SALAD

MORE THAN YOUR SCORE™

November 2026

UK WORKERS' HOUSING COSTS, 2025-2026

An analysis of the housing costs of 37,937 UK workers, from Open Banking data



UK WORKERS' HOUSING COSTS, 2025–2026

37,937 UK workers whose housing costs are analysed in this report



Renting from a private landlord
17,855 people

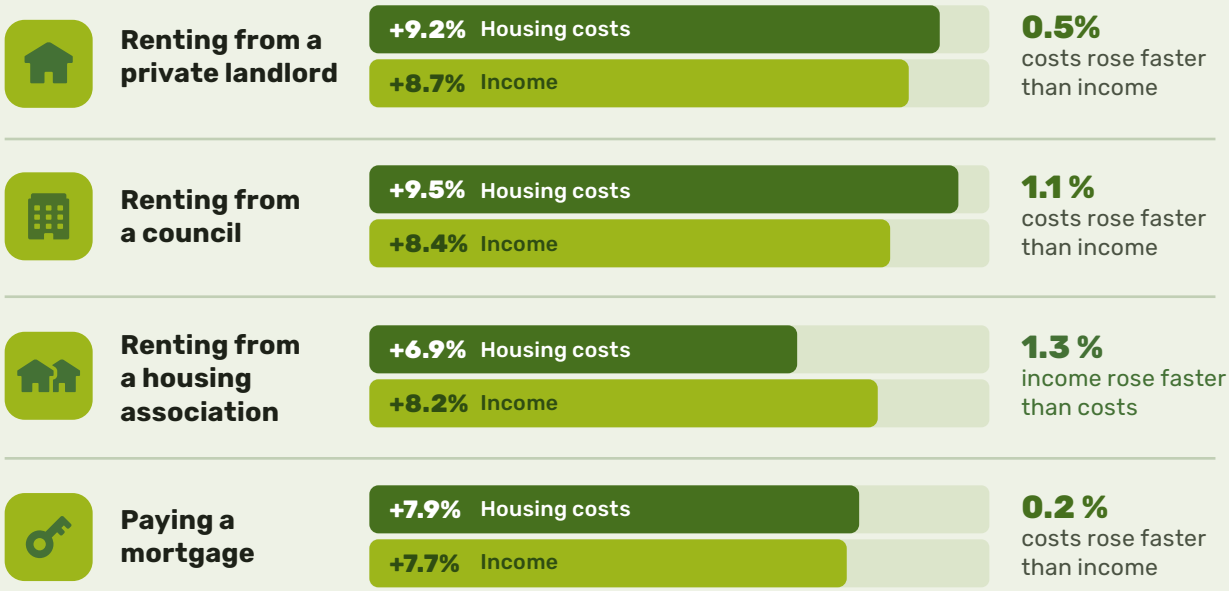
Renting from a council
6,658 people

Renting from a housing association
7,578 people

Paying a mortgage
5,846 people

How housing costs and incomes changed

September 2025 – August 2026, by how people pay for their home



Share of income spent on housing

March – August 2026



Average monthly net income **£2,408** Sept '25 – Feb '26 → **£2,610** March – Aug '26

ABOUT SALAD

Salad is a social purpose lender and the UK's largest community development finance institution (CDFI). We launched in 2018 to provide a better alternative to high-cost lending for NHS and public sector workers with poor, thin, or non-existent credit scores. Since then, we have grown to serve UK workers across the public and private sectors in stable, full-time employment who are turned down by traditional lenders due to thin, invisible or impaired credit records.

At least one in three UK adults have difficulty accessing affordable credit from mainstream lenders[1], despite being able to repay it if they want it. That restricts productivity and participation in the workforce[2] and traps many households in cycles of repaying high-interest loans.

By helping to fill gaps in the credit market, CDFIs like Salad reduce the likelihood that individuals turn to illegal or high-cost lenders[3]. Independent analysis has shown that customers who found and were able to borrow from CDFIs rather than higher-cost options reported improvements in their mental and physical health, financial confidence, ability to manage debt, productivity and stability.[4]

Salad uses Open Banking data and our own software for affordability assessments, rather than credit scores, and received a King's Award for Enterprise in 2026 for this innovation and its impact on improving financial inclusion.

We have innovated in using data to help applicants identify benefits they were due but not claiming, and in using data for good. Aggregating and analysing our dataset provides a comprehensive picture of the financial circumstances of thousands of UK workers. This report focuses on housing costs.

