

Trading update

For the year ended
31 March 2026











Housing 21 today issues a trading update for the year ended 31 March 2026 (also referred to as FY2026), providing an overview of the Group's unaudited financial performance. This update is provided for information purposes only.

FY2026 was another strong financial year for Housing 21. The year has been characterised by continued growth, improved operating surpluses and the maintenance of a robust liquidity and covenant position, despite a demanding and evolving operating environment. These results demonstrate the strength of our business model, disciplined financial management and the commitment of colleagues across the organisation to delivering high-quality services for older people.

Housing 21 is a leading not-for-profit specialist provider of housing for older people, offering homes with on-site support or care across England. We support older people to live well, with dignity and autonomy, through the provision of support or care in quality social rent and shared ownership housing.

Our offer is clear and distinctive: Retirement Living with on-site support during the week, and Extra Care with access to 24/7 on-site care and support, both planned and unplanned. Except for The Watermill in Walsall, Housing 21 does not operate care homes.

Highlights

-  Housing 21 owns/ manages 24,218 properties, a net increase of 214 properties (31 March 2025: 24,004)
-  We commenced construction on 566 new properties across nine schemes.
-  337 new properties were completed across seven schemes and we added 16 new properties at existing schemes.
-  Turnover increased by 9.8 per cent to £325.7 million (March 2025: £296.6 million) and operating surplus increased by 34.4 per cent to £50.4 million (March 2025: £37.5 million).
-  EBITDA-MRI interest cover strengthened to 144 per cent (2025: 122 per cent)⁽¹⁾.
-  Liquidity remained robust, with sufficient funding in place to support planned activity through to April 2028

Notes

(1) The outturn excludes impairment, with this included our metric is 106 per cent for FY2025 and 140 per cent for FY2026



Operating review

Turnover, costs, and surpluses

A summary of financial performance for the 12 months ended 31 March 2026 compared to the same period in the prior financial year is set out below:

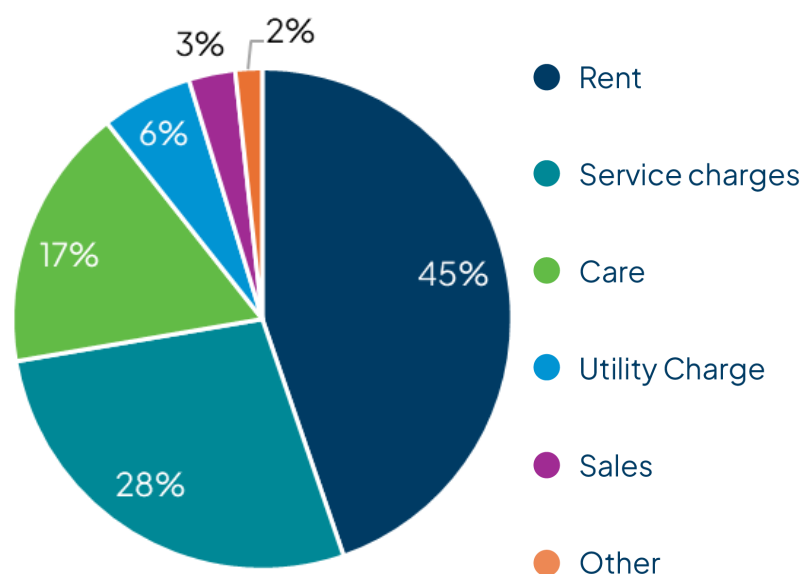
12 months ended 31 March	2025 £'m	2026 £'m	Change %
Turnover	296.6	325.7	9.8
Social housing lettings	226.9	252.7	11.4
Shared ownership and outright sales	6.1	9.8	60.7
Other social housing activities	6.5	6.7	3.1
Care services	55.2	55.4	0.4
Other non-social housing activities	2.0	1.1	(45.0)
Operating costs and costs of sale	(261.3)	(274.2)	4.9
Gain on disposal of other assets	4.1	0.8	(80.5)
Operating surplus (excluding charitable donation)	39.5	52.2	32.2
Charitable donation	(2.0)	(1.8)	(10.0)
Operating surplus	37.5	50.4	34.4

Turnover

Most of the Group's turnover is generated from social housing lettings, with rent and service charges together accounting for 73 per cent of total turnover. Housing 21 charges social rents and applies a variable service charge, ensuring residents pay the actual cost of providing communal services.

