices Index (CPI) and show how the prices of goods and services consumed by households in the UK change over time. They do this by providing insight into the inflationary experience of different household groups.

Consumer price statistics measure the change in price of a “fixed basket” of goods and services, as described in our [2017 guide to CPI](#). For the HCIs, the weight of each component in a household group's “fixed basket” is based on the average household's share of expenditure (“democratic” weights). By contrast, the CPIH and CPI baskets reflect the total share of expenditure across all households in the UK (“plutocratic” weights).

The HCIs also include changes in mortgage interest rates, Stamp Duty and other costs related to the purchase of a dwelling. These are omitted from CPI and estimated using equivalent rental prices in CPIH, reflecting its different use case (see our [Measuring changing prices and costs for consumers and households article](#)). Further differences are described in our [Household Costs Indices for UK household groups quality and methodology information \(QMI\)](#).

HCIs annual inflation rates for December 2023 and the most recent three months are presented in Table 1.

Table 1: Household Costs Indices (HCIs) annual inflation rates, UK, December 2023 and October to December 2024

Category	Dec-23	Oct-24	Nov-24	Dec-24
All Households	5.1	2.6	2.9	2.8
Income Decile 2	4.6	2.4	2.7	2.6
Income Decile 3	4.8	2.5	2.9	2.8
Income Decile 4	4.7	2.5	2.8	2.8
Income Decile 5	5.0	2.5	2.8	2.7
Income Decile 6	5.1	2.5	2.8	2.7
Income Decile 7	5.3	2.6	2.9	2.7
Income Decile 8	5.6	2.6	2.9	2.8
Income Decile 9	5.7	2.9	3.2	3.2
Mortgagor and other owner occupier	6.7	2.9	3.1	3.1
Outright owner occupier	3.9	1.8	2.1	2.1
Private renter	4.9	3.7	4.0	3.9
Social and other renter	4.8	2.8	3.1	3.0
Non-Retired	5.5	2.8	3.1	3.0
Retired	3.9	2.0	2.3	2.3
With children	5.6	2.8	3.1	3.0
Without children	4.9	2.6	2.9	2.8

Source: Household Costs Indices from the Office for National Statistics

Notes

1. The first- and tenth income deciles are not included here as the composition of these groups can be unusual and may therefore be influenced by unrepresentative expenditures.

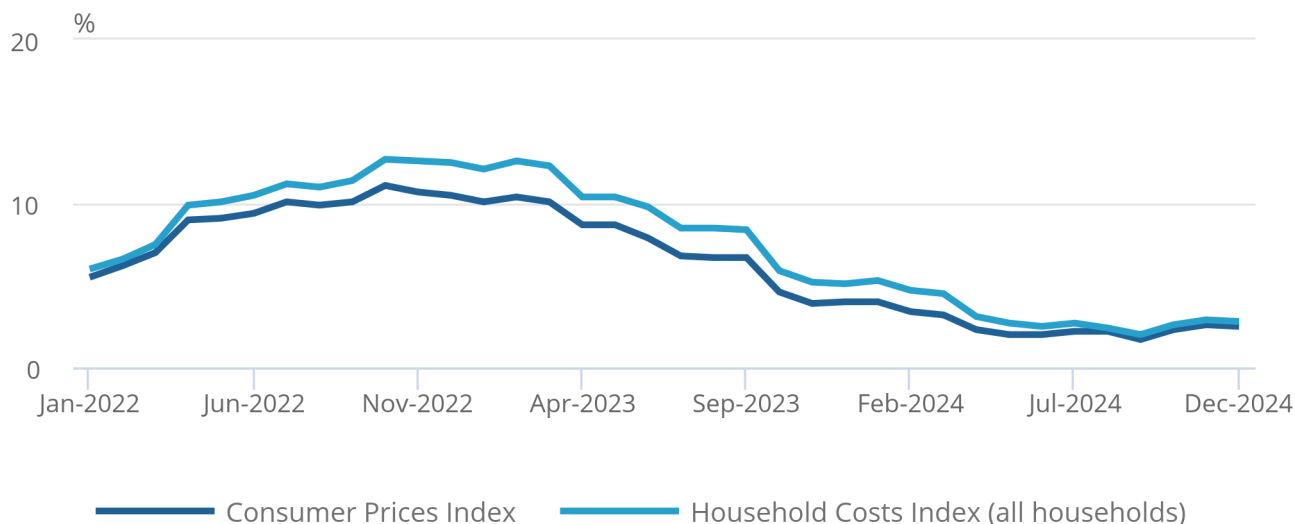
In the most recent month, December 2024, the all-households HCI annual rate was 2.8%, compared with a December CPI annual inflation rate of 2.5% (Figure 1).

