

Statistical bulletin

Index of Private Housing Rental Prices, UK: July 2021

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 1.2% in the 12 months to July 2021, unchanged since April 2021.
- Private rental prices grew by 1.2% in England, 1.1% in Wales and 1.3% in Scotland in the 12 months to July 2021.
- The East Midlands and South West saw the highest annual growth in private rental prices (both 2.5%), while London saw the lowest (negative 0.1%).

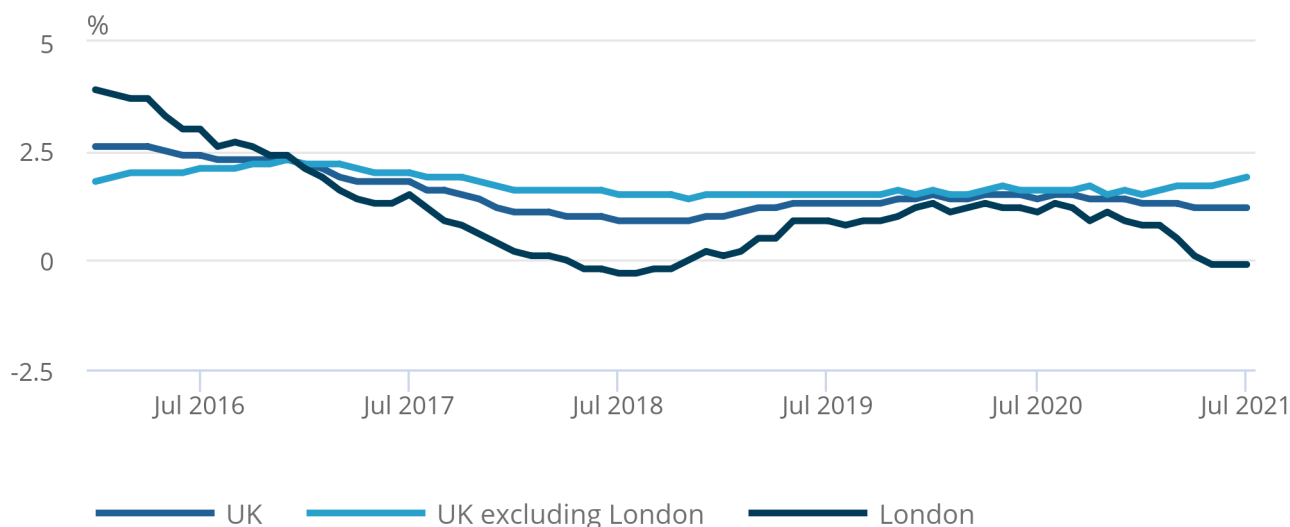
2 . UK private rental prices

Figure 1: London has driven the slowdown in annual rental price growth seen in the UK

Index of Private Housing Rental Prices percentage change over 12 months, UK and London, January 2012 to July 2021

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Index of Private Housing Rental Prices percentage change over 12 months, UK and London, January 2012 to July 2021



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

Notes:

1. Data presented are classified as Experimental Statistics. More information is available in [Section 9: Strengths and limitations](#).

Private rental prices paid by tenants in the UK increased by 1.2% in the 12 months to July 2021, unchanged since April 2021.

Growth in private rental prices paid by tenants in the UK remained broadly flat between November 2019 and the end of 2020. The beginning of 2021 saw a slowdown in rental price growth, which was driven by prices in London.

In the 12 months to July 2021, rental prices for the UK excluding London increased by 1.9%, up from an increase of 1.8% in June 2021. London private rental prices decreased by 0.1% in the 12 months to July 2021, unchanged since May 2021.

Since November 2020, private rental price growth in London has slowed. London's rental price growth in July 2021 (negative 0.1%) is lower than any other English region. This reflects both a decrease in demand, such as remote working shifting housing preferences meaning workers no longer need to be close to their offices, and an increase in supply, such as an excess supply of rental properties as short-term lets change to long-term lets. Further commentary on these movements can be found in our [March 2021 release under Section 4](#).

The Association of Residential Letting Agents (ARLA) reported in their [Private Rented Sector Report, June 2021](#) that members reported a decrease in rental stock, while the average number of new prospective tenants registered per branch was at the highest level on record for the month of June.

The [Royal Institution of Chartered Surveyors' \(RICS\) July 2021 Residential Market Survey](#) reported that tenant demand increased while the shortfall in new landlord instructions grew.

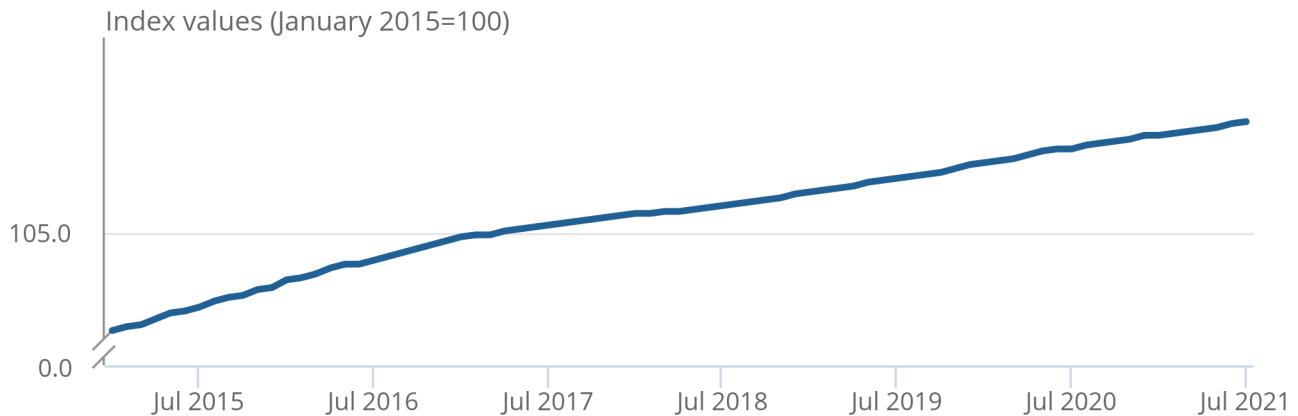
These supply and demand pressures can take time to feed through to the Index of Private Housing Rental Prices (IPHRP), which reflects price changes for all private rental properties rather than only newly advertised rental properties.

Figure 2: UK rental prices have increased by 10.7% since January 2015

Index of Private Housing Rental Prices indices, UK, January 2015 to July 2021

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Index of Private Housing Rental Prices indices, UK, January 2015 to July 2021



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

Notes:

1. Data presented are classified as Experimental Statistics. More information is available in [Section 9: Strengths and limitations](#).

3 . UK private rental growth rates by country

In England, private rental prices grew by 1.2% in the 12 months to July 2021, up from an increase of 1.1% in June 2021. When London is excluded from England, privately rented properties increased by 2.0% in the 12 months to July 2021, up from an increase of 1.8% in June 2021.

Private rental prices in Wales grew by 1.1% in the 12 months to July 2021, down from an increase of 1.5% in June 2021. The slowing in rental growth was mainly because of a base effect; rental prices in Wales grew quickly between June and July 2020.

Rental growth in Scotland increased by 1.3% in the 12 months to July 2021, up from 1.2% in the 12 months to June 2021.

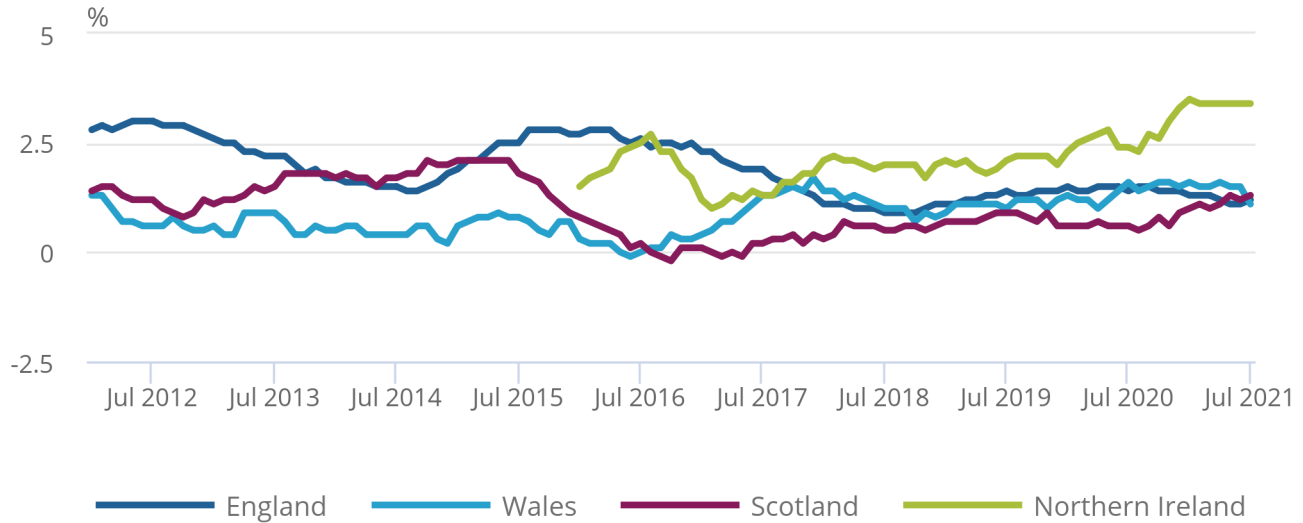
The annual rate of change for Northern Ireland in July 2021 (3.4%) was higher than the other countries of the UK. Northern Ireland data have been copied forward since March 2021; the next update to Northern Ireland data will be in the release published on 15 September 2021.

Figure 3: The annual rental growth in Scotland surpassed England and Wales for the first time since January 2015

Index of Private Housing Rental Prices percentage change over 12 months for countries of the UK, January 2012 to July 2021

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Index of Private Housing Rental Prices percentage change over 12 months for countries of the UK, January 2012 to July 2021



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

Notes:

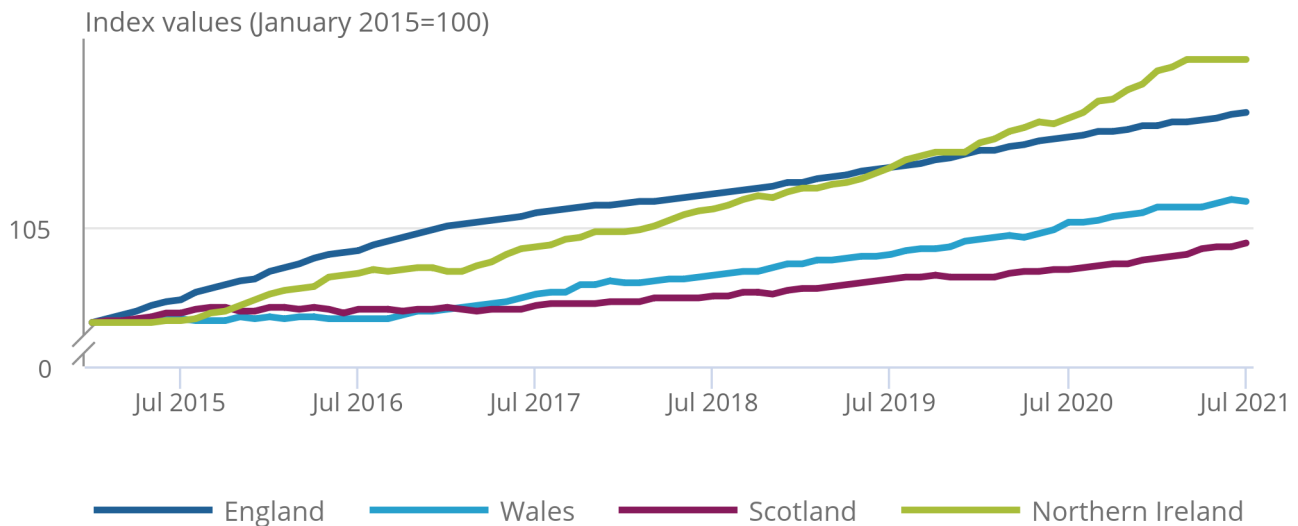
1. Data presented are classified as Experimental Statistics. More information is available in [Section 9: Strengths and limitations](#).
2. Northern Ireland data are only available every three months. Northern Ireland data are copied forward until the next data are obtainable, which will be released on 15 September 2021.

