

Statistical bulletin

Household Costs Indices for UK household groups: July 2024 to September 2024

Household Costs Indices, 12-month growth rates, expenditure shares and contributions for UK household groups and all-households.

Contact:
Consumer Price Inflation (CPI)
team
cpi@ons.gov.uk
+44 1633 456900

Release date:
28 November 2024

Next release:
27 February 2025

Table of contents

1. [Main points](#)
2. [Overview of the Household Costs Indices inflation rates](#)
3. [Household Costs Indices by tenure type](#)
4. [Household Costs Indices across the household groups](#)
5. [Data for Household Costs Indices](#)
6. [Glossary](#)
7. [Data sources and quality](#)
8. [Strengths and limitations](#)
9. [Related links](#)
10. [Cite this statistical bulletin](#)

1 . Main points

- Overall, UK household costs, as measured by the Household Costs Index (HCI), rose 2.0% in the year to September 2024, slowing from the annual rate of 2.5% in June 2024.
- The all-households inflation rate has followed the fifth income decile most closely; costs for these households rose 1.8% in the year to September 2024, compared with rises of 2.5% for high-income households (decile 9) and 1.4% for low-income households (decile 2).
- By tenure type, private renter households had the highest annual inflation rate of 3.0% in the year to September 2024, reflecting rising private rental payments; followed closely by mortgagor and other owner occupiers with a 2.6% inflation rate, in the year to September 2024.
- Outright owner occupiers experienced the lowest annual inflation rate by tenure type at 1.0% in the year to September 2024; social and other renters had the next lowest at 1.9%.
- Non-retired households continued to experience a higher annual rate of inflation (2.3%) in the year to September 2024 than retired households (1.1%).
- The annual inflation rate for households with children fell to 2.2% and the rate for households without children fell to 1.8%, in the year to September 2024.

These are [official statistics in development](#), and we advise caution when using these data, as estimates may be revised because of methodological improvements. Priorities for development are discussed with our advisory panels. For more information, see [Section 7: Data sources and quality](#).

2 . Overview of the Household Costs Indices inflation rates

The Household Costs Indices (HCIs) complement the Consumer Prices Index including owner occupiers' housing costs (CPIH) and the Consumer Prices Index (CPI), and show how the prices of goods and services consumed by households in the UK change over time. They do this by providing insight into the inflationary experience of different household groups.

Consumer price statistics measure the change in price of a "fixed basket" of goods and services, as described in our [2017 guide to CPI](#). For the HCIs, the weight of each component in a household group's "fixed basket" is based on the average household's share of expenditure ("democratic" weights). By contrast, the CPIH and CPI baskets reflect the total share of expenditure across all households in the UK ("plutocratic" weights).

The HCIs also include changes in mortgage interest rates, stamp duty and other costs related to the purchase of a dwelling. These are omitted from CPI and estimated using equivalent rental prices in CPIH, reflecting its different use case (see our [Measuring changing prices and costs for consumers and households article](#)). Further differences are described in our [Household Costs Indices for UK household groups quality and methodology information \(QMI\)](#).

HCIs annual inflation rates for the most recent three months are presented in Table 1.

Table 1: Household Costs Indices (HCIs) annual inflation rates UK, September 2023 and July to September 2024

Category	Sept-23	Jul-24	Aug-24	Sept-24
All Households	8.4	2.7	2.4	2.0
Income Decile 2	8.3	2.1	1.8	1.4
Income Decile 3	8.4	2.4	2.1	1.7
Income Decile 4	8.2	2.3	2.1	1.7
Income Decile 5	8.3	2.5	2.2	1.8
Income Decile 6	8.4	2.6	2.3	1.9
Income Decile 7	8.3	2.8	2.5	2.0
Income Decile 8	8.4	3.0	2.6	2.2
Income Decile 9	8.5	3.3	2.9	2.5
Mortgagor and other owner occupier	9.9	3.6	3.1	2.6
Outright owner occupier	7.5	1.6	1.4	1.0
Private renter	7.2	3.4	3.3	3.0
Social and other renter	8.8	2.3	2.1	1.9
Non-Retired	8.6	3.0	2.7	2.3
Retired	7.9	1.7	1.4	1.1
With children	8.7	3.0	2.7	2.2
Without Children	8.3	2.5	2.2	1.8

Source: Household Costs Indices from the Office for National Statistics

Notes

1. The first- and tenth-income deciles are not included here as the composition of these groups can be unusual and may therefore be influenced by unrepresentative expenditures.

