

Article

# Changes in private rental sector behaviour, England and Wales: February 2022 to September 2023

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

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# 1 . Main points

- Collecting price data from privately rented properties (“revisiting”) on average every 12 months (England) or 9 months (Wales) enables rental price changes of individual properties to be tracked over time.
- Compared with last year, it has become more likely for prices to have risen since last visit for privately rented properties in England and Wales.
- For privately rented properties revisited in September 2023, where a property's price had risen, the average price percentage increase was larger in Wales than in England.
- Since last visit, prices had risen by 10% or more for around one in five privately rented properties revisited in September 2023 in England and Wales.
- Of all English regions, the proportion of privately rented properties revisited in September 2023 where prices had risen was highest in London and lowest in the North West.
- Of English regions, the average percentage price increase for properties revisited in September 2023 (where prices had risen) was highest in the North West (12.3%) and lowest in the South West (7.8%).

## 2 . Background and methodology

Our [Index of Private Housing Rental Prices \(IPHRP\)](#) measures changes in average UK private rental prices for the entire private rental sector (PRS) dwelling stock. The sample of UK properties includes new lets and existing lets. This enables analysis of properties that have faced rental price increases, decreases and remained constant.

In this experimental analysis, each month, the data used to produce IPHRP were subset to include only properties that had been visited both in the latest month and within the previous 14 months. The median length of time between visits was 12 months for England and 9 months for Wales. Since this analysis is based on a subset of IPHRP data, estimates are not directly comparable with IPHRP estimates and may show different trends.

Estimates were obtained by comparing the latest rental price with the previous rental price reported for each property. Therefore, this experimental analysis presents estimates based on privately rented properties that were “revisited” between February 2022 and September 2023 for England and Wales.

This analysis reports observed changes in private rental sector behaviour in greater detail than in IPHRP, including:

- how the proportion of revisited properties where rental price has changed since the last visit has evolved over time, focusing on properties where prices rose
- how the magnitude of rental price changes has changed over time, focusing on properties where prices rose and the magnitude of those price rises
- differences between countries, English regions, and property types

The [previous edition](#) of this experimental analysis was for England only, but geographic coverage has been expanded for this latest edition to also include Wales.

Following the previous edition, which contained English region-level estimates, users requested additional sub-region level estimates, which would be useful for providing insight into local rental market trends. After reviewing data volumes, we identified five sub-region areas from across different English regions where volumes were high enough to enable publication of an experimental sub-regional analysis in this latest edition.

These five “combined areas” within England are a mixture of [combined authorities](#) and [counties](#). The five combined areas consist of:

- Greater Manchester combined authority
- West Midlands combined authority
- West Yorkshire combined authority and South Yorkshire combined authority, pooled together
- Hampshire county
- Hertfordshire county and Essex county, pooled together

For more information on methods used in this experimental analysis, see [Section 10: Data sources and quality](#).

### **3 . Country analysis**

## Proportion of privately rented properties where prices have risen

The proportion of revisited privately rented properties in England and Wales where prices had risen since the last visit was higher for properties revisited between July 2023 and September 2023 than for those revisited between July 2022 and September 2022.

