



Regulator of
Social Housing

Quarterly survey for Q2

July to September 2025

November 2025



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Introduction

1. This quarterly survey report is based on regulatory returns from 198 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 July 2025 to 30 September 2025.
3. The regulator reviews each PRP's quarterly survey. It considers a range of indicators and follows up with the PRP where a risk to 12-month liquidity is identified, or where there is a risk to loan covenant compliance. Further assurance is sought where there is increasing exposure to risks from activities carried out within non-registered entities. Findings will be reflected in regulatory judgements where appropriate.
4. PRPs have a responsibility to both their current tenants, in ensuring that their homes are safe and decent, and to the many individuals in housing need. PRPs need to be able to manage the risks and opportunities that are evolving around them and continue to drive efficiencies if they are to be able to fulfil their ambitions without compromising financial viability.
5. Figures have been rounded to the nearest £billion to one decimal place. This can result in rounding differences in totals and percentages as the individual returns are denominated in £000s.

Summary

Liquidity

Cash balances remain at historically low levels, with further reductions forecast over the next 12 months.

Investment in the sector remains robust, with capital market issuances being at the highest level in four years.

- Cash balances are expected to reduce to £2.7 billion by September 2026, with over three-quarters of PRPs forecasting a net cash outflow during this period.
- Including both cash and undrawn agreed facilities, total available liquidity (£34.5 billion) remain sufficient to cover forecast expenditure on net interest costs (£4.9 billion), loan repayments (£3.3 billion) and net development (£12.2 billion) for the next year
- 27 PRPs arranged new finance totalling £3.4 billion during the quarter, compared to an average of £3.0 billion per quarter over the last three years.
- Loan repayments of £0.7 billion were made during the quarter, and a further £3.3 billion worth of loan repayments are forecast to be made over the next 12 months.
- Available cash increased slightly over the quarter to £3.6 billion (June: £3.4 billion). Cash balances remain at historically low levels, having been below £4.0 billion for five of the six quarters since June 2024.
- Gross mark-to-market (MTM) exposure on derivatives reduced to £186 million at the end of the quarter (June: £232 million).

Performance in the quarter

12-month outturn cash interest cover (excluding sales) in the year to September was 78% (June: 81%). Aggregate sector figures cover a range in levels of performance in individual PRPs. Median 12-month interest cover was 92% (June: 97%).

Forecast interest cover over the next 12 months remains low, with a projected sector total of 67%. Almost 60% of PRPs are forecasting interest cover below 100%.

- Quarterly cash interest cover (excluding sales) increased to 99% (June: 61%), due to a £0.5 billion increase in net cashflows from operating activities linked to working capital movements.
- Quarterly interest cover was also above the forecast of 73%, mainly due to an underspend on capitalised major repairs works.
- Although below forecast, total repairs and maintenance (capital + revenue) spend was £2.2 billion in the quarter, 6% higher than the same quarter of the previous year.
- Revenue repairs were in line with the amount previously forecast, however, capitalised expenditure was 21% below the amount expected in June.
- Higher repairs and maintenance costs have resulted in net operating cashflows alone being insufficient to fund increasing net interest payments, with an average cash shortfall of £238 million per quarter experienced in the year to September 2025.

Investment in new and existing stock

Outturn and forecast spend on repairs and maintenance continues to increase.

- 12-month spend on repairs and maintenance totalled £9.3 billion, 10% higher than the £8.4 billion incurred in the previous year.
- Forecast 12-month spend has increased from £10.3 billion to £10.4 billion; £5.6 billion of which relates to revenue expenditure, and £4.8 billion relating to capitalised works.
- 12-month budgeted expenditure on repairs and maintenance has increased every quarter since revenue repairs expenditure was first separately reported in June 2022.

In contrast, 12-month development spend continues to decrease; spend to September 2025 totalled £13.2 billion, compared to £13.7 billion in the year to September 2024.

- Development spend in the quarter amounted to £2.8 billion; the lowest amount in over four years.
- 12-month forecast development has increased slightly to £14.9 billion (June: £14.8 billion), in part due to underspends in the current quarter being re-profiled into future periods.
- Total pipeline AHO units have reduced by 6%. Uncommitted pipeline units remain at the second lowest amount recorded since data was first collected in 2015.
- Development projections and budgets for the next 12-18 months are unlikely to have been revisited immediately following the announcements made at the June Spending Review.
- Many PRPs are still in the process of reviewing and updating business plans and forecasts.

Sales

Both AHO first tranche and market (current asset) sales have risen in the quarter – However, the AHO 18 month pipeline has decreased again and market sale pipeline figures remain at historically low levels.

- AHO sales were 14% higher than in the previous quarter but still 7% below the three-year average. The margin on AHO sales was 14.4% in the quarter – the second lowest recorded in the last 13 years.
- Market sale completions increased in the quarter, but levels remain substantially below the three-year average.
- Total current asset sales amounted to £2.8 billion in the year to September; compared to £3.1 billion in the year to September 2024.

In contrast, total fixed asset sales amounted to £3.4 billion in the year to September; 24% higher than the £2.7 billion recorded in the year to September 2024.

- For the next 12 months, £5.0 billion worth of fixed asset sales have been forecast.
- Of the £5.0 billion fixed asset sales forecast, £2.5 billion relates to sales of housing properties to tenants or other individuals, and £2.5 billion relates mainly to bulk sales of both social housing and non-social housing assets.
- We will continue to engage with PRPs where they are reliant on sales to maintain cashflows or covenant compliance.

Operating environment

6. Consumer Price Index (CPI) inflation in the UK rose to 3.8% in the 12 months to September 2025¹, an increase on the 3.6% recorded in the year to June and the highest level since January 2024, when the rate was 4.0%.
7. Post quarter end, inflation reduced for the first time since June 2024 to 3.6% in the 12 months to October 2025². The Bank of England judges inflation to have peaked and forecasts CPI is likely to fall to close to 3% early next year before gradually returning towards to the 2% target over the subsequent year³.
8. The Bank of England (BoE) base rate reduced by 25 basis points to 4.0% on 7 August 2025, the lowest level since February 2023⁴.
9. The average interest rate for a typical 5-year mortgage stood at 4.2% at the end of September⁵, down from 4.3% at the end of June. Net mortgage approvals for house purchases increased to 65,900⁶ in September, compared to 65,600 in September 2024⁷.
10. House prices in England increased by 2.9% in the year to August 2025⁸. The largest annual growth was experienced in the North East, where prices increased by 6.6% over the year. The lowest growth was in London, where prices reduced by 0.3%.
11. The UK unemployment rate increased from 4.7% to 5.0%⁹ in the quarter to September. The number of job vacancies in the quarter fell by 9,000 to reach 717,000¹⁰, decreasing for the 39th consecutive period. The total number of people claiming Universal Credit in England was around 7.1 million in September 2025¹¹ compared to 6.1 million a year earlier, as the managed migration from legacy benefits continues.
12. The 2026 rent policy for social housing¹² in the UK permits an annual rent increase of the Consumer Price Index (CPI) plus 1% for a period of ten years, starting in April 2026. This links rent increases for the 2026/27 financial year to the 3.8% CPI rate as at September 2025, resulting in a maximum increase of 4.8%. This applies to general

¹ Consumer price inflation, UK - Office for National Statistics

² Consumer price inflation, UK _ Oct _ Office for National Statistics

³ Monetary Policy Report - November 2025 | Bank of England

⁴ Bank Rate reduced to 4.0% - August 2025 | Bank of England

⁵ Quoted household interest rates - a visual summary of our data | Bank of England

⁶ Money and Credit - September 2025 | Bank of England

⁷ Money-and-Credit -September 2024

⁸ UK House Price Index for August 2025 - GOV.UK

⁹ Employment in the UK - Office for National Statistics

¹⁰ Vacancies and jobs in the UK - Office for National Statistics

¹¹ Total number of people on Universal Credit in England | LG Inform

¹² Policy statement on rents for social housing

needs Social Rent, Affordable Rent and supported housing, with the exception of certain specialised supported housing categories.

