

# Private Rental Market Summary Statistics – April 2018 to March 2019



Valuation Office Agency

Released: 20 June 2019

Next release: To be confirmed

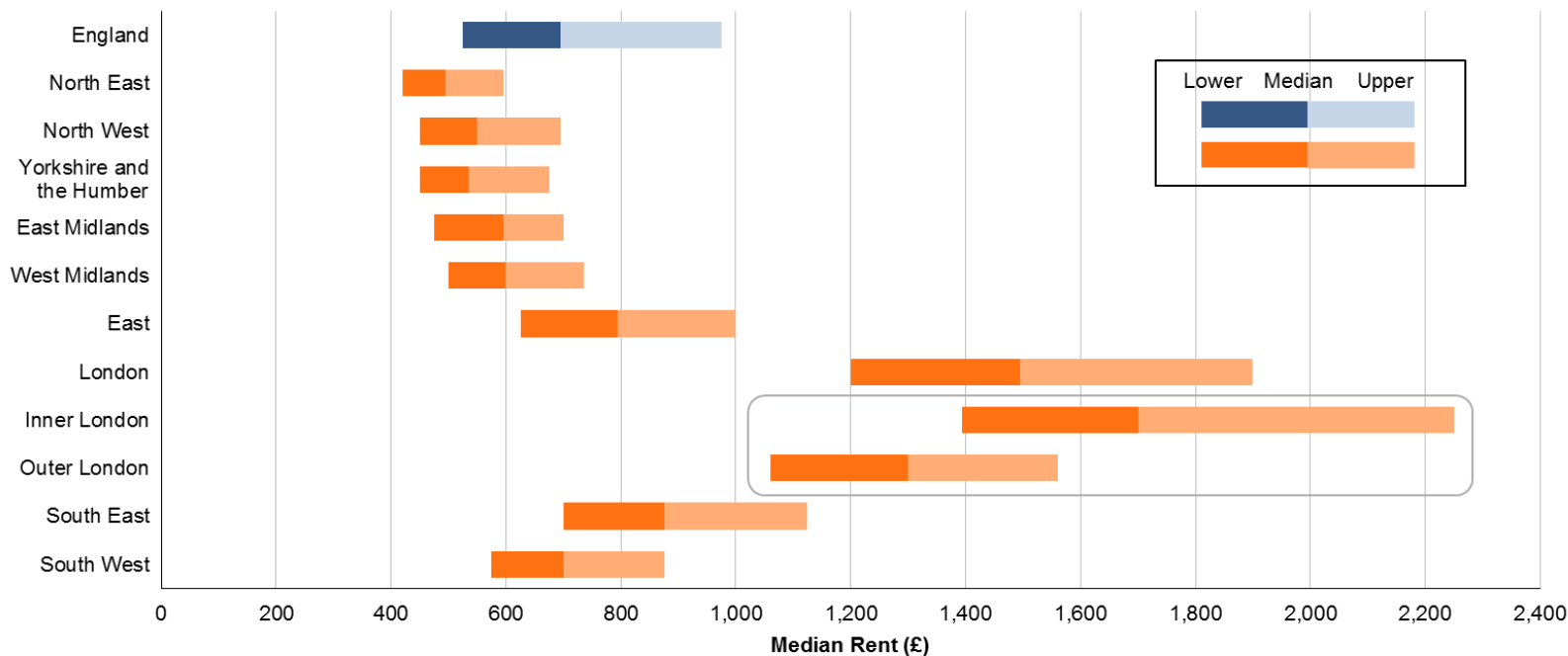
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## Main story

- The median monthly rent recorded between 1 April 2018 and 31 March 2019 in England was £695.
- London had the highest median monthly rents, and the largest variation in rental values, followed by the South East.
- The median rent in London (£1,495) was more than double the English median rent.
- The North East had the lowest median rent at £495.

### Chart 1: Median and interquartile range of monthly rents by region: All bedroom categories<sup>1</sup>

Most regions have a similar spread of rents, but the variation is noticeably larger in London.



### About this release

The data set used in this release is based on a sample of 504,970 rents recorded between 1 April 2018 and 31 March 2019.

These statistics summarise rents paid for private properties in England only.

The data used to generate these statistics is based on a sample of rental information, collected by Rent Officers from landlords and letting agents. Where the sample size is small at borough/district level, the derived statistics may be less reliable.

Under the current methodology the VOA does not publish a time series and users are advised not to infer trends in the rental market over time.