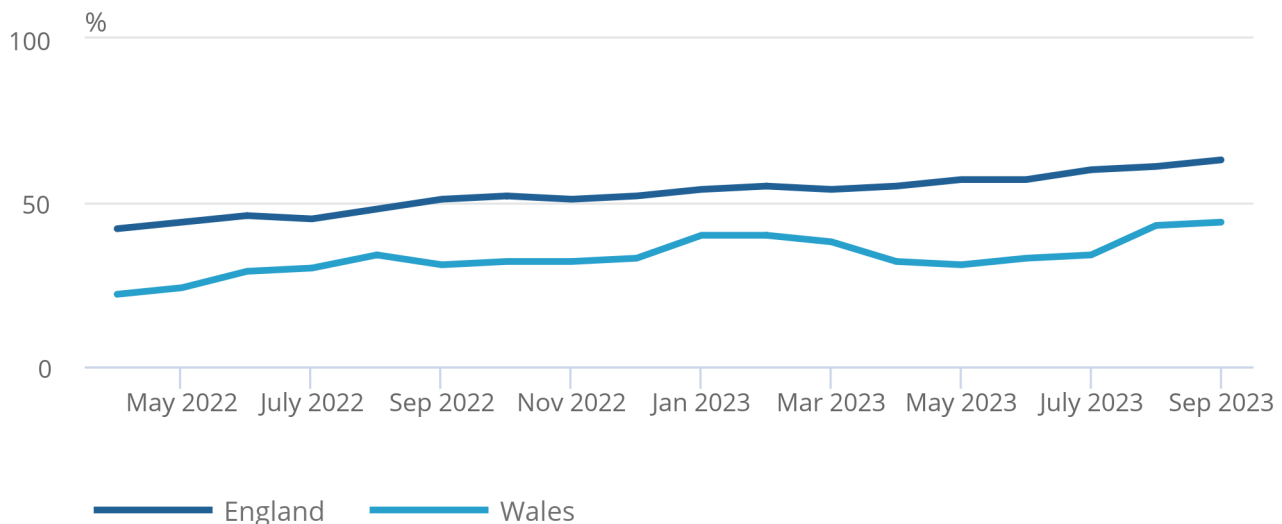
This means that it has become more likely for prices to have risen since last visit for privately rented properties in England and Wales than a year earlier. Users should be aware that tenants within a property may have changed between visits, so these figures do not indicate precisely how many tenants saw a rise in rental costs.

### Figure 1: For privately rented properties revisited between July 2023 and September 2023, prices were more likely to have risen in England than in Wales

Proportion of revisited privately rented properties where prices had risen since last visit, England and Wales, three-month rolling average, data from February 2022 to September 2023

### Figure 1: For privately rented properties revisited between July 2023 and September 2023, prices were more likely to have risen in England than in Wales

Proportion of revisited privately rented properties where prices had risen since last visit, England and Wales, three-month rolling average, data from February 2022 to September 2023



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

#### Notes:

1. Data collection differs across the UK. For more information, see [Section 10: Data sources and quality](#).
2. A three-month rolling average has been applied to reduce monthly fluctuations and make the longer-term trend clearer. 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.

## Magnitude of price rises where prices have risen

This experimental analysis focuses on properties where prices have risen since the last visit (median time between visits was 12 months in England and 9 months in Wales), and the magnitude of that price increase. Historically, rent prices have generally increased over time, so when properties are revisited, the majority show no price change or show a rise, but some price falls are captured. More information regarding price rises is available in our [previous release](#).

For England and Wales, where a property's rent had increased, the average rental price percentage increase was higher for properties revisited in September 2023 (9.7% and 11.3%, respectively) than for properties revisited in September 2022 (8.4% and 10.5%, respectively).

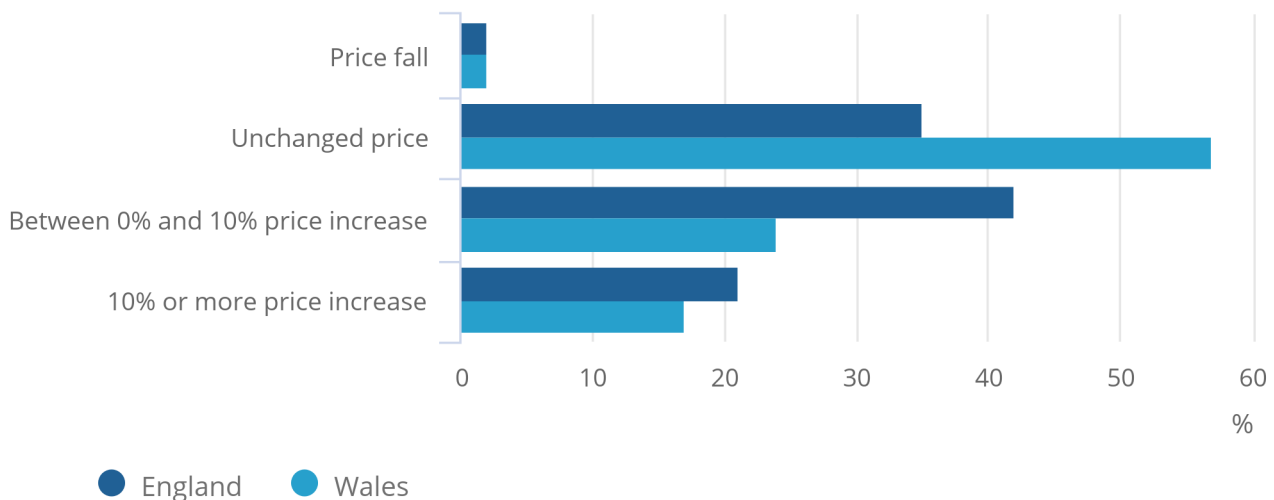
Although the proportion of properties revisited in September 2023 where prices had risen was higher in England (63%) than Wales (41%), the average rental price percentage increase was lower in England (9.7%) than Wales (11.3%). This means that although rental prices are more likely to have increased recently in England than in Wales, when a property's price did increase, on average the increase was likely to be larger in Wales than in England.

