

Statistical bulletin

# Private rental affordability, England, Wales and Northern Ireland: 2021

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.

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# 1 . Main points

- Private renters on a median household income could expect to spend 26% of their income on a median-priced rented home in England, compared with 23% in both Wales and Northern Ireland, in the financial year ending March 2021.
- London was the least affordable region with a median rent of £1,430 being equivalent to 40% of median income.
- The West Midlands and East Midlands were the most affordable regions with median rents being equivalent to 21% and 22%, respectively, of median income.
- Despite having very different levels of median income and rents, Yorkshire and the Humber and the South East had similar ratios of private rental affordability (31%).
- The West Midlands is the only English region where a lower quartile rent is equivalent to less than 30% of a lower quartile household income.

## 2 . Rent prices as a percentage of income

We give an indicator of private rental affordability by expressing rent prices as a percentage of gross income for private renting households. For this bulletin, we deem a property "affordable" if a household would spend the equivalent of 30% or less of their income on rent. Data are for financial years, so 2021 refers to 1 April 2020 to 31 March 2021.

This bulletin uses the median when it refers to "average" incomes or rental prices. This is because the distributions of both income and rental prices are skewed with some extreme high values.

Private rents data are supplied by [Rent Officers Wales](#), the [Northern Ireland Housing Executive](#) and published data from the [Private Rental Market Summary Statistics in England](#). For England and Wales, we use administrative data on actual rents being paid by both existing and new tenants. Data for Northern Ireland are based on advertised rents for new tenants only.

The monthly rent estimates are then compared with the gross monthly incomes of private renting households for the same country or region, estimated through the [Family Resources Survey](#) (FRS). The coronavirus (COVID-19) pandemic affected the response rate to the FRS in 2021, with [roughly half the usual number of households responding](#) and even fewer private rental households. We use statistical techniques such as weighting to partially compensate for this, however there is more uncertainty around the 2021 income values than in previous years.

Further details are in [Section 8: Measuring the Data](#) and our [Private rental affordability quality and methodology information \(QMI\)](#) report.

This analysis is part of a series of [additional measures of housing affordability](#) (alongside [Housing Purchase Affordability, Great Britain](#)), designed to complement the Office for National Statistics' (ONS's) [annual housing affordability statistics](#). This range of statistics provides evidence about the affordability of buying a home, the cost of living, and feeds into local authority housing policies.

### 3 . Private rents and household incomes in 2021

The affordability of the private rental sector is important for many people. [Dwelling stock data](#) from the Department for Levelling Up, Housing and Communities estimate that the number of privately rented dwellings has doubled in England since 2001, to 4.9 million, or 20% of all dwellings, in 2021. A similar pattern has occurred in [Wales](#), where an estimated 14% of dwellings were privately rented in 2020. In [Northern Ireland](#), 14% of households were privately rented in 2020.

As shown in Figure 1, in the financial year 2021, the median rents and median gross income of private renting households were:

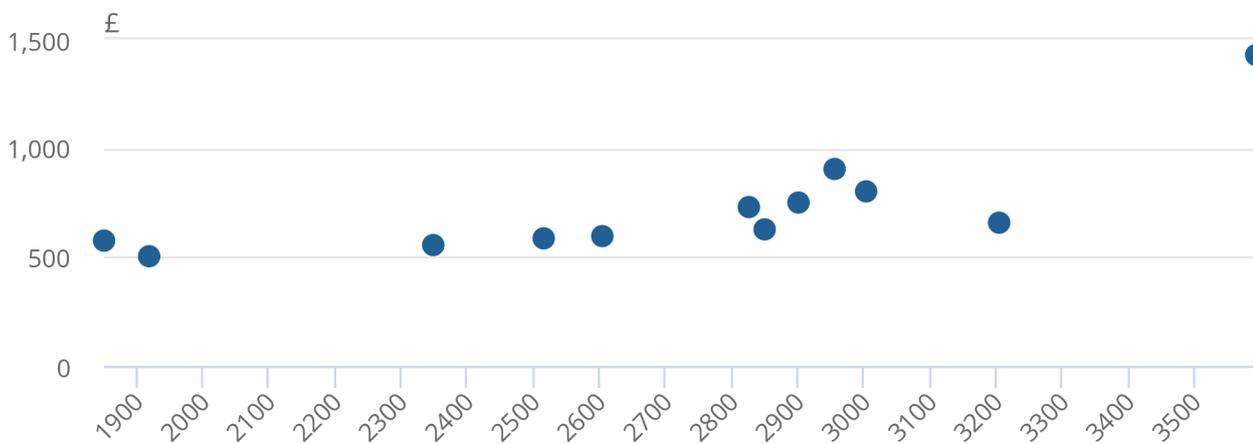
- England - £730 monthly rent was the equivalent of 26% of an average household income of £2,825 per month
- Wales - £550 monthly rent was the equivalent of 23% of an average household income of £2,350
- Northern Ireland - £600 monthly rent was the equivalent of 23% of an average household income of £2,605