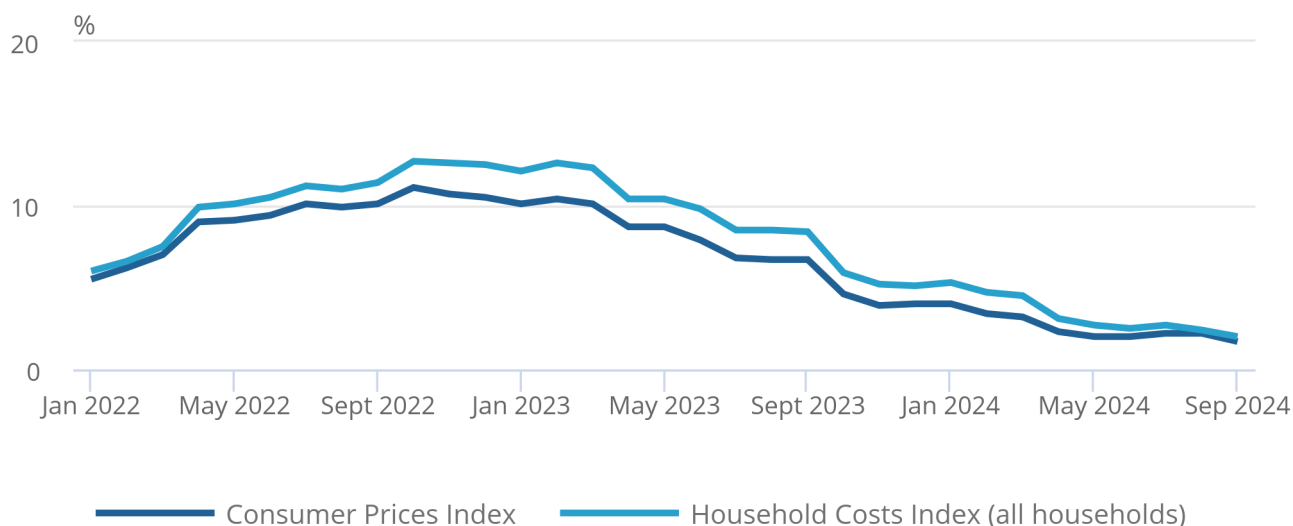
In the most recent month, September 2024, the all-households HCI annual rate was 2.0%, compared with a September CPI annual inflation rate of 1.7% (Figure 1).

Figure 1: Household costs rose by 2.0% in the 12 months to September 2024

Household Costs Index (HCI) and Consumer Prices Index (CPI) annual inflation rates for all households, UK, January 2022 to September 2024

Figure 1: Household costs rose by 2.0% in the 12 months to September 2024

Household Costs Index (HCI) and Consumer Prices Index (CPI) annual inflation rates for all households, UK, January 2022 to September 2024



Source: Household Costs Indices and the Consumer Prices Index from the Office for National Statistics

The overall Household Costs Index (HCI) annual growth rate decreased from 2.5% in June 2024 to 2.0% in September 2024. The decline was largely because of a decreased growth in transport costs. As a result, the contributions to the all-households HCI from this category dropped by 0.4 percentage points, between June 2024 and September 2024.

Figure 2 shows the contributors to differences in the annual inflation rates for CPI and the all-households HCI over the period January 2022 to September 2024. In the most recent three months, the largest difference came from housing and household services, which when compared with CPI, contributed 1.1 percentage points more to the all-households HCI annual rate in September 2024. This difference mostly reflects the inclusion of owner occupiers' housing costs in the HCIs.

