

# UNDERSTANDING AFFORDABILITY



WHO DOES THE PRIVATE RENTED SECTOR IN WALES WORK FOR? AND HOW DO WE CHANGE IT.



Shelter Cymru is Wales' national homelessness charity. We exist to tackle the housing emergency because we understand that home is everything.

For us, the fight for home is about ensuring everyone has access to a safe, secure, suitable and genuinely affordable home. To make this vision a reality we work tirelessly providing free, confidential and independent advice to anyone who needs it, ensuring they have support to meet their immediate housing need.

We also campaign to tackle the causes of the housing emergency, with this work rooted in the experience of our clients and caseworkers.

This report was authored by Lauren Caley with support from Shelter Cymru's Private Rented Sector Advisory Panel, Shelter Cymru's Peer Research Team, Elen Grantham and Robin White.

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Registered charity number: 515902

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“But there's there's such shame attached to it, though, you know, it does feel like what did, what didn't I do right or or what? Even though I know it's it's the affordability of housing. I still blame for myself that I'm not at the stage that I felt I should be at this age, particularly as I have worked non-stop since I was 18”.

A private renter speaking to Shelter Cymru researchers

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# FOREWORD

Sam Haywood, Member of Shelter Cymru's Private Rented Sector Advisory Panel

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Sam is a member of Shelter Cymru's Private Rented Sector Advisory Panel which has supported this work. He also volunteers with Shelter Cymru and TPAS.

Since becoming disabled and sensory impaired he has used his lived experiences of housing disrepair, failures in care and large institutions assumptions that service users don't understand or don't read legislation to try and raise awareness for fairer more sustainable housing for everyone.

## **Housing isn't politics, its communities, it's past, present and the future of Wales.**

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The affordability of private rented sector homes is driven by many things, not least the availability of suitable homes in both the private rented sector itself and the wider housing market. Those who expect to be long-term renters want the stability and protection that is gained from being a social tenant. With controls on rent increases, strict regulations on quality and long-term security of tenure.

Sadly though the housing allocation system and a failure to replenish the supply of social homes is a huge issue. Not since the 1950s has Wales faced a shortage of homes for people to feel safe and secure in equivalent to the current crisis. This failure in social housing delivery has inevitably impacted other parts of the housing market, with private rented homes in particular expected to try and fill a gap that social homes have failed to fill for many years. Perhaps inevitably, one of the consequences of this has been that the cost of housing in Wales has exploded over the last 30 years.

Programmes like "Homes under the Hammer" promised those with savings in the bank a sneak peek at the Buy to Let market that could offer returns far higher than high street banks or standard investment options. Inevitably, this contributed to a situation where houses stop being homes and become 'assets', with landlords making investments while potential homeowners are pushed out of the market.

## **Where does that leave families like mine? Renters without the cash in the bank to buy.**

Credit Crunch, Cost of Living, Global Pandemic and War - all global factors that have been used to explain the seemingly never-ending spiralling costs faced by households in Wales. As interest rates rise so do rents. The private rented sector isn't providing a public service. It's about return on investment, protection of assets, renters and their homes are revenue streams.

The Collins English dictionary defines affordable as " Adjective: If something is affordable, most people have enough money to buy it"

Affordability as a broad-terms metric is flawed, when something is affordable to a millionaire it isn't affordable to someone earning minimum wage - so is it or isn't it affordable? Does it depend on how many millionaires you have in your sample pool?

What if that “affordable” home means a family can’t also afford to heat their home in a cold snap? If it is sucking up funds that should be used to manage someone’s disability? Renting needs to be affordable for reluctant renters – the people forced to privately rent because we don’t have the social homes we need. That means thinking about who the home is for, and what is affordable to them, not to a nameless, faceless ‘median’.

Data happily tells us that costs are currently increasing on all fronts. Rents are rising, fuel costs have increased, the cost of food, of clothes, of mobile phones, have all gone up. For many, the only thing that seems to have risen slowly is incomes.

“Affordability” feels like an oxymoron when you’re facing this pressure every single month. People are just about surviving. Adults are living with parents until well into their 20s and 30s, birth rates are down, and Wales faces a serious issue in keeping graduates in the country. Something needs to change before another generation is let down by a lack of action.

Wales has taken some excellent steps towards protecting tenants’ rights. But we need to be brave, we need to do more.

Read this report and please understand that surviving isn’t living. We need to thrive as families and as a nation and having homes we can actually afford to build a life in is a cornerstone for that.

“Not even the apparently enlightened principle of the ‘greatest good for the greatest number’ can excuse indifference to individual suffering.” – Aneurin Bevan

**Shelter Cymru are continuing to grow our Private Rented Sector  
Advisory Panel – for more information on this email  
[getinvolved@sheltercymru.org.uk](mailto:getinvolved@sheltercymru.org.uk)**

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# EXECUTIVE SUMMARY

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This report is not the first to highlight that there are significant issues within the private rented sector in Wales, and given the scale of the challenges we see in this sector today it is unlikely to be the last. However, what we hope this report is the first to do is to reframe our concept of private rented sector affordability to focus more clearly on the people who sit at the heart of the sector and who rely on it for a home.

For too long Wales has hidden behind a narrative that rents here are lower than those in England or Scotland. Using this fact to ignore the simple reality that affordability is rooted not in the inherent price of a thing, but rather in whether that thing is priced to be accessible to those who need it.

Over the last ten years, a growing number of private renters have been reaching out to Shelter Cymru for help, and time and again these approaches are rooted in a challenge of affordability. With households often facing impossible rent hikes, sometimes up to 75% of their current rent. Similarly, we hear from many people who are at immediate risk of homelessness wholly, or in part, because they are unable to find an affordable home to protect their family.

Despite this, the Office for National Statistics (ONS) approach to assessing affordability delivers a conclusion that private renting is unaffordable in only two local authority areas in Wales: Cardiff and the Vale of Glamorgan. Yet, when we speak to Shelter Cymru advisers or to people working in the housing and homelessness sector across Wales, the idea that the private rented sector is affordable anywhere seems completely unbelievable. Which begs the question, why is there such a disconnect between this conclusion and what we are seeing on the ground?

To answer that question, Shelter Cymru set out to explore exactly what this ONS model of affordability is rooted in, and to understand how it landed so at odds with the real lived experiences of people in Wales.

To help inform our work we had a series of discussions with our Private Rented Sector Advisory Panel, a forum of people with lived experience of the challenges facing renters who inform and support our work in this area. These discussions helped us to better understand where the ONS approach didn't align with their real-world experiences, and ultimately they helped us to identify the need for a new, more person focused, approach to calculating private rented sector affordability in Wales.

For any model of affordability to work though it has to be rooted in the experiences of people, and in an understanding of the lives that renters lead, the costs they can't avoid and the realities of their incomes. This is why the model that we have used is one that's informed by lived experience, with the panel putting forward a model that they believe reflects the reality of renting:

**A HOME IS CONSIDERED TO BE AFFORDABLE IF ALL ESSENTIAL HOUSING COSTS USE LESS THAN A THIRD OF NET INCOME FOR LOWER INCOME HOUSEHOLDS.**

With essential housing costs being rent, council tax, energy bills, and water.

Shelter Cymru researchers then tested this model using data for current rents and information from new listings alongside reasonable estimates for wider housing costs (see Appendix A for methodology).

Using earnings data for different household make ups, different local authority areas, and different ages we hoped to answer the question "who is private renting in Wales working for?"

Unfortunately, although not unsurprisingly, what we found is that a crisis of unaffordability is playing out across every part of Wales. Of course, there are areas and household types where the impacts of affordability are more or less keenly felt, but overwhelmingly this is a challenge being felt by tens of thousands of individuals and families all across the country.

Given this, the conclusion we draw from the research is that we can only be confident that the private rented sector offers sustainable homes for an extremely narrow window of renters. These being households with two full-time earners, who have two or fewer children, and who live in mid-Wales.

There are thousands of households who don't meet this description but are still forced to privately rent due to a lack of viable alternatives. For these households we would have little hope that an affordable home is available to them in the private rented sector, and instead believe they are likely to face monthly additional costs adding up to hundreds of pounds.

### **SNAPSHOT: AN UNSUSTAINABLE SHORTFALL**

A family who need a three-bedroom home in Monmouthshire with one working parent would have monthly housing costs over £1,000 more than what Shelter Cymru would consider to be the reasonable cost of an affordable home. A single adult in their 40s renting a one-bedroom flat in Gwynedd would have additional costs of nearly £500 each month.

The scale of unaffordable renting has a significant impact for both individual households in Wales and for us collectively as a nation. Unaffordable renting increases homelessness, impacts people's health, has serious financial implications for households and public spending, and it traps people in a system that isn't working for them.

As a nation we can do better for renters. We can make sure that people have their own front door and privacy in their homes. We can make sure that single parents aren't forced to skip meals to keep a roof over their children's heads. We can rebuild a Wales where young people can afford to fly the nest before their late 30s.

It's easy to read this work and assume the private rented sector is beyond repair, however, this simply isn't the case. With the right political will, the right policies and the necessary urgency it is possible to deliver the change that's needed. As a starting point we believe this should include:

- Moving to bring key renters rights in Wales into line with those in England. Chief among these being the banning of bidding wars and an end to no fault, no reason evictions.
- Taking bold steps to stabilise renting costs in Wales with a clear goal of achieving affordability for renters.
- Ensuring sufficient funding and flexibility in our approach to acquisitions to enable transition of private rent homes to social rent as opportunities arise.

Alongside these steps targeted at private renting, it will also be necessary to continue investing in the social rented sector in Wales and to take new steps like the adoption of a Right to Adequate Housing into law in Wales to provide an overarching strategic framework for addressing our housing emergency.

There is no quick fix but we are confident that change is possible.

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# INTRODUCTION

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Households privately renting currently make up a significant portion of Shelter Cymru’s casework, between 40% and 50% in any given month. Affordability, or the lack of affordability, for private renters being a key issue in this work. People across Wales are reaching out to us when they receive notice of a proposed rent increase they know they can’t afford, when they are facing eviction due to rent arrears, and when they have already been made homeless and are unable to find anywhere affordable to lift their family out of temporary accommodation.

The common thread is clear, when thinking about what is and isn’t affordable, private renting in Wales doesn’t appear to be a viable, sustainable option for thousands of people.

Despite this, the ONS has concluded that private renting is unaffordable in only two local authority areas in Wales: Cardiff and the Vale of Glamorgan.<sup>1</sup> This is so far from the experiences of Shelter Cymru clients in every part of Wales that we wanted to explore exactly what this model of affordability was rooted in to understand how it landed so at odds with the real lived experiences of people in Wales.

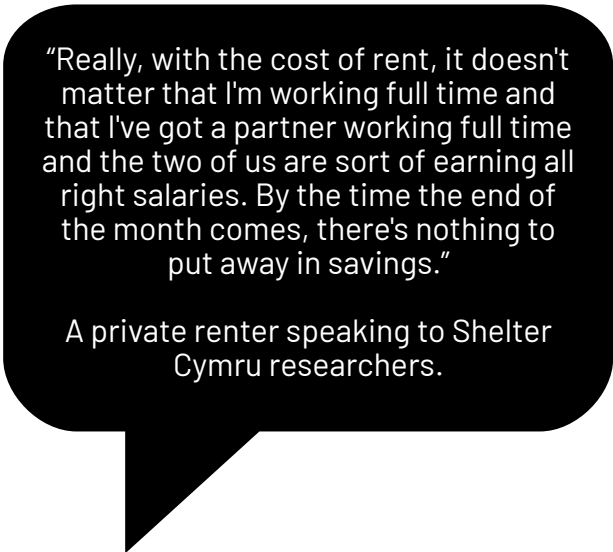
Shelter Cymru’s research team worked with our Private Rented Sector Advisory Panel to discuss the ONS affordability model and its conclusions. Ultimately, we concluded that this model is doing a disservice to private renters and this report is our collective effort to put forward an alternative model of affordability. A model that is rooted in the real experiences of renters, that seeks to compile a range of data sets, and that moves beyond what is simple for data scientists to instead deliver a focus on what we need to understand to best serve the hundreds of thousands of households privately renting in Wales.

As a charity with limited resources we faced inevitable challenges in testing this model. We have been transparent about these throughout this report in the hope that we or others will be able to take this work forward at the depth and scale needed to refine this modelling and to better understand the pressures that renters are facing.

## THE ROLE OF PRIVATE RENTING IN WALES

Questions about the affordability of rental homes inevitably bring us back to the question of who private renting is for, what role the tenure should play in our housing system, and, crucially, whether the current situation reflects these aims.

To date, the Welsh Government has not explicitly set out a view on the role of the private rented sector within the wider housing system in Wales. However, work has begun on a new Housing Strategy that Shelter Cymru hopes will answer this question alongside setting out the roles of other tenures. In the absence of this clarity though what we can do is look at the reality of the role that private renting is playing, and the experiences of those who rely on it.



“Really, with the cost of rent, it doesn't matter that I'm working full time and that I've got a partner working full time and the two of us are sort of earning all right salaries. By the time the end of the month comes, there's nothing to put away in savings.”

A private renter speaking to Shelter Cymru researchers.

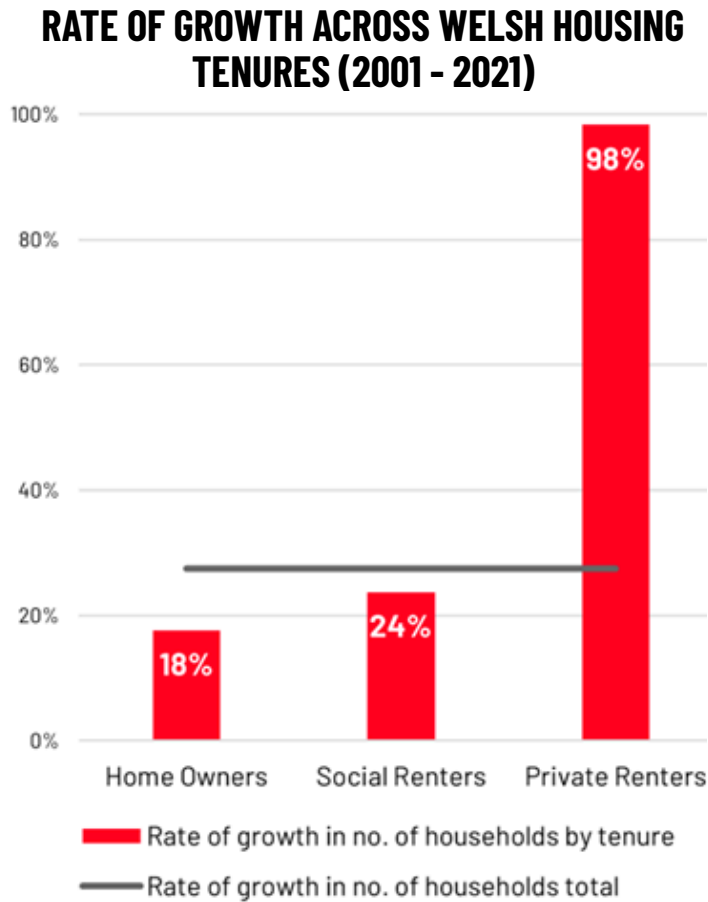
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<sup>1</sup> [Private rental affordability, England, Wales and Northern Ireland - Office for National Statistics](#)

Note: The Welsh Government work to the same model of affordability as the ONS, that a home is affordable if up to a third of gross income is spent on rent: [Data mapping and visualisation on the housing rental market in Wales.](#)

In 2014, Savills funded YouGov to explore why renters across the UK choose to rent. Rather than reflecting a common narrative of flexibility and choice, respondents overwhelmingly stated that they rent because of a lack of alternative options.<sup>2</sup> This supports what we see every day in our casework, people across Wales aren't making an active choice to become private renters – it's the only option available to them in a failing housing system, essentially a tenure of last resort.

Figure A: A comparison of the increase in different tenures in Wales, Census 2001 and Census 2021.



Despite private renting being this tenure of last resort, it's a section of our housing system that continues to grow. Over two decades, the number of private renters has almost doubled and there are now over 230,000 households in Wales who are privately renting.<sup>3</sup> As can be seen in Figure A, the rate of growth in private renting has significantly outpaced that of other tenures. Showing us that this is not a simple case of population growth but rather a marked shift away from people living in secure social homes or in homeownership and towards the private sector.

