BRIEFING | HOUSING | COST OF LIVING

Under pressure: The affordability challenges facing private renters

In the past 2 years, rents in the UK have risen by an average of nearly 8%. Here we look at different dimensions of rent-affordability pressure faced by tenants in the private rented sector.

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Written by: Rosie Worsdale, Ruby Blower, Joseph Elliott

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Executive summary

In the less than 2 years since the UK general election, rents in the UK have risen by an average of nearly 8% — almost £1,200 more expensive a year.[1] In recent months, however, rent inflation has slowed significantly — so does this mean things are getting easier for renters?

A long-run look at data on rents shows that for the past 15-20 years, market rents have settled at a persistently high proportion of incomes, rising over this period broadly in line with wage growth and overall inflation. Periods of steep rent inflation like we've seen recently exacerbate this core pressure, as do a range of other factors: more households having to pay private rents as other tenures have shrunk; an erosion of the level of support available to low-income households; and unpredictable, uneven rent rises to absorb on top of already high rents. The acute rent inflation of recent years might be waning, but these longer-standing affordability challenges for renters remain.

Our analysis in this briefing highlights 3 distinct but interrelated ways of understanding the affordability pressure faced by private renters:

- the core affordability pressure of persistently high average rent-to-income ratios across the sector, which more people are having to pay as access to other tenures has contracted

- particularly acute rent-to-income ratios amongst low-income households, many of whom do not receive, and are ineligible for, any support through targeted cash subsidies
- three rental increase ‘pinch points’ that can worsen the affordability pressure on tenants despite relatively modest overall rent inflation on average: ‘lumpy’ and unpredictable rent increases within tenancy for most, above-inflation rent increases within tenancy for a minority, and substantial increases in rental costs when moving to a new property.

A clear diagnosis of the precise nature of the affordability pressures on renters is key to understanding where, and how, policy might intervene to tackle the issue. Our analysis offers some important parameters for what successful policy intervention on the issue of unaffordable private rents should be seeking to achieve.

JRF is currently examining how the Government could ease rent affordability pressures on renters, with an interim report due to be published in May.

1. Core pressure: average rent-to-income ratios persistently high

Summary

There have been persistently high average rent-to-income ratios across the private rented sector (PRS) over the past couple of decades, which more people are having to pay as access to social rent and homeownership has contracted.

Rent-to-income ratios for private renters are high — both in comparison to their historic levels prior to rent deregulation and the significant expansion of the sector, and in comparison to the experience of private renters in other comparable countries.

Rent-to-income ratios have remained relatively constant over the past 15-20 years. Rents have generally risen more slowly than overall inflation over this period, though recent years (2022 onwards) have seen the first substantive inflation in real rents since 2008.

The private rented sector has grown substantially over the past 25 years whilst homeownership rates and social renting has significantly contracted, meaning more people are exposed to high private rental costs.

What the data tells us

Private renters have been experiencing very high rents as a proportion of their incomes for the past 15-20 years. The ratio of average rents to average incomes amongst renters increased significantly during the 1980s and early 1990s following rent deregulation, and again to a lesser extent during the 2000s until the Global Financial Crisis in 2008. For over a decade now, renters have spent an average of around a third of their incomes on rent costs.

Figure 1: Rents as a share of incomes increased substantially since the late 1970s, remaining at around 30% after the 2007 Global Financial Crisis

Source: Household affordability since 1979: determinants and solutions, TBI and JRF, 2023

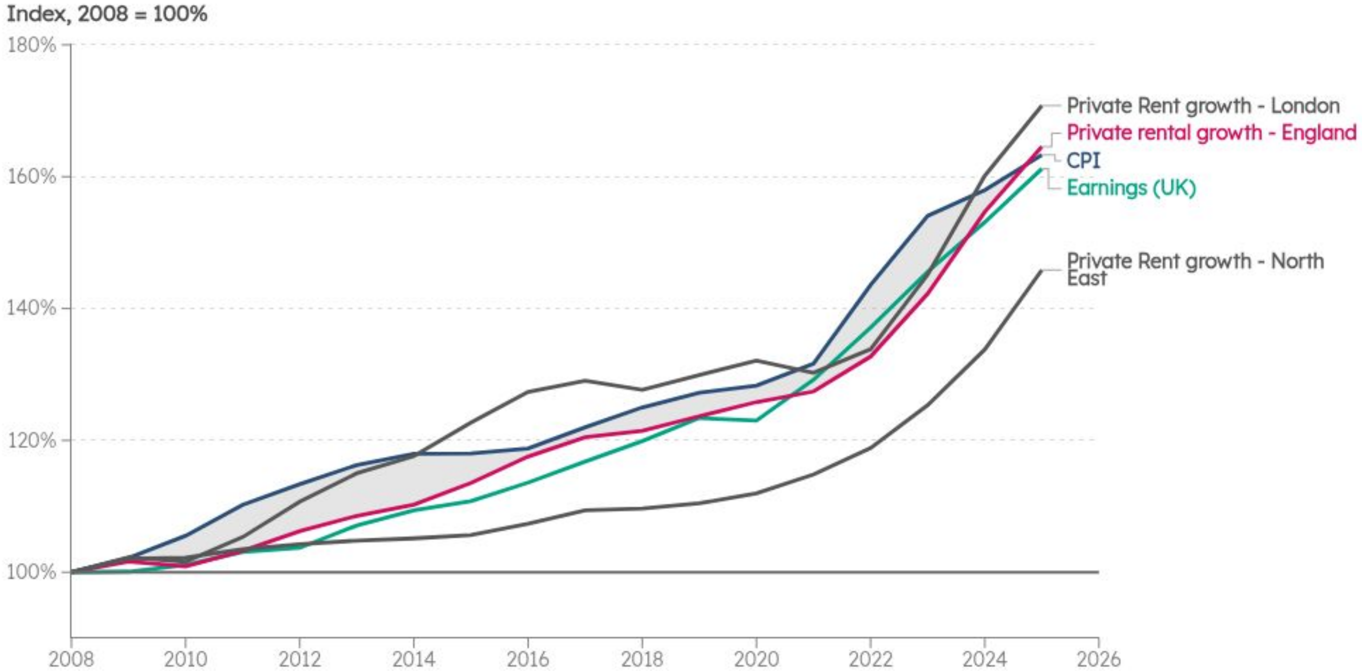
In the late 1970s, prior to rent deregulation, average rents in the private rented sector were equivalent to around 11% of the average private renter's household income. By 1993 this had climbed to 29%, before settling at between 24%-29% from 1994 through to 2007, and then climbing to around 30% after the Global Financial Crisis and settling at this higher level (Mulheirn et al., 2023).

By 2013-14, private renters were spending an average of 34% of their income on housing costs. This ratio has stayed relatively constant since, with renters in 2024-25 also spending 34% of their incomes on average on rent costs (MHCLG, 2025).[2] This compares to an average of 19% of incomes spent on housing costs for mortgagors, and 28% for social renters (MHCLG, 2025).

Affordability ratios are particularly acute in London, where on average private renters were spending 46% of their incomes on rents in 2023-24 (MHCLG, 2024a).[3]

Since the Global Financial Crisis, the overall trajectory of private rental growth suggests that rapid real rental growth has not been the primary driver of affordability pressures for renters. In most years since 2008, private rents increased slower than overall inflation and broadly in line with earnings, meaning rents fell slightly in real terms and rent-to-income ratios remained broadly stable. This indicates that, at an aggregate level, affordability challenges in the past 15-20 years have been less about sustained real rent escalation and more about underlying levels of rents relative to incomes — as well as how rent increases are experienced unevenly by households and across geographies.[4]

Figure 2: For most of the period since 2008 overall growth in private rents was lower than inflation, but by 2025 private rents were higher on average in real terms than in 2008



Source: Economic and Fiscal Outlook, OBR, March 2026, Price Index of Private Rents, ONS, February 2026

Between 2008 and 2020 growth in private rents broadly tracked the growth in earnings but remained slightly below CPI inflation. As a result, private rents fell slightly in real terms over this period — though did not get meaningfully more affordable for renters thanks to sluggish real-wage growth lagging behind inflation.

