

Statistical bulletin

Index of Private Housing Rental Prices, UK: March 2023

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 4.9% in the 12 months to March 2023, up from 4.8% in the 12 months to February 2023.
- Annual private rental prices increased by 4.6% in England, 4.4% in Wales and 5.1% in Scotland in the 12 months to March 2023.
- Within England, the East Midlands saw the highest annual percentage change in private rental prices in the 12 months to March 2023 (5.1%), while the South East saw the lowest (4.2%).
- London's annual percentage change in private rental prices was 4.8% in the 12 months to March 2023, above the England average and its highest annual rate since December 2012.

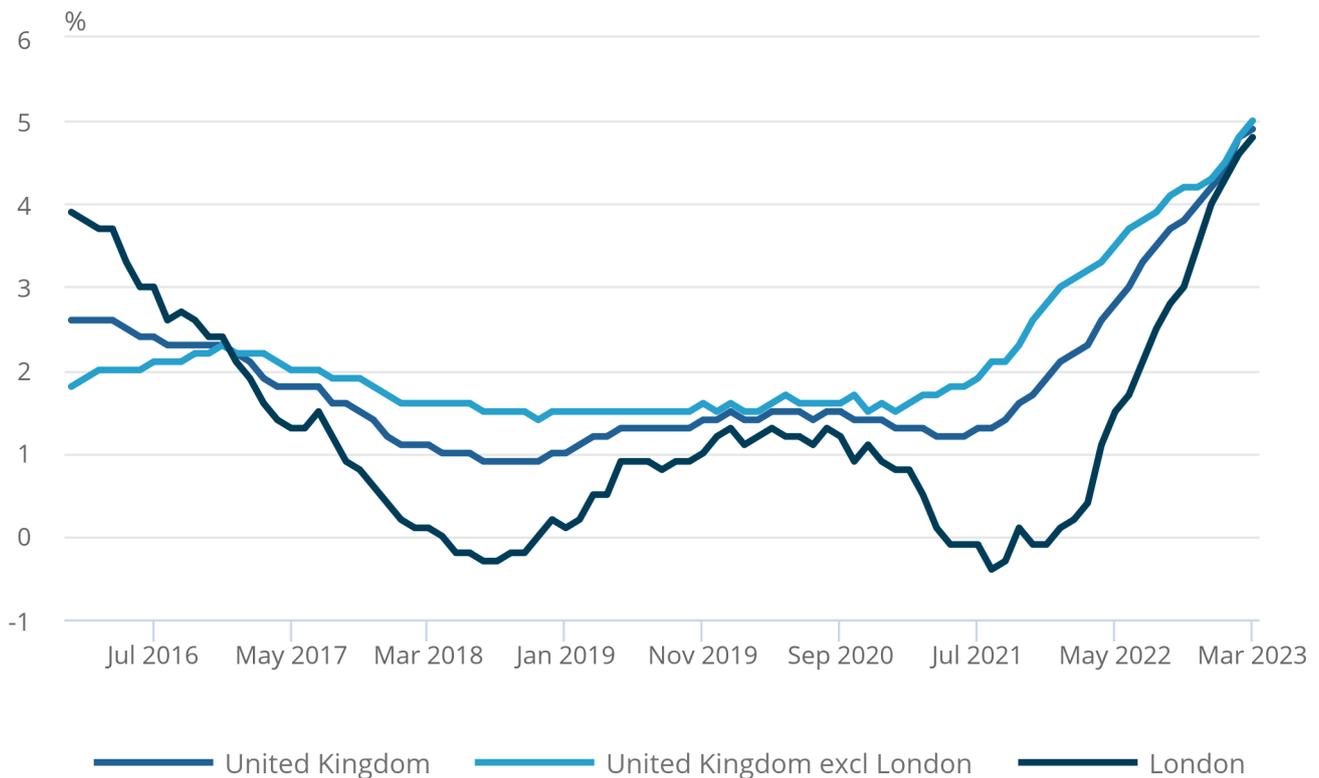
2 . UK private rental prices

Figure 1: The UK annual private rental price percentage change rose to 4.9% in the 12 months to March 2023

Index of Private Housing Rental Prices percentage change over 12 months, UK and London, January 2016 to March 2023

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Index of Private Housing Rental Prices percentage change over 12 months, UK and London, January 2016 to March 2023



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

Notes:

1. Data presented are classified as Experimental Statistics. More information is available in [Section 9: Strengths and limitations](#).