### Figure 2: In both countries, prices had risen by 10% or more for around one in five properties

Distribution of price percentage change since last visit, privately rented properties revisited in September 2023, England and Wales

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Distribution of price percentage change since last visit, privately rented properties revisited in September 2023, England and Wales



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

#### Notes:

1. Data collection differs across the UK. For more information, see [Section 10: Data sources and quality](#).

For around one-fifth of privately rented properties in England and Wales revisited in September 2023, prices had risen by 10% or more since last visit (21% and 17%, respectively), up from the proportion of properties revisited in September 2022 (14% and 13%, respectively). For both England and Wales, the proportion of privately rented properties where prices remained unchanged since last visit was lower for those revisited in September 2023 than a year ago.

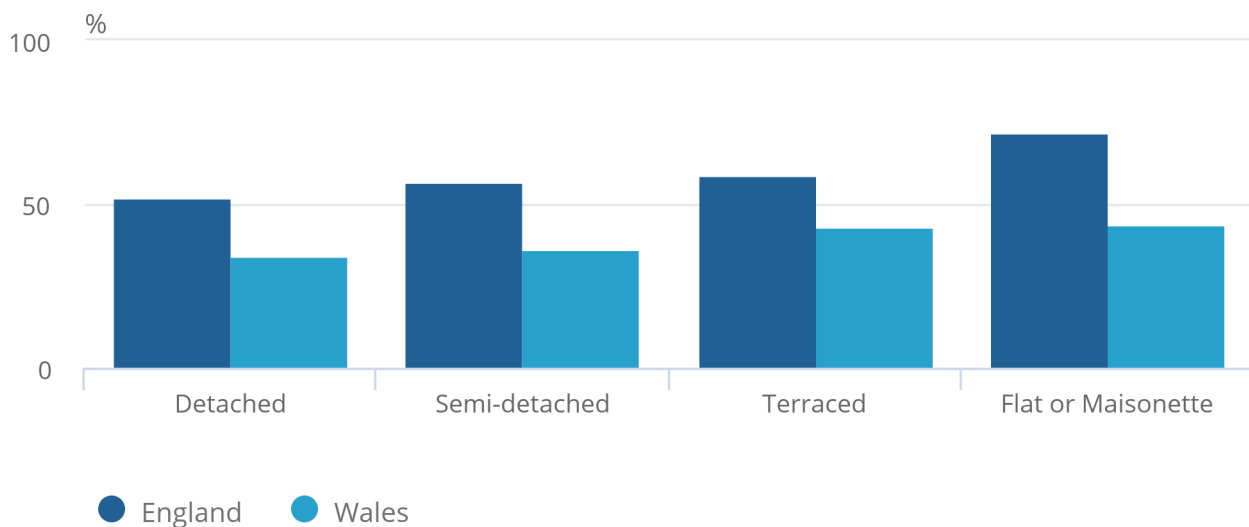
## 4 . Country by property type analysis

**Figure 3: Rent prices are more likely to have increased for flats or maisonettes than any other property type**

Proportion of privately rented properties in England and Wales revisited in September 2023 where prices had risen since last visit, by property type and country

### Figure 3: Rent prices are more likely to have increased for flats or maisonettes than any other property type

Proportion of privately rented properties in England and Wales revisited in September 2023 where prices had risen since last visit, by property type and country



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

**Notes:**

1. Data collection differs across the UK. For more information, see [Section 10: Data sources and quality](#).

In England and Wales, the proportion of privately rented properties revisited in September 2023 where prices had risen since the last visit was highest for flats and maisonettes (72% and 44%, respectively) and lowest for detached houses (52% and 34%, respectively).

For all property types in England and Wales, the proportion of properties where prices had risen was higher for those revisited in September 2023 than a year earlier.

