

Article

Changes in private rental sector behaviour, England: February 2022 to February 2023

Experimental longitudinal analysis of observed recent changes in the abundance and magnitude of private rental price changes in England.

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1 . Main points

- Collecting price data from privately rented properties every 12 months, on average, ("revisiting") enables rental price changes of individual properties to be tracked over time.
- The proportion of privately rented properties in England revisited in February 2023 that had experienced a price increase was 50.6%, up from 36.0% of those revisited in February 2022.
- The proportion of privately rented properties revisited in February 2023 that had experienced a price increase was highest in London (66.8%) and lowest in the North West (27.9%).
- The average price percentage increase for privately rented properties in England revisited in February 2023 that had experienced a price increase since the last visit was 9.7%, up from 7.0% in February 2022.
- Tenants privately renting in London may have faced larger rental price rises compared with other English regions, with London privately rented properties revisited in February 2023 experiencing a larger average price increase (12.0%) than the England average (9.7%).
- The proportion of privately rented properties revisited in February 2023 that had experienced a price increase of 10% or more was 33.3% in London; this was just under double the proportion for England (18.2%).
- Since early 2022, revisited flats and maisonettes have consistently experienced the highest average percentage rental price change of all property types in London.

2 . Overview of the changes in private rental sector behaviour

Our [Index of Private Housing Rental Prices. UK bulletin](#) tracks how private rental prices paid by tenants in the UK change over time. This experimental analysis was conducted using a subset of the same England data used to calculate the Index of Private Rental Prices (IPHRP). In this experimental analysis, each month, the IPHRP England dataset was subset to include only properties that had also been visited within the previous 14 months. The median length of time between visits for this subset was 12 months for all English regions.

This experimental analysis focuses on England while we investigate the feasibility of producing a similar analysis for other countries of the UK in the future.

Estimates were obtained by comparing the reported rental price of each property with the rental price reported previously for that property. Therefore, this experimental analysis presents estimates based on "revisited" properties that are privately rented.

Using data collected between February 2022 and February 2023, this article reports observed changes in Private Rental Sector (PRS) behaviour, in greater detail than available in IPHRP, including:

- how the proportion of revisited properties experiencing a change in rental price since the last visit has changed over time
- how the magnitude of rental price changes has changed over time
- differences between property types in London

There were just under 5 million privately rented dwellings in England in 2021, according to estimates published in the [Department for Levelling Up, Housing and Communities' Dwelling stock \(including vacants\) collection](#), and our [Census 2021, Tenure dataset](#).

The latest data published in our [Private rental affordability, England, Wales and Northern Ireland: 2021 bulletin](#) estimates that the median monthly rent in England is £730. This is equivalent to 25.8% of the median monthly gross income of private renting households.

