

Statistical bulletin

Index of Private Housing Rental Prices, UK: September 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 1.5% in the 12 months to September 2020, unchanged since August 2020.
- Private rental prices grew by 1.5% in England, 1.5% in Wales and 0.6% in Scotland in the 12 months to September 2020.
- The East Midlands was the English region to see the highest annual growth in private rental prices (2.6%), while the South East saw the lowest (1.0%).
- 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 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 September 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 September 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 1.5% in the 12 months to September 2020, unchanged since August 2020. For example, a property that was rented for £500.00 per month in September 2019 that had a rent increase of the average UK rate would be rented for £507.50 in September 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 has started to pick up since the end of 2018, driven by strengthening growth in London. Rental growth has remained broadly flat since November 2019.

In the 12 months to September 2020, rental prices for the UK excluding London increased by 1.6%, unchanged since June 2020 (Figure 1). London private rental prices increased by 1.2% in the 12 months to September 2020, down from 1.3% in the 12 months to August 2020.

The Association of Residential Letting Agents (ARLA) reported in their [Private Rented Sector Report, August 2020](#) that the number of new prospective tenants reached a record high, breaking the previous record, which was in July 2020. The number of rental properties managed per letting agent branch remained steady between July 2020 and August 2020, and is the highest on record for the month of August.

The [Royal Institution of Chartered Surveyors' \(RICS'\) September 2020 Residential Market Survey](#) reported that tenant demand continued to rise across the UK, apart from in London, which experienced a fall in tenant demand.

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.

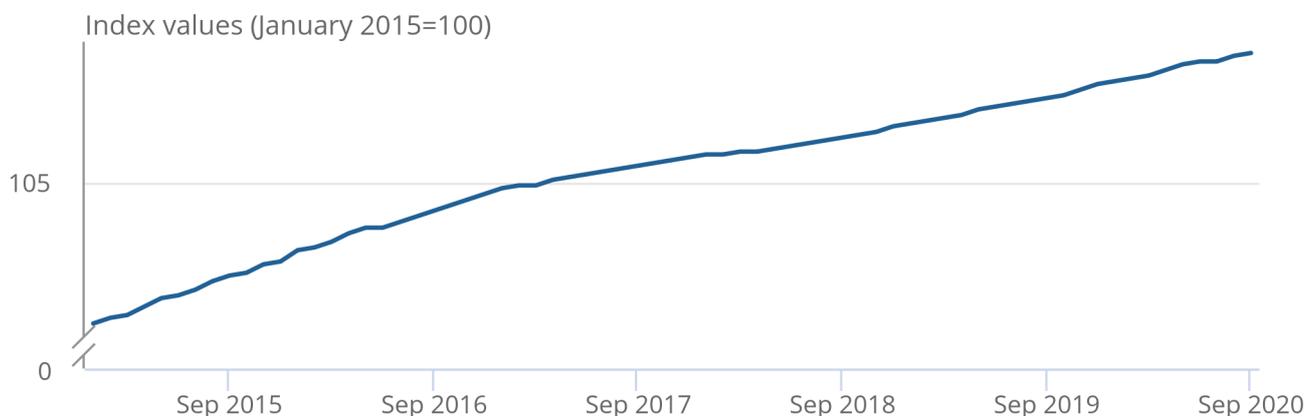
Focusing on the long-term trend, between January 2015 and September 2020, private rental prices in the UK increased by 9.6% (Figure 2).

Figure 2: UK rental prices have increased by 9.6% since January 2015

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

Figure 2: UK rental prices have increased by 9.6% since January 2015

Index of Private Housing Rental Prices indices, UK, January 2015 to September 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.

3 . UK private rental growth rates by country

In England, private rental prices grew by 1.5% in the 12 months to September 2020, unchanged since August 2020. When London is excluded from England, privately rented properties increased by 1.7% in the 12 months to September 2020, unchanged since May 2020.

Private rental prices in Wales grew by 1.5% in the 12 months to September 2020, up from 1.4% in the 12 months to August 2020.

Rental growth in Scotland increased by 0.6% in the 12 months to September 2020, up from 0.5% in the 12 months to August 2020. Scotland's rental growth has remained weaker than that of the rest of the UK since August 2016.

