

Statistical bulletin

Index of Private Housing Rental Prices, UK: September 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 September 2021, unchanged since July 2021.
- Private rental prices grew by 1.3% in England, 1.2% in Wales and 1.6% in Scotland in the 12 months to September 2021.
- The East Midlands and the South West both saw the highest annual growth in private rental prices (2.7%), while London saw the lowest (negative 0.3%).

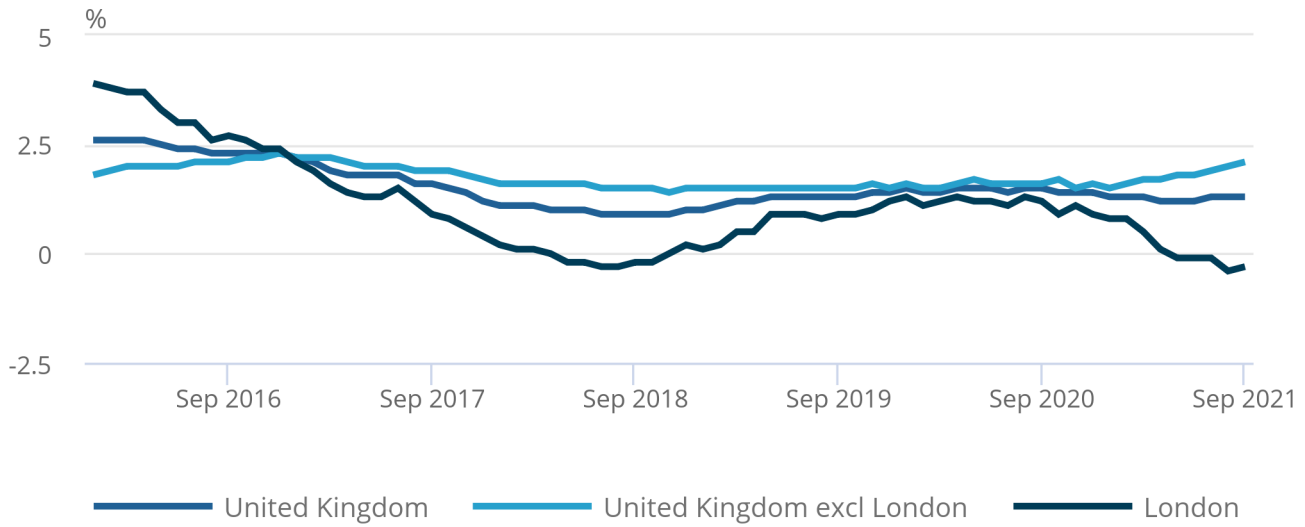
2 . UK private rental prices

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

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

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Index of Private Housing Rental Prices percentage change over 12 months, UK and London, January 2012 to September 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 1.3% in the 12 months to September 2021, unchanged since July 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 September 2021, rental prices for the UK excluding London increased by 2.1%, up from an increase of 2.0% in August 2021. London private rental prices decreased by 0.3% in the 12 months to September 2021, up from a decrease of 0.4% in August 2021.

Since November 2020, private rental price growth in London has slowed. London's rental price growth in September 2021 (negative 0.3%) is lower than any other English region. This reflects a decrease in demand, partly because of the adaptation of remote working meaning that workers no longer need to be close to their offices. It also reflects 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, August 2021](#) that members reported a record high number of prospective tenants. Consequently, the number of tenants experiencing rent increases broke records for the second month running, reaching 79%.

The [Royal Institution of Chartered Surveyors' \(RICS'\) August 2021 Residential Market Survey](#) reported that tenant demand accelerated in August, reporting a pick-up in enquires since the previous month.

