

Statistical bulletin

Index of Private Housing Rental Prices, UK: November 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 1.4% in the 12 months to November 2020, unchanged since October 2020.
- Private rental prices grew by 1.4% in England, 1.6% in Wales and 0.6% in Scotland in the 12 months to November 2020.
- The South West was the English region to see the highest annual growth in private rental prices (2.3%), while the South East saw the lowest (0.9%).
- 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).

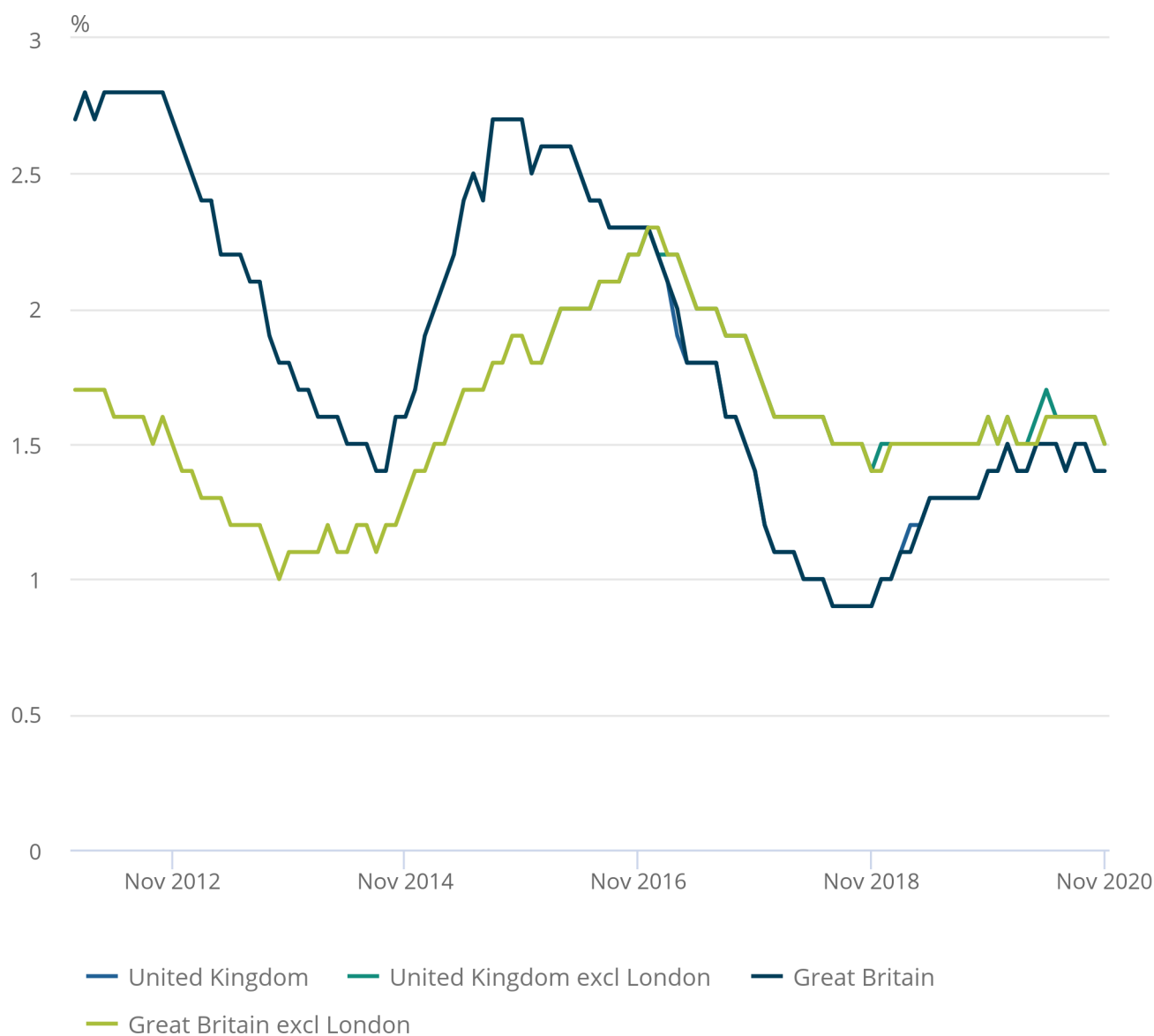
2 . UK private rental prices

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 November 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 November 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 1.4% in the 12 months to November 2020, unchanged since October 2020. For example, a property that was rented for £500.00 per month in November 2019 that had a rent increase of the average UK rate would be rented for £507.00 in November 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 November 2020, rental prices for the UK excluding London increased by 1.5%, down from 1.6% in the 12 months to October 2020 (Figure 1). London private rental prices increased by 1.1% in the 12 months to November 2020, up from 0.9% in the 12 months to October 2020.

