



Regulator of
Social Housing

Sector Risk Profile 2026

22/10/2026



Contents

Executive summary	3
Introduction	5
Providing safe and decent homes	6
Increasing the supply of new homes	8
Ensuring financial viability	12
Managing the business effectively.....	16
Managing reputational risk	22

Executive summary

Social landlords face a shifting operating environment and a series of complex, interlocking risks. The sector has been investing increasing sums in its existing homes for several years but still needs to invest at a sustained high level to deliver building safety, energy efficiency and other stock condition improvements. At the same time landlords have an important part to play in delivering new housing development to help meet the significant unmet need for more and better social homes.

All tenants have a right to a safe and decent home. Expectations for the quality and management of existing homes have continued to evolve with the introduction of Awaab's Law and confirmation of future requirements on the Decent Homes Standard and Minimum Energy Efficiency Standards (MEES). Councillors and boards of all social landlords need to understand these requirements and ensure that their organisations have the systems in place to comply with them.

At the same time, all social landlords, both private registered providers and local authorities, are increasingly expected to deliver new supply as well as managing their existing homes. For some landlords, particularly those without a recent track record in development, this raises new challenges. For more established developers seeking to increase delivery or stretch organisational capacity, landlords should understand the risks and opportunities associated with the approaches they adopt, including innovative financing models. For both private registered providers and local authorities, the need for more homes creates an imperative to work effectively together.

These challenges are being faced against a backdrop of a difficult economic environment. Private registered providers' financial position remains weak. Although there are tentative signs that the decline in average financial performance seen in recent years may have begun to level out, key financial metrics such as interest cover remain at historic lows. Rising inflation, and expectations of higher interest rates since the beginning of the war in the Middle East are now being factored into landlords' business plans. Landlords will need to manage risks from a rising cost of capital and the need to refinance existing loans that were taken out when borrowing costs were much lower than current market rates. Whilst we do not regulate the financial viability of local authorities' Housing Revenue Accounts, we are also aware through our consumer regulation work that many of these also remain under pressure.

In previous editions of the Sector Risk Profile, we have emphasised the importance of landlords engaging with the strategic trade-offs involved in balancing investment in existing and new stock whilst maintaining financial viability. These trade-offs remain acute. Councillors and boards need to provide informed, strategic leadership to their organisations. It is important not just to have access to high-quality performance data but also to be able to use that data to produce the insights needed to make evidence-based decisions against clearly specified criteria. As organisations become increasingly reliant on digital systems, data, and new technologies, boards must also ensure they understand and manage growing cyber security, data protection and operational resilience risks. Stress-testing the business plan and having worked through mitigation plans for a range of scenarios remain as important as ever.

Landlords need to focus on value for money in everything they do and operate as efficiently as possible to unlock capacity to deliver against multiple competing priorities. This can mean making difficult decisions, and taking action to address one risk can create other issues. For example, we have seen an increasing focus in some organisations on disposing of existing properties, either because it is not economic to bring them up to required standards, or because they need the sales proceeds to invest in stock improvements or new development. Active asset management can unlock financial capacity. However, the loss of existing social homes, especially if concentrated in particular local areas, can reduce the availability of social homes for people in those areas and undermine relationships with other key stakeholders. Landlords need to be financially sustainable for the long term and relying on disposing existing assets can only be a short-term solution.

These are challenging and dynamic times in which to be a social housing landlord. Longstanding pressures to improve existing homes and build more are overlaid with rapidly changing economic circumstances, and newly emerging policy priorities. Landlords need to be nimble to respond to these changes and be open to changing plans and building new relationships where necessary. However, it is essential that councillors and boards set a clear strategic direction, informed where applicable by charitable objects and, in all cases, the fundamental purpose of a landlord. Where business plans need to be adjusted in response to changing circumstances, it is even more important that there is a clear sense of purpose guiding the organisation and that individual decisions are made to support a long-term goal of delivering more and better social homes.

Introduction

The 2026 Sector Risk Profile sets out our view of the most significant sources of risk to landlords and their ability to deliver the outcomes of our standards. By 'landlord', we mean a registered provider of social housing, including local authorities and private registered providers, such as non-profit housing associations, co-operatives and for-profit organisations. This publication draws on regulatory returns submitted by landlords and other information provided to us as the regulator.