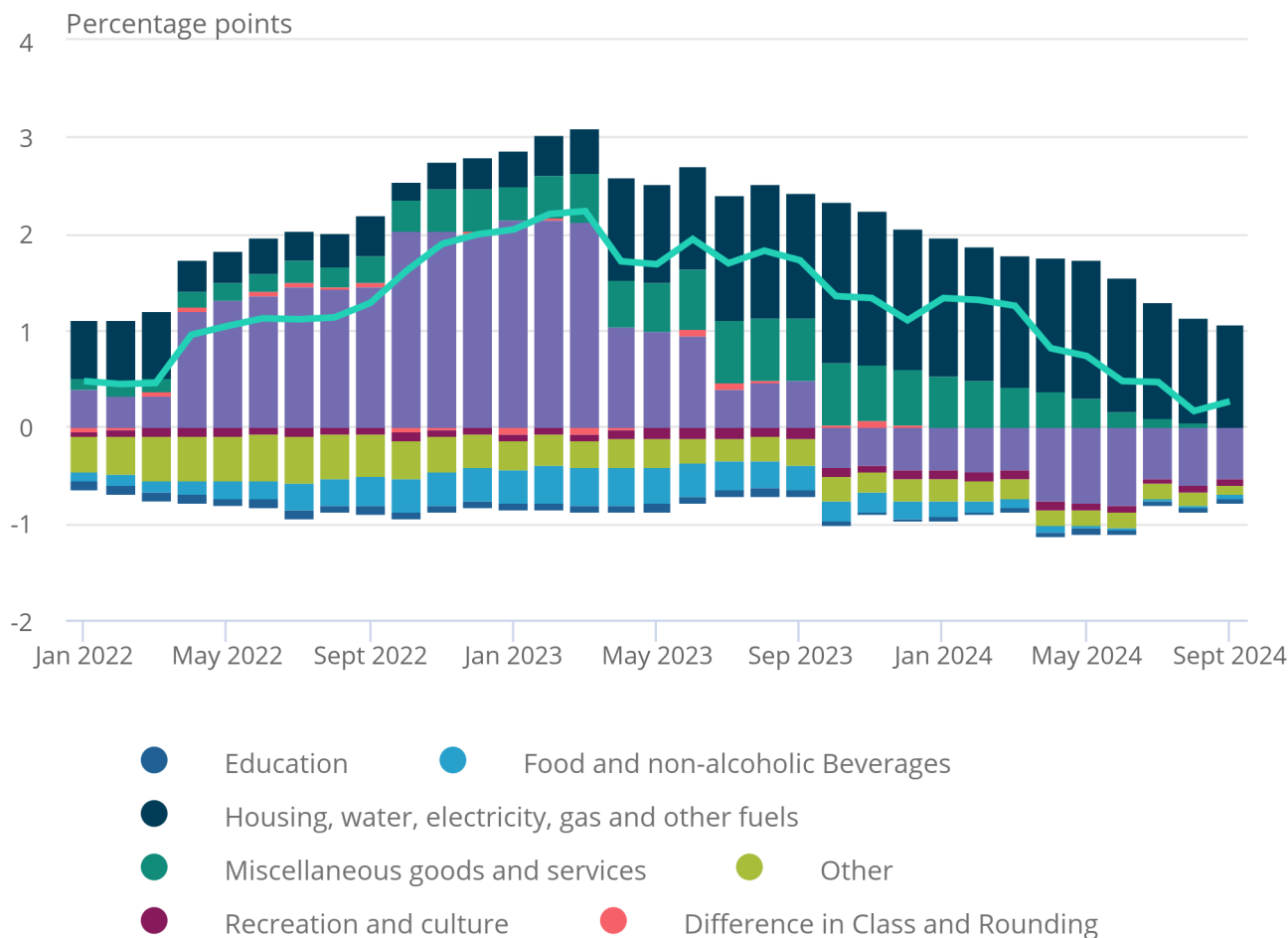
However, the use of democratic weights partially offset this increase, lowering the all-households HCI by 0.5 percentage points relative to CPI in September 2024. This is primarily because the democratic approach gives more weight to falling gas, electricity, and other fuel prices.

