

Article

# Redevelopment of private rental prices statistics, impact analysis, UK: January 2025

We continue to redevelop our rents statistics and intend to improve Northern Ireland data from 2025. This article assesses the impact of this redevelopment.

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# 1 . Main points

- Private rental price statistics for Great Britain are currently produced using the Price Index of Private Rents (PIPR) methodology, while statistics for Northern Ireland continue to be produced using the Index of Private Housing Rental Prices (IPHRP).
- From March 2025, we also aim to use PIPR methodology for Northern Ireland rents to align with the methodology used for Great Britain, to provide increased geographical granularity, and to produce estimates by property type and number of bedrooms for Northern Ireland.
- We intend to make small improvements, incorporating additional data, into the PIPR historical series, to improve the quality of this series.
- On average, the UK annual percentage change was 0.02 percentage points lower between January 2016 and September 2024, as a result of our redevelopment work.
- On average, Northern Ireland annual percentage change reported by the PIPR is 0.04 percentage points higher than the IPHRP, between January 2016 and September 2024.

Price Index of Private Rents (PIPR) data are official statistics in development, and we advise caution when using the data. Because of data collection differences, we advise caution when comparing Northern Ireland and Scotland estimates with other UK countries. Read more in [Section 8: Data sources and quality](#).

## 2 . Overview of the transformation of our statistics

We are continuing to improve and transform our private rents statistics at the Office for National Statistics (ONS), which includes making better use of existing data sources, improving methods, and developing systems.

In March 2024, we launched the Price Index of Private Rents (PIPR) and unified our private rental prices' statistics by replacing the [Index of Private Housing Rental Prices \(IPHRP\) bulletin](#) and the [Private rental market summary statistics \(PRMS\) bulletin](#) with our new monthly [Private rent and house prices, UK bulletin](#). You can find more information on the differences between PIPR and IPHRP in our [Redevelopment of private rental prices statistics \(December 2023\) article](#). Information on the methods used in PIPR can be found in our [Price Index of Private Rents QMI](#).

PIPR is our headline measure of private rents inflation for Great Britain, which is a price index that tracks prices paid for renting property in the private rental sector. IPHRP methodology continues to be used to measure private rents inflation for Northern Ireland. We aim to implement the PIPR methodology for Northern Ireland in March 2025. Both PIPR and IPHRP are official statistics in development.

The redevelopment of our rental price statistics is part of wider activity to develop our price statistics. You can find more about improvements we are making, and how rental price statistics transformation will affect our headline inflation measures, in our [Private rental prices development plan](#).

### 3 . Overall improvements

This article provides an initial analysis of how we are using the Price Index of Private Rents (PIPR) to improve rental price statistics across the United Kingdom. There are two broad changes we intend to implement into PIPR in March 2025.

The first improvement we are introducing is extending the coverage of PIPR to additionally provide data for Northern Ireland. This improvement allows us to make greater use of the available administrative data, increasing the granularity of our rents statistics. The second improvement is to incorporate additional data into our historical series for Great Britain.

