

Statistical bulletin

Index of Private Housing Rental Prices, UK: March 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 1.3% in the 12 months to March 2021, down from 1.4% in the 12 months to February 2021.
- Private rental prices grew by 1.3% in England, 1.5% in Wales and 1.0% in Scotland in the 12 months to March 2021.
- The South West was the English region to see the highest annual growth in private rental prices (2.4%), while London saw the lowest (0.5%).
- The Office for National Statistics (ONS) has released a [public statement](#) on the coronavirus (COVID-19) and the production of statistics; [Section 8: Measuring the data](#) describes the situation in relation to the Index of Private Housing Rental Prices (IPHRP).

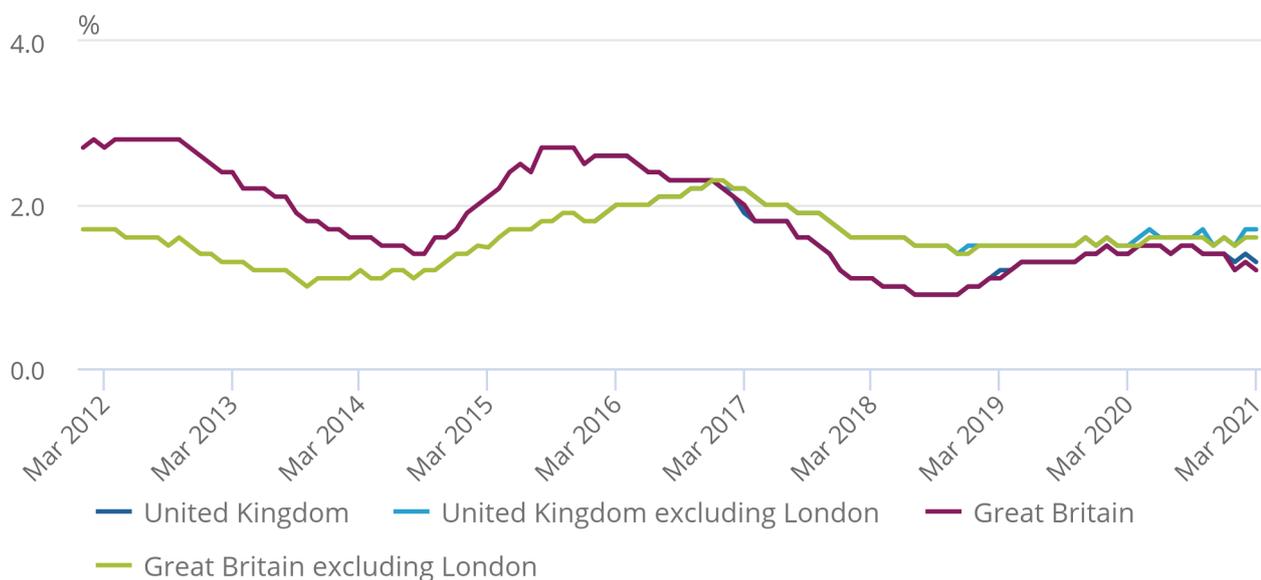
2 . UK private rental prices

Figure 1: The UK annual private rental price growth rose by 1.3% in the 12 months to March 2021

Index of Private Housing Rental Prices percentage change over 12 months, UK and Great Britain, January 2012 to March 2021

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Index of Private Housing Rental Prices percentage change over 12 months, UK and Great Britain, January 2012 to March 2021



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 1.3% in the 12 months to March 2021, down from 1.4% in the 12 months to February 2021. For example, a property that was rented for £500.00 per month in March 2020 that had a rent increase of the average UK rate would be rented for £506.50 in March 2021.

Growth in private rental prices paid by tenants in the UK generally slowed from the beginning of 2016 to the end of 2018, 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, however a slight slowdown in growth has been seen in recent months, which has been driven by London.

In the 12 months to March 2021, rental prices for the UK excluding London increased by 1.7%, unchanged since February 2021 (Figure 1). London private rental prices increased by 0.5% in the 12 months to March 2021, down from 0.8% in February 2021.

The Association of Residential Letting Agents (ARLA) reported in their [Private Rented Sector Report, February 2021](#) that the number of new prospective tenants rose for the second month in a row, while the number of properties managed per branch decreased in February. Around half the agents saw landlords increasing rent in February.

