

Press Release – The Money Charity – For Immediate Release

(BEGINS)

UK Renters Facing Greater Difficulties Than Homeowners
The Money Statistics July 2023

While the UK’s current high interest rates have gathered plenty of news coverage for their challenging impact on homeowners, UK renters are facing even greater levels of difficulty, according to the July 2023 Money Statistics, produced by The Money Charity.

Recent headlines related to interest rates and the cost of living have focused a lot on the homeowner market and the tough changes many are, or will soon be, facing, but renters arguably face an even more difficult environment. In the 12 months to June 2023, UK private rental prices rose **5.1%**¹, up from a revised **5.0%** in the 12 months to May, with prices skyrocketing across each country and all English regions. Northern Ireland (**9.6%**), Wales (**5.8%**) and Scotland (**4.6%**) all saw the highest rates of increase, with the lowest overall rises in the North East of England (**4.4%**) and South East of England (**4.6%**)².

Over a third (**36%**) of social renters are found to be ‘in serious difficulties’, with nearly a quarter (**23%**) of private renters also falling into this category. This compares with **13%** of mortgagors and **5%**³ of outright homeowners. Single parent households in rented housing were more likely than other types of family to be in difficulty.

For all UK mortgagors, in the last six months **13%** have remortgaged due to their fixed-term ending and seen their housing costs increase, while **17%** also saw increases due to having a variable or tracker rate. Whereas **37%** of private renters and **67%**⁴ of social renters have seen theirs increase. In the last month, **13%** of social tenants said they had not eaten for a whole day on three or more occasions because there wasn’t enough money for food, as had **8%**⁵ of private tenants.

While the problems extend nationwide, some of the issues acutely affect London renters. In the 12 months to March 2023, the median monthly private rental for England was **£825**, while in London it was **£1,500**⁶. For a single room with shared facilities, the London median monthly rent is **51.1%** higher than the rate for all England. For two bedrooms, the London rate is **87.5%**⁷ higher. London Councils estimate that **166,000**⁸ people are homeless and living in temporary accommodation, a figure equivalent to the total number of residents in a city like Blackburn or Oxford. London Boroughs are collectively spending more than **£52 million**⁹ a month on this.

Michelle Highman, Chief Executive of The Money Charity says:

“Managing an economy is always a balance and the strategy of raising interest rates to lower inflation is done in full awareness that it should increase the cost of payments on things like

¹ (The Money Statistics July 2023 Full Report, P12)

² (The Money Statistics July 2023 Full Report, P12)

³ (The Money Statistics July 2023 Full Report, P4.1)

⁴ (The Money Statistics July 2023 Full Report, P4.1)

⁵ (The Money Statistics July 2023 Full Report, P4.1)

⁶ (The Money Statistics July 2023 Full Report, P12)

⁷ (The Money Statistics July 2023 Full Report, P12)

⁸ (The Money Statistics July 2023 Full Report, P4.1)

⁹ (The Money Statistics July 2023 Full Report, P4.1)

mortgages, to reduce spending overall. But of course this also adds additional pressure on those who rent, with many already paying much higher amounts for rent than those with mortgages.

“This in turn creates an impossible balancing act, meaning many are struggling to stay financially sound. With all lines of people’s expenditure column rising and incomes unable to match them, the UK’s immediate financial outlook is troubling. But the principles of Financial Wellbeing still apply and always will. Even in the most challenging scenarios, people can still take small steps to review, take stock and retain as much control as possible of their financial situation.”

Other Striking Numbers from the July Money Statistics:

- **3/10** people are now using their savings due to the cost of living crisis (*P4.1.*)
- **£4.13** the daily spend per household on water, electricity and gas in Q1 2023. (*P14.*)
- **1.83%** the average interest rate for an instant access savings account in June 2023. (*P16.*)

Get the full picture and many more fascinating facts about money in the UK in our monthly Money Statistics.

Notes to Editors

- For over 25 years, The Money Charity has been the UK’s Financial Capability charity. We proactively provide education, information, advice and guidance to people of all ages, to reach our vision of seeing everyone achieving Financial Wellbeing by managing their money well. We empower people across the UK to develop the skills, knowledge, attitudes and behaviours to make the most of their money throughout their lives. Find out more at <https://thefmoneycharity.org.uk/>
- All statistics are from the latest available data at the time of writing/release.
- You may use any of the statistics quoted in this release, or within The Money Statistics, as long as:
 - You don’t make any commercial or financial gain from their use;
 - You clearly acknowledge The Money Charity as the providers of the information and point your audience towards signing up themselves for the monthly report; and
 - You do not make substantive adjustments to the presentation of the statistics, such as amending the statistic phrasing, or for example, repurposing the statistics into a format they are not appropriate for, such as an editorial/’opinion piece’ from the charity.
- If you’d like The Money Statistics emailed to you every month as soon as they’re published, please sign up at: <https://thefmoneycharity.org.uk/money-statistics/>
- If you’ve any questions, comments, or want any information about the source of these statistics, please contact us through hello@thefmoneycharity.org.uk
- Any media or press enquiries should be directed to our Communications & Marketing Manager, James Yelland, on james@thefmoneycharity.org.uk

(ENDS)