13. As part of the 2025 Spending Review, the government committed to consulting on a convergence mechanism intended to enable landlords to raise social rents to formula level where they fall below. This policy¹³ would allow social housing rents that are currently below the formula rent to increase by an additional amount each year, on top of the CPI+1% annual increase, until they reach the level of formula rent. The exact parameters of rent convergence remain uncertain until the government publishes the final policy, which is expected in the Budget on 26 November.
14. Awaab's Law¹⁴ came into force for the social rented sector from 27 October 2025, outlining requirements to address all emergency hazards and all damp and mould hazards that present a significant risk of harm to tenants to fixed timeframes.
15. The Ministry of Housing, Communities and Local Government consultation on reforms to the Decent Homes Standard¹⁵ (DHS) and Minimum Energy Efficiency Standards (MEES) for the social housing sector¹⁶ ended on the 12 September 2025. Feedback from both consultations is currently being processed and the Government will respond in due course.
16. The consultation seeking views on how to reform Right to Buy concluded 15 January 2025¹⁷. The reforms proposed include changes to eligibility requirements, further amends to the discounts available under the scheme, an exemption for newly built social housing for 35 years and expanding flexibilities for councils to spend their Right to Buy capital receipts¹⁸. The government intends to bring forward legislation to implement the reforms when Parliamentary time allows.
17. The measures implemented in the Spending Review and reflected in the forthcoming Budget Statement, are intended to enable long-term investment in the sector and give PRPs greater certainty in the regulatory environment, enabling them to better manage their finances and increase ambitions on new supply. The Social and Affordable Homes Programme 2026 to 2036 was launched on 7 November 2025 to provide grant funding to support the capital costs of developing affordable housing in England¹⁹ with a target to deliver at least 60% of the homes under the programme as Social Rent.

¹³ Letter from Housing Minister to registered providers of social housing: Spending Review 2025 - GOV.UK

¹⁴ Awaab's Law: Guidance for social landlords - Timeframes for repairs in the social rented sector - GOV.UK

¹⁵ <https://consult.communities.gov.uk/decent-homes-team/a-reformed-decent-homes-standard/>

¹⁶ <https://www.gov.uk/improving-the-energy-efficiency-of-socially-rented-homes-in-england>

¹⁷ Reforming the Right to Buy - GOV.UK

¹⁸ Government response to the consultation on Reforming the Right to Buy - GOV.UK

¹⁹ Social and Affordable Homes Programme (SAHP) 2026 to 2036 launch - GOV.UK

18. Further challenges and opportunities will arise as additional details of the DHS, MEES, rent convergence and Awaab's law emerge. PRPs should ensure that plans are adapted to reflect emerging opportunities and new requirements. It is vital they understand and manage any additional risks, identify potential liquidity and covenant restrictions, and maintain robust contingency plans.

Private finance

19. The sector's total agreed borrowing facilities increased by £2.0 billion over the quarter, to reach £138.1 billion at the end of September (June: £136.1 billion).

Figure 1: Total facilities (£ billions)

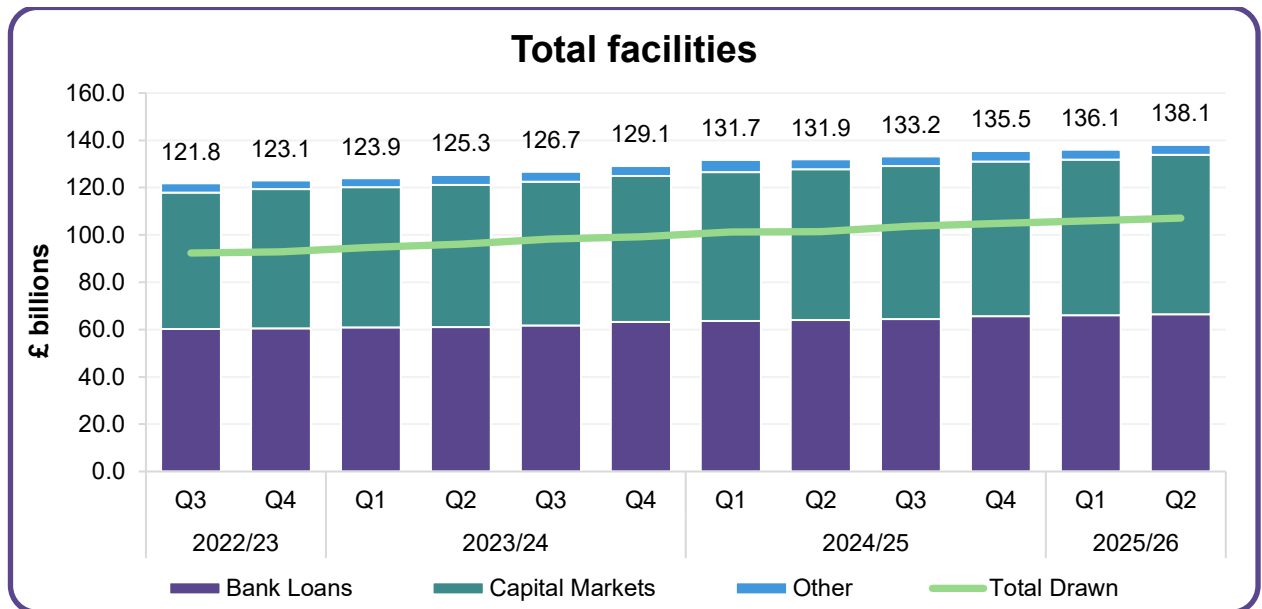
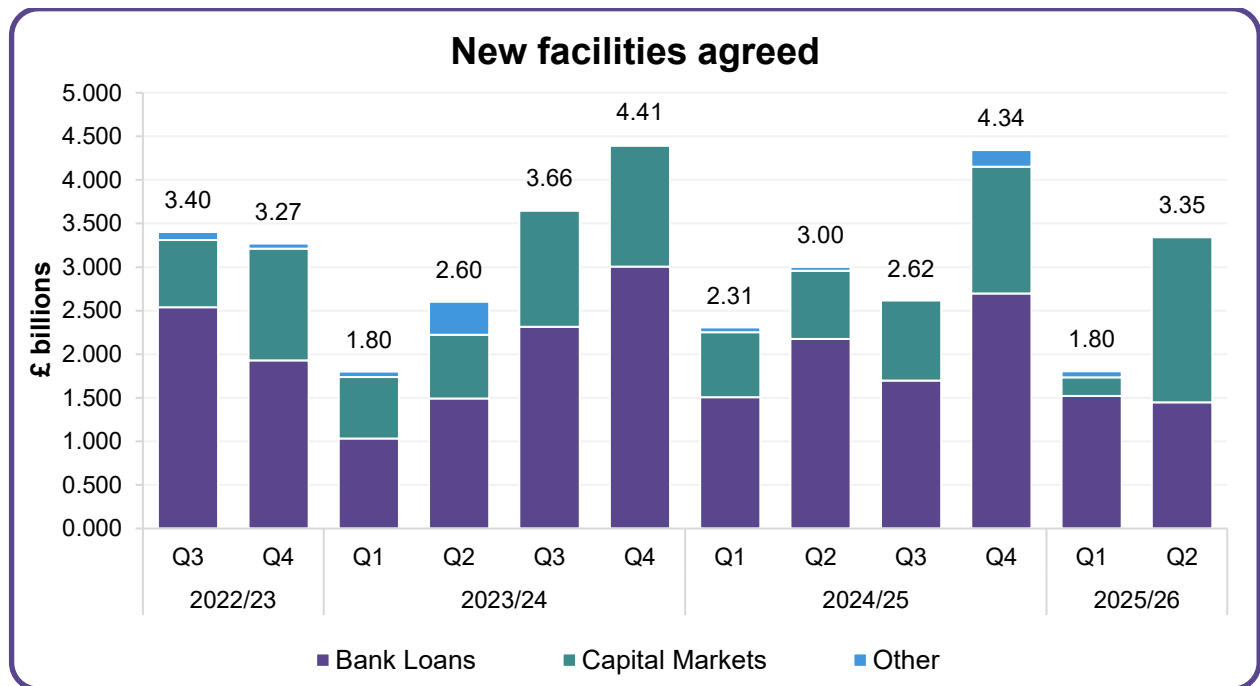


Table 1: Total facilities – drawn and secured

£billions	Previous quarter	Current quarter	% change
Drawn	105.9	107.1	1.1%
Undrawn	30.1	31.0	2.8%
Secured	122.5	124.1	1.3%
Security required	3.3	3.0	(8.9%)
Security not required	10.3	11.0	6.9%

20. At the end of September, 97% of PRPs (June: 97%) were forecasting that debt facilities would be sufficient for 12 months or more.
21. A total of 27 PRPs arranged new finance during the quarter (June: 27), with 11 of these arranging facilities worth £100 million or more. The total agreed, including refinancing, amounted to £3.4 billion in the quarter; compared to an average of £3.0 billion per quarter over the last three years.
22. Bank lending accounted for 43% (£1.4 billion) of new funding in the quarter. Capital market funding, including private placements and aggregated bond finance, accounted for 57% (£1.9 billion) of the total, the highest amount of capital market funding in four years.