The risks we set out have the potential to threaten the successful delivery of landlords' strategic objectives, their financial viability, or the safety and wellbeing of tenants. Boards of private registered providers and the councillors forming the governing bodies of local authority registered providers should be alert and responsive to these risks.

In 2024 we started our proactive inspection programme for all large social landlords (those owning 1,000 or more social homes). For housing associations and other private registered providers, our integrated inspections cover the economic and consumer standards. For local authorities, our remit covers the consumer standards and rent standard. But, as our regulatory casework shows, many of the lessons relating to our regulation of governance should also be used by local authorities to improve outcomes for tenants.

We remain firmly committed to a co-regulatory approach. This means councillors and boards are responsible for their organisations and are held to account for how they are run and the outcomes they deliver. It is for councillors and boards to ensure that landlords are managed effectively, maintain appropriate control frameworks, and meet all regulatory requirements. They should understand the risks facing their organisations, assess how these risks interact, and ensure that appropriate strategies are in place to mitigate them while continuing to deliver positive outcomes for tenants.

Providing safe and decent homes

Landlords must provide safe and decent homes for tenants. This is their fundamental responsibility. Failure to do so exposes tenants to unacceptable risks and can damage trust in the sector as a whole.

Landlords must be able to demonstrate that they know their homes are safe and that they are meeting all statutory and regulatory requirements. Robust data and systems are critical to achieving this. As well as stock condition, understanding tenants' needs is an essential part of making sure homes are safe for tenants.

All landlords must meet our consumer standards, including the Safety and Quality Standard, which covers outcomes relating to the quality of homes, decency, health and safety, and repairs and maintenance.

In line with the standard, landlords must ensure that there are effective systems and reliable information about the condition of every home, informed by physical inspections. Landlords must have processes in place to identify and remedy non-decent homes promptly, and to identify emerging issues early to reduce the risk of homes becoming non-decent. This approach should include physical inspections sufficient to assess compliance with all criteria of the Decent Homes Standard, including using the Housing Health and Safety Rating System to assess the severity of hazards to tenants. Data must be used to plan investment in repairs and maintenance to ensure they meet required standards.

Landlords must ensure that they have comprehensive and effective processes to ensure they identify and meet all statutory and regulatory requirements related to building safety. This includes maintaining complete and accurate compliance records and having effective systems in place to track and complete remedial actions. While TSM data suggests that landlords have largely addressed gaps in compliance with building safety checks, our regulatory casework shows that some landlords still lack robust assurance on compliance or fail to follow through on identified remedial actions. Landlords are responsible for ensuring that their homes are safe for tenants, even where services or safety checks are delivered by third parties such as managing agents or contractors.

Boards and councillors must ensure timely action is taken to remediate life-critical fire safety defects in the buildings they are responsible for. They must understand the costs associated with remediation works and any implications for other planned major repairs, particularly for large and complex buildings and properties with tenants who may have additional needs. Landlords should also be conscious of

timelines and the interaction with service delivery risks. Where remediation works could take time to implement, organisations must communicate transparently with tenants and stakeholders. Where necessary, boards and councillors should ensure steps are taken to ensure risks to tenants are mitigated in the period before and during physical remediation works. They should also ensure that no-access policies are robust while remaining mindful of tenants' individual needs.

Landlords must ensure they are making appropriate preparations to meet changing statutory and regulatory requirements. This includes ensuring systems and processes are set up to effectively monitor compliance. All landlords must ensure full compliance with Awaab's Law and prepare for its phased extensions in 2026 and 2027 as additional hazards are brought into scope. New electrical safety standards apply to all social housing tenancies from May 2026, and all landlords must report a Tenant Satisfaction Measure on electrical safety checks for the first time for 2026/27.

Landlords with relevant high-rise buildings must ensure they comply with new regulations on Personal Emergency Evacuation Plans (PEEPs) introduced in April 2026. Further, under the government's Remediation Acceleration Plan landlords are expected to ensure that by 2029 all relevant buildings are either remediated or have a completion date for remediation, depending on their height.

With the increased focus on the condition of existing homes, private registered providers continue to forecast record levels of expenditure on repairs and maintenance, with five-year forecast spend increasing by £4.4bn on last year's projections to reach £58.7bn (Financial Forecast Returns (FFR) 2026). Robust data, investment planning and governance are essential to effectively manage increasing demands. Landlords should consider how they will respond to the introduction of a new Decent Home Standard, including the new Minimum Energy Efficiency Standard, and how the combined impact of these developments could impact on their business plans.