The Association of Residential Letting Agents (ARLA) reported in their [Private Rented Sector Report, October 2020](#) that only a third of agents witnessed landlords increasing rents in October. The number of new prospective tenants was at an all-time high for the month of October, and the number of properties managed per branch increased.

The [Royal Institution of Chartered Surveyors' \(RICS'\) November 2020 Residential Market Survey](#) reported that tenant demand was more or less unchanged over the month. At the same time, the volume of landlord instructions coming onto the market declined.

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.

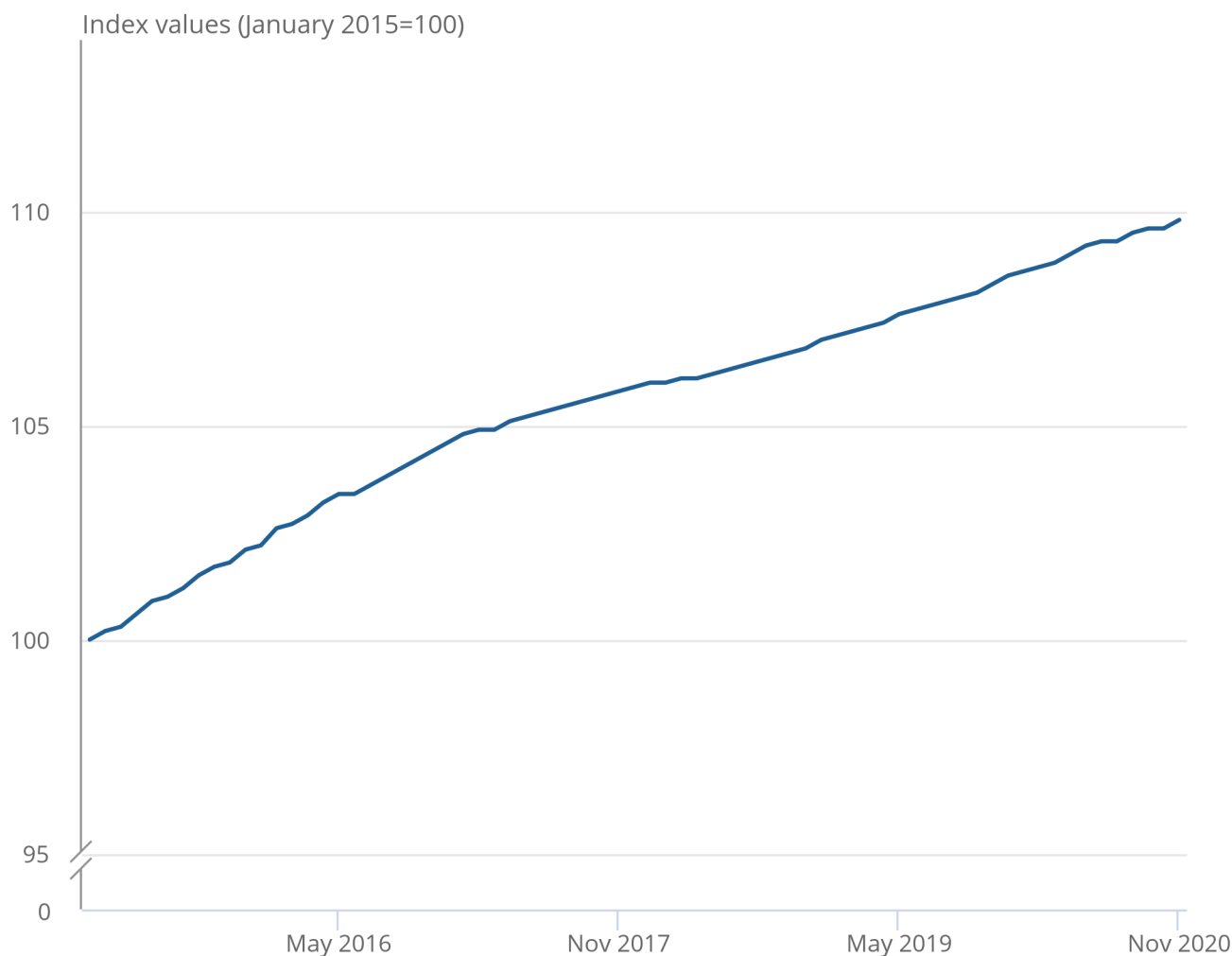
Focusing on the long-term trend, between January 2015 and November 2020, private rental prices in the UK increased by 9.8% (Figure 2).

