

Housing associations hit record reinvestment despite economic pressures, RSH Value for Money report reveals

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RSH publishes Value for Money metrics annually so boards and other stakeholders can assess how each housing association is performing against its peers.

Reinvestment in new and existing homes by housing associations reached record levels despite mounting costs, according to the new Value for Money report published by the Regulator of Social Housing today (5 March 2026).

Changes to the sector's operating environment, financial challenges arising from higher interest rates and the need to increase investment in existing housing stock continued to put pressure on housing associations.

For many landlords this has meant making trade-offs in their investment decisions – leading to a fall in new supply, particularly for non-social housing development, though the development of new social homes remains fairly stable.

But alongside a challenging environment, there were still significant opportunities to drive growth and support economic development.

The sector invested record levels of capital into existing and new homes of £14.8bn as more providers focus on sustainable homes, stock quality and building safety. Capital reinvestment into existing homes increased by 15% to £3.8bn.

Pressures across the sector were not distributed evenly as some large landlords highlighted particular issues.

Regional differences were also stressed – with London landlords exposed to higher building safety costs than other areas, which impacted their wider business plans. This meant capacity to fund new supply was most acutely affected in London, as the region continues to show the lowest level of social housing supply as a proportion of existing housing stock.

The report emphasises the changing role of Boards and how they should take a more active and strategic leadership role by ensuring landlords understand their costs and are using their resources in the best possible way. Boards have a responsibility to intervene where there is ongoing underperformance and ensuring corrective action is taken where the organisation's activities no longer align with delivering against its purpose.

Other key highlights included:

- The weighted sector average EBITDA-MRI interest cover figure has fallen to 87%. Most organisations have stronger interest cover than this weighted sector average, as the median provider has EBITDA-MRI interest cover of 113% and the top quartile 152%.
- Persistent cost pressures continue to dampen the overall operating margin (which includes social housing activities) as some providers struggle to offset rising costs through net rental income alone. Despite stabilisation across some parts of the sector, the median operating

margin overall was 17.4% which remains below the long-term average of 18.5%.

- The sector's headline cost per unit continued to outpace the general rate of inflation, albeit rising at a lower rate compared to previous years. The reported median headline cost increased by 11% to £5,690 per unit which was largely driven by maintenance and major repair and management costs.
- While the sector continues to direct substantial investment into new homes, there was a more cautious approach in the year due to economic and policy uncertainty – overall reinvestment into new homes fell by 4% to £11bn. At an aggregate level, the sector delivered 53,330 new homes of which 48,548 were social housing.

Will Perry, Director of Strategy at RSH said: “While these are challenging times for some landlords, there is also greater certainty around policy for the sector to actively plan for the longer term.

“Boards must provide robust challenge where landlords are not making the most effective use of their resources to achieve the strategic objectives of the organisation. This requires a clear understanding of what the organisation is intending to achieve, in both serving existing tenants and developing new homes, and how it maximises its efficiency and effectiveness in doing so.

“Landlords need to be open about how well they are delivering value for money and show evidence that they are meeting the requirements of the VFM Standard. This includes clear and transparent reporting in their accounts of their performance and setting out improvement plans where they have not delivered as intended.

“We will continue checking that landlords are meeting the standard through our inspections and if we do not see enough evidence-based assurance, it will be reflected in our regulatory judgements.”

The annual publication is available on the Value for Money guidance and publications page.

Notes to editors

1. RSH's Value for Money metrics and reporting covers private registered providers of social housing (housing associations), excluding for-profit private registered providers. It does not cover local authority registered providers.
2. The Value for Money Standard requires private registered providers to report annually against prescribed VFM measures with the aim of enhancing both transparency and accountability to the sector and addressing relative performance.
3. The Value for Money report is part of RSH's continuing work to help the sector contextualise the performance of individual providers more easily. It aims to help boards compare themselves to organisations with similar business models and geographical locations. It is an annex to RSH's Global Accounts, published in January 2026.
4. Along with the report, RSH has published data for individual private registered providers. This is provided in the Value for Money metrics benchmarking tool.
5. The VFM performance – Delivering better Value for Money Summary Regression Note enables stakeholder understanding of key factors that impact on provider level performance. The report is a good starting point for providers to challenge their organisation's performance and better support board decision-making.
6. RSH takes a co-regulatory approach to the regulation of the Value for Money standard, as we do to all the economic standards. The sector analysis is being published to support consistency and to increase transparency across the sector. We will continue to seek assurance on the outcomes of Value for Money Standard as part of the Stability Check process as well as all inspections for providers.
7. For general enquiries email enquiries@rsh.gov.uk. For media enquiries please see our Media

Enquiries page.

<https://www.gov.uk/government/news/housing-associations-hit-record-reinvestment-despite-economic-pressures-rsh-value-for-money-report-reveals>