Ensuring safe and decent homes is a primary regulatory focus for us. Landlords must ensure they have robust data and systems to understand issues and address these promptly for tenants. But if they cannot or will not, we have a range of powers that we can use to put things right if landlords do not meet the outcomes of our standards.

Increasing the supply of new homes

The fundamental purpose of social landlords is to provide homes for those that need them. Where landlords have the capacity and capability to do so, they should take an active role in developing additional social homes for people on waiting lists or those who have an unmet housing need. The government has committed to delivering 300,000 social and affordable homes through the £39 billion, ten-year Social and Affordable Homes Programme and has pledged additional support through a £2.5 billion loan scheme. Expectations upon the sector to match the government's ambitions are high.

As part of their strategic planning, landlords should understand the need for new homes in their areas of operation and critically assess how they are contributing to new supply. Delivering new homes involves significant financial, operational and delivery risks. Councillors and boards should ensure that development ambitions are consistent with their organisation's purpose, capacity, capability and risk appetite. Some landlords, particularly those under financial pressure and those with significant requirements to invest in existing homes, may need to manage their capacity carefully to balance investment priorities. However, where organisations have the capacity and capability, boards should challenge themselves on how that capacity can best be used to support wider housing ambitions and be transparent about the rationale for their chosen approach. This may involve delivering homes directly, working in partnership with others, or using resources in other ways that contribute to meeting housing need.

Development and sales

Over the next five years, private registered providers forecast the development of around 285,000 new homes across all tenures, including both social and non-social homes (FFR 2026). This is an increase of 4% compared to forecasts submitted in 2025. Over the longer term, forecast development has increased even more strongly. Development over the next ten years is expected to rise by 27% compared to last year's forecasts, supported by the confirmation of ten-year settlements on both rent policy and grant funding. Although we do not collect equivalent forecasts for local authority landlords, we are aware that many are also increasing their development ambitions.

The proposed tenure mix of new development has changed, with less focus on development for sale and a shift away from Affordable Rent and back towards investment in new Social Rent. It is important that councillors and boards understand the implications of different tenure mixes for their investment appraisals, financing

arrangements and the impact on the longer-term business plan. Many landlords have predicated future development plans on bids to the Social and Affordable Homes Programme and, as allocations are made, are reviewing their plans in light of the outcome. Where landlords are reviewing their plans in this way, it is important that they consider both their capacity to continue to support development and the risks of alternative combinations of funding sources to ensure that any new funding plans are consistent with continued financial viability.

Whilst landlords are generally planning to develop fewer homes for sale than they were in previous years, forecast development, for both shared ownership and outright sale, remains significant. The sector expects to develop 79,000 shared ownership homes and 15,000 homes for market sale over the next five years; an overall reduction of 1% compared to 2025 forecasts.

The development of homes for sale can be part of an overall strategic objective to contribute towards the wider provision of housing and as a funding mechanism to cross-subsidise the development of homes for social rent. However, over the last three years, margins on sales have reduced substantially. The 2025 Global Accounts reported margins of 13.7% and 8.0% on shared ownership and market sales respectively.

Wider housing market conditions also continue to be challenging. Forecasts for house price growth have been revised downwards, transaction volumes have weakened, and mortgage affordability remains constrained, with increasing market expectations for rises in borrowing costs over the coming year. Councillors and boards must ensure that housing market exposure is actively monitored and managed, and that the consequences of potential impairment charges are fully understood.

A number of landlords undertake further market sale activity through entities in which they hold a non-controlling interest (mainly joint ventures). An increasing number of organisations are exploring this model as a way of supporting this development capacity. An additional 19,000 units are forecast to be sold in this way. If managed effectively, joint ventures can present a viable cost and risk-sharing mechanism. Boards and councillors must ensure they have the required expertise and advice to understand the potential limitations of the model and any possible recourse back to registered providers within the wider group that could affect the social housing provided or the landlord's viability.

Landlords, both private registered providers and local authorities, need to closely manage development and sales risks, and ensure that future income and costs are

fully stress-tested. The long-term nature of many housing development sites means that macro-economic conditions can change significantly between a development first being appraised and the final completion date. Boards must ensure that tolerance levels are commensurate with the organisation's risk appetite and with the potential implications of impairment risk, including for covenant compliance. Boards and councillors must regularly assess how they are using their resources to meet their strategic and social objectives, and ensure they have the required skills, information and advice to balance the benefits and risks associated with new supply.