Turnover increased 9.8 per cent to £325.7 million (2025: £296.6 million).

Split of turnover



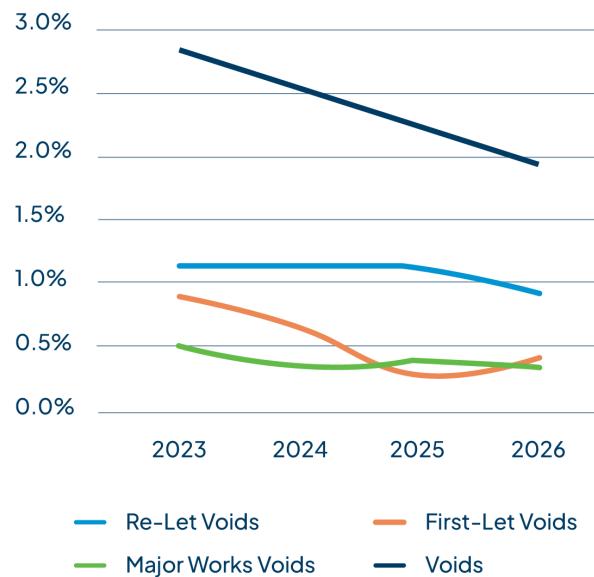
This increase in turnover was driven by a combination of factors, including onboarding of new developments, the full year benefit of the properties acquired from Midland Heart in September 2024, the permitted rent increase of CPI plus one per cent based on September 2024 inflation, and higher service charge income reflecting the costs of communal services.

Overall voids reduced to 2.0 per cent (2025: 2.2 per cent), reflecting continued improvement in re-let performance. This improvement is a direct result of the sustained hard work of our operational colleagues and the effectiveness of our devolved operating model, which enables strong local relationships, responsive decision-making and timely lettings. The average number of empty homes per month was 182, with an average re-let time of 23 days.

We aim to ensure any sales activity is balanced with demand and new developments include shared ownership, where it supports local need and provides a suitable option for people, rather than being used as a baseline development or financial assumption. Importantly, our financial plans are not dependent on sales receipts.

During the year, £5.8 million of turnover was generated, supporting 56 households into shared ownership. The average initial equity stake purchased during the year was 36 per cent, compared with around 50 per cent historically. This reflects both the introduction of amended Older Persons' Shared Ownership lease terms, lowering the minimum initial purchase to 10 per cent for newer homes, and the wider economic environment, with purchasers taking a cautious approach to property ownership. One property was sold on an outright basis during the year.

Voids as a percentage of rent and service charges



Pictured: South Hayling Court on Hayling Island, a new Retirement Living scheme opened in 2025/2026



At the yearend, 54 shared ownership homes remained available for sale, of which 16 have been reserved. A further 27 shared ownership homes are due to be delivered as part of the development programme over the next two years.



In addition, a small proportion of shared ownership and leasehold properties include buy-back provisions. During the year, 20 properties were repurchased and 27 resold, generating £4.0 million of proceeds and a net profit of £0.3 million. At 31 March 2026, 13 buy-back properties remained available for sale

Operating costs and costs of sales

Operating costs and costs of sales have increased by 4.9 per cent to £274.2 million (2025: £261.3 million).

Management costs increased by £1.5 million compared to the prior year, reflecting the impact of the annual pay award and continued investment to enhance services and meet increasing regulatory and compliance requirements.

Maintenance expenditure remained broadly consistent overall, with increased routine and major works activity of approximately £1.0 million offset by lower planned maintenance spend. Variations in planned maintenance reflect the timing of scheme refurbishments, with our Property Standards ensuring each scheme receives a comprehensive communal refurbishment at least once every ten years.

Repairs expenditure increased during the year, reflecting portfolio growth, inflation and higher volumes of responsive works. This investment supports resident safety, service quality and long-term asset performance.



Gain on disposal of other assets

We continue to dispose of non-social rented properties as they become void and benefit from staircasing receipts and other one-off disposals. The reduction in gains compared with the prior year reflects the disposal of the leasehold portfolio completed in July 2024, which generated a higher level of one-off proceeds in FY2025.

