Trading update

For the half year ended

30 September 2025

Housing 21 is today issuing a trading update for the half year ended 30 September 2025, providing an overview of our financial and operational performance for the period. The financial information included within this update is unaudited and provided for information purposes only.

Housing 21 is a leading, not-for-profit specialist provider of older people's housing with on-site support or care. While terminology across the sector varies, our offer is clear and distinctive: Retirement Living, which provides on-site support, and Extra Care, which provides access to 24/7 on-site Care Workers. With the exception of The Watermill in Walsall, we do not operate care homes.

Building on the strong momentum from 2024/25, Housing 21 continued to deliver high-quality housing with care and support throughout the first half of the year. We maintained our focus on resident experience, invested further in the safety and condition of our properties, progressed the delivery of new homes and managed our financial position carefully against a demanding operating environment.

Highlights

- Housing 21 owns/ manages 24,067 properties, a net increase of 63 properties (31 March 2025: 24,004)
- We completed 154 newly developed homes for older people during the period and enhanced nine properties on existing schemes. These increases were partly offset by the continued decommission of Ash and Oak Grange and continued disposal of our non-social rent portfolio.
- Turnover increased by 10.8 per cent to £159.3 million (September 2024: £143.8 million) and operating surplus increased by 3.4 per cent to £27.3 million (September 2024: £26.4 million).
- EBITDA-MRI interest cover was 171 per cent (September 2025: 201 per cent) and Gearing was 35 per cent (2025: 41.1 per cent) (1).
- Undrawn facilities include £50 million retained bond which is fully secured and £125 million of secured revolving credit facilities and we have sufficient liquidity to September 2027.

Notes
(1) Gearing calculated using the Regulator of Social Housing's gearing metric.

Operating review

Turnover, costs, and surpluses

A summary of financial performance for the six months ended 30 September 2025, compared with the same period in the prior year, is presented below.

6 months ended 30 September	2024 £m	2025 £m	Change %
Turnover	143.8	159.3	10.8
Social housing lettings	107.6	123.5	14.8
Development sales	3.8	4.5	18.4
Other social housing activities	3.4	3.2	(5.9)
Care services	27.8	27.5	(1.1)
Other non-social housing activities	1.2	0.6	(50.0)
Operating costs and costs of sale	**(120.7)**	**(132.7)**	**9.9**
Gain on disposal of other assets	**3.3**	**0.7**	**(78.8)**
Operating surplus	**26.4**	**27.3**	**3.4**

Turnover

Turnover increased by 10.8 per cent to £159.3 million, driven by the successful acquisition from Midland Heart, continued expansion of our portfolio and the permitted CPI-linked rent increase of 2.7 per cent. Social housing lettings and development sales contributed positively, underpinned by strong occupancy.

Overall voids improved to 2.1 per cent and re-let voids to 1.1 per cent, supported by strong relationships with local authorities, active management of waiting lists and timely lettings that minimise rental loss.

Care service income decreased by 1.1 per cent year-on-year despite receiving rate increases from most local authority partners. This reflects the decision taken in 2024/25 to hand back several care contracts that were no longer financially viable. Throughout this transition, the safety and wellbeing of our residents remained our highest priority. We deliver care into just under half of our Extra Care schemes, and where we do not deliver care directly, it is provided by third-party partners with whom we work closely to ensure continuity and quality. During the period, we were successfully awarded two new care contracts on schemes acquired from Midland Heart last year, strengthening our offer and supporting residents in those communities.

Housing 21 continues to take a responsible, needs-led approach to sales activity. Shared ownership is offered only where it provides genuine benefit to residents and their local communities. We do not rely on sales income to meet our financial obligations.

During the period, we supported 19 households into shared ownership, with buyers acquiring, on average, 43 per cent of their home. Following changes to the Older Person Shared Ownership lease, this introduced the option to purchase as little as 10 per cent on schemes recently completed, which has resulted in our average equity sold falling compared to previous years.

At the end of September, 77 homes are available for future sale, of which 51 became available since April 2025. Overall, 32 homes are reserved.

In accordance with lease provisions in the recently acquired portfolio, we continued to buy back and resell shared ownership and leasehold properties. By the end of September, we repurchased 10 homes and were please to help 15 new residents through resales of these properties. A further 15 homes are available for sale, of which 10 are already reserved.

Operating costs and costs of sale

Operating costs for the period increased by 9.9 per cent to £132.7 million. Service costs rose by £5.8 million, largely reflecting the impact of newly acquired schemes. Most of our service charges operate on a variable basis, therefore costs associated with scheme managers and communal services are passed directly to residents in line with policy and agreement with residents. Management costs increased in line with the three per cent pay award made to employees at the start of the financial year.

Repairs expenditure remained stable, increasing by only £0.4 million year-on-year, demonstrating the impact of sustained investment in asset quality.

Gain on disposal of other assets

Profit on disposal of other assets totalled £0.7 million, primarily driven by the continued disposal of our non-social rent portfolio (16 properties disposed, generating £0.3 million). A further £0.3 million arose from one-off disposals, with staircasing also contributing £0.1 million (seven sales). As expected, this overall gain is lower than the prior year following the disposal of our leasehold portfolio in July 2024.