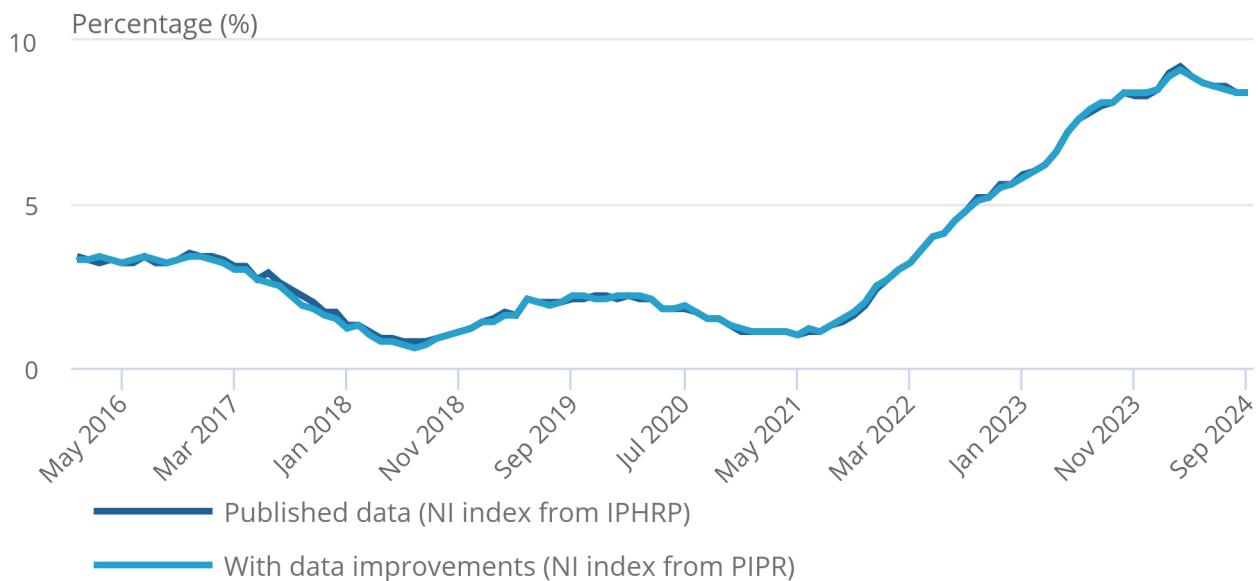
Together, these changes have had a small overall effect at the UK level, with the average UK annual change for PIPR decreasing by 0.02 percentage points between January 2016 and September 2024, as a result of our data improvements. This is shown in Figure 1.

**Figure 1: Data improvements for Northern Ireland and Great Britain have resulted in minor changes to the historic series**

Private rents annual inflation, UK, January 2016 to September 2024

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Private rents annual inflation, UK, January 2016 to September 2024



Source: Price Index of Private Rents (PIPR) from the Office for National Statistics

### 4 . Improvements to private rents statistics in Northern Ireland

## Comparison of the Price Index of Private Rents to our current statistics

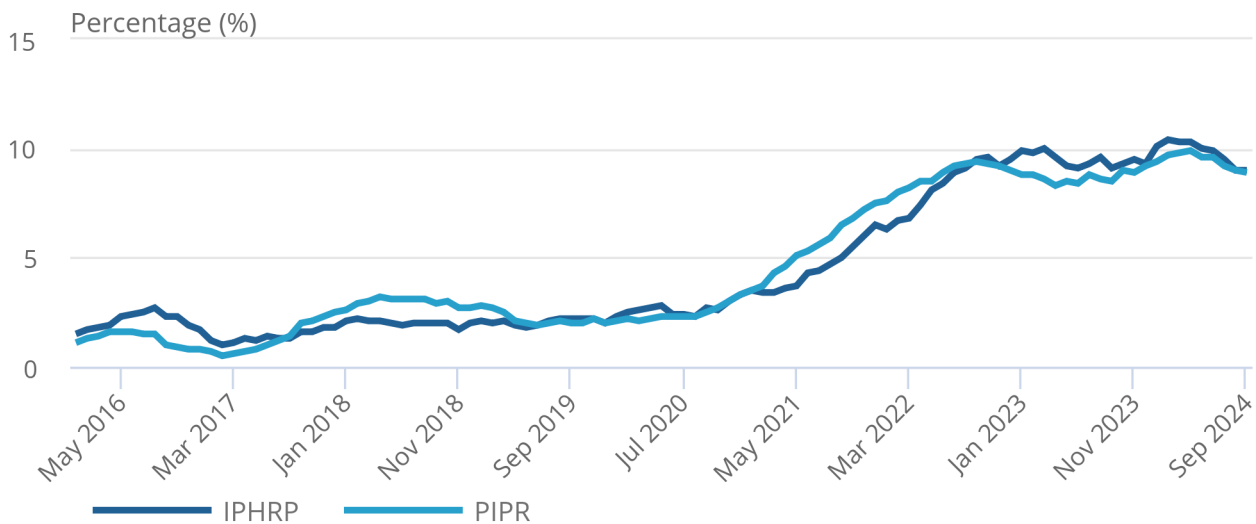
While we currently produce private rents statistics for Great Britain using the Price Index of Private Rents (PIPR), for Northern Ireland we still use Index of Private Housing Rental Prices (IPHRP) methodology. We are now able to provide insight into the effects of changing from our IPHRP to our PIPR methodology for Northern Ireland rents. For Northern Ireland, both PIPR and IPHRP have similar growth rates in most months. Figure 2 demonstrates the differences between the new PIPR and IPHRP since January 2016 for Northern Ireland.