Across 2022 and 2023, following the pandemic, overall inflation rose sharply, peaking at 11.1% in October 2022, and averaging 9.1% across 2022 and 7.3% across 2023, while earnings growth also increased. Private rental growth began accelerating in 2022 and 2023, but lagged behind both inflation and earnings, meaning private rents fell in real-terms in these years.

Private rental inflation then peaked at 9.1% in March 2024, averaging 8.7% across the year, at which point overall inflation had fallen closer to Bank of England target levels, at 2.5% on average across 2024. In 2025, private rental growth then slowed to 6.3%, albeit still growing much faster than long-term average rates of growth and higher than average inflation in these years. This meant that for the first time since the financial crisis average rents were higher in real terms than in 2008 — which likely reflects a combination of post-pandemic market adjustment, rising real wages, higher costs for repairs and maintenance, possible pass-through of elevated mortgage interest rates, and increased demand for rental housing.

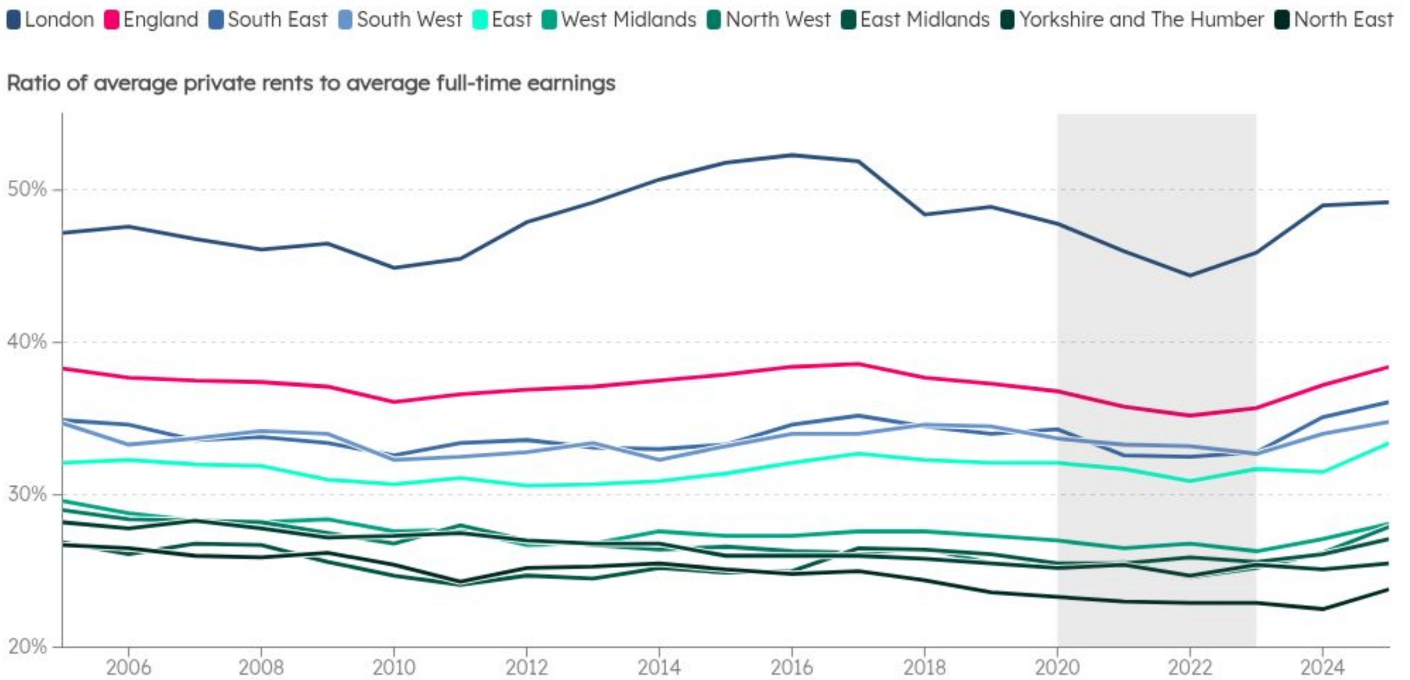
Beneath this broad trend, regional variation in private rental growth remains significant, affecting affordability levels across the country. Private rents in London were higher in real terms between 2015 to 2020, and again from 2024, than they were in 2008; while in Yorkshire and the Humber and the North East of England rents have fallen in real terms — though also experienced substantial nominal increases since 2021.

Across regions, private rents are consistently higher as a share of average earnings in London and the South of England. Overall, the rent-to-earnings ratio is relatively stable over time, typically fluctuating by only a few percentage points. However, there is greater volatility in London, while the North East and Yorkshire and the

Humber have seen modest declines in rents relative to average earnings over the past 2 decades.

Regional variation likely reflects the interactions of labour market conditions (employment rates and earnings growth), wider macroeconomic factors (such as periods of high inflation), housing supply and demand and demographic changes. While affordability pressures have marginally eased in some areas and intensified in others, the overall picture remains one of persistent, high rent-to-earnings ratios across England.

Figure 3: While there is divergence in the ratio of rents to earnings and some fluctuation over time across England's regions, broadly ratios of rents to earnings have remained consistent and high