Private rental prices paid by tenants in the UK increased by 4.9% in the 12 months to March 2023, representing the largest annual percentage change since this UK series began in January 2016.

The annual growth rate of private rental prices in the UK began to increase in the second half of 2021. Annual growth was seen across all regions except London, where prices decreased. The annual percentage change in rents increased across all regions in 2022, including in London, and this has continued in early 2023.

In the 12 months to March 2023, rental prices for the UK (excluding London) increased by 5.0%, up from an increase of 4.8% in the 12 months to February 2023. Private rental prices in London increased by 4.8% in the 12 months to March 2023, up from an increase of 4.6% in the 12 months to February 2023. This is the strongest annual percentage change in London since December 2012.

The Association of Residential Letting Agents (ARLA) state in their [March 2023 Housing Insight Report](#) that the issue of undersupply remains, with no movement seen in the number of properties available to rent. This translates to an average of 10 prospective tenants registering per available property. Most responding agents reported rents increasing month-on-month on average in March.

The Royal Institution of Chartered Surveyors (RICS) reported in their [March 2023 UK Residential Market Survey](#) that strong demand is being seen practically across the whole of the UK. At the same time, new landlord instructions remain in negative territory, as there continue to be fewer new lets available. In keeping with this imbalance in demand and supply, respondents continue to anticipate rent prices reaching higher levels. Moreover, all parts of the UK are expected to see an increase in rents during the coming 12 months.

Supply and demand pressures can take time to be reflected in the Index of Private Housing Rental Prices (IPHRP). This is because the IPHRP reflects price changes for all private rental properties, rather than only newly advertised rental properties. Our [Measuring rents: stock vs flow blog post](#) explains how we measure price change in the IPHRP.

3 . Annual UK private rental price percentage change by country

In England, private rental prices increased by 4.6% in the 12 months to March 2023. When London is excluded from England, private rental prices also increased by 4.6% in the 12 months to March 2023. These figures are both the highest annual percentage changes since these series began in January 2006.

Private rental prices in Wales increased by 4.4% in the 12 months to March 2023. This is up from an increase of 4.2% in February 2023, and is the highest annual percentage change since the Wales series began in January 2010.

Private rental prices in Scotland increased by 5.1% in the 12 months to March 2023. This is up from an increase of 4.9% in February 2023, and is the highest annual percentage change since the Scotland series began in January 2012. The [Cost of Living \(Tenant Protection\) Scotland Bill](#) capped mid-tenancy rental price increases to 0% until 31 March 2023. On 1 April 2023, this [rental price increase cap was increased to 3%](#) (and up to 6% in certain circumstances). This rental price cap only applies to in-tenancy rent increases, with no restriction on rent increases for new lets. Estimates produced for Scotland are based predominantly on advertised rental data, along with assumptions on average tenancy periods, and so do not directly reflect changes in rents for existing tenants. IPHRP has continued to report increasing annual rental price inflation for Scotland since this Bill was passed, probably reflecting increasing rental prices from new lets as they continue to feed into the Scotland IPHRP stock measure. The IPHRP methodology assumes that rental price remains constant for up to 14 months if updated rental data for that property is not available. The Cost of Living Scotland Bill could lead to an increase in the average length of time that rental price remains unchanged. If the average time between rental price changes is above the assumed 14 months, then the IPHRP will overstate the rise in rental costs in the overall market in Scotland. This is because only a small proportion of the sample is based on updated rental data from existing lets, and replacement data will be predominantly based on uncapped newly advertised rents. Users are advised to bear this in mind when interpreting the estimates for Scotland.

