

Statistical bulletin

Index of Private Housing Rental Prices, UK: May 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 1.2% in the 12 months to May 2021, unchanged since April 2021.
- Private rental prices grew by 1.1% in England, 1.5% in Wales and 1.3% in Scotland in the 12 months to May 2021.
- The East Midlands saw the highest annual growth in private rental prices (2.4%), while London saw the lowest (negative 0.1%).

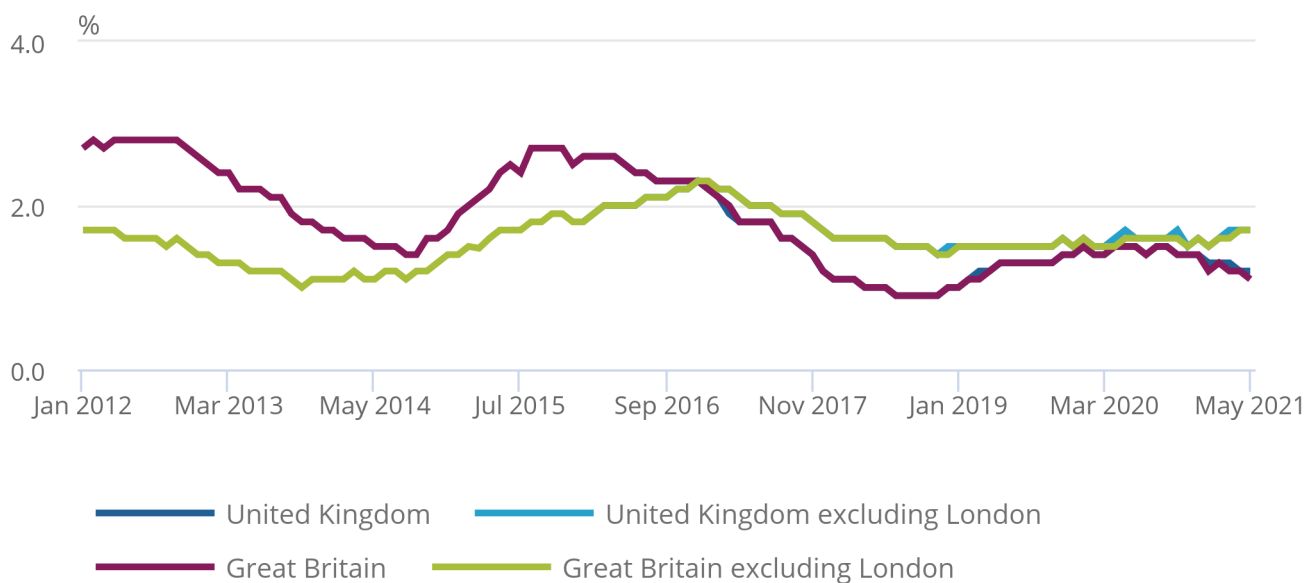
2 . UK private rental prices

Figure 1: The UK annual private rental price growth rose by 1.2% in the 12 months to May 2021

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

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Index of Private Housing Rental Prices percentage change over 12 months, UK and Great Britain, January 2012 to May 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 1.2% in the 12 months to May 2021, unchanged since April 2021. For example, a property that was rented for £500.00 per month in May 2020 that had a rent increase of the average UK rate would be rented for £506.00 in May 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 has seen a slowdown in rental price growth, which has been driven by prices in London.

In the 12 months to May 2021, rental prices for the UK excluding London increased by 1.7%, unchanged since March 2021 (Figure 1). London private rental prices decreased by 0.1% in the 12 months to May 2021, down from an increase of 0.1% in April 2021.

The Association of Residential Letting Agents (ARLA) reported in their [Private Rented Sector Report, April 2021](#) that the number of new prospective tenants is at the highest on record for the month of April. The number of properties managed per letting agent branch rose in April 2021.

The [Royal Institution of Chartered Surveyors' \(RICS\) May 2021 Residential Market Survey](#) reported that tenant demand growth remained firm at the national level while landlord instructions remained negative for the tenth consecutive 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.