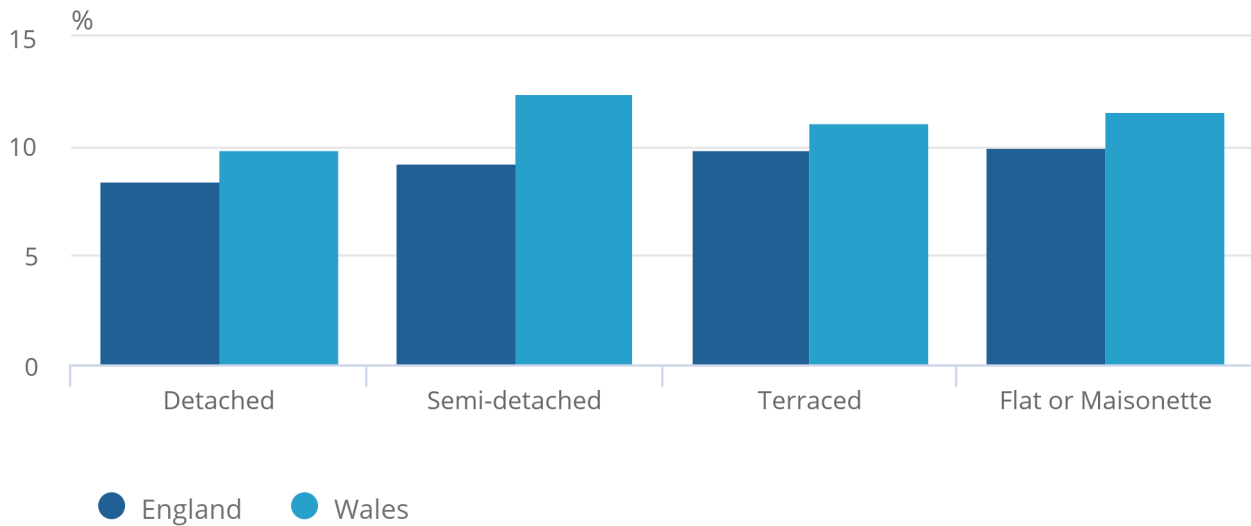
As reported in our [Index of Private Housing Rental Prices bulletin](#), private rental prices in London account for almost a third of UK rental expenditure. Additionally, privately rented flats and maisonettes in London account for almost a quarter of all England rental expenditure. This means that estimates for England are heavily influenced by London flats and maisonettes.

**Figure 4: Where prices had risen, the average rental price percentage increase was highest for Wales semi-detached houses**

Average price percentage increase (where prices had risen since last visit) of privately rented properties revisited in September 2023, by property type, England and Wales

Figure 4: Where prices had risen, the average rental price percentage increase was highest for Wales semi-detached houses

Average price percentage increase (where prices had risen since last visit) of privately rented properties revisited in September 2023, by property type, England and Wales



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

Notes:

1. Data collection differs across the UK. For more information, see [Section 10: Data sources and quality](#).

For privately rented properties revisited in September 2023 where prices had risen, the average rental price percentage increase was highest in England for flats and maisonettes (10.0%) and highest in Wales for semi-detached houses (12.4%).

In both England and Wales, the average price increase was lowest for detached houses.



## 5 . English region analysis

In London, prices had risen for just over three-quarters (77%) of privately rented properties revisited in September 2023. This was the highest of all English regions and above the England average (63%). This was up from September 2022, when prices had risen for 58% of properties in London and for 53% in England.