The [Royal Institution of Chartered Surveyors' \(RICS\) March 2021 Residential Market Survey](#) reported that tenant demand increased, while landlord instructions continued to fall.

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.

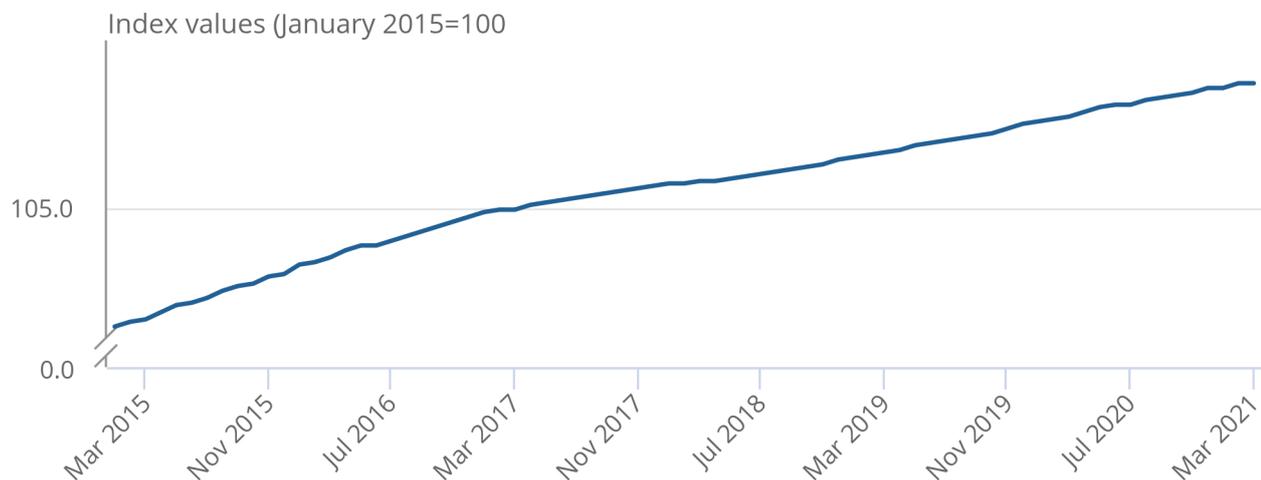
Focusing on the long-term trend, between January 2015 and March 2021, private rental prices in the UK increased by 10.2% (Figure 2).

Figure 2: UK rental prices have increased by 10.2% since January 2015

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

Figure 2: UK rental prices have increased by 10.2% since January 2015

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



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.

3 . UK private rental growth rates by country

In England, private rental prices grew by 1.3% in the 12 months to March 2021, unchanged since January 2021. When London is excluded from England, privately rented properties increased by 1.7% in the 12 months to March 2021, up from an increase of 1.6% in February 2021.

Private rental prices in Wales grew by 1.5% in the 12 months to March 2021, unchanged since February 2021.

Rental growth in Scotland increased by 1.0% in the 12 months to March 2021, down from 1.1% in the 12 months to February 2021. Scotland's rental growth has remained weaker than the rest of the UK since August 2016.