Figure 1: Household costs rose by 2.8% in the 12 months to December 2024

Household Costs Indices (HCI) and Consumer Prices Index (CPI) annual inflation rates (%) for all households, UK, January 2022 to December 2024

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Household Costs Indices (HCI) and Consumer Prices Index (CPI) annual inflation rates (%) for all households, UK, January 2022 to December 2024



Source: Household Costs Indices and the Consumer Prices Index from the Office for National Statistics

The overall HCI Index annual growth rate increased from 2.0% in September 2024 to 2.8% in December 2024. The increase was largely driven by a reduction in the pace electricity, gas and other fuel prices are falling, along with higher growth in transport prices. As a result, the contributions to annual all-households HCI inflation from these categories rose by 0.83 percentage points and 0.20 percentage points, respectively, between September 2024 and December 2024. This growth was partially offset by lower contributions from insurance, decreasing 0.16 percentage points in the year to December 2024.

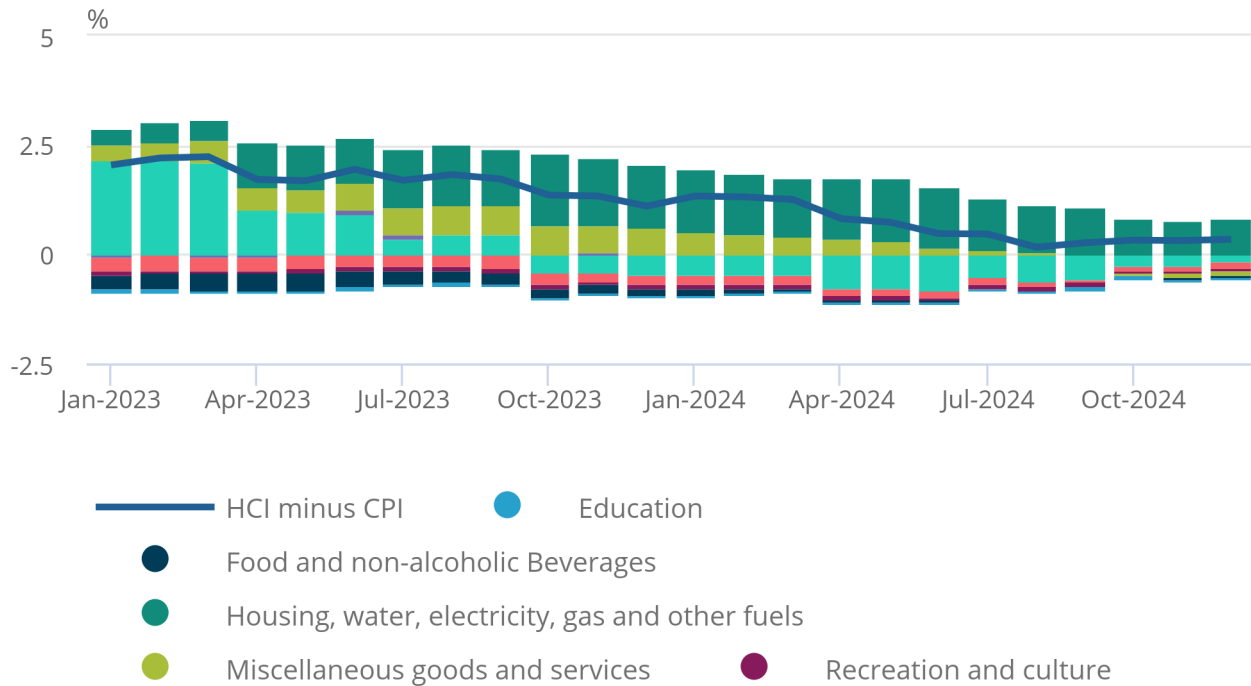
Figure 2 shows the contributors to differences in the annual inflation rates for the all-households HCI and CPI over the period January 2023 to December 2024. In the most recent three months, the largest difference came from housing and household services, which contributed 0.83 percentage points more to the all-households HCI annual rate than to CPI in December. That mostly reflects the inclusion of owner occupiers' housing costs in the HCIs.