This growth has not been driven by a clear strategy, rather it is something we have sleepwalked into because of our failings in other areas. Nowhere is this more apparent than in the decline in social housing, where chronic underinvestment, coupled with the right-to-buy, led to a significant decline in the availability of social homes over several decades. While recent Welsh Governments have taken steps to begin reversing this, we cannot avoid the fact that over time more and more people have been pushed into private renting who would traditionally have been social renters and whose needs would be better met by that tenure.

Figure B shows how significant this decline in the building of what we might consider genuinely affordable homes to have been. When coupled with the wider decline in the delivery of new homes (also seen in Figure B) this is key to understanding some of the additional pressure that has fallen on the private rented sector in recent years.<sup>3</sup>

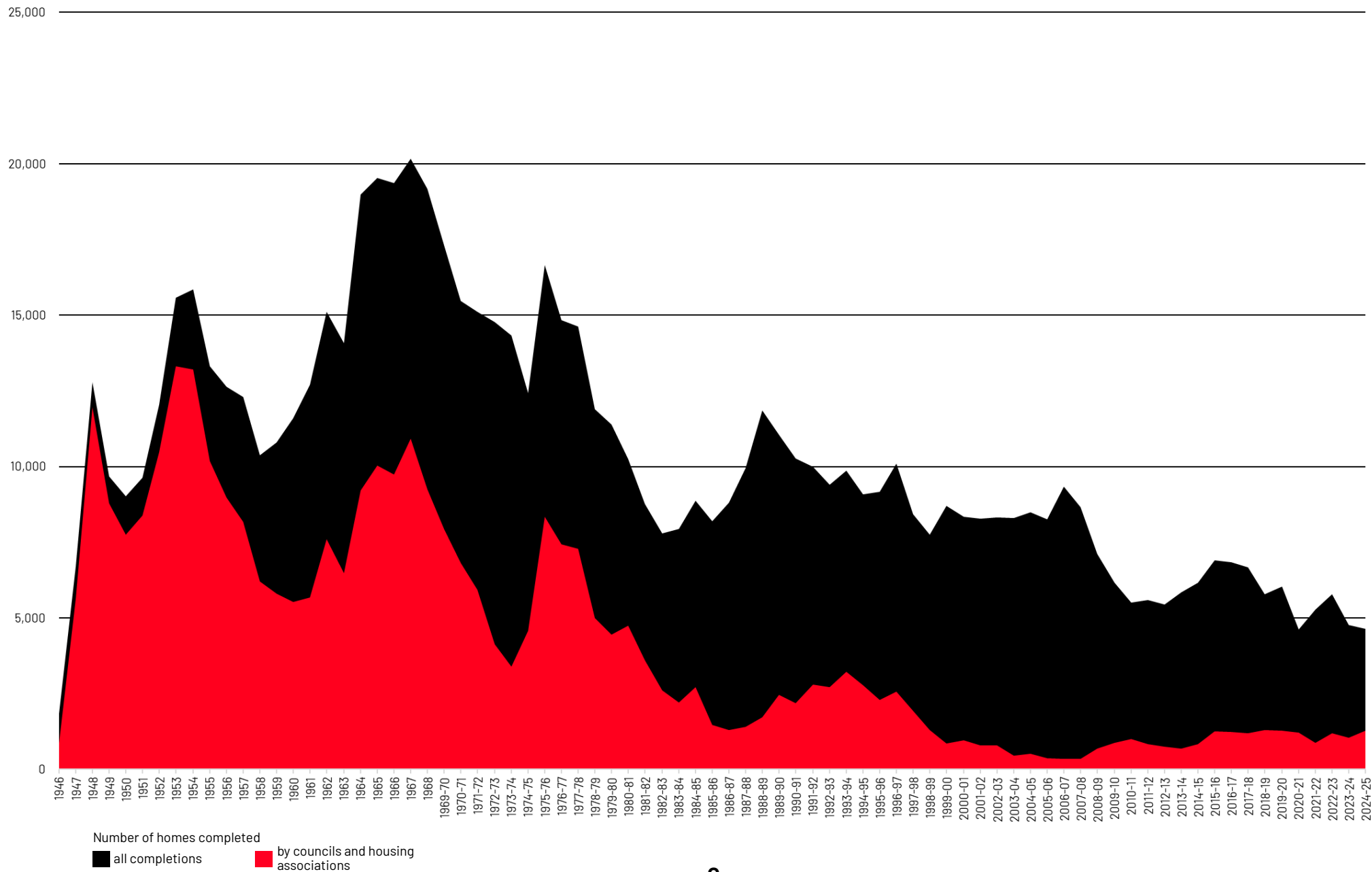
<sup>2</sup> [Savills UK | Reasons for renting](#)

<sup>3</sup> [Age \(d\) and tenure of household - Office for National Statistics](#)

<sup>3</sup> Note: Figure B presents statistics for new build homes only. A significant proportion of affordable housing delivery in Wales in recent years has been via the acquisition of existing homes for conversion. Given this does not increase the overall stock of homes though we consider this representation to be fair in the context of understanding additional pressure on private renting vs. other tenures.

Figure B: Delivery of homes in Wales per year since 1946 by total completions and number of homes built by councils and housing associations, all data from ONS.

## NUMBER OF NEW BUILD HOMES DELIVERED IN WALES PER YEAR 1946-PRESENT



The introduction of the Housing (Wales) Act 2014 saw a welcome and world-leading shift in Wales' approach to homelessness to prioritise prevention. It also brought in a measure whereby local authorities could discharge homelessness duties for households by helping that household to find a privately rented home – previously these duties could only be discharged into the social rented sector. With this change came an implicit acceptance that, at least in the immediate term, private renting has a central role to play in resolving homelessness and addressing the housing emergency in Wales. This approach also suggests there is a belief that private renting can offer a level of long-term security, a “permanent” home, that the sector simply doesn't provide. With our reliance on private renting having grown since then, this legislative shift risks no longer being a pragmatic or exceptional response to a growing homelessness crisis and instead being the norm for our approach to homelessness and homes for lower earners.

More recently, the Welsh Government brought in some important additional measures to support private renters with the Renting Homes (Wales) Act. Measures such as a six month notice period for no-fault, no-reason evictions and a restriction on rent increases so that they can only occur once every 12 months for existing tenants have offered significant improvements for renters and Shelter Cymru has long welcomed them. However, we do not believe that they go far enough or that they provide the security, stability and affordability that people need to build their lives.

In this Senedd term, monthly private rents in Wales have shot up by 35% and, last year, “loss of rented or tied accommodation” was the main reason that households across Wales were threatened with homelessness.<sup>4</sup> While Shelter Cymru continue to advocate for a significant increase in the delivery of additional social rent homes in Wales (see our report on social home waitlists, [Waiting for a Home](#)) as an essential step to ending the housing emergency, we are conscious of the reality that our clients are facing today. With many families forced into a private rented sector that is not geared up to guarantee them safe, secure, and genuinely affordable homes.

In the 2024 White Paper consultation on Fair Rents, the Welsh Government were clear that they believe “there is not a sufficient evidence base to take forward rent control measures at this time.”<sup>5</sup> This despite the fact that the Renting Homes (Wales) Act did introduce a very mild form of rent control with its restrictions on how regularly landlords could increase rent. Suggesting that to a certain extent the Welsh Government does recognise that there is sufficient evidence for action, simply not enough for the level of bold action that we believe renters need to continue to afford their homes.

Following that White Paper, Shelter Cymru have been concerned that, for as long as the Welsh Government feels there is a lack of data or evidence, we won't see necessary protections brought in for renters. This is a key part of the why we have set out to offer a new approach to understanding affordability for private renters and the collection of relevant data to underpin this.

We recognise that improving affordability is only one part of building a private rented sector that works for people. But given the prevalence of affordability as an issue we see in our housing advice work, and given the general acceptance that it is a significant problem, we feel it is an area that needs greater attention.

We hope that this report can provide the starting point for an important conversation, one that ultimately leads us to a collective acceptance that not only is private rented sector affordability a problem but that it is one that requires bold action to be taken.

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<sup>4</sup> [Price Index of Private Rents, UK: monthly price statistics - Office for National Statistics; Homelessness: April 2024 to March 2025 \[HTML\] GOV.WALES](#)

Note: this reason category includes all rented homes, not solely those in the private sector.

<sup>5</sup> [Consultation on the White Paper on securing a path towards Adequate Housing, including Fair Rents and Affordability.](#)

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# A NEW APPROACH TO RENTAL AFFORDABILITY

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In discussing the ONS model of private rented sector affordability with members of our Private Rented Sector Advisory Panel, there were a number of things that stood out for them that meant the model did not feel reflective of their lived experience of reality of renting. Key questions they raised were:

## 1 Why did this model use median earnings data?

With two-thirds of households in being Wales home-owners, and only 17% privately renting, it is a reasonable assumption that above-average earners are not routinely renting homes.<sup>6</sup> Taking earnings data at the median rate doesn't reflect the true incomes of households who are privately renting.

## 2 Why did this model use before-tax income?

The ONS model considers the average monthly income for a household in Wales to be £2,713 – an amount significantly above what most have available each month. This is because the model uses median income before tax.

## 3 Why did this model consider rent to be the only relevant housing cost to include?

With costs rising for households across other essential household bills, the panel felt that this approach doesn't reflect the real-world pressures that private renters are facing.

## 4 Why didn't the model reflect different households types?

With members of the panel being couples with children, lone parent households, and single adults, this sole point of income data doesn't reflect the range of circumstances for renters.

## 5 How would the model apply to newly listed properties?

Some of the panel members have lived experience of facing the seemingly impossible challenge of finding an affordable privately rented home when their family is facing homelessness. Using the average rent data doesn't reflect this experience with newly listed rents often showing rates significantly above the averages published by the ONS each month.

Through a series of discussions, the panel put forward an alternative model that more closely reflects the reality that renters are living in:

**A HOME IS CONSIDERED TO BE AFFORDABLE IF ALL ESSENTIAL HOUSING COSTS USE LESS THAN A THIRD OF NET INCOME FOR LOWER INCOME HOUSEHOLDS.**

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<sup>6</sup> [Age \(d\) and tenure of household - Office for National Statistics](#)

In this approach, essential housing costs are taken to be:

- Rent
- Council tax
- Energy bills
- Water bills

Other costs were put forward by and discussed with the panel, including childcare costs and wifi, with the final agreement being that this model should focus on the costs that are essential to having and running a physical home, not costs that we would consider to be essential costs for a household more broadly.

This new approach also doesn't use median income as a proxy for the likely income of a private renter in Wales. With this model we are looking to understand who private renting in Wales is working for and who it is failing. The modelling in this report therefore takes earnings data for a range of potential household types to better reflect the diversity of private renters – considering earning potentials for different age groups, different household makeups and the differences of where people live.

We then took two routes to gather rental data:

### **1 Current rents data**

For current rents this analysis relies on the data from the ONS' Price Index of Private Rents, January 2026.

### **2 New rental listings**

For newly listed rents we used a service called PropertyData which scrapes data from RightMove, Zoopla and OnTheMarket.

This data then became our basis for modelling broader housing costs.

We felt it was particularly important to look at new listings as well as existing. Many of our clients who are at risk of homelessness or are already homeless tell us about the stress of trying to find an affordable home on these common property listing websites. Given the scale of homelessness in Wales, these listings need to be able to offer people real options to move-on from temporary accommodation if private renting can be considered to be a reasonable option.

"Things are so competitive that things just go too quickly for you to even do anything. I'd be looking on all the different websites every day and as soon as one comes up, you call the letting agent. They say it's already gone and you're like "how?" I'm literally refreshing and refreshing, how has it gone? It just came up this second. I've called you straight away. It's an impossible game, really.

A private renter speaking to Shelter Cymru researchers.

A full explanation of the methodology used to produce the data sets for this report can be found in Appendix A.

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# WHO IS PRIVATE RENTING IN WALES ACTUALLY WORKING FOR

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## WHAT SHELTER CYMRU CASEWORK TELLS US

Thanks to the dedicated work of Shelter Cymru’s caseworkers and helpline advisers, we have a strong sense of the broad range of households who are currently struggling while privately renting. Private renters made up more than 40% of Shelter Cymru clients last year and the main issues that people came to us looking for help with were:

- They are being evicted.
- They are overwhelmed by the unaffordability of their home.
- There are issues with the condition of their rented home (particularly damp and mould) which the landlord is not resolving.

Of the households coming to us because they just can’t afford their homes, there is no distinct pattern as to the “type” of household feeling this pressure. For example, if we look at age, there’s a roughly even split as to whether the client who contacts us is under 25, 36-49, or over 50 (34%, 36%, 30% respectively).

In terms of earner profiles, a third of people coming to Shelter Cymru because they’re struggling to afford their rent are in paid work, another third are unemployed while a quarter have long-term health issues affecting their ability to work and then there is smaller representation for retirees, carers, and students.

Taking household makeup, single adult households are particularly prominent – they represent half of our casework on private renting affordability. Families with children represent a third: lone parent families (21%), two parent families (12%), extended families (1%). Even couples without children are regularly reaching out to us due to issues with affordability (17%).

While our casework suggests that single-income households in particular are struggling, there is no household “type” that could be considered an outlier. It’s therefore clear to Shelter Cymru that households of all makeups are struggling under the weight of continuing to afford their privately rented homes. Parents trying to sustain a home for their children, single people in their middle years who want their own front door rather than be forced to live in a shared home, working people and people receiving welfare benefits of every age are all feeling the same impossible pressure of not being financially able to retain their home for the long term.

The rest of this section will explore the data sets built for this work to understand who private renting in Wales is working for. We’ll crosscut the data to consider different age groups, different work patterns, different household make ups, and investigate which homes, in which areas can be considered to be genuinely affordable options for households on below average incomes.

## WHO IS PRIVATE RENTING WORKING FOR: HOUSEHOLD EARNER TYPES

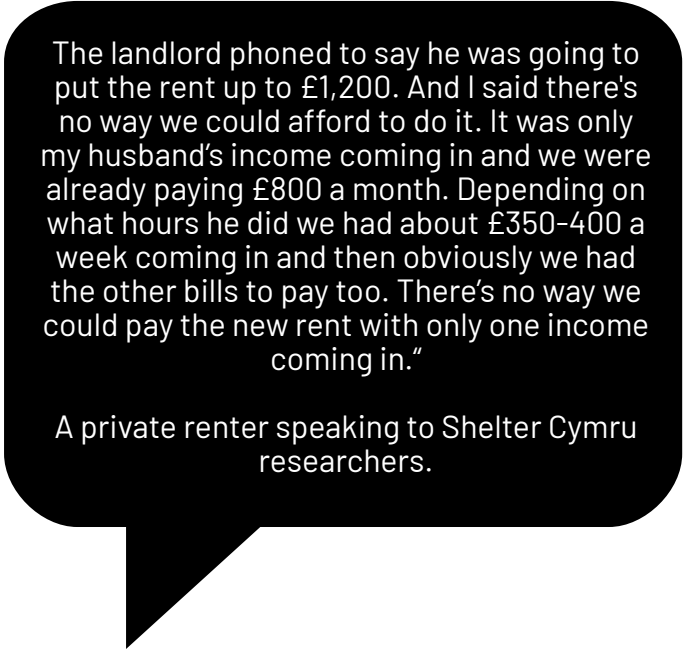
As set out in detail in the Appendices, this work has focused on households earning at below the median income with earnings data taken instead at the 40th percentile. An income level we believe to be more reflective of the likely financial situation of the average renter in Wales.

With the huge undersupply of social homes relative to demand in Wales, and our own casework experiences, we know that lower earners like these are often forced to privately rent due to a lack of available alternatives.<sup>7</sup> Given this and given the reality of how long it will take to restore social housing levels in Wales to where they need to be, we simply cannot consider private renting in Wales to be working unless it is working for this group of people.

In this work we have also taken earnings at the 40th percentile to limit the impact of welfare benefits on this model. Our recent work on housing benefit, [Local Housing Allowance: A Safety Net Unravelling](#), sets out the widening gap between what benefits are available to households and the real cost of renting. This work focuses primarily on people in paid work and the extent of affordability issues that they are facing.