Construction process

Construction process risks refer to the potential challenges and uncertainties that can arise during the planning, development, and construction phases of both social and non-social housing projects. These risks can include disruption to supply chains, increased input costs, quality control issues, weak labour markets, and contractor insolvency. Such risks can significantly impact the timely delivery, financial viability, and overall success of housing projects, resulting in potential financial impacts on the landlord, reputational damage and harm to tenants.

Policy and legislative changes have increased expectations around the design and construction of new build homes. The overall standards of new builds are set to be strengthened by the introduction of the Future Homes Standard in March 2027, which includes measures to decarbonise new build homes and improve the efficiency of their energy usage. Safety standards have been strengthened with the enactment of the Fire Safety Act in 2021 and Building Safety Act in 2022 and the establishment of the Building Safety Regulator. In addition, the New Homes Ombudsman will increase scrutiny and accountability from failings in safety or in the construction quality of new homes.

Councillors and boards must have sufficient assurance that new properties meet stakeholder expectations and satisfy all legislation including building regulations, health and safety requirements, and regulatory standards. This is the case regardless of whether the development is delivered by the landlord itself or acquired from a third-party developer (for example through s106) or joint venture. Landlords must manage counterparty risk for third-party contractor development, considering possible impacts on contractual or planning obligations and establishing appropriate plans to mitigate exposures.

Boards and councillors should also be aware of changing and increasing stakeholder expectations about construction methods as the government looks to drive improvements in energy efficiency, building safety, and design. Where these

represent significant differences from landlords' current practices, they should ensure they have sufficient assurance that new properties will meet statutory requirements, and they fully understand the implications of any new development approach.

Ensuring financial viability

Financial responsibility is important for all landlords, including local authorities. Many of the lessons in this section on governance, risk management, internal controls and strategic decision-making are also relevant to local authority registered providers in meeting their HRA obligations. However, other risks discussed below that are focused on viability, financing and covenant compliance only apply to private registered providers.

In order to provide services to existing and future tenants, landlords must remain financially viable. This includes being able to meet liabilities as they fall due, meeting loan covenant requirements, and maintaining sufficient financial headroom to be able to manage downside risk. Landlords with reduced financial capacity are less able to withstand changes in the economic and regulatory environment and are more exposed to failures of governance.

The sector continues to face significant financial pressures. Expectations around building new homes are growing, whilst substantial investment in existing homes to meet safety, decency, and energy efficiency standards is still required. Costs have increased sharply due to a combination of rising interest rates, high general inflation, and labour and material shortages.

As a result, financial performance has deteriorated across the private registered provider sector in recent years. EBITDA MRI interest cover, as reported in the Global Accounts, was below 100% in both 2023/24 and 2024/25, and it is forecast to remain weak. Aggregate EBITDA MRI interest cover over the first five years of forecasts is expected to total 107% across the sector (FFR 2026). However, this pressure on interest cover is not evenly spread. Most landlords have higher interest cover than the sector average, which is dragged down by the financial pressures on the very largest organisations. For example, the G15 group of landlords operating within the London area are exposed to higher costs, including for building safety work, and their EBITDA MRI interest cover is forecast to be only 90% over the same period.

A strong internal control framework, combined with a comprehensive understanding of the risks faced by the organisation and how these could crystallise, is essential. Organisations must understand how risks can flow within group structures and between registered and unregistered entities. Councillors and boards also need to ensure that risk management is embedded within decision-making, supported by effective challenge, robust assurance and a culture of continuous improvement. Frequently, mitigation plans only offer a short-term fix; relying on debt or the sale of fixed assets to meet non-discretionary running costs is not a long-term solution.

To support decision making and risk management, private registered providers must maintain an accurate and up to date assets and liabilities register that enables prompt access to information on housing assets, their condition, history and security position. Boards must have access to regular and accurate information to allow them to closely monitor financial performance and loan covenant compliance.

Boards will need to consider all their available options to ensure continued viability. In some cases, this may include considering whether continued independence remains the best means of delivering organisational objectives, or whether those objectives could be more effectively achieved as part of a larger group.

We will continue to engage closely with landlords that have a weak financial profile, and reflect findings in our regulatory judgements. We expect to be informed at an early stage of any potential viability issues, or possible breach of loan covenants.