Figure 2: Housing was the largest difference between the HCI and CPI in December 2024

Contributions to the difference in annual inflation rates (percentage points), all-households Household Costs Indices (HCI) less Consumer Prices Index (CPI), UK, January 2023 to December 2024

Figure 2: Housing was the largest difference between the HCI and CPI in December 2024

Contributions to the difference in annual inflation rates (percentage points), all-households Household Costs Indices (HCI) less Consumer Prices Index (CPI), UK, January 2023 to December 2024



Source: Household Costs Indices and the Consumer Prices Index from the Office for National Statistics

Notes:

- Contributions to the difference may not sum to the difference between CPI and all-households HCI annual inflation rates because of rounding.
- Differences because of classification and rounding arise from the use of unrounded weights for HCIs compared with rounded weights for CPI, and price uprating at the class level for HCIs compared with subclass for CPI.
- Differences because of weighting refers to the use of democratic weights, compared with plutocratic weights for CPI.
- Differences because of classification and rounding in January 2024 to December 2024 are not currently available because of data availability (for more information please see [Section 7: Data sources and quality](#)).

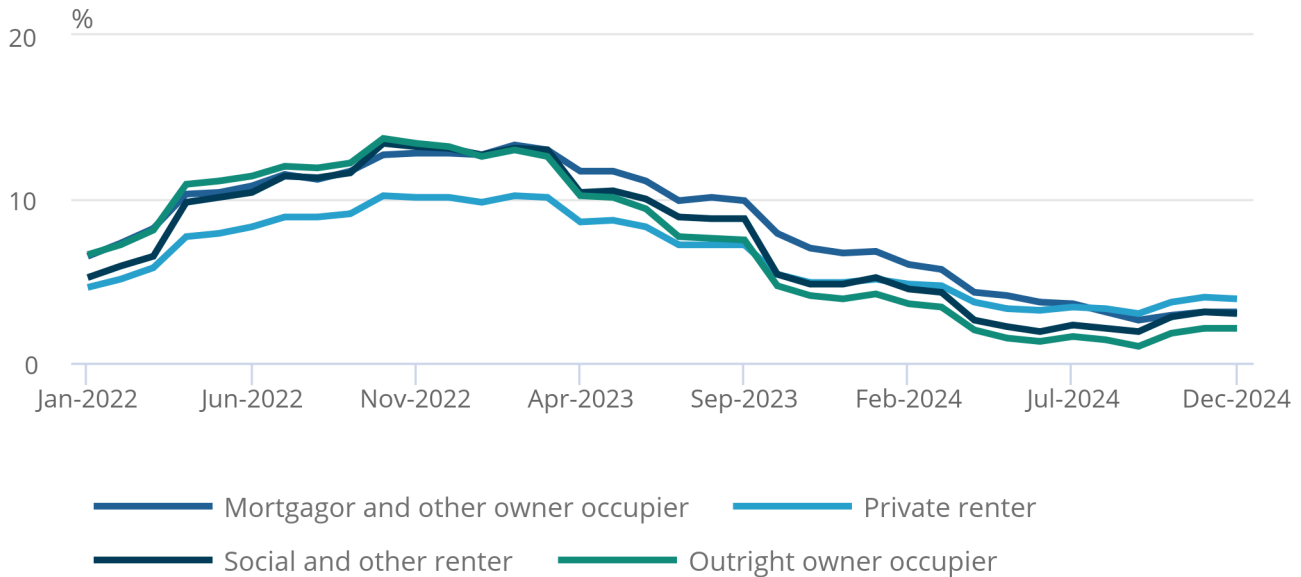
3 . Household Costs Indices by tenure type

