

Statistical bulletin

Private rental affordability, England, Wales and Northern Ireland: 2022

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.

Contact:
Tim Pateman and Nick
Richardson
better.info@ons.gov.uk
+44 20 3741 1789

Release date:
23 October 2023

Next release:
Autumn 2024

Table of contents

1. [Main points](#)
2. [Rent prices as a percentage of income](#)
3. [Affordability in England, Wales and Northern Ireland](#)
4. [Affordability in English regions](#)
5. [Affordability of high and low rents](#)
6. [Other measures of private rental affordability](#)
7. [Private rental affordability data](#)
8. [Measuring the data](#)
9. [Strengths and limitations](#)
10. [Related links](#)
11. [Cite this statistical bulletin](#)

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 Wales and 25% in Northern Ireland, in the financial year ending March 2022.
- London was the least affordable region and the only region above a 30% affordability threshold, with a median rent of £1,450 being equivalent to 35% of median income.
- In all but two regions of England, a low rent (the lowest 25%) cost more than 30% of a low privately renting household income.
- Lower-priced rents were above the "30% of income" threshold for lower income households in all three countries, while affordability for median or higher-income households was well below this threshold.
- While our [Housing Purchase Affordability, UK: 2022 bulletin](#) has shown a clear pattern of house prices increasing faster than incomes and UK inflation, no such clear pattern can be shown for private rents and the income of private renting households since 2013.
- Only modest changes in affordability ratios are expected in the year to March 2023, as suggested by our monthly measure of the affordability of new tenancies for the UK and other recent rent data.

2 . Rent prices as a percentage of income

For this bulletin, we deem a property "affordable" if a household would spend the equivalent of 30% or less of their income on rent (for new or existing tenancies), as explained in our [Private rental affordability, England, Wales and Northern Ireland quality and methodology information \(QMI\) report](#).

Data are for financial years, so 2022 refers to 1 April 2021 to 31 March 2022, and we use the median as our average measure to reduce the effect of extreme values.

We give an indicator of private rental affordability by using administrative data on achieved rents being paid (new and existing tenancies). These data come from our [Private Rental Market Summary Statistics in England bulletin](#), [Rent Officers Wales](#) and advertised new rents from the [Northern Ireland Housing Executive](#).

We compare these with the gross monthly incomes of private renting households for the same country or region, estimated through the [Family Resources Survey](#) (FRS).

Further details about the data are in [Section 8. Measuring the data](#), which also notes future plans to include data sources covering Scotland.

The coronavirus (COVID-19) pandemic affected the response rate to the FRS in 2021 and 2022, with roughly half the usual number of households, and proportionally fewer private rental households, responding in 2021. More information about how this has increased uncertainty for those years is explained in the [Family Resources Survey: background information and methodology](#) published by the Department for Work & Pensions (DWP).

This analysis is part of a series of [additional measures of housing affordability](#), alongside our [Housing Purchase Affordability, Great Britain bulletin](#), 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 . Affordability in England, Wales and Northern Ireland

In the financial year ending (FYE) 31 March 2022, median rent was:

- 26.1% of private-renting household income in England (£795 rent compared with a £3,050 monthly income)
- 23.4% of private-renting household income in Wales (£560 rent compared with a £2,390 monthly income)
- 24.7% of private-renting household income in Northern Ireland (£650 rent compared with a £2,635 income)

This made Wales the most affordable of the three countries, despite having the lowest income for private-renting households.

