

Press release: Regulator's Quarterly survey shows continued financial strength

The latest Quarterly survey published by the Regulator of Social Housing confirms social housing sector's strong financial position



The latest Quarterly survey published today (3 June 2018) by the Regulator of Social Housing shows that the regulated sector retains considerable financial strength, demonstrated by the highest amount of new private finance arranged by social housing providers in a single quarter. There was also an increase in the number of homes for-sale being developed by the sector.

The new facilities raised in the quarter totalled £4.5 billion across of range of maturities from short-term revolving credit facilities to 25-year bonds. The debt raised included £2.3 billion from capital markets and £2.1 billion from banks. Over the 2018-19 financial year, the sector raised new facilities worth £13.5bn – the highest amount raised in a single year.

The 6,367 of homes developed for sale which were completed in the quarter, include 4,817 Affordable Home Ownership (AHO) homes and 1,550 properties for market sale. The increase in the number of unsold properties (to 6,924 Affordable Home Ownership homes and 1,933 market sake homes) primarily reflects this peak in development.

The survey report covers the period 1 January to 31 March 2019 and includes forecasts up to 31 March 2020. Based on responses from 221 private registered providers (PRPs) and PRP groups who own or manage 1,000 homes or more, it provides a regular source of information regarding the financial health of providers, in particular with regard to their liquidity position.

The other main findings this quarter include:

- The sector remains financially strong with access to £20.8 billion in

undrawn facilities available at the end of March

- Total sales receipts in the quarter amounted to £1.5 billion – the second highest amount achieved in the last three years, only slightly lower than the figure reported in the quarter to March 2018
- Over the next 12 months expected investment in new housing supply is forecast to be £14.9 billion, of which £10.5 billion is contractually committed. In the 12 months to March 2019 total investment in new supply was £11.8 billion
- Plans for committed and uncommitted development of for-sale properties is set to increase in the next 18 months to include the completion of 31,901 AH0 homes and 13,783 market sale properties
- Cash balances total £6.1 billion and is forecast to reduce in the next 12 months to £4.1 billion as cash is used to fund planned capital expenditure
- Mark-to-market exposure on free standing derivatives increased by 7% to £2.2 billion, reflecting a decrease in swap rates

Fiona MacGregor, Chief Executive, Regulator of Social Housing said:

The latest Quarterly survey results indicate that the sector continues to be in a robust position to respond to any uncertainty and changes in the wider economic environment. In 2018-19 the sector raised an unprecedented amount of new private finance from banks and the capital markets in order to support plans for increased capital investment.

The past quarter showed a further increase in the level of new development for sale, both of shared ownership and outright market sale properties, and forecasts anticipate a further increase over the next 18 months. It is important that providers in these markets carefully manage their development risks and are prepared to respond to any changes in the housing market in a timely fashion.

The [Quarterly Survey for Q4 \(January to March\) 2019](#) is published on the RSH website.

Further information

1. The Regulator's [Quarterly surveys](#) are available on the RSH website.
2. The Quarterly survey sets out information such as the amount of borrowing by registered providers and where they have borrowed it from, the number of affordable home ownership homes and market sale homes they have built and sold. Alongside a programme of periodic In Depth Assessments and regular financial stability checks, it provides regulatory assurance on the sector's financial strength and the continued viability of individual providers.
3. 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.

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