### Figure 2: For Northern Ireland, both our old and new methodologies have similar growth rates in most months

Private rents annual inflation, Northern Ireland, January 2016 to September 2024

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Private rents annual inflation, Northern Ireland, January 2016 to September 2024



Source: Price Index of Private Rents (PIPR) from the Office for National Statistics

On average, the annual percentage change in Northern Ireland private rents estimated by PIPR was 0.04 percentage points higher than IPHRP between January 2016 and September 2024.

PIPR tends to be more responsive to changes in the rental market and reports a slightly higher annual growth rate compared with IPHRP during periods of high growth. Meanwhile, during periods of slower growth, the PIPR and the IPHRP converge.

The new PIPR is more responsive to market changes than the current IPHRP because of the differences in methodology used. PIPR uses a hedonic regression model, similar to the methodology used for calculating the UK House Price Index. More information on PIPR's methods can be found in our [PIPR Quality and Methodology Information \(QMI\)](#).

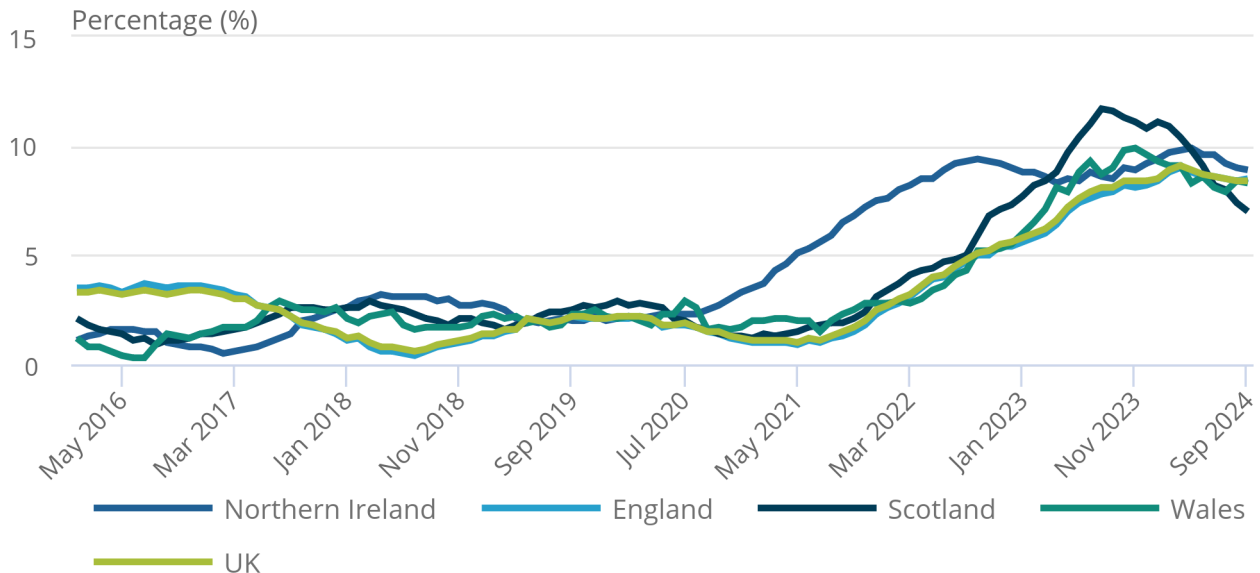
We are now able to use PIPR to compare rental price inflation in Northern Ireland with that across the UK. Our data show that between 2021 and 2023, rental prices have risen more rapidly in Northern Ireland than in the rest of the UK.

### Figure 3: Northern Ireland saw higher annual inflation between 2021 and 2023 than other countries in the UK

Private rents annual inflation, UK, January 2016 to September 2024

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Private rents annual inflation, UK, January 2016 to September 2024



Source: Price Index of Private Rents (PIPR) from the Office for National Statistics

#### Notes:

1. Because of data collection limitations, Scotland rents data (underlying the PIPR's stock measure) are mainly for advertised new lets, which were not subject to Scotland's in-tenancy price-increase cap and are not subject to temporary changes to the Rent Adjudication system, as described in the [Cost of Living \(Tenant Protection\) Scotland Bill](#) and the [Scottish Government's Cost of living: rent and eviction page](#), respectively.
2. Northern Ireland rents data (underlying the PIPR's stock measure) are entirely for advertised new lets.