3 . Proportion of properties experiencing price changes

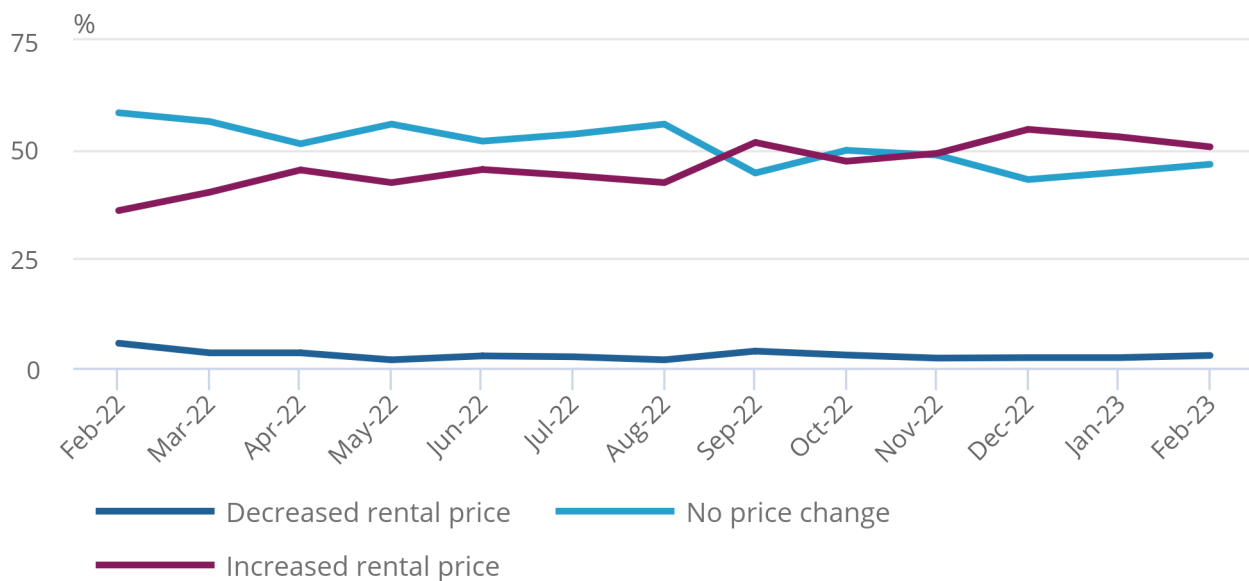
England analysis

Figure 1: A greater proportion of privately rented properties in England revisited in February 2023 have experienced a price increase than a year earlier

Proportion of revisited privately rented properties that have experienced a price increase, decrease or no price change since last visit, England, February 2022 to February 2023

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Proportion of revisited privately rented properties that have experienced a price increase, decrease or no price change since last visit, England, February 2022 to February 2023



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

A greater proportion of privately rented properties in England revisited in February 2023 had experienced a price increase since the last visit, compared with February 2022. Just over half (50.6%) of privately rented properties in England revisited in February 2023 had experienced a price increase, up from just over a third (36.0%) of properties revisited a year ago. For most of the remaining properties (46.6%), prices had remained constant (down from 58.4% in February 2022) with just 2.8% seeing a price decrease (down from 5.6% in February 2022). This means that privately renting tenants have become increasingly likely to have experienced a rental price increase. However, the tenants within a property may have changed between visits, so these figures do not indicate precisely how many tenants saw a rise in rental costs.

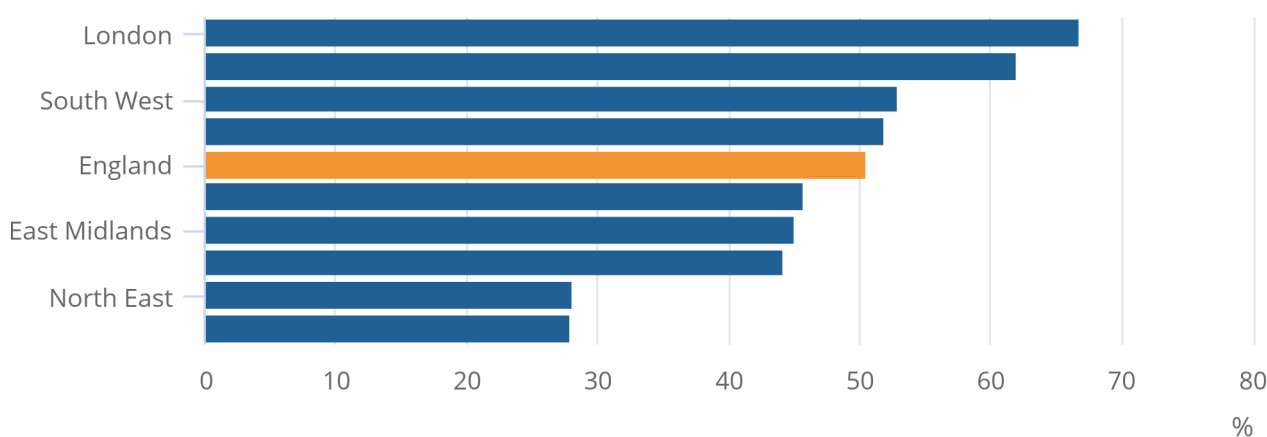
Region analysis

Figure 2: More privately rented properties in London experienced a price increase since last visit than other English regions

Proportion of privately rented properties revisited in February 2023 that have experienced a price increase since last visit, English regions

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Proportion of privately rented properties revisited in February 2023 that have experienced a price increase since last visit, English regions



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

In London, two-thirds (66.8%) of privately rented properties revisited in February 2023 had experienced a price increase since the last visit. This was highest of all English regions and above the England average (50.6%). In February 2022, the proportion of revisited properties that had experienced a price increase was similar in London to the rest of the England.

In the North West, 27.9% of privately rented properties revisited in February 2023 had experienced a price increase since last visit, which was the lowest of all regions. However, this was up from February 2022, when the proportion of revisited properties that had experienced a price increase was 17.2%. In February 2022, the North East was the region with the lowest proportion having experienced a price increase (13.3%).

