Regulator of
Social Housing

Quarterly survey for Q4

January to March 2020

May 2020

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Introduction

1. This quarterly survey report is based on regulatory returns from 215 private registered providers (PRPs) and PRP groups who own or manage more than 1,000 homes.

2. The survey provides a regular source of information regarding the financial health of PRPs, in particular with regard to their liquidity position. The quarterly survey returns summarised in this report cover the period from 1 January 2020 to 31 March 2020.

3. The regulator continues to review each PRP's quarterly survey. It considers a range of indicators and follows up with PRP staff in cases where a risk to the 12-month liquidity position is identified. We have assurance that all respondents are taking appropriate action to secure sufficient funding well in advance of need.

Operating environment

4. The ongoing coronavirus outbreak was declared a pandemic on 11 March, and the UK was put into lockdown on 23 March to attempt to limit its spread. The lockdown period impacted on the last week of the reporting period for quarter four's out-turn, hence having some, albeit limited, impact on the quarter's out-turn figures. However, it is already clear that there will be a significant economic downturn and it will potentially impact further on reporting data such as rent arrears, sales, repairs and development over the 2020/21 financial year. There is significant uncertainty over what the full impact of the pandemic will be, making it increasingly difficult for providers to plan for the future. Potential impacts are partially captured in the forecasts referred to throughout this report and will be more fully captured in future returns as all PRPs revise business plans and forecasts.

5. The Bank of England (BOE) base rate had been at 0.75% since August 2018. In light of the expected economic impact of coronavirus, the BOE cut interest rates on 11 March to 0.25%, and in a further emergency response the base rate was reduced for a second time on 19 March from 0.25% to 0.1%.

6. The coronavirus lockdown had an immediate impact upon the housing market, as almost all house sales were put on hold. The construction sector has also experienced significant disruption, with sites temporarily closing down and needing to quickly adapt working practices to allow works to recommence.

7. The Department for Work and Pensions has reported significant increases in the number of people claiming Universal Credit (UC) since the government announced lock down measures. In addition, a rising number of people, including social housing tenants, are now being supported by the government's furlough scheme.

8. There continues to be significant uncertainty as the ongoing implications of coronavirus and the period of lockdown are unknown. The Prime Minister announced steps to begin to ease the lockdown in England on 10 May, however the process will be gradual and contingent on the progress of the outbreak. PRP forecasts will continue to evolve as the financial impact of coronavirus is revealed.

Regulatory expectations

9. The coronavirus lockdown began shortly before the end of the reporting quarter, bringing unprecedented challenges for providers and forcing them to make initial assumptions on the impact of the pandemic on their cashflows and business plans. The effects of this new operating environment remain highly uncertain and will not yet be fully reflected in the forecasts submitted. Providers expect to continue to adjust these forecasts over the coming months as the situation develops.

10. In response to the pandemic, the regulator wrote to providers[1] setting out that it had changed its overall approach to regulation to focus on understanding the short-term risks that PRPs are facing. Two formal sources of information will be used to do this, namely the existing quarterly survey which focuses on key financial risks, and a new monthly survey (CORS) of landlords to understand how they are coping with the operational impacts of coronavirus. To reduce the regulatory burden on providers, the annual reporting elements of the quarterly survey, usually requested in quarter four, were not required to be completed.

11. It is recognised that the consumer standards may not be fully achievable during the coronavirus pandemic. Our CORS survey will provide information on how providers are managing, and providers should contact us if they believe tenant safety is threatened. In respect of the Governance and Financial Viability Standard, however, PRPs must continue to inform the regulator in a timely manner regarding any viability issues that arise.

[1] https://www.gov.uk/government/publications/letter-to-registered-providers-26-march-2020

12. PRPs are still expected to manage their resources and risks effectively to ensure that their viability is maintained. In particular, liquidity must be ensured, and emerging risks must be carefully monitored and factored into cash flow planning. The regulator continues to follow up cases where financial indicators, such as liquidity, are weak, to ensure that PRPs are managing their risks effectively. The regulator also continues to monitor developments in the housing market closely and will engage with providers with significant exposures to market and AHO sales. It is particularly important that providers have contingency plans in place for housing market sales falling short of forecasts.

13. As the coronavirus outbreak continues to affect the economic environment, the regulator has extended its assessment of liquidity to include the impact of cash or facilities being inaccessible, and reductions in trading cashflows and sales receipts. We will engage with providers that show indications of a weak liquidity position over the next 12 months and may request that they share their own cashflow monitoring information.

Summary

14. The quarterly survey findings are summarised below.

15. The position reported at the end of the quarter showed that the sector remained financially strong with access to sufficient finance:

- £21.9 billion of undrawn facilities were in place at the end of March. Debt facilities totalled £103 billion.

- Available cash balances totalled £6.3 billion; this has been forecast to reduce over the next 12 months to £4.3 billion as cash is used to fund capital investment.

- Available cash increased by £1.2 billion during the quarter. Over 10% of providers reported drawing down cash from existing facilities to support their liquidity position in response to the coronavirus outbreak and ensuing lockdown.

- New finance of £2.4 billion was agreed in the quarter, including £1.6 billion from banks and £0.8 billion from capital markets.

- Cash interest cover, excluding current asset sales, was 132% in the quarter to March 2020 compared to a forecast of 108%.

- Providers making use of free-standing derivatives reported mark-to-market (MTM) exposure of £2.5 billion, a 10% increase since December, reflecting a decrease in swap rates at the quarter end. In aggregate, providers continued to have headroom on available collateral on MTM exposures.

- Income collection data continued to show a stable performance consistent with seasonal trends. Providers reported minimal effects on income collection and voids in the quarter resulting from the coronavirus outbreak, however, providers have stated that they expect these effects to be felt in quarter one of 2020/21.

16. Performance in the quarter reflected some challenges with regards to sales receipts and margins. However, this did not destabilise the sector's overall strong financial position:

- Including both current and fixed asset sales, total sale receipts were £1.8 billion in the quarter, generating surpluses of £0.6 billion. In aggregate, asset sale receipts were 22% below the forecast made in December.