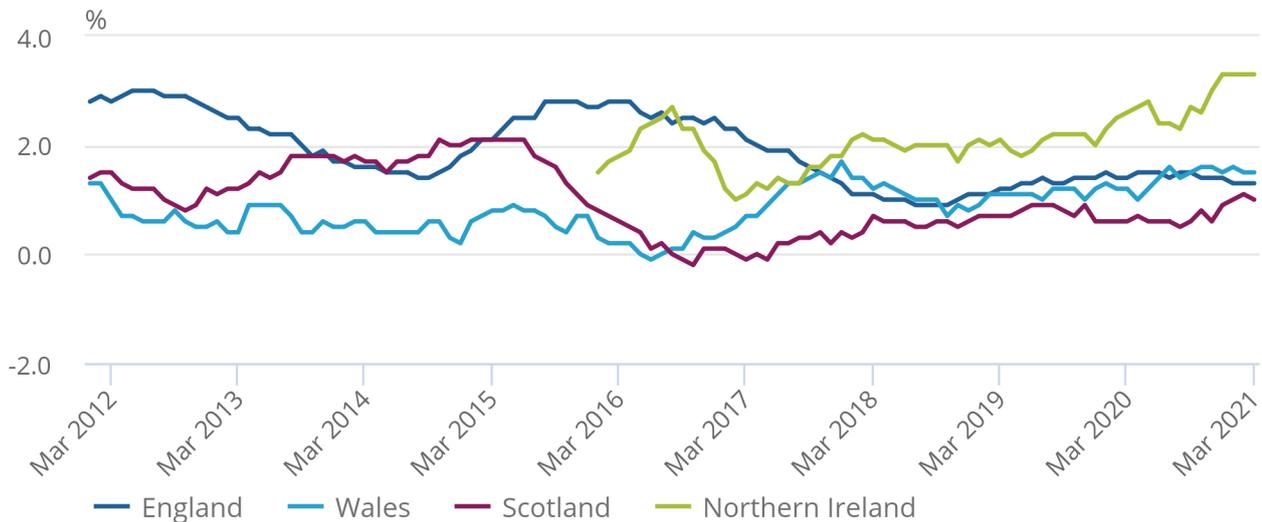
The annual rate of change for Northern Ireland in March 2021 (3.3%) was higher than the other countries of the UK. Northern Ireland data have been copied forward since December 2020; the next update to Northern Ireland data will be in the release published on 16 June 2021.

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 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 March 2021



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 May 2021 bulletin released on 16 June 2021.

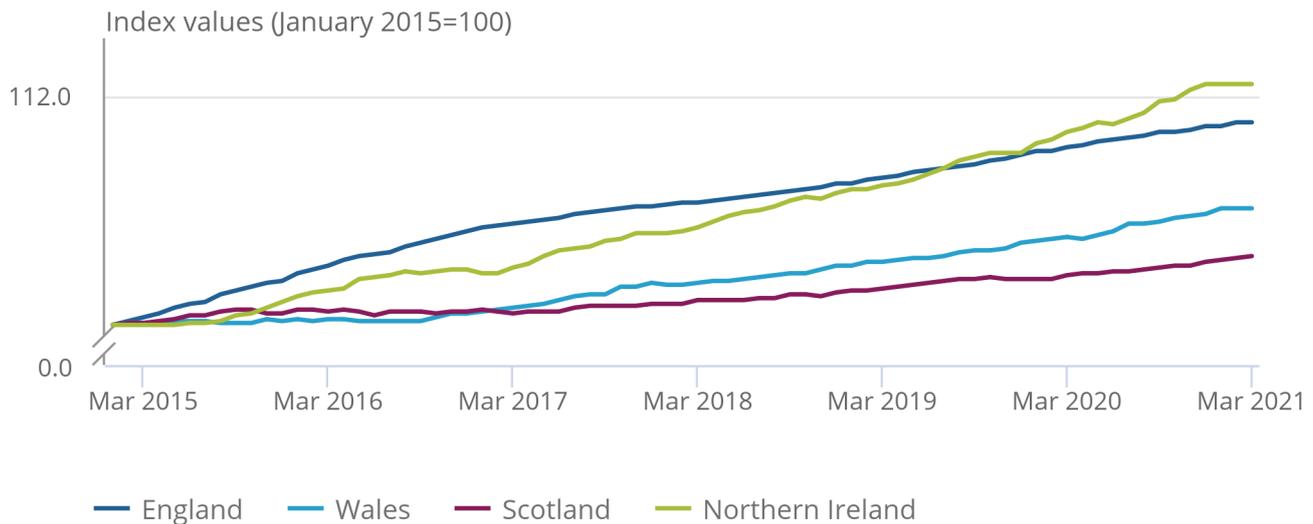
All UK countries experienced a rise in their private rental prices between January 2015 and March 2021, with rental prices in England and Northern Ireland increasing more than those in Wales and Scotland across data time series (Figure 4).

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 March 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 March 2021



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 May 2021 bulletin released on 16 June 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 March 2021 was in the South West at 2.4%, up from 2.3% in February 2021 (Figure 5).

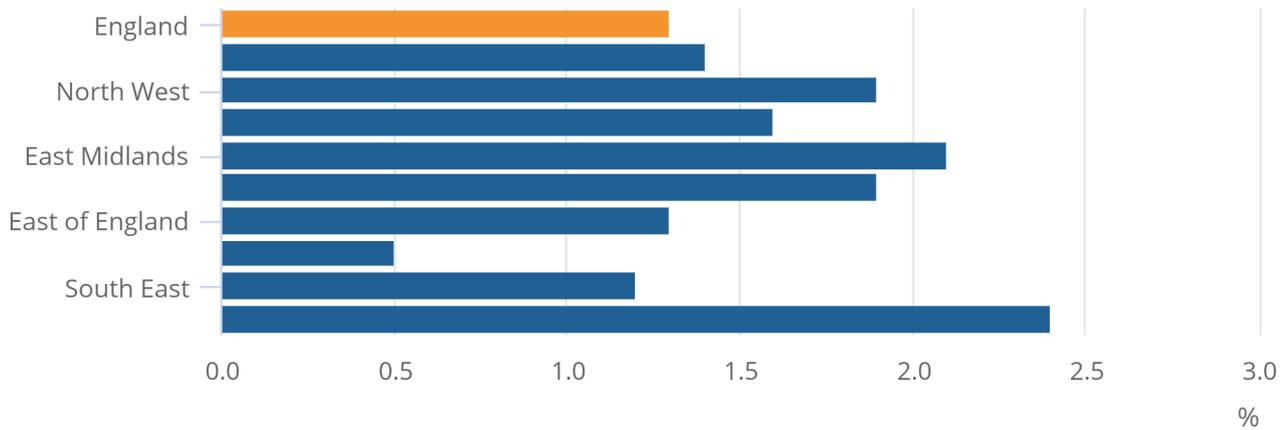
The lowest annual rental price growth was in London where rental prices increased by 0.5% in the 12 months to March 2021. This was followed by the South East, at 1.2%.

Figure 5: The strongest annual rental price growth has been in the South West

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

Figure 5: The strongest annual rental price growth has been in the South West

Index of Private Housing Rental Prices percentage change over the 12 months to March 2021, 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 March 2021

Notes:

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

[Download the data](#)

Figure 7: Private rental price growth has been relatively stable in the UK except for London where rental prices have slowed

Index of Private Housing Rental Prices percentage change over 12 months by UK excluding London and London, January 2007 to March 2021

Figure 7: Private rental price growth has been relatively stable in the UK except for London where rental prices have slowed

Index of Private Housing Rental Prices percentage change over 12 months by UK excluding London and London, January 2007 to March 2021



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

Annual rental price growth in the UK excluding London has been relatively stable over recent months, remaining between 1.5% and 1.7% since December 2018. In contrast, price growth in London has fallen from a recent peak of 1.3% in August 2020 to 0.5% in March 2021, and has the lowest annual price growth of all English regions. London's low rental price growth reflects both demand and supply side factors.

The rise in homeworking during the coronavirus (COVID-19) pandemic, and the resulting demand for space, has caused an [exodus of inner city renters](#). London's position as a capital and global city means that coronavirus impacts have been amplified because of the loss of tourism and international travel that would usually contribute to demand for short-term rental properties.

Remote working may have shifted housing preferences, with workers no longer required to live near their offices as they can work elsewhere in the UK or abroad. Coronavirus-related restrictions have also meant large parts of the hospitality and entertainment sector have been closed, a factor that usually makes London a desirable place to live, further reducing the demand for inner city accommodation.

[Rightmove suggests](#) London is also experiencing an excess supply of rental properties as short-term lets change to long-term lets. This has created more choice for London renters and has exerted downward pressure on prices. According to the [RICS Residential Market Survey](#) for March 2021, London is the only region where rents are not expected to rise over the next 12 months.