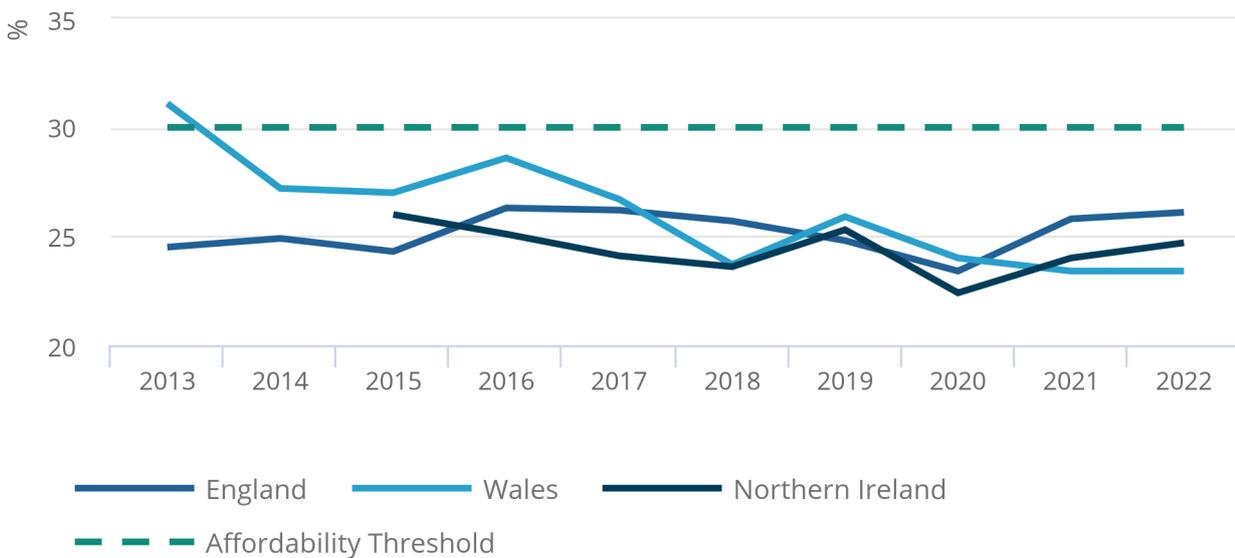
The private rental price statistics used in this analysis are estimates at given points in time and are not comparable over time. Users are therefore advised not to infer trends in the rental market over time by comparing prices year-on-year. This would provide indicative trends only, and so the focus should be on differences between areas or household income levels.

Figure 1: Affordability has varied year-to-year between 22% and 31% of private-renting household median incomes

Percentage of median private renting household income equivalent to median rent, England, Wales, and Northern Ireland, financial years 2013 to 2022

Figure 1: Affordability has varied year-to-year between 22% and 31% of private-renting household median incomes

Percentage of median private renting household income equivalent to median rent, England, Wales, and Northern Ireland, financial years 2013 to 2022



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

While median rents have increased in all three countries (Figure 2), the income of private rental households also increased in England and Northern Ireland compared with 2021 (Figure 3). This means that affordability has stayed at a similar level.

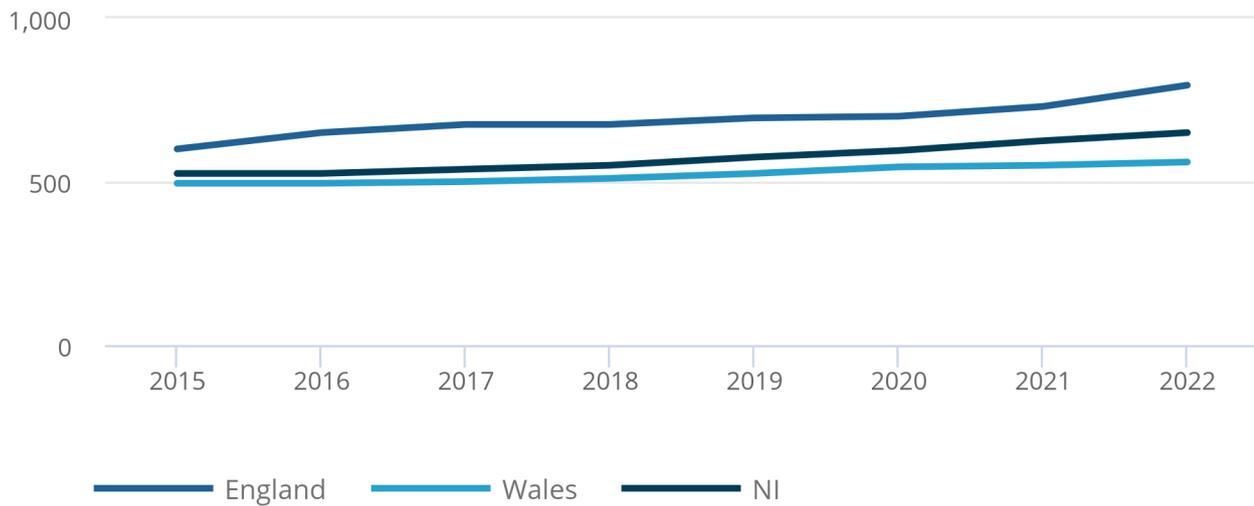
Our [Housing Purchase Affordability, UK: 2022 bulletin](#) has shown a clear pattern of house prices increasing faster than incomes and UK inflation, however no such clear pattern can be shown for private rents and the income of private renting households.