Figure C uses the data collected for newly advertised rental homes, models a combined housing costs total (see Appendices) for each home and sets out the percentage of homes in each local authority area which we would consider to be a genuinely affordable option for households of different earner types.

The current rents data that we have used is the average pulled by the ONS so we are unable to give percentages of homes that meet our definition of affordability. Instead Figure D is a simple yes/no chart for each local authority area and potential household earner type.



The landlord phoned to say he was going to put the rent up to £1,200. And I said there's no way we could afford to do it. It was only my husband's income coming in and we were already paying £800 a month. Depending on what hours he did we had about £350-400 a week coming in and then obviously we had the other bills to pay too. There's no way we could pay the new rent with only one income coming in."

A private renter speaking to Shelter Cymru researchers.

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<sup>7</sup>[Waiting for a home: An update on social housing waitlists in Wales - Shelter Cymru](#)

Figure C: Affordability of homes by local authority area and household earner type, using new listings data gathered via PropertyData, February 2026.

## PERCENTAGE OF HOMES LISTED FOR RENT THAT MEET SHELTER CYMRU'S DEFINITION OF BEING AFFORDABLE BY LOCAL AUTHORITY AND NUMBER OF EARNERS IN A HOUSEHOLD

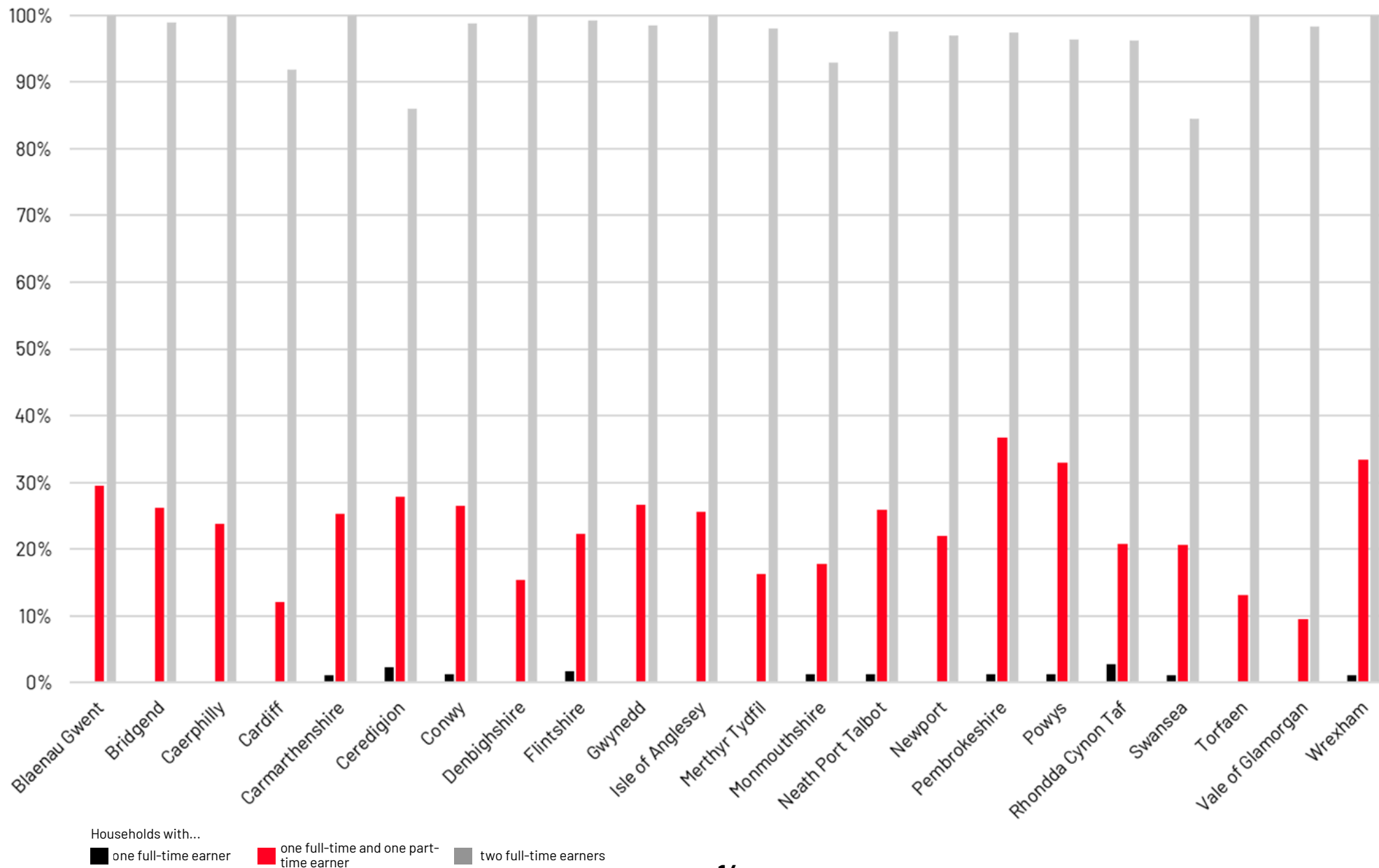


Figure D: Affordability of homes by local authority area and household earner type, using ONS average rents data, February 2026.

	Are the average current housing costs in this area affordable for households with...		
	one full-time earner?	one full-time and one part-time earners?	two full-time earners?
Blaenau Gwent	✗	✗	yes
Bridgend	✗	yes	yes
Caerphilly	✗	✗	yes
Cardiff	✗	✗	yes
Carmarthenshire	✗	yes	yes
Ceredigion	✗	✗	yes
Conwy	✗	✗	yes
Denbighshire	✗	✗	yes
Flintshire	✗	✗	yes
Gwynedd	✗	yes	yes
Isle of Anglesey	✗	yes	yes
Merthyr Tydfil	✗	✗	yes
Monmouthshire	✗	✗	yes
Neath Port Talbot	✗	yes	yes
Newport	✗	✗	yes
Pembrokeshire	✗	yes	yes
Powys	✗	yes	yes
Rhondda Cynon Taf	✗	✗	yes
Swansea	✗	✗	yes
Torfaen	✗	✗	yes
Vale of Glamorgan	✗	✗	yes
Wrexham	✗	✗	yes
WALES	✗	✗	yes

What is immediately apparent in this data is the distinct lack of affordable homes for households with a single earner. Pan-Wales only 1% of newly listed homes can be considered to be genuinely affordable for a single earner: 6% of all studio flats, 2% of all one-bedroom homes and zero affordable options available for homes with two or more bedrooms.

Even within the ONS data for current rents, not a single point along the average rentals by property size would be affordable to a household with a single earner. Of course, these are averages but the level of unaffordability hidden within them is staggering. The cost of renting in the Vale of Glamorgan would leave a single-income household forced to move up to £700 a month away from their other spending to meet just the essential costs of their home. In fact, even the smallest shortfall (Neath Port Talbot) would leave a household needing to find an additional £350 per month above what we would consider to be affordable.

In Figures C and D, we have included the results from our modelling using one full-time and one part-time earner, an earner type that we have created to replicate the situation for many families with children. The data shows that these households are woefully underserved by the private rented sector in Wales. Less than a fifth of all newly listed homes would be truly affordable for this type of household. The situation isn't much better if we look at affordability for current rented homes. For this earner type, only a third of areas in Wales have average rents that would support an affordable home for these families. With combined housing costs leaving them facing potential shortfalls as high as £350 (Vale of Glamorgan) or £250 (Newport) every month.

### SO WHO IS PRIVATE RENTING WORKING FOR?

Based on this data we are forced to conclude that private renting in Wales is typically affordable only for households with two full-time earners.

### WHO IS PRIVATE RENTING WORKING FOR: HOUSEHOLD MAKEUP

"The Council said that if we found somewhere suitable, they'd help us with a deposit. And I think the nearest we found to what we could do was like £750 a month, but they said "that house isn't suitable for you". It was a three bedroom but with the five children the Council said they couldn't help with the deposit because it was too small. I tried absolutely everything.

A private renter speaking to Shelter Cymru researchers.

Figures E and F show affordability for new listings and existing privately rented homes by number of bedrooms in the home. Because of the data sets we are using, for new listings we can give a percentage of the number of listed homes that are affordable. However, for current rents we are only able to talk about the percentage of areas in Wales where average costs when privately renting can be considered affordable.

Figure E: Percentage of areas with affordable renting by number of bedrooms and household earner type, using ONS average rents data, February 2026.

### PERCENTAGE OF LOCAL AUTHORITY AREAS IN WALES WHERE PRIVATE RENTED HOMES MEET SHELTER CYMRU'S DEFINITION OF AFFORDABLE BY NUMBER OF BEDROOMS AND NUMBER OF HOUSEHOLD EARNERS

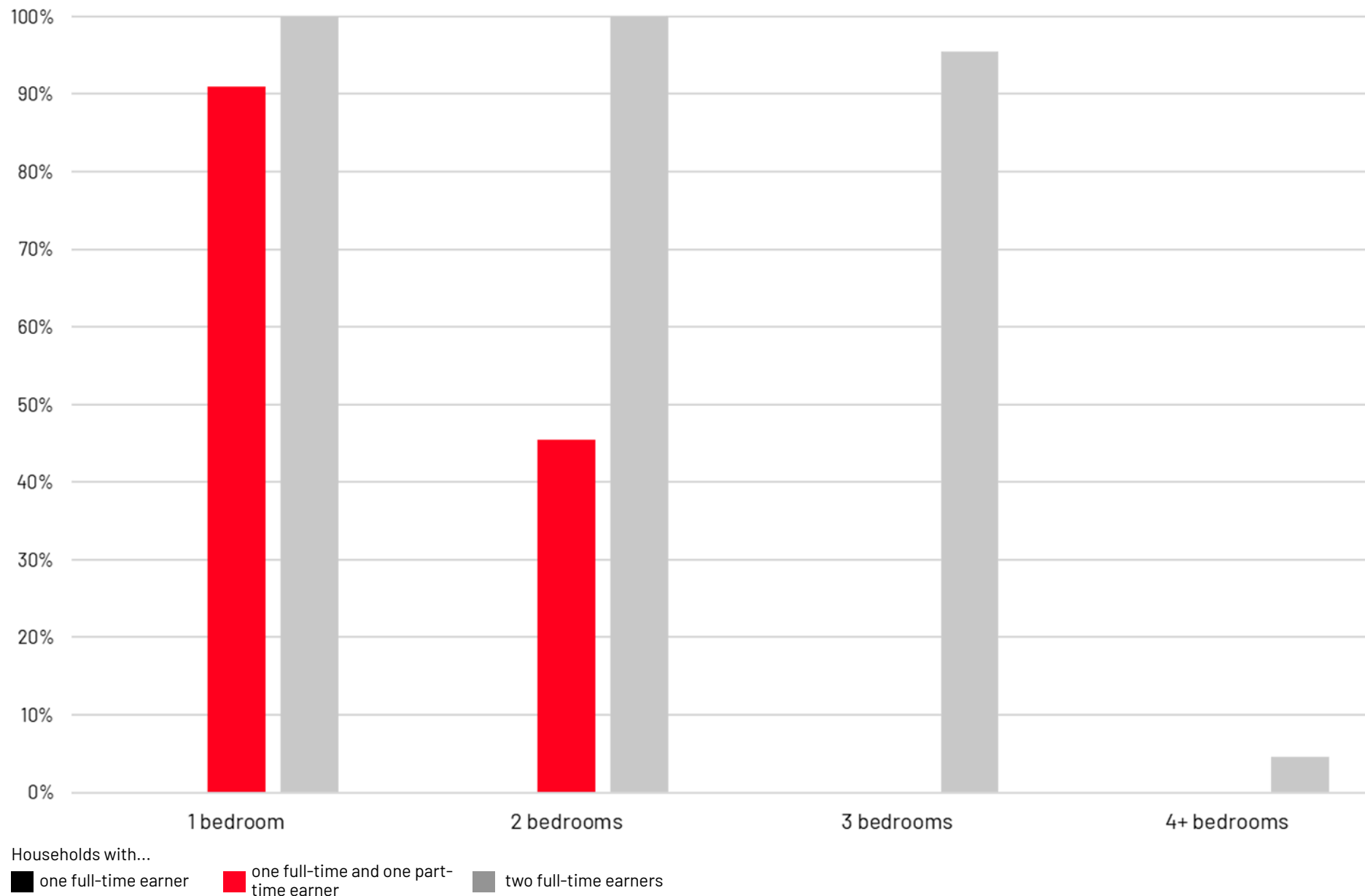
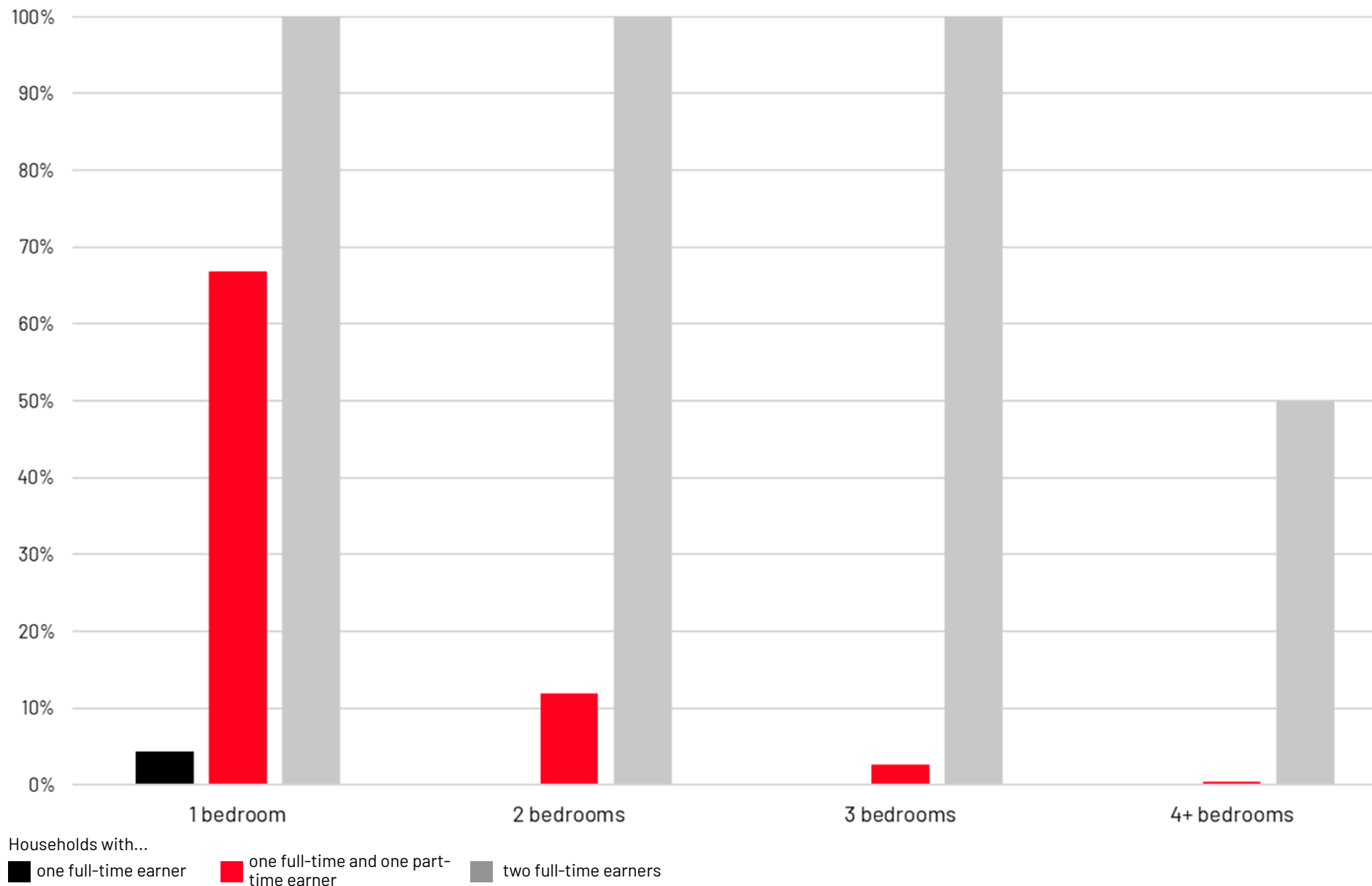


Figure F: Affordability of homes by number of bedrooms and household earner type, using new listings data gathered via PropertyData, February 2026.

