

# Press release: Regulator of Social Housing publishes 2018 Global accounts

The social housing sector increased its investment in new and existing properties, according to the [2018 Global accounts of private registered providers](#), published today (14 December 2018) by the Regulator of Social Housing.

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 2018 are:

- There was a small increase in the underlying surplus generated, which was used to support additional borrowings to fund capital investment
- Capital investment increased this year with £1.7bn in existing stock and £10.8bn in new housing supply, which includes social housing and properties for sale and market rent
- The sector raised more than £10bn (2017: £7.6bn) in new debt facilities from banks and capital markets with borrowings (drawn debt) increased by £3.0bn to £72.5bn.
- Expenditure on repairs and maintenance of existing social stock at £5.0bn increased by 3% compared to 2017
- The operating surplus from social housing lettings decreased by 2% to £5.0bn – the period covers the second year of 1% rent reductions on general needs units and, for the first time in 2017-18, providers also had to reduce rents on most supported housing properties
- The value of the properties held for sale at the year-end was £5.6bn, mainly consisting of land and work in progress rather than completed properties. This was an increase of 17% on 2017
- The sector's future capital commitments totalled £28.6bn (of which £12.4bn has been contracted) is an increase of 17% compared to the figure reported in 2017.

This year's publication also includes an annex on the [Value for Money \(VfM\)](#)

[metrics](#), which were introduced alongside the April 2018 VfM Standard.

Providers are required to report against seven metrics specified by the regulator; the annex contains the results of these metrics and accompanying narrative. The initial findings show a wide range in performance across the sector, with distinctive characteristics for particular groups of providers such as early years Large Scale Voluntary Transfers and supported housing providers.

Fiona MacGregor, Chief Executive of RSH, said:

2018 saw the sector deliver a strong financial result whilst increasing its investment in both new supply and existing properties. Record levels of debt finance were arranged, leaving the sector well-funded for the future. >

The increase in capital spending commitments is also to be welcomed as the sector seeks to provide good quality homes to meet a range of needs. However, increased activity, particularly where this is tied to uncertain market conditions, brings increased risk. Provider boards must continue to monitor, manage and mitigate the potential effects of the risks to which they are exposed.

The headline social housing unit cost data, based on 2018 submissions, is included in the Global accounts data file, alongside the 2018 VfM metrics data.

1. The annual releases are available on the [Global accounts collections page](#).
2. Under International Financial Reporting Standards most mergers in the sector are accounted for using the purchase accounting method. This requires the receiving organisation to report the fair value of the net assets acquired – effectively the balance sheet – as a gain (or profit) in the year of acquisition. The gain will usually be considerably more than the annual trading surplus generated by the merging organisation, and so will inflate reported surpluses in the year of acquisition. Subsequent years will not be affected.
3. The Regulator of Social Housing 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 visit the [RSH website](#).

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