Debt

Financing capacity is increasingly important in determining organisations' ability to invest in both existing and new homes. At the end of June 2026, private registered providers had drawn £110.6bn from agreed debt facilities of £144.5bn (see our Quarterly Survey for Q1 2026-27). The availability of finance remains strong, with continued appetite from banks and investors to provide funding to the sector. However, elevated borrowing costs continue to influence financing decisions. Since the beginning of the war in the Middle East, borrowing costs for the sector have increased and market expectations for future rates are volatile. Increasingly, landlords are exposed to the risk of needing to refinance existing loans taken out when rates were at historic lows, at much higher current interest rates. Some landlords are increasingly making use of shorter-term debt facilities, which may provide greater flexibility but can increase exposure to refinancing risk.

Landlords should understand the implications of rent policy, investment requirements and underlying business plan assumptions for long-term financing capacity. Refinancing activity may become increasingly complex as landlords balance investment in existing homes, development ambitions and other strategic priorities.

Getting treasury management and governance arrangements fully under control cannot be overlooked so that the challenges of covenant compliance, maintaining financing capacity and refinancing risk are met pre-emptively. These challenges must include a clear understanding of the risks from joint ventures, especially where the risk of impairment becomes credible.

Boards should ensure that business plans are supported by appropriate stress testing to understand the impact of changes in assumptions, financing requirements and interest costs. Where significant risks are identified, they should have the confidence that clear mitigation strategies are in place and capable of being implemented in practice. Landlords with index-linked debt should understand the implications of inflation movements for long-term liabilities and cash flows.

We will continue to monitor and engage with landlords that forecast low liquidity or weak interest cover.

Fixed asset sales

Fixed asset sales can be part of landlords' strategic plans, for example to rationalise stock by focussing on a particular geographic area or tenure type, or to generate income to fund future development activity. However, where disposals are used to support day-to-day cashflows or to meet non-discretionary expenditure, this raises concerns about a landlord's underlying viability.

Receipts from fixed asset sales are forecast to reach £19.5bn over the next five years (2026 FFR); equivalent to 12% of turnover. The corresponding surpluses from fixed asset sales are forecast to reach £7.2bn, which would account for 40% of the overall surplus during this period. For individual providers, failure to realise forecast receipts may result in liquidity shortages or breach of loan covenants.

Large scale disposals or transfers of social homes out of the sector can also present reputational risks. Disposal of homes that would require significant work to reach decency or energy-efficiency standards may be seen as a failure to address underlying issues, or a passing of responsibility to owner-occupiers. Such decisions may also affect the availability of social housing in local areas and influence relationships with local authorities, tenants and other key stakeholders. Where disposals will result in a change of landlord for tenants, landlords must be mindful of the requirements under the Transparency, Influence, and Accountability Standard to consult affected tenants at a formative stage and take those views into account in reaching a decision.

Landlords need to understand and manage the risks arising from programmes of fixed asset sales. This will include robust stress-testing of sales receipts, identifying potential purchasers, and establishing mitigation plans should sales receipts be delayed or of a lesser value than anticipated. They should consider the potential impact on tenants and local housing provision, the need to protect social housing assets, and the implications for their charitable or social objectives. Landlords should

engage constructively with tenants, local authorities and other relevant stakeholders where disposals may affect local housing provision. We will continue to engage with landlords who are relying on fixed asset sales to support cashflows or loan covenant compliance and will reflect individual risk exposure in regulatory judgements where appropriate.

Diversification

Diversification can include market sales (see [‘Increasing the supply of new homes’](#)), market rent, student accommodation, portfolios of commercial property, specialist care, leisure service provision, and many other activities. The sector’s reliance on non-social housing income has declined slightly in recent years. The 2025 Global Accounts returns) showed that the proportion of income generated from non-social housing activity decreased from 12% in 2023/24 to 11% in 2024/25. Nevertheless, non-social housing activity is still material and is forecast to account for 10% of turnover over the next five years (2026 FFR). It is important that boards understand the risk and reward profiles of different types of non-social housing activity, which can vary markedly.

Landlords can supplement rental income and invest returns back into their core activities by diversifying into non-traditional business streams. However, diversification introduces additional risks alongside those from social housing activity, and landlords must ensure that they have the appropriate knowledge, skill and experience before moving into a new business area. Landlords must assess the financial implications of not recovering start-up costs and ensure that they have an exit strategy in place should returns fail to materialise as expected.