- Investment in housing supply was £2.9 billion in the quarter to March 2020. This was below the total forecast expenditure for the quarter of £4.2 billion, and below the £3.2 billion forecast on contractually committed schemes.

- During the quarter 4,870 affordable home ownership (AHO) units were developed, and 3,959 were sold. The number of unsold units increased by 12%, to reach 7,808 at the end of March. Around half of the unsold AHO units were held by 18 providers.

- During the quarter there was a 3% increase in the number of AHO units unsold for more than six months, which reached 2,428 at the end of March.

- Margins on AHO sales averaged 22.4% in the quarter, the second lowest rate achieved in the last three years but an increase on the previous quarter.

- During the quarter, 1,944 market sale units were developed and 1,363 were sold. The number of unsold properties increased by 21% to 3,073, the highest level recorded since the data was first collected in June 2014. Over half of the total unsold market sale units were held by seven providers.

- The increase in the number of unsold market sale units reflected the high number of units acquired or developed over the past three quarters. An average of 1,686 units were completed in each of the past three quarters, compared to an average of 1,298 per quarter over the last three years.

- The sector's spending on capitalised major repairs in the quarter totalled £592m, 14% below forecast. Underspends against forecasts on major repairs are common as works can often be delayed, although around 10% of providers mentioned coronavirus as an additional factor in this quarter.

17. Forecasts for the next 12 months indicated that the sector is planning to decrease its development and housing market exposure, and its investment in existing stock. Due to the unprecedented nature of the coronavirus outbreak and the lockdown that began shortly before the reporting date, these were providers' initial estimates and the full impact may not yet be reflected in forecasts.

- Forecast capital expenditure over the next 12 months was reported to be funded by drawing additional debt of £4.7 billion, use of £2.1 billion of cash reserves, and grant funding of £1.3 billion.

- Over the 12-month forecast period, expected investment in new housing supply was forecast to be £13.1 billion, of which £9.5 billion was contractually committed. This was a 22% reduction from the previous quarter, when providers were forecasting 12-monthly investment expenditure of £16.9 billion. In the 12 months to March 2020, total investment in new supply was £12.4 billion.

- For the 12 months to March 2021, the sector was forecasting £3.6 billion worth of current asset sales and £1.2 billion of fixed asset sales. By comparison, in the 12 months to March 2020, current asset sales were £3.6 billion and fixed asset sales were £2 billion.

- In the next 18 months, including committed and uncommitted development, providers were forecasting the completion of 29,221 AHO units and 9,983 market sale properties. This would be an increase on the 24,764 AHO units and 9,119 market sale properties developed in the last 18 months, but a 15% reduction from the 18-month forecasts made in the previous quarter.

- In the 12 months to March 2020, capitalised expenditure on repairs and maintenance was £2.0 billion. For the 12 months to March 2021 the sector was forecasting capitalised repairs and maintenance expenditure of £2.2 billion.

Private finance

18. The sector’s total agreed borrowing facilities reached £103 billion at the end of the quarter, £60.8 billion (59%) of which were bank loans.

19. £81.2 billion was reported as being drawn, leaving undrawn facilities of £21.9 billion. This was the highest amount of available facilities ever reported by the sector. Undrawn bank loans accounted for 85% (£18.5 billion) of available facilities.

20. 93% (December: 93%) of providers were forecasting that debt facilities at the end of March would be sufficient for more than 12 months.

21. At a sector level, total cash and undrawn facilities of £28.1 billion included £2.7 billion from capital markets. Available facilities were sufficient to cover the forecast expenditure on interest costs (£3.6 billion), loan repayments (£2.6 billion) and net development for the next year (£11.8 billion), even if no new debt facilities were arranged and no sales income was received.

22. In the 12 months to March 2021 the sector was forecasting loan drawdowns of £7.4 billion (December 12 month forecast: £7.2 billion), of which £1.3 billion was from facilities not yet agreed (December: £1.2 billion). The drawdowns from facilities not yet agreed were reported by 24 providers that plan to refinance or extend their existing facilities over the next 12 months.

23. The number of providers arranging new finance reduced from the previous quarter, with 34 providers reporting activity. New facilities agreed, including refinancing, totalled £2.4 billion, with 9 providers each arranging facilities worth £100 million or more. Across all providers, a total of £0.8 billion worth of loans were repaid during the quarter, with £0.4 billion of this being repaid by providers that were also raising new finance.

24. Bank lending accounted for 64% (£1.6 billion) of new funding in the quarter. Capital market funding, including private placements and aggregated bond finance, contributed 33% (£0.8 billion), and other sources, including local authority lending, contributed 2%. Typically, bank lending offers a shorter-term source of finance than that available on the capital markets.

Figure 1: Total facilities £billions

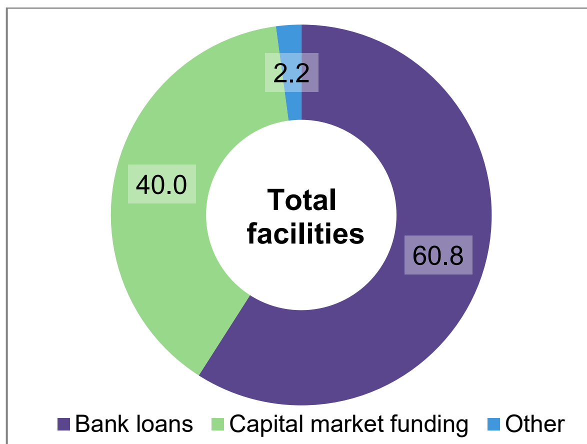
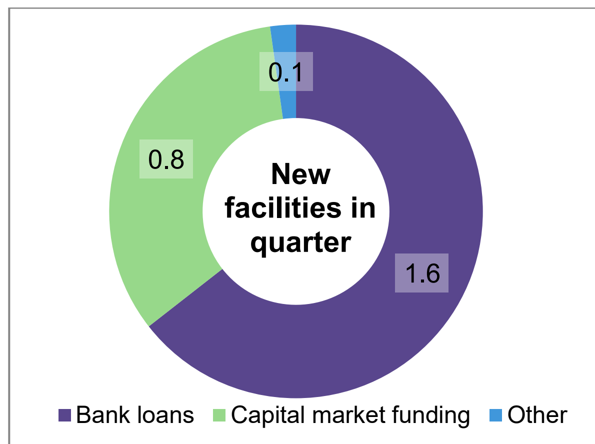


Figure 2: New facilities in quarter £billions



25. Of the £103 billion agreed facilities, £93.7 billion had been secured and £5.2 billion of facilities did not require security. There were further agreed facilities of £4.1 billion where security was not yet in place.