### PERCENTAGE OF HOMES LISTED FOR RENT IN WALES THAT MEET SHELTER CYMRU'S DEFINITION OF AFFORDABLE BY NUMBER OF BEDROOMS AND NUMBER OF HOUSEHOLD EARNERS



What we can see in these charts is the impossible pressure facing larger families forced to privately rent, even if that family has two full-time earners bringing in funds.

If we take the UK Government's restrictions on Local Housing Allowance, and their view on who should and should not be expected to share a bedroom, we can make assumptions about which households bigger homes are likely for. The UK Government expects that a bedroom can be shared by an adult couple, two children of the same sex up to the age of 16, or two children of any sex up to age 10. There are a number of reasons why Shelter Cymru would disagree with these expectations, including that:

- They don't allow the retention of a bedroom for a child at university.
- They don't account for the rise in homeworking and the wellbeing benefits of having a separate work-space in the home.
- They don't consider children who may benefit from their own room for a reasons such as disability and health.
- They don't account for the simple reality that children age, so these restrictions mean a home will only be suitable for a finite period which may lead to repeat homelessness.

Despite these limitations we have taken the decision to follow the clear view of UK Government on what is suitable.

Within these restrictions, an example family needing a four-bedroom home could be parents, their 17-year-old daughter, their 14 year old son, and 12 year old youngest daughter. In this scenario, even if both parents were working full-time, a significant portion of privately rented homes in Wales would put the family under an unacceptable and unsustainable financial burden.

If we take this same family and turn back the clock by six years then two of the children would be sharing a bedroom - so a three-bed home. But unless both parents are working full time, a difficult feat with three school-age children in the house and the cost of childcare, there are no areas in Wales where privately renting would be genuinely affordable for the family.

As already noted, the model of affordability we've used in this research sets a threshold, a third of household net income, that all essential housing costs combined should not go above. There are still a huge array of essential costs that a family needs to meet outside of these housing costs such as food, travel costs, clothing and so on. Of all of these essential costs, childcare is the one that is likely to have the greatest impact on the hours worked by parents in a household. Given the complexity involved we have been unable to model for this due to the range of possible variations and have instead modelled only for households with two full-time earners, a full-time and a part-time earner, or a sole full-time earner - all of which are potential set ups for working families.

Continuing to think about affordability for working families, if the second parent in the family doesn't work or, as is the case for a third of families in Wales, it is a lone-parent family then the situation is bleaker still.<sup>8</sup> Our analysis finds that there are zero affordable options for these families - with homes of two or more bedrooms, in both the newly listed rents and the ONS current rents data, being unaffordable for families with just one earner.

Of course, in these circumstances some households will be accessing additional financial support through Universal Credit. However, recent work by Mark Eaton-Lees, Peer Researcher at Shelter Cymru, has highlighted how out of step with reality the approach to housing-related benefits is so we would still consider these households to be at serious risk of rent arrears or debt and homelessness when privately renting.<sup>9</sup>

Moving away from families to single people who just want to have their own front door and not have to share a kitchen and a bathroom with other adults. Our modelling on current rent data for one-bedroom homes suggests there is no area in Wales in which this is an affordable reality for lower earners. Again, with newly listed rents, just 6% of the studio flats listed for rent and only 2% of one-bedroom flats listed would be affordable homes for a single adult earning a full-time income at the 40<sup>th</sup> percentile.

“My wish would be maybe to move to space where I have my own kitchen, my own toilet and bathroom. Not share it with people, to avoid conflict and to just have peace of mind in my home.”

A private renter speaking to Shelter Cymru researchers.

The impossibility of renting for single-income households will not come as a surprise to anyone working in housing and homelessness in Wales. Shelter Cymru’s work on social home waitlists has already shown that both single adults and lone-parent families over-represent.<sup>10</sup> Similarly, recent years have seen record numbers of families trapped in temporary accommodation due to the lack of available social homes or affordable private rented ones.

## SO WHO IS PRIVATE RENTING WORKING FOR?

**Building on our conclusion from the last section, this data shows that private renting in Wales is affordable for households with two full-time earners who have either no children or two or fewer children.** In scenarios where a household contains children but where, the realities of childcare makes two full time jobs unviable then it is highly unlikely that the private rented sector will be affordable.<sup>11</sup>

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<sup>8</sup> [Families in England and Wales - Office for National Statistics](#)

<sup>9</sup> [Local housing allowance: A safety net unravelling - Shelter Cymru](#)

<sup>10</sup> [Waiting for a home: An update on social housing waitlists in Wales - Shelter Cymru](#)

<sup>11</sup> [Tackling poverty by improving access to childcare - Bevan Foundation](#)

## WHO IS PRIVATE RENTING WORKING FOR: AGE

"And it is mad because by the time my dad was this age, like he'd already got on the ladder and moved a couple of times into this gigantic house. And he was earning money by himself. He was the sole earner in the household and like, he was able to do that. And yet I'm not. He was able to have achieved a lot of things by this age that I can't even imagine unless I win the lottery. This is this is my lot.

A private renter speaking to Shelter Cymru researchers.

Using census data from the past 20-years it's easy to demonstrate the huge overall expansion that has occurred in the private rented sector in Wales, an expansion that has led to it becoming the second largest tenure after homeownership. Beyond this headline finding, that same data can also be used to show how the expansion in the number of private renters has not been evenly spread across age brackets. In fact, the biggest proportional increase is seen in people age 55 to 64, with the number of private renters in this age group almost tripling over a 20-years period. For comparison, the number of renters in the 35-44 and 45-54 age brackets has doubled over the same period.<sup>12</sup>

What this tells us in simple terms is that "generation rent" has expanded well beyond the age-range it is historically associated with. Existing renters age without being able to access viable alternative housing arrangements, while younger people also enter private renting and so the sector grows. And with such a big and broad section of the Welsh population now privately renting, we need to understand which age groups our current approach to renting is working for.

Earnings data by age is only available as an average of all types of working households (full-time and part-time combined) so this section of analysis looks instead at households with one earner or two earners within each age bracket. Figures G to K set out affordability levels for current rentals and new listings for both of these household earner types.<sup>13</sup>

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<sup>12</sup> [Age \(d\) and tenure of household - Office for National Statistics](#)

<sup>13</sup> Note: In order to compare between current and new rents, we have adjusted our listings data to conform to the ONS property sizes. New listings data for studios and one-bedrooms have been combined under the heading "1 bedroom" and four- and five- bedroom homes have been combined as "4+ bedrooms".

Figure G: Percentage of properties that are affordable to households by age (22-29)

### PERCENTAGE OF PRIVATE RENTED HOMES IN WALES THAT ARE AFFORDABLE TO PEOPLE AGED 22-29 BY NUMBER OF BEDROOMS AND NUMBER OF HOUSEHOLD EARNERS

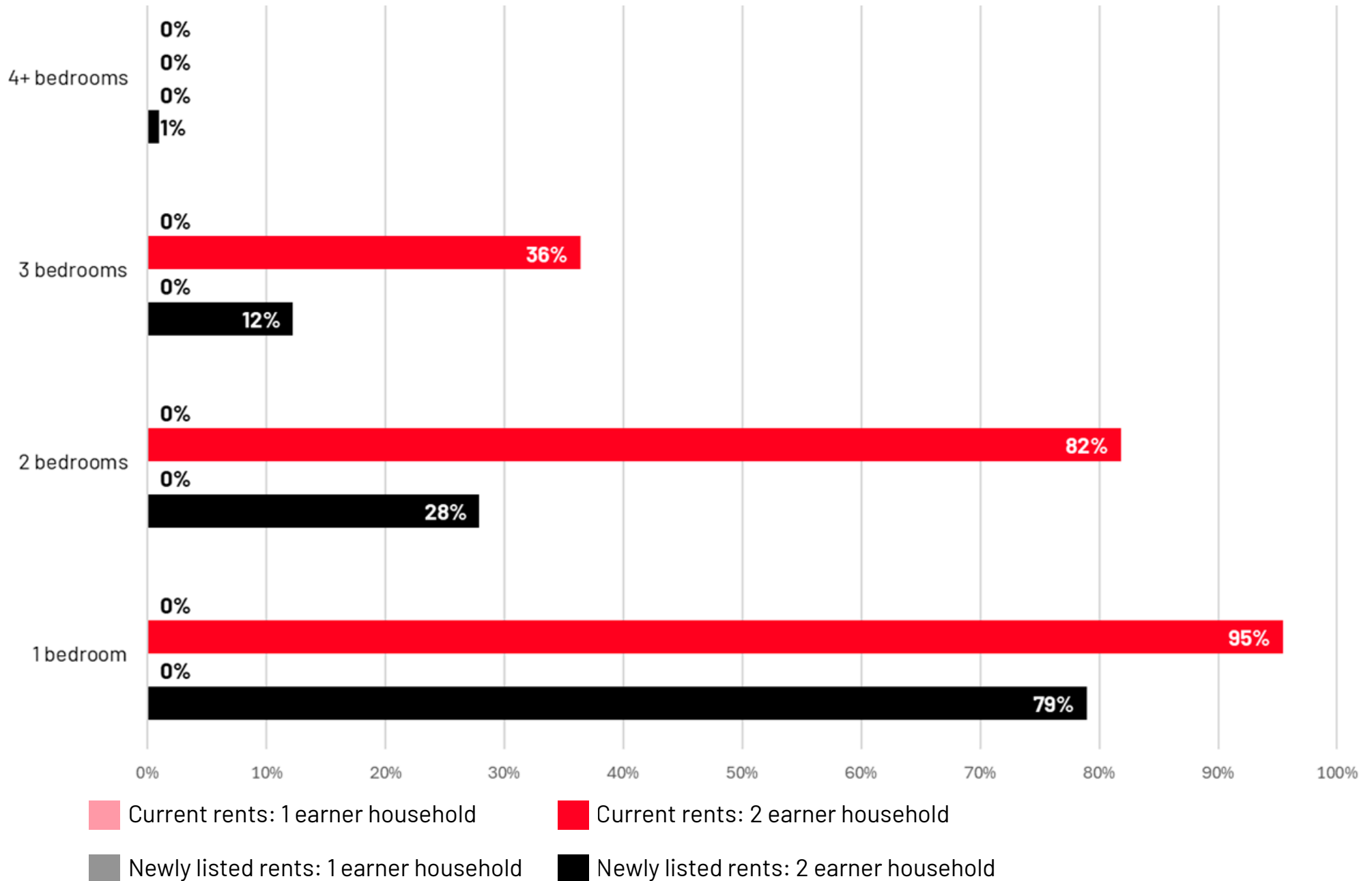


Figure H: Percentage of properties that are affordable to households by age (30-39)

### PERCENTAGE OF PRIVATE RENTED HOMES IN WALES THAT ARE AFFORDABLE TO PEOPLE AGED 30-39 BY NUMBER OF BEDROOMS AND NUMBER OF HOUSEHOLD EARNERS

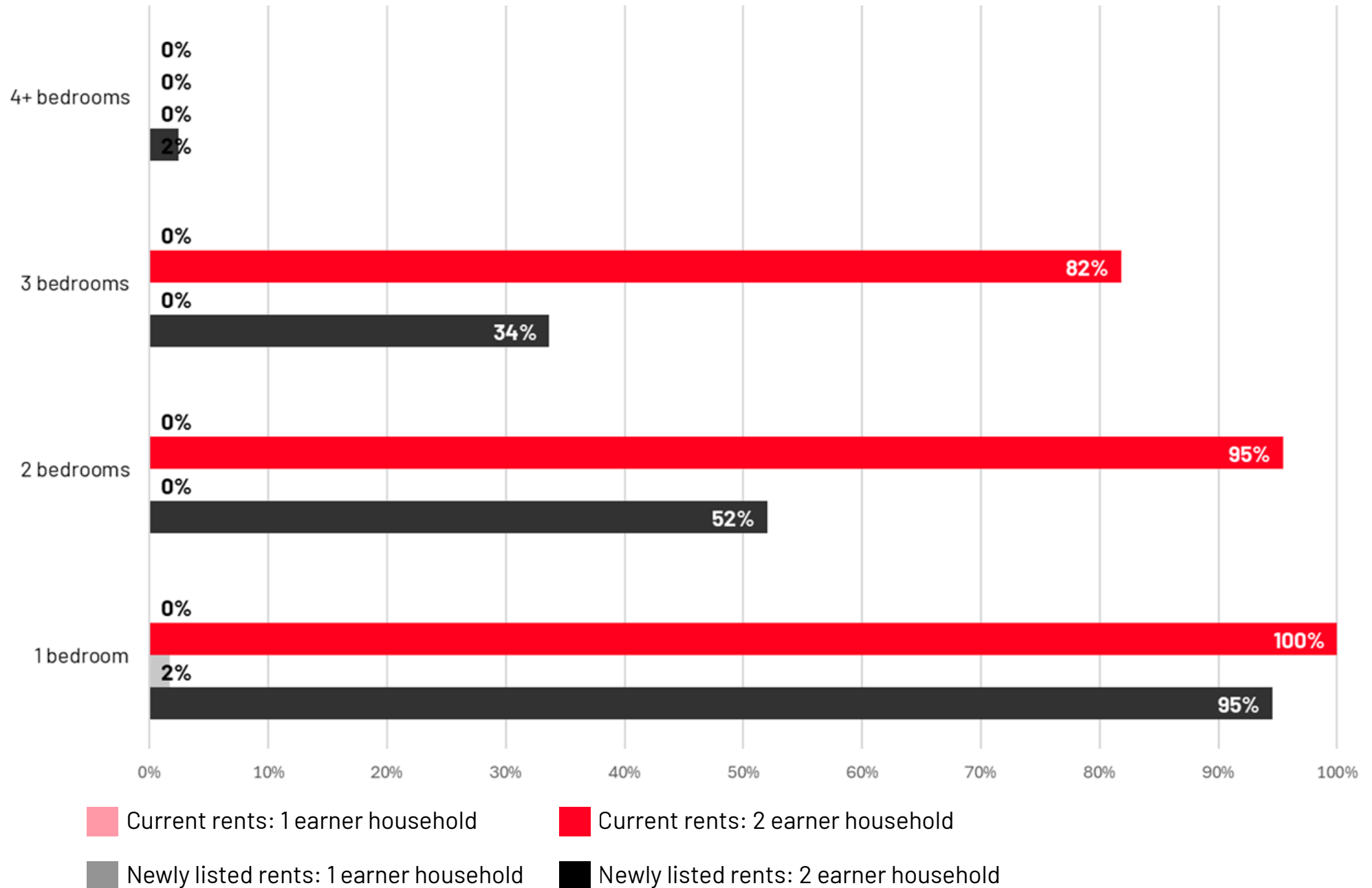


Figure I: Percentage of properties that are affordable to households by age (40-49)

### PERCENTAGE OF PRIVATE RENTED HOMES IN WALES THAT ARE AFFORDABLE TO PEOPLE AGED 40-49 BY NUMBER OF BEDROOMS AND NUMBER OF HOUSEHOLD EARNERS