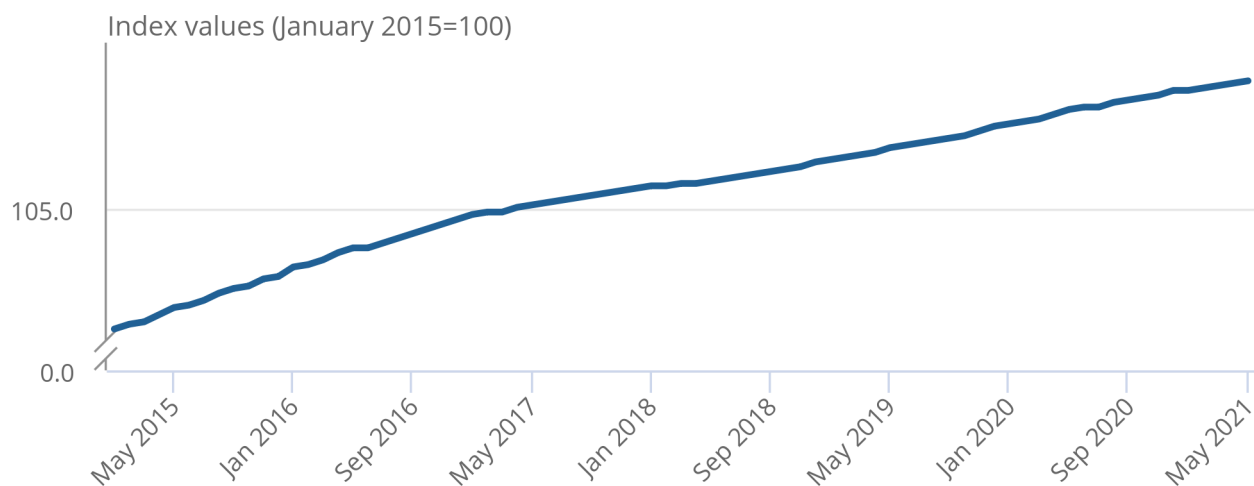
Focusing on the long-term trend, between January 2015 and May 2021, private rental prices in the UK increased by 10.4% (Figure 2).

Figure 2: UK rental prices have increased by 10.4% since January 2015

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

Figure 2: UK rental prices have increased by 10.4% since January 2015

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



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

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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 1.1% in the 12 months to May 2021, down from 1.2% in the 12 months to April 2021. When London is excluded from England, privately rented properties increased by 1.8% in the 12 months to May 2021, up from 1.7% in April 2021.

Private rental prices in Wales grew by 1.5% in the 12 months to May 2021, down from 1.6% in April 2021.

Rental growth in Scotland increased by 1.3% in the 12 months to May 2021, up from 1.1% in the 12 months to April 2021. Scotland's rental growth surpassed England's growth in May 2021 after being the weakest in the UK since August 2016.

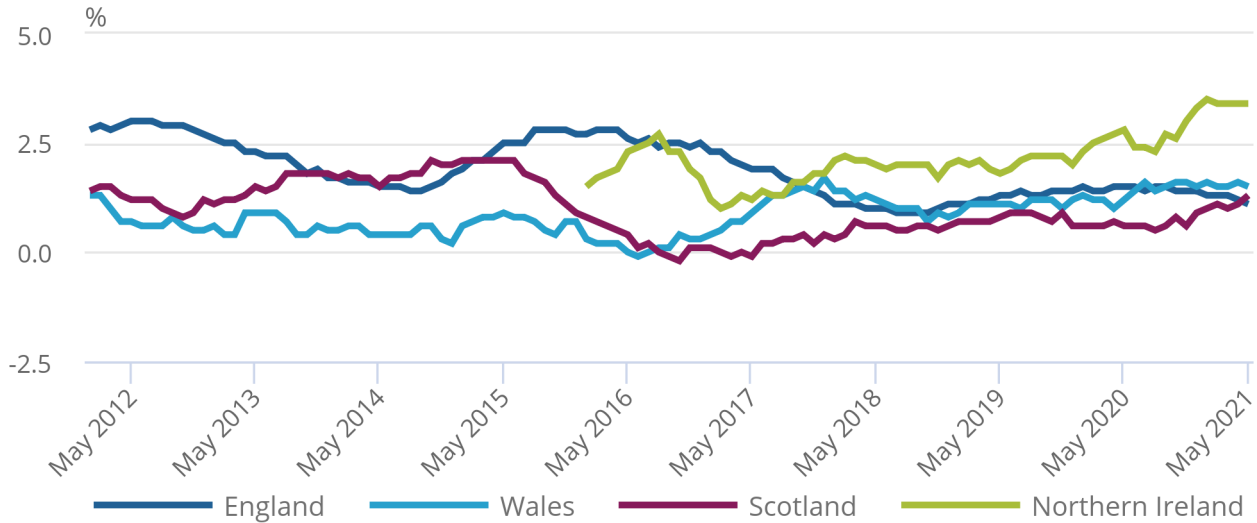
The annual rate of change for Northern Ireland in May 2021 (3.4%) was higher than the other countries of the UK. Northern Ireland data have been copied forward since March 2021; the next update to Northern Ireland data will be in the release published on 15 September 2021.