Cashflows

26. It is essential that providers have access to sufficient liquidity at all times. The regulator engages with PRPs that have low liquidity indicators.

27. Table 1 below includes the cashflow forecasts for the 12 months to March 2021. It should be noted that although overall the forecasts are showing consideration of the potential impacts of coronavirus, at the time of submission around 16% of providers had not yet updated their cashflow assumptions from those made prior to the outbreak.

Table 1: Summary cashflow forecast[2]

Figures in £ billions	3 months to 31 March 2020 (forecast)	3 months to 31 March 2020 (actual)	12 months to 31 March 2021 (forecast)
Operating cashflows excluding sales	0.9	1.1	4.0
Interest cashflows	(0.8)	(0.8)	(3.4)
Payments to acquire and develop housing	(4.2)	(2.9)	(13.1)
Current assets sales receipts	1.5	1.0	3.6
Disposals of housing fixed assets	0.7	0.7	1.2
Other cashflows	(0.1)	(0.1)	(0.5)
Cashflows before resources and funding	**(2.0)**	**(1.0)**	**(8.2)**
Financed by:			
Net grants received	0.6	0.6	1.3
Net increase in debt	0.5	1.6	4.7
Use of cash reserves	0.9	(1.2)	2.1
Total funding cashflows[3]	**2.0**	**1.0**	**8.2**

28. Interest cover, based on operating cashflows excluding sales, stood at 132% in the quarter to March 2020 (December 2019: 129%). This compared to a forecast of 108% made in December 2019. The higher-than-forecast interest cover resulted from net cashflows from operating activities being £88 million (6%) higher than forecast, plus capitalised repairs and maintenance being £95 million (14%) below forecast.

29. The figures submitted by providers showed interest cover reducing to 117% by the end of the 12-month forecast period. Compared to the quarter to March 2020,

[2] Operating cashflow excludes current asset sales receipts and costs of sales. 'Payments to acquire and develop housing' include payments in respect of both current and fixed assets.

[3] There are rounding differences in the calculated totals; figures are reported by providers in £000.

providers have forecast net cashflows from operating activities reducing by an average of £134 million (8%) per quarter, and capitalised repairs and maintenance expenditure reducing by an average of £52 million (9%) per quarter. Interest receivable was also forecast to reduce by an average of £5 million (30%) per quarter, and interest payments to increase by an average of £29 million (3%) per quarter.

30. The changed assumptions in providers' cashflow forecasts, when compared to previous quarters, reflected the anticipated effects of the coronavirus lockdown. Income collection forecasts have been reduced to factor in expected increases in arrears and void rent loss, and delays to major repairs programmes, particularly in quarter one of 2020/21 have been included. Payments to acquire and develop housing have been delayed, or in some cases removed, and receipts from housing property sales have been significantly reduced. These forecasts will be subject to change as the impacts of coronavirus are fully realised.

31. Actual capitalised repair and maintenance expenditure in the quarter amounted to £592 million (December 2019: £508 million), 14% less than the £687 million forecast in December. Actual expenditure on capitalised repairs and maintenance has been, on average, 18% less than forecast over the last two years, usually due to delays in carrying out works and because prudent estimates are employed. In addition to this, in the quarter to March 2020, around 10% of providers quoted coronavirus as a contributory factor in spending less than forecast; either as a direct result of works being postponed, or as a result of delays in receiving invoices from suppliers.

32. In the 12 months to March 2020, capitalised expenditure on repairs and maintenance was £2 billion. For the 12 months to March 2021 the sector was forecasting capitalised repairs and maintenance expenditure of £2.2 billion.

33. In the 12 months to March 2020 current asset sales of £3.6 billion were achieved. For the 12 months to March 2021, the sector was forecasting a further £3.6 billion worth of current asset sales, of which £3.4 billion related to properties for which development is contractually committed. Forecast current asset sales were reduced by a third from the previous quarter, when 12-month sales of £5.4 billion were estimated. Current asset sales receipts in the quarter were £1 billion, compared to the £1.5 billion forecast in December.

34. In the 12 months to March 2020, fixed asset sales were £2 billion. For the 12 months to March 2021, the sector was forecasting £1.2 billion worth of fixed asset sales.

35. Expenditure on new supply in the quarter totalled £2.9 billion. This was below the forecast of £4.2 billion, and below the forecast of £3.2 billion on contractually committed schemes.

36. Available cash balances, excluding amounts held in secured accounts, increased by £1.2 billion during the quarter. The forecast from the previous quarter anticipated a reduction in cash of £0.9 billion by the end of March. Over 10% of providers reported drawing down cash from existing facilities to support their liquidity position in response to the coronavirus outbreak and ensuing lockdown.

37. Cash available at March 2020 was £6.3 billion. Forecasts showed this reducing to £4.3 billion over the next 12 months as cash reserves are used to fund capital investment.