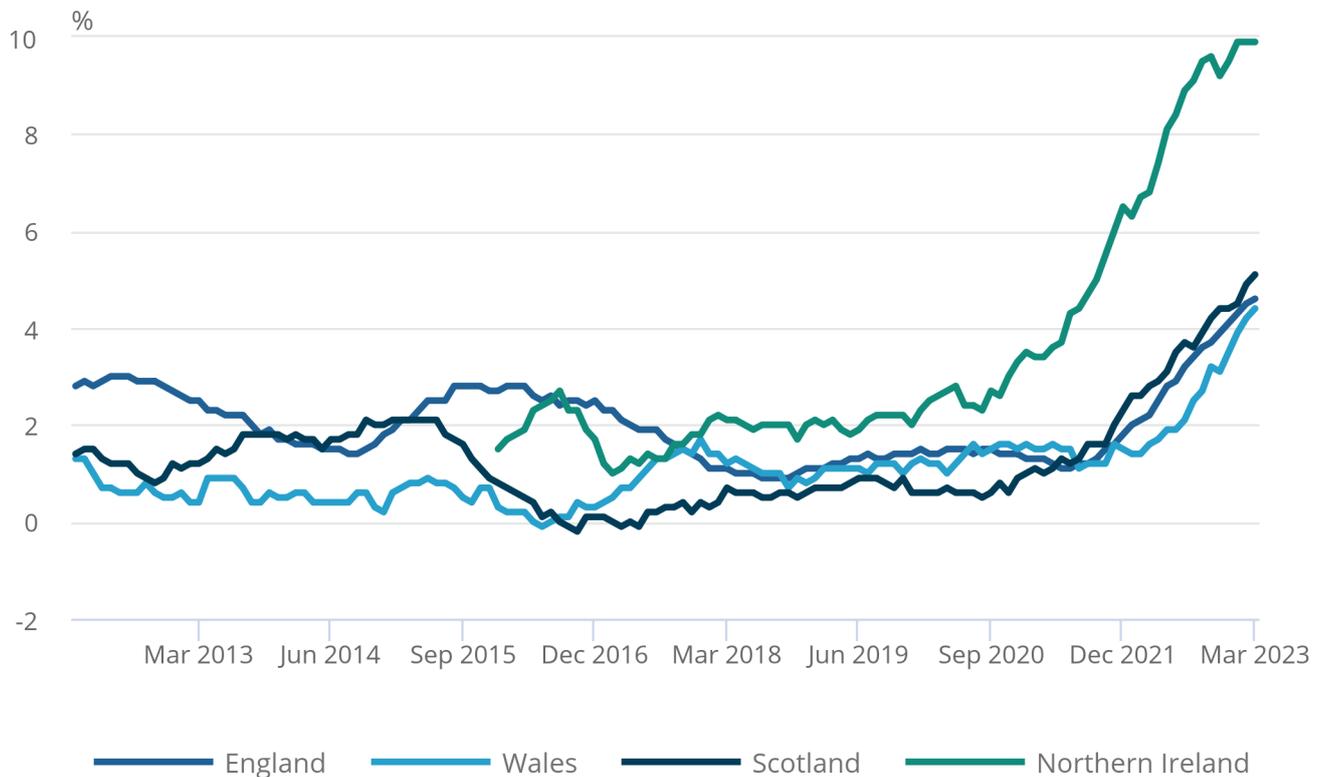
The annual percentage change for Northern Ireland in March 2023 was 9.9%. This was higher than the other countries of the UK. Northern Ireland data have been carried forward since January 2023. Northern Ireland data will be updated in our next [Index of Private Housing Rental Prices, UK bulletin](#), to be published on 24 May 2023.

Figure 2: Annual rental percentage change in Scotland continues to surpass England and Wales

Index of Private Housing Rental Prices percentage change over 12 months for countries of the UK, January 2012 to March 2023

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Index of Private Housing Rental Prices percentage change over 12 months for countries of the UK, January 2012 to March 2023