**Figure 1: Average household income and private rents vary across England, Wales and Northern Ireland**

Median rents and median income of private renting households by country and region, financial year 2021

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Median rents and median income of private renting households by country and region, financial year 2021



**Source: For income – Family Resources Survey (Department for Work and Pensions) and for rent – Private Rental Market Statistics (Office for National Statistics), Rent Officer Wales (Welsh Government), Northern Ireland Housing Executive**

Figure 1 shows that although average income is lower in the East Midlands than in the South East (by £105), average private rental prices are also lower (by £275).

In 2021, average rents in London were nearly twice as high as those of Yorkshire and the Humber, while incomes were one-and-a-half times as high.

## 4 . Affordability: comparing average rent to income

Figure 2 shows the range of private rental affordability across England, Wales, Northern Ireland, and the English regions. Affordability is the proportion of household income to which an area's rent level is equivalent. Figure 2 shows that London is less affordable for private rent than any other region or country.

Renters in the West Midlands or East Midlands with an average household income could expect to spend the equivalent of 21% and 22%, respectively, of their income on renting an average-priced property, compared with 40% for renters in London.

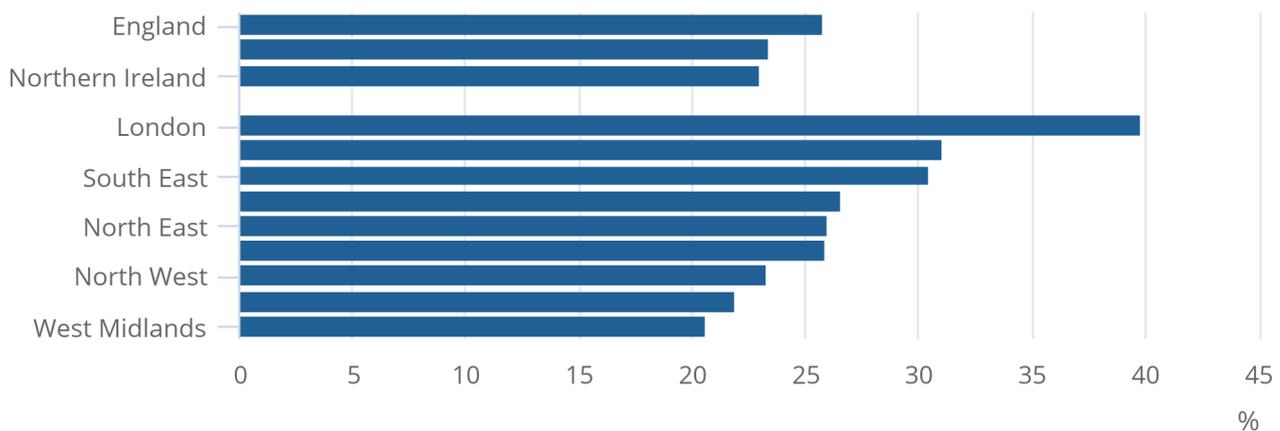
Despite having very different levels of average income and rents, Yorkshire and the Humber and the South East had similar ratios of private rental affordability (31%).