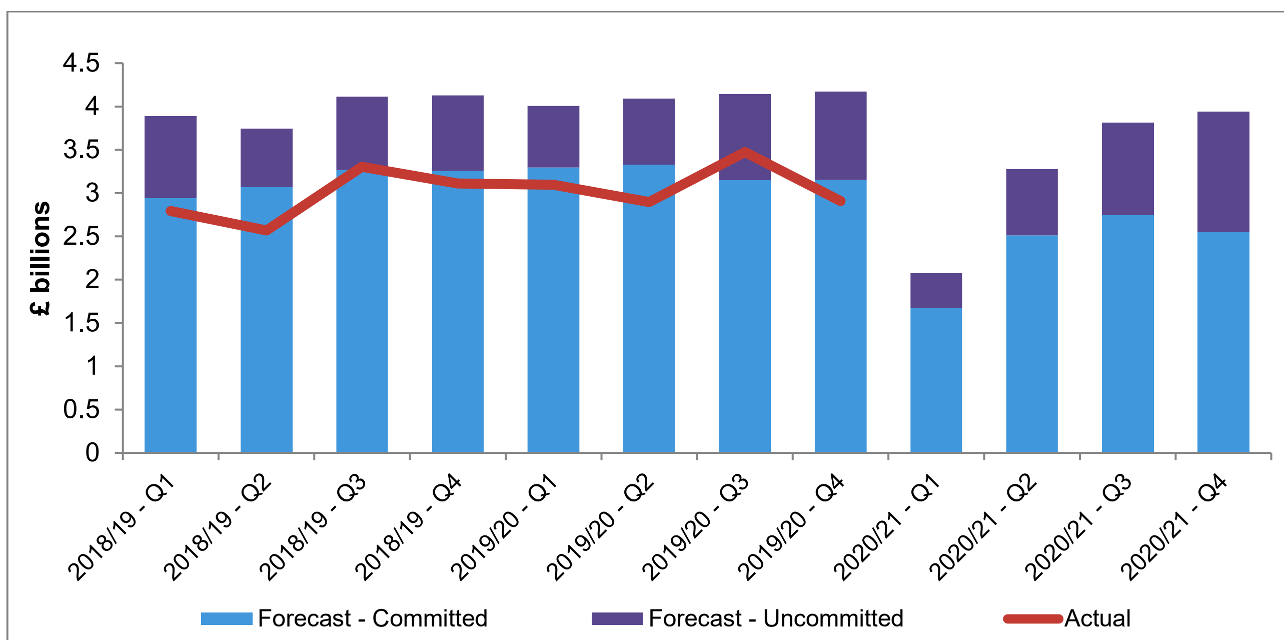
38. In addition to the £6.3 billion available, cash held in secured accounts (and therefore not accessible to providers) totalled £1.0 billion at March 2020 (December 2019: £0.9 billion). Typically, these accounts are used to hold leaseholder sinking funds, amounts in escrow and MTM cash collateral.

Development

39. In the 12 months to March 2020, £12.4 billion was invested in the acquisition and development of housing properties. For the next 12 months, an additional £13.1 billion was forecast to be invested, of which £9.5 billion was contractually committed. This is a 22% reduction from the previous quarter, when providers were forecasting 12-monthly investment, including both committed and uncommitted expenditure, of £16.9 billion.

40. Investment activity forecasts for quarter one of 2020/21 declined considerably due to anticipated delays caused by the current economic climate. In the previous quarter, forecast expenditure on committed development in quarter one of 2020/21 was £2.9 billion; however, quarter four’s forecasts for the same period had decreased by 43% to £1.7 billion. Similarly, forecast uncommitted development expenditure for quarter one had decreased by 70%, from the £1.4 billion expected in the previous quarter to the £0.4 billion included in the latest forecasts.

Figure 3: Payments to acquire and develop housing



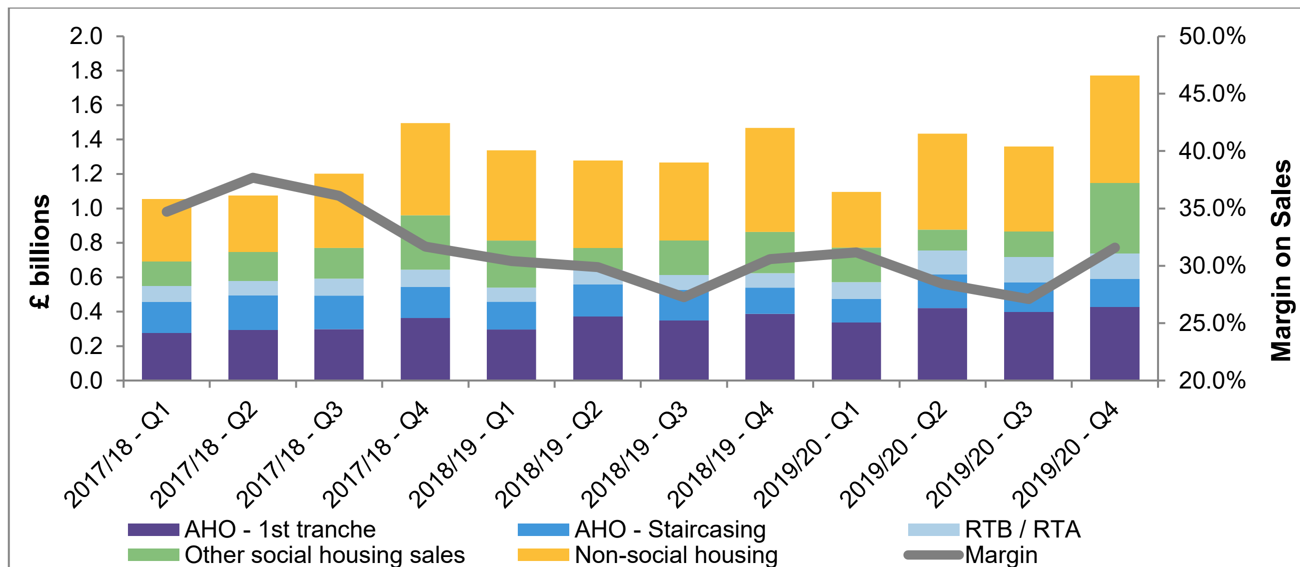
41. Actual expenditure in the quarter ending March 2020 was £2.9 billion, a drop of £0.6 billion from the previous quarter. This was below the total forecast expenditure of £4.2 billion, and below the £3.2 billion forecast on contractually committed schemes.