Non-social housing activity is often carried out in commercial subsidiaries within a group, for both tax purposes and for the purpose of containing risk. Whilst this can be an effective way to safeguard social housing assets, boards must ensure that they retain full oversight of the activity and fully understand any associated risks, including the risk of cross-default on loan covenants.

We will seek assurance from landlords on the role that non-social housing activity plays in meeting the organisation’s objectives, and that the benefits achieved are commensurate with the associated risks. Boards must be able to demonstrate that the activity makes a clear contribution to the landlord’s core purpose, and that social housing is not put at undue risk.

Managing the business effectively

Landlords must be clear about their purpose and strategic objectives, and ensure they have the governance, skills and capacity needed to deliver them over both the short and long term. Landlords must have a strong grip on the competing risks that can impact on their business. It is essential that councillors and boards understand the requirements of our standards, as well as other statutory requirements, on a range of issues and assure themselves that they are delivering the outcomes we have set.

Importance of data in delivering quality services to tenants

Providing good quality homes and services to tenants is a landlord's core role. Failure to deliver these services or to engage effectively with tenants often leads to a breakdown of trust, potentially resulting in harm to tenants, as well as seriously damaging the reputation of the landlord and the sector.

To meet their strategic objectives and keep tenants safe, landlords need to have strong oversight of key risks and robust controls to manage them. This is not possible without up-to-date, accurate and comprehensive data, covering all assets and liabilities, the safety and quality of tenants' homes, tenant complaints and the status of repairs and maintenance work. Landlords should interrogate this data to inform service delivery and combine information from across different systems and service to pre-empt issues, facilitate challenge and continuously improve.

To deliver good quality services, landlords also need to understand the diverse needs of tenants and assess whether housing and landlord services deliver fair and equitable outcomes. This is a requirement of our Transparency, Influence and Accountability Standard. By capturing and analysing relevant tenant data, landlords can tailor their communication, anticipate support needs and intervene before issues escalate.

We are seeing through our regulatory casework that weak data, a lack of assurance, and poor risk management systems can lead to negative outcomes for tenants. They are a recurring issue in cases where landlords have not met the outcomes of our standards. We are continuing to drive improvements in landlords through our regulation, but it remains the responsibility of councillors and boards to assure themselves that they meet the requirements of our standards and self-refer if they find or suspect a material issue.

Data integrity

Data integrity refers to the accuracy, consistency and reliability of data, together with the governance, ownership and controls needed to ensure it can be relied upon. Poor data integrity can undermine decision-making, service delivery, compliance, financial planning and board assurance. It can also affect landlords' ability to understand tenants' homes, set rents correctly, meet safety obligations and plan investment.

The risk profile is evolving as landlords rely on data to implement rent convergence, manage increasing investment pressures, support compliance with the Competence and Conduct Standard and, for private registered providers, prepare for Social Tenant Access to Information Requirements (STAIRs). Fragmented systems, outdated IT, manual processes, inconsistent data entry and poor data governance continue to create risks for some landlords. Councillors and boards should ensure they have assurance that key decisions are underpinned by robust and comprehensive data, supported by clear ownership, governance arrangements, quality controls, validation and audit trails.

Landlords are increasingly using new technology, including artificial intelligence (AI), to support service delivery, data analysis and decision-making. While these tools can create opportunities to improve services and efficiency, they also introduce risks relating to data quality and protection, governance, and service quality. The availability of AI tools may also affect how tenants interact with landlords, potentially increasing the volume and complexity of complaints and other correspondence. Landlords should ensure that they support their use of new technologies with appropriate governance, transparency, accountability and compliance with relevant legal and regulatory requirements.

Cyber security

As landlords become increasingly reliant on digital systems, connected technologies and data, they must remain vigilant to the growing threat of cyber attack. Cyber incidents can disrupt service delivery, compromise sensitive information, create financial loss and damage stakeholder confidence.

Boards should recognise that cyber security, data protection and operational resilience are fundamental to organisational viability and the continued delivery of services to tenants. The increasing adoption of artificial intelligence and other digital technologies, both by landlords and by malicious actors, is reshaping the threat environment, increasing the potential for more sophisticated attacks, fraud, misinformation and unauthorised access to information. Landlords should

understand the cyber risks associated with their own systems, connected technologies and third-party suppliers.

Cyber security should be supported by effective governance, staff awareness, clear accountabilities and robust controls. Councillors and boards should ensure that cyber risks are identified, assessed and appropriately managed, and that business continuity and recovery arrangements are regularly reviewed and tested.