### Figure 2: The West Midlands and East Midlands were the most affordable English regions for private rents in 2021

Percentage of a median income of private renting households that a median rent is equivalent to, by country and region, financial year ending 2021

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Percentage of a median income of private renting households that a median rent is equivalent to, by country and region, financial year ending 2021



Source: For income – Family Resources Survey (Department for Work and Pensions) and for rent – Private Rental Market Statistics (Office for National Statistics), Rent Officer Wales (Welsh Government), Northern Ireland Housing Executive

## 5 . Affordability of high and low rents

The data released alongside this bulletin provide and compare lower and higher rents and incomes using quartiles. This allows the lower quartile income (the income that 25% of households are at or below) to be compared with the lower quartile rent (the rent that 25% of properties are at or below), as in Figure 3.

**Figure 3: Lower-income households are below the affordability threshold in each country**

Rents, and 30% shares of private renting household income, by country and quartile, financial year 2021

Figure 3: Lower-income households are below the affordability threshold in each country

Rents, and 30% shares of private renting household income, by country and quartile, financial year 2021



Source: Family Resources Survey (Department for Work and Pensions) and for rent – Private Rental Market Statistics (Office for National Statistics), Rent Officer Wales (Welsh Government), Northern Ireland Housing Executive

Using "30% of income" as an affordability threshold, Figure 3 shows that at a country level in England, Wales, and Northern Ireland, high, average, and low rents were:

- all above our affordability threshold (unaffordable) for lower-income households
- all affordable for average-income households in Wales and Northern Ireland, while in England only average and low rents were affordable for average-income households
- all affordable for high-income households

**Figure 4: Renting remains more affordable for high-income high-rent households than for low-income low-rent households across England**

Rents, and 30% shares of private renting household income, by selected region and quartile, financial year 2021

### Figure 4: Renting remains more affordable for high-income high-rent households than for low-income low-rent households across England

Rents, and 30% shares of private renting household income, by selected region and quartile, financial year 2021



**Source: For income – Family Resources Survey (Department for Work and Pensions) and for rent – Private Rental Market Statistics (Office for National Statistics)**

Figure 4 shows that there is a wide range of incomes and rents across some English regions. There is a smaller spread of income and rents within the North East, while London shows a wider spread. Looking across all regions:

- a low rent is equivalent to more than 30% of a lower income (unaffordable) in every region in 2021 except the West Midlands
- an average rent is equivalent to more than 30% of an average income in three regions (Yorkshire and The Humber, the South East, and London)
- a high rent is equivalent to less than 30% of a high income in all regions