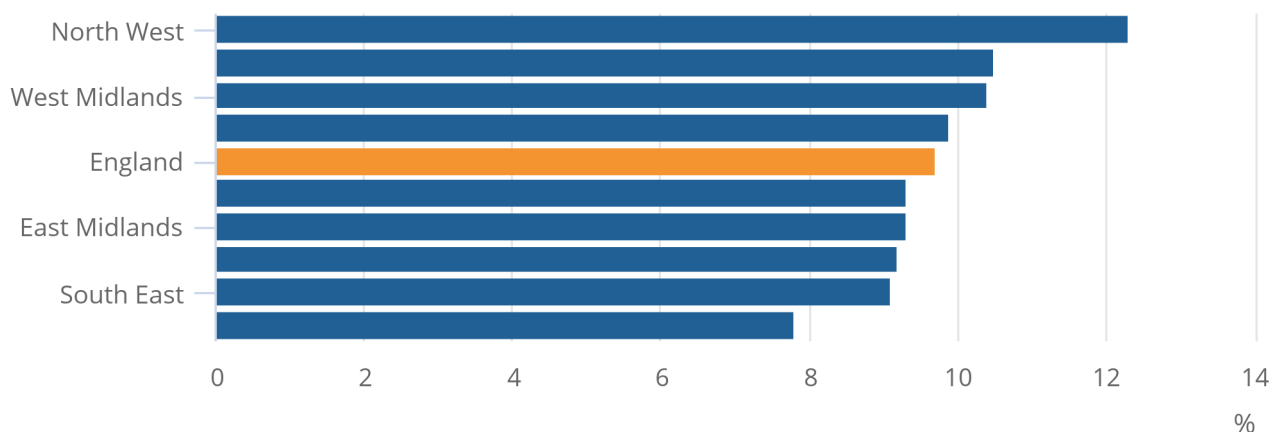
In the North West, prices had risen since the last visit for just over two-fifths (41%) of privately rented properties revisited in September 2023, the lowest of all regions. However, this was up from September 2022, when prices had risen for 36% of properties. In September 2022, the proportion of properties where prices had risen was lowest in the North East (30%).

### Figure 5: The average rental price percentage increase was highest in the North West

Average price percentage increase since last visit, where prices had risen, of privately rented properties revisited in September 2023, English regions

#### Figure 5: The average rental price percentage increase was highest in the North West

Average price percentage increase since last visit, where prices had risen, of privately rented properties revisited in September 2023, English regions



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

Of privately rented properties revisited in September 2023 where prices had risen, the average price percentage increase was highest in the North West (12.3%) and lowest in the South West (7.8%). This compares with England's average price percentage increase of 9.7% for properties revisited in September 2023 where prices had risen since last visit.

In comparison, of privately rented properties revisited in September 2022 where prices had risen since last visit, the average percentage price increase was 12.1% in the North West. This was the highest of all regions and above the England average percentage price increase of 8.4%. For the same period, West Midlands was the region with the lowest average percentage price increase, at 7.3%.

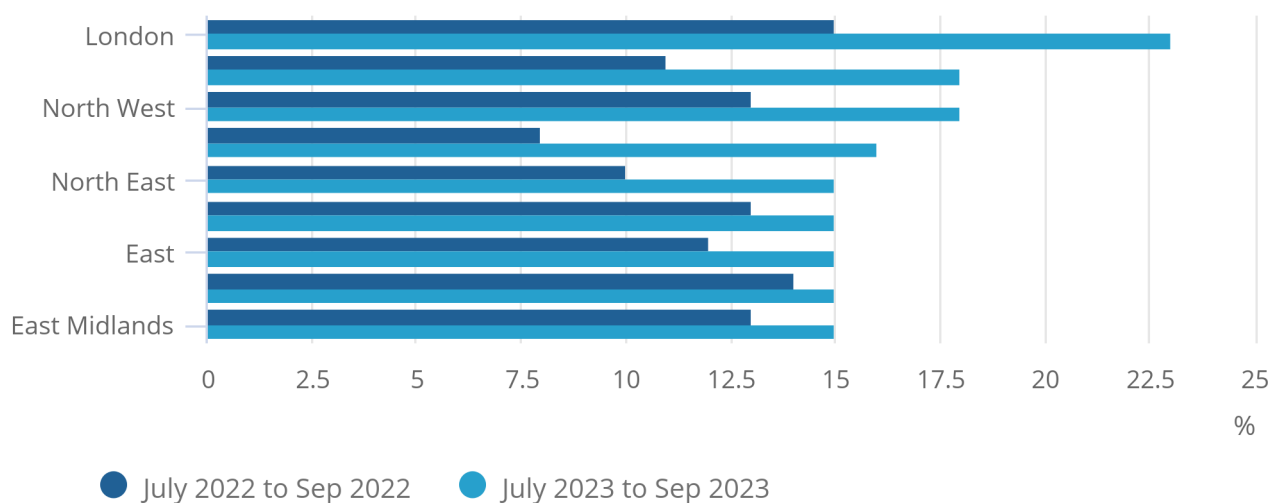
In summary, although the proportion of properties revisited in September 2023 where prices had risen was lowest in the North West (41%), the average rental price percentage increase was highest in the North West (12.3%). This means that although tenants in the North West are less likely to have faced a recent price increase than in other English regions, when tenants did experience a price increase, the increase was more likely to be larger in the North West than in any other English region, on average.