Figure 2: UK rental prices have increased by 9.8% since January 2015

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

Figure 2: UK rental prices have increased by 9.8% since January 2015

Index of Private Housing Rental Prices indices, UK, January 2015 to November 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 1.4% in the 12 months to November 2020, unchanged since October 2020. When London is excluded from England, privately rented properties increased by 1.6% in the 12 months to November 2020, down from an increase of 1.7% in October 2020.

Private rental prices in Wales grew by 1.6% in the 12 months to November 2020, unchanged since October 2020.

Rental growth in Scotland increased by 0.6% in the 12 months to November 2020, down from 0.8% in the 12 months to October 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 November 2020 (2.7%) was higher than that of the other countries of the UK. Northern Ireland data have been copied forward since September 2020; the next update to Northern Ireland data will be in the release published on 24 March 2021. 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 November 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 November 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 February 2021 bulletin released on 24 March 2021.

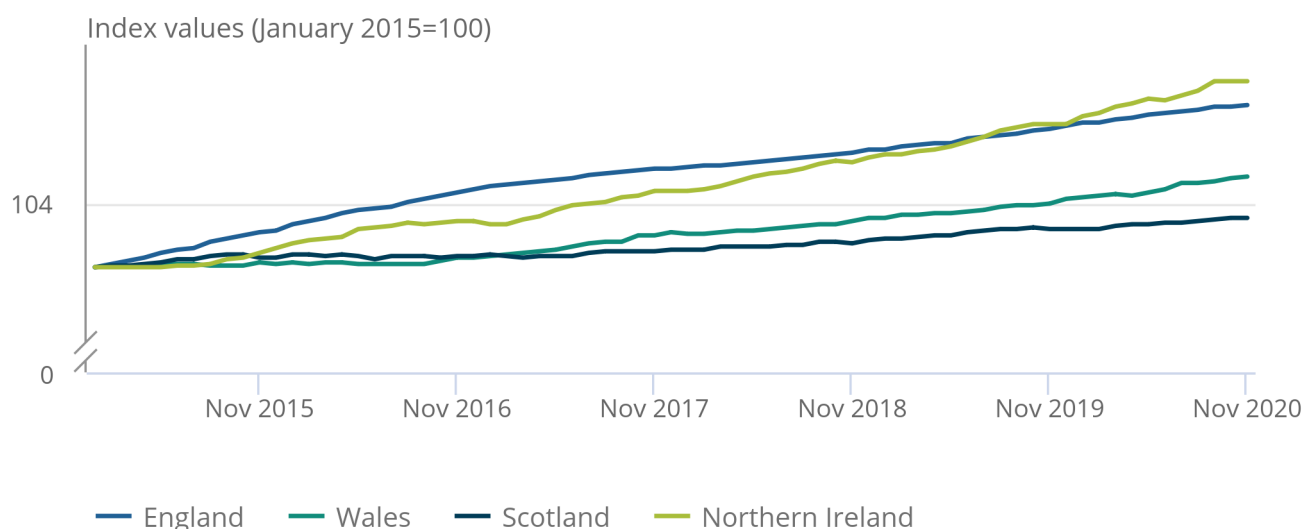
All UK countries experienced a rise in their private rental prices between January 2015 and November 2020, with rental prices in England and Northern Ireland increasing more than those in Wales and Scotland across data time series (Figure 4).

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 November 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 November 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 February 2021 bulletin released on 24 March 2021.

4 . UK private rental growth by English regions

Focusing on the English regions, the largest annual rental price increase in the 12 months to November 2020 was in the South West, at 2.3%, unchanged since October 2020 (Figure 5). This was followed by the East Midlands and the West Midlands, both at 2.2%.