Figure 3: Private renter households experienced the highest inflation in the 12 months to December 2024

Household Costs Indices (HCIs) annual inflation rates (%) by tenure type, UK, January 2022 to December 2024

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Household Costs Indices (HCIs) annual inflation rates (%) by tenure type, UK, January 2022 to December 2024



Source: Household Costs Indices from the Office for National Statistics

Notes:

1. The methodology for calculating changes in private rental prices was updated in February 2024; for more information, please refer to [Section 7: Data sources and quality](#).

Figure 3 shows the annual inflation rates for the different tenure groups over the period January 2022 to December 2024. In the most recent three months, outright owner-occupier households have experienced the lowest inflation rate, with their annual rate being 2.1% in the year to December 2024, followed by social renters (3.0%).

In comparison, private renters had the highest inflation rate in the most recent three months, with inflation being 3.9% in the year to December 2024, followed by mortgage households (3.1%).

This was primarily a result of housing costs. Private rental costs contributed 2.5 percentage points to the annual rate for private renter households. Similarly, mortgage interest payments contributed 1.1 percentage points to the annual rate for mortgage households.

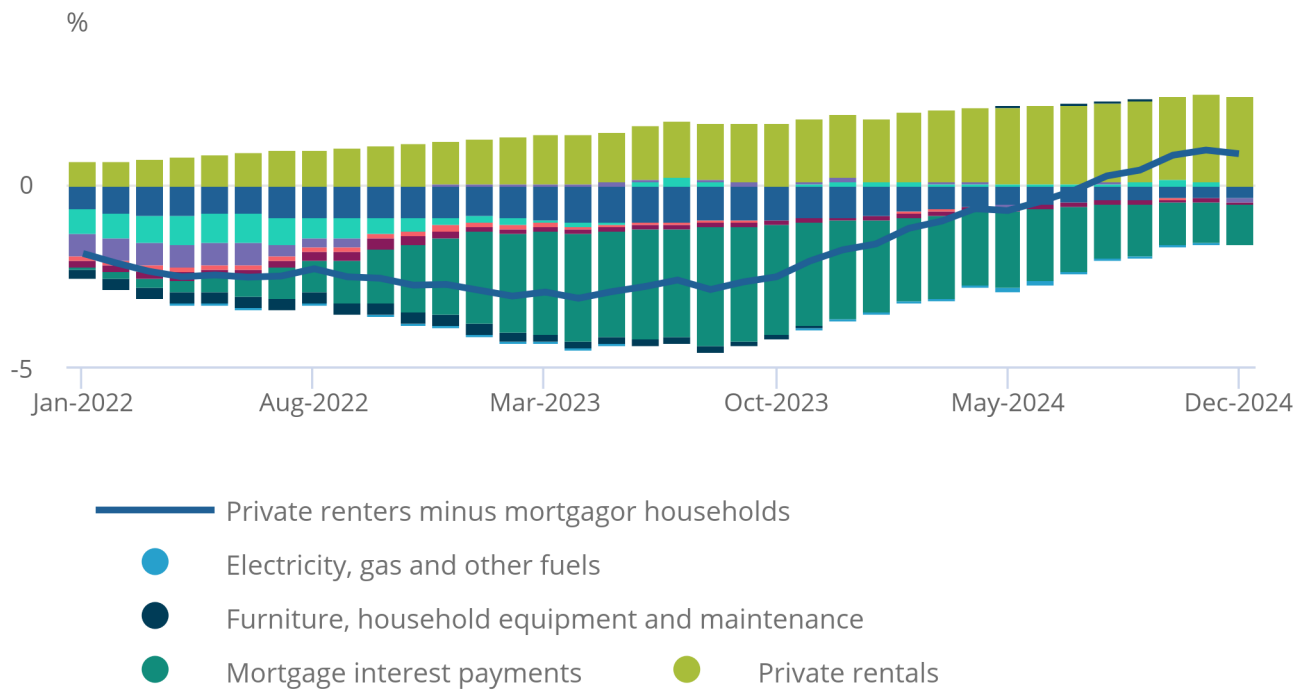
However, different outcomes are seen when looking at household costs over a longer time period. Over the past five years, private renters faced the lowest cumulative HCI inflation rate at 26.0%, followed by outright owner occupiers at 27.2%, social renters at 28.9%, and mortgage households at 30.8%.