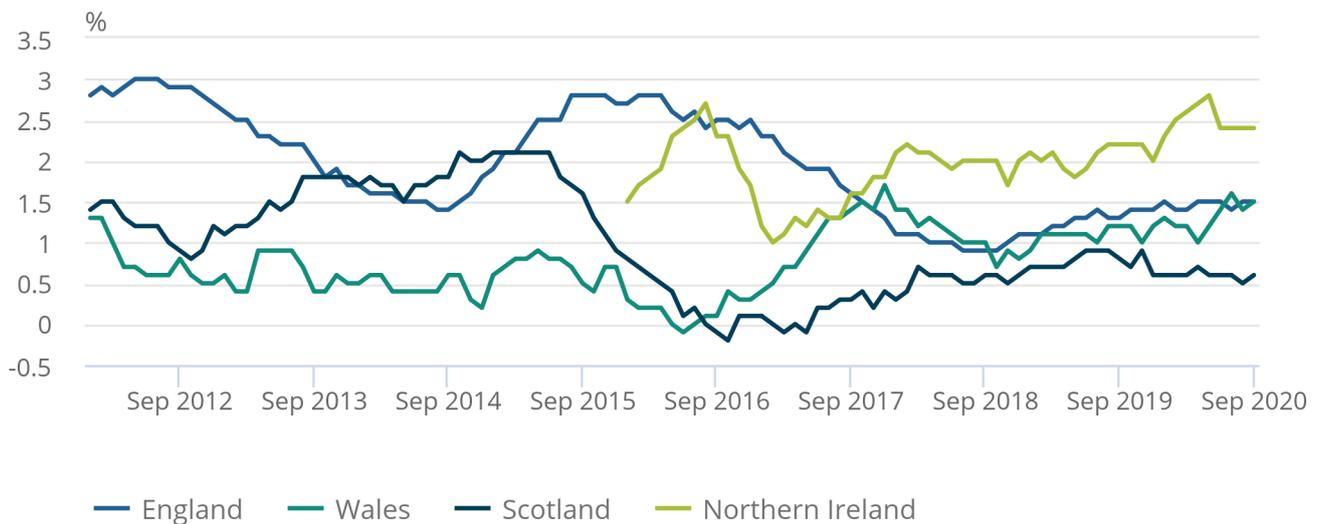
The annual rate of change for Northern Ireland in September 2020 (2.4%) was higher than that of the other countries of the UK. Northern Ireland data have been copied forward since June 2020; the next update to Northern Ireland data will be in the release published on 16 December 2020. The Northern Ireland annual growth rate has remained broadly consistent (around 2%) since 2018. However, in recent months there has been an increase in the annual growth rate.

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 September 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 September 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 November 2020 bulletin released on 16 December 2020.

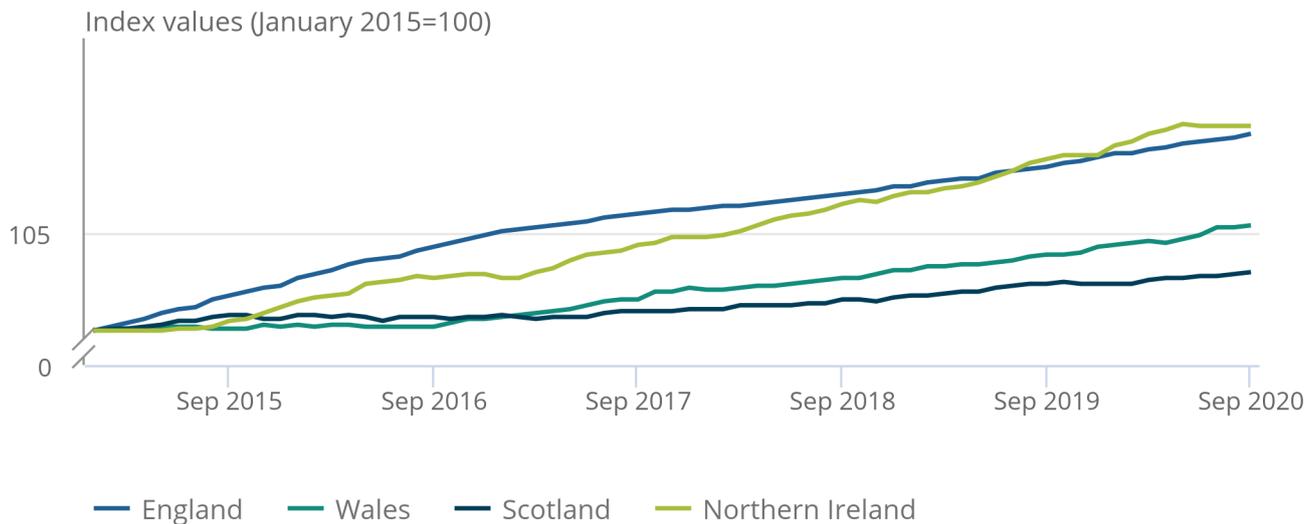
All UK countries experienced a rise in their private rental prices between January 2015 and September 2020, with rental prices in England and Northern Ireland increasing more than those in Wales and Scotland across the data time series (Figure 4).

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 September 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 September 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 November 2020 bulletin released on 16 December 2020.