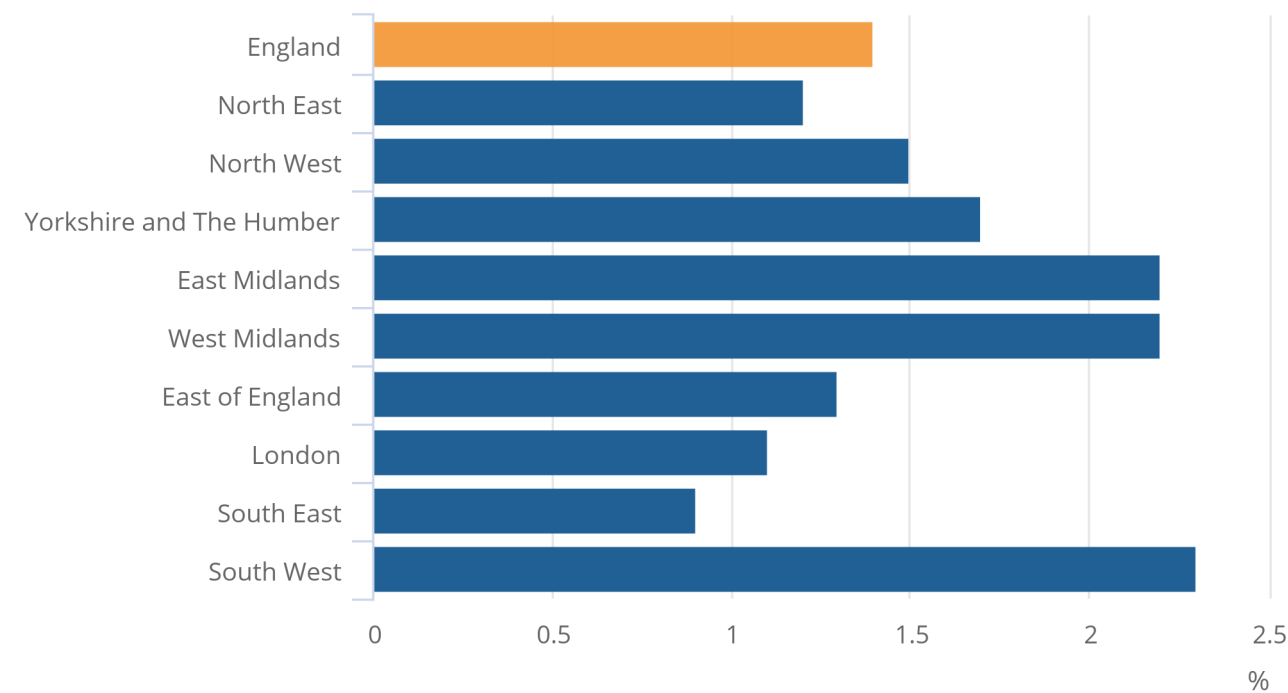
The lowest annual rental price growth was in the South East where rental prices increased by 0.9% in the 12 months to November 2020. This was followed by London, at 1.1%.

Figure 5: Strongest annual rental price growth is in the South West

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

Figure 5: Strongest annual rental price growth is in the South West

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

Notes:

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

[Download the data](#)

5 . Measures of owner occupiers' housing costs

Owner occupiers' housing costs (OOH) are the costs of housing services associated with owning, maintaining and living in one's own home. This is distinct from the cost of purchasing a house, which is purchased partly for the accumulation of wealth and partly for housing services.

OOH is an important component of the household consumption basket. In the Consumer Prices Index including owner occupiers' housing costs (CPIH), the OOH component is measured using the rental equivalence approach, OOH(RE). However, there are alternative ways of measuring OOH in the UK: the net acquisitions approach (OOH (NA)) and the payments approach (OOH(payments)).