4 . Magnitude of price changes

The Office for National Statistics' (ONS') Index of Private Housing Rental Prices (IPHRP) tracks average private rental prices for the entire private rental sector (PRS) dwelling stock, including:

- new lets
- existing lets
- properties that have faced rental price increases, decreases, and remained constant

This section focuses on the magnitude of rental price increase experienced by properties that had experienced a price increase since the property was last visited (median time between visits was 12 months). It is likely that the majority of properties that experienced a price increase were where tenants had experienced a contract renewal or a new tenant.

Tenants within contract should not experience a rental price change during their contract fixed period. Therefore, while rents are generally increasing, IPHRP usually shows lower growth in rental prices than measures of "new" lets, since IPHRP reflects an average over all rents – the majority of which will not see rental price changes each month. This is demonstrated in Figure 3, where a large proportion of rental properties experienced a price change of 0% (constant price).

Therefore, the average rental price percentage increase for properties that experienced a price increase, estimated in this analysis, would likely be more greatly influenced by "new" lets (and closer to a "flow" measure). They would therefore be expected to estimate a larger price increase than the average annual inflation of England private rental prices estimated by IPHRP for the entire PRS stock. Further information on "stock" and "flow" measures is available in our [Measuring rents: stock vs flow blog](#).

England analysis

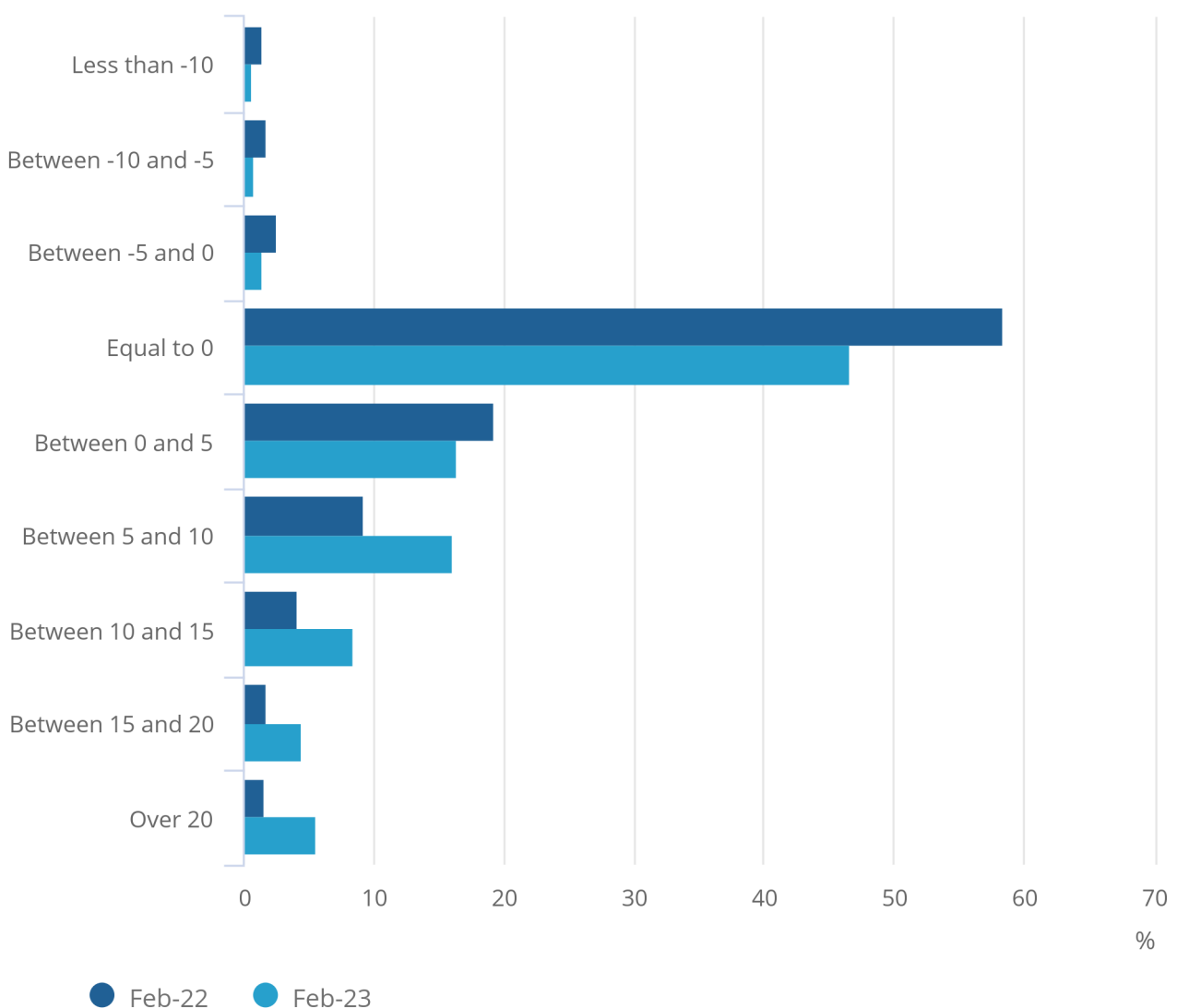
The increasing magnitude of average private rental price percentage increases in England, between February 2022 and February 2023, means that tenants have become increasingly likely to have faced larger average price rises than they might have experienced in the year before.