42. Development programmes are subject to change due to coronavirus restrictions and uncertainty. Providers will need to continue to assess and reforecast planned expenditure on developments and to account for the effects of projects being delayed or postponed.

Housing market

43. Total asset sales amounted to £1.8 billion in the quarter to March 2020, an increase of 21% on the corresponding quarter of 2018/19. Overall, surpluses from asset sales were £0.6 billion, giving a margin on sales of 32%. This figure includes staircasing, RTB/RTA and voluntary sales, as well as AHO first tranche sales and market sales.

Figure 4: Value of asset sales



44. Fixed asset sales for the quarter (including staircasing, RTB/RTA and voluntary sales) amounted to £0.7 billion; 6% higher than the amount forecast in December 2019. Current asset sales in the quarter (market sales and first tranche AHO sales) were £1 billion; 34% less than the forecast of £1.5 billion.

45. AHO sales were 3,959 units (December: 3,826) compared to the 4,870 completions reported in the quarter (December: 4,150). The total number of unsold AHO units increased by 12% to reach 7,808 at the end of March (December: 6,943). The number of units unsold for more than six months increased by 3% to 2,428 (December: 2,353).

46. The increase in the number of unsold AHO units at the end of the quarter was driven by an increase in units acquired or developed during the quarter to March 2020. There was a 17% increase on the previous quarter, and completions have increased in each quarter since June 2019.

47. The 3,959 sales achieved in the quarter to March 2020 was the highest number reported since the data was first collected in 2011, and the sales figures have been on the increase since June 2019.

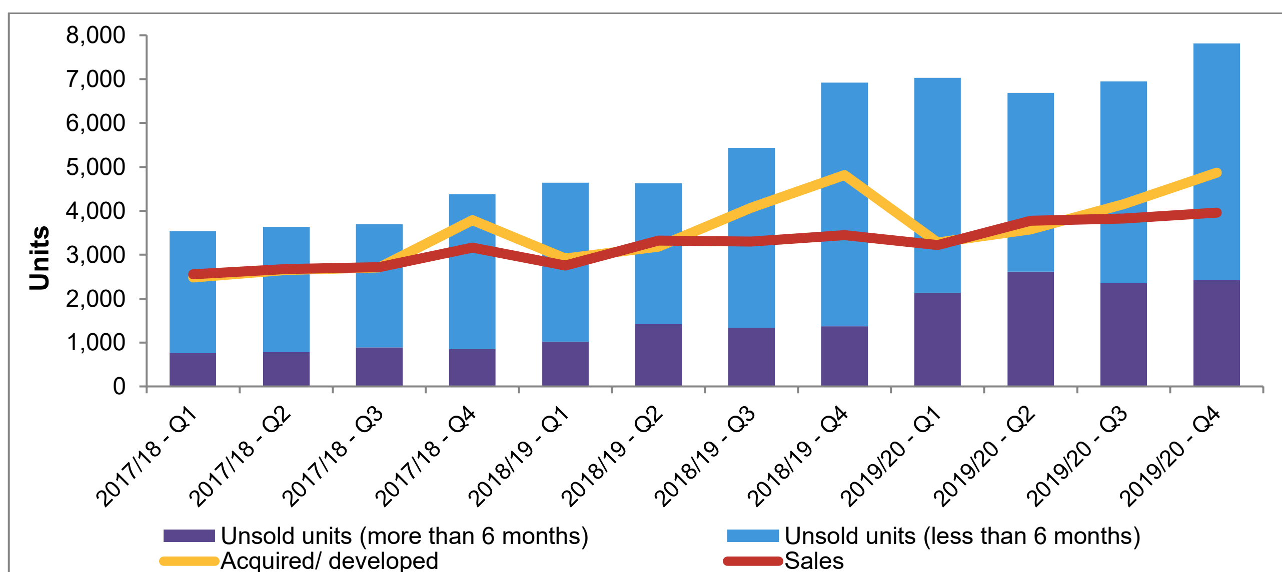
48. Around half of the unsold AHO stock at the end of the quarter was held by 18 providers. These 18 providers all reported access to sufficient finance, with each holding between £0.2 billion and £1.4 billion worth of cash and undrawn facilities at the end of the quarter. Between them this amounted to £10 billion, or 35% of the total facilities available within the sector.

49. Of the unsold AHO stock at the end of the quarter, 31% had been unsold for over six months (December: 34%), compared to an average of 27% over the last three years. 41% of the units unsold for over six months were held by providers operating mainly in London and the South East[4], where development is concentrated; 35% of the AHO units completed over the last 12 months were reported by providers operating mainly in these areas.

50. There were four providers holding over 100 units of stock that had been unsold for more than six months, accounting for 28% of the total figure. The providers are well funded at present to enable liquidity to be maintained if sales receipts are not realised. We continue to monitor this risk on an ongoing basis and to test business plans to ensure that they are robust enough to cope with a range of adverse scenarios.

51. The overall surplus on AHO sales was £95.8 million in the quarter to March 2020, giving a margin on sales of 22.4% (December: 21.3%). This was the second lowest margin to have been achieved in over three years. AHO margins have reduced steadily over this period, from a peak of 34.2% in quarter two of 2016/17.