1 in 3

UK adults have difficulty accessing affordable credit from mainstream lenders

King's Award for Enterprise 2026

For innovation in Open Banking affordability assessments

2018

Launched as a better alternative to high-cost lending

1 PwC (2022) Overlooked and financially under-served. Available at: https://www.pwc.co.uk/industries/financial-services/insights/overlooked-and-financially-underserved.html

2 WPI Economics (2025) Financial inclusion and growth. Available at: https://wpieconomics.com/wp-content/uploads/2025/09/Financial-Inclusion-and-Growth.pdf

3 Responsible Finance (2026) Powering People, Places and Purpose. Available at: https://responsiblefinance.org.uk/policy-research/impactreport/

4 WPI Economics (2026) Evaluation of first-loss funding to CDFIs. Available at: https://responsiblefinance.org.uk/2026/10/funding-cdfis-unlocks-affordable-lending-investment-and-financial-inclusion-independent-evaluation/

INTRODUCTION

This report offers a unique contribution to the evidence base into the costs of housing, revealing the experiences and pressures faced by tens of thousands of people with steady employment and sound financial habits. It is based on analysis of over 87 million financial transactions from 37,937 UK workers spanning 1 September 2025 to 31 August 2026.

All are in stable employment, many as key and care workers in the NHS and public sector. Others work in hospitality, retail, administration, and a wide range of other roles across the public and private sectors. Their average monthly net income including benefits was £2,408 for the six months from September 2025. This equates to an approximate annual full time pre-tax income of around £37,000.

Everyone in this dataset applied for an affordable loan from Salad. Our use of Open Banking, rather than credit scores, to make fair lending decisions means applicants for our credit allow us to see their income and expenditure. This addresses flaws in how the credit scoring system treats millions of people, since credit scores can be damaged by life events that happened many years ago. Take a look at our annual impact reports for a detailed picture of the social and economic impact of our lending.

On average each Salad applicant has 2,300 individual transactions spanning the previous 12 months which we categorise and can analyse to make an approval decision and generate unique insights into applicants' financial health.

Just under a quarter of the people featured in this report were paying a mortgage; the rest were renting from a council, housing association or private landlord. The data demonstrates the change in their costs of housing over the year, during which the Renters' Rights Act came into effect.

Renting privately was consistently the most expensive form of housing, both in real terms (the amount paid) and as a percentage of income. Private renters spent around 29% of their income on rent. Those who rented from a housing association or council spent around 17% and 19% respectively on housing. For those who paid a mortgage it was around 23% of their income. These percentages remained stable at the start and end of our analysis.

Insights based on our non-personally identifiable data are used by researchers in academia and have been cited in national media.

We present this new analysis so policymakers, campaigners and housing organisations are better able to understand the housing cost pressures that thousands of UK workers are experiencing.



Craig Pennington
CEO, Salad

RISING PRIVATE RENTS

9.2%

increase in private rents, September 2025 – August 2026

£745 average monthly private rent, August 2026

8.7% increase in monthly income of private renters, September 2025 – August 2026

£2,507 average monthly income of private renters, August 2026

29.7% percentage of income spent on rent, August 2026

17,855 of the 37,937 people in our dataset (nearly half) were renting from a private landlord. Their average monthly incomes were lower than those renting from housing associations or councils, or paying a mortgage, both at the start and end of our analysis.

Renting privately was consistently the most expensive form of housing, both in real terms (the amount paid) and as a percentage of income. The average rents paid by this population to private landlords were 74% higher than those paid to housing associations at the start of the analysis and 78% higher at the end.

In September 2025, the average monthly rent paid by those renting from a private landlord was £682. By August 2026 the average private rents we observed had increased by 9.2% to £745 per month. These figures may not be the entire rent paid. We can identify payments from applicants to a landlord, but they may be sharing the rent with someone else in their households.

The Renters' Rights Act, which took effect on 1 May 2026, abolished 'no-fault' evictions and brought in new regulation of private rent increases to "protect tenants from sudden and unfair rent hikes." Landlords may only increase rent once a year and must serve a 'Section 13' notice to do so, giving two months' notice; increases cannot be 'excessive' or above 'market rent'; they can no longer accept higher rents than advertised nor require tenants to pay more than one month's rent before signing a tenancy agreement. While these measures are welcome steps to give tenants better protection and more security, there had been fears that landlords would push through rent increases before the Act came into force.

It is also important to view our data in context. Private renters are more financially vulnerable than owner-occupiers, according to the Government's English Housing Survey[6]. And research by the Institute for Public Policy Research (IPPR) in 2025 found that more children were living in poverty as private rents rose[7].