Figure 3: Tenants in England are more likely to have faced larger private rental price increases than a year ago

Distribution of price percentage change experienced by revisited privately rented properties since last visit, England, February 2022 against February 2023

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Distribution of price percentage change experienced by revisited privately rented properties since last visit, England, February 2022 against February 2023



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

For privately rented properties in England, the average percentage price increase was 9.6% for those revisited in February 2023, up from 7.0% for those revisited in February 2022.

The proportion of privately rented properties in England that had experienced a percentage price increase between 5% and 10% was 16.0% of those revisited in February 2023, up from 9.2% of those revisited in February 2022.

The proportion of privately rented properties in England that had experienced a percentage price increase of 10% or more was 18.2% for those revisited in February 2023, more than double the proportion for properties revisited in February 2022 (7.5%).

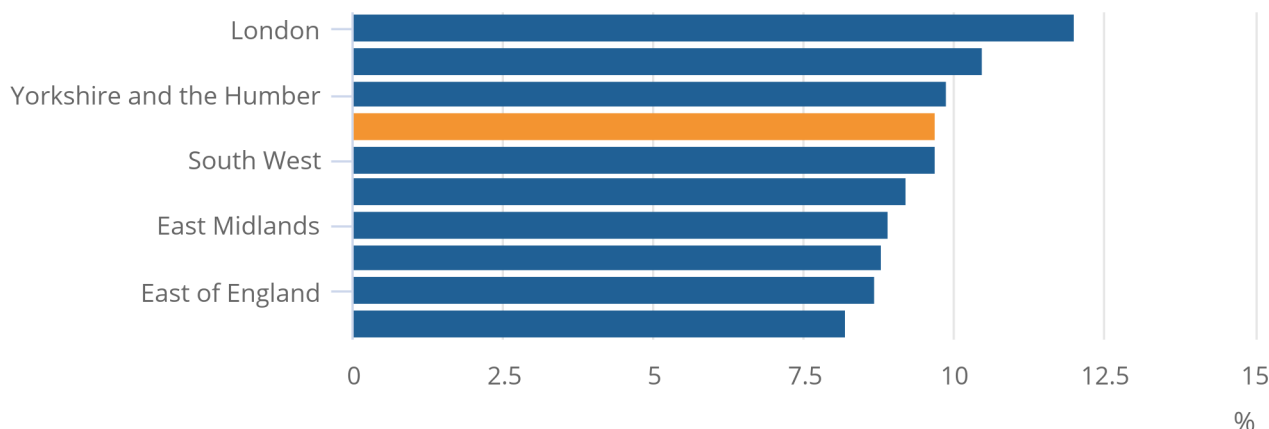
Region analysis

Figure 4: The average rental price percentage increase was larger in London compared with other English regions

Average price percentage increase since last visit of privately rented properties revisited in February 2023, English regions

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Average price percentage increase since last visit of privately rented properties revisited in February 2023, English regions



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

Of privately rented properties revisited in February 2023 that had experienced a price increase, London was the region with the highest average percentage price increase (12.0%), while the West Midlands saw the lowest (8.2%). This compares with England's average percentage price increase of 9.7% for properties revisited in February 2023 that had experienced a price increase.

In comparison, of privately rented properties revisited in February 2022 that had experienced a price increase, the average percentage price increase was 4.7% in London. This was the lowest of all regions and below the England average percentage price increase of 6.7%. For the same period, Yorkshire and The Humber was the region with the highest average percentage price increase, at 8.7%.