Our data also allow for the comparison of average rental prices across the UK. For September 2024, the average rental price in Northern Ireland was £818, compared with £1,336 in England, £971 in Scotland and £760 in Wales for the same period.

## Local data

For the first time, we in the Office for National Statistics (ONS) are now able to provide trends in rental price movements by Broad Rental Market Areas (BRMAs) for Northern Ireland. A BRMA is where a person could reasonably be expected to live, taking into account access to certain facilities and services. The Northern Ireland Housing Executive publish information on [BRMAs for Northern Ireland and how they are used to set Local Housing Allowance rent levels](#).

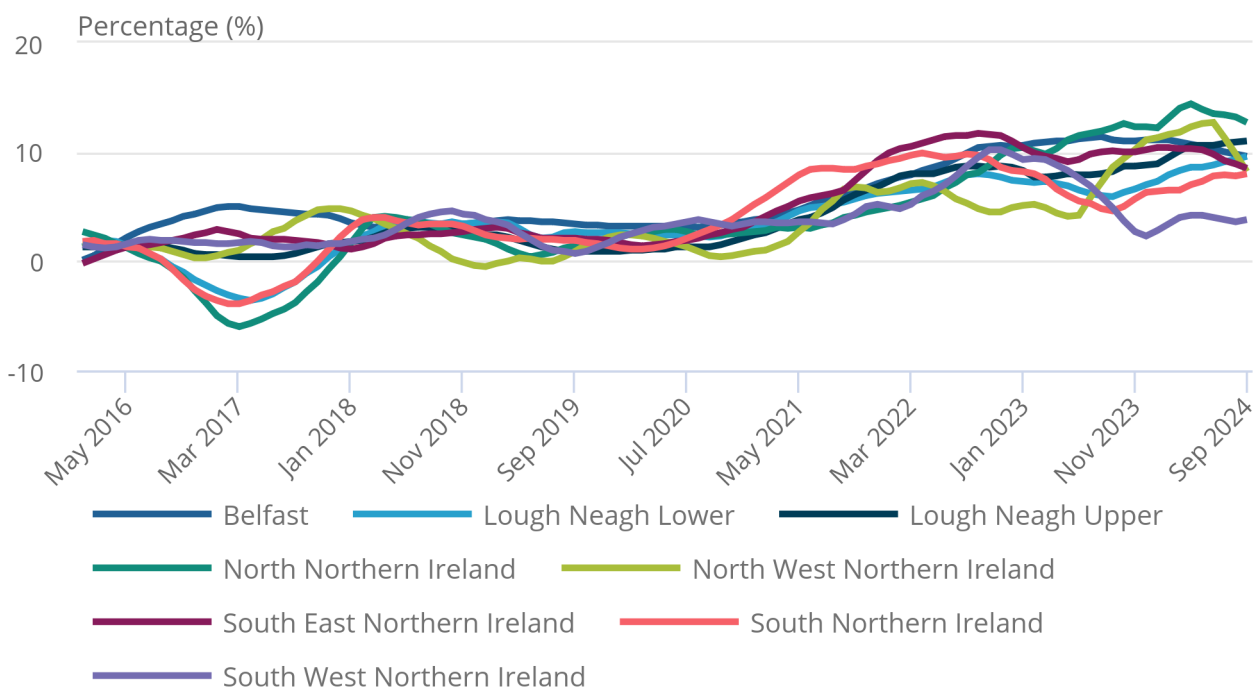
Our data show that the highest rate of inflation in Northern Ireland was in the North Northern Ireland BRMA, where private rents increased by 12.7% in the 12 months to September 2024. The lowest rate of inflation was in the South West Northern Ireland BRMA, where private rents increased by 3.8% in the 12 months to September 2024.

### Figure 4: The North Northern Ireland Broad Rental Market Area had the highest annual inflation in Northern Ireland

Private rents annual inflation, Northern Ireland by Broad Rental Market Area (BRMA), January 2016 to September 2024

#### Figure 4: The North Northern Ireland Broad Rental Market Area had the highest annual inflation in Northern Ireland

Private rents annual inflation, Northern Ireland by Broad Rental Market Area (BRMA), January 2016 to September 2024



Source: Price Index of Private Rents (PIPR) from the Office for National Statistics

#### Notes:

1. Data at Broad Rental Market Area (BRMA) level are official statistics in development. The sample size at this geographical level is much smaller than at country level and can vary between BRMA as a result. BRMA should be analysed in the context of longer-term trends, rather than focusing on monthly movements.