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 July 2021

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Index of Private Housing Rental Prices indices for countries of the UK, January 2015 to July 2021



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

Notes:

1. Data presented are classified as Experimental Statistics. More information is available in [Section 9: Strengths and limitations](#).
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 released on 15 September 2021.

4 . UK private rental growth by English region

Focusing on the English regions, the largest annual rental price increase in the 12 months to July 2021 were in the East Midlands and the South West, both at 2.5%.

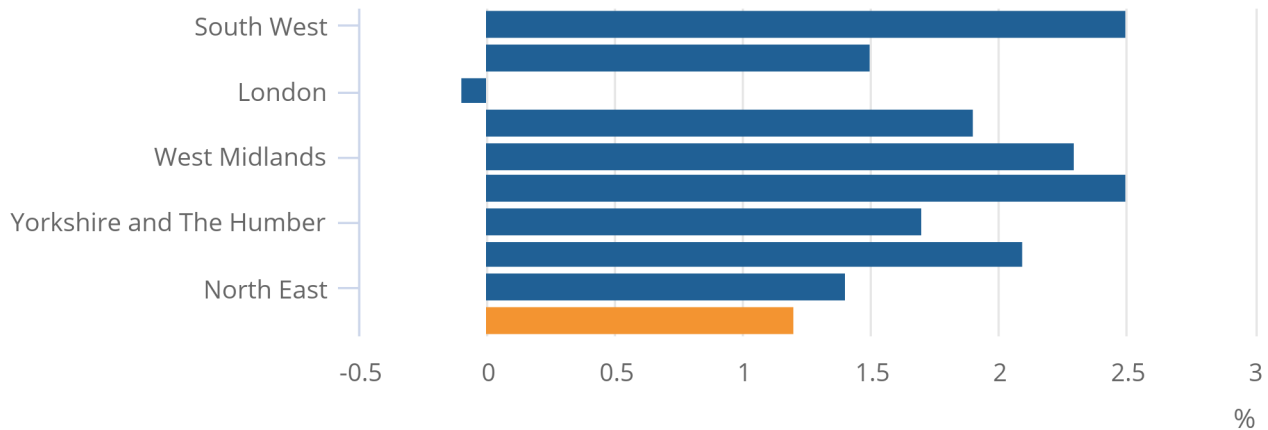
The lowest annual rental price growth was in London where rental prices decreased by 0.1% in the 12 months to July 2021.

Figure 5: Weakest annual rental price growth is in London

Index of Private Housing Rental Prices percentage change over the 12 months to July 2021, by English region

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Index of Private Housing Rental Prices percentage change over the 12 months to July 2021, by English region



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

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 July 2021

Notes:

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

[Download the data](#)

5 . Private rental data

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

Dataset | Released 18 August 2021

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

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

Dataset | Released 24 March 2021

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

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

Dataset | Released 24 March 2021

Owner occupiers' housing costs historical data 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 24 March 2021

Aggregate inflation measure for owner occupiers' housing costs historical data 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

We are 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 Office for National Statistics (ONS) has released a [public statement](#) on the coronavirus and the production of statistics. Specific queries should be directed to the [Media Relations Office](#).

Future developments

Following the [Digital Economy Act 2017](#), the ONS gained access to Valuation Office Agency (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: 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 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](#), 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 2021](#)

Bulletin | Released 18 August 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: July 2021](#)

Bulletin | Released 18 August 2021

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

[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.

[Private rental prices development plan: 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.

[Private rental market summary statistics in England: April 2020 to March 2021](#)

Bulletin | Released 16 June 2021

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

[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.