It should be noted that during 2021, IPHRP reported a slowing in UK private rental price annual inflation, which was driven by the slowdown, and later reduction, of London rental prices. This may have reflected lower demand in London because of the coronavirus (COVID-19) pandemic. For example, remote working meant workers no longer needed to live close to offices, and housing preferences changed.

Therefore, February 2022 estimates capture the time when private rental prices in London were just starting to return to positive annual growth. Therefore, differences between February 2022 and February 2023 may emphasise the substantial change in the London private rental sector, which has seen different trends compared with other English regions in recent years.

London analysis

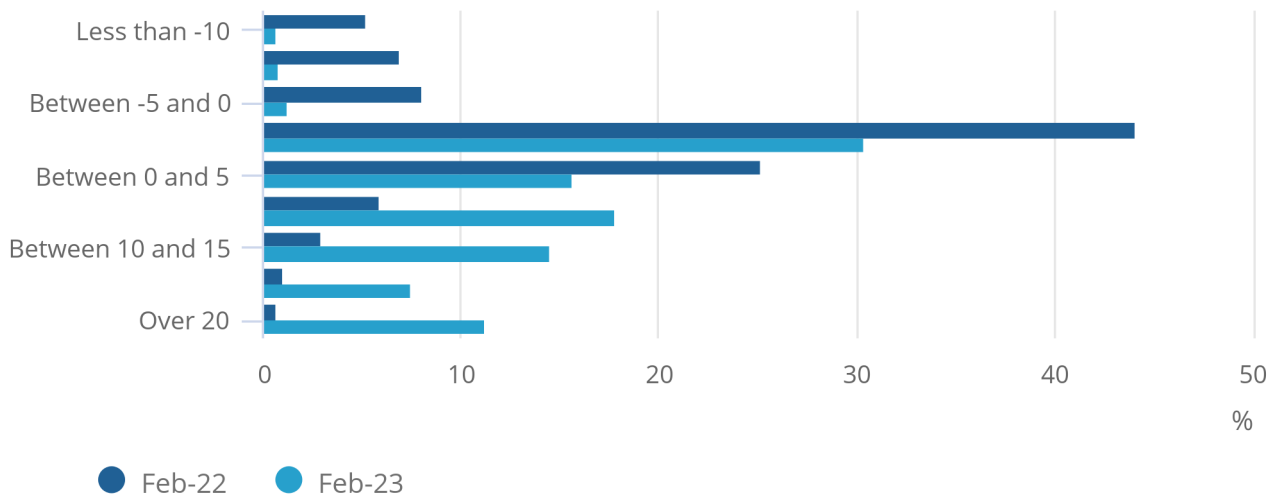
Because of the size of the London private rental sector, London has a strong influence on the England average. This analysis shows that tenants privately renting in London are more likely to have experienced larger price increases than in any other region, and the magnitude of a price increase is likely to be larger compared with a year ago. For this reason, we have focused on London in the following section.

Figure 5: Privately rented properties in London are more likely to have experienced larger rental price percentage increases compared with a year ago

Distribution of price percentage change experienced by revisited privately rented properties since last visit, London, February 2022 against February 2023

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Distribution of price percentage change experienced by revisited privately rented properties since last visit, London, February 2022 against February 2023



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

The proportion of privately rented properties in London that had experienced a price increase between 5% and 10% was 17.8% of those revisited in February 2023. This was higher than the England proportion (16.0%), and almost three times the proportion of those revisited in February 2022 in London that had experienced a price increase of this magnitude (5.9%).

The proportion of privately rented properties in London that had experienced a price increase of 10% or more was 33.3% of those revisited in February 2023. This was just under double the England proportion (18.2%), and just over seven times the proportion of those revisited in February 2022 in London that had experienced a price increase of this magnitude (4.6%). This follows a period where the ONS' IPHRP reported London private rental prices had been falling in the 12 months to December 2021. Since London private rental prices returned to positive annual inflation in early 2022 (reported in IPHRP), this may reflect London rental prices "recovering" following the coronavirus pandemic, which had a larger effect on London than any other region.

Of privately rented properties in London that had experienced a price increase, the average percentage price increase was 12.0% for those revisited in February 2023. This was the highest of all regions and up from the average percentage price increase for those revisited in February 2022 (4.7%).