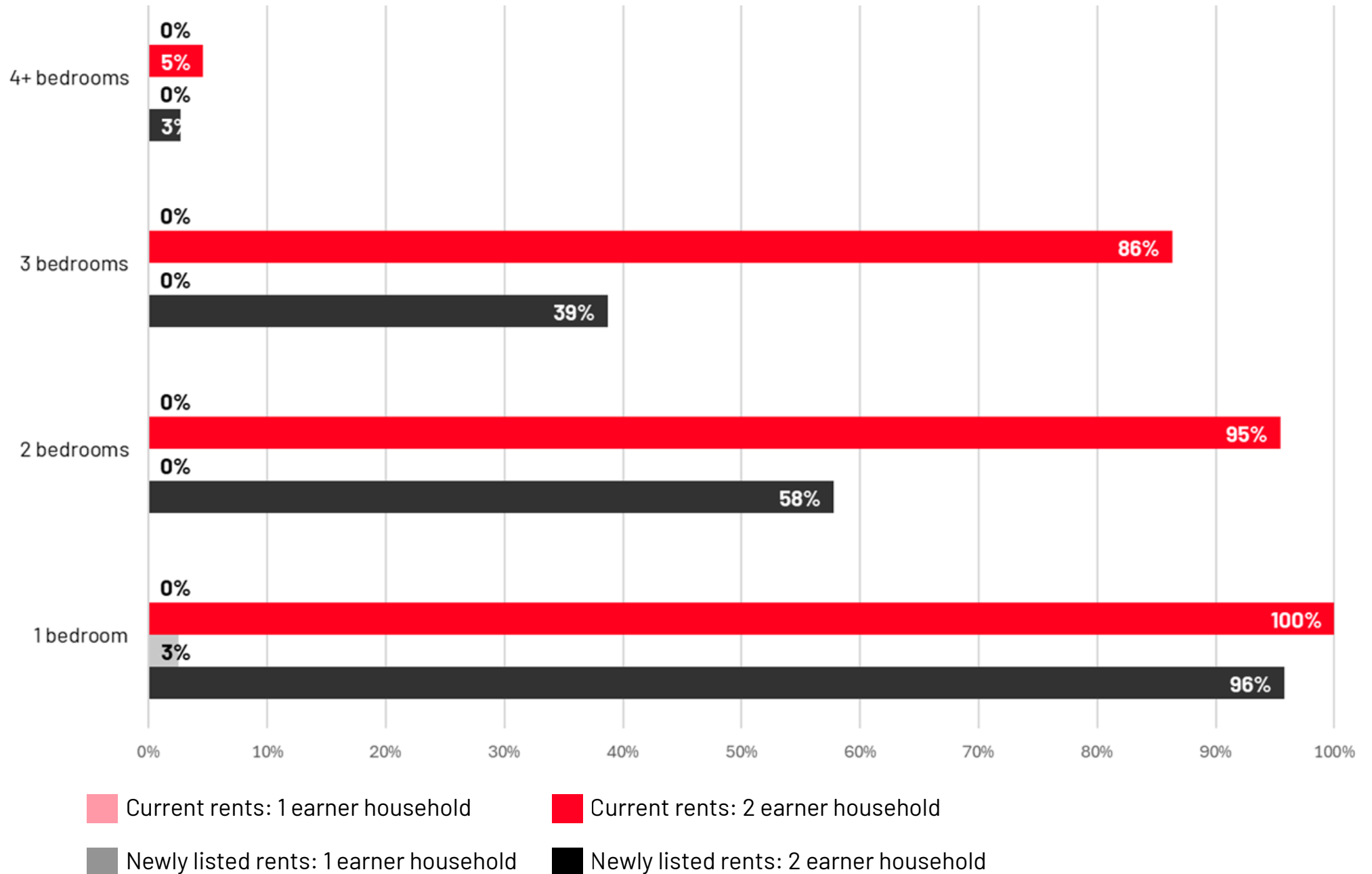


Figure J: Percentage of properties that are affordable to households by age (50-59)

### PERCENTAGE OF PRIVATE RENTED HOMES IN WALES THAT ARE AFFORDABLE TO PEOPLE AGED 50-59 BY NUMBER OF BEDROOMS AND NUMBER OF HOUSEHOLD EARNERS

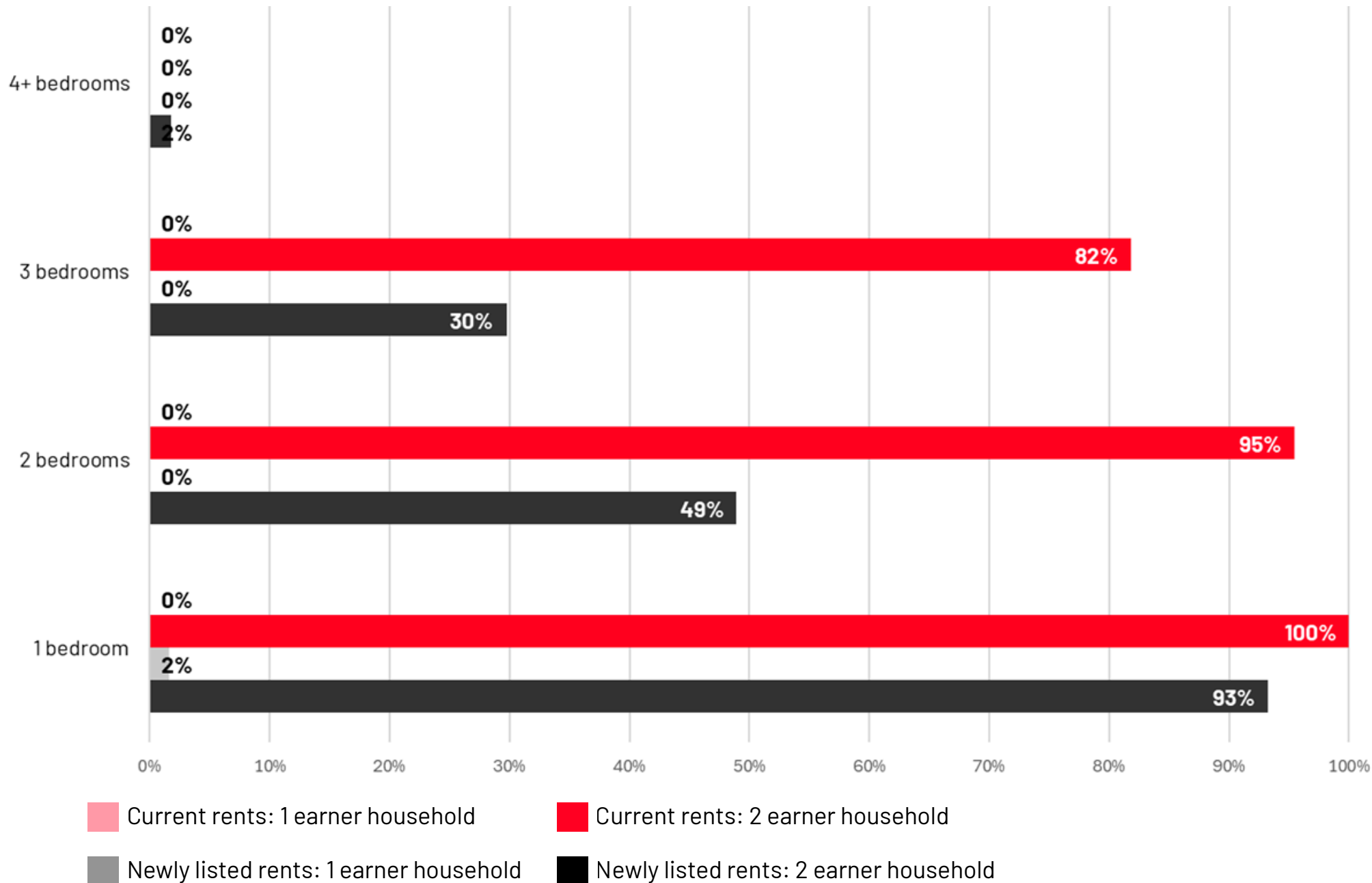
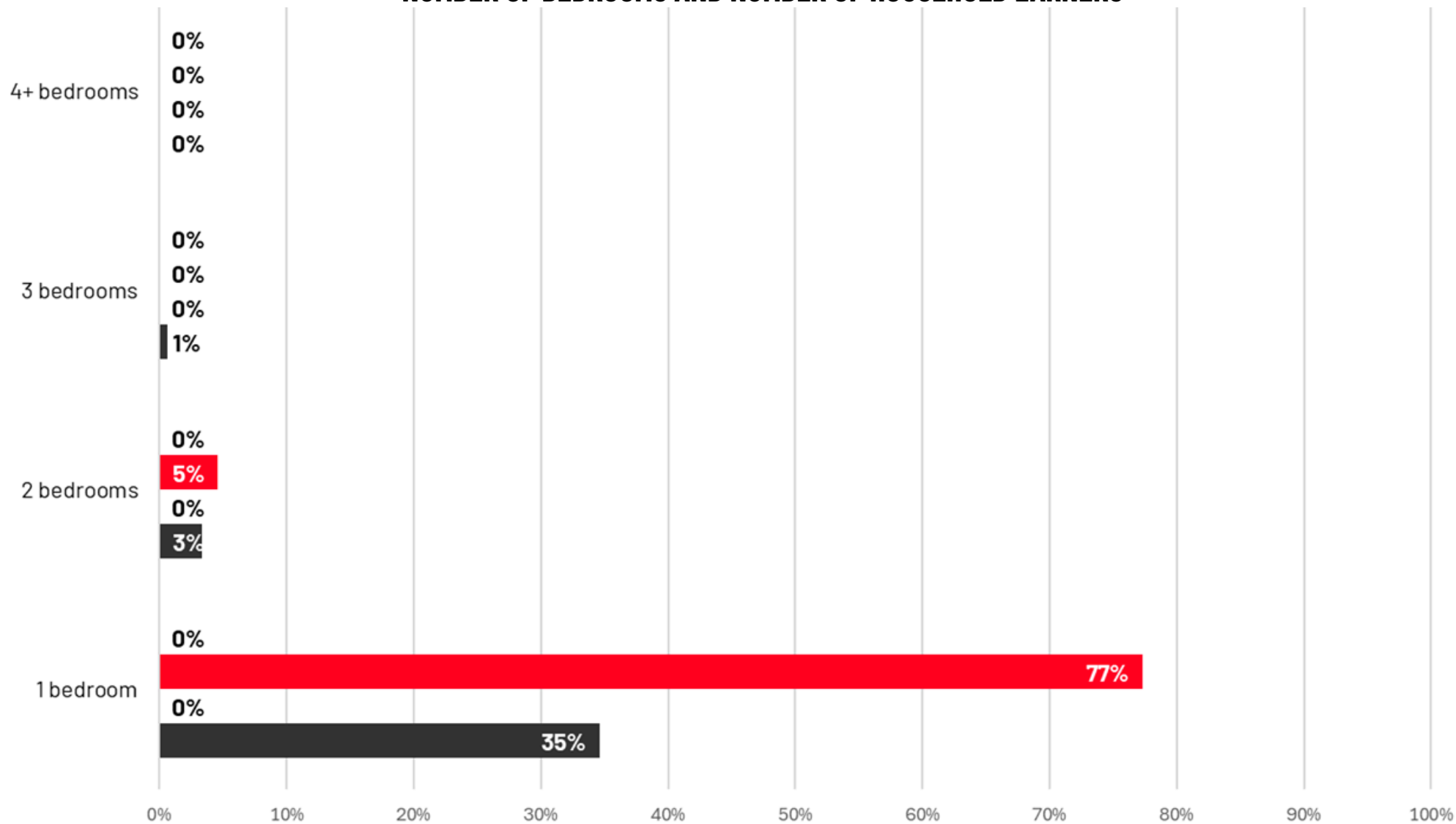


Figure K: Percentage of properties that are affordable to households by age (over 60)

### PERCENTAGE OF PRIVATE RENTED HOMES IN WALES THAT ARE AFFORDABLE TO PEOPLE AGED OVER 60 BY NUMBER OF BEDROOMS AND NUMBER OF HOUSEHOLD EARNERS



- Current rents: 1 earner household
- Current rents: 2 earner household
- Newly listed rents: 1 earner household
- Newly listed rents: 2 earner household

**These charts set out a bleak reality that at no point in someone's life is it financially viable to be a single-income household privately renting in Wales.** This applies regardless of the size of home that a household might need. As a nation we are not providing genuinely affordable homes for single people in their middle or later years who want the comfort and privacy of living alone and we are not providing homes for lone parents to give their children the stable and secure start in life that we know is so essential to their future outcomes.

There's a lot to unpack here. Firstly, our current approach to private renting in Wales is an implicit acceptance that single people forced to rent should, regardless of age, be exploring options in houses of multiple occupancy (HMOs) or with a live-in landlord. SpareRoom.co.uk is a website where people across the UK can search for a room in a HMO or connect with others to rent a larger home under a joint-tenancy. Over the last ten years, the platform has seen a steady decline in users under 35 and steady growth in users over 35.<sup>14</sup> Nearly 1 in 12 users of the website last year were over 55 years old.

"I don't even have the luxury of being able to go home to save because my mum lives in a sheltered housing scheme and she wouldn't be able to have me there. And also I'm 40 years old. I don't want to have to move home."

A private renter speaking to Shelter Cymru researchers.

They place responsibility for this squarely with "unaffordably high rents" which are pushing older renters out of home ownership or living alone and simultaneously pushing younger people out of renting at all – with this group potentially living with family for longer periods, sofa surfing or being pushed into homelessness.

It is also important to keep in mind that "single earner households" are not just single people. They are lone parent families or couples with children where, for any number of reasons, only one parent is in paid work. Clearly for these families, shared living is not an option. Instead, they are simply at greater risk of homelessness – particularly lone parent families.

Of the nearly 3,000 families with children who were made homeless last year, three-quarters were lone parent families.<sup>15</sup> Considering that lone parent families make up only a third of families in Wales this shows the level of increased risk of homelessness that this group faces. The data by age is also clear that this isn't just young parents who are being pushed out of private renting due to unaffordability, it's parents of every age group.

## SO WHO IS PRIVATE RENTING WORKING FOR?

**The clear conclusion here is that age is not a significant factor in determining affordability, or lack of, for private renters. The scale of unaffordability for single earner households and large families continues through every decade with people understandably being left with little hope that private renting will ever feel manageable for them.**

<sup>14</sup> [Flatsharers are getting older](#)

<sup>15</sup> [Households found to be eligible, homeless subject to duty to help to secure during the year: Main reason for loss of last settled home by type of household \(Section 73\) | StatsWales](#)

## WHO IS PRIVATE RENTING WORKING FOR: LOCATION

"If I could live outside of Cardiff then we could have more space, we could have a garden. Things like that."

A private renter speaking to Shelter Cymru researchers.

Through our work as an advice provider across Wales we know that people are struggling to afford their privately rented homes. To better understand the impact of location on affordability, we have used local earnings to compare to local housing costs. This, we believe, enables us to reflect variations in experiences of privately renting in different parts of Wales. Ultimately though what this data comes to show is that unaffordable private renting is a pan-Wales issue, with no areas appearing to be markedly better for low earners forced to privately rent.

Figure L shows the lack of newly listed homes that would be affordable for single-earner households in every part of Wales. With zero affordable homes in half of local authorities and only up to 3% of homes listed in other areas being affordable on a single income, there really is little to nothing for these households.

There is some variation in availability of affordable homes for households with one full-time and one part-time earner – from only 9% of listings being affordable in the Vale of Glamorgan up to 37% of listings in Pembrokeshire. But neither of these figures amount to a sufficient variety of options for families.

Looking at affordability of current rented homes, there is no area of Wales where we could say that private renting is affordable for households with a single earner. Affordable private renting is a near-impossibility for these households in every part of Wales.

Our household earner type designed to replicate the experiences of many working families (households with one full-time and one part-time earner) could not reasonably afford a home with three or more bedrooms in any part of Wales and couldn't even afford a two-bed in 12 local authorities. Anything smaller does not reflect the home that this household would likely need.

Where location does have a varied impact is in the shortfalls that households need to find the funds for if they are forced to rent privately. We have mapped out the gap between what we consider to be the maximum amount that a household should have to spend on essential housing costs and what each area is offering in terms of newly listed homes (Figure L) and current rents (Figure M). These charts show both the shortfall in pounds and strive to give a visual indication of how far beyond the scope of affordable an average home in each area sits, to better reflect the real-world pressures households are facing. We know from our casework and conversations that households trapped in unaffordable homes are moving money away from other essentials such as food, petrol or clothes to continue to afford their housing costs, and these figures help to illustrate those impossible decisions.

Figure L: Unaffordability shortfalls facing private renters by number of bedrooms and household earner type, using new listings data gathered via PropertyData, February 2026.