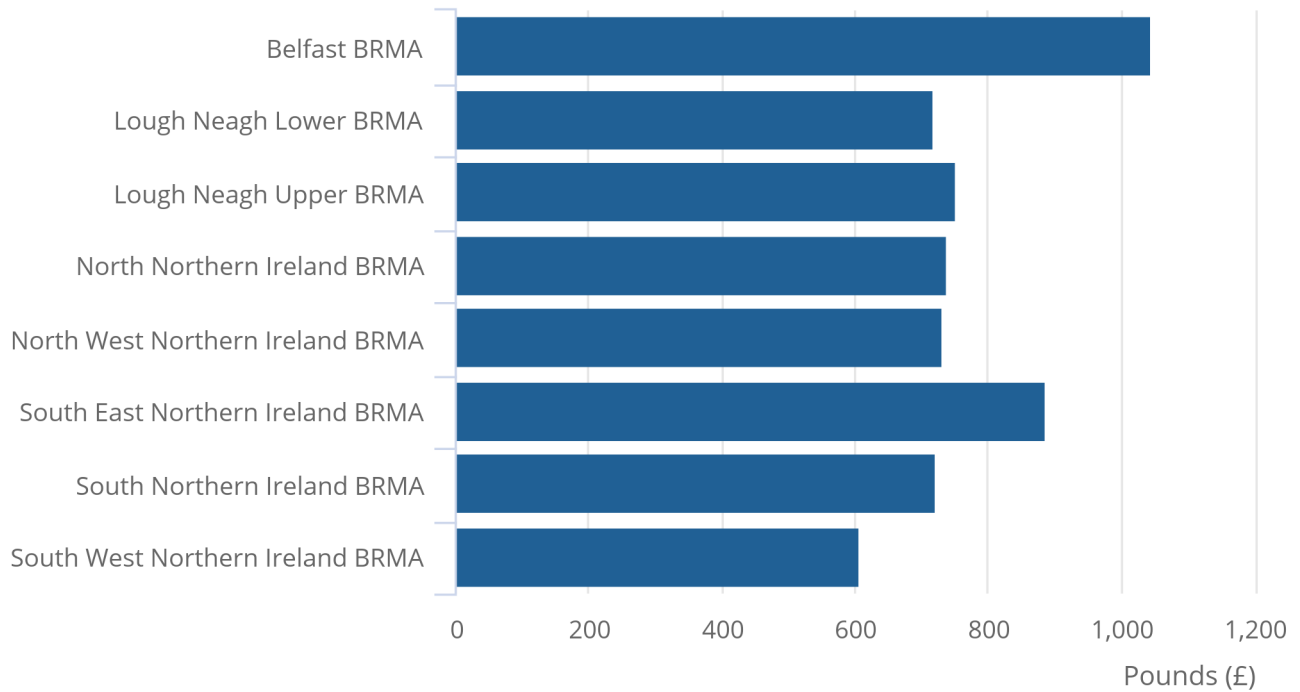
Our data from PIPR show that, in September 2024, Belfast had the highest average rental prices across Northern Ireland, with an average price of £1,046 per month. Figure 6 compares rental price across Northern Ireland.

**Figure 5: The Belfast Broad Rental Market Area had the highest rent in Northern Ireland**

Average private rent, Northern Ireland by Broad Rental Market Area (BRMA), September 2024

Figure 5: The Belfast Broad Rental Market Area had the highest rent in Northern Ireland

Average private rent, Northern Ireland by Broad Rental Market Area (BRMA), September 2024



Source: Price Index of Private Rents (PIPR) from the Office for National Statistics

## **5 . Revision of data and improvements to imputation methods**

Data for Northern Ireland are not available for the latest two months. As Price Index of Private Rents (PIPR) statistics contribute to the calculation of the Consumer Prices Index (CPI), Retail Prices Index (RPI) and Consumer Prices Index including owner-occupier housing costs (CPIH), it is essential that we produce timely estimates.