Figure 2: New facilities agreed (£ billion)

23. Cash balances increased over the quarter, giving a total of £34.5 billion worth of cash and undrawn facilities available as at the end of September. This amount would be sufficient to cover the sector's forecast expenditure on net interest costs (£4.9 billion), loan repayments (£3.3 billion) and net development for the next year (£12.2 billion), even if no new debt facilities were arranged and no sales income were to be received.

Table 2: 12-month forecasts

<i>£billions</i>	<i>Previous quarter</i>	<i>Current quarter</i>	<i>% change</i>
Drawdown from facilities agreed	5.3	6.2	16.0%
Drawdown from facilities not yet agreed	3.2	1.9	(41.3%)
Loan repayments	3.5	3.3	(4.9%)

24. Forecast drawdowns from facilities not yet agreed decreased by 41%, with two PRPs accounting for almost half of the overall decrease. The drawdowns are forecast by 22 PRPs that are either increasing borrowing capacity, typically to fund uncommitted development programmes, or are refinancing existing facilities. The latter can be either to replace expiring facilities, or to secure more favourable terms.
25. Loan repayments of £0.7 billion were made during the quarter, below the quarterly average recorded over the last three years of £0.9 billion. For the next twelve months, a further £3.3 billion worth of loan repayments are forecast to be made. Ten PRPs have each forecast over £100 million worth of loan repayments, together accounting for 70% of the sector total.

Cashflows

26. It is essential that PRPs have access to sufficient funds at all times. The regulator engages with PRPs that have low liquidity indicators. Table 3 below shows the actual performance for the quarter compared to forecast, and the 12-month performance for the year to September 2025.

Table 3: Summary cashflow performance²⁰

£billions²¹	3 months to 30 Sept 2025 (forecast)	3 months to 30 Sept 2025 (actual)	12 months to 30 Sept 2025 (actual)
Operating cashflows excluding sales	3.3	3.3	12.7
Repairs & maintenance (capital & revenue)	(2.5)	(2.2)	(9.3)
Net operating cashflows excluding sales	0.8	1.1	3.4
Interest cashflows	(1.1)	(1.1)	(4.4)
Payments to acquire and develop housing	(3.9)	(2.8)	(13.2)
Current assets sales receipts	0.9	0.7	2.8
Disposals of housing fixed assets	0.7	0.7	3.4
Other cashflows	(0.2)	(0.2)	(0.6)
Cashflows before resources and funding	(2.8)	(1.7)	(8.5)
Financed by:			
Net grants received	0.7	0.6	2.5
Net increase in debt	1.7	1.2	5.7
Use of cash reserves	0.4	(0.2)	0.4
Total funding cashflows	2.8	1.7	8.5

27. Cash interest cover²², based on net operating cashflows excluding all current asset and fixed asset sales, stood at 99% in the quarter to September 2025, compared to 61% in the quarter to June (September 2024: 110%). Net cashflows from operating activities were £0.5 billion higher than in the previous quarter.

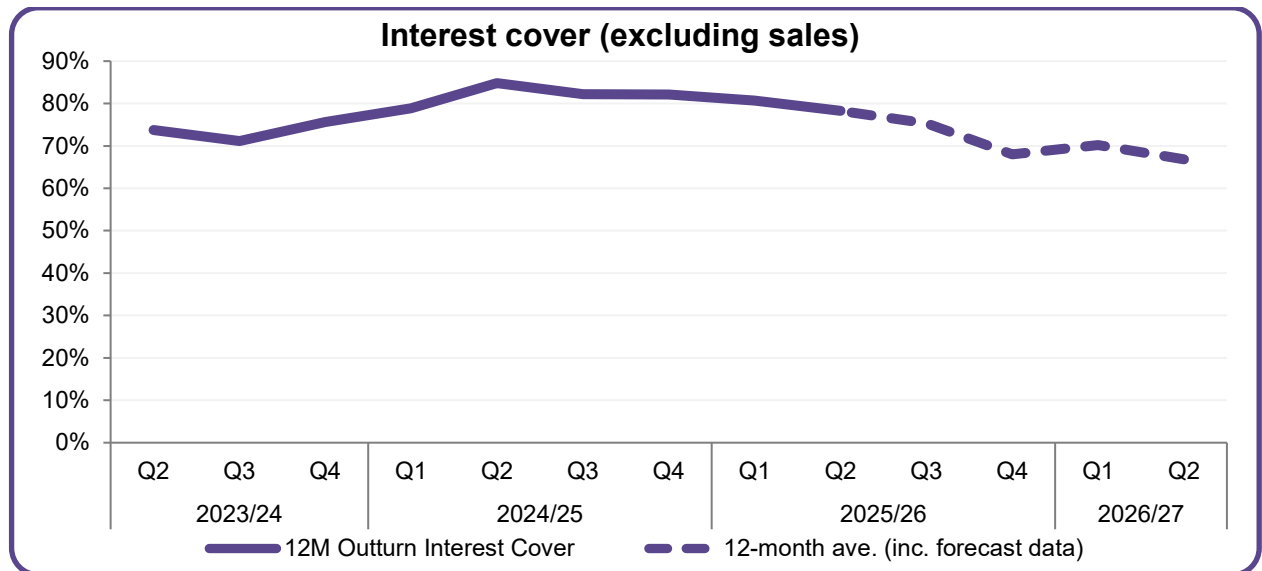
²⁰ Operating cashflow excludes current asset sales receipts and costs of sales. 'Payments to acquire and develop housing' include payments in respect of both current and fixed assets.

²¹ There are rounding differences in the calculated totals; figures are reported by PRPs in £000.

²² The calculation of cash interest cover prudently excludes operating surpluses from properties developed for sale (either 1st tranche shared ownership sales or outright market sales). Calculations include all interest and repairs costs, without the deduction of capitalised interest or grant funding.

28. Quarterly interest cover figures are subject to a degree of volatility due to the timing of creditor payments and rent receipts, and many PRPs have attributed variances in performance to such working capital movements. Quarterly cash interest cover was also substantially higher than the forecast of 73%, mainly due to an underspend on capitalised major repairs works.