## MONTHLY FINANCIAL GAP BETWEEN HOUSING COSTS BASED ON NEWLY LISTED RENTS AND THE SAME WITH AN AFFORDABLE RENT BY LOCAL AUTHORITY AREA AND NUMBER OF EARNERS IN A HOUSEHOLD

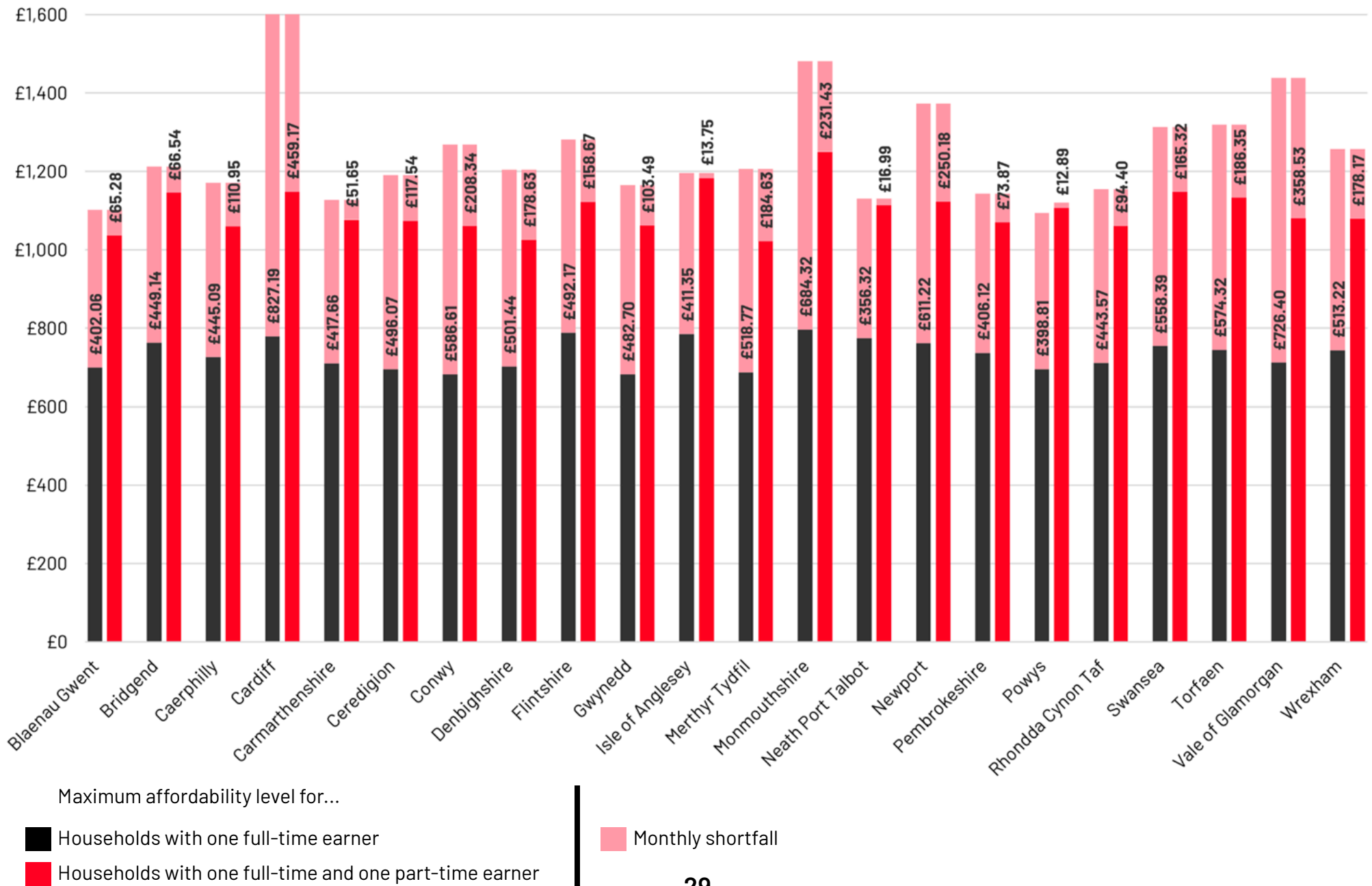
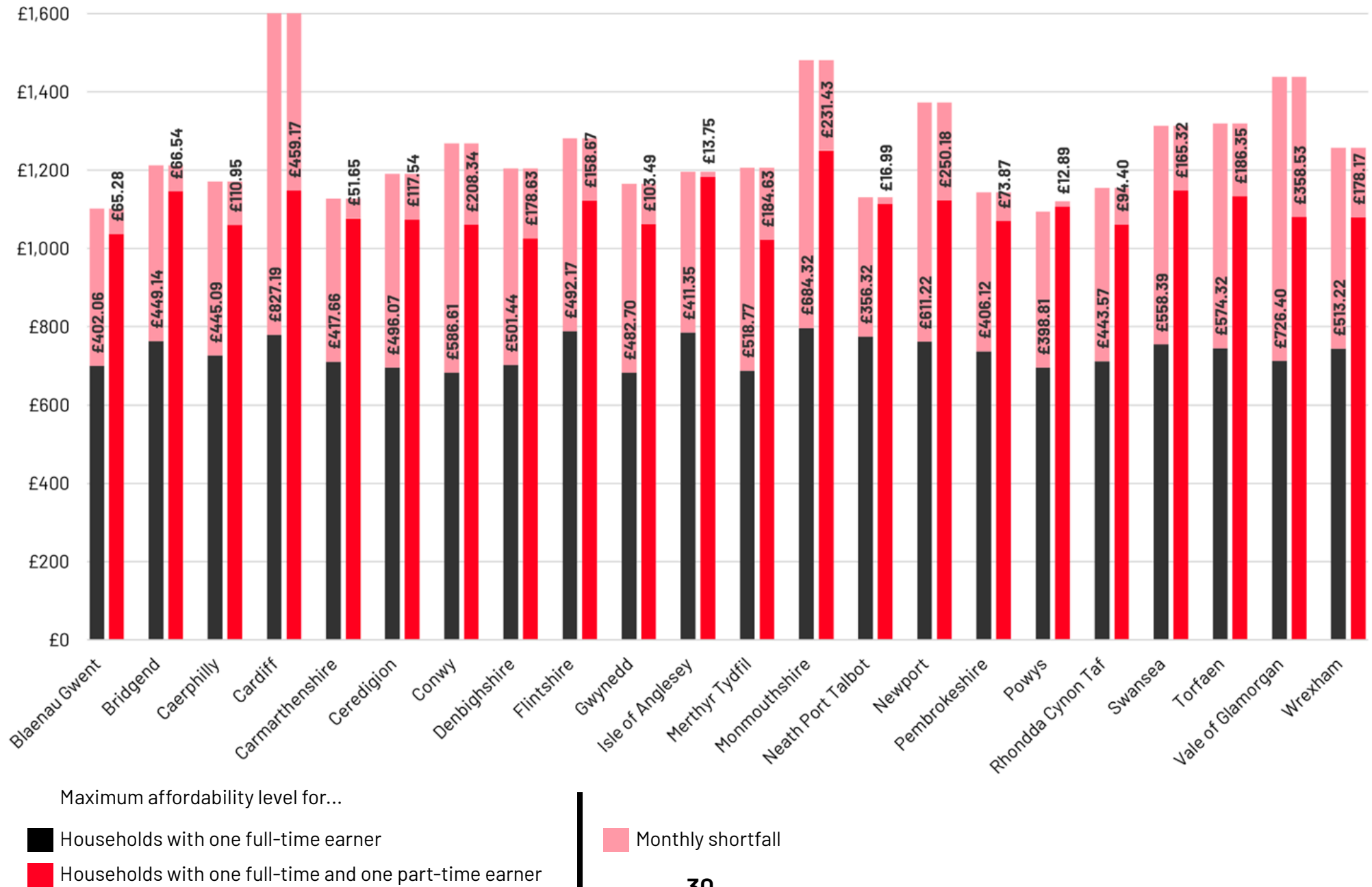


Figure M: Unaffordability shortfalls facing private renters by number of bedrooms and household earner type, using ONS average rents data, February 2026

### MONTHLY FINANCIAL GAP BETWEEN HOUSEHOLD COSTS BASED ON AVERAGE CURRENT RENTS AND THE SAME WITH AN AFFORDABLE RENT BY LOCAL AUTHORITY AREA AND NUMBER OF EARNERS IN A HOUSEHOLD



Within this analysis there appear to be areas where the impacts of high rents and other housing costs are perhaps felt more keenly. It will be for other pieces of work to take this specific analysis further but we can put forward some thoughts as to the drivers of this from our discussions with Shelter Cymru caseworkers and clients.

Firstly, unaffordability when private renting appears more sharply in local authorities along the M4 corridor. This reflects a pattern of high-pressure areas in England and Scotland where areas that can offer employment opportunities, particularly for younger people, are more likely to have a higher volume of privately rented homes and acute challenges in affordability. Our casework teams working in South East Wales have particular concerns about rental affordability. Rent growth in these areas has slowed over the last year but rents continue to rise and in early 2025 those local authority areas, all close to the border with England with good M4 access, were seeing annual rent growth in double digits: Newport, 21%; Torfaen, 11%, Caerphilly 11%.<sup>16</sup>

**“Rents have been going up a sort of a horrible curve for a number of years, the stopping of the charge for the bridge brought people over as well. It’s easier to do a bit more of a commute so people were able to purchase properties or rent in Newport or Torfaen, often pockets around Cwmbran. I think it does get hit by its location near Gloucester and Bristol”**  
– Shelter Cymru caseworker

There are also pronounced affordability concerns in coastal areas of West Wales - Ceredigion, Anglesey and Gwynedd. We would suggest that these affordability issues are linked to the prevalence of holiday homes and second homes in these areas which put additional pressure on the local housing system and drive-up prices for both sales and private renting. In Gwynedd, 41 of every 1,000 homes is a holiday home – the second highest rate of any area in England or Wales.<sup>17</sup> In terms of holiday home users compared to local population, Gwynedd, Anglesey and Ceredigion all appear in the top 10 of most affected areas in England and Wales, with Gwynedd and Anglesey taking the top spots.

## **SO WHO IS PRIVATE RENTING WORKING FOR?**

**The conclusion from this review of the data at a local level shows that the challenge of affordability is wide spread, although perhaps least keenly felt in mid-Wales.** Unfortunately, few people have the level of flexibility with work, schools, and family ties to consider a move to mid-Wales purely to find an affordable private rented home. In addition, many people have deep ties to their local community, and we should not expect that moving to another part of the country is the only viable option for such a large group of people.

<sup>16</sup> Average annual rent change as it stood in February 2025, ONS. [Price Index of Private Rents, UK: monthly\\_price statistics - Office for National Statistics](#)

<sup>17</sup> [More than 1 in 10 addresses used as holiday homes in some areas of England and Wales - Office for National Statistics](#)

## WHO IS PRIVATE RENTING WORKING FOR: A SUMMARY

This data analysis has sought to understand who private renting in Wales is actually working for in terms of affordability. Sadly, the answer provides us with a disappointingly narrow window within which we would have total confidence that a certain household type would likely be able to find an affordable home. In essence, we would only have this confidence for a household that:

- Contains two full-time working adults.
- Has two or fewer children (and if there are children in the home also has access to sufficient low-cost childcare to enable two adults to work full-time).
- Lives in mid-Wales.

This would be fine if as a nation we had set out that private renting was a tenure of choice, for those looking for flexibility at this point in their life. But instead we are looking to the private rented sector to provide the homes we need to make up for decades of under-funding for social home delivery, to offer homes for the long-term for people who have no other alternative, and to support efforts to end homelessness in Wales.

Of course there will be households who do not sit within this window but who are able to find an affordable home. However, those are likely to be a lucky few, and as an organisation Shelter Cymru could not say with confidence that finding an affordable home is possible for any household outside of that defined above.

**Given this context, it is clear that the affordability pressures people face make it impossible to conclude that the private rented sector is currently fit for purpose in Wales for those who actually rely on it.**

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# THE IMPACT OF UNAFFORDABLE PRIVATE RENTING

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## HOW UNAFFORDABLE IS PRIVATE RENTING

The model of affordability created for this work is designed to leave households with enough money to manage their other essential costs - including, but not limited to, childcare, groceries, wi-fi, mobile phones, dental care, clothing - and give them a level of disposable income to enable people to lead fulfilling lives that promotes their wellbeing and access to opportunities.

"I cancelled all my direct debits for all of my other bills so that I would have the right amount for rent because my biggest fear is losing my home, not so much being chased by creditors. So then I had to catch up with those payments, which then made the next month difficult."

A private renter speaking to Shelter Cymru researchers.

For households that don't fit into that small window where private renting is manageable, the scale of unaffordability is stark. A single-earner household (whether a single person or sole earner for a family) will be facing an added burden of £400-£950 every month beyond what is genuinely affordable for that household. For households with one full-time and one part-time earner that shortfall lands between £80 and £580 every single month. This is potentially thousands of pounds each year that households need to underspend in other areas in order to sustain the essential costs of keeping their home and to avoid falling into homelessness.

We know from our conversations with Shelter Cymru clients how acute these pressures are and the broader health and wellbeing impacts they have. With families keeping the heating off and parents skipping meals to make sure that the core essential housing cost of rent continues to be paid. These challenges can also have a long-term impact, with the trauma of private renting often felt by people long after they have found a safe, secure and genuinely affordable home.

## THE HUMAN IMPACT OF UNAFFORDABLE PRIVATE RENTING

While this piece of work has primarily focused on developing a data led understanding of affordability in Wales, we believe it is important to keep in mind the human impact that this has. We have therefore included some of the insights our Peer Research Team have gathered from ongoing interviews with private renters.

Interview participants have told us that the insecurity and worry of a home they can't afford has:




**Brought significant stress and worsened their mental health.** Researchers working with the English Housing Survey data found that households spending more than a quarter of their income on their rent experienced a high level of stress, particularly for households in the lower income quintiles.<sup>18</sup> In our conversations with private renters it was clear that this can be a long-term impact on people's wellbeing that affects how safe future homes feel. With some people describing a lingering "trauma" from unaffordable private renting.

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<sup>18</sup> [How should housing affordability be measured? - UK Collaborative Centre for Housing Research](#)


**"I'm still, you know, constantly worried. Every month that you know, we're going to be made homeless again. You know, something's going to happen." - Private renter.**

**"But those experiences have led to me living where I am now, behaving the way I am now and living in a house that's not safe, it's definitely a cumulative experience in renting - cumulative trauma from each rental experience." - Private renter.**

 **Lead them to accrue sizeable debts.** Shelter Cymru caseworkers regularly see households who have built up significant rent arrears or who have gotten into debt in other areas while trying to sustain a fundamentally unaffordable home. This debt brings its own stress and wellbeing impacts but can also affect people's abilities to rent in future.


**"I'm between a rock and a hard place, I can't afford my current property, but I am struggling to try to pay the rent. I'm getting into debt with my other debits because I'm always paying my rent." - Private renter.**

**"I think even those small increases when you've got someone who has been just about managing and then they get even a £50 a month increase. That's enough to put them in rent arrears or not buy food or get into arrears with their gas company." - Shelter Cymru caseworker.**

 **Left them unable to escape the "trap" of private renting.** The polling funded by Savill's, highlighted in the introduction for this report, sets this out at scale with two-thirds of respondents saying they were renting because they "can't afford the deposit to buy a property". Unaffordability in the private rented sector keeps people trapped in private renting by preventing them from being able to save funds to move towards homeownership, if that's what they want.

Renters who we spoke to for this work echoed this, explaining that their housing costs take such an overwhelming percentage of their income that it is impossible to save money for the long-term.

**"There's no way that I'd be able to raise the deposit for shared ownership because so much of my money is on rent and bills that I can't save anything." - Private renter.**

 **Forced them to divert money intended to support their disabilities or health conditions so that they can meet their housing costs:** As we have highlighted in our work on affordability for private renters receiving benefits, [Local Housing Allowance: A Safety Net Unravelling](#), the financial pressures of unaffordable homes particularly impact people with disabilities. People who receive Personal Independence Payments (PIP) are awarded additional funds each month to manage the costs of living with a long term health condition or disability.

In our casework we routinely see people forced to use these funds to cover the shortfall of unaffordable rents.

**"It felt humiliating. I had to explain private things about my illness and daily life - all to prove that I couldn't use my disability benefit to pay my rent." - Private Renter**

→ **Left them feeling unable to advocate for their right to a safe, healthy home:** In our report on the impact of freezes to Local Housing Allowance, we also outlined how unaffordable rents disempower tenants to enforce their wider rights. Given the small percentage of homes that are affordable for lower earners, many renters do not feel able to challenge poor conditions for fear of their rent being increased or a retaliatory eviction.

