

Global accounts 2019 published

The 2019 Global accounts of private registered providers, published today (17 December 2019) by the Regulator of Social Housing, shows that the sector delivered another strong year of investment in new and existing social housing properties.

The annual Global Accounts report is based on an aggregation of the financial statements of private registered providers of social housing who own or manage at least 1,000 homes (together representing more than 95% of the sector's stock).

The main findings for 2019 are:

- The sector invested £12.1bn in new supply across a range of tenures – a 12% increase on the previous year.
- The total value of its property related assets now stand at £164bn.
- Expenditure on repairs and maintenance of existing social stock was £5.5bn – up from £5.2bn in 2018.
- The sector raised a record £13.5bn (2018: £10bn) in new debt facilities from banks and capital markets with borrowings (drawn debt) increasing by 6% to £76.9bn.
- The surplus for the year was £3.5bn – a reduction of £0.2bn compared to 2018.
- Aggregate interest cover was strong at over 150% – this was achieved despite costs rising more quickly than revenues on both social housing lettings and sales of newly developed properties.
- The period to March 2019 was the third year of 1% rent reductions on general needs social housing properties and the second year of rent reductions on most supported housing properties – as a result, there was no significant increase in income generated from total social housing lettings including new homes.
- First tranche shared ownership income increased by 14% to £1.4bn, and receipts from properties developed for open market sale increased 7% to £1.5bn – however, the margins on these sales fell, so surpluses generated from shared ownership sales remained unchanged on the previous year, and profits from market sale fell by 29%.

- The sector's future capital commitments totalled £33bn (of which £14.3bn has been contracted) an increase of 15% compared to the figure reported in 2018.

Fiona MacGregor, Chief Executive at RSH, said:

This year's Global Accounts show that the social housing sector continues to maintain its financial position, while increasing investment in new and existing homes. The sector also raised a record £13.5bn in debt finance this year, ensuring a strong liquidity position at an aggregate level.

Although the report shows the sector is performing strongly overall, we have seen a reduction in margins, on both rental properties and those built for sale, and in overall surplus. This highlights that provider boards must remain vigilant by continuing to monitor and manage the potential risks facing them.

The annual Global Accounts of housing providers are available on the [RSH website](#).

Notes to editors

1. RSH promotes a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs. It does this by undertaking robust economic regulation focusing on governance, financial viability and value for money that maintains lender confidence and protects the taxpayer. It also sets consumer standards and may take action if these standards are breached and there is a significant risk of serious detriment to tenants or potential tenants. For more information about RSH, visit the [RSH homepage](#).

Further information

For press office contact details, see our [Media enquiries page](#). For general queries, please email enquiries@rsh.gov.uk or call 0300 124 5225.