For the currently published PIPR series, we impute the two most recent periods of the Northern Ireland index, assuming that this index follows the Great Britain index. As part of our transformation of private rents statistics, by extending PIPR to cover Northern Ireland, we are now able to improve this imputation method.

From March 2025, PIPR will impute the two most recent periods of Northern Ireland by carrying forward the growth rate from the two previous periods for Northern Ireland. From our analysis, we have found this method provides better forecasts and reduced bias.

As a worked example: when creating the PIPR index for June, data for Northern Ireland will only be available up to April. We will impute the June index for Northern Ireland, by taking the April index and inflating it by the growth rate between February and April for that index.

Every month, we will revise the two most-recent monthly estimates for Northern Ireland and the United Kingdom; this will be the only regular revision of the PIPR series. While we will revise the PIPR series, the Office for National Statistics (ONS) does not revise consumer price statistics (CPIH, CPI and RPI).

## **6 . Improvements to private rents statistics in Great Britain**

## Data improvements

Alongside adding Northern Ireland data to our private rents statistics, we have introduced small improvements to the historical data processing for our historical back series covering Great Britain.

This has resulted in us increasing the number of properties used in the monthly sample from an average of 544,000 to 560,000 for Great Britain. These additional properties were mostly collected at the end of our monthly collection period.

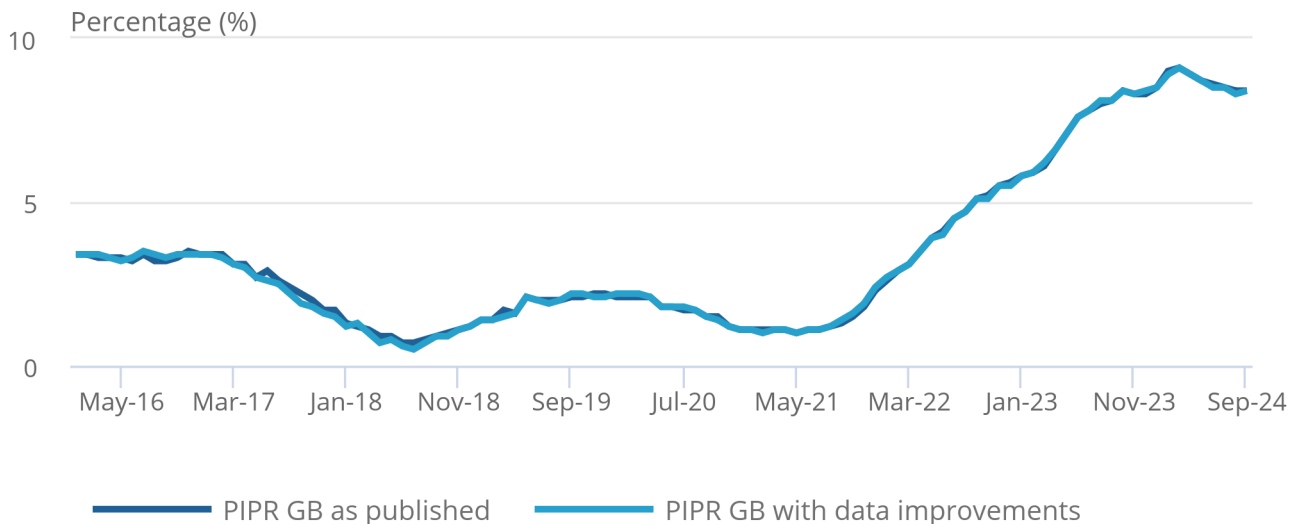
We will use these additional properties to revise the historical series for PIPR. The impact of this revision will see the average annual growth rate changing from 3.42% to 3.40%. The following chart compares the growth rate as estimated by PIPR before and after the data revision.

**Figure 6: Our data improvements have resulted in minor changes to the PIPR historic series**

Private rents annual inflation, Great Britain, January 2016 to September 2024

### Figure 6: Our data improvements have resulted in minor changes to the PIPR historic series

Private rents annual inflation, Great Britain, January 2016 to September 2024



Source: Price Index of Private Rents (PIPR) from the Office for National Statistics

## Update to PIPR weights

As part of our redevelopment of our private rents statistics, we have recalculated the expenditure weights to account for the improvements we have introduced to this series.