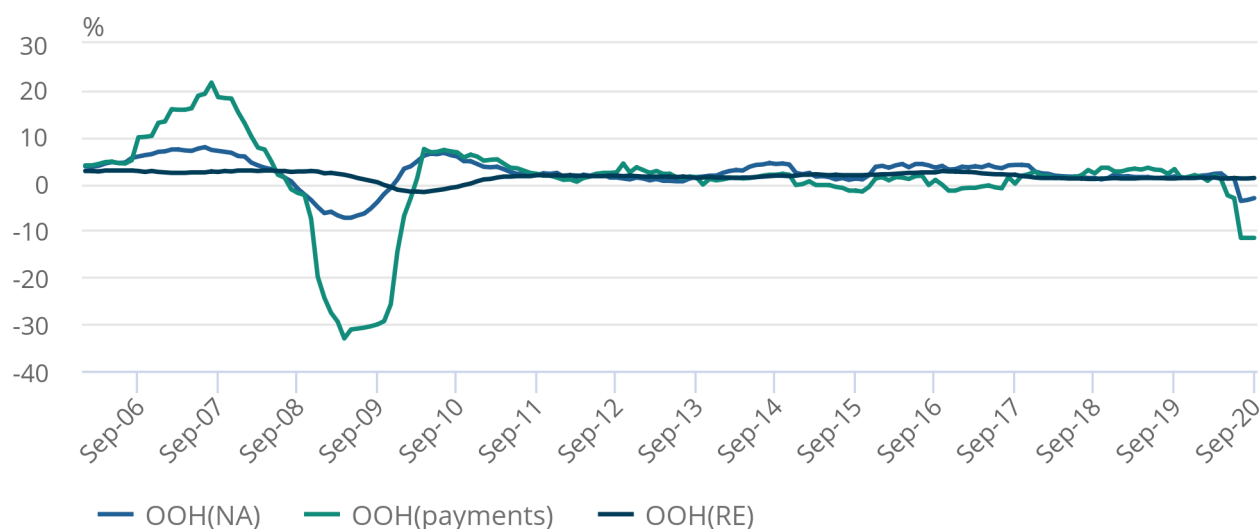
In the 12 months to September 2020, OOH(RE) grew by 1.2%, OOH(NA) decreased by 3.1% and OOH (payments) decreased by 11.6%. The annual growth rate for OOH(RE) has remained broadly consistent, fluctuating between 1.0% and 1.3% since December 2017. In July 2020, following the changes to Stamp Duty, both OOH(NA) and OOH(payments) showed negative growth. In September 2020, the annual growth rate of OOH (NA) was 4.3 percentage points less than the growth rate of OOH(RE). The annual growth rate of OOH (payments) was 12.8% less than the growth rate of OOH(RE).

Figure 7: Both OOH(payments) and OOH(NA) experienced a fall in their annual change in Quarter 3 2020

Measures of owner occupiers' housing costs growth rate, percentage change over 12 months, January 2006 to September 2020, UK

Figure 7: Both OOH(payments) and OOH(NA) experienced a fall in their annual change in Quarter 3 2020

Measures of owner occupiers' housing costs growth rate, percentage change over 12 months, January 2006 to September 2020, UK



Source: Office for National Statistics – Measures of owner occupiers' housing costs

On 8 July 2020, the Chancellor of the Exchequer announced a suspension of the tax paid on property purchases with immediate effect in England and Northern Ireland, coming into effect slightly later on 15 July in Scotland and 27 July in Wales. In England and Northern Ireland, properties up to the value of £500,000 would incur no tax, while the thresholds for Scotland and Wales were £250,000. The tax holiday is due to end on 31 March 2021 across the whole of the UK.

The change to the Stamp Duty thresholds was the main driving factor for the decrease in the annual growth rate of OOH(payments), contributing a 7.6 percentage point decrease to the overall growth. Mortgage interest payments also drove the decrease in the annual growth rate of OOH(payments), contributing a 4.0 percentage point decrease to the overall growth. This decrease follows the Bank of England's cut to the [UK's interest rate](#) from 0.75% to 0.25% on 11 March 2020. This was then further cut to 0.1% on 19 March 2020.

For OOH(NA), the negative annual growth was driven by the “other services related to the acquisition of dwellings” contribution, which includes transfer costs and Stamp Duty.

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 16 December 2020

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

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

Dataset | Released 16 December 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 December 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.

Owner occupiers' housing costs – rental equivalence approach

Assumes a dwelling is a capital good and therefore not consumed, but instead provides a flow of services that are consumed each period. Rental equivalence imputes owner occupiers' housing costs from the rents paid for equivalent rented properties. Measures the ongoing consumption of owner occupiers' housing services.

Owner occupiers' housing costs – net acquisitions approach

Treats a house as the purchase of a good that is part asset (the land) and part consumable (the house). Includes costs associated with buying and maintaining a house, for example, major repairs, transfer costs and dwellings insurance. Measures the cost of acquiring and maintaining owner occupiers' housing.

Owner occupiers' housing costs – payments approach

Directly measures what households pay as owner occupiers when consuming housing. Includes mortgage interest payments, transaction costs and running costs. Measures payments relating to the ownership of owner occupiers' housing.

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](#).

End of EU exit transition period

After the transition period ends on 31 December 2020, the UK statistical system will continue to collect and produce our wide range of economic and social statistics. We are committed to continued alignment with international statistical standards, enabling comparability both over time and internationally and we will work with users of statistics to make sure they have the data they need to support the decisions they have to make.

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 in early 2021.

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](https://www.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: October 2020](#)

Bulletin | Released 16 December 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: November 2020](#)

Bulletin | Released 16 December 2020

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

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

Bulletin | Released 11 December 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.