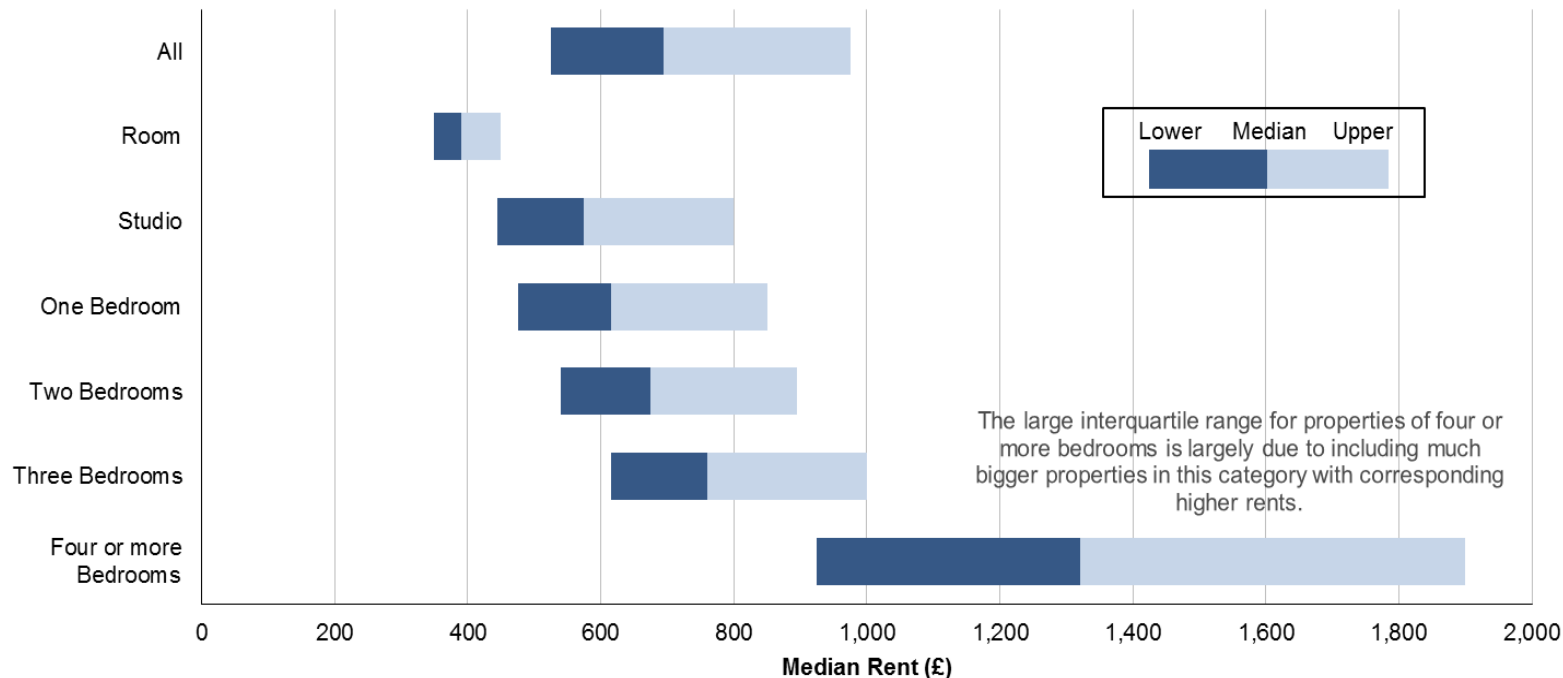
**Thank you to landlords and estate agents who voluntarily provide the data that makes this release possible.**

<sup>1</sup>See page 2 for definitions of terms

## England analysis

- Properties with more bedrooms had higher median rents, with the highest rents seen in properties with four or more bedrooms.
- There is a large difference in median rents between studios and rooms; this may be driven by high volumes of data in the sample of studios located in London and the South East (representing just over half of the sample size).
- Rent for rooms in the sample has a much smaller interquartile range than other bedroom categories. There was around a £100 difference between the lower and upper quartile compared with around £370 for studios, one, two, and three bedroom properties, and £980 for those with four or more bedrooms.

**Chart 2: Median and interquartile range of monthly rents by bedroom category**



### Definitions

**Median** – when a series of numbers are arranged by size the median represents the middle value.

**Lower quartile** – when a series of values are arranged by size the lower quartile (or 25th percentile) is the value that splits the lowest 25% of the data from the highest 75%.