Rent setting

Landlords must set and review rents and service charges in line with government rent policy and the Rent Standard 2026. Failure to do so can result in tenants being overcharged or charged incorrectly, undermining affordability, the public value associated with social housing, and trust. It can also affect landlords' income, financial planning and compliance, and may indicate weaknesses in data quality, internal controls, governance and assurance.

Rental income accounts for the large majority of sector income and so rent policy has a significant impact on landlords' business plans and financial capacity. The confirmation of a 10-year rent settlement from April 2026, allowing annual rent increases of up to CPI + 1%, provides greater certainty for landlords' long-term planning. Social Rent convergence also changes the risk profile. From April 2027, eligible Social Rent homes below formula rent may be increased by an additional amount above CPI + 1% (up to £1 per week from April 2027 and up to £2 per week from April 2028) to support the gradual convergence of rents towards formula rent, subject to the requirements of the Rent Standard and Rent Policy Statement. Landlords can only implement this successfully if they have accurate property, tenancy and rent data, and effective systems to identify where convergence can be applied.

Councillors and boards should ensure they have adequate assurance that rents and service charges are being set correctly. This includes assurance over the quality of underlying data, the operation of internal controls, the application of rent policy and the treatment of any exceptions. They should also understand the implications of rent policy for tenants, income, business planning and financial resilience.

Supported housing

Supported housing provision is central to many landlords' core purpose. It makes up around 11% of the sector's stock, with concentrations among smaller landlords. The supported housing sector continues to face cost pressures from rising wages and operational inflation, along with higher energy and overhead costs. Local authorities

in particular are experiencing increasingly constrained budgets which may alter their commissioning behaviours and support contract terms may be negatively impacted.

This year, the Government published its response to the Supported Housing (Regulatory Oversight) Act consultation. A key reform is the introduction of a locally led licensing regime for supported housing, which is expected to be introduced in due course. Licences will be held at local authority (licensing district) level and landlords will be required to comply with new National Supported Housing Standards and associated licence conditions. For some landlords, the income from enhanced housing benefit is a crucial part of their operating model. There is a risk that if some landlords are unable to meet new licencing conditions this could adversely affect their business plans.

Councillors and boards of landlords with significant supported housing or support contracts must ensure they understand funding risks, including stress testing against increased costs, loss of contracts, and the commissioning of revised or new services. They will also need to manage staffing and other risks to ensure appropriate service delivery.

Landlords should also be aware of the specific risks arising from the transition from analogue to digital telephone networks. Without appropriate mitigations and upgrades, the transition may affect the functioning of telecare systems and other connected safety systems, such as fire alarms, lift alarms and door entry systems. Landlords should also understand any reliance on analogue telecare or other connected safety systems and ensure that risks arising from the digital switchover are effectively managed.

Our April 2025 focus report '[Lease-based provision of Specialised Supported Housing](#)' set out the specific risks that we have seen over a number of years with the lease-based provision of specialised supported housing. We have found that landlords who operate with this model are exposed to a significant number of risks as a result of long-term and inflexible lease structures. As a result, this can have a significant impact on the ability of these landlords to deliver the outcomes of our standards, and we continue to reflect this in our regulatory judgements.

In recent years, there has been growth in the provision of (non-social) supported housing under short-term lease arrangements landlords have with third party managing agents. We have found that some registered landlords operating this model are exposed to a number of risks due to lack of robust oversight of third parties or long-term financial viability and, as reflected in our regulatory judgements,

have not been able to demonstrate compliance with the Governance and Financial Viability Standard.

Climate change and energy efficiency

Climate change presents significant risks to landlords, both from physical risks and challenges of adaptation to more extreme weather, and the need to improve energy efficiency of homes in order to move towards a net zero economy.

Under the new Decent Homes Standard, the government has set out a new Minimum Energy Efficiency Standard (MEES) based on Energy Performance Certificate (EPC) ratings that will apply to social landlords from April 2030. Statutory and regulatory requirements for landlords will continue to evolve in response to these challenges. This includes reform of EPCs, Future Homes and Buildings Standards, and greater recognition of non-emergency hazards such as excess cold and heat.

Extreme weather is becoming the new normal, with more frequent and severe temperature extremes causing some of the most significant impacts. The Climate Change Committee has advised the UK should prepare for the impacts of a 2°C global temperature rise by 2050, which will include regular heatwaves, more intense rainfall, and stronger storms. This will increase the risk that both new and existing homes are subject to both overheating and flooding.