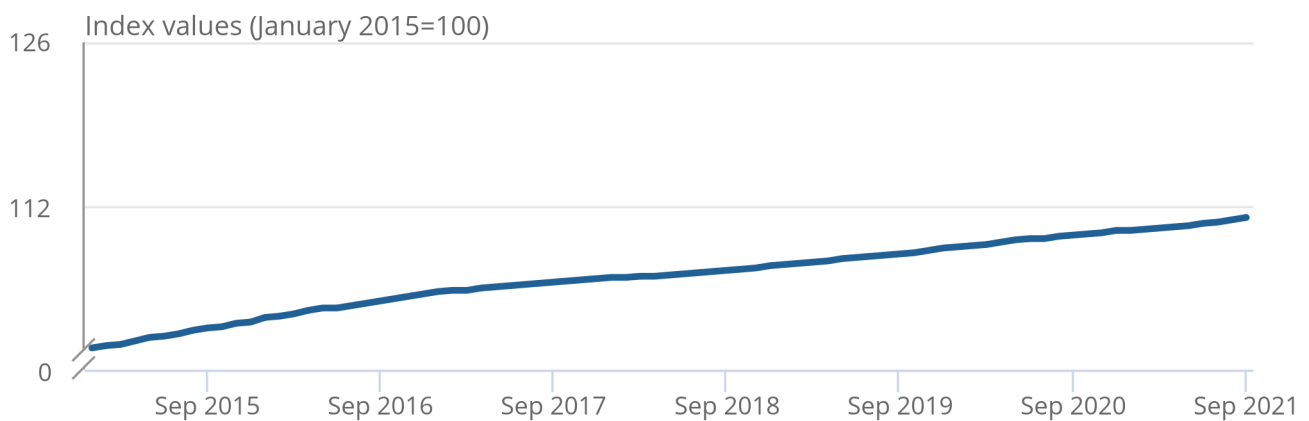
These supply and demand pressures can take time to feed through to the Index of Private Housing Rental Prices (IPHRP), which reflects price changes for all private rental properties rather than only newly advertised rental properties.

Figure 2: UK rental prices have increased by 11.1% since January 2015

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

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



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 1.3% in the 12 months to September 2021, up from an increase of 1.2% in August 2021. When London is excluded from England, privately rented properties increased by 2.2% in the 12 months to September 2021, up from an increase of 2.1% in August 2021.

Private rental prices in Wales grew by 1.2% in the 12 months to September 2021, unchanged since August 2021. This continues to show a slowdown in rental growth in comparison with September 2020, which was because of a base effect.

Rental growth in Scotland increased by 1.6% in the 12 months to September 2021, unchanged since August 2021.

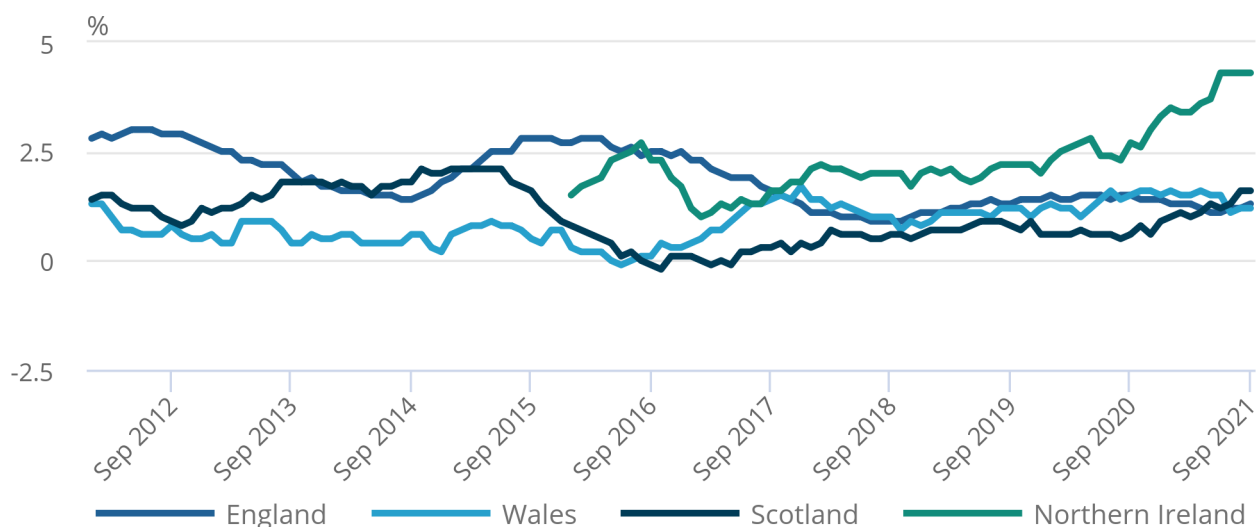
The annual rate of change for Northern Ireland in September 2021 (4.3%) was higher than the other countries of the UK. Northern Ireland data have been copied forward since June 2021; the next update to Northern Ireland data will be in the release published on 15 December 2021.