5 . London by property type analysis

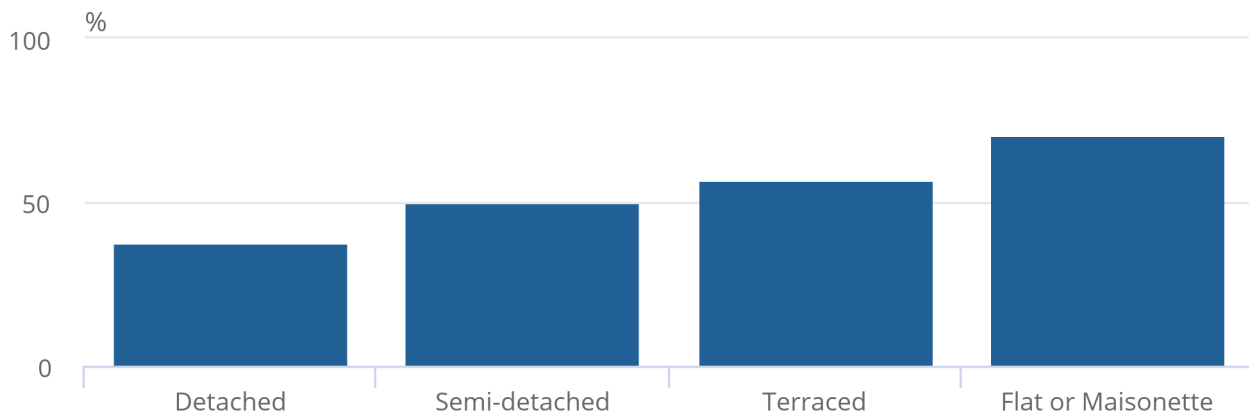
English Housing Survey 2020 data estimates that 18.2% of privately rented English dwellings are in London, and that 84.6% of privately rented dwellings within London are flats. This means that rental price changes experienced by flats and maisonettes in London have a large effect on the London average, and therefore effect the England average. This analysis investigates differences observed in the London private rental sector between different property types.

Figure 6: In London, a higher proportion of flats and maisonettes have experienced rental price increases compared with other property types

Proportion of privately rented properties revisited between December 2022 and February 2023 that have experienced a price increase, by property type, London

Figure 6: In London, a higher proportion of flats and maisonettes have experienced rental price increases compared with other property types

Proportion of privately rented properties revisited between December 2022 and February 2023 that have experienced a price increase, by property type, London



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

Notes:

1. A three-month average of December 2022 to February 2023 data has been used because of low data volumes.

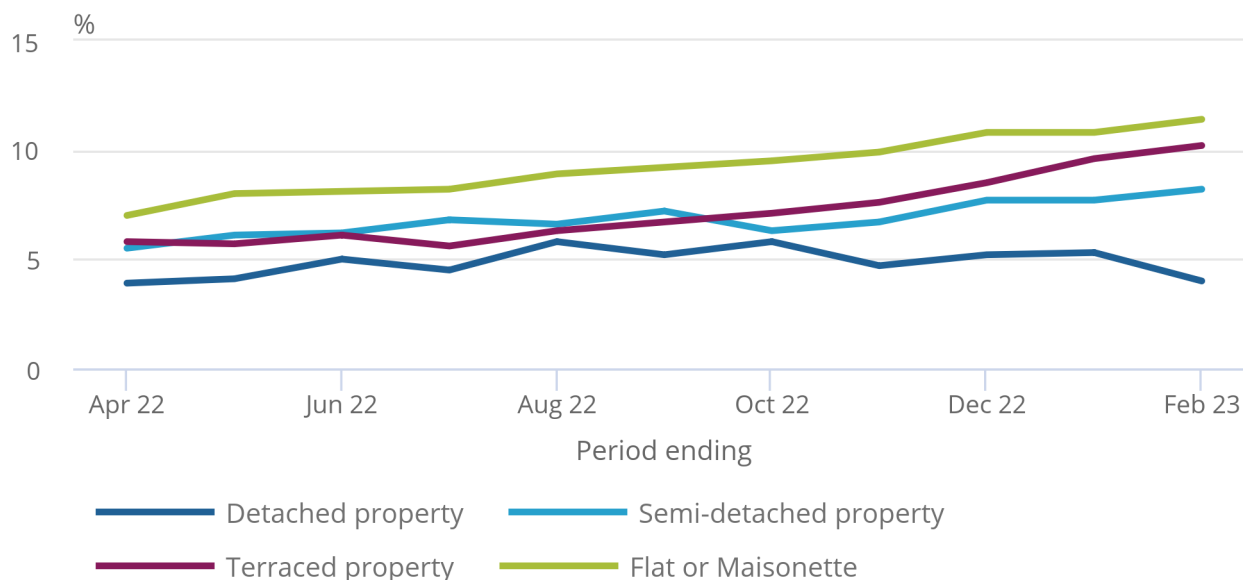
Of privately rented London properties revisited between December 2022 and February 2023, the proportion having experienced a price increase since last visit was highest for flats and maisonettes (70%), followed by terraced houses (57%), semi-detached houses (50%) and lowest for detached houses (38%).