**Figure 6: Tenants in all English regions are more likely to have experienced a price rise of 10% or more than compared with a year ago**

Proportion of revisited privately rented properties where prices had risen by 10% or more since the last visit, English regions, three-month average, July 2022 to September 2022 against July 2023 to September 2023

Figure 6: Tenants in all English regions are more likely to have experienced a price rise of 10% or more than compared with a year ago

Proportion of revisited privately rented properties where prices had risen by 10% or more since the last visit, English regions, three-month average, July 2022 to September 2022 against July 2023 to September 2023



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

Notes:

1. A three-month average of July to September data has been used because of low data volumes.

Prices had risen by 10% or more for almost one-quarter of privately rented properties in London revisited between July 2023 and September 2023. This was higher than the proportion of London properties revisited between July 2022 and September 2022 where prices had risen by 10% or more.

For all English regions, the proportion of privately rented properties where prices had risen by 10% or more was higher for properties revisited between July 2023 and September 2023 than for properties revisited between July 2022 and September 2022. This means that tenants in all English regions are more likely to have experienced a price rise of 10% or more than compared with a year ago.

## 6 . English region by property type analysis

Of all property types, the proportion of privately rented properties revisited between July 2023 and September 2023 where prices had risen since the last visit was highest for flats and maisonettes in six English regions (the North West, Yorkshire and The Humber, West Midlands, East of England, London and the South East). In these regions, tenants were more likely to have experienced a recent price increase if they were privately renting a flat or maisonette than any other property type.

Of all property types, for privately rented properties revisited between July 2023 and September 2023 where prices had risen, the average rental price percentage increase was highest for flats and maisonettes in seven English regions (the North East, East Midlands, West Midlands, East of England, London, the South East and the South West). In these regions, tenants were more likely to have experienced a larger price percentage increase if they were privately renting a flat or maisonette than any other property type.

The average price percentage increase was highest for terraced houses in the North West and Yorkshire and The Humber.

## 7 . English combined areas analysis

This section presents analysis on five “combined areas” within England (a mixture of [combined authorities](#) and [counties](#)), as described in [Section 2: Background and methodology](#). The five combined areas consist of:

- Greater Manchester combined authority
- West Midlands combined authority
- West Yorkshire combined authority and South Yorkshire combined authority, pooled together
- Hampshire county
- Hertfordshire county and Essex county, pooled together

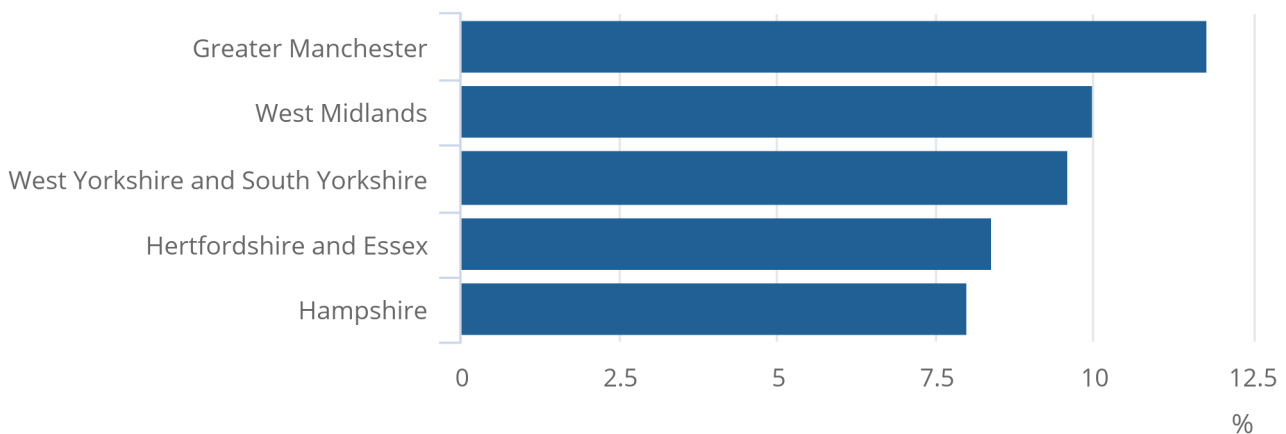
The proportion of privately rented properties revisited between July 2023 and September 2023, where prices had risen, was highest for the Hertfordshire and Essex combined area (69%), while it was lowest for Greater Manchester (56%).