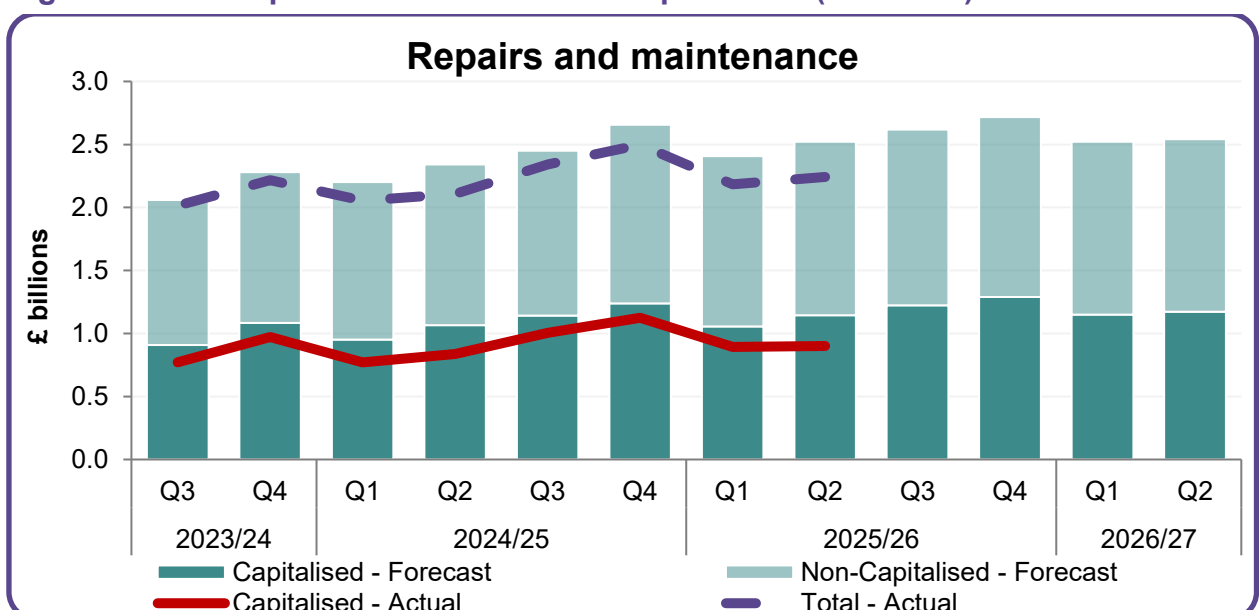
Figure 3: Interest cover from operating cashflows (excluding sales)



29. Despite an increase in outturn interest cover for the quarter, 12-month rolling cover for the year to September 2025 reduced to 78% (June: 81%). Interest cover varies between different types of PRPs.
- Median 12-month outturn interest cover excluding sales was 92% (June: 97%)
 - Lower quartile performance was 42% (June: 51%) and upper quartile performance was 142% (June: 144%).
 - The 19 PRPs with more than 40,000 social units reported aggregate 12-month outturn cash interest cover of 74%, and forecast cover of 65%. This cohort of PRPs has the capacity to support high levels of investment in existing stock and includes several PRPs active in the London area.
30. Whilst interest cover remains below 100%, operating cashflows, net of both capital and revenue repair costs, are insufficient to fund net interest payments. On average, a cash shortfall of £238 million per quarter was experienced in the year to September 2025, compared to an average deficit of £159 million per quarter in the previous year.
31. Cash interest cover is expected to remain restricted; forecasts for the year to September 2026 give an estimate of 67%, consistent with forecasts made in June. This equates to an average cash shortfall of £400 million per quarter, with almost 60% of PRPs forecasting interest cover to be below 100% in this period. The restriction in operating cash is reflected by increasing fixed assets sale receipts and reducing cash balances across the sector.

32. A total of 30 PRPs have reported having one or more loan covenant carve-outs or waivers in place at the end of September (June: 34). The agreements in place at the end of the quarter include carve-outs to exclude energy efficiency works from loan covenant calculations, reported by 15 PRPs, and carve-outs of fire or building safety works, also reported by 15 PRPs. Other agreements allow the exclusion of certain pension or loan breakage costs, or one-off impairment or demolition costs.
33. Aggregate repairs and maintenance spend in the quarter amounted to £2.2 billion; 3% higher than in the previous quarter, and 6% higher than in the same quarter of the previous year. The total was comprised of £1.3 billion worth of revenue works, and £0.9 billion worth of capital works.
34. Revenue repairs were in line with the amount previously forecast, however, capitalised expenditure was 21% below the amount expected in June. Underspends have been attributed to procurement delays, as programmes are planned and contracts are finalised, and also where PRPs have been awaiting grant approval or stock condition survey results before scheduling works. A number of PRPs have also reported experiencing delays in gaining approval from the Building Safety Regulator before certain capital works can commence.
35. In the 12 months to September 2025 total repairs and maintenance spend was £9.3 billion, of which £5.3 billion related to revenue works and £3.9 billion related to capitalised works. This is an increase of 10% compared to the £8.4 billion incurred in the year to September 2024. For the 12 months to September 2026 the sector has forecast expenditure of £10.4 billion (June 12-month forecast: £10.3 billion). Total 12-month forecast expenditure on repairs and maintenance has increased every quarter since revenue repairs expenditure was first separately reported in June 2022.

Figure 4: Total repairs and maintenance expenditure (£ billions)



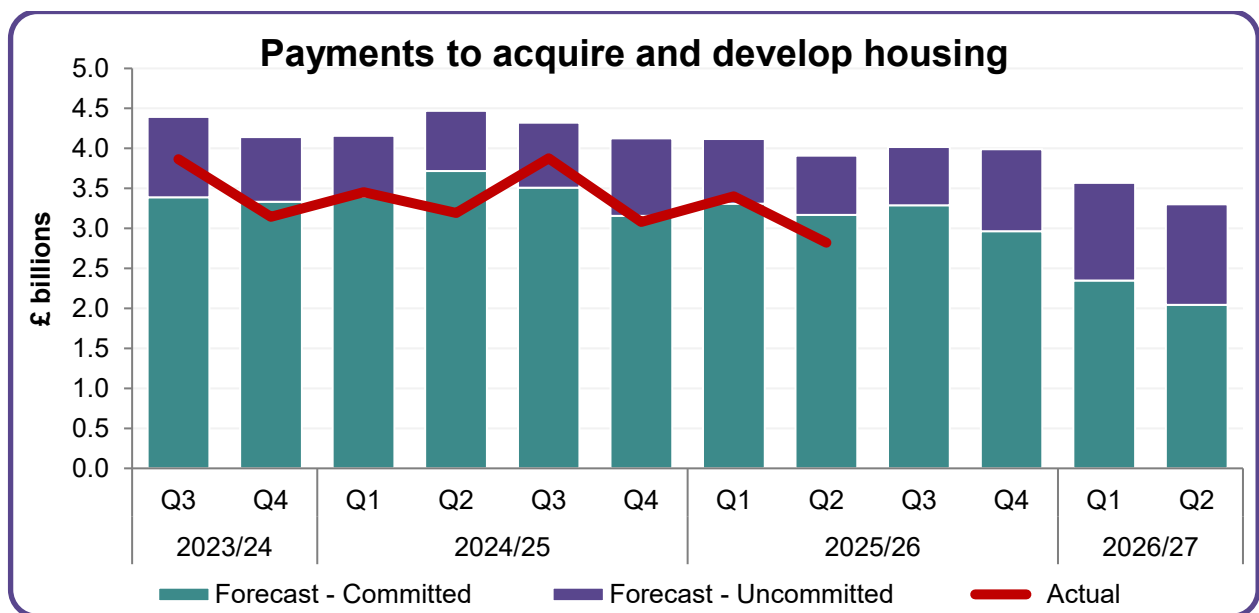
36. Of the £10.4 billion total repairs and maintenance forecast for the next 12 months, £5.6 billion relates to revenue expenditure and £4.8 billion relates to capitalised works (June forecast: £5.5 billion revenue, £4.7 billion capital). Ten large PRPs have each forecast capitalised expenditure of £100 million or more over the next 12 months, together accounting for almost one-third of the sector total.
37. Current asset sales of £2.8 billion were achieved in the 12 months to September 2025; compared to £3.1 billion in the year to September 2024 and £3.6 billion in the year to September 2023. For the 12 months to September 2026 the sector has forecast a further £3.5 billion worth of current asset sales (June forecast: £3.7 billion), of which £3.2 billion relates to properties for which development is contractually committed (June: £3.4 billion). Nine PRPs have each forecast current asset sales of £100 million or more over the next 12 months, together accounting for over 40% of the sector total.
38. In the 12 months to September 2025 fixed asset sales totalled £3.4 billion; 24% higher than the £2.7 billion recorded in the year to September 2024. For the 12 months to September 2026 the sector has forecast a further £5.0 billion worth of fixed asset sales (June 12-month forecast: £4.9 billion). Fixed asset sales are increasingly being used to support operating cashflows; over 80% of the fixed asset sales that are forecast over the next 12 months are reported by the almost 60% of PRPs that are forecasting interest cover (excluding sales) of below 100% for the same period.
39. Of the total forecast fixed asset sales, £2.5 billion relates to sales to tenants or other open market sales (including mainly staircasing, RTB/RTA and sale of void properties). These types of sales are widespread across the sector, with 85% of PRPs forecasting receipts within this category. Forecasts have increased by 11% since June, with some PRPs revising forecasts upwards following strong interest in staircasing and RTB sales. Five PRPs have each forecast tenant or open market sales of over £100m, and together account for 42% of the sector total.
40. A further £2.5 billion has been forecast by 29 PRPs in relation to other fixed asset sales, including bulk sales to other organisations. Over 85% of this total has been forecast by just five PRPs, each with bulk sales forecasts in excess of £100 million.
41. Available cash, excluding amounts held in secured accounts, increased by 4% during the quarter to £3.6 billion (June: £3.4 billion). However, cash balances remain at historically low levels and have been below £4.0 billion for five of the six quarters since June 2024. Prior to this, cash balances had not been below this level since 2013. Available cash is forecast to reduce to £2.7 billion by the end of September 2026, with over three-quarters of PRPs forecasting cash levels to reduce over this period.
42. In addition to the £3.6 billion worth of available cash, cash held in secured accounts or otherwise unavailable for use by PRPs increased slightly to £1.0 billion (June: £0.9