Figure 7: Since early 2022, flats and maisonettes have consistently experienced the highest rental price percentage increases of all property types in London

Average price percentage change of revisited privately rented properties that have seen a rental price increase, by property type, London, three-month rolling average for February 2022 to February 2023

Figure 7: Since early 2022, flats and maisonettes have consistently experienced the highest rental price percentage increases of all property types in London

Average price percentage change of revisited privately rented properties that have seen a rental price increase, by property type, London, three-month rolling average for February 2022 to February 2023



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

Notes:

1. A three-month rolling average has been used due to low data volumes. For example, a time period of April 2022 corresponds to a three-month rolling average of February 2022 to April 2022 data, while a time period of May 2022 uses March 2022 to May 2022 data.

In London, flats and maisonettes have consistently had the highest average rental price percentage increase of the four property types since early 2022. Terraced and semi-detached houses have also experienced growing average price percentage increases from early 2022 to February 2023.

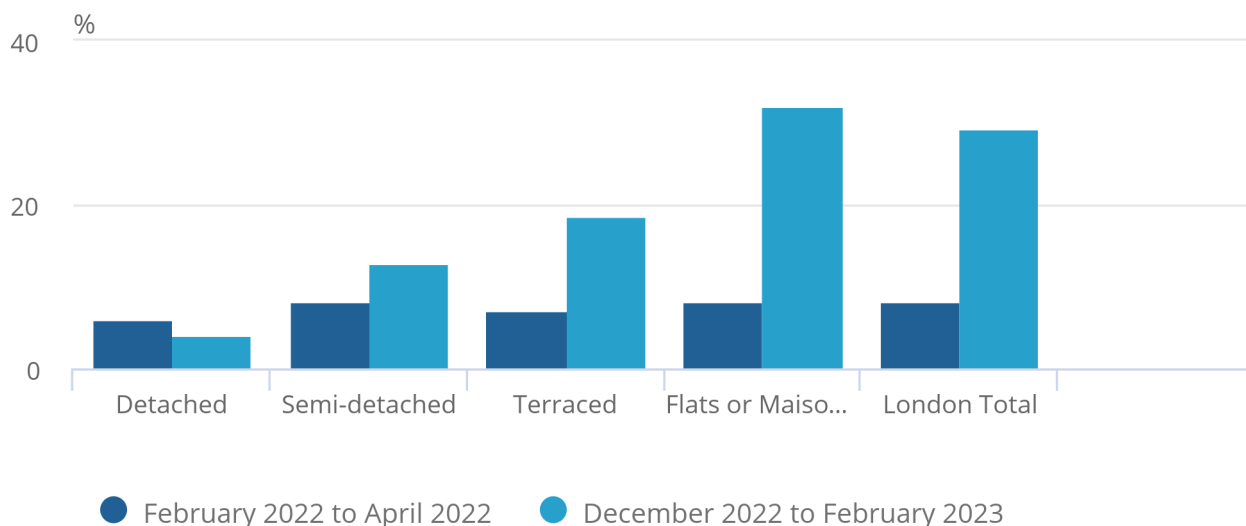
For London properties revisited between December 2022 and February 2023, the average rental price percentage increase was highest for flats and maisonettes (11.4%), up from 7.0% for properties revisited between February and April 2022.

Figure 8: A greater proportion of privately rented flats and maisonettes in London have experienced a price increase of 10% or more compared with other property types

Proportion of revisited privately rented properties that have experienced a price increase of 10% or more since the last visit, by property type, London, December 2022 to February 2023 against February to April 2022

Figure 8: A greater proportion of privately rented flats and maisonettes in London have experienced a price increase of 10% or more compared with other property types

Proportion of revisited privately rented properties that have experienced a price increase of 10% or more since the last visit, by property type, London, December 2022 to February 2023 against February to April 2022



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

Notes:

1. A three-month average for February 2022 to April 2022 and December 2022 to February 2023 data has been used due to low data volumes.