5 Ministry of Housing, Communities & Local Government (2026) Renters' Rights Act overview for tenants. Available at: https://www.gov.uk/guidance/renters-rights-act-overview-for-tenants

6 Ministry of Housing, Communities & Local Government (2025) English Housing Survey 2023-24: rented sectors. Available at: https://www.gov.uk/government/statistics/english-housing-survey-2023-to-2024-rented-sectors/english-housing-survey-2023-24-rented-sectors

7 IPPR (2025) The Homes that Children Deserve. Available at: https://files.ippr.org/production/Downloads/The-homes-that-children-deserve-Jan-25.pdf?dm=1778241499

RISING PRIVATE RENTS, CONTINUED

While the incomes of our private renting dataset did increase by 8.7% during the year (from an average monthly income of £2,306 to £2,507), this increase was outstripped by the increase in their housing costs.

The increases we observed by looking at the actual monthly banking transactions of these 17,855 UK workers contrast starkly with data reported by the Office for National Statistics (ONS)[8]. The ONS found that the average monthly private rent in the UK reached £1,400 as of August 2026, an annual increase of 3.8%.

Since our dataset is made up of people who applied to credit from Salad, and our applicants are typically financially under-served people, our analysis suggests the lowest paid UK workers are paying the highest penalties by experiencing disproportionately higher increases in their housing costs.

Annual change, Sept 2025 – Aug 2026

Rents rose faster than incomes – and more than twice as fast as the UK average private rent.



> **My landlord is pretty decent but I've heard some horror stories from my friends about how much more they've been asked to pay."**
> Adesegun, care worker



8 Office for National Statistics (September 2026) Private rent and house prices, UK. Available at: https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/privaterentandhousepricesuk/september2026

HOUSING ASSOCIATION RENTS

6.9%

increase in housing association rents, Sept 2025 – Aug 2026

£418 average monthly housing association rent, August 2026

8.2% increase in monthly income of housing association renters, Sept 2025 – Aug 2026

£2,513 average monthly income of housing association renters, August 2026

16.6% percentage of income spent on rent, August 2026

7,578 of the 37,937 people in our dataset (20%) were renting from a housing association. Their average monthly incomes were lower than those renting from councils or paying a mortgage, but higher than those renting privately, both at the start and end of our analysis.

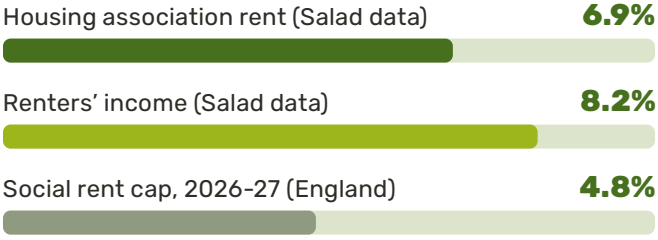
In September 2025 the average monthly rent paid by those renting from a housing association was £391. By August this year, average housing association rents had increased by 6.9% to £418 per month.

Again, these figures may not be the entire rent paid, which could be shared with someone else in the household. But our like-for-like comparison across our data segments provides useful insights into the differences in the changes in housing costs experienced by our applicants in differing housing sectors.

Once more it is important to view this data in context. For the 2026-27 financial year in England, housing association rent increases were capped at Consumer Price Index (CPI) plus 1.0%, which resulted in a total maximum increase of 4.8%[9]. These increases would have come into effect from April 2026. The increase observed in our data contrasts with this. Any housing association shared ownership renters may also be paying service charges.

The incomes of our dataset of housing association renters increased by 8.2% during the year (from an average monthly income of £2,323 to £2,513), and this increase was greater than the increase in their housing costs.

Annual change, Sept 2025 – Aug 2026



My wages have actually gone up, but everything is getting more expensive, and we're not feeling better off. We're having to cut back."

David, cable fitter

9 Regulator of Social Housing, Limit on annual rent increases. See 2024-2025 table available at: https://assets.publishing.service.gov.uk/media/697c9a803915f71236580023/20250129_Limit_on_annual_rent_increases_2026-27_FinalV2.pdf

COUNCIL RENTS

9.5%

increase in council (local authority) rents, Sept 2025 – Aug 2026

£518 average monthly council rent, August 2026

8.4% increase in monthly income of council renters, Sept 2025 – Aug 2026

£2,776 average monthly income of council renters, August 2026

18.7% percentage of income spent on rent, August 2026

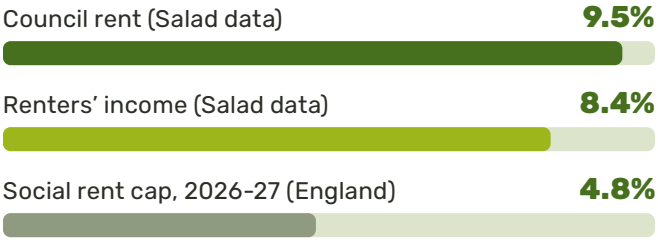
6,658 of the 37,937 people in our dataset (18%) were renting from a council. Their average monthly incomes were lower than those paying a mortgage, but higher than those renting privately or from a housing association, both at the start and end of our analysis.