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

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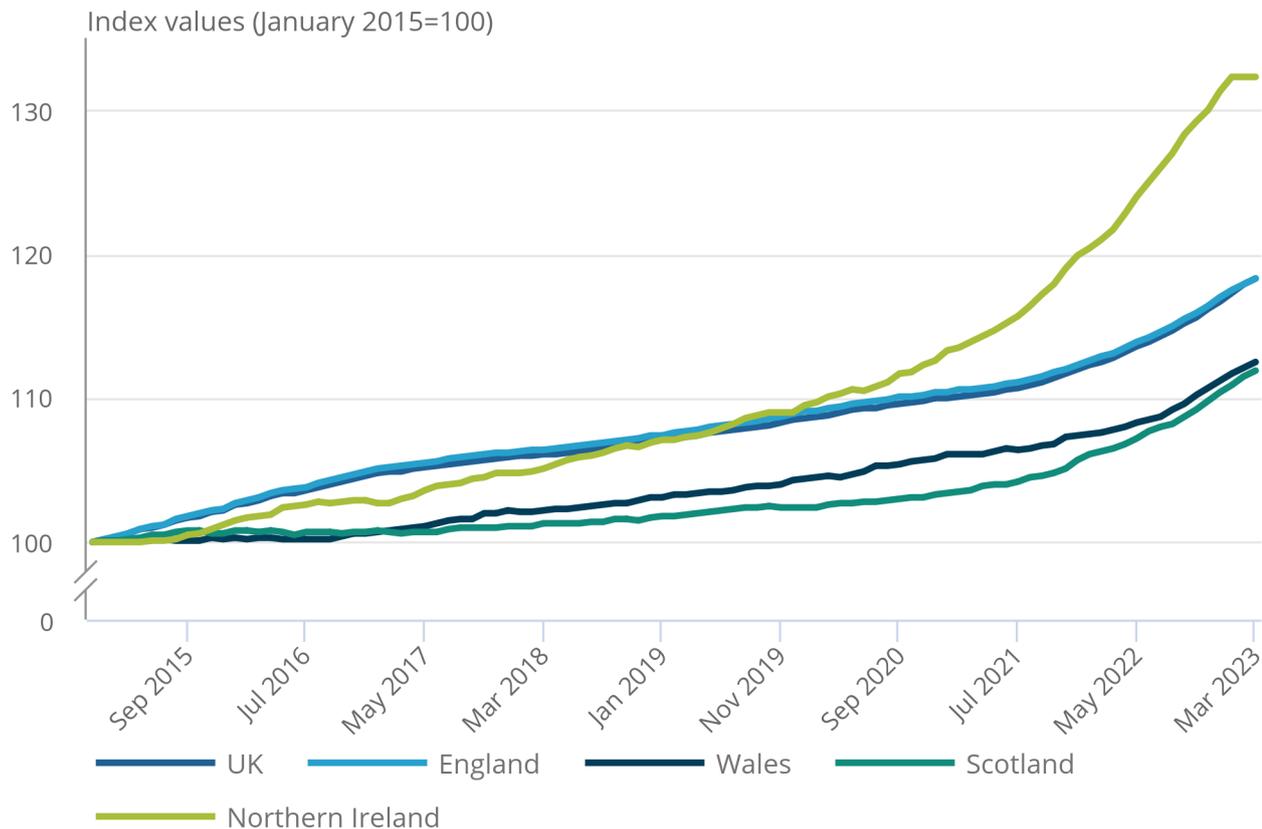
1. Data presented are classified as Experimental Statistics. More information is available in [Section 9: Strengths and limitations](#).
2. Northern Ireland data are carried forward until updated data are available for publication on 24 May 2023.
3. The [Cost of Living \(Tenant Protection\) Scotland Bill](#) passed on 6 October 2022 introduced a temporary rent cap in the private rented sector in Scotland. This cap, which applies to in-tenancy rent increases, was initially set at 0% for rent-increase notices served from 6 September 2022 until 31 March 2023. Private landlords could alternatively apply for a rent increase of up to 3% to help cover certain increases in costs in defined and limited circumstances. The Act has since been extended to 30 September 2023, with a mid-tenancy rent-increase cap of 3% from 1 April 2023. Private landlords are able to apply for a rent increase of up to 6% to help cover certain increases in costs in defined and limited circumstances.