In PIPR, the rental price index is calculated by weighting together lower-level aggregates into a Lowe index, using the expenditure weights. To calculate expenditure weights, dwelling stock data are multiplied with average observed rental prices. Information about the use of weights in PIPR is provided in our [PIPR Quality and Methodology Information \(QMI\)](#).

We have recalculated the PIPR weights to additionally include data for Northern Ireland and to make use of the additional data improvements we have introduced for Great Britain. A table of weights analysis, providing information on the aggregate weights used for this analysis, has been published alongside this article.

## 7 . Price Index of Private Rents Data

[Redevelopment of private rental prices statistics, UK: impact analysis data](#)

Dataset | Released 23 January 2025

Price Index of Private Rents statistics historical data time series including data for Great Britain and Northern Ireland (indices, annual percentage change and price levels).

[Redevelopment of private rental prices statistics, UK: weights](#)

Dataset | Released 23 January 2025

Indicative weights used in the Price Index of Private Rents statistics.

## 8 . Data sources and quality

This article describes the indicative effects of transforming our private rents statistics. This analysis has been produced to help users of our statistics understand the changes that we are intending to introduce.

Our monthly [Private rent and house prices bulletin](#) should be used to understand private rents statistics.

You can find more about the methods used in the production of the Price Index of Private Rents (PIPR) in our [PIPR Quality and Methodology Information \(QMI\)](#).

### Data collection

This article uses rental price data and property attribute data collected for administrative purposes. More detail on our data and its suppliers is available in our [Quality assurance of administrative data used in the PIPR methodology](#).

In England and Wales, achieved rents data are collected for both new and existing tenancies.

In Northern Ireland, rents data are for newly advertised lets. In addition, there was reduced data coverage for Northern Ireland in 2014, which affects the index between January 2015 and January 2016, and the annual changes between January 2016 and January 2017. Users are advised to apply caution when using figures from these periods.

Scotland rents data are predominantly for advertised new lets, with only a small proportion based on existing lets data. Therefore, price changes for existing tenancies are largely estimated for Scotland.

The [Cost of Living \(Tenant Protection\) Scotland Bill](#) capped in-tenancy rent price increases at 0% (and up to 3% in certain circumstances) from September 2022 until 31 March 2023. The Scottish Government website reports that between 1 April 2023 and 31 March 2024, this [rent price-increase cap was 3%](#) (and up to 6% in certain circumstances). From 1 April 2024, temporary changes to the rent adjudication system restricts rent increases for existing tenants who apply for rent adjudication, as shown in the Scottish Government's [Cost of living: rent and eviction guidance](#).

These caps and restrictions will not be reflected in the price of new lets used to estimate the price of existing tenancies. Scottish Government statisticians believe that the lack of data on existing tenants benefitting from rent controls, and changes to the Rent Adjudication system, will lead to overestimation in stock prices and indices for Scotland since late 2022.

## 9 . Future developments

This article focuses on our activities to introduce Northern Ireland data into the Price Index of Private Rents (PIPR) series. You can find more information about our plans for the development of these statistics and a timeline for their development in our [Private rental prices development plan](#).

We are working towards gaining accredited official statistics status for PIPR. As a first step in this process, the Office for Statistics Regulation (OSR) published their [Spotlight on Quality Assessment: Price Index of Private Rents \(PIPR\)](#) report in October 2024, which included some requirements for The Office for National Statistics (ONS) to address before submitting PIPR for a full assessment. Our intentions for addressing these requirements are outlined in our development plan.

## 10 . Related links

### [Private rent and house prices](#)

Bulletin | 15 January 2025

Our monthly bulletin measuring private rent and house price inflation.

### [Redevelopment of rental price statistics](#)

Article | 1 December 2023

Our previous bulletin, describing the redevelopment of our private rental statistics and the improved methodology we introduced in March 2024.

### [Impact of transformation of consumer price statistics](#)

Article | 23 January 2025

Indicative impacts of the planned improvements to consumer price statistics, due to be introduced from March 2025.

### [Private rental price development plan](#)

Article | 23 January 2025

An overview of our plans for the statistical development of rental prices statistics, including a timeline for development.

## 11 . Cite this article

Office for National Statistics (ONS), released 23 January 2025, ONS website, article [Redevelopment of private rental prices statistics, impact analysis, UK: January 2025](#)