5 . Comparisons with private sector rental growth measures

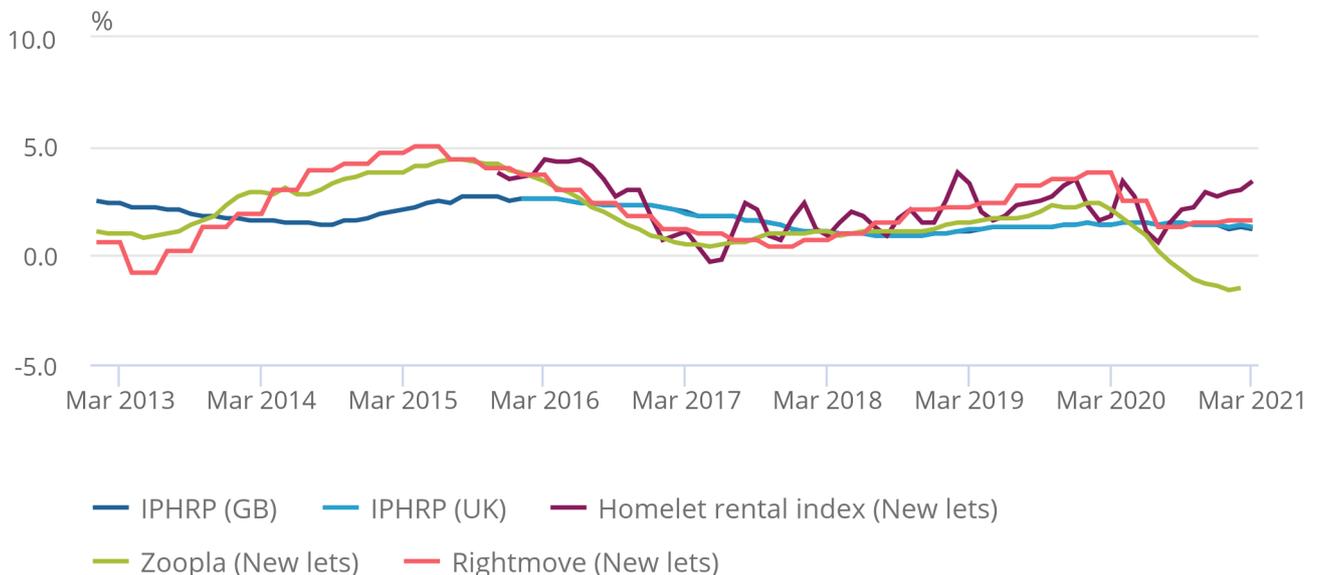
Many private sector organisations, including estate agents and property companies, produce estimates of changes in rental prices. These include Zoopla, Rightmove and HomeLet. Countrywide PLC, LSL Property Services, and Your Move also have discontinued private rental price indices. These sources provide an extensive range of rental data and a closer look at these rental measures provides a diverse picture.

Figure 8: The IPHRP is more stable than other private sector measures

Index of Private Housing Rental Prices and private sector measures of rents, percentage change over 12 months, January 2013 to March 2021, UK

Figure 8: The IPHRP is more stable than other private sector measures

Index of Private Housing Rental Prices and private sector measures of rents, percentage change over 12 months, January 2013 to March 2021, UK



Source: Zoopla, Homelet, Rightmove and Office for National Statistics – Index of Private Housing Rental Prices

Historically, the rent increases measured by the private sector measures have differed to those shown in the Index of Private Housing Rental Prices (IPHRP) and some tend to be more volatile. This is because the private sector measures primarily focus on newly let properties, while the IPHRP includes a mixture of newly let properties and existing lets. This is important, as evidence obtained from Valuation Office Agency (VOA) rental officers suggests that the greatest price rises occur when properties are newly let compared with existing tenants, who tend to see smaller price increases. This means supply and demand pressures can take time to feed through to the IPHRP.

Details on the research conducted by the VOA and further information on Zoopla, Rightmove, Homelet, and IPHRP data sources and their differences is available in the [Private rental growth measures, a UK comparison: January to December 2020](#) publication.

6 . Private rental data

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

Dataset | Released 21 April 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.

7 . 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.

8 . Measuring the data

The Office for National Statistics (ONS) is publishing more data and analysis than ever before. We are constantly reviewing our publications based on your feedback to make sure that we continue to meet the needs of our users. As a result, future editions of this publication will focus more strongly on headline indicators and main messages. Thank you for your continued support and we value your feedback.

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 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 solutions to meet different scenarios depending on the amount of data that can 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 should be directed to the [Media Relations Office](#).

End of EU exit transition period

As the UK enters into a new Trade and Co-operation 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 later this year.

Future developments

Following the [Digital Economy Act 2017](#), 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](#).

9 . Strengths and limitations

Strengths

The Index of Private Housing Rental Prices (IPHRP) is constructed using large administrative sources, specified in [Section 8: 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](#).

10 . 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: February 2021](#)

Bulletin | Released 21 April 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: March 2021](#)

Bulletin | Released 21 April 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: 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.