Figure 3: The annual rental growth in Scotland surpassed England after having the lowest in the UK since August 2016

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

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

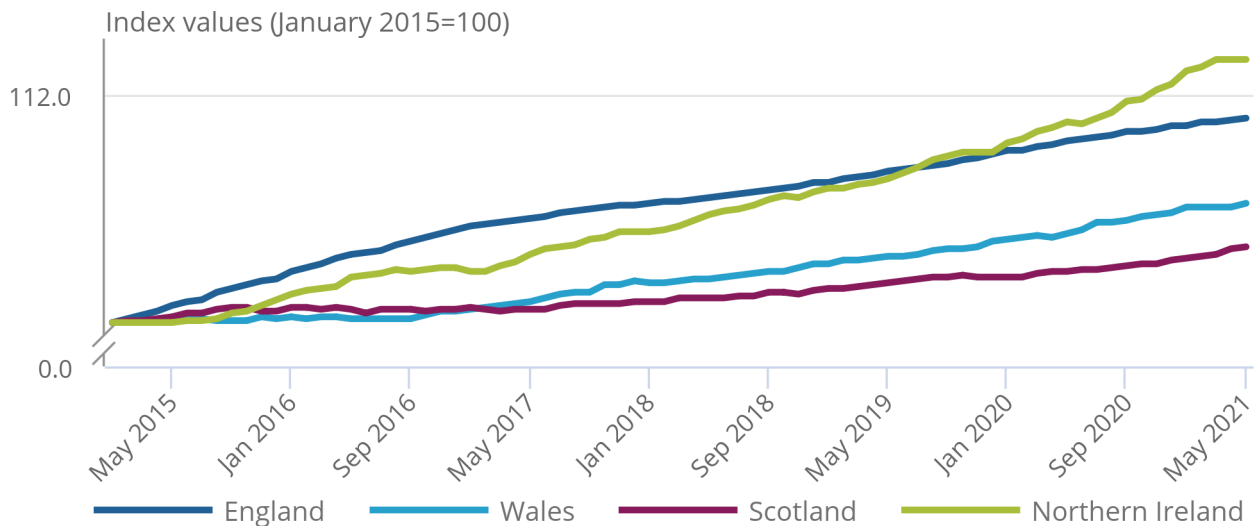
All UK countries experienced a rise in their private rental prices between January 2015 and May 2021.

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 May 2021

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Index of Private Housing Rental Prices indices for countries of the UK, January 2015 to May 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 August 2021 bulletin released on 15 September 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 May 2021 was in the East Midlands at 2.4%, up from 2.3% in April 2021 (Figure 5).

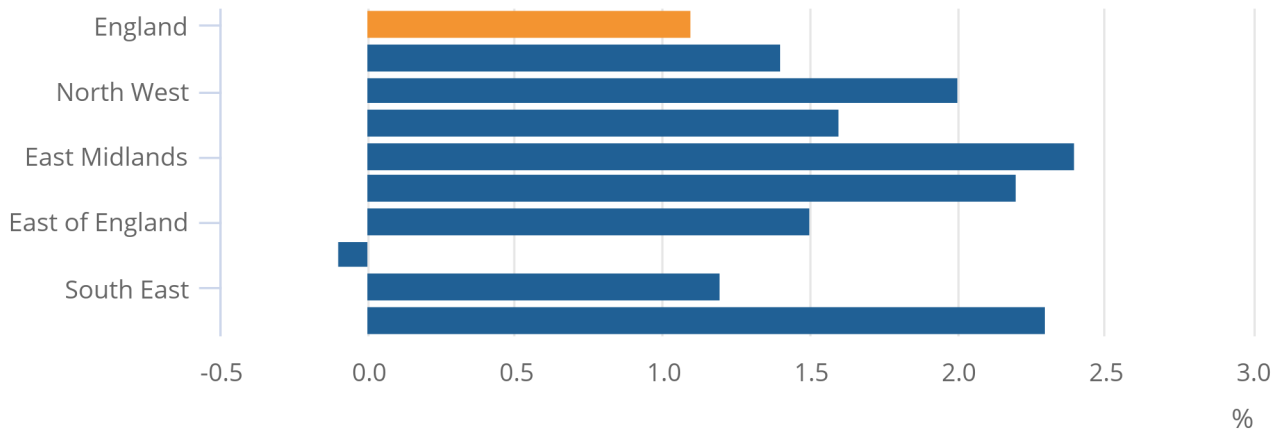
The lowest annual rental price growth was in London where rental prices decreased by 0.1% in the 12 months to May 2021. This is London's first annual decrease since October 2018, when it fell by 0.2%. This was followed by the South East, which increased by 1.2%.