billion). These amounts relate mainly to loan or bond proceeds held in escrow, leaseholder sinking funds, and debt servicing reserve accounts.

43. The regulator will continue to monitor the financial viability of PRPs that are forecasting low liquidity levels or restricted interest cover and will engage with PRPs as necessary, especially if there is reliance on fixed asset sales to support operating cashflows or to meet loan covenants. Findings will be reflected in regulatory judgements where appropriate.

Development

44. In the 12 months to September 2025, £13.2 billion was invested in the acquisition and development of housing properties. This compares to £13.7 billion in the year to September 2024, and £14.6 billion in the year to September 2023. Total expenditure for the year was 16% below the total forecast reported at the start of the period, but 21% above the forecast for contractually committed schemes.
45. Although development activity is widespread across the sector, expenditure is concentrated in a small number of PRPs. A total of five PRPs each reported development expenditure of over £400 million in the year to September, together accounting for 21% of the sector total, and 18 PRPs account for half of the total sector spend in this period.
46. Actual expenditure in the three months to September 2025 was £2.8 billion, the lowest amount in over four years. This compares to total spend of £3.4 billion in the previous quarter, and an average of £3.5 billion per quarter over the last three years. Expenditure was 11% below the forecast for contractually committed development, and 28% below the total forecast including uncommitted expenditure, with around 80% of PRPs spending less than previously forecast. In addition to general scheme delays and timing differences, PRPs have reported issues with planning applications and legal works, and deferred retention payments where works have not yet been completed.

Figure 5: Payments to acquire and develop housing

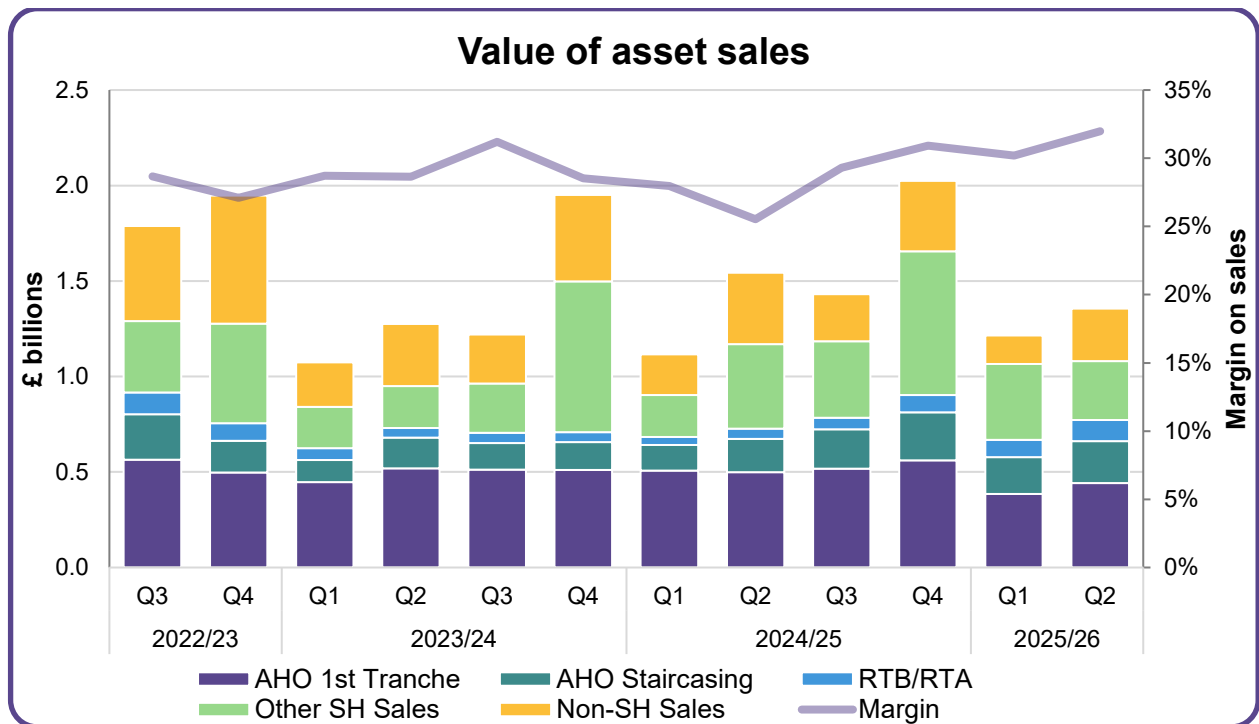
47. For the next 12 months a further £14.9 billion worth of investment has been forecast; a slight increase from the £14.8 billion forecast from June, in part due to underspends in the current quarter being re-profiled into future periods. In comparison, over the last three years development forecasts have averaged £15.8 billion. Forecast expenditure includes £10.6 billion in relation to contractually committed schemes (June forecast: £10.5 billion), and £4.2 billion for uncommitted development (June forecast: £4.3 billion). Uncommitted development accounts for 28% of the total forecast development, compared to 35% four years ago when development forecasts were at their peak.
48. Seven large PRPs have each forecast over £400m of development expenditure over the next 12 months, together accounting for 25% of the sector total, and over half of the sector's forecast expenditure is accounted for by 20 PRPs. For-profit PRPs account for £0.3 billion of the overall forecast; equivalent to 2% of the total.
49. Forecasts for development grant have increased by 2% and stand at £2.6 billion (June forecast: £2.6 billion); the second highest amount reported since forecasts were first collected in 2015. Grant forecasts include funding from the Affordable Homes Programme²³, as well as funding from local authorities.

²³ Apply for affordable housing funding - GOV.UK

Housing market

50. Total asset sales, including staircasing, RTB/RTA and voluntary sales, as well as Affordable Home Ownership (AHO) first tranche sales and market sales, amounted to £1.4 billion in the quarter to September (June: £1.2 billion).

Figure 6: Value of asset sales



51. Affordable home ownership 1st tranche sales increased by £57 million to £443 million. Other social housing sales generated proceeds of £310 million in the quarter to September, compared to £397 million in the previous quarter. This category of sales includes strategic disposals of void social housing properties on the open market, as well as other bulk disposals of existing social housing units. Sales receipts can fluctuate between quarters due to the low number and potentially high value of bulk sale transactions.
52. The overall surplus from asset sales stood at £433 million for the quarter (June: £367 million), resulting in a combined margin of 32% (June: 30%); above the average margin achieved over the last four years (28%).
53. Total cash fixed asset sales amounted to £0.7 billion (June: £0.9 billion), in line with a forecast of £0.7 billion. Fixed asset sales are categorised as either sales to tenants/open market sales, or other sales (bulk disposals to other organisations, including stock transfers and rationalisation).
- Sales to tenants and other open market sales (including staircasing, RTB/RTA and voluntary sales) amounted to £615 million (June: £525 million), 13% above the

amount previously forecast. Fourteen PRPs recorded sales of over £10 million each, together accounting for 56% of the sector total.