Figure 2: Since 2015 private-renting household incomes have been increasing faster than rents in Northern Ireland and Wales, but not in England

New and existing private rents for England and Wales, and new private rents for Northern Ireland, 2015 to 2022

Figure 2: Since 2015 private-renting household incomes have been increasing faster than rents in Northern Ireland and Wales, but not in England

New and existing private rents for England and Wales, and new private rents for Northern Ireland, 2015 to 2022



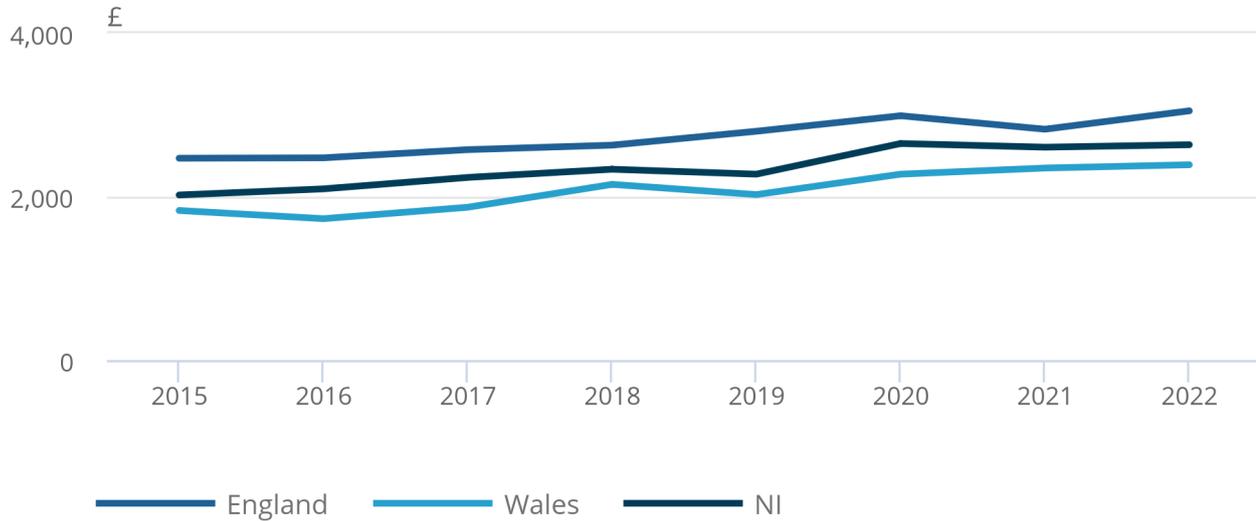
Source: Family Resources Survey from the Department for Work and Pensions

Figure 3: Since 2015 private-renting household incomes have been increasing faster than rents in Northern Ireland and Wales, but not in England

Median incomes of private-renting households, by country, 2015 to 2022

Figure 3: Since 2015 private-renting household incomes have been increasing faster than rents in Northern Ireland and Wales, but not in England

Median incomes of private-renting households, by country, 2015 to 2022



Source: Private Rental Market Statistics from the Office for National Statistics, Rent Officer Wales from the Welsh Government, and the Northern Ireland Housing Executive

4 . Affordability in English regions

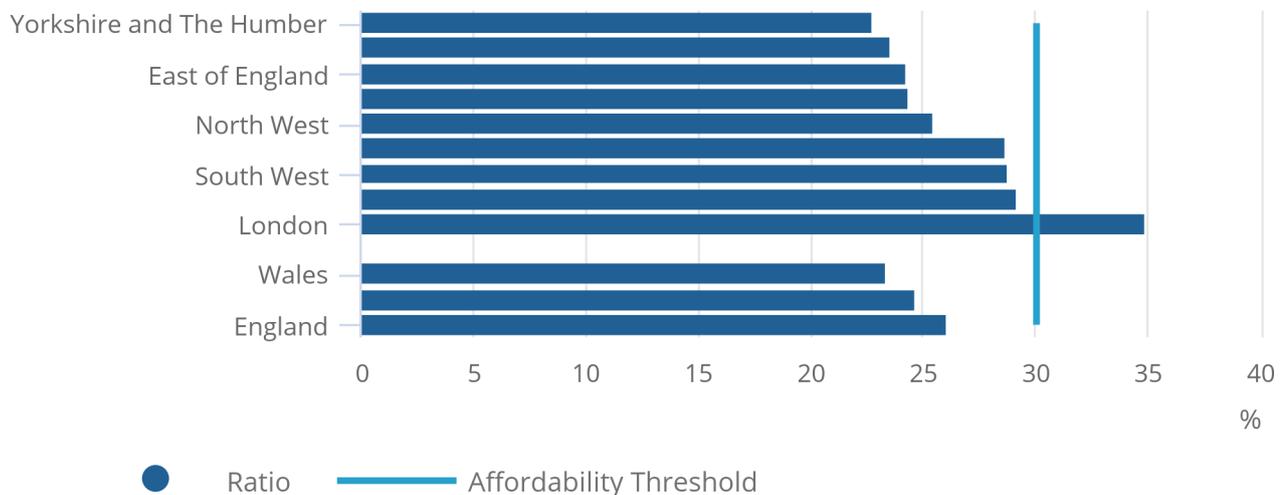
Figure 4 shows the range of private rental affordability across the English regions, with country-level ratios for comparison.