Figure 3: 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 March 2023

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Index of Private Housing Rental Prices indices for countries of the UK, January 2015 to March 2023



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

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4 . Annual UK private rental price percentage change by English region

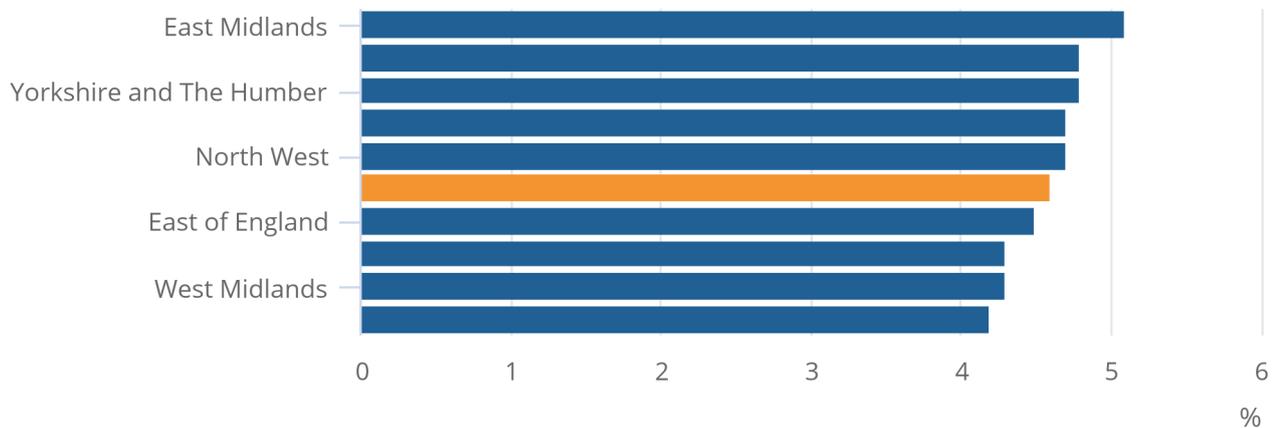
The largest annual rental price percentage change in the 12 months to March 2023 in the English regions was in the East Midlands, at 5.1%. The East Midlands was also the region where private rental prices were rising at the fastest annual rate throughout 2022 and early 2023. Of the English regions, the lowest annual rental price percentage change in the 12 months to March 2023 was in the South East, at 4.2%. However, this is still the highest annual percentage change since the South East series began in January 2006.

Figure 4: Lowest annual rental price percentage change is in the South East

Index of Private Housing Rental Prices percentage change over the 12 months to March 2023, by English region

Figure 4: Lowest annual rental price percentage change is in the South East

Index of Private Housing Rental Prices percentage change over the 12 months to March 2023, by English region



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

Figure 5: 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 March 2023

Notes:

1. The grey line shows England's 12-month average rental price percentage change.

Download the data

[.xlsx](#)

5 . Comparisons with private sector rental growth measures

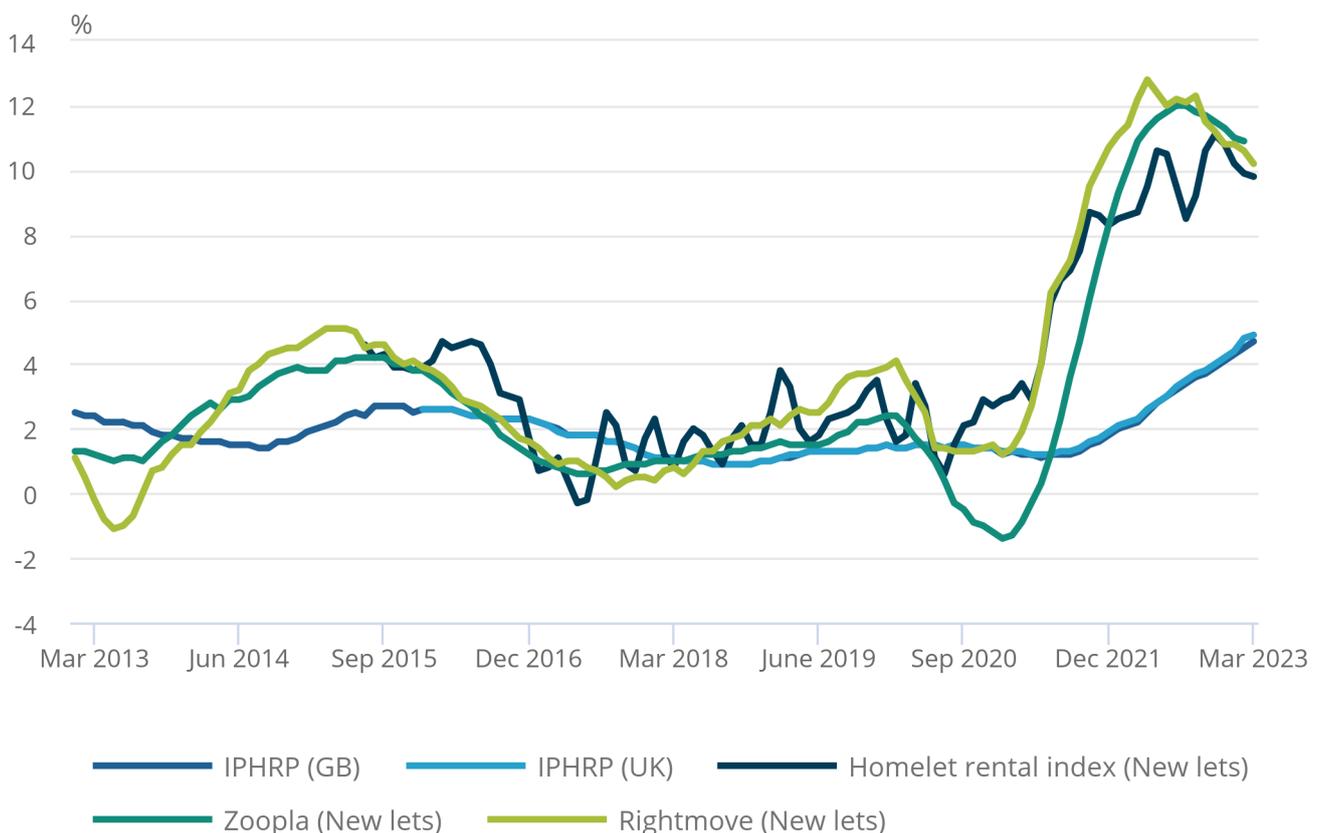
Many private sector organisations, including estate agents and property companies, produce estimates of changes in rental prices. This includes Zoopla, Rightmove and HomeLet. These sources provide an extensive range of rental data, with rental measures that show a diverse picture. Rightmove and HomeLet reported annual rental price increases in March 2023 of 10.2% and 9.8%, respectively, while Zoopla reported annual growth at 10.9% in February 2023 (using the latest available data). These growth rates are much higher than the annual growth estimate for March 2023 published in the Index of Private Housing Rental Prices (IPHRP) for the UK (4.9%).

Figure 6: Index of Private Housing Rental Prices is more stable since it reflects all rents, but lags behind private sector measures of new tenancies only

Index of Private Housing Rental Prices and private sector measures of rents, percentage change over 12 months, January 2013 to March 2023, UK

Figure 6: Index of Private Housing Rental Prices is more stable since it reflects all rents, but lags behind private sector measures of new tenancies only

Index of Private Housing Rental Prices and private sector measures of rents, percentage change over 12 months, January 2013 to March 2023, UK



Source: Index of Private Housing Rental Prices from Zoopla, Homelet, Rightmove and the Office for National Statistics

Historically, the rental price changes measured by the private sector organisations have differed to those shown in the IPHRP. Some tend to be more volatile (Figure 6). This is because the private sector measures primarily focus on newly let properties (a flow measure), while the IPHRP includes a mixture of newly let properties and existing lets (a stock measure).

The Valuation Office Agency (VOA) rental officers suggest that the greatest price rises occur when properties are newly let, compared with existing tenants, who tend to see smaller price increases. Therefore we can expect the IPHRP to be less volatile, but also to lag behind the private sector measures. This is because changes in rental prices from new lets can take time to be shown in the IPHRP. Our [Measuring the UK housing market blog](#) provides more detail on the differences between stock and flow measures of rental prices.

During 2021 and early 2022, all three private sector measures reported increasing annual private rental price inflation of newly let properties, reaching a peak in summer 2022. Since late 2022, Rightmove and Zoopla show annual inflation of newly let rental prices has been generally decreasing. The trend is uncertain in Homelet data.

Since the IPHRP measures rental price changes of the entire privately rented stock, changes in annual inflation of newly let rental prices take time to be reflected in the IPHRP's measure. Despite measuring the stock of rents, the IPHRP has reported new record high annual rental price inflation in the UK for the past 11 consecutive months. This reflects the rapidly rising rental prices observed by private sector measures of new lets. The IPHRP reported increasing annual private rental price inflation from late 2021 and, as of March 2023, continues to report increasing annual rental price inflation for the entire privately rented stock.

Further information on Zoopla, Rightmove, Homelet and Index of Private Housing Rental data sources and their differences are available in our [Private Rental Growth Measures, a UK comparison: January to December 2022 article](#).

6 . Private rental data

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

Dataset | Released 19 April 2023

Rental price statistics historical data time series (indices and annual percentage change).

[Index of Private Housing Rental Prices, UK: annual weights analysis](#)

Dataset | Released 22 March 2023

Aggregate weights information used in the experimental Index of Private Housing Rental Prices (IPHRP). See our [Guide to experimental statistics article](#) for more information.

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

Dataset | Released 24 March 2021

Monthly historical time series for all three approaches to measuring owner occupiers' housing costs – payments, rental equivalence and net acquisitions – including contributions to growth from the different approaches, UK.

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

Dataset | Released 24 March 2021

Aggregate inflation measure for owner occupiers' housing costs (OOH). Includes monthly time series and weights for all three approaches of measuring OOH – payments, rental equivalence and net acquisitions – aggregated with the Consumer Price Index (CPI), UK.

7 . Glossary

Index of Private Housing Rental Prices (IPHRP)

The IPHRP measures the change in the price that 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.

8 . Measuring the data

Economic statistics governance after EU Exit

More information regarding the new governance following UK's exit from the EU (Brexit) is available in our [previous release](#).

Future developments

Following the [Digital Economy Act 2017](#), the Office for National Statistics (ONS) gained access to Valuation Office Agency (VOA) private rental microdata. We aim to redevelop 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. We also aim to refine geography to lower geographic levels, to better meet user needs.

An overview of the methodology that we intend to use is available in our article, [The redevelopment of private rental prices statistics, intended methodology](#). We will now need to spend more time ensuring the production system is developed on a strategic platform and is sustainable. This has resulted in our initial timetable being out of date. More information and an updated timetable for these developments is available in our [Private rental prices development plan: updated February 2022](#). If you have any queries or feedback on these developments, please email hpi@ons.gov.uk.

Sources

The IPHRP is created 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](#).

The sources of the annually updated [Index of Private Housing Rental Prices, UK: annual weights analysis dataset](#) are the Department for Levelling Up, Housing and Communities (DLUHC), 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 information on strengths, limitations, appropriate uses, and how the data were created is available in our [Index of Private Housing Rental Prices Quality and Methodology Information \(QMI\)](#).

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 not only measures the change in newly advertised rental prices, but reflects price changes for all private rental properties, including for existing tenancies.

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 average rental price levels cannot currently be published in IPHRP because of data access constraints, our [redevelopment of private rental prices statistics](#) work aims to address this.

The IPHRP is released as [Experimental Statistics](#), and is subject to revisions if improvements in the methodology are identified. Results should be interpreted with this in mind.

10 . Related links

[UK House Price Index: February 2023](#)

Bulletin | Released 19 April 2023

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: March 2023](#)

Bulletin | Released 19 April 2023

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

[Changes in private rental sector behaviour, England: February 2022 to February 2023](#)

Article | Released 24 March 2023

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

[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 prices development plan, UK: updated February 2022](#)

Article | Released 8 February 2022

Overview of our plans for the statistical development of rental prices statistics, including a timeline for development.

[Private rental market summary statistics in England: October 2021 to September 2022](#)

Bulletin | Released 14 December 2022

Median monthly rental prices for the private rental market in England, calculated using data from the Valuation Office Agency.

[Measures of owner occupiers' housing costs, UK: January to March 2020](#)

Article | Released 17 June 2020

The different approaches of measuring owner occupiers' housing costs (OOH) associated with owning, maintaining and living in one's own home.

11 . Cite this statistical bulletin

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