This is particularly troubling given that year on year the English Housing Survey shows that private renting is the tenure type with the highest proportion of serious hazards.<sup>19</sup> Our casework and wider conversations with private renters include a disproportionate number of examples of tenants living with broken locks, damp or mould, and other hazards, and who are uniquely afraid to push for repairs in case their rent is hiked or they lose their home.

**“My front door doesn't lock it hasn't locked for over 2 months now. I feel like [the landlord] doesn't want to know, and so she doesn't do the steps that she's supposed to do, because as soon as she becomes aware, she becomes liable for the things. She's happy to have me because I don't get in touch with her. But at the same time, I know that that might be the only reason that the rent doesn't go up as well.” - Private Renter.**

→ **Made them homeless and forced them to spend longer periods in temporary accommodation:** Unaffordability in private renting is pushing lower-income households into homelessness when they are evicted due to rent arrears. It also keeps people trapped in homelessness for longer periods of time as it limits potential move-on options. With part of this problem being stigma that blames individuals and households for failing to manage their money rather than blaming a system that is underpinned by a lack of affordability.

Our casework highlights the panic that sets in for households facing homelessness when they search for an affordable home in the private rented sector. When there is nothing available, families are forced to accept temporary accommodation until a suitable social home can be secured – which can be months or even years.

**“I went on all the websites. Obviously we had the children at school, we needed to be near my husband's works. I contacted people that own private caravans to see if we could let them. I contacted holiday rentals as I was advised by the Council. So yeah, we tried everything. It's just the prices there was nothing in our price range that was suitable.” - Private renter.**

**“I genuinely don't know what I would do if I got a notice from the landlord. I'd have to not only carry on paying my rent for the for the six months that the notice was running for. I'd also have to be saving for the deposit and rent in advance and moving costs. I would be in such a difficult position the minute a notice came through my door. So much of our money is gone by the end of the month.” - Private renter.**

## **THE SOCIETAL IMPACT OF UNAFFORDABLE PRIVATE RENTING**

The impact of unaffordability for individual households is devastating – with potentially lifelong financial and wellbeing consequences, but there is also a wider impact for Wales as a nation.

The decision to allow local authorities to discharge homelessness duties into the private rented sector was one based in pragmatism, hoping to reduce pressures due to an insufficient supply of social homes. Over a decade later, the private rented sector has continued to grow, rents have continued to rise, and far from being a solution to homelessness, it is clear that private renting is often a well trodden path into homelessness. The scale and depth of these issues for renters also impacts public spending, economic growth and local authorities' capacity to tackle other issues.

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<sup>19</sup> [Private rented sector statistics from across the UK - Office for National Statistics](#)

Unaffordable private renting increases pressures on our homelessness system in Wales by:

- **Increasing household's risk of homelessness.** Unaffordable private renting puts lower-income households in particular at significant risk of homelessness, as they struggle to sustain their privately rented homes.
- **Keeping people trapped in temporary accommodation for extended periods of time.** Households in temporary accommodation, particularly single adults and lone-parent families, are unable to find a suitable affordable home to move them out of homelessness. Last year, 4 of every 10 households in temporary accommodation had been stuck living in this form of homelessness for over six months.
- **Contributing to instances of repeat homelessness.** Private renting offers only six months of security for a household before they could once again be facing homelessness. We have examples within our casework of local authority teams providing 12-months of agreed financial support for single adults moving out of temporary accommodation into private renting. At the end of this 12 month period, nothing has changed for the person and no additional financial support is available so they are likely to have to re-present as homeless with the additional worry and distress of a prolonged eviction process due to rent arrears.<sup>20</sup>

The number of people stuck in temporary accommodation has consistently been above 10,000 over the last three years. Meeting the need for temporary accommodation costs local authorities close to £100 million each year in direct costs, with significant sums of this public money going to private individuals and business via hotels, B&Bs and even homes in the private rented sector.<sup>21</sup>

On top of this, we are putting local authority housing officers in an incredibly difficult bind where they have very few real options for homeless households. The most recent workforce survey by CIH Cymru highlights that three-quarters of our housing workforce feel their mental health and wellbeing are negatively impacted by the pressure of their role.<sup>22</sup>

The number of households owed a full and final homelessness duty (Section 75) has increased every year since the homelessness legislation was introduced.<sup>23</sup> This growth suggests that our current housing system isn't offering enough opportunities for local authorities to prevent homelessness or help households to secure a home.

Our conversations with Shelter Cymru clients lead us to conclude that a shortage of social homes and unaffordability and insecurity of private renting are key barriers to ending homelessness. Until these are resolved, we can predict that significant numbers of households in Wales will continue to need the support of local authorities.

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<sup>20</sup> [Local housing allowance: A safety net unravelling - Shelter Cymru](#)

<sup>21</sup> [The Cost of Crisis: The Impact of Wales' Reliance on Temporary Accommodation - Shelter Cymru](#)

<sup>22</sup> [Housing workforce under severe pressure as CIH Cymru publishes pre-Senedd election sector snapshot report](#)

<sup>23</sup> [Homelessness: April 2024 to March 2025 \[HTML\] | GOV.WALES](#)

Given the clear links between affordability in the private rented sector and homelessness it is reasonable to say that a failure to ensure people can access affordable homes to rent has a significant impact on homelessness levels in Wales. This therefore also means that a failure to tackle the private renting affordability crisis results in increased homelessness spending by local authorities and the Welsh Government.

That spending is also far from being insignificant. In fact, in the [Explanatory Memorandum](#) that accompanied the publication of the Homelessness and Social Housing Allocations Bill the Welsh Government stated that: “In 2023-24... Homelessness cost the Welsh public service approximately £275m, an average cost of £20,000 per household experiencing homelessness.”

This direct impact on homelessness spending is also only one way in which a lack of affordable homes to rent effects the Welsh economy.

Firstly, stabilising rents to an affordable level would constrain the rising amount of renters income earned in Wales moving out of Wales in rental costs – freeing that money up to be reinvested in the Welsh economy and in local communities. In 2021, journalists submitted a Freedom of Information request to Rent Smart Wales and found that of the ten private landlords with the biggest Welsh portfolios only three lived in Wales. Of the other seven, collectively renting out nearly 4,000 homes, three lived in London, two in Hertfordshire, one in the Netherlands and one in Luxembourg.

In contrast, social homes in Wales see rent income re-invested in homes, communities and jobs in Wales. Steps to stabilise private rents, while continuing to increase our supply of social homes, will clearly help to support local economies across Wales.

The health and wellbeing issues brought about or worsened by unaffordable homes also have an impact on the Welsh economy. The combination of renters feeling less able to push for repairs and potentially being less financially able to adequately heat their homes both bring additional health risks for private renters. We know that for every £1 we invest to give vulnerable households warmer homes, we see £4 in benefits to our health system.<sup>24</sup> This comes alongside the wider health and wellbeing benefits that mean people who currently aren't able to then feel better able to access training, education and employment.

At Shelter Cymru we often say “Home is Everything”. Our homes affect every part of us and our lives – our health, our wellbeing, our ability to learn or work, our ability to be active in our communities. This is as true at the nationwide level as it is for individual people. We have the evidence that ensuring people have safe, secure, genuinely affordable homes reduces pressures on public services, reduces crisis-response spending, and empowers people to support economic growth in Wales.<sup>25</sup>

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<sup>24</sup> [Making a Difference Housing and Health: A Case for Investment - Public Health Wales](#)

<sup>25</sup> [The right to adequate housing in Wales: cost-benefit analysis - Shelter Cymru, Tai Pawb and CIH Cymru](#)

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# CONCLUSION AND RECOMMENDATIONS

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This report set out to better understand the scale of the affordability challenge facing private renters in Wales. Throughout the work we have tried to be honest about the assumptions we've made, the limitations in data and the fact that our model is rooted in our work with people experiencing the housing emergency.

**Despite those possible limitations, we think we have made it clear that when it comes to affordability for lower income households who do not rely on welfare, the private rented sector in Wales is fundamentally broken. With any household that does not at a minimum contain two-full time earners likely to be living in a home that we would deem unaffordable.**

This crisis of affordability is playing out across every part of Wales and is impacting people of all ages.

Inevitably single income households face particular challenges, something we see across the homelessness system, but terrifyingly few households are completely immune to this issue.

In producing this report we hope to encourage decision makers in Wales to revisit the question of rent stabilisation, and to consider seriously what mechanisms might work in Wales to deliver the changes people so desperately need.

We've aimed to be transparent about the limitations that we have worked within. And we hope that we or others will be able to build on this report, with the support of specialists and private renters and with access to some of the data sets that aren't yet publicly available. This emerging model of affordability would also benefit from real-world testing with households privately renting in Wales to understand how their housing costs compare to Shelter Cymru's definition of an affordable home and how the impact of this is felt for them.

The strategic direction for the future role of private renting inevitably needs to be set by the Welsh Government, and we hope that the future Welsh Housing Strategy will do this. However, given the immediacy of the challenge so many people face we have also provided a series of recommendations rooted in a level of pragmatism alongside a rejection of the status quo. They accept that there will continue to be a significant number of lower income households privately renting over the next decade but assert that we need to begin taking action today.

First and foremost though, Shelter Cymru continues to advocate for an increase in the number of social homes in Wales. Including supporting the recommendation of the Local Government and Housing Committee for at least **1 in 5 homes to be social homes**, moving towards 1 in 3 over time.<sup>26</sup> Ultimately, there is no solution to the housing emergency in Wales that does not require such a significant increase. Not least because, unlike the private rented sector right now, social homes are affordable and secure by design. In addition, increasing the supply of them is a policy area that the Welsh Government can directly influence - and we hope they continue to do so.

We also recognise that any suggestion, however, moderate, that the government should exert greater influence over the pace of rent rises will likely be opposed. With a concern that these would cause landlords to sell their properties and leave the sector something we would expect to see raised. For example, in their guidance for landlords responding to the Welsh Government's consultation questions on "fair rents", the NRLA advised that landlords may want to highlight that "all forms of rent controls would reduce supply in the private rented sector" and pointed to data around landlord confidence and the potential of private landlords to leave the sector.<sup>27</sup>

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<sup>26</sup> [Social Housing Supply - Senedd Local Government and Housing Committee](#)

<sup>27</sup> [Suggestions for responding to the Fair Rents consultation | NRLA](#)

At Shelter Cymru we recognise this risk, however, we believe it is important to keep in mind that landlords leaving the sector doesn't mean that homes stop existing. This is why, while we don't discount so-called landlord exodus as a risk, we do believe that measures to mitigate the impact on tenants exist. For example, we would encourage the Welsh Government to formalise a route to deliver a national "Rent Rescue" scheme that would maximise opportunities to acquire homes as social rent homes when private landlords are looking to exit the market (supported by necessary pragmatic flexibility in the application of the Welsh Housing Quality Standard).

It is also important to be realistic about the likelihood of landlord exodus, especially in light of evidence that prior warnings of such events have proven to be less significant than imagined. For example, concerns of a "mass exodus" of landlords following the introduction of the Renting Homes Wales Act did not appear to materialise in published data.<sup>28</sup>

## RECOMMENDATIONS

In the immediate term there are a number of steps that the Welsh Government can take to improve affordability for private renters in Wales. Some of which would involve adopting measures recently introduced in England, which many Welsh MPs voted in favour of.

### **1 The Welsh Government must ban rent bidding, with an advertised rent being considered to be the upper limit.**

This was introduced in England via the Renters Rights Act 2025 yet renters in Wales will still face demand-driven bidding wars which push up local rents and leave lower-income households without options.

### **2 The Welsh Government must end no fault, no reason evictions.**

Not least so that renters feel able to challenge rent increases that are unaffordable without fear of retaliatory eviction. As of May 2026, Wales will be the only country in Great Britain where these types of evictions are still legal.

In the longer-term there are also significant opportunities for Wales to re-assert itself as a leader in renters rights by making adjustments to existing schemes in Wales which will move our approach beyond those in other UK nations.

### **3 The Welsh Government must reform the approach of, and expand access to, the Rent Assessment Committee.**

As an initial step, the Rent Assessment Committee must once again be an option for all renters and the measures in the Renting Homes (Wales) Act which restrict access to this recourse to challenge should be reviewed and amended.

However, the committee process is complex and is rooted in an understanding that "fair" rents are market rents, regardless of affordability for tenants or how big the rent increase may be.<sup>29</sup>

<sup>28</sup> [Renting Homes \(Wales\) Act 2016 evaluation: Phase 2 report \(summary\)\[HTML\]](#) | GOV.WALES

<sup>29</sup> [Empowering renters to challenge rent hikes: a review of the Rent Assessment Committee system - Shelter Cymru](#)

**4 The Welsh Government should work with partners across Wales to highlight the opportunities of the Nest Warm Homes Scheme for private renters to reduce their monthly energy bills.**

Shelter Cymru welcome the UK Government's intention to raise the Minimum Energy Efficiency Standards for privately rented homes to EPC C by 2030, but we have concerns that the exemptions will mean the full impact of this measure isn't felt, particularly for low-income renters.

The Welsh Government's existing Warm Homes Scheme (Nest) has had very limited impact for private renters despite low-income private renters being eligible for support through the scheme. Information about the scheme should be given to landlords who state they are unable to afford the necessary works to improve the energy efficiency of the homes they let and to existing organisations working with private renters facing issues with their homes.

The take-up of the scheme by private renters should be monitored and other avenues to share the information explored if the above isn't effective.

Finally, the Welsh Government should give serious consideration to taking bold steps that would begin to directly tackle affordability through the stabilisation of rents in Wales. Setting a new benchmark for the wider UK on what proactive regulation of the private rented sector looks like and demonstrating clearly that ending the housing emergency in Wales is a priority for the coming years. To support this Shelter Cymru intends to produce further research over the next few months to produce a clear roadmap for rent stabilisation in Wales. The following recommendations will form the starting point for much of that work.

**5 The Welsh Government should expand existing rent control measures immediately so that rents can only be increased once in a 12 month period, regardless of changes in tenant.**

This expands our current mild rent control measure to further protect existing tenants from no fault, no reason evictions and ensures that rents aren't hiked dramatically between tenancies.

**6 The Welsh Government should consider caps on rent increases in line with our requirements for social landlords.**

Social renters in Wales see their rent increase each April by up to CPI+1%, while private renters can have their rent increased by any amount. Private renters coming to Shelter Cymru for advice are routinely facing rent increases of 60-75% - a completely impossible shift to manage and one that is practically an eviction notice in a different form.

As a nation we can do better for renters. We can make sure that people have their own front door and privacy in their homes. We can make sure that single parents aren't forced to skip meals to keep a roof over their children's heads. We can rebuild a Wales where young people can afford to fly the nest before their late 30s.

We are also under no illusions that action to tackle the affordability of private rents needs to be accompanied by a wider focus on ending the housing emergency. An approach that includes delivering:

- **Year on year increases in the numbers of available homes for social rent.** Without which we can never hope to bring an end to the housing emergency once and for all.
- **A homelessness system that puts people first.** Building on the important steps that have been taken in passing the landmark Homelessness and Social Housing Allocations Act. Ensuring that the possibilities this offers are fully realised and that the journey towards a Wales without homelessness continues.
- **Introducing a Right to Adequate Housing into Welsh law.** Through which Wales would send a clear message that building a nation where everyone has access to a safe, secure, suitable and genuinely affordable home is an absolute priority. And that it is something we recognise can only be achieved through collective effort, bringing together all aspects of government and the public sector to work in collaboration with others.

It will take years to achieve this and to end the wider housing emergency, which is why Shelter Cymru and the renters involved with our Private Rented Sector Advisory Panel hope to work with the incoming Welsh Government to move these ambitions forward at pace. So that we are delivering safe, secure, genuinely affordable homes for renters and supporting the drive forward for a Wales without homelessness.

Finally, to the next Welsh Government we have a simple closing message: we need you to acknowledge the scale of the crisis in rental affordability, and commit to working with us - and with private renters themselves - to end it.

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# APPENDICES

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## APPENDIX A: METHODOLOGY

### DEFINING AFFORDABILITY

In writing about affordability for private renters in Wales, it was clear that existing models and definitions of what constitutes an “affordable” home didn’t fully align with our values as an organisation. They appear to be rooted in what is simplest for data scientists to achieve at scale and therefore do not reflect the pressures that our clients tell us about from every part of Wales tell us about.