Figure 2: Housing was the largest difference between the HCI and CPI in September 2024

Contributions to the difference in annual inflation rates, all-households Household Costs Index (HCI) less Consumer Prices Index (CPI), UK, January 2022 to September 2024

Figure 2: Housing was the largest difference between the HCI and CPI in September 2024

Contributions to the difference in annual inflation rates, all-households Household Costs Index (HCI) less Consumer Prices Index (CPI), UK, January 2022 to September 2024



Source: Household Costs Indices and the Consumer Prices Index from the Office for National Statistics

Notes:

- Contributions to the difference may not sum to the difference between CPI and all-households HCI annual inflation rates because of rounding.
- Differences because of classification and rounding arise from the use of unrounded weights for HCIs compared with rounded weights for CPI, and price uprating at the class level for HCIs compared with subclass for CPI.
- Differences because of weighting refers to the use of democratic weights, compared with plutocratic weights for CPI.
- Differences because of classification and rounding in January 2024 to September 2024 are not currently available because of data availability (for more information please see [Section 7: Data sources and quality](#)).

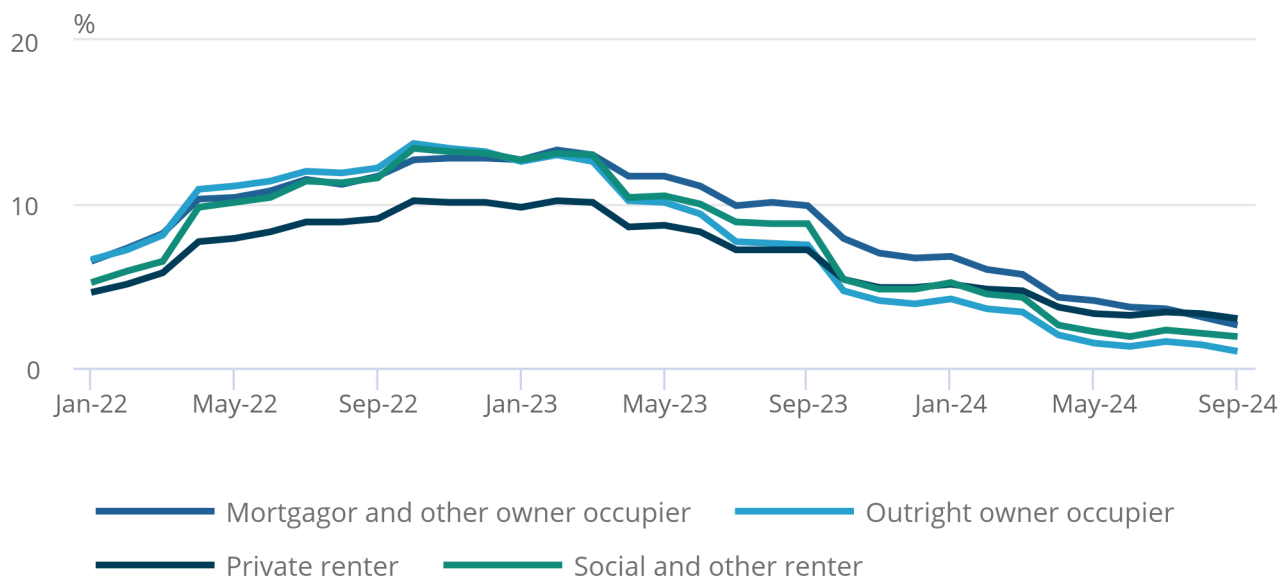
3 . Household Costs Indices by tenure type

Figure 3: Private rental and mortgagor households experienced the highest inflation in the 12 months to September 2024

Household Costs Indices (HCIs) annual inflation rates by tenure type, UK, January 2022 to September 2024

Figure 3: Private rental and mortgagor households experienced the highest inflation in the 12 months to September 2024

Household Costs Indices (HCIs) annual inflation rates by tenure type, UK, January 2022 to September 2024



Source: Household Costs Indices from the Office for National Statistics

Notes:

1. The methodology for calculating changes in private rental prices was updated in February 2024; for more information, please refer to [Section 7: Data sources and quality](#).

Figure 3 shows the differences in the annual inflation rates for the different tenure groups over the period January 2022 to September 2024. In the most recent three months, outright owner-occupier households have experienced the lowest inflation rate, with their annual rate being 1.0% in the year to September 2024, followed by social renters seeing 1.9%, in the year to September 2024.

In comparison, private renters had the highest inflation rate in the most recent three months, with inflation being 3.0% in the year to September 2024, followed by mortgagor households with 2.6%.

This was primarily a result of housing costs. Private rental costs contributed 2.2 percentage points to the annual rate for private renter households. Similarly, mortgage interest payments contributed 1.4 percentage points to the annual rate for mortgagor households.

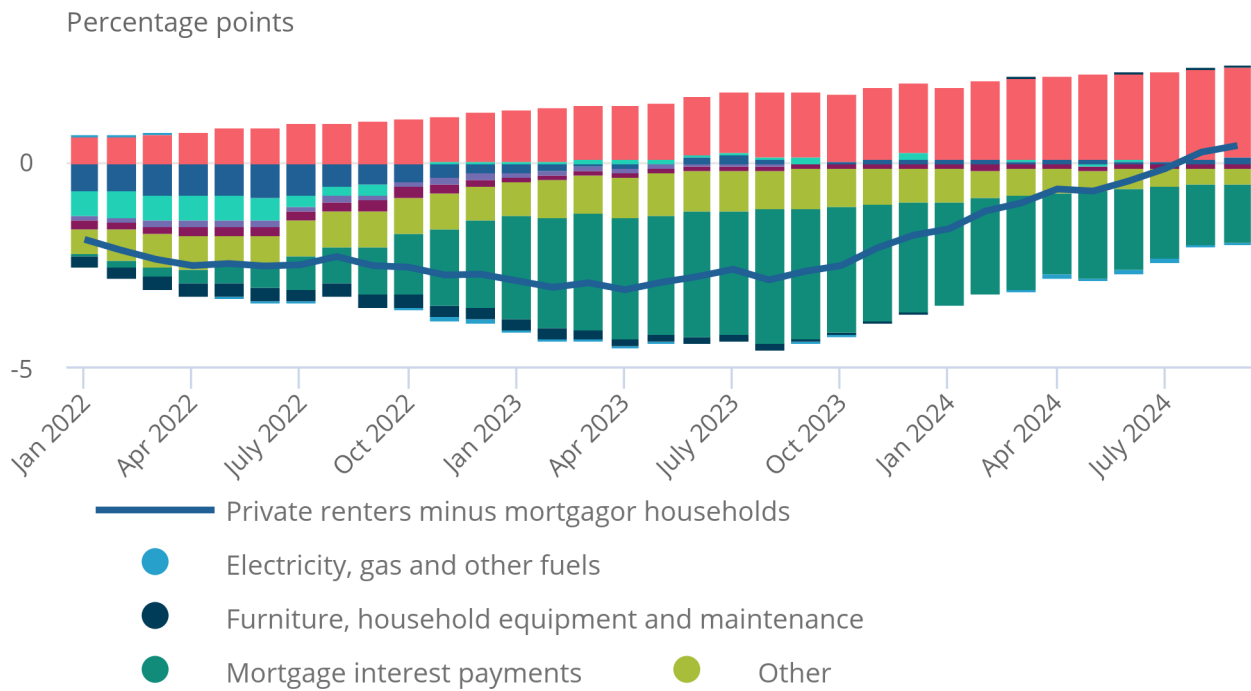
However, different outcomes are seen when looking at household costs over a longer period of time. Over the past five years, private renters have faced the lowest cumulative Household Costs Index (HCI) inflation rate at 24.4%, followed by outright owners at 25.9%, social renters at 27.5%, and mortgagor households at 29.7%.

Figure 4: Rental and mortgage interest payments contributed to higher inflation for private renter and mortgagor households, respectively, in September 2024

Contributions to the difference between the Household Costs Indices (HCI) annual rate, private renter households minus mortgagor households, UK, January 2022 to September 2024

Figure 4: Rental and mortgage interest payments contributed to higher inflation for private renter and mortgagor households, respectively, in September 2024

Contributions to the difference between the Household Costs Indices (HCI) annual rate, private renter households minus mortgagor households, UK, January 2022 to September 2024



Source: Household Costs Indices from the Office for National Statistics

Notes:

- Contributions to the difference between subgroups may not sum to the difference because of rounding.
- The "Other" category contains all the remaining divisions measured in the Household Costs Indices that are not explicitly listed as a category in this graph.

Differences between groups are influenced by the interaction between price movements and expenditure weights. Differences in spending patterns mean that, if a particular group of households spends more on a product with a relatively high inflation rate, they will experience a greater increase in costs relative to other households. Figure 4 shows which spending categories contributed to higher household cost inflation for mortgagor and private renter households between January 2022 and September 2024.

4 . Household Costs Indices across the household groups

There is substantial variation across household groups in how much they spend on housing costs and energy. This has led to different inflation rates across different groups of households. In the year to September 2024, the Household Costs Indices (HCIs) inflation rate for all households was 2.0%. However, private renters experienced the highest rate at 3.0%, followed by mortgagors at 2.6% and high-income households (decile 9) at 2.5%.

Higher inflation for high income households (decile 9) was a result of higher contributions from mortgage interest payments, 0.6 percentage points more than low-income households (decile 2). Falling gas, electricity and other fuel prices reduced the annual inflation rate more for low-income households, by minus 1.6 percentage points, compared with minus 0.9 for high-income households. This resulted in an annual inflation rate of 2.5% for high-income households compared with 1.4% for low-income households (Figure 5).

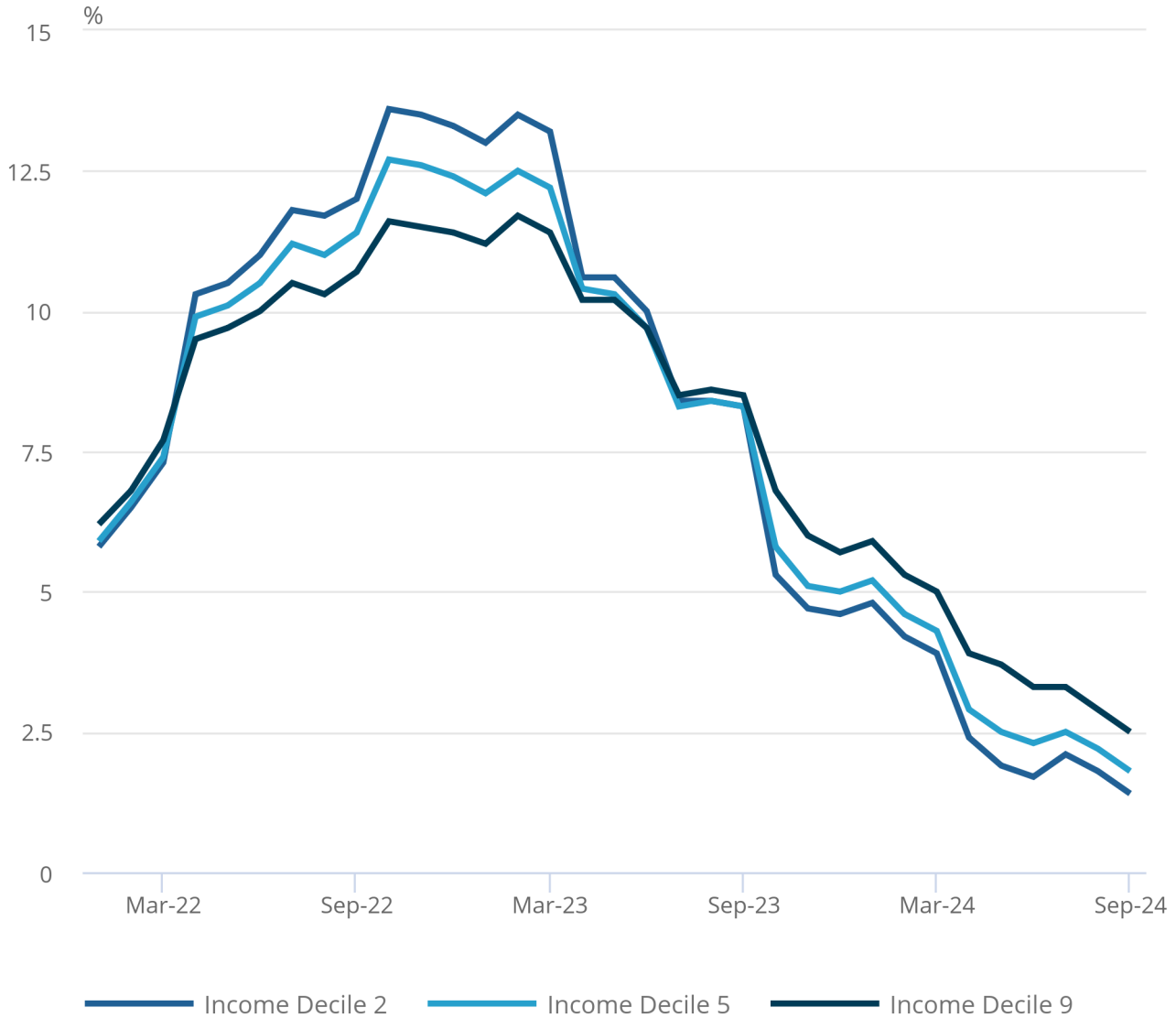
Likewise, in the year to September 2024, households who spent a higher proportion of their basket on mortgage interest payments saw higher annual Household Costs Inflation rates than those who spent a greater proportion on household energy bills. As a result, higher annual inflation rates were experienced by non-retired households (2.3%) and those with children (2.2%), while retired households (1.1%) and households without children (1.8%), experienced lower rates of inflation (Table 1).

Figure 5: High-income households experienced higher inflation than lower income groups in September 2024

Household Costs Indices (HCI) annual inflation rates, by income decile, UK, January 2022 to September 2024

Figure 5: High-income households experienced higher inflation than lower income groups in September 2024

Household Costs Indices (HCI) annual inflation rates, by income decile, UK, January 2022 to September 2024



Source: Household Costs Indices from the Office for National Statistics

Notes:

1. The second and ninth deciles are used to represent low- and high-income households rather than the first- and tenth-income deciles, as the composition of these groups can be unusual and may therefore be influenced by unrepresentative expenditures.

5 . Data for Household Costs Indices

[Household Costs Indices for UK household groups. reference tables](#)

Dataset | Released 28 November 2024

Household Costs Indices inflation rates, indices, weights and contributions for income deciles, tenure types, retirement status and households with and without children.

6 . Glossary

Equivalised

Equivalisation is the process of accounting for the fact that households with many members are likely to need a higher income to achieve the same standard of living as households with fewer members. It considers the number of people living in the household and their ages, recognising that a two-person household is unlikely to need double the income of a single person household. This analysis uses the [modified Organisation for Economic Co-operation and Development \(OECD\) equivalisation scale \(PDF, 165KB\)](#).

Disposable income

Disposable income is that which is available for consumption and is equal to all income from wages and salaries, self-employment, private pensions and investments, plus cash benefits less direct taxes.

Households are grouped into deciles (or tenths) based on their equivalised disposable income, with decile 10 being households with the highest equivalised disposable income and decile 1 the lowest equivalised disposable income. The second and ninth deciles are more stable, so users may wish to consider these in their analysis.

Expenditure deciles

Households are grouped into deciles (or tenths) based on their equivalised expenditure. The highest-expenditure decile (decile 10) is the 10% of households with the highest equivalised expenditure. Similarly, the lowest expenditure decile (decile 1) is the 10% of households with the lowest equivalised expenditure.

Households with children

A child is defined as any person aged under 16 years. For the purposes of the family spending report, people who are aged under 18 years and unmarried are also classed as children. A household is classified as a household with children if at least one member of the household is a child.

Owner-occupier households

Outright owner-occupier households are defined as any household in which the residents own the property outright and use it as their primary or non-primary residence.

Mortgagor and other owner-occupier households are defined as any household that is buying their primary or non-primary residence property with a mortgage, or own part of the property (for example, paying both rent and mortgage).

Renter households

Private renter households are defined as any household that rents their property from a private sector landlord. It excludes households who live in their property rent free.

Social and other renter households are defined as any household that rents their property from a council or a registered social landlord or lives in their property rent free.