Figure 5: AHO/LCHO unsold units



[4] Defined as providers holding 50% or more of their existing stock within the region

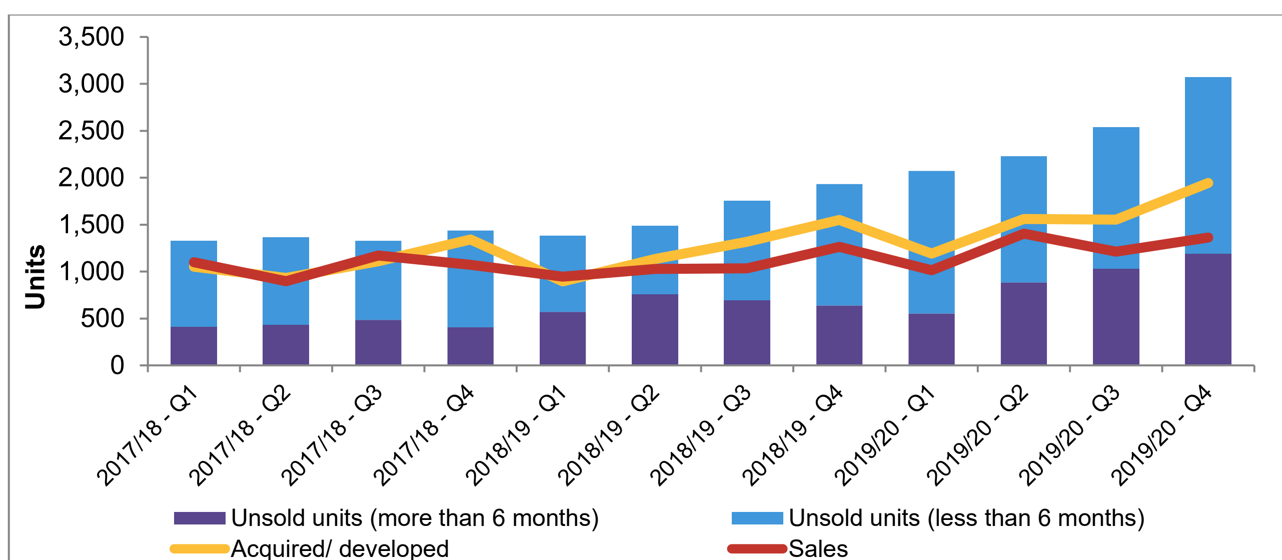
52. Development for outright market sale continues to be concentrated in relatively few providers. There were 1,363 sales in the quarter (December: 1,213) compared to the 1,944 units developed for market sale (December: 1,554). The total number of unsold market sale units increased by 21% to reach 3,073 at the end of March (December: 2,537), the highest level recorded since the data was first collected in June 2014. The number of units unsold for over six months increased by 16% to 1,190 (December: 1,028).

53. The increase in the number of unsold market sale units reflected the high number of units acquired or developed over the past three quarters. An average of 1,686 units were completed in each of the past three quarters, compared to an average of 1,298 per quarter over the last three years. The 1,944 completions in the quarter to March 2020 was the highest number reported since the data was first collected, and an increase of 25% from the previous quarter.

54. Over half of the unsold market sale units reported at the end of the quarter were held by just seven providers. These seven providers each had access to between £0.1 billion and £0.9 billion worth of cash and undrawn facilities. Between them this amounted to £3.5 billion, or 13% of the total facilities available within the sector.

55. Of the unsold market sale stock at the end of the quarter, 39% (1,190 units) had been unsold for over six months (December: 41%), compared to an average of 37% over the last three years. Half of this stock was held by four providers. 53% of the units unsold for over six months were held by providers operating mainly in London and the South East, where development continues to be concentrated; 38% of the market sale units completed over the last 12 months were reported by providers operating mainly in these areas.

Figure 6: Market sales



56. The overall surplus on market sales was £106.7 million in the quarter to March 2020, giving a margin on sales of 17.1% (December: 15.3%). The average margin over the last three years has been 18.8%.

57. The pipeline of AHO completions expected in the next 18 months was reported to be 29,221 (December pipeline: 33,953) of which 24,506 units were contractually committed. This would be an increase of 18% compared to the actual performance in the 18 months to March 2020, when there were 24,764 AHO completions. For market sale, completions expected over the next 18 months were reported to be 9,983 (December pipeline: 12,063), of which 9,293 were contractually committed. This would be 9% higher than the 9,119 market sale completions achieved in the 18 months to March 2020. In total, pipeline development estimates reduced by 15% from the previous quarter, although these figures may reduce further as providers continue to review and re-phase development plans.

Derivatives

58. 40 providers (December: 40) reported making use of free-standing derivatives.

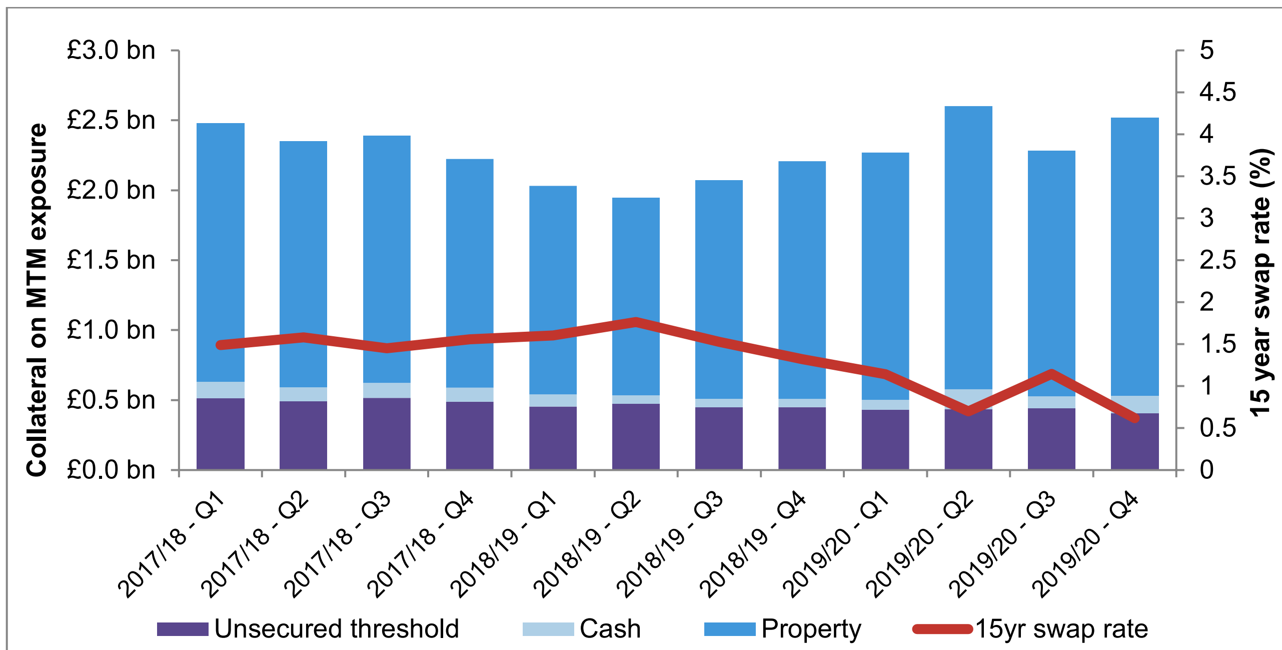
59. At the end of March, the notional value of standalone derivatives was £8.9 billion (December: £9.1 billion).