Figure 3: The annual rental growth in Scotland continues to surpass England and Wales

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

Figure 3: The annual rental growth in Scotland continues to surpass England and Wales

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



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

Notes:

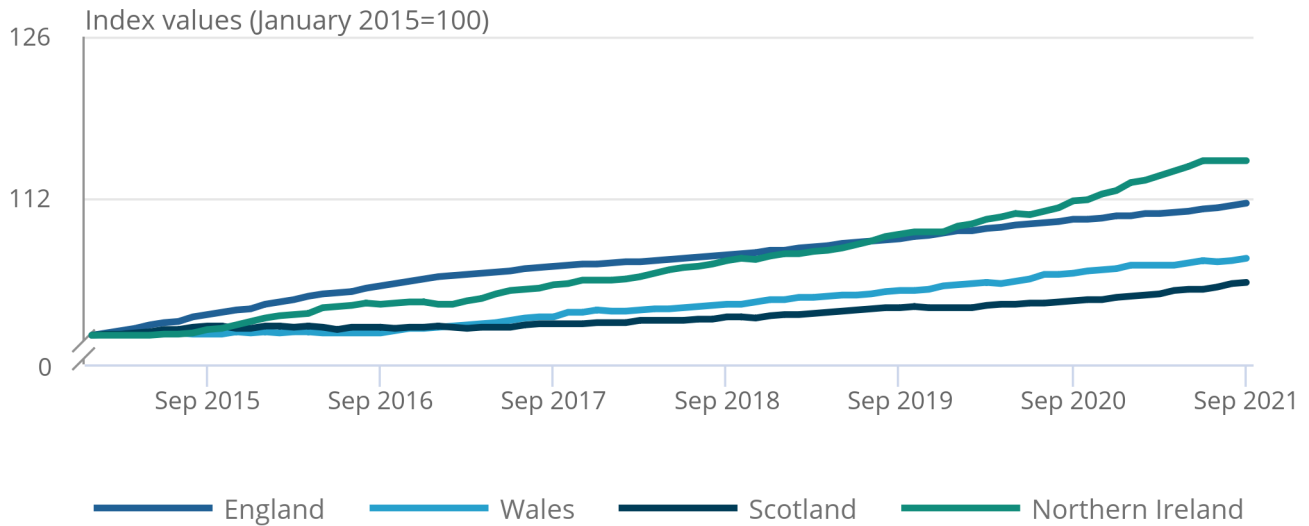
1. Data presented are classified as Experimental Statistics. More information is available in [Section 9: Strengths and limitations](#).
2. Northern Ireland data are only available every three months. Northern Ireland data are copied forward until the next data are obtainable, which will be released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

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Index of Private Housing Rental Prices indices for countries of the UK, January 2015 to September 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 December 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 September 2021 was in both the East Midlands and the South West at 2.7%.

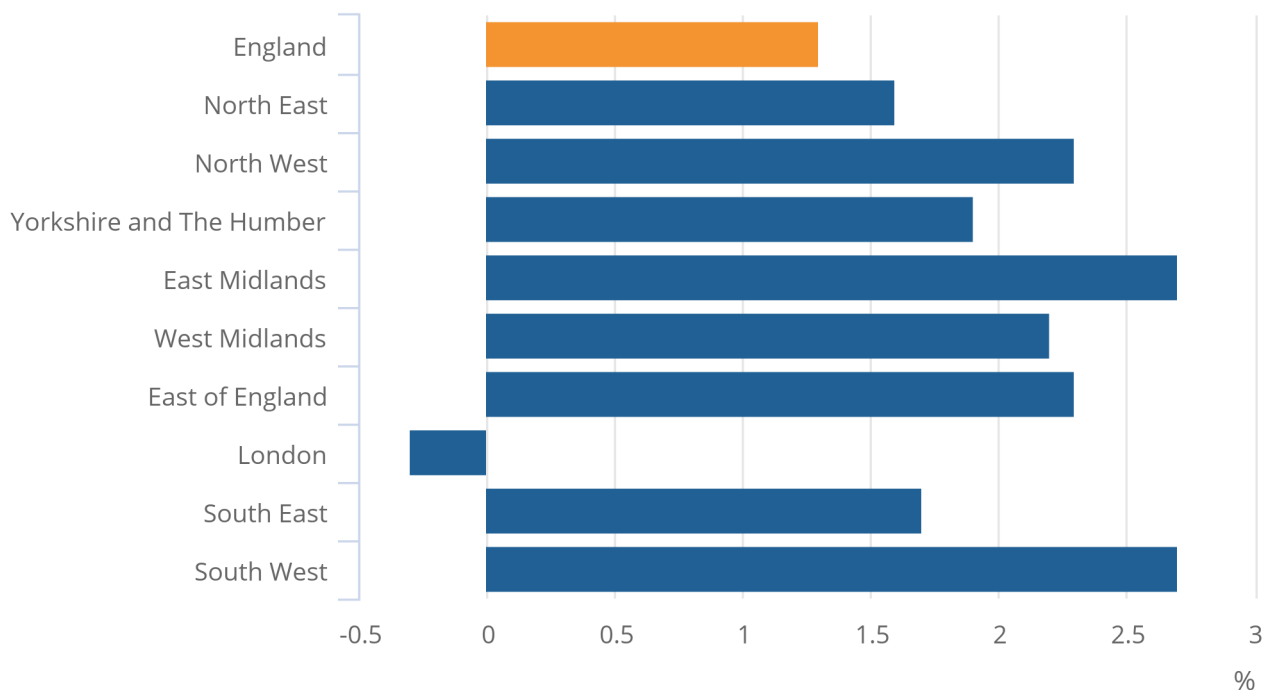
The lowest annual rental price growth was in London where rental prices decreased by 0.3% in the 12 months to September 2021.