**Upper quartile** - when a series of values are arranged by size the upper quartile (or 75th percentile) is the value that splits the highest 25% of the data from the lowest 75%.

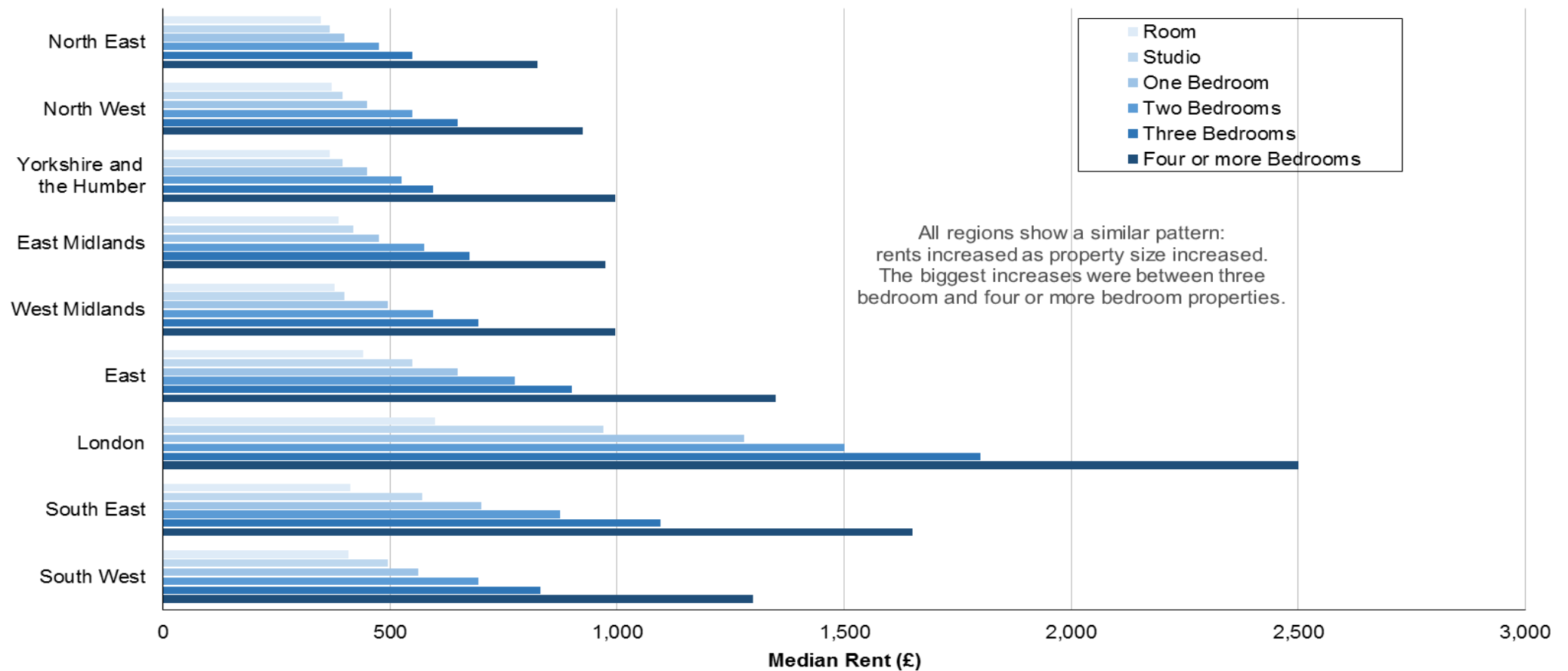
**Interquartile range** – difference between lower quartile and upper quartile, representing the middle 50% of monthly rent values.

**Region** – a geographical unit formerly referred to as Government Office Region (GOR). From 1 April 2011 the term GOR was dropped in favour of region.

## Regional analysis

- Rents in the southern regions of England and the East tended to be higher than rents in the Midlands and northern regions.
- London rents were highest across all categories and had the greatest range of values. The interquartile range of London's rents was £700, with an interquartile range of £857 in Inner London.
- Rents in the North East had the smallest interquartile range (£175), a quarter of London's.

**Chart 3: Median monthly rents by region and bedroom category: All regions in England**



There was a varied distribution in the prices that tenants paid for private housing across regions. There was a difference of just over £2,000 in median rents between the most and least expensive local or unitary authorities. This section focusses on London, where the highest rents and largest variations were recorded, and the North East with the lowest regional rents.

