

Statistical bulletin

Index of Private Housing Rental Prices, UK: December 2020

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 1.4% in the 12 months to December 2020, unchanged since October 2020.
- Private rental prices grew by 1.4% in England, 1.5% in Wales and 0.9% in Scotland in the 12 months to December 2020.
- The South West was the English region to see the highest annual growth in private rental prices (2.6%), while London saw the lowest (0.9%).
- The Office for National Statistics (ONS) has released a [public statement](#) on the coronavirus (COVID-19) and the production of statistics; [Section 7: Measuring the data](#) describes the situation in relation to the Index of Private Housing Rental Prices (IPHRP).

2 . UK private rental prices

Figure 1: The UK annual private rental price growth has been between 1.4% and 1.5% since November 2019

Index of Private Housing Rental Prices percentage change over 12 months, UK and Great Britain, January 2012 to December 2020

Figure 1: The UK annual private rental price growth has been between 1.4% and 1.5% since November 2019

Index of Private Housing Rental Prices percentage change over 12 months, UK and Great Britain, January 2012 to December 2020



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

Notes:

1. Data presented in this dataset are classified as Experimental Statistics and subject to revisions if improvements in the methodology are identified. Results should be interpreted with this in mind.

Private rental prices paid by tenants in the UK increased by 1.4% in the 12 months to December 2020, unchanged since October 2020. For example, a property that was rented for £500.00 per month in December 2019 that had a rent increase of the average UK rate would be rented for £507.00 in December 2020.

Growth in private rental prices paid by tenants in the UK has generally slowed since the beginning of 2016, driven mainly by a slowdown in London over the same period. Rental growth started to pick up at the end of 2018, driven by strengthening growth in London. Rental growth has remained broadly flat since November 2019.

In the 12 months to December 2020, rental prices for the UK excluding London increased by 1.6%, up from 1.5% in the 12 months to November 2020 (Figure 1). London private rental prices increased by 0.9% in the 12 months to December 2020, down from 1.1% in the 12 months to November 2020.

The Association of Residential Letting Agents (ARLA) reported in their [Private Rented Sector Report, November 2020](#) that less than a third of agents witnessed landlords increasing rents in November. The number of new prospective tenants fell during the month of November, and the number of properties managed per branch increased.

The [Royal Institution of Chartered Surveyors' \(RICS\) December 2020 Residential Market Survey](#) reported that tenant demand picked up during December, and new landlord instructions continued to dwindle. They also reported that rental growth expectations for the coming three months strengthened slightly, with contributors across virtually all parts of the UK envisaging rents rising over the near term.

These supply and demand pressures can take time to feed through to the Index of Private Housing Rental Prices (IPHRP), which reflects price changes for all private rental properties, rather than only newly advertised rental properties.

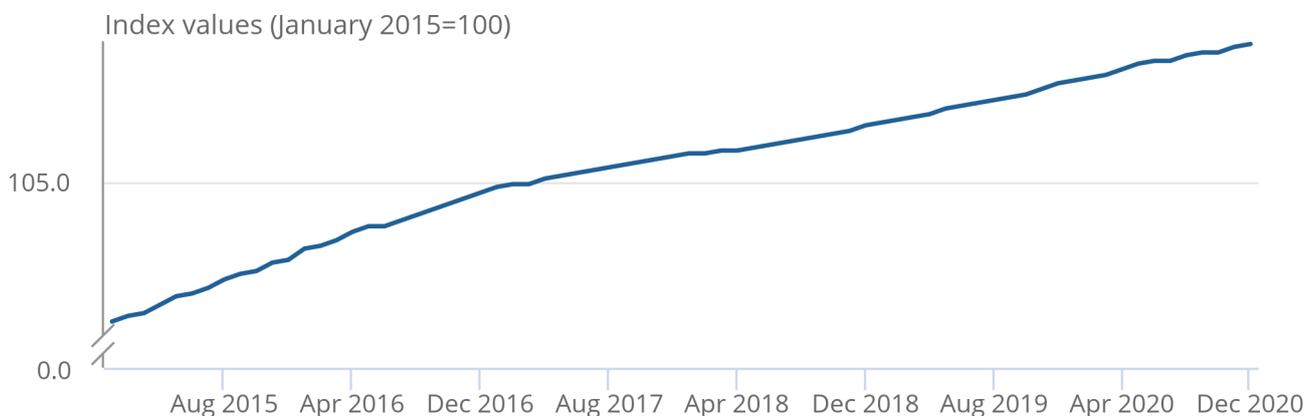
Focusing on the long-term trend, between January 2015 and December 2020, private rental prices in the UK increased by 9.9% (Figure 2).