- Bulk fixed asset sales to other organisations amounted to £120 million (June: £351 million), over 30% lower than the amount previously forecast. The adverse variance compared to the previous forecast is driven by 3 PRPs whose sales have been reforecast into later periods. In the current quarter a total of 27 PRPs reported sales of this type, with one PRP accounting for 37% of the sector total.

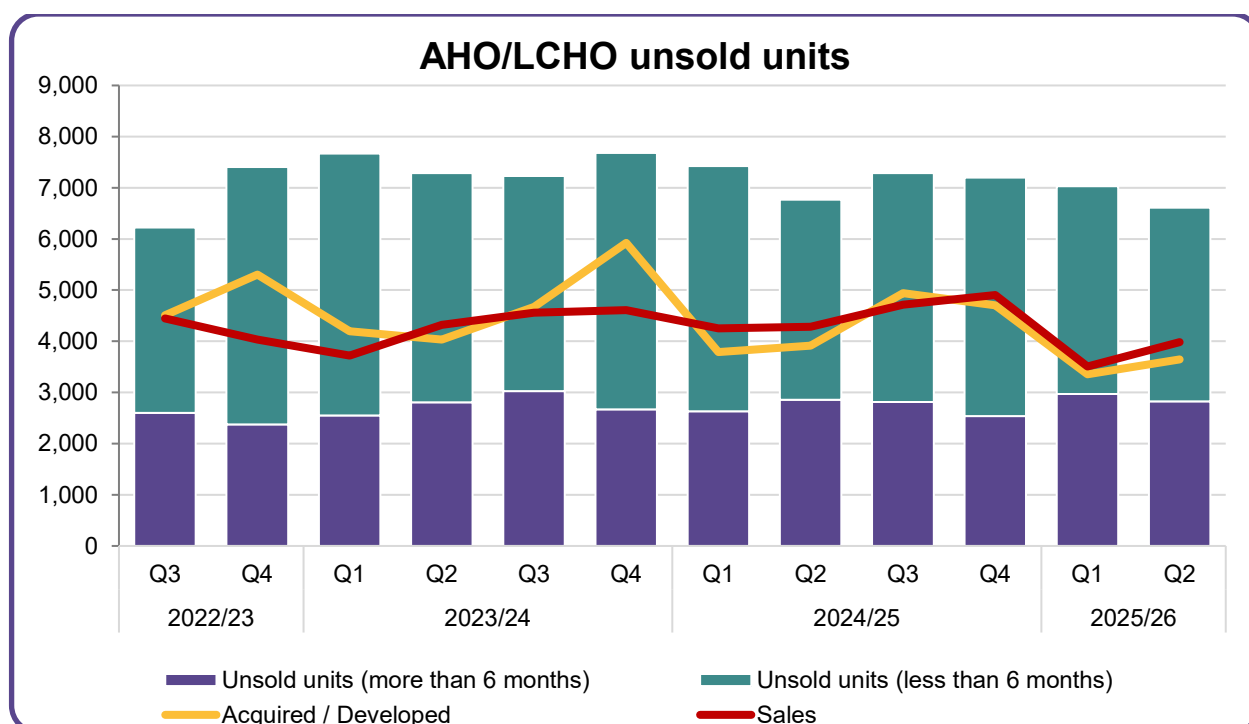
54. Total cash receipts in respect of current asset sales (market sales and first tranche AHO sales) amounted to £0.7 billion in the quarter; a 28% increase compared to the previous quarter, with the top 10 PRPs accounting for 47% of the total. Current asset sales were 27% below the amount previously forecast, with adverse variances being attributed to delays in sales and development handovers. Forecasts for current asset sales have been gradually decreasing over the last three years, consistent with a reduction in development forecasts over the same period.

Table 4: AHO units

<i>AHO units</i>	<i>Previous quarter</i>	<i>Current quarter</i>	<i>% change</i>
Completed	3,355	3,644	8.6%
Sold	3,507	3,986	13.7%
Margin on first tranche sales	13.5%	14.4%	6.2%
Unsold	7,033	6,609	(6.0%)
Unsold for more than 6 months	2,968	2,825	(4.8%)
18-month pipeline	30,001	28,067	(6.4%)

55. AHO completions have increased by 8.6% in comparison to the previous quarter, at 3,644 units (June: 3,355). However, the last 12 months have seen a reduction in units developed, with a total of 16,641 units completed, compared to 18,301 in the year to September 2024.
56. AHO sales increased by 14% in the quarter but were 7% under the three-year average of 4,278, at 3,986 units. Nine PRPs each reported sales of more than 100 AHO units in the quarter, together accounting for 35% of the sector total. A total of 17,111 AHO sales were recorded in the year to September, compared to 17,702 in the year to September 2024.
57. The overall number of unsold units decreased by 6% to 6,609, with the number of units unsold for over six months also decreasing slightly to 2,825 units. Six PRPs each held more than 100 units that were unsold for over six months, together accounting for 47% of the sector total.

Figure 7: AHO/LCHO units



58. Sales proceeds from 1st tranche AHO sales amounted to £443 million during the quarter (June: £386 million), with an overall surplus of £64 million being reported (June: £52 million). This resulted in an average margin of 14.4% (June: 13.5%), the second lowest level recorded in the last 13 years, and compares to an average margin of 17.9% over the last three years.
59. The pipeline of AHO completions expected in the next 18 months has decreased by 6% to 28,067 units (June: 30,001), the lowest since September 2017, of which 25,474 units are contractually committed (June: 27,493). The committed pipeline remains below the average quarterly committed pipeline over the last three years of 28,972 units. The pipeline of uncommitted units (2,593) is the second lowest number recorded since the data was first collected in 2015.

Table 5: Market sale units

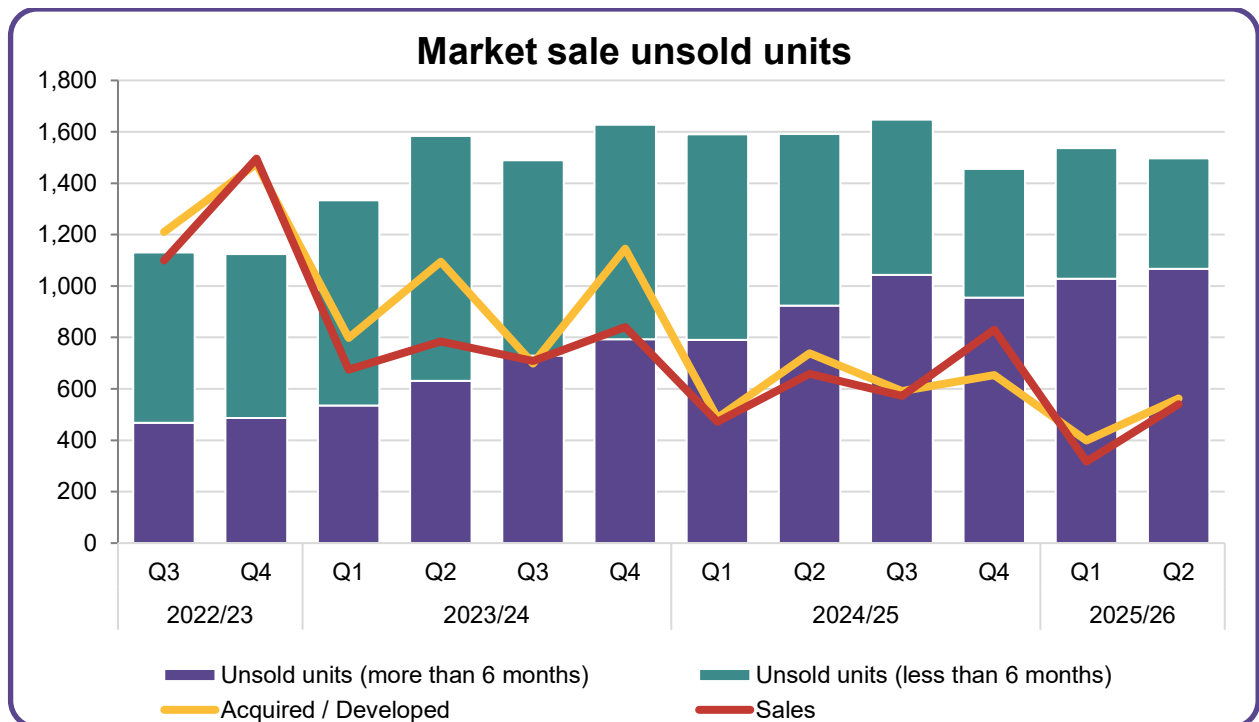
Market sale units	Previous quarter	Current quarter	% change
Completed	399	563	41.1%
Sold	317	540	70.3%
Unsold	1,537	1,497	(2.6%)
Unsold for more than 6 months	1,029	1,067	3.7%
18-month pipeline	5,989	5,850	(2.3%)

60. The number of market sale completed units (563) increased by over 40% compared to the previous quarter but still remains substantially below the average of 821 units per

quarter over the last three years. A total of 2,207 units were completed in the year to September 2025, compared to 3,069 units in the year to September 2024, and 4,579 units in the year to September 2023.