Figure 4: Rental and mortgage interest payments contributed to higher inflation for private renter and mortgagor households, respectively, in December 2024

Contributions to the difference between the Household Costs Indices (HCI) annual rate, private renter households minus mortgagor households, UK, January 2022 to December 2024

Figure 4: Rental and mortgage interest payments contributed to higher inflation for private renter and mortgagor households, respectively, in December 2024

Contributions to the difference between the Household Costs Indices (HCI) annual rate, private renter households minus mortgagor households, UK, January 2022 to December 2024



Source: Household Costs Indices from the Office for National Statistics

Notes:

- Contributions to the difference between subgroups may not sum to the difference because of rounding.
- The "Other" category contains all the remaining divisions measured in the Household Costs Indices that are not explicitly listed as a category in this graph.

Differences between groups are influenced by the interaction between price movements and expenditure weights. Differences in spending patterns mean that, if a particular group of households spends more on a product with a relatively high inflation rate, they will experience a greater increase in costs relative to other households.

4 . Household Costs Indices across the household groups

The factors affecting Household Costs Indices (HCI) inflation rates for tenure type, also affected the experiences of other groups of households. Households who spent a higher proportion of their basket on rental and mortgage interest payments, saw higher annual household costs inflation rates than those who did not.

As a result, higher annual inflation rates were experienced by high-income households (decile 9) at 3.2% and those with children (3.0%), compared with low-income households (decile 2), at 2.6% and households without children (2.8%), who experienced lower rates of inflation, in the 12 months to December 2024 (Table 1).

Over the past three months, annual inflation was higher for non-retired households (3.0%) compared with retired households (2.3%), primarily because of differences in housing and household services. When comparing the two groups, rental costs contributed 0.48 percentage points more to the inflation rate for non-retired households, while mortgage interest payments added 0.45 percentage points more (Figure 5).

The impact of electricity, gas, and other fuel prices was more significant for non-retired households than for retired households, contributing 0.20 percentage points to the overall gap in annual inflation rates between the two groups. However, this marks a decrease from the 0.60 percentage point contribution seen in September 2024. Additionally, restaurant and hotel prices added 0.08 percentage points more to the inflation rate for non-retired households compared with their retired counterparts.