Figure 2: UK rental prices have increased by 9.9% since January 2015

Index of Private Housing Rental Prices indices, UK, January 2015 to December 2020

Figure 2: UK rental prices have increased by 9.9% since January 2015

Index of Private Housing Rental Prices indices, UK, January 2015 to December 2020



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

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3 . UK private rental growth rates by country

In England, private rental prices grew by 1.4% in the 12 months to December 2020, unchanged since October 2020. When London is excluded from England, privately rented properties increased by 1.7% in the 12 months to December 2020, up from an increase of 1.6% in November 2020.

Private rental prices in Wales grew by 1.5% in the 12 months to December 2020, down from 1.6% in November 2020.

Rental growth in Scotland increased by 0.9% in the 12 months to December 2020, up from 0.6% in the 12 months to November 2020. Scotland's rental growth has remained weaker than the rest of the UK since August 2016.

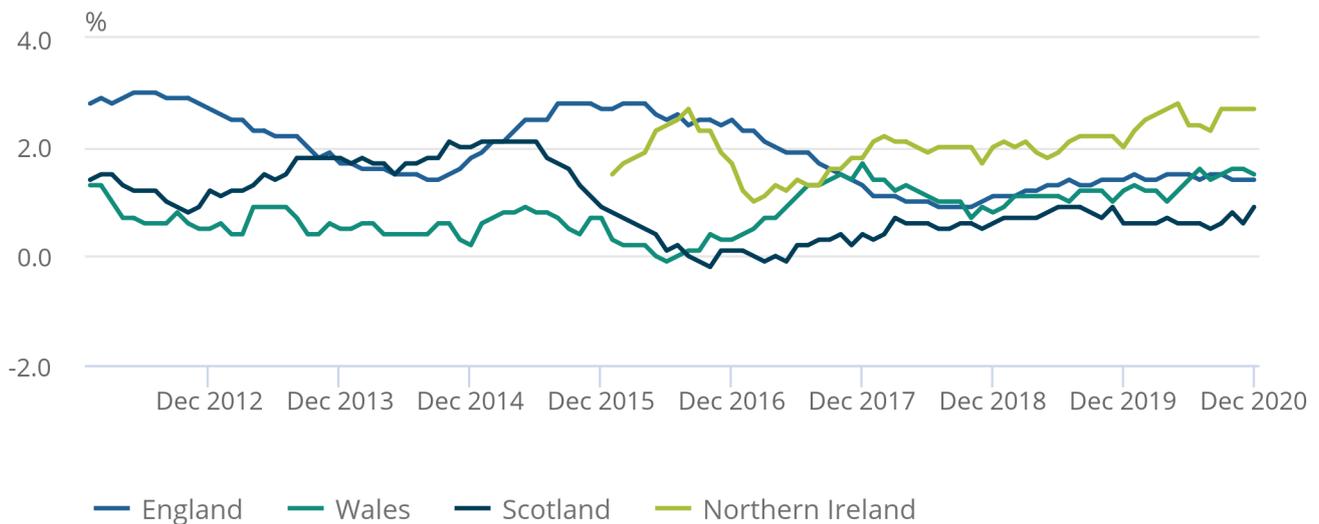
The annual rate of change for Northern Ireland in November 2020 (2.7%) was higher than the other countries of the UK. Northern Ireland data have been copied forward since September 2020; the next update to Northern Ireland data will be in the release published on 24 March 2021.