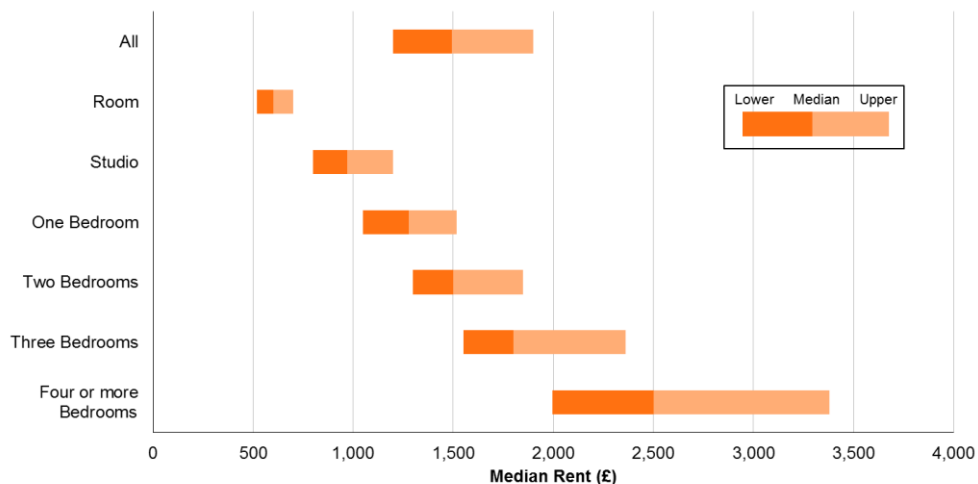
The administrative areas tables (Table 2.1 – 2.7) provide figures for regions, which have been further split into local authority areas; in England. Shires, metropolitan districts, the Council of the Isles of Scilly, unitary authorities, London boroughs and the City of London are local authorities. Users should note that samples at borough/district level, even for the 'all' category can be small, therefore, the average monthly rents may be less reliable due to the sample size (See [Data quality](#) section).

**London:**

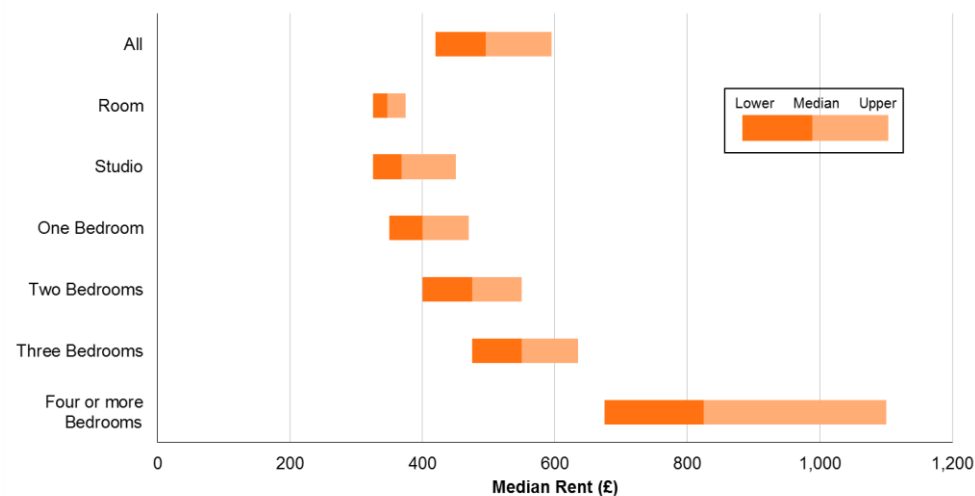
- The median rent was £1,495, with an interquartile range of £700 (£1,200 to £1,900).
- Rents were generally highest in Inner London, where the median rent was £1,700:
  - The highest median rent in London, and in England, was in Kensington and Chelsea (£2,427).
  - The lowest median rent in Inner London was in Lewisham (£1,275).
- The median rent in Outer London was £1,300:
  - The highest median rent was in Richmond upon Thames (£1,600).
  - The lowest median rent was shared by Bexley, Croydon, Havering and Sutton (£1,100).

**North East:**

- The median rent was £495, with an interquartile range of £175 (£420 to £595).
- The highest median rent was in Newcastle upon Tyne (£600).
- The lowest median rent in the North East was in Middlesbrough UA (£430).
- For comparison, the lowest median rent in England was £410 in Kingston upon Hull (Yorkshire and the Humber).