61. Market sale activity continues to be concentrated in a small number of PRPs, with only 19% of PRPs recording market sale handovers over the last 12 months. Nine PRPs each developed over 100 market sale units in this period, together accounting for 70% of the sector total. The three PRPs with the highest sales in this period accounted for 38% of the total.

Figure 8: Market sale units

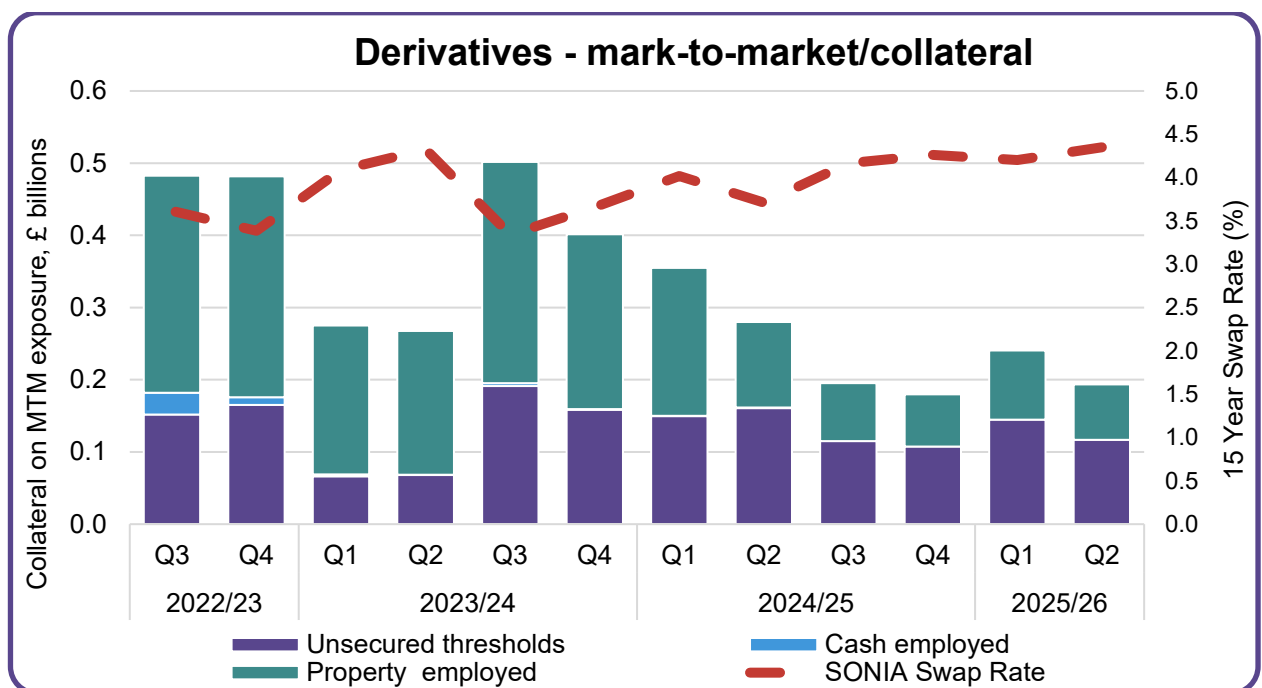


62. The total number of unsold market sale units decreased to 1,497, 3% below the previous quarter, yet remains at elevated levels relative to recent years. Six PRPs each held over 100 unsold market sale units at the end of the quarter and together accounted for 67% of the sector total. The number of units unsold for over six months also increased, to 1,067 (June: 1,029).
63. The pipeline of market sale completions expected over the next 18 months has decreased by 2% and now stands at 5,850 units (June: 5,989), of which 5,613 units are contractually committed (June: 5,704). Pipeline figures remain at historically low levels. Although 35 PRPs have reported an active pipeline for market sale units, just three PRPs with pipelines over 500 units make up 40% of the sector total.

Derivatives

64. At the end of September, 50 PRPs (June: 51) reported making use of free-standing derivatives. The notional value of standalone derivatives increased from £9.7 billion to £10.9 billion over the quarter, mainly driven by one PRP where two new swaps were arranged amounting to around £0.5 billion.
65. The majority of derivative instruments utilised by the sector are floating-to-fixed interest rate swaps, whereby MTM exposure will decrease as swap rates rise. Over the quarter the 15-year swap rate increased from 4.20% at the end of June to 4.36% at the end of September; resulting in a net decrease in MTM exposure to £186 million at the end of the quarter (June: £232 million).

Figure 9: Derivatives – Mark-to-market/collateral



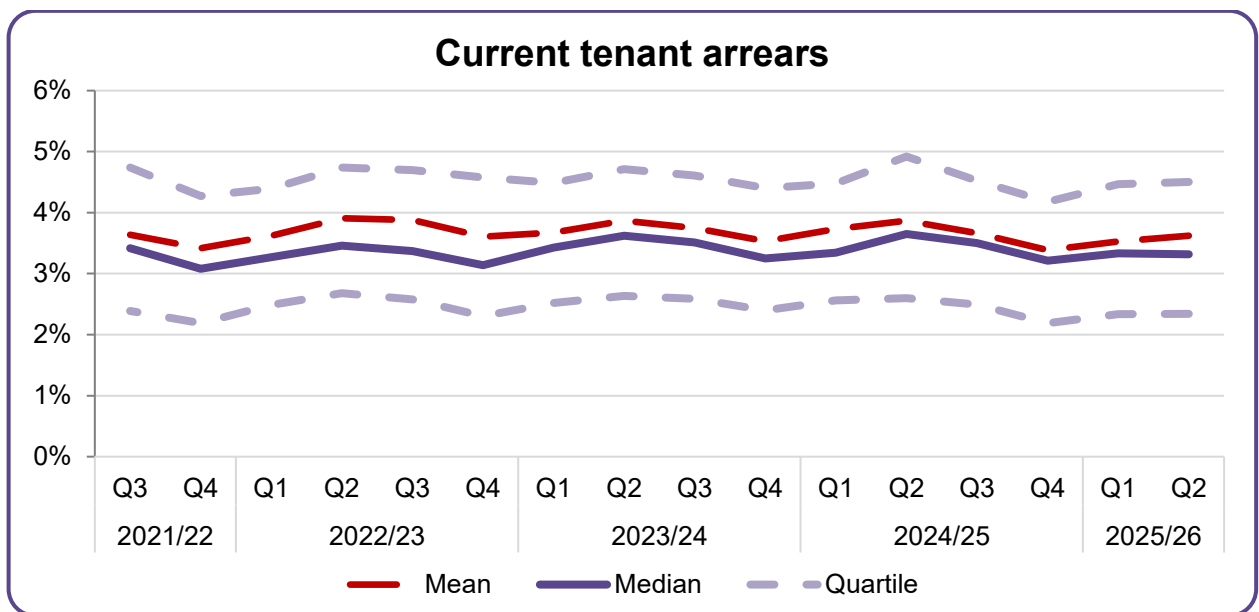
66. The above graph shows MTM exposure excluding excess collateral. Collateral pledged continues to be well above the sector's exposure levels, and at the end of September, the total headroom of collateral and unsecured thresholds available over gross MTM exposure was £2.4 billion (June: £2.3 billion).
67. Of the 50 PRPs that were making use of free-standing derivatives, 45 had collateral pledged that exceeded or equalled their level of gross exposure, and the remaining five PRPs were not required to provide security to cover their position. At sector level, unsecured thresholds and available security pledged to swap counterparties remained consistent with quarter one, with £2.5 billion at the end of September.