Retired persons and households

A retired person is defined as anyone who describes themselves in the Living Costs and Food Survey (LCF) as "retired" or anyone over minimum National Insurance pension age describing themselves as "unoccupied" or "sick or injured but not intending to seek work". A retired household is defined as one where the combined income of retired members amounts to at least half the total gross income of the household.

7 . Data sources and quality

Further data improvements

It has not been possible to update the weights for 2024 in line with the standard methodology for consumer prices. This is because of delays in processing the underlying survey data and the need for further ongoing quality assurance. Instead, the most recent estimates have been compiled using the weights for February to December 2023. We aim to update the weights in Quarter 2 (April to June) 2025.

In August 2024, new household-level variables were added to improve Household Costs Index (HCI) expenditure weights. These include non-mortgage interest payments, including imputed overdraft interest, and updated stamp duty data. These updates eliminate proxy methods for interest payments on debt category (12.6.9) up to February 2014 and stamp duty category (04.2.2) for 2022 to 2023. With the introduction of this new variable, only household-level distributions for interest payments on unsecured loans are not captured in the household-level dataset. We aim to include calculations for interest payments on unsecured loans in due course.

The weights calculation for the Household Costs Indices (HCIs), was also updated. This includes using more recent Living Costs and Food Survey (LCF) datasets and incorporating revised price uprating factors for the "Other owner occupier housing (OOH) payments (4.2c)" series (as described in the correction notice in "[Household Costs Indices for UK household groups: January 2022 to September 2023](#)"). These changes have led to revised HCI weights distributions across all household groups. These enhancements improve data quality and accuracy.

In line with the Consumer Prices Index including owner occupiers' housing costs (CPIH) and Consumer Prices Index (CPI), we have introduced improved private rental and second-hand cars indices in February 2024 (as described in our [Impact analysis on transformation of UK consumer price statistics: private rents and second-hand cars, December 2023 article](#)).

Households and the cost of living

To help people understand how the rise in inflation affects their expenditure, we have produced a [Personal inflation calculator](#). The calculator allows users to enter the amount they spend to produce an estimate of their personal inflation based on those spending patterns.

Our [Shopping prices comparison tool](#) shows how the average prices of items have changed over time.

Quality

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in our [Household Costs Indices for UK household groups quality and methodology information \(QMI\)](#).

8 . Strengths and limitations

Household prices

Data constraints make the estimation of inflation rates for different household groups challenging in practice. In particular, an analysis of household-group-specific inflation rates would ideally use price indices specific to each household group, as we do for expenditure weights. This would reflect the fact that different households will purchase goods and services from different outlets and therefore face different prices.

However, such data are not available and we have used national price indices as an approximation. There are also challenges that arise from the data sources that we have available for us to calculate the expenditure shares. These limitations do not impede the validity of the chosen methodology and its robustness. For more information, please see our [Methodology to calculate CPIH-consistent inflation rates for UK household groups](#).

9 . Related links

[Consumer price inflation, UK: October 2024](#)

Bulletin | Released 20 November 2024

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

[Private rents and house prices, UK: November 2024](#)

Bulletin | Released 20 November 2024

Price Index of Private Rents (PIPR) measures private rent inflation for new and existing tenancies. UK House Price Index measures house price inflation.

[Role of owner occupiers' housing costs in the Household Cost Indices, UK: 2023](#)

Article | Released 26 February 2024

The impact of higher mortgage interest rates on household costs, on average and by different household subgroup.

[Average household income, UK: financial year ending 2023](#)

Bulletin | Released 24 September 2024

Final estimates of average household income in the UK, with analysis of how these measures have changed over time, accounting for inflation and household composition.

[Shopping prices comparison tool](#)

Interactive tool | Released 3 May 2023

Search the tool to see how the average prices of hundreds of shopping items are changing.

[Personal inflation calculator](#)

Interactive tool | Released 19 June 2023

Use our inflation calculator to see how increases in the cost of living have affected you in the past year.

10 . Cite this statistical bulletin

Office for National Statistics (ONS), released 28 November 2024 ONS website, statistical bulletin, [Household Costs Indices, UK: July 2024 to September 2024](#)