**Chart 4a: Median and interquartile range of monthly rents in London by bedroom category**



**Chart 4b: Median and interquartile range of monthly rents in the North East by bedroom category**

*Note that the above charts have not been plotted on the same scale.*

## Background notes

This release is for information only and should not be confused with Local Housing Allowance (LHA) rates published on [DirectGov](#). All data are captured during the course of Rent Officers' statutory responsibilities to administer functions related to Housing Benefit (LHA and Local Reference Rents (LRR) schemes) and Universal Credit on behalf of the Department for Work and Pensions.

Unlike the LHA rates, this release reports on the total monthly rent paid (ignoring any adjustment for services not eligible for housing benefit) and in most cases the Broad Rental Market Area (BRMA) does not match the geography of the local authority area.

Landlords and letting agents provide Rent Officers with data about the properties they let on the open market. This information is captured electronically in the lettings information database. Checks are carried out at the point of entry to ensure that any Housing Benefit funded tenancies are excluded from this database.

The Census 2011 sets the benchmark for all data collection activities and Rent Officers endeavour to collect a proportionate spread of data by property type and geographic spread.

## Methodology

Private rental data entered into the lettings information database were extracted for the 12 months to the end of March 2019. Only cases where there was sufficient evidence of a transaction taking place were included in the sample. A small proportion of data that was unconfirmed or had limited evidence was not included.

The data are broken down by administrative area and by bedroom/room category and statistics are calculated on the total monthly rents (which may include some service charges such as fuel and water). For Local Housing Allowance purposes, service charges are not included as they are ineligible for the calculation of housing benefit. Definitions of the bedroom/room categories used are:

- Room – non self-contained single room with shared facilities. Includes bedsits, single rooms in a house or flat shared with other tenants, and single rooms rented from a resident landlord.
- Studio – self-contained single roomed property with own kitchen and bath/shower/WC facilities.
- One to Four or more bedrooms – self-contained properties with one to four or more bedrooms, including houses, bungalows, flats and maisonettes.

## Definitions

**Local Housing Allowance (LHA)** – is used to work out Housing Benefit for tenants who rent privately.

**Local Reference Rents (LRR)** –the mid-point between what in the Rent Officer's opinion are the highest and lowest non-exceptional rents in a given Broad Rental Market Area.

**Rent Officer** – a statutory officer responsible for ensuring that the lettings information collected is representative of the full range of market rents for similar properties on which a rent determination is made and to record the information that they have used on the lettings information database.

(More information on rent officers can be found at <https://www.gov.uk/guidance/rent-officer-duties>).

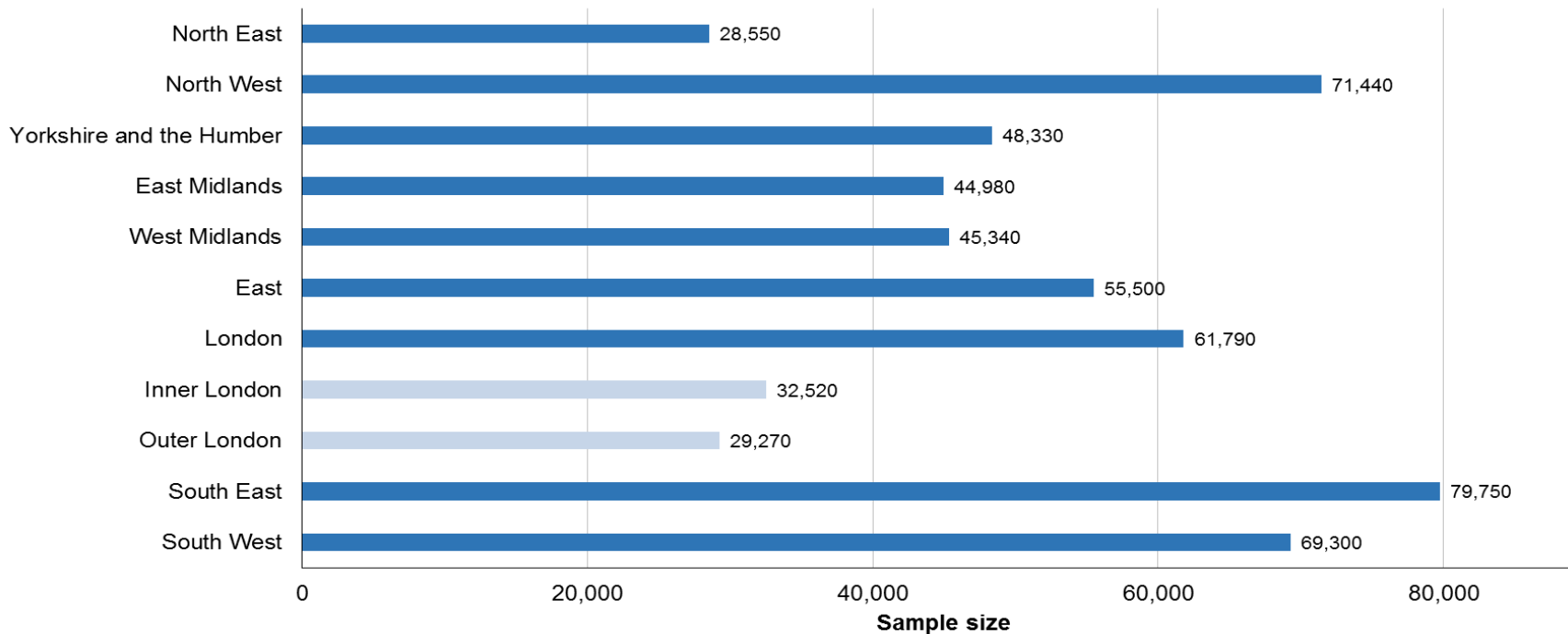
**Broad Rental Market Area (BRMA)** – a BRMA for Local Housing Allowance purposes is an area within which a person (or in the context of Local Reference Rents, a tenant of the dwelling) could reasonably be expected to live having regard to facilities and services, taking account of the distance of travel to and from those facilities and services.