Figure 3: The annual rental growth in Scotland has been lower than other countries of the UK since August 2016

Index of Private Housing Rental Prices percentage change over 12 months for countries of the UK, January 2012 to December 2020

Figure 3: The annual rental growth in Scotland has been lower than other countries of the UK since August 2016

Index of Private Housing Rental Prices percentage change over 12 months for countries of the UK, January 2012 to December 2020



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

Notes:

1. Data presented in this dataset are classified as Experimental Statistics and subject to revisions if improvements in the methodology are identified. Results should be interpreted with this in mind.
2. Northern Ireland data are only available every three months. Northern Ireland data are copied forward until the next data are obtainable, which will be in the February 2021 bulletin released on 24 March 2021.

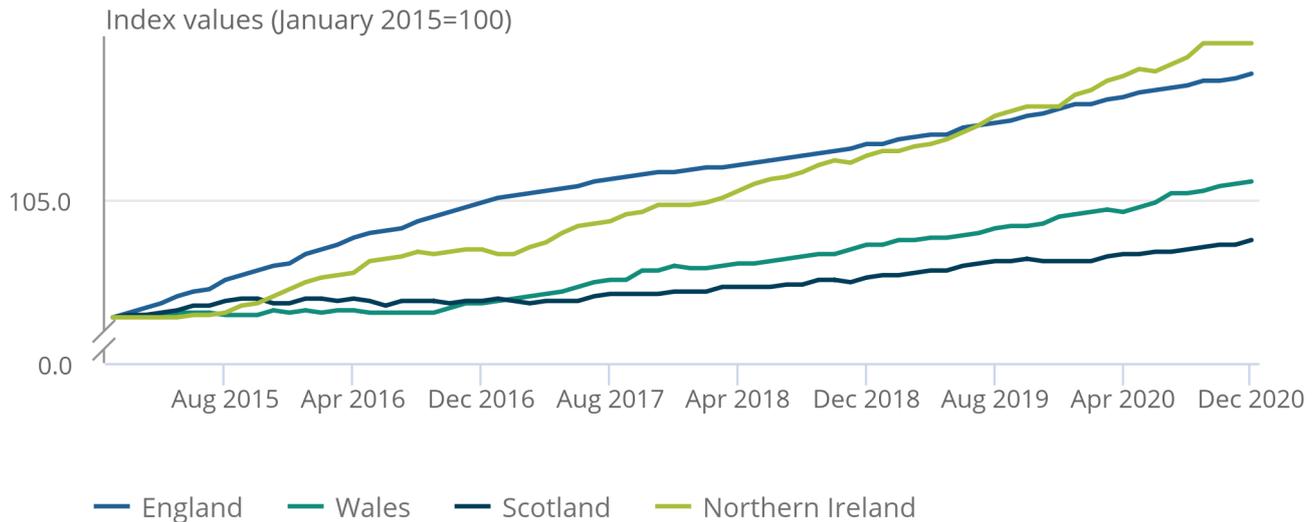
All UK countries experienced a rise in their private rental prices between January 2015 and December 2020, with rental prices in England and Northern Ireland increasing more than those in Wales and Scotland across data time series (Figure 4).

Figure 4: Rental prices have increased more in England and Northern Ireland than in Wales and Scotland since 2015

Index of Private Housing Rental Prices indices for countries of the UK, January 2015 to December 2020

Figure 4: Rental prices have increased more in England and Northern Ireland than in Wales and Scotland since 2015

Index of Private Housing Rental Prices indices for countries of the UK, January 2015 to December 2020



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

Notes:

1. Data presented in this dataset are classified as Experimental Statistics and subject to revisions if improvements in the methodology are identified. Results should be interpreted with this in mind.
2. Northern Ireland data are only available every three months. Northern Ireland data are copied forward until the next data are obtainable, which will be in the February 2021 bulletin released on 24 March 2021.

4 . UK private rental growth by English regions

Focusing on the English regions, the largest annual rental price increase in the 12 months to December 2020 was in the South West, at 2.6%, up from 2.3% in November 2020 (Figure 5). This was followed by the East Midlands at 2.4%.

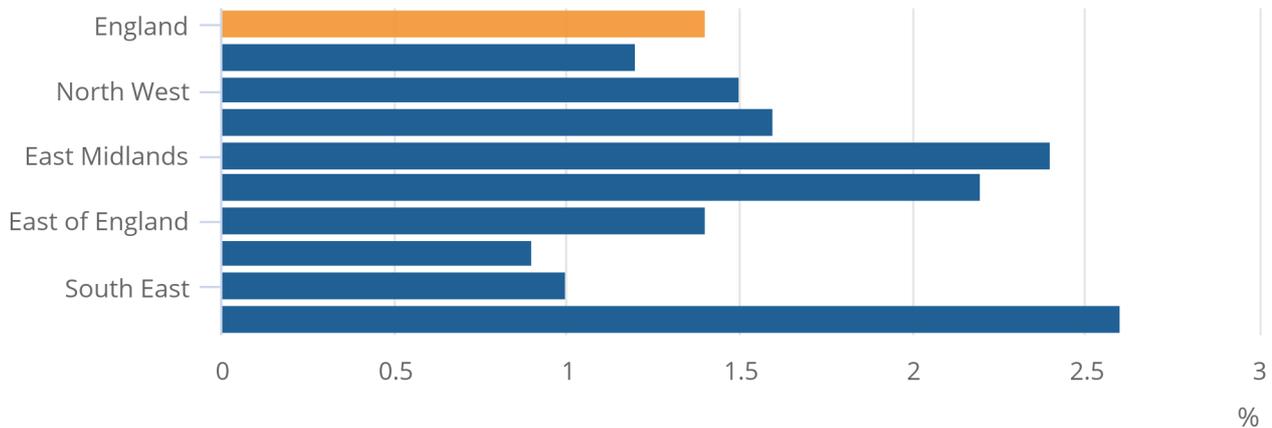
The lowest annual rental price growth was in London where rental prices increased by 0.9% in the 12 months to December 2020. This was followed by the South East, at 1.0%.

Figure 5: Strongest annual rental price growth is in the South West

Index of Private Housing Rental Prices percentage change over the 12 months to December 2020, by English region

Figure 5: Strongest annual rental price growth is in the South West

Index of Private Housing Rental Prices percentage change over the 12 months to December 2020, by English region



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

Figure 6 shows the historical 12-month percentage growth rate in the rental prices of each of the English regions.

Figure 6: London rental prices experienced larger peaks and troughs than other regions

Index of Private Housing Rental Prices percentage change over 12 months by English region, January 2007 to December 2020

Notes:

1. The grey line shows England's 12-month average private rental price growth.

[Data download](#)

5 . Private rental data

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

Dataset | Released 25 March 2020

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

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

Dataset | Released 20 January 2021

Rental price index historical time series (index values and annual percentage change).

[Measures of owner occupiers' housing costs](#)

Dataset | Released 16 December 2020

Owner occupiers' housing costs historical time series (index values, annual percentage change and contributions to the growth rate) – payments, rental equivalence and net acquisitions.

[Measures of owner occupiers' housing costs: weights analysis](#)

Dataset | Released 16 December 2020

Aggregate inflation measure for owner occupiers' housing costs historical time series (index values, percentage change and weights) aggregated with the Consumer Prices Index (CPI) – payments, rental equivalence and net acquisitions.

6 . Glossary

Index of Private Housing Rental Prices (IPHRP)

The Index of Private Housing Rental Prices (IPHRP) measures the change in the price 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

Coronavirus

The Office for National Statistics (ONS) is working to ensure that the UK has the vital information needed to respond to the impact of the coronavirus (COVID-19) pandemic on our economy and society; this includes how we measure the Index of Private Housing Rental Prices (IPHRP). The price collection for this publication has not been affected.

The ONS remains committed to providing the best and most accurate information we can, serving the public good at a time when it is needed the most. As this situation evolves, we are developing several solutions to meet potential scenarios depending on the amount of data that are able to be collected by our data suppliers and to consider how we produce forthcoming publications. Users will be informed of any changes to how the data are measured.

The ONS has released a [public statement](#) on the coronavirus and the production of statistics. Specific queries must be directed to the [Media Relations Office](#).

End of EU exit transition period

As the transition period ends and the UK enters into a new Trade and Cooperation Agreement with the EU, the UK statistical system will continue to produce and publish our wide range of economic and social statistics and analysis. We are committed to continued alignment with the highest international statistical standards, enabling comparability both over time and internationally, and ensuring the general public, statistical users and decision makers have the data they need to be informed.

As the shape of the UK's future statistical relationship with the EU becomes clearer over the coming period, the ONS is making preparations to assume responsibilities that as part of our membership of the EU, and during the transition period, were delegated to the statistical office of the EU, Eurostat. This includes responsibilities relating to international comparability of economic statistics, deciding what international statistical guidance to apply in the UK context and to provide further scrutiny of our statistics and sector classification decisions.

In applying international statistical standards and best practice to UK economic statistics, we will draw on the technical advice of experts in the UK and internationally, and our work will be underpinned by the UK's well-established and robust framework for independent official statistics, set out in the Statistics and Registration Service Act 2007. Further information on our proposals will be made available early this year.

Future developments

Following the [Digital Economy Act 2017](#), the Office for National Statistics (ONS) gained access to the VOA private rental microdata. We aim to re-develop 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 and geography down to lower geographic levels, to better meet user needs.

More information and a timetable for these developments is available in the [Private rental prices development plan: updated January 2021](#). If you have any queries or feedback on these developments, please email hpi@ons.gov.uk.

Sources

The IPHRP is constructed 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 Valuation Office Agency (VOA), Scottish Government, Welsh Government and Northern Ireland Housing Executive (NIHE). Data for Northern Ireland also include data provided by [Propertynews.com](#). Estimates are based on a known sample rather than a census.

The sources of the annually updated [expenditure weights](#) are the Ministry of Housing, Communities and Local Government (MHCLG), 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.

Quality

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in the [IPHRP 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 does not only measure the change in newly advertised rental prices but reflects price changes for all private rental properties.

Limitations

The IPHRP is published as price indices, rather than average prices. It is also only published down to a country and regional level. While actual rental prices cannot currently be published in the IPHRP because of data access constraints, we are actively working to acquire the necessary data.

The IPHRP is released as an [Experimental Statistic](#).

9 . Related links

[Private rental growth measures, a UK comparison: January to December 2020](#)

Bulletin | Released 20 January 2021

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

[UK House Price Index: November 2020](#)

Bulletin | Released 20 January 2021

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: December 2020](#)

Bulletin | Released 20 January 2021

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

[Private rental market summary statistics in England: October 2019 to September 2020](#)

Bulletin | Released 11 December 2020

Summary of monthly private rent statistics by region, local authority and bedroom category for England.

[Private rental prices development plan: updated January 2021](#)

Bulletin | Released 19 January 2021

The priorities, aims and methodology under development for private rental prices statistics, including a broad timeline of the planned work.

[Measures of owner occupiers' housing costs, UK: January to March 2020](#)

Bulletin | Released 17 June 2020

The different approaches of measuring owner occupiers' housing costs associated with owning, maintaining and living in one's own home.