The first phase of this work was running a session with our Private Rented Sector Advisory Panel to share these existing models of affordability and discuss what a model rooted in real-world experiences would look like. The panel set out some clear red lines for us as a research team, that a Shelter Cymru model of affordability must:

- Consider net earnings, not gross.
- Reflect the different income levels of different households (single parents, two parents with one working part-time, younger couples where both are working full time, etc).
- Reflect that lower income households are forced into private renting due to a lack of social homes and a lack of support for first-time buyers.
- Take a significantly broader definition of “housing costs” that looks beyond rent and considers all essential housing-related costs, specifically council tax, water, electricity and gas alongside rent.

Affordability data in the UK tends to work from median earnings, the 50% mark as an average. Academics in Australia instead take earnings data related to the bottom two quintiles, so up to the 40% mark.<sup>30</sup> This reflects the fact, mirrored in data for Wales, that homeownership is still the most common tenure type so private renting should be affordable specifically for lower earners who perhaps are currently unable to afford homeownership.

There are existing models that factor housing benefit into these affordability models but this report focuses solely on earners and affordability. For our research about Local Housing Allowance and private rents in Wales please see the report [Local Housing Allowance: a Safety Net Unravelling](#) from our Peer Research team.

As such, the definition of affordability for this research, driven by private renters involved with our advisory panel, is:

**ALL ESSENTIAL HOUSING COSTS COMBINED DO NOT EXCEED A THIRD OF NET INCOME.**

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<sup>30</sup> [How should housing affordability be measured - UK Collaborative Centre for Housing Evidence](#)

### Homes

There is a lack of detailed publicly available data about current rents in Wales so this research uses two data sets:

- The ONS Private Renting Monthly Price Index (January 2026) for an approximation of current rent levels.<sup>31</sup>
- Data collected from popular property listing sites for a February 2026 snapshot of rent levels on newly listed homes.

The second data set is particularly important when thinking about the role of privately rented homes in addressing the housing emergency in Wales. Time and again Shelter Cymru clients and volunteers tell us about their experiences of looking on these websites, as well as local Facebook groups, when trying to prevent homelessness for their families. The common thread in these experiences is the fear that people experience when each search brings up nothing that they could afford for the long term.

To build this snapshot data set, we collected information on homes listed for rent on RightMove, Zoopla and OnTheMarket using PropertyData.co.uk's live data scraping functionality. The PropertyData functionality removes listings for HMOs and gives the following details for each listing:

- Address without house number.
- Postcode.
- Property type: Detached house, Semi-detached house, Terraced house, Flat.
- Number of bedrooms.
- Asking rent.

This exercise was completed for all of Wales on 18 February 2026, with a result of 4,367 homes after duplicates were removed (when the same home had been listed on multiple websites). A manual clean of the data was undertaken to ensure that the data set was reflective of homes that would serve a single household:

- 247 listings were removed as they were for homes of 6 bedrooms or more.
- 64 listings were removed as the number of bedrooms was left as a blank field, studios are recorded as "0" bedrooms not blank.
- 41 additional listings for large properties were removed as the asking rent suggested that the listing was actually for a room in a HMO.

This left a data set of 4,015 homes listed for private rent as of 18th February 2026. This is a small subset of the private rented sector in Wales but is a sufficiently significant sample size for this first piece of work. We intend to continue collecting this data on a monthly basis.

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<sup>31</sup> [Price Index of Private Rents, UK: monthly\\_price statistics - Office for National Statistics](#)

The ONS data is produced using data collected by the Rent Officers' Wales team, part of the Welsh Government. They aim to collect data from 15% of the private rented sector each year and their annual sample size tends to be around 30,000 privately rented homes.<sup>32</sup> We were unable to access the detailed data collected by the Rent Officers so have used the ONS averages which are published each month.

### Energy Bill Estimated Costs

Data published by the UK Government about average costs associated with energy bills aggregate by a number of options but not by EPC rating. Given that EPC ratings in the private rented sector often appear as lower than in social homes or owner-occupied homes, an estimation of costs that considers energy efficiency in homes felt essential when considering broader housing costs for renters.

The UK Government have a publicly accessible Application Programming Interface (API) for Energy Performance Certificates but this relies on the house number for the look-up. However, PropertyData does not scrape the house number associated with each home listed so we had to design a solution to make use of this data.

To overcome this issue, we built a coded solution to give the best approximation possible. This coded solution converts the EPC letter ratings into numbers in order to return an average rating based on a search of the postcode and, crucially, the property type against the EPC API. We then took a random sub-sample to manually compare against listed EPC ratings using postcode lookup and confirmed that this approach was reliable enough to be used for this work.

Rightmove have completed their own work on bill estimations based on property type, property size and EPC rating.<sup>33</sup> This work creates estimated annual energy bills using data from all homes listed on RightMove in November 2025. It combines data on energy bills consumption, latest energy meter readings, and the current energy price cap for EPC ratings A-G for these property types:

- 1 bedroom flat.
- 2 bedroom flat.
- 3 bedroom terraced house.
- 3 bedroom semi-detached house.
- 3 bedroom detached house.
- 4 bedroom semi-detached house.
- 4 bedroom detached house.
- 5 bedroom detached house.

As our data set includes homes that fall outside of this list we completed a comparison of differences between types of property and bedroom sizes to create estimations for the wider list of homes as they appear in the PropertyData set. This full list can be found in Appendix B.

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<sup>32</sup> [Quality assurance of administrative data used in the Price Index of Private Rents - Office for National Statistics](#)

<sup>33</sup> [What's the average UK energy bill? | Rightmove Guides](#)

For the estimated current rent rates data set, each property was assigned EPC D and relevant associated costs calculated from this. This was overwhelmingly the most common EPC rating for our new listings data set and Rent Smart Wales data shows that EPC D is the average rating for the majority of privately rented homes in Wales.<sup>34</sup>

### Council Tax Estimated Costs

The UK Government have a look-up function for council tax bandings but have not made the data that sits behind this available for bulk download or to be queried by an API. There are a number of companies offering API access to this data at a charge but we faced difficulties in gathering information about how search functionality would work without house numbers as the data does not seem to include property type or number of habitable rooms which would make creating an average from a postcode area challenging. We were concerned that this would over-estimate costs for flats, particularly where larger homes had been converted to flats.

Homes in Wales are assigned a council tax band based on the property's market value as of April 1<sup>st</sup> 2003. Historic "price-paid" data is publicly available with the data including property types and postcodes. This data is only available for dates when a property has been sold so we could not capture data for April 1<sup>st</sup> 2003 automatically. We instead captured an "optimal" average value using price-paid date from January 1<sup>st</sup> 2000 to December 31<sup>st</sup> 2005 and a "secondary" average value using the data from January 1<sup>st</sup> 1997 to December 31<sup>st</sup> 2009.

Due to availability of data:

- 3,305 listings were assigned an optimal estimated value.
- 318 listings were assigned a secondary estimated value.
- 392 listings were unable to be assigned an estimated value during this process so were assigned a council tax band through a manual lookup process.

Using the council tax bands and value table for Wales published on the UK Government website we then assigned each listing a council tax band relevant to the estimated value of the home.<sup>35</sup> We completed randomised manual testing to ensure that this approach had returned data sufficiently accurate to be used in this modelling.

We then cross referenced the council tax band with the local authority to give the monthly cost of council tax for each home. Note that this does not include single occupancy discounts or households who are exempt from council tax, as this work is not focused on people who pay their rent primarily through some form of housing benefit.

For the estimated current rent rates data set, each home was assigned council tax band D and local rates applies accordingly. This is considered to be the average band and is commonly used in comparative data work.<sup>36</sup> If we had access to the data set from the Rent Officers Wales in the Welsh Government then more detailed analysis could be completed in future.

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<sup>34</sup> [Energy Performance Dashboard - Rent Smart Wales](#)

<sup>35</sup> [How domestic properties are assessed for Council Tax bands - GOV.UK](#)

<sup>36</sup> [Council Tax levels: April 2025 to March 2026 \[HTML\] | GOV.WALES](#)

## Income Estimates

To understand who the private rented sector in Wales is working for, this research extracts the data related to Wales from two different 2025 ONS earnings data sets:

- 1** Earnings and hours worked, place of work by local authority.<sup>37</sup>
- 2** Earnings and hours worked, UK region by age group.<sup>38</sup>

For the data by local authority, we used the data sets for full-time and part-time work. We were able to take the 40<sup>th</sup> percentile figure for every local authority area in Wales for full-time worker earnings but the data was not available for every area for part-time workers. Due to these gaps in the data for part-time earners at the 40<sup>th</sup> percentile, we took the median rate for part-time employee earnings for: Anglesey, Blaenau Gwent, Ceredigion, Conwy, Merthyr Tydfil, Monmouthshire, Powys, and the Vale of Glamorgan. It may be that there are fewer affordable homes for households with one full-time and one part-time earner in these areas than we have set out in this report but we felt it was the best course of action to be generous with our estimations to avoid the perception of having misrepresented this data.

The data aggregated by age groups has a Wales-specific breakdown but does not disaggregate again by local authority area or hours worked. The data was available at the 40<sup>th</sup> percentile for all categories other than age 18-21 so analysis excluded this age bracket which was considered a reasonable given the proportion of renters in this group that are renting in a HMO and the lower minimum wage rate for people under 21.

In line with the discussion with our Private Rented Sector Advisory Panel, we translated this annual gross earnings data to monthly net earnings. Due to the complications surrounding net earnings, this research takes “net earnings” to be take home pay after tax and national insurance contributions. Many people will also have student loans or other forms of debt that is being taken from their pre-tax pay but for consistency across the data set we made the decision to work with this definition of “net” and point to the additional financial pressures households face in the course of the discussion.

An online tool, The Salary Calculator, was used to translate each set of gross annual earnings data to monthly net take home pay.<sup>39</sup> In discussion with the advisory panel it was agreed that given the additional housing costs we were considering and the use of net pay we would consider a listing to be affordable if it was within a third of take home pay so this figure was then extracted from the new earnings data set produced. These data tables can be found in Appendix B for those with interest.

## **DATA ANALYSIS**

The combined data for household costs (rent, council tax, energy bills and water costs) was then compared to the relevant earnings data (by local authority area for the non-age related modelling, and pan-Wales for the age-related modelling) to return a yes/no as to if the listing met Shelter Cymru’s definition of affordability for each household type and the shortfall that that household would need to supplement above what we would consider to be affordable housing costs.

The analysis of this data is set out in the discussion chapters in this report.

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<sup>37</sup> [Earnings and hours worked, place of work by local authority: ASHE Table 7 - Office for National Statistics](#)

<sup>38</sup> [Earnings and hours worked, UK region by age group - Office for National Statistics](#)

<sup>39</sup> [The Salary Calculator - Take-Home tax calculator](#)

## APPENDIX B: COST ESTIMATIONS USED

### Energy Costs

Property type	No. of Bedrooms	Average Monthly Energy Bill by EPC rating						
		A	B	C	D	E	F	G
Flat	0	£38	£65	£100	£140	£184	£230	£290
Flat	1	£38	£65	£100	£140	£184	£230	£290
Flat	2	£42	£76	£113	£168	£230	£285	£378
Flat	3	£44	£85	£134	£196	£274	£339	£444
Terraced House	2	£42	£76	£113	£168	£230	£285	£378
Terraced House	3	£42	£84	£141	£197	£273	£338	£423
Terraced House	4	£61	£100	£181	£255	£354	£467	£638
Semi-Detached House	3	£41	£82	£143	£196	£274	£343	£417
Semi-Detached House	4	£61	£100	£181	£255	£354	£467	£638
Semi-Detached House	5	£71	£135	£238	£337	£460	£605	£881
Semi-Detached House	6	£70	£181	£306	£434	£581	£732	£1,081
Detached House	3	£44	£90	£156	£215	£292	£391	£548
Detached House	4	£57	£109	£194	£270	£368	£468	£658
Detached House	5	£62	£151	£256	£361	£485	£618	£903
Detached House	6	£317	£151	£256	£361	£485	£618	£903

## Water Costs

Number of occupants	Average Monthly Water and Sewerage Bill
1	£ 42.22
2	£ 52.47
3 or more	£ 64.62

## Earnings and affordable housing costs by local authority and employment type

	Monthly net income for households with...		
	one full-time earner	one full-time and part-time earners	two full-time earners
<b>Wales</b>	£2,240.05	£3,302.18	£4,480.10
Blaenau Gwent	£2,099.19	£3,109.52	£4,198.38
Bridgend	£2,288.24	£3,436.05	£4,576.48
Caerphilly	£2,177.54	£3,179.96	£4,355.08
Cardiff	£2,339.23	£3,443.30	£4,678.46
Carmarthenshire	£2,130.79	£3,228.82	£4,261.58
Ceredigion	£2,084.84	£3,220.41	£4,169.68
Conwy	£2,047.40	£3,182.20	£4,094.80
Denbighshire	£2,107.47	£3,075.89	£4,214.94
Flintshire	£2,366.13	£3,366.63	£4,732.26
Gwynedd	£2,048.97	£3,186.60	£4,097.94
Isle of Anglesey	£2,355.69	£3,548.50	£4,711.38
Merthyr Tydfil	£2,062.47	£3,064.89	£4,124.94
Monmouthshire	£2,390.61	£3,749.28	£4,781.22
Neath Port Talbot	£2,324.24	£3,342.24	£4,648.48
Newport	£2,284.59	£3,367.73	£4,569.18

	Monthly net income for households with...		
	one full-time earner	one full-time and part-time earners	two full-time earners
Pembrokeshire	£2,211.61	£3,208.36	£4,423.22
Powys	£2,086.69	£3,321.80	£4,173.38
Rhondda Cynon Taf	£2,134.83	£3,182.33	£4,269.66
Swansea	£2,263.81	£3,443.02	£4,527.62
Torfaen	£2,234.19	£3,398.10	£4,468.38
Vale of Glamorgan	£2,136.81	£3,240.42	£4,273.62
Wrexham	£2,232.57	£3,237.74	£4,465.14

	Affordable monthly housing costs for households with...		
	one full-time earner	one full-time and part-time earners	two full-time earners
<b>Wales</b>	£746.68	£1,100.73	£1,493.37
Blaenau Gwent	£699.73	£1,036.51	£1,399.46
Bridgend	£762.75	£1,145.35	£1,525.49
Caerphilly	£725.85	£1,059.99	£1,451.69
Cardiff	£779.74	£1,147.77	£1,559.49
Carmarthenshire	£710.26	£1,076.27	£1,420.53
Ceredigion	£694.95	£1,073.47	£1,389.89
Conwy	£682.47	£1,060.73	£1,364.93
Denbighshire	£702.49	£1,025.30	£1,404.98
Flintshire	£788.71	£1,122.21	£1,577.42
Gwynedd	£682.99	£1,062.20	£1,365.98
Isle of Anglesey	£785.23	£1,182.83	£1,570.46
Merthyr Tydfil	£687.49	£1,021.63	£1,374.98
Monmouthshire	£796.87	£1,249.76	£1,593.74
Neath Port Talbot	£774.75	£1,114.08	£1,549.49

	Affordable monthly housing costs for households with...		
	one full-time earner	one full-time and part-time earners	two full-time earners
Newport	£761.53	£1,122.58	£1,523.06
Pembrokeshire	£737.20	£1,069.45	£1,474.41
Powys	£695.56	£1,107.27	£1,391.13
Rhondda Cynon Taf	£711.61	£1,060.78	£1,423.22
Swansea	£754.60	£1,147.67	£1,509.21
Torfaen	£744.73	£1,132.70	£1,489.46
Vale of Glamorgan	£712.27	£1,080.14	£1,424.54
Wrexham	£744.19	£1,079.25	£1,488.38

#### Earnings and affordable housing costs by age

For people in Wales...	Monthly Net Income	Affordable Monthly Housing Costs
Age 22-29	£ 1,801.11	£ 600.37
Age 30-39	£ 2,046.19	£ 682.06
Age 40-49	£ 2,120.35	£ 706.78
Age 50-59	£ 2,011.17	£ 670.39
Age 60+	£ 1,498.04	£ 499.35

# HOME IS EVERYTHING

**HOMES FOR ALL.  
SAFE HOMES. STABLE HOMES. AFFORDABLE HOMES.**

You can help make this happen. Sign up to support Shelter Cymru today and help us end the Housing Emergency in Wales.