Councillors and boards must ensure that landlords are making appropriate preparations to meet changing statutory and regulatory requirements. In the short term, landlords must consider how they will respond to the new MEES and the potential impact on their business plan. Landlords should ensure also that climate change risk is embedded into their organisation's long-term planning and consider its impact under a range of scenarios. As well as considering the potential financial impact of further improving energy efficiency, potential weather damage, and adaptation of stock, organisations should consider how they can provide resilience to ensure tenant safety and well-being, especially for vulnerable tenants.

Insurance

Landlords are exposed to the risk of increasing insurance prices constraining landlord finances and diverting resources from investment in new supply and the maintenance of existing homes.

Insurance premiums and excesses have increased markedly since the Grenfell Tower fire exposed widespread safety failings in multi-occupancy buildings, and high materials and labour inflation in recent years has led to higher reinstatement values.

Insuring housing assets is often a requirement of landlords' loan covenants, and insurers increasingly seek information to more accurately predict future claims. A lack of readily available data on properties' construction and insulation materials for some landlords is also increasing insurance costs. There is a growing emphasis from insurers on landlords' data governance structures and risk management of cyber security threats, with risks such as data breaches becoming more prevalent in the calculation of premium costs.

Traditionally there has been a limited range of insurers in the sector, with some landlords having reported difficulties in obtaining multiple or even any quotes. In response, some landlords are considering alternative insurance options such as captive insurance. However, more recently there has been interest from a wider range of insurers, which could increase competition, driving a broader availability of cover and temper premium increases.

Councillors and boards must ensure they understand insurance cover and policy limits and have robust data on construction and insulation to support insurance valuations. They should maintain an adequate and up-to-date understanding of their coverage, as policy wording may vary year-on-year. Where alternative insurance options are being considered, appropriate governance oversight is needed to understand any implications for covenant compliance.

Fraud

Fraud in the social housing sector poses serious risks to financial stability, service delivery and stakeholder trust. Recent changes to the legal and regulatory framework, including the introduction of the Failure to Prevent Fraud offence, have increased expectations on organisations to demonstrate effective fraud prevention arrangements. Fraud can take many forms, including tenancy fraud, procurement fraud and cyber-enabled fraud, and risks continue to evolve in increasingly complex digital environments. Councillors and boards should ensure that fraud risks are understood, appropriately controlled and supported by a strong organisational culture, clear reporting arrangements and effective oversight.

Managing reputational risk

Landlords continue to operate in an environment of public scrutiny from tenants, local communities, elected representatives, regulators, lenders, contractors and the media. Reputational risk can arise when there is a gap between these stakeholders' expectations of landlords and their experience of landlords' housing services, including decisions relating to the allocation and use of scarce social housing resources. High-profile incidents in any social landlord can have a significant impact on confidence in all social landlords.

Stakeholders expect landlords to provide safe and decent homes and increasingly look to the sector to play a meaningful role in addressing housing need. Service quality, transparency, tenant engagement and accountability remain fundamental expectations of landlords, alongside their contribution to wider housing ambitions.

Two new measures came into force on 1 October 2026, aimed at increasing transparency and raising standards across the sector. The STAIRs give residents of private registered providers access to more information about the services they receive. The Competence and Conduct Standard will require all relevant frontline and contractor staff of all landlords to demonstrate the necessary skills, behaviours, and conduct to deliver high-quality, respectful services to tenants.

Councillors and boards should ensure that strategic priorities, investment decisions and any resulting trade-offs are supported by robust evidence and can be clearly articulated to tenants and other stakeholders. Effective engagement, transparent communication and a clear understanding of tenant experience are important in maintaining trust and confidence. Landlords should also be able to demonstrate that their governance arrangements are sufficient to ensure that they meet our standards and protect their tenants and homes. They need to have assurance that resources are being used effectively to deliver strategic objectives, in the interests of current and prospective tenants, and provide value for money.



© RSH copyright 2026

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at: www.gov.uk/rsh

Any enquiries regarding this publication should be sent to us via enquiries@rsh.gov.uk

or call 0300 124 5225.

or write to:

Regulator of Social Housing

Level 2

7-8 Wellington Place

Leeds LS1 4AP

The Regulator of Social Housing regulates for a viable, efficient, and well governed social housing sector able to deliver quality homes and services for current and future tenants.