**Figure 7: Of the five combined areas, the average rental price percentage increase was highest in Greater Manchester**

Average price percentage increase since last visit, where prices had risen, of privately rented properties revisited between July 2023 and September 2023, three-month average, English combined areas

Figure 7: Of the five combined areas, the average rental price percentage increase was highest in Greater Manchester

Average price percentage increase since last visit, where prices had risen, of privately rented properties revisited between July 2023 and September 2023, three-month average, English combined areas



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

Notes:

1. A three-month average of July 2023 to September 2023 data has been used because of low data volumes.
2. Since IPHRP weights are not available below region level, these sub-region level estimates are not weighted and users are advised to treat estimates as indicative only.

Where prices had risen since last visit, the average price percentage increase for properties revisited between July 2023 and September 2023 was highest in Greater Manchester (11.8%) of all five English combined areas, and lowest in Hampshire (8.0%).

For properties revisited between July 2023 and September 2023, although Greater Manchester was the combined area with the highest average rental price percentage increase, Greater Manchester had the lowest proportion of properties where prices had risen for the same period. This means that although tenants in Greater Manchester are less likely to have faced a recent rental price increase than tenants in the other combined areas, when tenants did face a price increase, the increase was likely to be larger in Greater Manchester than in the other combined areas, on average.

## 8 . Private rental sector behaviour data

[Private rental sector behaviour, England and Wales](#)

Dataset | Released 3 November 2023

Proportion of revisited privately rented properties where prices had risen since last visit and average rental price percentage increase in England and Wales.

## 9 . 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

The Index of Private Housing Rental Prices (IPHRP) measures the change in the price that tenants face when renting residential property from private landlords.

## 10 . Data sources and quality

## Sources

This article uses administrative rental price data collected by the Valuation Office Agency and Welsh Government. 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 affect IPHRP and CPIH measures.

Data collection approaches differ across UK countries. In England and Wales, rent officers collect achieved rental price data from privately rented properties on an ongoing basis. In Northern Ireland, rental price data are based on advertised, rather than achieved, rents. In Scotland, rental price data are predominantly based on advertised rents, and a minority on achieved rents. Users are advised to bear this in mind when interpreting estimates for different UK countries.

This analysis is based on properties where rental price data have been collected twice for a particular property within 14 months of the initial data collection. In this analysis, these properties are referred to as having been "revisited". The median time for a property to be "revisited" was 12 months in England and 9 months in Wales.

Rental price changes of these "revisited" properties, therefore, reflect true price changes for real individual rented 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 data collection and the validity period used in IPHRP is available in our [Index of Private Housing Rental Prices Quality and Methodology Information \(QMI\) report](#).

## 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. IPHRP estimates are weighted to account for differences in regional privately rented dwelling stock, furnished status, and property type.

In this analysis, [IPHRP's published weights](#) have been applied at the level of English region and Wales, by property type. This helps to account for differences in regional privately rented dwelling stock and property type distributions, and produce estimates that reflect the private rental sector.

This analysis is experimental, and methods are being improved with each edition. Therefore, estimates published with the latest edition supersede estimates output from previous editions.

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](#).

## 11 . Related links

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

Bulletin | Released 18 October 2023

An experimental price index tracking the prices paid for renting property from private landlords in the UK.

### [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: 2022](#)

Bulletin | Released 23 October 2023

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.

### [Implementation of private rental price controls in the UK](#)

Article | Meeting held 7 July 2023

Technical paper outlining the potential impact of rental control implementation in Scotland on owner occupiers' housing cost measures and the Office for National Statistics' (ONS's) Index of Private Housing Rental Prices, including a review and impact analysis of potential methodology changes. Presented and discussed at the Technical Advisory Panel on Consumer Price Statistics meeting on 7 July 2023.

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

Bulletin | Released 18 October 2023

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

## 12 . Cite this article

Office for National Statistics (ONS), released 3 November 2023, ONS website, article, [Changes in private rental sector behaviour, England and Wales: February 2022 to September 2023](#)