## 6 . Sensitivity of private rental affordability

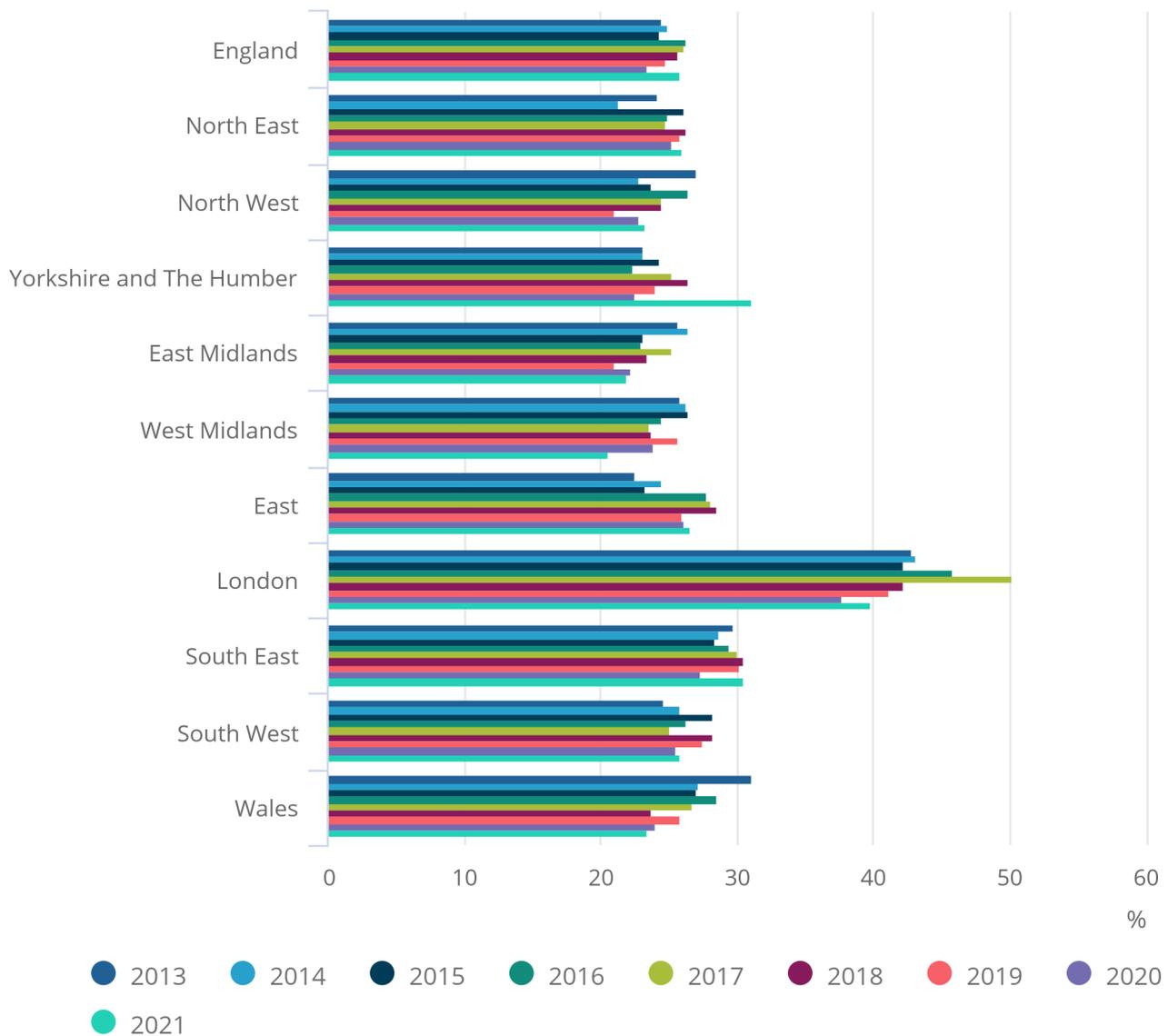
The private rental price statistics used in this analysis are estimates at given points in time. Users are advised not to infer trends in the rental market over time by comparing prices year-on-year. However, to provide context, Figure 5 shows the affordability ratio at each time period for England, Wales, and selected regions (Northern Ireland data are not available for periods before 2021).

**Figure 5: In each year, London has been the least affordable English region by a wide margin**

Percentage of median private renting household income equivalent to median rent, England, Wales, and English regions, financial years 2013 to 2021

Figure 5: In each year, London has been the least affordable English region by a wide margin

Percentage of median private renting household income equivalent to median rent, England, Wales, and English regions, financial years 2013 to 2021



Source: For income – Family Resources Survey (Department for Work and Pensions) and for rent – Private Rental Market Statistics (Office for National Statistics), Rent Officer Wales (Welsh Government), Northern Ireland Housing Executive

More recent estimates of private rent are available. For example, the latest [Private rental market summary statistics](#) report that median monthly rent was £795 in England in the year to March 2022, and £800 in the year to September 2022. In contrast, this analysis uses figures for the year to March 2021 when the median monthly rent was £730 in England.

Additionally, until estimates of the income of private renting households are available for the same period, it is not possible to estimate how changing rental prices may have affected affordability.

## 7 . Private rental affordability data

[Private rental affordability, England, Wales and Northern Ireland](#) Dataset | Released 19 December 2022  
Percentage of total monthly household income spent on private rent, by country and by regions of England, Financial Year Ending 2013 to 2021.