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 May 2021, 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 May 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 May 2021

Notes:

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

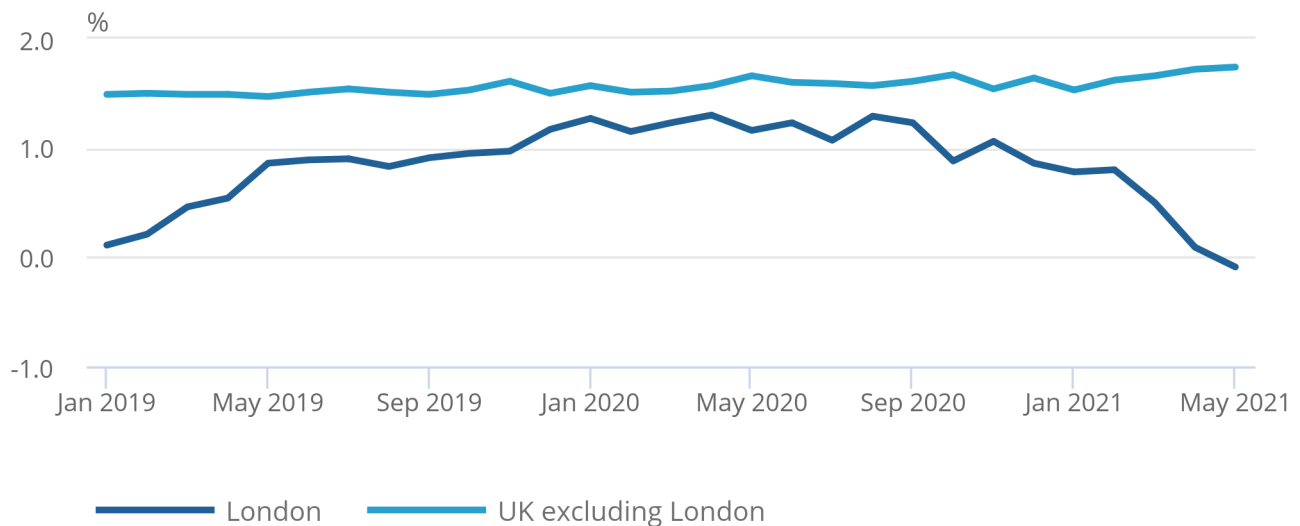
[Download the data](#)

Figure 7: Private rental price growth has been relatively stable in the UK excluding London over recent months while London has seen rental price growth slow

Index of Private Housing Rental Prices percentage change over 12 months, UK excluding London and UK including London, January 2019 to May 2021

Figure 7: Private rental price growth has been relatively stable in the UK excluding London over recent months while London has seen rental price growth slow

Index of Private Housing Rental Prices percentage change over 12 months, UK excluding London and UK including London, January 2019 to May 2021



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

In recent months, private rental price growth in London has slowed (Figure 7). London's rental price growth in May 2021 (negative 0.1%) is lower than any other English region. This reflects both a decrease in demand, such as remote working shifting housing preferences meaning workers no longer need to be close to their offices, and 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 [previous release under Section 4](#).

5 . Private rental data

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

Dataset | Released 16 June 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.

6 . 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.

7 . Measuring the data

Office for Statistics Regulation (OSR) publishing review

The Office for Statistics Regulation (OSR) is [undertaking a review](#) into whether the 9:30am release time stated in the [Code of Practice for Statistics](#) meets the needs of users. During the pandemic, exemptions were granted to allow the release of market sensitive statistics at 7:00am. The OSR welcomes views about the release time of official statistics by Friday 25 June 2021, please send comments 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.

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](#), the 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](#).

8 . Strengths and limitations

Strengths

The Index of Private Housing Rental Prices (IPHRP) is constructed using large administrative sources, specified in Section 7: 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](#).

9 . Related links

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

Bulletin | Released 16 June 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: May 2021](#)

Bulletin | Released 16 June 2021

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

[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.

[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.

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

Bulletin | Released 16 June 2021

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

[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.