## Data quality

The statistics presented in this release represent the data collected by Rent Officers as recorded in VOA administrative systems. The sample size varies across releases as well as among regions within a release. As the data set used has not been drawn from a statistically designed sample, the statistics in this release should be considered as indicative only of the private rental market. In this release, the largest regional samples are nearly three times the size of the smallest sample, the North East.

It should be noted that while Census 2011 provides a benchmark for the population of privately rented properties (see background notes), the sample of properties is not randomly selected. Results are not adjusted to produce statistics which are representative of the private rental property market in England. Housing Benefit claimants are excluded, so not all privately rented properties are represented in this sample.

**Chart 5: Regional variation in the sample size: All bedroom categories**



In order to avoid disclosure of personal information, we have suppressed statistics derived from samples containing fewer than five records. We have removed 202 cases (0.04 per cent) from the data set as there was insufficient information to assign them to a suitable bedroom/room categories. All rental values have been rounded to the nearest pound.

## Other private rental market statistics

There are a number of other sources publically available on the private rental market in the UK. These include:

- Index of Private Housing Rental Prices (IPHRP)
- Rental component of the CPI and CPIH (Consumer Prices Index with owner occupied housing costs)
- [Private Rental Market Statistics for Scotland](#)
- [Private Rental Sector Rents for Wales](#)
- Family Resources Survey (FRS)
- Northern Ireland Family Resources Survey
- English Housing Survey (EHS)
- Living Costs and Food Survey (LCF)

The Office for National Statistics (ONS) use the VOA's lettings data to produce CPIH and IPHRP. IPHRP measures the changes in prices tenants face to rent residential property from private landlords. It is produced using different methodology which allows prices to be compared year-on-year. ONS has published an article comparing measures of private rental growth in the UK. This includes a section on the differences between PRMS and IPHRP and a link to a technical document 'Explaining Private Rental Growth' giving more details on methodological differences. The article can be found at <https://www.ons.gov.uk/economy/inflationandpriceindices/articles/comparingmeasuresofprivaterentalgrowthintheuk/januarytomarch2019>

The Scottish Government publish PRMS for Scotland, although it should be noted there are some differences which may affect any comparisons. In particular, rent for room-only shared properties is presented as net rather than including any shared services, and properties with five or more bedrooms are excluded. The Welsh Government publish PRMS for Wales and, like VOA's PRMS, they are based on transactional data collected by rent officers.

The last four data sources in the list above are household surveys which take an average of rents reported by respondents in the year and do not show the actual transacted price paid by a tenant.

## Further information

For further information on the area codes used in this release please refer to information about administrative areas on the ONS website: <https://www.ons.gov.uk/methodology/geography/ukgeographies/administrativegeography/england>

## Geographic Maps

A total of 70 maps have been published by VOA to accompany this release. These illustrate PRMS by region and bedroom category. The rental value ranges for the maps are produced using 'natural breaks'; a method that separates values into groups which are naturally present in the data. Similar values are gathered together in such a way that the differences between groups are maximised. The complete set of maps can be found on the release page.