4 . UK private rental growth by English regions

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

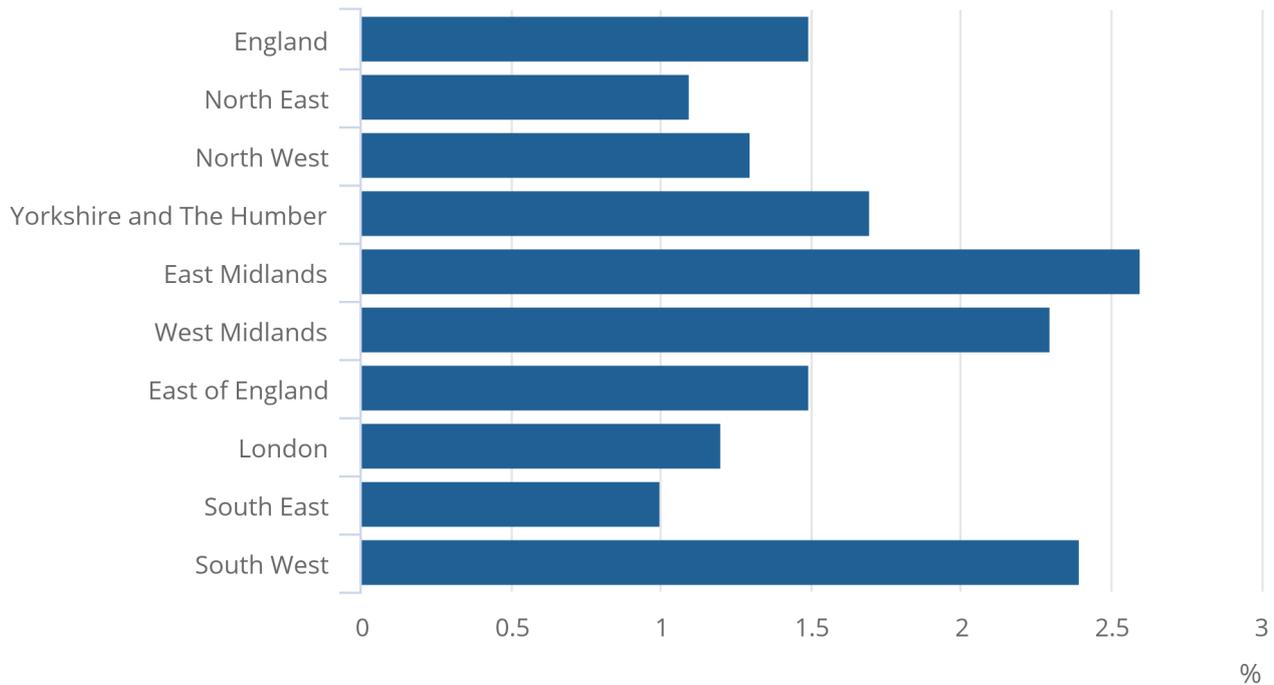
The lowest annual rental price growth was in the South East where rental prices increased by 1.0% in the 12 months to September 2020. This was followed by the North East, at 1.1%.

Figure 5: Strongest annual rental price growth is in the East Midlands

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

Figure 5: Strongest annual rental price growth is in the East Midlands

Index of Private Housing Rental Prices percentage change over the 12 months to September 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 September 2020

Notes:

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

[Data download](#)

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, but a closer look at these rental measures provides a diverse picture (Figure 7).

Figure 7: Index of Private Housing Rental Prices measure is more stable

Index of Private Housing Rental Prices and private sector measures of rents, percentage change over 12 months, January 2013 to September 2020, UK

Figure 7: Index of Private Housing Rental Prices measure is more stable

Index of Private Housing Rental Prices and private sector measures of rents, percentage change over 12 months, January 2013 to September 2020, 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 VOA and further information on Zoopla, Rightmove, Homelet and Index of Private Housing Rental data sources and their differences is available in the [Private rental growth measures, a UK comparison: October to December 2019](#) publication.

6 . 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 21 October 2020

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

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

Dataset | Released 16 September 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 September 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.

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

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](#).

After EU withdrawal

As the UK leaves the EU, it is important that our statistics continue to be of high quality and are internationally comparable. During the transition period, those UK statistics that align with EU practice and rules will continue to do so in the same way as before 31 January 2020.

After the transition period, we will continue to produce our inflation statistics in line with the UK Statistics Authority's [Code of Practice for Statistics](#) and in accordance with internationally agreed statistical guidance and standards.

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](#).

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: October to December 2019](#)

Bulletin | Released 15 January 2020

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

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

Bulletin | Released 21 October 2020

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: September 2020](#)

Bulletin | Released 21 October 2020

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

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

Bulletin | Released 17 June 2020

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

[Private rental prices development plan: June 2020](#)

Bulletin | Released 15 June 2020

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.