Growth and investment

Development

Housing 21 remains one of the sector's few specialist providers actively developing new housing for older people, and we continue to target the delivery of at least 400 new homes annually.

During the first half of the year, development expenditure amounted to £56.3 million, supported by £11.1 million of grant funding from Homes England's Continuous Market Engagement programme. We completed 154 new homes, including 40 Retirement Living properties on a single scheme (pictured below) and 114 Extra Care properties across two further schemes, and expect to deliver an additional 198 new homes by the end of the financial year.

Our forward programme remains strong. We are currently on site across 16 development projects that will deliver 840 new homes, and we are forecast to start on site at a further seven schemes that will provide an additional 406 homes. Demand for high-quality specialist housing for older people remains significant, and our development model continues to emphasise disciplined site selection and quality design whilst ensuring they are financially viable.

Investment and compliance

Housing 21's commitment to providing safe, high-quality homes remains central to our purpose. Since April, we have invested £19.2 million in maintaining the condition and safety of our properties and a further £2.4 million in design and décor improvements. Our standards go beyond national minimum requirements. In addition to ensuring full compliance with the Decent Homes Standard, our enhanced standards aim to maintain kitchens and bathrooms no more than 25 years old and refresh the design and quality of communal areas every 10 years.

By the end of September, 99.6 per cent of our homes had achieved an EPC rating of C. The limited number of properties below this standard relate either to resident refusals of improvement works or newly acquired schemes where upgrade programmes are already planned. Below is an overview of our performance against our property standards, with the majority of schemes outstanding relating to homes acquired from other providers in recent years.

	Decent homes	100	All schemes compliant, except for Somers Court which is being decommissioned
	Kitchens	99.8	1 scheme outstanding
	Bathrooms	99.2	4 schemes outstanding
	Makeover	93.3	35 schemes outstanding
	EPC C	99.6	71 properties outstanding
	Digital Call	87.5	65 schemes outstanding

Compliance performance remains strong across all measures. We recorded no outstanding safety issues in relation to fire, gas, electrical, water, asbestos or lift safety. Where checks are due or works pending, properties are temporarily void or individual appliances taken out of use until full compliance is achieved.

100% **Fire risk assessments**	**100%** **Gas safety**	**98.8%** **Asbestos re-inspection**	**100%** **Water hygiene risk assessments**
99.4% **Fire alarms**	**100%** **LOLER lift inspection**	**99.1%** **Hardwire testing**	**99.8%** **Emergency lighting**

Treasury and financing

	31 March 2025	30 September 2025
Gross debt	£750.1m	£782.9m
Cash including short term investments	£71.7m	£69.8m
Net debt	£678.4m	£713.1m
Housing property value	£1,698m	£1,765m
Banking interest cover ratio (ICR)	206%	258%
Gearing	41.1%	35.0%
Cash and undrawn committed facilities (1)	£213.7m	£192.6m
Liquidity horizon (2)	February 2026	April 2026

Notes
(1) Cash for these purposes includes only unrestricted cash
(2) Date at which point additional facilities will be required to maintain 18 months of liquidity

Housing 21 continues to maintain a secure and carefully managed financial position. Net debt increased from £678.4 million at 31 March 2025 to £713.1 million at 30 September 2025, reflecting ongoing investment in new development and in our existing properties and in-line with our expectations. The value of housing properties increased to £1,765 million, supporting an improvement in gearing, which decreased to 35.0 per cent from 41.1 per cent at year-end.

At 30 September, we held £69.8 million in cash and cash equivalents, of which £17.6 million was unrestricted. Liquidity is further supported by a fully secured and undrawn £50 million retained bond and £125 million of secured, undrawn revolving credit facilities. Together, these provide sufficient liquidity to meet all anticipated financial requirements through to September 2027, covering operating cash flows, planned investment activity, potential acquisitions and debt service obligations.

To maintain compliance with our internal golden rule of holding a minimum of 18 months forward liquidity, additional facilities will be required by April 2026. Strong progress has already been made. In the third quarter, we completed a £25 million extension to our existing revolving credit facility with Barclays. We are also close to agreeing a new £100 million fixed-rate, 10-year facility, expected to be available to draw from January, which would extend our liquidity horizon to August 2028.

Disclaimer

Housing 21 is a Community Benefit Society (registration number 16791R) with exempt charitable status. As a Registered Provider of Social Housing, Housing 21 provides care and housing with associated amenities. It is registered with the Financial Conduct Authority (FCA), (registration number 16791R), its housing activities are regulated by the Regulator of Social Housing (registration number L0055) and its care activities are regulated by the Care Quality Commission (CQC).

These materials have been prepared by Housing 21 solely for use in publishing and presenting its results for the 6 months ending 30 September 2025.

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These materials contain statements with respect to the financial condition, results of operations, business and future prospects of Housing 21 that are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are several factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including many factors outside Housing 21's control.

Housing21

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CYBER ESSENTIALS CERTIFIED

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Regulated by the Regulator of Social Housing Reg. No. L0055
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