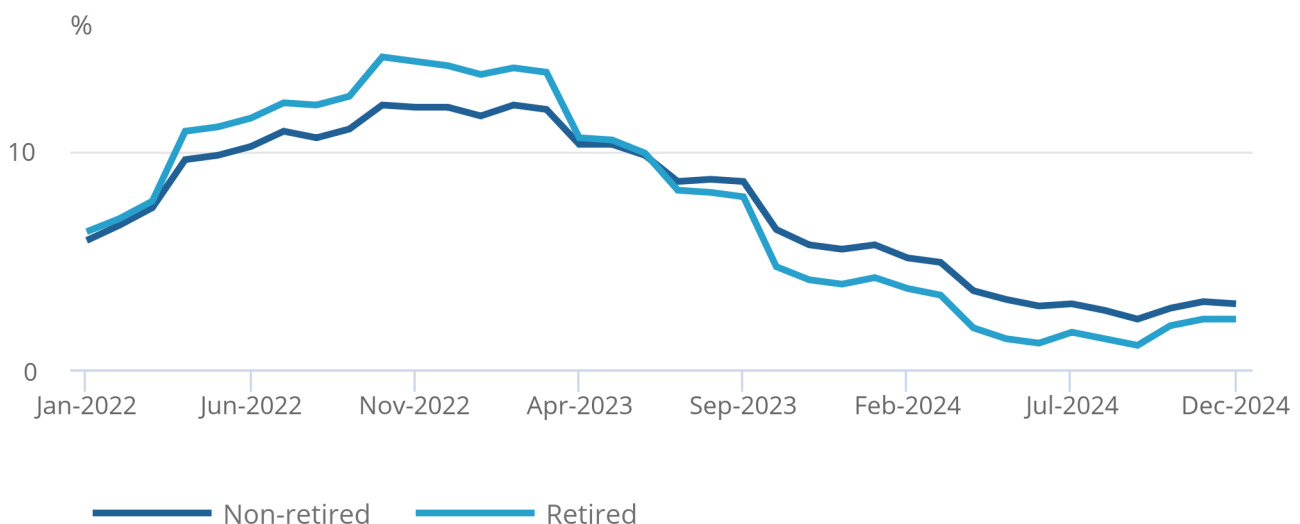
These differences are partly offset by recreation and culture, and alcoholic beverages and tobacco, which contributed 0.16 and 0.06 percentage points more to retired households, respectively.

Figure 5: Non-retired households experienced higher inflation than retired households in December 2024

Household Costs Indices annual inflation rates (%) by retirement status, UK, January 2022 to December 2024

Figure 5: Non-retired households experienced higher inflation than retired households in December 2024

Household Costs Indices annual inflation rates (%) by retirement status, UK, January 2022 to December 2024



Source: Household Costs Indices from the Office for National Statistics

5 . Data on Household Costs Indices

[Household Costs Indices for UK household groups](#)

Dataset | Released 27 February 2025 Household Costs Indices inflation rates, indices, weights and contributions for income deciles, tenure types, retirement status and households with and without children.

6 . Glossary

Disposable income

Disposable income is that which is available for consumption and is equal to all income from wages and salaries, self-employment, private pensions and investments, plus cash benefits less direct taxes.

Households are grouped into deciles (or tenths) based on their equivalised disposable income, with decile 10 being households with the highest equivalised disposable income and decile 1 the lowest equivalised disposable income. The second and ninth deciles are more stable, so users may wish to consider these in their analysis.

Equivalised

Equivalisation is the process of accounting for the fact that households with many members are likely to need a higher income to achieve the same standard of living as households with fewer members. It considers the number of people living in the household and their ages, recognising that a two-person household is unlikely to need double the income of a single person household. This analysis uses the [modified Organisation for Economic Co-operation and Development \(OECD\) equivalisation scale \(PDF, 165KB\)](#).

Expenditure deciles

Households are grouped into deciles (or tenths) based on their equivalised expenditure. The highest-expenditure decile (decile 10) is the 10% of households with the highest equivalised expenditure. Similarly, the lowest expenditure decile (decile 1) is the 10% of households with the lowest equivalised expenditure.

Households with children

A child is defined as any person aged under 16 years. For the purposes of the Family spending report, people who are aged under 18 years and unmarried are also classed as children. A household is classified as a household with children if at least one member of the household is a child.

Owner-occupier households

Outright owner-occupier households are defined as any household in which the residents own the property outright and use it as their primary or non-primary residence.

Mortgagor and other owner-occupier households are defined as any household that is buying their primary or non-primary residence property with a mortgage, or own part of the property (for example, paying both rent and mortgage).

Renter households

Private renter households are defined as any household that rents their property from a private sector landlord. It excludes households who live in their property rent free.

Social and other renter households are defined as any household that rents their property from a council or a registered social landlord or lives in their property rent free.

Retired persons and households

A retired person is defined as anyone who describes themselves in the Living Costs and Food Survey (LCF) as “retired” or anyone over minimum National Insurance pension age describing themselves as “unoccupied” or “sick or injured but not intending to seek work”. A retired household is defined as one where the combined income of retired members amounts to at least half the total gross income of the household.