Figure 5: Weakest annual rental price growth is in London

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

Figure 5: Weakest annual rental price growth is in London

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

Notes:

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

5. Comparisons with private sector rental growth measures

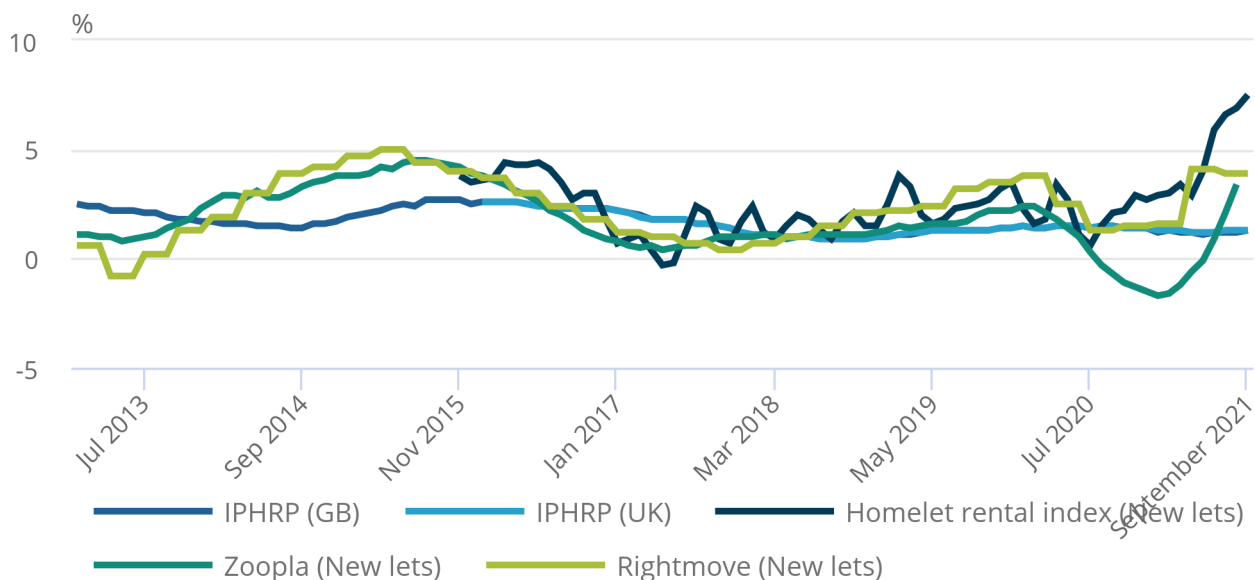
Many private sector organisations, including estate agents and property companies, produce estimates of changes in rental prices. These include Zoopla, Rightmove and HomeLet. These sources provide an extensive range of rental data, but a closer look at these rental measures provides a diverse picture.

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 2021, 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 2021, UK



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

Both Zoopla and Homelet continue to show increases in growth in recent months, whereas Rightmove has shown a slight decrease in growth since July 2021 with no change since.

Historically, the rent increases recorded 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: January to December 2020 publication](#).

6 . Private rental data

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

Dataset | Released 20 October 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 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

Consultation on the Code of Practice for Statistics – proposed change to 9:30am release practice

On behalf of the UK Statistics Authority, the Office for Statistics Regulation (OSR) is conducting a [consultation on the Code of Practice for Statistics, proposing changes to the 9:30am release practice](#). Please send comments by 21 December 2021 to: regulation@statistics.gov.uk.

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.

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 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.

While we have been working hard to finalise the methodology, we will now need to spend more time ensuring the production system is developed on a strategic platform and is sustainable. This has resulted in our initial timetable being out of date. More information and an updated 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 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 measure the change in newly advertised rental prices but also 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.

10 . Related links

[UK House Price Index: August 2021](#)

Bulletin | Released 20 October 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: September 2021](#)

Bulletin | Released 20 October 2021

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

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

Bulletin | Released 16 June 2021

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

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

Article | 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.

[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.