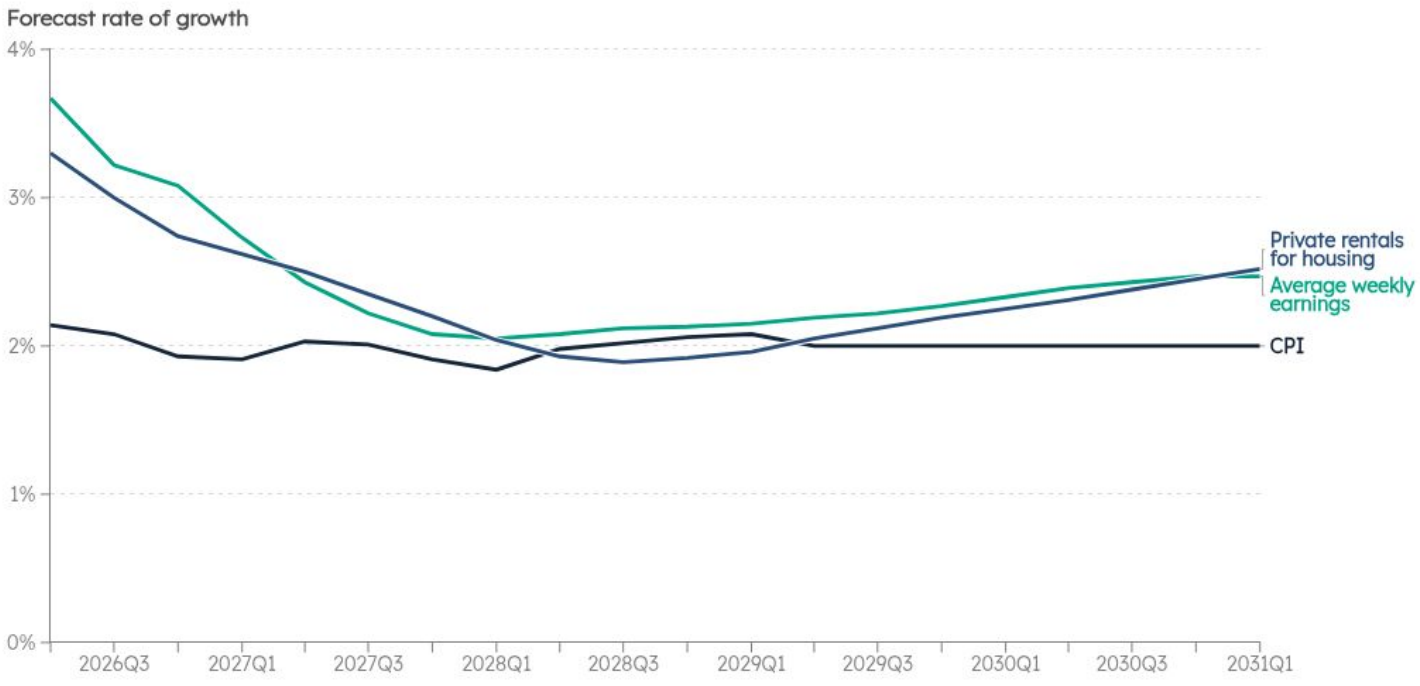


Source: Price Index of Private Rents, ONS (2026) and Average Earnings, ONS (2026) • Earnings are average (mean) gross weekly earnings of full-time employees. Earnings are quarterly and converted to an annual series. Private rents data combines the ONS historical series and current series. Rents are monthly and converted to an annual series. Highlighted period is a period of high volatility in overall inflation, earnings and rents.

The Office for Budget Responsibility (OBR) forecasts that the recent trend of private rents increasing faster than inflation will continue, tracking growth in real earnings which are forecast to outpace overall inflation until the end of the decade.[5] If these forecasts are borne out, it will mark a break from the post-2008 trend of flat or slightly falling rents in real terms, whilst maintaining the longer-term trend of rents broadly keeping pace with wages. For renters, the effect will be the same: rent costs continuing to take up a significant proportion of their incomes and eating into any welcome growth in wages.

Between 2027 and 2030, the OBR projects private rents to grow faster than CPI inflation (OBR, 2026), and broadly in line with wages. This suggests that private rents are likely to continue growing in real terms, and the affordability pressures on renters will be maintained.

Figure 4: Private rents are projected to generally grow by more than inflation in the coming 5 years, broadly tracking earnings growth



Source: Economic and Fiscal Outlook, OBR, March 2026

Another key dimension of the affordability burden on renters as a group is the fact that the number of people living in the private rented sector has increased significantly over recent decades, as the proportion of people living in social housing and owner-occupied homes has declined. The result is that many more people are stuck paying private sector rents that are persistently high as a proportion of incomes — and for longer, with an increasing number of families living in the tenure.

The private rented sector grew by 2.7 million homes between 2000 and 2020 — now comprising a fifth of the total housing stock in England and Wales (Baxter et al, 2022).

Homeownership for young adults has contracted substantially, with the rate of owner occupation for young adults aged between 20-34 years old falling by 17 percentage points from 2000, to 27% in 2023-24 (Elliott and Baxter, 2025). Meanwhile social housing as a proportion of the overall housing stock fell from 31% in 1980 to just 17% in 2020 (Elliott and Baxter, 2025).

Households in the poorest third of incomes in their 30s have been particularly impacted by these shifts in tenure; over the 30 years between 1978-89 to 2018-19 the rate of homeownership for this group fell from 52% to 28%, and the share who are social renters fell from 41% to 29%, while the share of those private renting increased from 7% to 43% (Waters and Wernham, 2023).

Another consequence of this shift in the size of the PRS is that it is now home to just under a quarter (24%) of children in England, up from 8% in 2000 (DWP, Households

Below Average Income, 2024). This means more families are living in insecure tenures and are faced with the high costs associated with private renting. Around 28% of families with children in the private rented sector couldn't comfortably afford their housing costs, compared to 23% of private renters without children, and 14% of families with children who were buying with a mortgage. Four in ten (40%) of private renting families with children were worried they might have to move home in the next year, compared to a fifth of social renting families with children (20%) and around a tenth (9%) of those buying with a mortgage.

International data suggests that affordability pressures on renters, viewed through the lens of their relationship to incomes, are worse in the UK than in many comparable countries.

OECD data in 2023 showed that 23% of UK private renters spend more than 40% of their income on rent, a higher rate than any other country in the group (Goodier (https://www.theguardian.com/profile/michael-goodier) and Sunnemark (https://www.theguardian.com/profile/viktor-sunnemark), 2023).

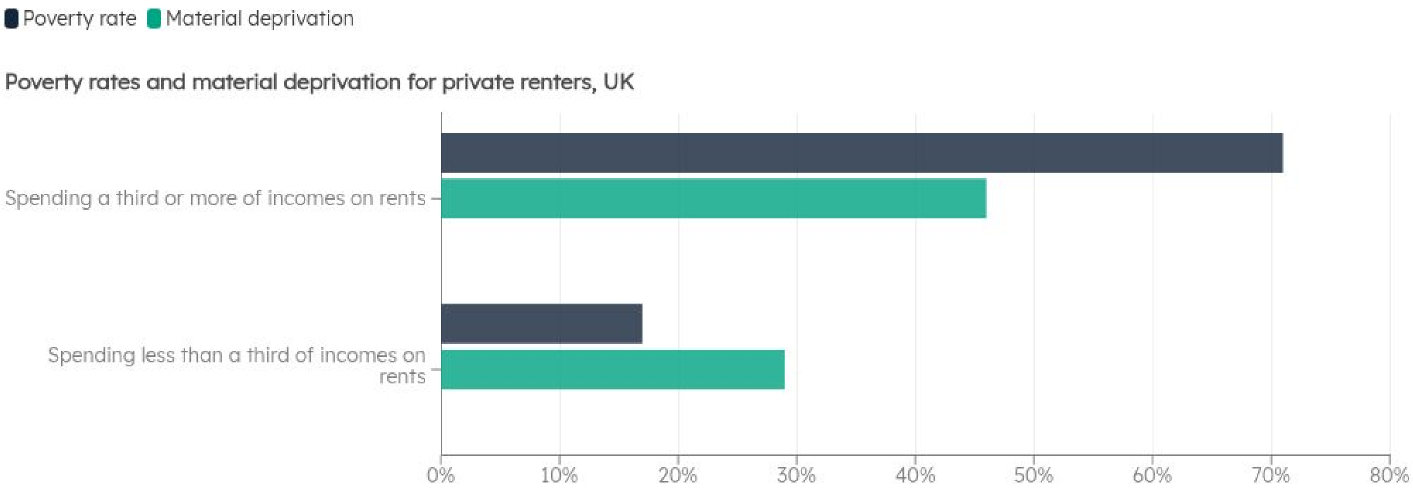
According to EUROSTAT data compiled by the Social Market Foundation, as of 2018 rents were higher as a proportion of incomes in the UK than everywhere in Europe except Norway and Luxembourg (Gollings and O'Regan, 2024).