7 . Data sources and quality

Further data improvements

It has not been possible to update the weights for 2024 in line with the standard methodology for consumer prices. This is because of delays in processing the underlying survey data and the need for further ongoing quality assurance. Instead, the most recent estimates have been compiled using the weights for February to December 2023. We aim to update the weights in the second quarter (April to June) of 2025.

In August 2024, new household-level variables were added to improve Household Costs Indices (HCI) expenditure weights. These include non-mortgage interest payments (including imputed overdraft interest) and updated Stamp Duty data.

These updates eliminate proxy methods for interest payments on debt (12.6.9) up to February 2014 and Stamp Duty (04.2.2) for 2022 to 2023. Interest payments on unsecured loans remain excluded from household-level distributions but will be added in the future. The weights calculation for the HCIs was also updated. This includes using more recent Living Costs and Food Survey datasets and incorporating revised price uprating factors for the Other OOH payments (4.2c) series (as described in the correction notice in [Household Costs Indices for UK household groups: January 2022 to September 2023](#)). These changes have led to revised HCI weights distributions across all household groups. These enhancements improve data quality and accuracy.

In line with the Consumer Prices Index including owner occupiers' housing costs (CPIH) and Consumer Prices Index (CPI), we have introduced improved private rental and second-hand cars indices in February 2024 (as described in our [Impact analysis on transformation of UK consumer price statistics: private rents and second-hand cars, January 2025 article](#)).

Households and the cost of living

To help people understand how the rise in inflation affects their expenditure, we have produced a [Personal inflation calculator](#). The calculator allows users to enter the amount they spend to produce an estimate of their personal inflation based on those spending patterns.

Our [Shopping prices comparison tool](#) shows how the average prices of items have changed over time.

Quality

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in our [Household Costs Indices for UK household groups QMI](#).

Household prices

Data constraints make the estimation of inflation rates for different household groups challenging in practice. In particular, an analysis of household-group-specific inflation rates would ideally use price indices specific to each household group, as we do for expenditure weights. This would reflect the fact that different households will purchase goods and services from different outlets and therefore face different prices.

However, such data are not available and we have used national price indices a proxy. There are also challenges that arise from the data sources that we have available for us to calculate the expenditure shares. These limitations do not impede the validity of the chosen methodology and its robustness. For more information, please see our [Methodology to calculate CPIH-consistent inflation rates for UK household groups](#).

Official statistics in development

These statistics are labelled as “official statistics in development”. Until September 2023, these were called “experimental statistics”. Read more about the change in the [guide to official statistics in development](#).

We are developing how we collect and produce the data to improve the quality of these statistics. Once the developments are complete, we will review the statistics with the Statistics Head of Profession. We will decide whether the statistics are of sufficient quality and value to be published as official statistics, or whether further development is needed. Production may be stopped if they are not of sufficient quality or value. Users will be informed of the outcome and any changes.

We value your feedback on these statistics. Contact us at cpi@ons.gov.uk.

8 . Related links

[Consumer price inflation, UK: January 2025](#)

Bulletin | Released 19 February 2025

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

[Private rent and house prices, UK: January 2025](#)

Bulletin | Released 19 February 2025

Price Index of Private Rents (PIPR) measures private rent inflation for new and existing tenancies. UK House Price Index measures house price inflation.

[Role of owner occupiers' housing costs in the Household Cost Indices, UK: 2023](#)

Article | Released 26 February 2024

The impact of higher mortgage interest rates on household costs, on average and by different household subgroup.

[Average household income, UK: financial year ending 2023](#)

Bulletin | Released 24 September 2024

Final estimates of average household income in the UK, with analysis of how these measures have changed over time, accounting for inflation and household composition.

[Shopping prices comparison tool](#)

Interactive tool | Released 3 May 2023

Search the tool to see how the average prices of hundreds of shopping items are changing.

[Personal inflation calculator](#)

Interactive tool | Released 19 June 2023

Use our inflation calculator to see how increases in the cost of living have affected you in the past year.

9 . Cite this statistical bulletin

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