60. The gross MTM exposure increased by 10% over the quarter, from £2.3 billion in December to £2.5 billion at the end of March. Swap rates ended the quarter at 0.62%, compared to 1.15% at the end of December 2019, and have since then edged only slightly lower. March, however, was a period of extreme volatility (a low point of 0.5% and high of 1.12% for a 30-year deal) and record volumes, with traders reacting to bank rate cuts and the deteriorating economic backdrop; both as a consequence of the coronavirus outbreak.

61. Unsecured thresholds and available security pledged to swap counterparties was £3.7 billion. Of this total collateral, £2.2 billion (December: £2 billion) had been employed in the form of property or cash, together with unsecured thresholds of £0.4 billion.

62. The excess collateral available consisted primarily of property pledged but not employed.

Figure 7: Derivatives – Mark to market / Collateral



63. The above graph shows MTM exposures excluding excess collateral. Generally, for PRPs, MTM exposure increases as swap rates fall.

64. Collateral given in terms of security and cash continued to exceed the sector's exposure levels; this provides some mitigation against the risk of further adverse movements in the swap rate. At sector level, the headroom of collateral available over current exposure was £1.2 billion.

65. Of the 40 providers that were making use of free-standing derivatives, 34 had collateral pledged that exceeded their level of exposure. The six providers that were under-collateralised had sufficient liquidity to cover potential future margin calls.

66. Interest rate volatility means that collateral requirements will remain a long-term exposure. Due to the ongoing effects of coronavirus, MTM exposure will need to be closely monitored as swap rates are expected to be more volatile than usual. Individual providers must ensure that they have sufficient available security, as a fall in swap rates has the potential to increase MTM exposure further.

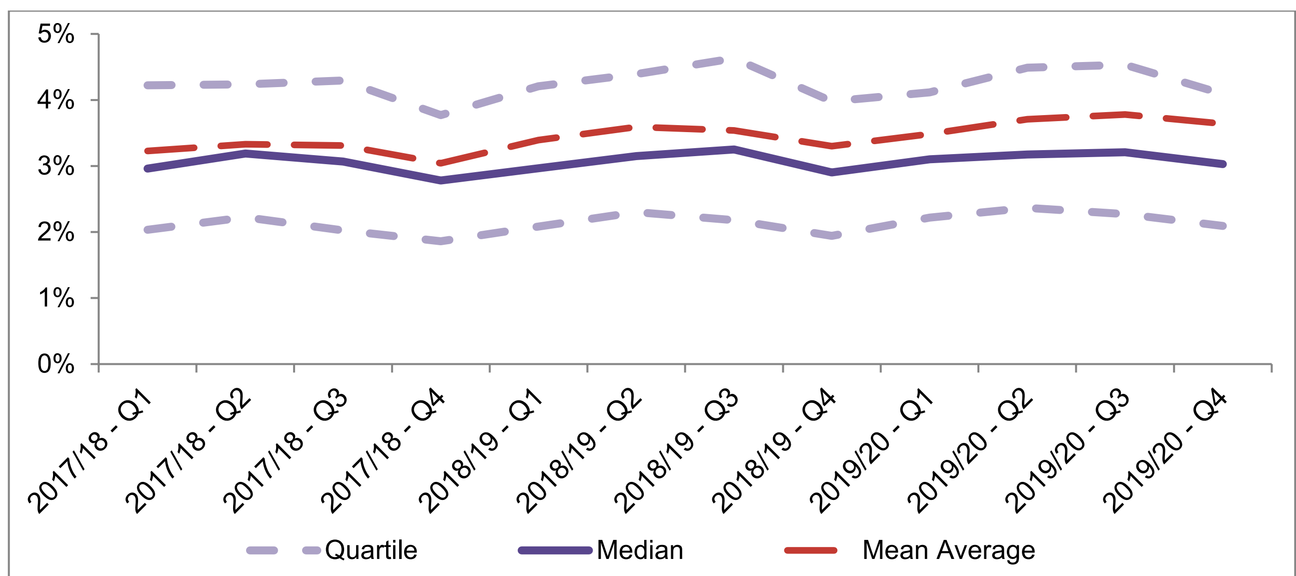
Income collection

67. Most providers (80%) reported that their levels of arrears, rent collection and voids were all within, or outperforming, their business plan assumptions.

68. Income collection is an area that providers will need to monitor closely during the ongoing coronavirus outbreak. Providers have reported minimal effects on income collection and voids in the quarter to March 2020, but the impact of the lockdown restrictions, and the significant increase in the number of Universal Credit claimants, is expected to be felt in quarter one of 2020/21. The Department for Work and Pensions has reported receiving over 1.8 million claims for Universal Credit in the period from 16 March to the end of April[5], and one-third of providers have commented that they expect an adverse effect on income in future periods.

69. The number of people claiming housing benefit has been gradually decreasing as Universal Credit continues to be rolled out[6], changing the timing of rent receipts for providers. Providers will need to factor in these changes, along with the new spike in Universal Credit claimants, when forecasting cashflows.