68. With swap rates continuing to fluctuate, PRPs must ensure they have sufficient collateral available to cover potential increases in exposure and that they understand the sensitivity to changes in underlying rates.

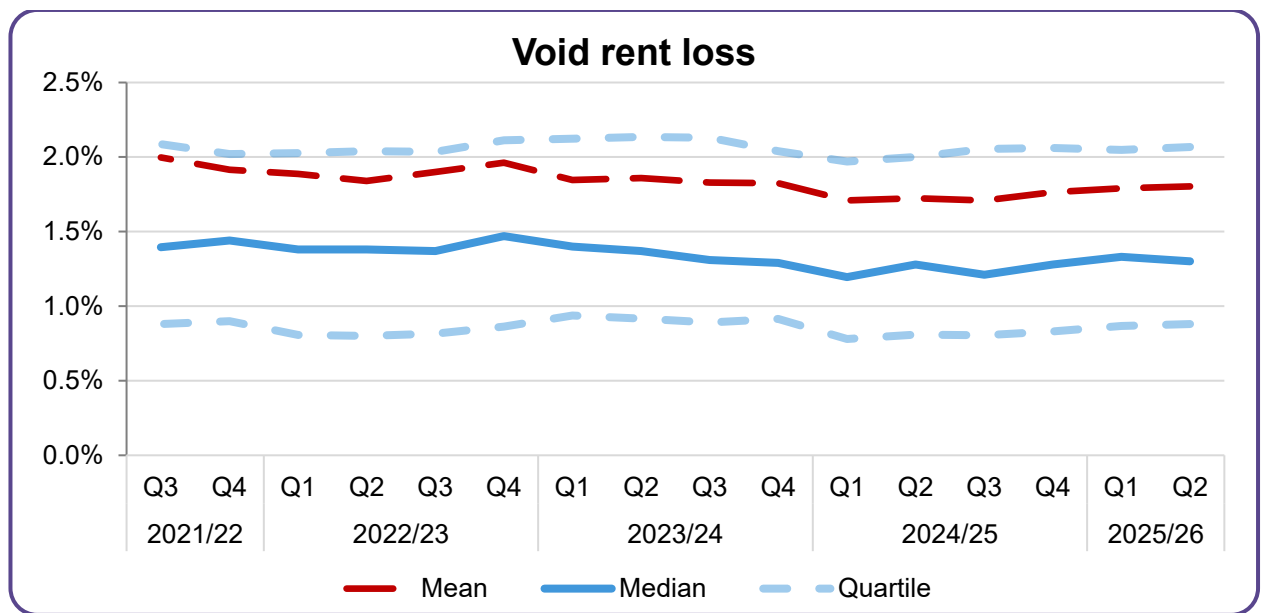
Income collection

69. At the end of September, 64% of PRPs reported that their levels of arrears, rent collection and voids were all within, or outperforming, their business plan assumptions (June: 65%).

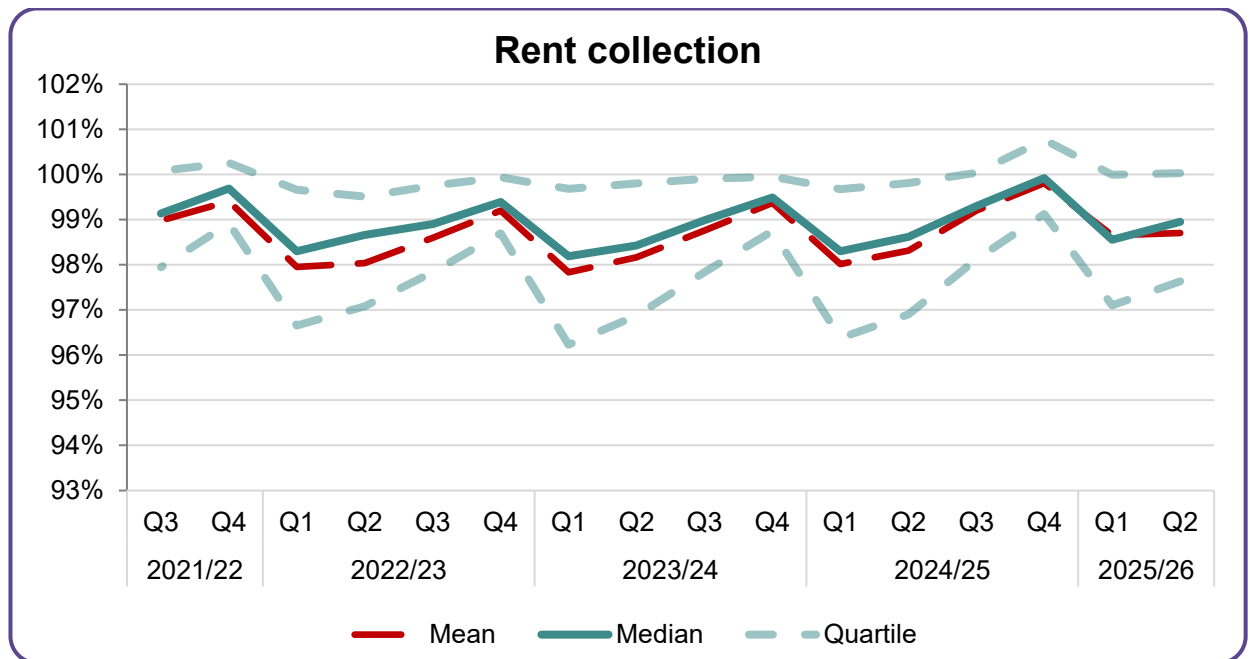
Figure 10: Current tenant arrears



70. Median current tenant arrears remained unchanged and stood at 3.3% in the quarter, however the mean increased to 3.6% (June: 3.3% median and 3.5% mean). Both figures were slightly lower than the amounts reported in the corresponding quarter of the previous year which stood at 3.7% and 3.9% respectively.
71. For the 58% of PRPs reporting non-social housing arrears, such as those relating to student accommodation and market rent tenures, the average stood at 6.7%, an increase on the 6.5% reported at the end of June. Non-social housing arrears can also include leaseholder charges or commercial rents, which are often applied as an annual charge and then paid monthly over the course of the year.

Figure 11: Void losses

72. At the end of September, median and mean void losses remained unchanged and consistent with the last two quarters, standing at 1.3% and 1.8% respectively.
73. PRPs with a large proportion of supported housing units, care home units or Housing for Older People will typically experience the highest levels of void losses. A total of eleven PRPs reported void losses of 5% or more (June: 11), and of these, eight hold over 50% of their stock within these specialist categories.
74. Around a quarter of PRPs have reported being outside their business plan assumptions for void rent loss. They cite a combination of factors affecting void re-let times, including properties requiring major works after being vacated, prioritisation of damp and mould remediation, properties held as strategic voids, delays in opening new supported units, and contractor-related delays. Additionally, delays in referrals from partner agencies continue to be reported.

Figure 12: Rent collection

75. Rent collection rates have increased since the end of June, in line with seasonal trends, and are slightly above the figures reported in the same period of the previous year. Mean average rent collection rates stood at 98.7%, compared to 98.3% in the quarter to September 2024. The median rent collection rate stood at 99.0%, compared to 98.6% in the quarter to September 2024.
76. The number of PRPs reporting rent collection rates of less than 95% stood at 15 at the end of September (June 2025: 20, September 2024: 19). Income collection rates typically increase over the course of a financial year as Housing Benefit and Universal Credit receipts fall in line with rent charges, and for some PRPs, as rent-free weeks are applied.



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