

# [RSH identifies key risks facing social housing sector in 2022 and beyond](#)

Press release

The Sector risk profile sets out the main risks facing the social housing sector and some of the actions registered providers should be taking to manage those risks.



The Regulator of Social Housing today (20 October) sets out its view of the key risks and challenges facing the social housing sector. Against a very challenging and fast-moving economic backdrop, the Sector Risk Profile highlights a significant number of specific risks for social housing providers that boards need to manage in meeting the regulator's standards. Some areas of risk are also relevant to councillors where their authority is responsible for local authority homes.

The report shows that providers face substantial financial pressures. High inflation is impacting on operating costs and the cost of debt is rising at the same time as increased cost of living pressures on tenants, a proposed rent cap, and a weakening housing market. To maintain financial resilience, providers need to continue responding appropriately to the changing conditions. Boards and councillors will need to have a clear sense of their priorities and make trade-offs. They must ensure that their mitigating actions are strategic and timely, underpinned by stress testing and robust planning, and communicated effectively to stakeholders.

Alongside their financial viability, tenant safety and the delivery of landlord services are key responsibilities which boards must continue to prioritise. Providers are planning significant investment in existing homes to meet quality, building safety, and decarbonisation commitments. This must be underpinned by robust data on stock condition, a clear understanding of policy changes in these areas, and properly engaging with and listening to tenants. Boards will also need to recognise that delaying investment in existing stock could increase cost pressures over the long term and damage the sector's reputation.

Demand for new homes remains high even as the economics of development become more uncertain. Providers will need to consider carefully how to assess new development, ensuring that risks are tightly managed, including investment in market-sale homes which could affect providers' core social housing business.

Fiona MacGregor, Chief Executive at RSH, said:

Providers must take a strategic approach to managing the significant risks we have identified in our Sector Risk Profile and act appropriately to maintain their continued financial viability. Boards and councillors are the custodians of people's homes, and it's absolutely vital that tenants' homes, safety and the delivery of essential landlord services are not put at risk.

The annual publications are available on the [Sector risk profiles page](#).

### **Notes to editors**

1. For press office contact details, see our [Media enquiries page](#). For general queries, please email [enquiries@rsh.gov.uk](mailto:enquiries@rsh.gov.uk) or call 0300 124 5225.
2. The Regulator of Social Housing promotes a viable, efficient and well-governed social housing sector able to deliver and maintain homes of appropriate quality 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.

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