In September 2025 the average monthly rent paid by those renting from a council was £473. By August this year, average council rents had increased by 9.5% to £518 per month. As with all of our segments, these figures might not be the total housing costs paid by the household.

Our data contrasts with what we would expect to see because of the social housing rent cap. Like housing associations, councils' social housing "formula rent" increases for the 2026-27 financial year in England were capped at a maximum of 4.8% by the Regulator of Social Housing Rent Standards. These increases typically came into effect in April 2026 as this example[10] shows.

The incomes of our dataset of council housing renters increased by 8.4% during the year (from an average monthly income of £2,561 to £2,776). But this increase is less than the 9.5% increase we observed in their housing costs. Housing costs are a major driver of poverty, and social renting tenants have the highest rates of poverty before and after housing costs, according to the Joseph Rowntree Foundation[11].

Annual change, Sept 2025 – Aug 2026



We are struggling because my husband broke his leg and his income stopped for 8 months. But my finances were in a lot better shape, and the rent has shot up."

Jodie, nursery worker

10 Sheffield City Council, How We Calculate Rent. Annual rent increase, April 2026. Available at: https://www.sheffield.gov.uk/council-housing/council-housing-rents/learn-more-about-rent/how-we-calculate-rent

11 Joseph Rowntree Foundation (2026) Housing and poverty. Available at: https://www.jrf.org.uk/uk-poverty-statistics/housing

MORTGAGE COSTS

7.9%

increase in monthly mortgage costs, Sept 2025 – Aug 2026

£656 average monthly mortgage, August 2026

7.7% increase in monthly income of mortgage payers, Sept 2025 – Aug 2026

£2,866 average monthly income of mortgage payers, August 2026

23% percentage of income spent on mortgage, August 2026

5,846 of the 37,937 people in our dataset (15%) were paying a mortgage. Their average monthly incomes were higher than those renting privately or from a housing association or council, both at the start and end of our analysis.

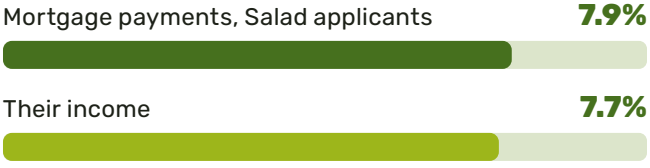
In September 2025 the average monthly mortgage paid by this segment was £608. By August this year, average monthly mortgage payments had increased by 7.9% to £656 per month. As with all of our segments, these figures might not be the total housing costs paid by the household – mortgage costs could be shared with a partner.

The incomes of our dataset of mortgage payers increased by 7.7% during the year (from an average monthly income of £2,660 to £2,866), and this increase was slightly less than the increase in their housing costs.

While the UK Bank of England base interest rate was decreased by 0.25% in December 2025, from 4.00% to 3.75%, many UK mortgage costs have climbed during 2026, as borrowers exited low fixed rate deals.

Fair4All Finance, which has published research showing there are over 20 million people in financially vulnerable circumstances in the UK[12], has conducted extensive 'segmentation' work showing the breadth of financial vulnerability. Its "difficult debts" segment, made up of households with a household income of £25-50,000, in work, and either homeowners or renting privately, has high debt levels and some missed payments[13]. Housing cost increases place significant pressures on this group.

Annual change, Sept 2025 – Aug 2026



I had to spend some money on home improvements. I wouldn't have been able to do that without a bit of help, the way the mortgage has gone up after my fixed rate ended."

Paul, digital communications specialist

12 Fair4All Finance (2024) Nearly half of UK adults now living in financially-vulnerable circumstances. Available at: https://fair4allfinance.org.uk/nearly-half-of-uk-adults-now-living-in-financially-vulnerable-circumstances/

13 Fair4All Finance (2024) Difficult Debts: Deep Dive. Available at: https://fair4allfinance.org.uk/wp-content/uploads/2024/10/Difficult-Debts-Deep-Dive.pdf

FROM OUR FOUNDER



I founded Salad to address a market that does not work for millions of adults in the UK. The lack of access to fair and affordable financial services limits opportunity and participation in society. Our work has a direct and well evidenced impact building households' financial resilience and boosting financial inclusion.

Our expertise is in the provision of affordable credit, and the technology we have pioneered to do so has further benefits. It enables us to offer rich insights into the financial lives of thousands of UK workers: nurses, teachers, carers, local government workers and other people who work, pay their bills and manage their lives. This report gives a comprehensive picture of their housing costs and how these have changed from 2025 to 2026.

We have deliberately chosen not to make recommendations regarding housing policy in this report. We offer this evidence so that relevant policymakers, stakeholders, campaigners and others can review it and act appropriately.

Alan Campbell
Founder, Salad

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