## 8 . Measuring the data

Private rent prices for England are sourced from the [Private rental market summary statistics \(PRMS\)](#), which are produced by the Office for National Statistics (ONS). Prior to 2018, they were produced by the [Valuation Office Agency](#). Equivalent rent prices have been supplied by [Rent Officers Wales](#) and the [Northern Ireland Housing Executive](#).

The data provide rent price quartiles (lower quartile, median, and upper quartile). The rent prices are a summary of monthly rents recorded between 1 April and 31 March each year. They do not include additional housing costs (such as service charges for flats) or rents paid for by housing benefit.

Income quartiles for private renting households are calculated using gross income data from the [Department for Work and Pensions Family Resources Survey](#), using the household file obtained from the [UK Data Service](#). We only include private renting households, whether they are privately renting a furnished or unfurnished property, rent-free, or squatting. We use a grossing factor weight to adjust for potential bias in responses to the Family Resources Survey (FRS) and to allow us to create regionally weighted quartiles.

To show the affordability of private renting, we calculate what proportion of monthly income the monthly rent is equivalent to. We deem an area to have private rent that is affordable if it is equivalent to 30% or less of the median income of private renting households.

Other estimates of private rental affordability available for countries of the UK include:

- the [English Housing Survey](#), which shows the average proportion of income spent on housing
- [Wellbeing of Wales: national indicator 49](#), which shows the proportion of household income spent on housing costs (including rent, service charge, council tax, and other housing costs), by tenure, for three-year periods
- [Exploring the Provision of an Intermediate Rent Product for Northern Ireland](#), which uses a 25% affordability test, and 2020 data, using bespoke sources that include dwelling characteristics
- Scottish Government's [New Deal for Tenants draft strategy consultation](#), which uses FRS estimates of rent and income to look at private and social rental affordability from 2007 to 2020

### Quality

More quality and methodology information (QMI) on strengths, limitations, appropriate uses, and how the data were created is available in the [Private rental affordability QMI](#).

## 9 . Strengths and limitations

There are strengths and limitations of the rental, income, and affordability elements of these statistics.

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. As such, the private rental affordability dataset should also be treated as indicative only, and care should be taken when making comparisons over time. Further quality information for the rental statistics can be found in the [Private rental market summary statistics](#) release for England, or from [Welsh Government](#), and the [Northern Ireland Housing Executive](#).

There are various sources of income data. A strength of the Family Resources Survey (FRS) is that it allows us to differentiate between homeowners and renters, and therefore, we have chosen to use this source. Further quality information for the income statistics can be found on the [FRS information page](#).

A limitation of the affordability calculation is that we do not adjust for property or household size. For example, while a one-bedroom flat in a region may be affordable for a family, it may not be suitable. These differences will also vary between countries and regions.

We are aware that by averaging over regional areas, this can hide differences within each region, where affordable properties may be in a different place to the households with the appropriate incomes.

## 10 . Related links

[Private rental market summary statistics in England: April 2020 to March 2021](#) Bulletin | Released 16 June 2021 Median monthly rental prices for the private rental market in England, calculated using data from the Valuation Office Agency.

[Housing affordability in England and Wales: 2021](#) Bulletin | Released 23 March 2022 Uses annual data on house prices and annual earnings to calculate affordability ratios for national and subnational geographies in England and Wales.

[Research Output: Alternative measures of housing affordability: financial year ending 2018](#) Article | Released 19 March 2020 Alternative measures of housing affordability in England, including affordability in relation to varying household income and house price distributions, upfront costs, mortgage repayments, and private rental affordability.

[UK private rented sector: 2018](#) Article | Released 18 January 2019 Brings together existing UK data sources on the private rented sector (PRS) to assess comparability, coherence and data limitations.

[Income and earning statistics guide](#) Methodology | Last revised 2 March 2022 Explains the relationship between income and earnings data and outlines the statistics produced by the Office for National Statistics, Department for Work and Pensions and HM Revenue and Customs.

## 11 . Cite this bulletin

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