Why this matters

High expenditure on housing costs relative to incomes drives high material deprivation, poverty rates and perceived economic insecurity:

71% of private renters who spend more than a third of incomes on housing costs (gross of HB) were in poverty after housing costs (compared to 17% who weren't) — and 46% experienced material deprivation versus 29% among those spending less than a third on housing costs.[6]

Figure 5: Private renters with a high expenditure on housing costs relative to incomes experience much higher rates of poverty and material deprivation

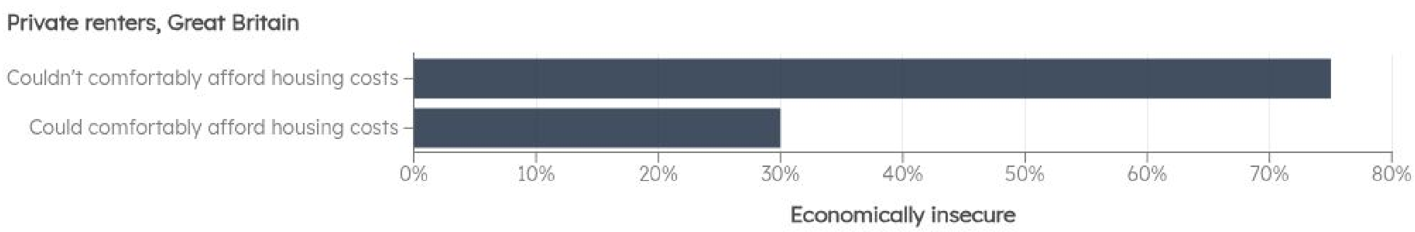


Source: Households Below Average Income, DWP, 2023/24

75% of private renters who said they could not comfortably afford their housing costs felt economically insecure, compared to 30% of those who could.[7]

Beyond these acute impacts, knock-on effects of high rent-to-income ratios are felt across the income distribution: difficulty saving for a deposit, less of a financial cushion if circumstances change, and less money to spend in the other areas of the economy.

Figure 6: Three quarters of private renters who couldn't comfortably afford to pay their housing costs felt economically insecure



Source: NPRC/JRF Economic Insecurity Panel Study, Wave 3, April 2025

2. Inadequate subsidies contribute to acute pressures for low-income households

Summary

There are particularly acute rent-to-income ratios amongst low-income households, many of whom do not receive any support through targeted cash subsidies.

Private renting households in the lowest-income quintile have particularly acute affordability pressures – paying around half of their income on rents on average, while over 40% report finding it difficult to afford housing costs.

The group of lower-income private-renting households with high housing costs is significantly larger than the low-income high housing-cost group currently reporting receipt of targeted cash subsidies (Universal Credit or Housing Benefit) to support them with housing costs[8] — and the adequacy of these subsidies is periodically eroded through the freezing of Local Housing Allowance rates.

More broadly, other forms of subsidy beyond cash benefits (social housing supply and regulated private rents) have also disappeared or been depleted, further diminishing the support available to low-income households.

What the data tells us

Whilst private renters on average are spending a persistently high proportion of their income on rents, low-income households face particularly acute rent-to-income ratios.

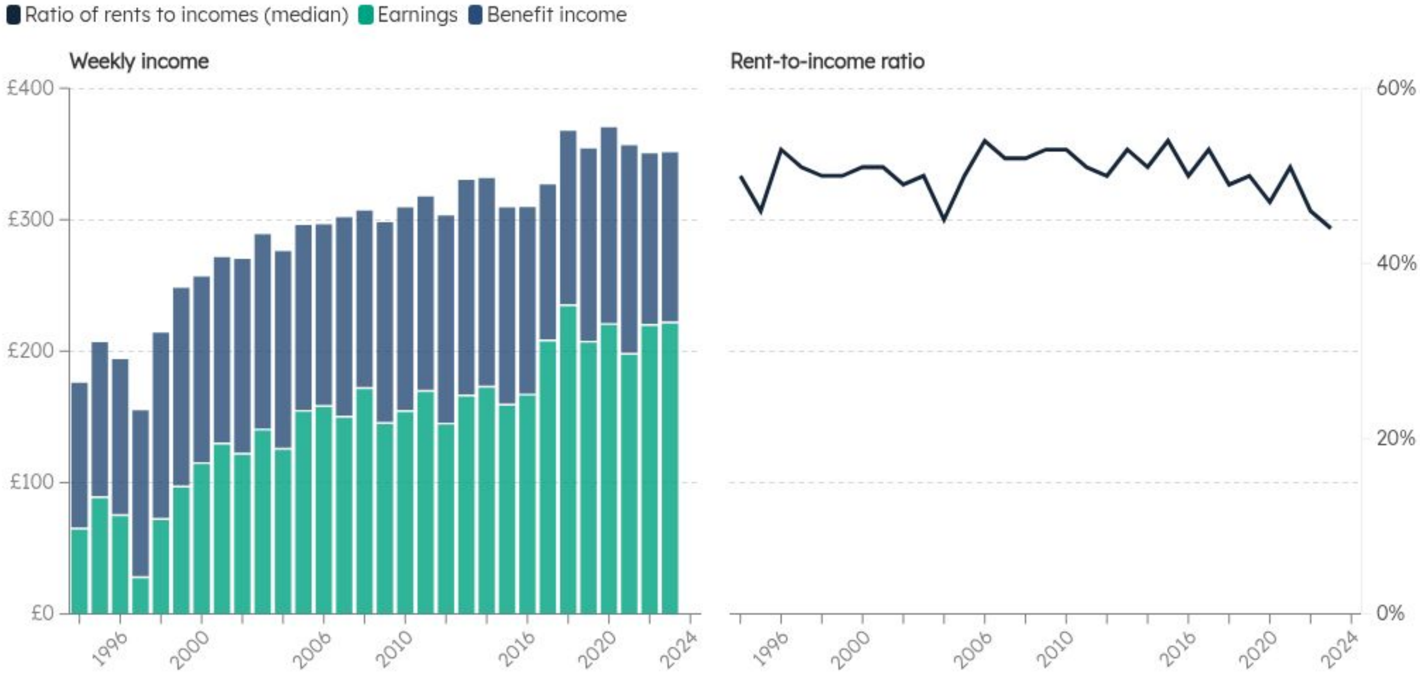
For private renters in the lowest income quintile, the average proportion of household income spent on rent in 2023-24 was 63%, while the median expenditure of this group was 50% (MHCLG, 2024).[9]

Around 40% of private renters in the bottom 40% of incomes reported finding it difficult to cover their housing costs, compared to 20-30% of those in the top 60% of incomes (MHCLG, 2024).[10]

Since the Global Financial Crisis, rents for low-income, working-age private renters have kept pace with inflation on average. At the same time, incomes from earnings have increased but incomes from benefits have declined. The net result is a disproportionately high, but slightly falling, average expenditure of incomes on housing costs for this group.

Figure 7: For most of the last 15 years low-income working-age private renting households spent around 50% of incomes on rents, increasingly with income from earnings rather than benefits

Real incomes and rent-to-income ratios of working-age private-renting households in the bottom 20% of incomes