Of privately rented London properties revisited between December 2022 and February 2023, the proportion having experienced a price increase of 10% or more since last visit was highest for flats and maisonettes (32.0%), followed by terraced houses (18.5%), semi-detached houses (13.0%) and lowest for detached houses (4.2%).

For all property types except detached houses, the proportion of London properties having experienced a price increase of 10% or more since last visit was greater for those revisited between December 2022 and February 2023, compared with those revisited between February 2022 and April 2022.

6 . Private rental sector behaviour data

[Private rental sector behaviour, England](#)

Dataset | Released 24 March 2023

Proportion of revisited privately rented properties that have experienced a price increase since last visit, and average rental price percentage increase.

7 . Glossary

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.

Index of Private Housing Rental Prices (IPHRP)

The IPHRP measures the change in the price that tenants face when renting residential property from private landlords.

8 . Data sources and quality

Sources

The article uses administrative data collected by the Valuation Office Agency. These data are collected for the purpose of setting Local Housing Allowance rates. These are the same data that are used to construct the Index of Private Housing Rental Prices (IPHRP), and the owner occupiers' housing costs component of the Consumer Prices Index including owner occupiers' housing costs (CPIH) under the rental equivalence approach. Therefore, increases in private rental prices observed from these data effect IPHRP and CPIH measures.

Rent Officers collect rental price data from privately rented properties on an ongoing basis. This analysis is based on properties where Rent Officers have collected rental price data on a particular property and have successfully collected updated data on that particular property no later than 14 months after the initial data collection. These properties are referred to in this analysis as having been "revisited". For the data used in this analysis, the median time for a property to be "revisited" was 12 months for each English region.

Rental price changes of these "revisited" properties, therefore, reflect true price changes experienced by real individual properties. Any observed price change must have occurred between the two data collection periods, which are no more than 14 months apart. A maximum time period of 14 months separates data collection points, because a rental price is assumed to be valid for a maximum of 14 months in the IPHRP methodology.

Further information on the validity period used in IPHRP is available in our [Index of Private Housing Rental Prices QMI](#).

Quality

The rental data have not been drawn from a statistically designed sample, so these statistics should be considered as only indicative of the private rental market.

The IPHRP uses a matched pairs approach to produce estimates of private rental price changes that are comparable over time. These estimates have also been weighted to account for differences in regional privately rented dwelling stock, furnished status, and property type.

In this analysis, weighting has been applied to account for differences in regional privately rented dwelling stock and property type distributions across England, to produce estimates that reflect the private rental sector.

The private rental sector behaviour dataset should be treated as indicative only, and care should be taken when making comparisons over time.

More information on the strengths, limitations, appropriate uses, and data collection is available in our [Index of Private Housing Rental Prices QMI](#) and [Private rental market summary statistics in England bulletin](#).

9 . Related links

[Index of Private Housing Rental Prices, UK: February 2023](#)

Bulletin | Released February 2023

An experimental price index tracking the prices paid for renting property from private landlords in the UK. Includes measures of owner occupiers' housing costs.

[Index of Private Housing Rental Prices QMI](#)

Methodology | Released 9 November 2018

Quality and Methodology Information for Index of Private Housing Rental Prices, detailing the strengths and limitations of the data, methods used, and data uses and users.

[Private rental growth measures, a UK comparison: January to December 2022](#)

Article | Released 25 January 2023

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

[Private rental affordability, England, Wales and Northern Ireland: 2021](#)

Bulletin | Released 19 December 2022

Private rent prices by country and English region, expressed as a percentage of gross monthly income of private renting households. Part of our additional measures of housing affordability series.

[Improvements to the measurement of owner occupiers' housing costs and private housing rental prices](#)

Bulletin | Released 30 January 2015

Improvements implemented to the rental equivalence measure of owner occupiers' housing costs in the Consumer Prices Index including owner occupiers' housing costs (CPIH).

[Consumer price inflation, UK: February 2023](#)

Bulletin | Released 22 March 2023

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

10 . Cite this article

Office for National Statistics (ONS), released 24 March 2023, ONS website, article, [Changes in private rental sector behaviour, England: February 2022 to February 2023](#).

