

Social housing sector reports strong financial position despite coronavirus challenges

The Regulator of Social Housing has today published the results of its latest quarterly survey of registered providers' financial health. The report covers the period from 1 April 2020 to 30 June 2020.

As with the rest of the economy, registered providers have faced numerous challenges in the quarter due to the impact of coronavirus, including the direct impact of lockdown, the short-term closure of the housing market, and increasing economic uncertainty. Despite this, the data collected shows that the sector is in a strong financial position overall during the quarter.

The sector has good access to finance with £107.1 billion of debt facilities in place at the end of June, of which £24.8 billion was undrawn. Available cash balances increased to £6.4 billion, and new finance of £4.5 billion was agreed in the quarter. This new finance includes £1.3 billion from the Bank of England's Covid Corporate Financing Facility, in which eight providers participated.

The short-term closure of the housing market resulted in sales receipts which were about 10% lower than providers' March forecasts, some of which had not been updated to reflect the expected impact of the pandemic. Investment in housing supply was £1.8 billion in the quarter to June 2020, lower than the total March forecast, but higher than the forecast on contractually committed schemes.

The sustained period of lockdown and associated increase in unemployment has led to an increase in the arrears and void rent loss figures. Rent collection remained strong at over 97% in aggregate, but this is the lowest level since 2013. At the same time, mean provider void losses have increased to 2.2%. Offsetting reductions in income, providers' expenditure on capitalised repairs and maintenance was just over half that incurred during the same period in 2019. This was mainly due to lockdown restrictions on repairs during the quarter.

Forecasts for the next 12 months indicate that the sector expects to increase its development and housing market exposure although not to the same level as pre-coronavirus forecasts. Providers also expect to increase their investment in existing stock, with evidence of plans to reschedule delayed capital expenditure from the first quarter of the financial year.

Will Perry, Director of Strategy at RSH said:

The results of the quarterly survey show that the social housing sector continues to maintain a good financial position in the face

of considerable challenges.

The next few months may mean further uncertainty due to the continued impacts of the pandemic and we expect providers to be ready to respond promptly to the changing environment, alongside maintaining services and investment, and planning for the long term.

The Regulator's quarterly surveys are available on the [quarterly survey page](#).

Notes to editors

1. The quarterly survey provides a regular source of information regarding the financial health of private registered providers, in particular with regard to their liquidity position.
2. The quarterly survey returns summarised in the report cover the period from 1 April 2020 to 30 June 2020 and the latest report is based on regulatory returns from 215 PRPs and PRP groups who own or manage more than 1,000 homes. The survey Data about income collection, including rent collection, was first collected in 2013.
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.
4. For press office contact details, see the [Media enquiries page](#). For general queries, please email enquiries@rsh.gov.uk or call 0300 124 5225.