Figure 4: London is the least affordable region for living in private rent, and the only region above a 30% affordability threshold

Percentage of a median income of private renting households that a median rent is equivalent to, by country and region, financial year ending 2022

Figure 4: London is the least affordable region for living in private rent, and the only region above a 30% affordability threshold

Percentage of a median income of private renting households that a median rent is equivalent to, by country and region, financial year ending 2022



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

Figure 4 shows that:

- London is the only region or country where a median rent is more than 30% of a median renting household's income (35% compared with 23% for renters in Yorkshire and The Humber)
- the tables accompanying this release show that in London, rents have been between 50% and 35% of incomes since 2015, while in other regions they have remained above 20% and rarely exceeded 30%

Any year-on-year changes to affordability should be treated with caution, particularly data between 2020 and 2022. This is because:

- the income survey response rate has changed considerably for 2020, 2021 and 2022
- households and properties being rented privately changes over time so is not consistent from year-to-year
- the proportion of tenancies that are new can change year-to-year in the English and Welsh data

5 . Affordability of high and low rents

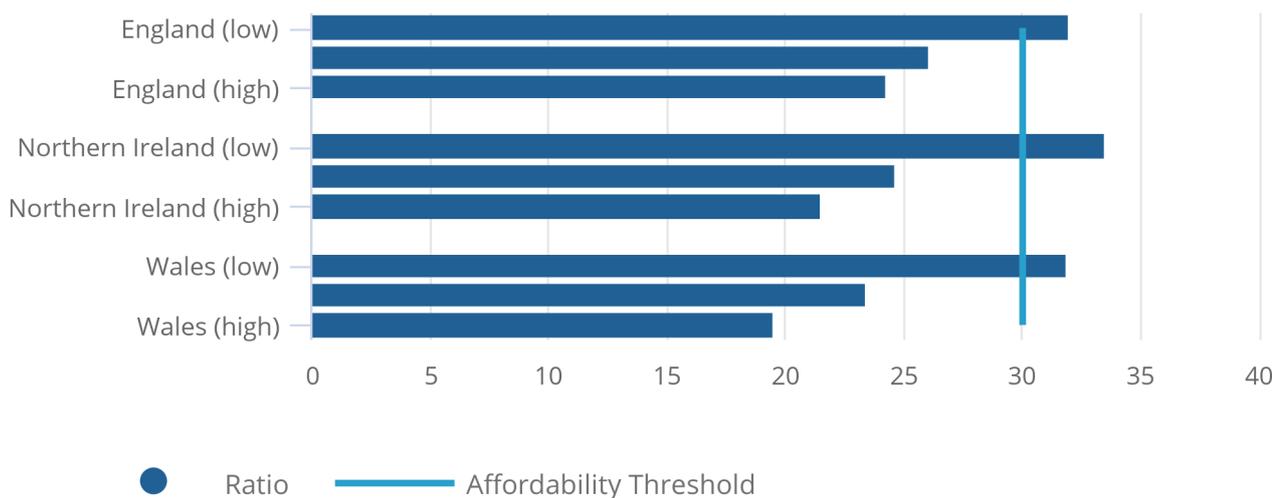
The data released alongside this bulletin compare lower and higher rents and incomes using quartiles.

Figure 5: Lower-priced rents are less affordable for lower-income households than median-priced rents for median-income households in all countries

Ratios of low, median and high rents to their equivalent rental income quartile, by country, financial year 2022

Figure 5: Lower-priced rents are less affordable for lower-income households than median-priced rents for median-income households in all countries

Ratios of low, median and high rents to their equivalent rental income quartile, by country, financial year 2022



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

Figure 5 shows that lower-priced rents were above the "30% of income" threshold for lower-income households in all three countries. However, for median- and higher-income households, affording a private rent is less challenging. These households could spend a lower percentage of income for a median- or higher-priced rent respectively.

[Private rental market summary statistics](#) show that a two-bedroom rental property in England costs just less than a median rent (97%). When comparing incomes to median rents, these affordability differences become even more pronounced, for example the costs to households with children.

Figure 6: Lower-priced rents in London are equivalent to 46 percent of the income of lower-income households

Ratios of low, median and high rents to low, median and high private rental incomes, by English region, financial year 2022

Figure 6 shows that a low-priced rent was above the affordability threshold for a low-income household in most English regions in 2022, and only slightly below the threshold in the North East and East.

6 . Other measures of private rental affordability

The Office for National Statistic's (ONS's) [Economic activity and social change in the UK, real-time indicators bulletin](#) includes a monthly UK measure of the [affordability of new tenancies](#) from a private supplier, Dataloft. This measure shows that in March 2022, the affordability ratio (26.6%) for the UK was similar to the England ratio (26.1%) published by the ONS, and has increased to 27% in August 2023.

Official statistics on private rental affordability for individual countries of the UK are covered in [Section 8: Measuring the data](#).

Our latest [Private rental market summary statistics in England](#) report that median monthly rent was £825 in England in the year to March 2023, 4% higher than for March 2022.

Our latest [Index of Private Housing Rental Prices bulletin](#), which reliably measures change over time, reports that UK rents had increased by 2.3% in the 12 months to March 2022. This is compared with 4.8% in the 12 months to March 2023 and 5.7% in the 12 months to September 2023.

Family Resources Survey data for private rented incomes to March 2023 are not yet available.

7 . Private rental affordability data

[Private rental affordability, England, Wales and Northern Ireland](#)

Dataset | Released 23 October 2023

Percentage of total monthly household income spent on private rent, by country and by regions of England, Financial Year Ending 2013 to 2022.

8 . Measuring the data

Private rent prices for England are sourced from our [Private rental market summary statistics \(PRMS\) bulletin](#) . Prior to 2018, they were produced by the [Valuation Office Agency](#).

Methods consistent with England's PRMS analysis were applied to rent price data for Wales and Northern Ireland, supplied by [Rent Officers Wales](#) and the [Northern Ireland Housing Executive](#), to produce equivalent estimates. This includes rent price quartiles (lower quartile, median, and upper quartile). We are working to include sources of rent for Scotland in future editions of this series.

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, where known.

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. This is described further in our [Private rental affordability, England, Wales and Northern Ireland QMI](#).

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

- the [English Housing Survey](#), which shows the median proportion of income spent on housing by tenure
- the [Wellbeing of Wales: national indicator 49](#), which shows the income spent on housing costs (including rent, service charge, council tax, and other housing costs), by tenure, for three-year periods
- Welsh Government's [Data mapping and visualisation on the housing rental market in Wales report](#), published in June 2023; a piece of research to identify and map current and historical data to explore rents and affordability in Wales
- the Northern Ireland Housing Executive's [Exploring the Provision of an Intermediate Rent Product for Northern Ireland report](#), which uses a 25% affordability test, 2020 data, and 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

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

[Housing affordability in England and Wales: 2022](#)

Bulletin | Released 22 March 2023

Uses annual data on house prices and annual earnings to calculate affordability ratios for national and subnational geographies in England and Wales.

[Housing Purchase Affordability, Great Britain: 2022](#)

Bulletin | Released 27 July 2023

Ratios of house prices to annual disposable household incomes, by decile, for countries of the UK and regions of England. Part of our additional measures of housing affordability series.

[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.

[Rent affordability in the affordable housing sector: literature review](#)

Article | Released 17 June 2019

Scottish Government report with information on definitions and measures of social rent affordability, the relationship between housing and poverty, rents in the affordable housing sector, the role of the mid-market rent sector and policies with an impact on rent affordability.

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

Bulletin | Released 21 June 2023

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

[Household characteristics by tenure, England and Wales: Census 2021](#)

Dataset | 19 May 2023

Household characteristics by tenure, for households with usual residents, England and Wales, Census 2021. Data are available at a national, country, region, local authority district, Middle layer Super Output Area and Lower layer Super Output Area level, where possible.

11 . Cite this statistical bulletin

Office for National Statistics (ONS), released 23 October 2023, ONS website, statistical bulletin, [Private rental affordability, England, Wales and Northern Ireland: 2022](#)