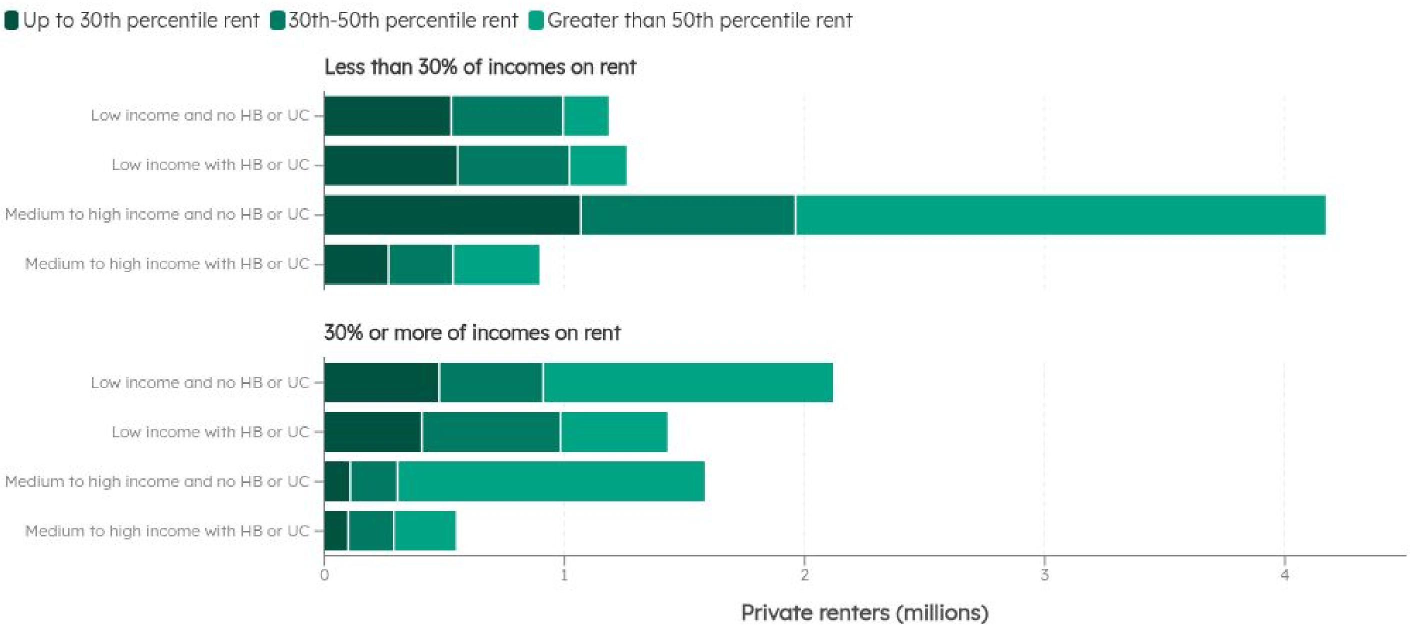


Source: Households Below Average Income, DWP, 2023/24 • Rent-to-income ratio is gross of housing benefit. We have not reported incomes from other sources which, for low-income working-age households, are negligible.

Although there is support available via Universal Credit or Housing Benefit for some low-income households, the support does not extend to everyone who needs it. According to available government data, the group of lower-income private-renting households with high housing costs who didn't report receiving targeted cash subsidies to support them with housing costs (Universal Credit or Housing Benefit) is larger than the low-income high housing-cost group currently reporting receiving these subsidies. Families may not be in receipt of these benefits because they have not applied for them despite being eligible, or because they are not eligible whether because of earnings levels, wealth levels or immigration status. It's important to note that there is known undercount of benefit receipt in this data, so the actual numbers of households not receiving support will be somewhat lower than reported here.

Figure 8: A large number of low-income private renters spending 30% or more of incomes on rents receive no help through HB or UC towards housing costs

Numbers of private renters by levels of incomes, receipt of Universal Credit (UC) or Housing Benefit (HB), share of incomes spent on rents and position on the rental distribution



Source: JRF analysis of HBAI 2023/24 • Renters are positioned on the rent distribution controlling for bedroom size and region. We do not account for actual bedroom entitlement levels under Local Housing Allowance (LHA) rules. Low income are those in the bottom 40% of equivalized before housing costs household incomes, and medium to high incomes are the top 60%. The rent to income ratio here is before housing benefits are accounted for. FRS is known to under count benefit receipt. Future releases of the FRS will seek to rectify this.

Amongst private renters in the bottom 40% of incomes, who spend more than 30% of their incomes on rents, around 1.4 million currently report receiving support through Universal Credit or Housing Benefit — while around 2.1 million do not.[11]

Amongst those on lower incomes with high rent costs, a significant number of both those reporting Universal Credit and Housing Benefit receipt and those not reporting receipt live in properties costing more than the 30th percentile of rents for the size and location of their property — for example, properties that cost more than the level of support available through the Local Housing Allowance (LHA) rate, even in years when this level is uprated to reflect current rental prices.

Of those currently reporting receipt of Universal Credit or Housing Benefit, around 1 million households in the bottom 40% of incomes, paying more than 30% of their income on rent, live in properties in the 31st-100th percentile of rents for the size and location of their property.[12] Of those not currently reporting receipt of Universal Credit or Housing Benefit, around 1.6 million households in the bottom 40% of incomes, paying more than 30% of their income on rent, live in properties in the 31st-100th percentile of rents for the size and location of their property.[13]

Even if LHA was rebased to median local rents, an estimated 450,000 high housing-cost, low-income households would still see a shortfall between their subsidy amount and their actual rent.

And, even for those in receipt of Universal Credit or Housing Benefit who do live in properties in the 1st-30th percentile of rents for their area, the periodic freezing of

Local Housing Allowance rates — used to determine the level of cash subsidy available through these schemes — creates cycles of worsening affordability.

Local Housing Allowance rates were frozen in 2024 meaning the level of support currently available reflects 30th percentile rents in the year to September 2023 — since September 2023 rents have increased by 16%.

It's important to note that the inability of Universal Credit and Housing Benefit to support the full group of low-income households with rent cost pressures is in significant part a result of the loss of other subsidies from the housing system.

Three distinct forms of housing subsidy — measures to hold housing costs below market level — historically played a role in keeping costs affordable for low-income households: cash subsidies like the housing element of Universal Credit and Housing Benefit, affordable rents through social housing, and the regulation of rents in the private rented sector.

Since 1979, the value of the subsidy from the latter 2 of these (social housing and rent regulation) has fallen significantly, as a result of the depletion of social housing stock through the Right to Buy and the deregulation of almost all private rents. Though cash subsidies through the benefit system have expanded to pick up part of the slack, they haven't replaced the value of the full subsidy these 3 mechanisms were providing. It's estimated that if all 3 housing subsidies had remained at their 1979 levels as a proportion of total housing costs, by 2019-20 there would be an additional £14 billion of subsidy in the housing system (Mulheirn et al, 2023).

Why this matters

Our analysis shows that current subsidies, meant to support those on low incomes with their housing costs, are not effectively protecting recipients from acute housing affordability pressures.

For over half (54%) of private renters in receipt of Universal Credit in England, LHA did not cover their rent by November 2025 (Department for Work and Pensions, 2024). This means that many people are having to pay out of pocket costs to cover their housing costs and are therefore at a greater risk of rent arrears, financial distress, and homelessness.

According to Crisis and Health Equals, only 2.5% of private rented homes listed in England between April and October 2024 were affordable based on LHA rates, despite LHA being reset to the 30th percentile of local rents in April 2024, down from around 10% of 2- or 3-bed properties and 16% of one-bed properties in 2021-22 (Greenall, 2025). This means that for low-income families looking for a home to rent or private renters forced to move home, it will be almost impossible to find a home where they will be fully supported with their housing costs through the benefit system.

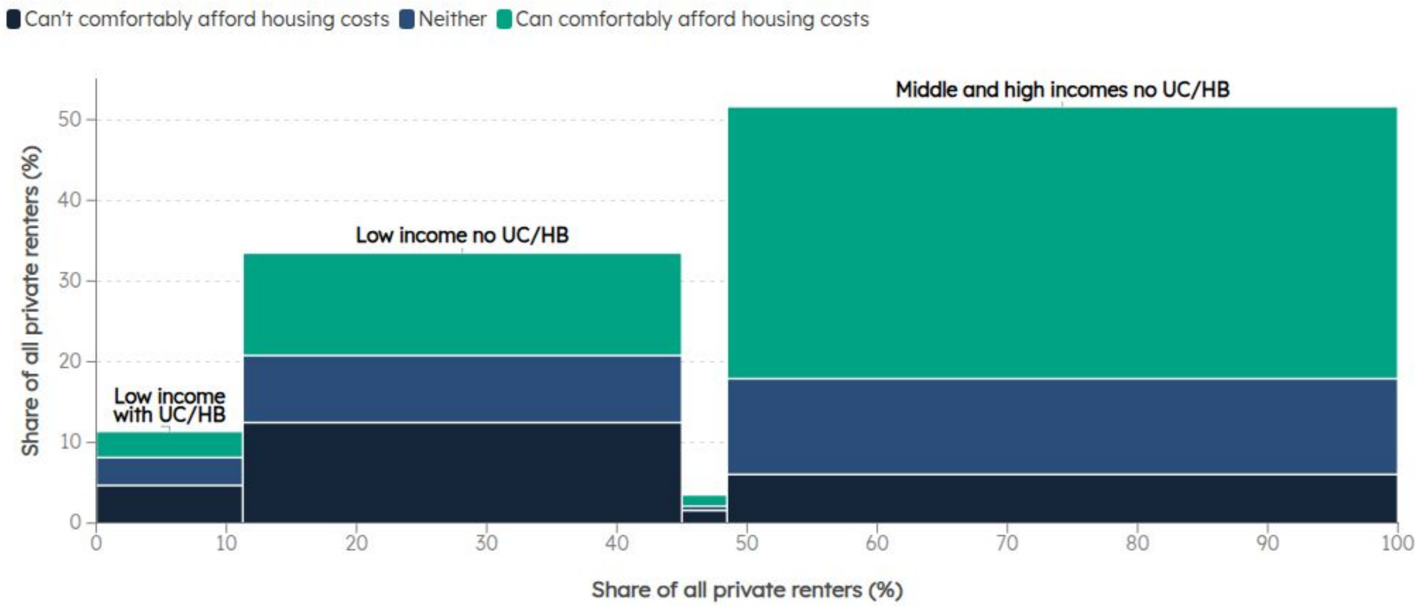
A lack of affordable housing is an instrumental factor in driving the record high numbers of people left to sleep rough, with an estimated 4,793 people sleeping rough in England on a single night in autumn 2025 (MHCLG, 2026a). Among the highest rates of rough sleeping are in cities where rents are usually the highest.

A shortage of affordable housing has contributed to families being placed in unsuitable and insecure accommodation, with a record number of children living in temporary accommodation — 134,760 households including 175,990 children (MHCLG, 2026b).

There are also significant housing cost pressures amongst low-income households who are beyond the reach of these subsidies.

Figure 9: A large share of low-income private renters who cannot comfortably afford housing costs do not receive support though Housing Benefit or Universal Credit

Ability to afford housing costs by income level and whether in receipt of Universal Credit (UC) or Housing Benefit (HB)



Source: NPRC/JRF Economic Insecurity Panel Study, Wave 3, April 2025 • Incomes are equivalized household incomes before housing costs. We have excluded a relatively small share of respondents who did not report sufficient income data. 'Neither' also includes a very small fraction who reported 'don't know'. Benefit receipt here is self-reported. 15% of private renters here report receiving UC/HB which is a substantial undercount against official estimates.

Perceived housing cost unaffordability is most widespread amongst private renters who report receiving support via Universal Credit or Housing Benefit towards their housing costs: 41% say they do not have enough to cover their housing costs comfortably, compared to 22% of those who do not receive Universal Credit or Housing Benefit. That said, amongst renters who say they find it difficult to cover their housing costs, a majority report receiving no support through Housing Benefit or Universal Credit. This indicates that affordability challenges extend significantly beyond the reach of the benefit system — though it's important to note that this dataset finds substantially lower reporting of UC or HB receipt than official statistics.

Three quarters (77%) of private renters who do not have enough to comfortably pay rent report that they are not in receipt of Universal Credit or Housing Benefit.[14] Two thirds (67%) of private renters who do not have enough to comfortably meet housing costs and who do not receive support through Universal Credit or Housing Benefit towards meeting their housing costs, were in the bottom 40% of incomes.[15]

3. How and when renters face rent increases

Summary

Three rental increase ‘pinch points’ can worsen the affordability pressure on tenants despite relatively modest overall rent inflation on average:

- most tenants do not experience year-on-year rent rises — as in-tenancy rents do not tend to increase every year, when rent rises do occur they are often ‘lumpy’ — catching up for an extended period of inflation in one go
- a significant minority of tenants, however, do experience rent increases every year, and some tenants will experience rents increasing faster than their earnings or benefit incomes
- renters can face big increases in rents when they move house because rents for new tenancies tend to be higher than existing tenancies.

What the data tells us

Evidence from surveys of landlords and tenants suggests that the majority of private renters do not see in-tenancy rent increases within any given year and some long-term tenants have seen a real-terms fall in their rental costs due to landlords never increasing rents within a tenancy.

Survey data suggest that most renters do not face yearly rent increases — in the 2018 and 2021 English Private Landlord Survey (MHCLG, 2018 and 2021)[16], between 24-28% of landlords reported increasing rents for an existing tenancy for the most recent renewal or extension. In 2022, the National Residential Landlords Association also reported that just 16% of tenants of independent landlords experienced a rent increase every year, increasing to 19% of tenants renting through letting agents, and 38% with corporate landlords (Clay, 2022).[17] This means the majority of renters typically do not face an in-tenancy rent increase within any given year.

However, the share of landlords reporting increasing rents in-tenancy jumped substantially to 56% in the 2024 English Private Landlord Survey (MHCLG, 2024)[18] likely reflecting wider cost pressures facing landlords, including high inflation and interest rate hikes.

The National Residential Landlords Association[19] also found that just over a third (36%) of long-term tenants — those who have been in their property for more than 5 years — of independent landlords had never experienced a rent increase, meaning a real-terms fall in their rent over the duration of their tenancy. The same is true for 23% of long-term tenants of corporate landlords, and 27% of tenants of agent landlords (Clay, 2022).

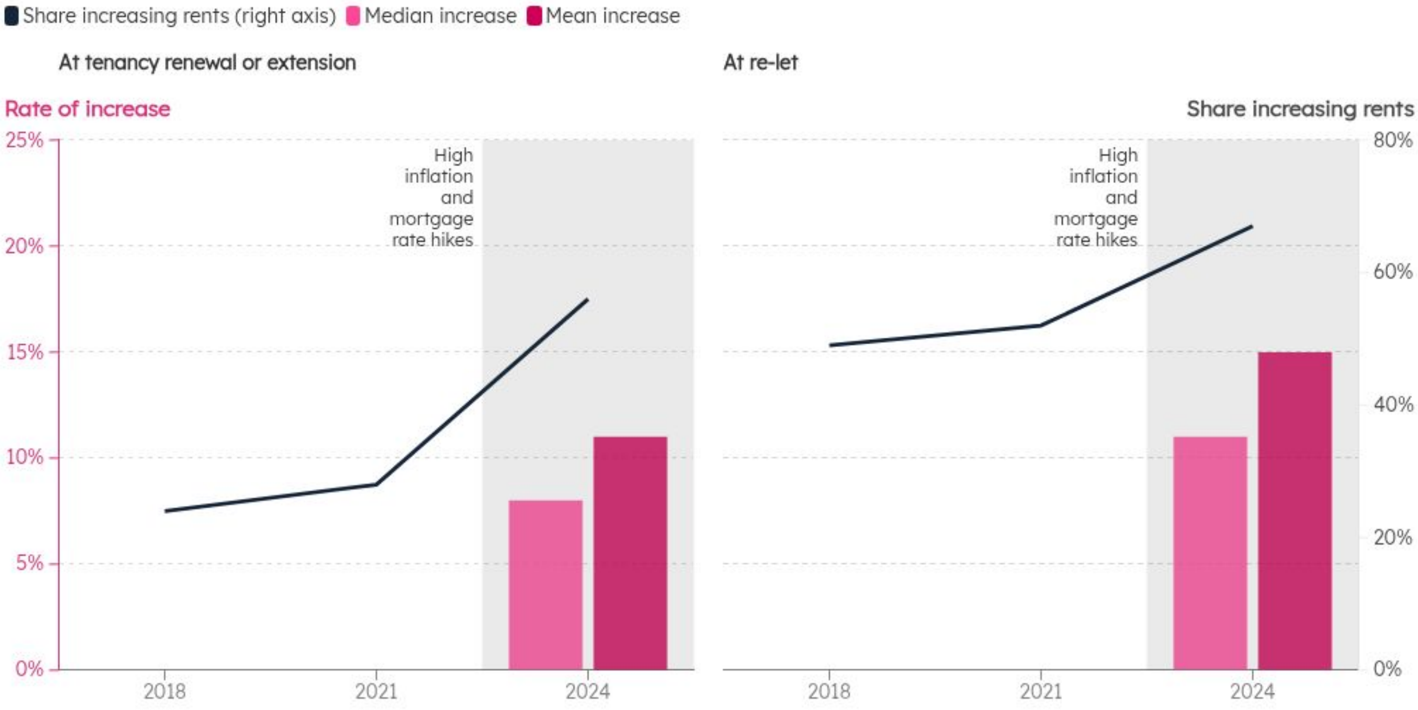
However, when tenants do face rent increases, these can be unpredictable and often above inflation, with landlords usually setting rents with reference to local market rents and reflecting any increases in costs, which can cause rents to suddenly become unaffordable for tenants.

The English Private Landlord Survey reported the median rent increase imposed by landlords for an existing tenancy renewal or extension was 8% in 2024 (MHCLG, 2024)[20] — substantially higher than the overall rate of CPI inflation in 2024 of 2.5% (Office for National Statistics, 2025). One in ten landlords who increased rents in-tenancy increased them by more than 20% (MHCLG, 2024).[21]

When rent increases do occur, they tend to be above-inflation to effectively ‘catch rents up’ after a gap has opened up between rents and inflation in the years rents are not increased. This introduces a ‘lumpiness’ to the rent increases tenants face, even though overall average rental growth has tended to track earnings and increase by less than average inflation. Against the backdrop of persistently high rent costs relative to incomes, these lumpy increases may be difficult for renters to absorb — especially if, as has been the case in recent years, other essential costs are also increasing at the same time.

Figure 10: Typically around a quarter of landlords increase rents at tenancy renewal or extension, while half increase rents at re-let

The average increase in rents is higher between tenancies than within.



Source: English Private Landlords Survey, MHCLG, 2018 to 2024 • Rate of increase is the average only for those who increased rents. Averages for 2018 and 2021 are not published. Landlords who did not renew or extend a tenancy in the period and first lets of the property are excluded. The increase in share of landlords increasing rents in 2024 follows a period of high inflation and earnings growth, and mortgage rate hikes.

Rent increases between tenancies are far more common and landlords typically increase rents by a lot more than inflation, increasing rents much more steeply between tenancies than within them.

Tenants moving to comparable properties in similar areas are likely to experience significant above-inflation increases to their rental costs when they move: rents on new tenancies tend to be higher than those for existing tenancies. Landlords are more likely to impose increases between tenancies than within them, and the scale of increase tends to be much larger.

Around half of landlords reported increasing rents for re-lets in 2018 and 2021, jumping to 67% of landlords in 2024; with a median increase of 11% in 2024, and a quarter of landlords increasing rents by a fifth or more (MHCLG, 2018, 2021 and 2024).[22]

While average rents are around the same level they were in real terms in 2008, over time some private renters experience fairly substantial real-terms falls in rents, while others experience substantial real-terms increases.

Moreover, private renters move home more regularly than other tenures which in itself incurs substantial one-off costs to tenants. Shelter estimated that the average private renter paid £670 in unrecoverable costs for forced moves in 2024 (Shelter, 2024). The same research also estimated that around 40% of tenant moves are forced moves rather than by choice.

JRF is carrying out new analysis using the Understanding Society, the UK Household Longitudinal Study, to provide insights into the frequency and extent of rent increases experienced by private renters over a long period. This analysis will provide new insights into how and when rent increases play a role in affordability pressures for private renting households. The results from this analysis will follow in a future briefing.

Why this matters

In the context of rents taking up a high proportion of incomes, especially for those on lower incomes, rent increases can be the tipping point for tenants where rents become unaffordable — or affordable only with the sacrifice of spending on other important areas.

According to data from a Shelter/YouGov survey in 2024, more than half of all renters (56%) said they would not be able to afford their rent increasing by 10% or more, and a quarter (24%) said they would be unable to pay any more in rent without cutting back across other household bills (Molano-Avilan, 2025).

Research on the impact of rent increases on renters in the United States found that rising rents crowd out non-housing spending, with this effect most pronounced amongst renters who paid a higher proportion of their income on rent before their rent increase (Wheat et al, 2025).

Polling by You Gov for Shelter shows that rents in the private sector are unaffordable for many key workers, with 47% reporting they are only one pay cheque away from homelessness (Shelter, 2025).

Significant rent increases, experienced by a significant minority of tenants year-on-year, can contribute to a stronger sense of economic insecurity.

69% of private renters who reported experiencing a ‘substantial’ increase in housing costs in the previous 6 months said they felt economically insecure, compared to under half (45%) of those who didn't. 38% of those experiencing a substantial increase said they couldn't comfortably afford their housing costs, compared to 23% who didn't.[23]

4. Conclusion: considerations for policy intervention on private rental affordability

Our analysis has identified 3 distinct, but interrelated aspects of the affordability pressure faced by tenants in the PRS:

1. The core issue is that high average rent-to-income ratios across the sector, which more people are having to pay as access to social renting and homeownership has contracted.
2. There are particularly acute rent-to-income ratios amongst low-income households, many of whom report not receiving support through targeted cash subsidies.
3. Rental increase ‘pinch points’ can worsen the affordability pressure on tenants despite relatively modest overall rent inflation on average: ‘lumpy’ within-tenancy rent increases, annual rent increases for a significant minority of tenants, and significant average rent increases when tenants move.

Based on our analysis, we suggest that successful policy intervention that meaningfully shifts the dial on rental affordability pressures should be guided by the following considerations:

- Reducing the core affordability pressure on renters would require bringing rents down relative to incomes — if incomes are able to grow at a faster rate than rents, the rental cost burden would ease over time and renters could benefit from an expansion in their real disposable income.
- Reducing the proportion of households living in the PRS — particularly low-income households on whom the affordability burden of private rents is most acute — should also be a key outcome. The depletion of social housing stock has diminished a key source of housing cost subsidy for low-income renters that hasn't been replaced.
- Intervention that goes beyond the current subsidies available through the benefit system will also be key. Universal Credit and Housing Benefit play an essential role in supporting eligible low-income households with unaffordable rents; the adequacy of these subsidies must be maintained with a permanent connection to local rents. However, the scale of the affordability issue across the private rented sector means that even an ambitious expansion of these subsidies, such as rebasing LHA to the median rent, would exclude many struggling with their rental costs (both those on low-incomes who are ineligible, and those on middle incomes who are also paying a high proportion of their income on rent) — making action through the benefit system alone an important, but insufficient lever for addressing rent affordability pressures.
- Protecting tenants from year-on-year, above-inflation rent increases during a tenancy would mitigate the impact of these acute affordability exacerbations on the renters, albeit it a relatively small group, who face

these kinds of rent increases.

- The lumpiness and unpredictability of in-tenancy rent increases, even when they're inflation-tracking or below inflation overall, can be difficult to absorb in the context of tenants already having to pay a high proportion of their income on rent. It could be a reasonable objective for policy intervention, then, to smooth the impact of rent rises on tenants by making them more predictable and gradual — though this may mean that tenants end up paying more overall as they won't be 'banking' savings over several years when rents aren't increased. Arguably, the impact of lump and unpredictable rent rises on tenants would matter less if policy intervention had successfully reset rents to a lower level relative to incomes (basically, if the core aspect of affordability were addressed).

More in Common polling commissioned by JRF has shown that the public has a clear appetite for Government intervention on the cost of renting: 79% of the public agree that the Government should be playing a role in ensuring private rents charged by landlords are affordable. JRF is currently examining how the Government could ease rent affordability pressures on renters, with an interim report due to be published in May.

Will the Renter's Rights Act make progress against these issues?

The Renter's Rights Act is an important new piece of legislation which will provide greater security of tenure for renters in the private sector. The Government has set a clear precedent that renters should be better protected, and the balance of power between landlords and tenants should be shifted in favour of tenants. The Act includes greater protection from ‘no fault’ evictions, banning Section 21, making it significantly harder to evict tenants for no reason.

Other measures in the Act will alleviate some of the specific financial burdens of renting; for instance, prohibiting ‘bidding wars’, placing a limit on how much rent can be offered or requested upfront, restricting rent increases to once a year, and providing renters with increased powers to challenge above-market rent increases with the first-tier tribunal. All of these measures, whilst not tackling the affordability of rents relative to incomes directly, will protect renters from some of the most excessive financial burdens of private renting, including being faced with unpredictable and often costly circumstances beyond their control, such as being evicted via Section 21.

That being said, the Act still allows for landlords to raise rents up to market rates each year which, in areas of high demand, can lead to above inflation, or above wage growth, rent increases for tenants. In such circumstances, tenants already spending the maximum they can afford on their rent may have no choice but to move when faced with a rent increase they cannot absorb.

Furthermore, the tribunal process is meant to offer protection to tenants against egregious or unreasonable rent increases by providing a means to challenge above-market rate rent increases without the fear of rents being raised even higher by the tribunal (as is currently possible). In practice, however, this will only be a robust safeguard for tenants to the extent that they know about and feel confident using the process — so it's unclear how effective a mechanism this will prove to be in protecting renters from above-market rent increases.

On top of this, the Government is considering introducing a fee for tenants to access the tribunal (Brown, 2026). A survey by Generation Rent found that a £200 fee to challenge a £200/month rent increase would reduce the proportion of renters who say they would take their case to the tribunal from 9 in 10 renters to half of renters (Brown, 2026) — which casts further doubt on the tribunal as an effective protective mechanism for renters against egregious rent hikes and, by extension, against 'backdoor' Section 21 evictions.

Notes

1. JRF analysis of ONS Price Index of Private Rents (Office for National Statistics, 2026).
2. English Housing Survey 2024-25 (https://www.gov.uk/government/statistics/annex-tables-for-english-housing-survey-2024-to-2025-headline-findings-on-demographics-and-household-resilience). Expenditure on housing costs at the median for private renters was 27% in 2023-24. ONS Private rental affordability (https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/privaterentalaffo data corresponds: private renters on a median household income spent an average of 34.2% of their income on an average-priced rental property in England in 2022-23 financial year.
3. English Housing Survey 2023-24 (https://www.gov.uk/government/statistics/english-housing-survey-2023-to-2024-rented-sectors). Median expenditure for private renters in London was 34%.
4. It’s possible that focussing on trends in rent-to-income ratios, or rent inflation relative to overall inflation, could obscure some important respects in which rents have become more expensive in real terms over time – for example, if renters are paying the same proportion of their income over time but getting less space for their money. Data published by the Resolution Foundation does indeed show that the price renters paid per square meter increased in real terms between 2009 and 2022 (Resolution Foundation,

2026). However, there are other factors to consider. Data from the English Housing survey show that over a similar time period, the proportion of homes in the private rented sector that didn't meet the Decent Homes Standard fell from 35% less than 25% — suggesting that renters may be getting slightly less space for their money than 15-20 years ago, but on average are getting better quality properties (MHCLG, 2025). Broadly, then, these data support the view that private renting hasn't become more expensive in real terms over this period.

5. It's worth noting that the latest OBR forecasts at the time of publication do not take into account the conflict in the Middle East and its potential impact on the economy.
6. JRF analysis of Households Below Average Income and Family Resources Survey 2024.
7. JRF analysis of data from a survey conducted as part of a report by Nuffield Politics Research Centre commissioned by JRF (https://www.jrf.org.uk/public-attitudes/addressing-key-voters-economic-insecurity-is-vital-for-all-parties). Wave 3, fieldwork in April 2025. The economic security measure used here and throughout is worry about family economic security.
8. The estimates of non-receipt of these benefits are likely over-estimates as the surveys we use under-count benefit receipt. Future editions of the DWP's Households Below Average Income will link to administrative data to reconcile reported with actual receipt. Despite this, we expect it to remain the case that a substantial share of low-income households will not be in receipt of support towards their housing costs through the benefit system.

9. English Housing Survey 2023-24. This measure is gross incomes and rents, before removal of Housing Benefit.
10. English Housing Survey 2023-24. This measure is gross incomes and rents, before removal of Housing Benefit.
11. JRF analysis of Family Resources Survey (FRS) data. Note there is some undercount of benefit receipt in the FRS. Future publications of the FRS will seek to rectify this undercount by linking with administrative data.
12. JRF analysis of Family Resources Survey data. Note this analysis uses bedroom size by region, reasonably approximate LHA levels, rather than bedroom entitlement by Broad Rental Market Area (BRMA).
13. JRF analysis of Family Resources Survey data. Note this analysis uses bedroom size by region, reasonably approximate LHA levels, rather than bedroom entitlement by Broad Rental Market Area (BRMA).
14. JRF analysis of data from survey conducted as part of Wave three, fieldwork in April 2025.
15. JRF analysis of data from survey conducted as part of Wave three, fieldwork in April 2025.
16. English Private Landlord Survey, 2018 (https://www.gov.uk/government/publications/english-private-landlord-survey-2018-main-report) and English Private Landlord Survey, 2021 (https://www.gov.uk/government/statistics/english-private-landlord-survey-2021-main-report). Figures use landlord weight and exclude those who have not renewed or extended a tenancy.
17. National Residential Landlords Association, 2022 (https://www.nrla.org.uk/research/deep-insight/tenant-survey-satisfaction).

Research is based on a survey of 2,000 tenants in July and August 2022.

18. English Private Landlord Survey, 2024 (https://www.gov.uk/government/statistics/english-private-landlord-survey-2024-main-report). Figures use landlord weight and exclude those who have not renewed or extended a tenancy.
19. National Residential Landlords Association, 2022 (https://www.nrla.org.uk/research/deep-insight/tenant-survey-satisfaction). Research is based on a survey of 2,000 tenants in July and August 2022.
20. English Private Landlord Survey, 2024 (https://www.gov.uk/government/statistics/english-private-landlord-survey-2024-main-report). Figures use landlord weight and exclude those who have not renewed or extended a tenancy.
21. English Private Landlord Survey, 2024 (https://www.gov.uk/government/statistics/english-private-landlord-survey-2024-main-report). Figures use landlord weight and exclude those who have not renewed or extended a tenancy.
22. English Private Landlord Survey, 2018 (https://www.gov.uk/government/publications/english-private-landlord-survey-2018-main-report), English Private Landlord Survey, 2021 (https://www.gov.uk/government/statistics/english-private-landlord-survey-2021-main-report) and English Private Landlord Survey, 2024 (https://www.gov.uk/government/statistics/english-private-landlord-survey-2024-main-report). Figures use landlord weight and exclude those from whom this is a first let of a property.

23. JRF analysis of data from a survey conducted as part of a report by Nuffield Politics Research Centre commissioned by JRF (https://www.jrf.org.uk/public-attitudes/addressing-key-voters-economic-insecurity-is-vital-for-all-parties)(https://www.jrf.org.uk/public-attitudes/addressing-key-voters-economic-insecurity-is-vital-for-all-parties). Wave three, fieldwork in April 2025.

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