Figure 8: Current tenant arrears

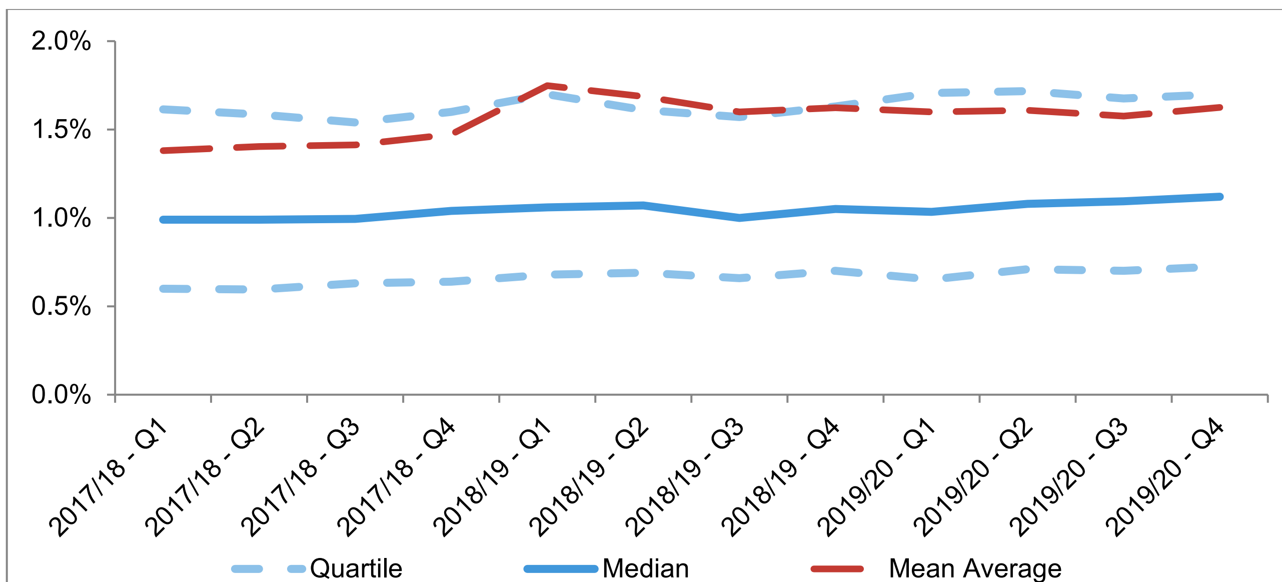


[5] https://www.gov.uk/government/speeches/dwps-response-to-coronavirus-covid-19

[6] https://www.gov.uk/government/publications/dwp-benefits-statistics-august-2019/dwp-benefits-statistical-summary-august-2019

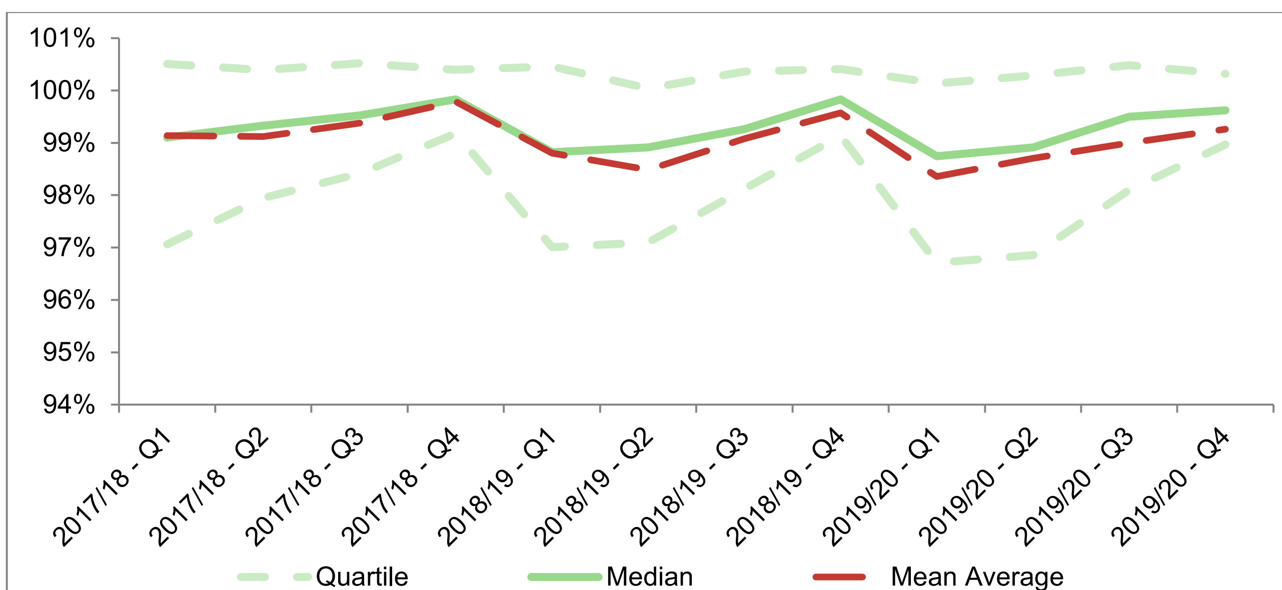
70. Mean current tenant arrears reduced to 3.6% during the quarter (December: 3.8%), and median arrears reduced to 3% (December: 3.2%). Although lower than the results for the previous quarter, both the mean and the median arrears are higher than in the same quarter of 2018/19, when the mean average stood at 3.3% and the median was 2.9%.

Figure 9: Void losses



71. Median void losses for the year-to-date remained at 1.1% at the end of the quarter (December: 1.1%), while mean void losses remained at 1.6% for the sixth consecutive quarter. The mean average is affected by 12 providers reporting void losses of 5% or more.

Figure 10: Rent collection



72. Mean average rent collection rates were 99.3% in the year to March 2020, while the median was 99.6%. Both averages are slightly lower than the rent collection rates recorded in 2018/19, when the mean stood at 99.6% and the median at 99.8%. Nine providers reported rent collection rates of less than 95% (December: 13).

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RSH regulates private registered providers of social housing to promote a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs.