

Rental Property Has Become Less Affordable in UK Since 2020

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— Categories: Real Estate



Rental property across the United Kingdom has become significantly less affordable since 2020, with tenants now paying a larger proportion of their income in rent than in previous years. Industry analyses indicate that rising rental costs have outpaced wage growth in recent years, placing mounting financial pressure on households and raising concerns over housing affordability.

Market experts attribute the surge in rental prices to several factors, including a persistent shortage of available rental properties, rising inflation, and the impact of higher mortgage costs on landlords. This imbalance between supply and demand has been most pronounced in urban centers such as London, Manchester, and Birmingham, where employment opportunities and transport links remain strong, attracting higher numbers of prospective tenants.

Recent figures show that families, young professionals, and low-income households are particularly affected. Many are forced to compromise on property size, location, or quality, while others face long waiting times to secure suitable accommodation. The trend has amplified concerns about housing inequality, as those with lower incomes increasingly struggle to maintain stable tenancies.

Economists warn that the increase in rental costs is not only a result of standard market fluctuations but also reflects broader economic pressures. Inflationary trends, rising utility costs, and higher interest rates have compounded financial strains on both tenants and landlords. For tenants, this has translated into higher monthly payments, while landlords contend with rising operational expenses, reinforcing upward pressure on rents.

Housing associations and tenant advocacy groups have called for government intervention to address the affordability crisis. Proposals include incentivising the construction of new rental properties, increasing support for tenants, and implementing measures to make rental markets more accessible. Advocates emphasise that without such policies, the gap between average incomes and rental costs will continue to widen, risking further economic and social strain.

The trend also has implications for long-term household planning. Young adults and first-time buyers may face increased challenges in saving for home deposits, while families may be forced to remain in suboptimal housing conditions. Analysts warn that sustained rental inflation could hinder social mobility and affect the broader economy by limiting discretionary spending and savings.

Some regional adjustments have offered minor relief, with rental growth slowing in less competitive areas. However, the overall national picture suggests a continuing upward trajectory for rental costs, particularly in high-demand cities and commuter towns. Experts highlight the importance of monitoring these trends and considering targeted interventions to prevent further escalation of affordability pressures.

The affordability challenge has prompted wider discussions on housing policy, including how to balance the need for increased supply with economic sustainability. Policymakers are being urged to act to ensure that rental housing remains accessible to a broad spectrum of the population, while supporting landlords in maintaining and improving properties.

Rental property in the UK has become increasingly expensive since 2020, placing significant pressure on tenants, affecting household budgets, and amplifying long-term economic challenges. Analysts, advocacy groups, and local authorities continue to stress the urgent need for coordinated solutions to address the imbalance between rental costs and household incomes, safeguard housing stability, and maintain equitable access to rental accommodation across the country.