Charitable donations

Following the strong financial performance delivered in FY2025, Housing 21 donated £2.0 million to Housing 21 Resident Support Trust Limited, an independent charity supporting Housing 21's resident wellbeing and community-based initiatives. During the year, £0.5 million of this funding was granted to Housing 21 for approved projects, with further initiatives continuing to be identified.

Reflecting the continued strong performance in FY2026, Housing 21 has committed a further £1.8 million donation to the Trust.

Development

Housing 21 continues to play a leading role in the provision of housing for older people, remaining one of a limited number of providers actively progressing new schemes specifically designed for this demographic. Our development ambition remains clear, with an ongoing commitment to deliver 400 new properties each year where schemes align with our strategic, financial and quality objectives.

Market conditions improved during the year, with greater stability in construction costs and delivery timetables. In addition, the announcement of a new 10-year Affordable Homes Programme settlement has broadened the range of viable opportunities available, supporting a disciplined approach to scheme progression with increased emphasis on placemaking, design quality and long-term sustainability.

We continue to monitor geopolitical developments closely, including the ongoing Iran War, and remain alert to the potential implications for inflation, construction costs and interest rates. In this context, the development pipeline will remain under active review, with scheme progression flexed as required to ensure continued alignment with our financial resilience.

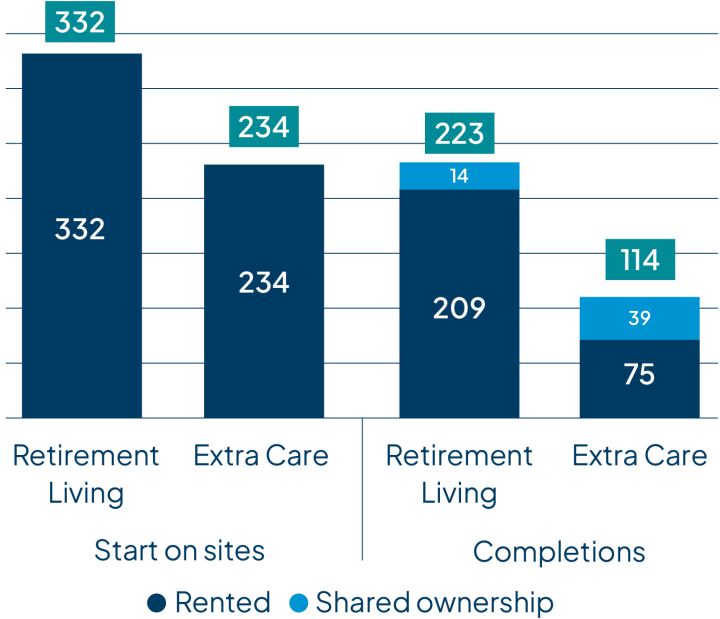
In FY2026, we commenced construction on 566 new properties across nine schemes, which was ahead of our target of 396, and completed 337 properties across seven schemes.

Delivery was marginally below expectations due to the deferred completion of 15 bungalows at Fry Court, Great Ayton, which are now scheduled for completion in FY2027. At the yearend, 20 development schemes were on site, representing a total of 1,151 properties in active delivery across the programme.

Total investment in new development during the year amounted to £116.4 million.

This was supported by £56.4 million of grant funding from Homes England and £3.0 million secured from local authority partners, helping to underpin scheme affordability and mitigate development risk.

Property start on site and completions in FY2026



Pictured: Fern Meadows, Faringdon, a new Extra Care scheme opened in 2025/26

Investment and compliance

The pace and scale of regulatory change continued to influence investment planning and delivery. New and evolving requirements, including Awaab's Law, heightened expectations around damp and mould, and enhanced fire and building safety obligations, have increased both the level and urgency of investment required across the sector. However, Housing 21's longstanding commitment to high property standards, supported by sustained investment in its existing properties, has meant we are well placed to respond to these requirements.







Our approach to asset quality is underpinned by clearly defined Property Standards introduced in 2015, which exceed the Decent Homes Standard. These standards guide lifecycle investment in kitchens, bathrooms and communal spaces, supporting a programme of planned, design-led renewal. This approach received external recognition during the year, with our new bathroom specification awarded Excellence in Design at the National Healthy Housing Awards.

During the year, £41.1 million was invested in core property maintenance, alongside a further £7.4 million in décor and design improvements. Energy efficiency remains a core priority, with almost all properties achieving EPC Band C. The small number that do not, reflect resident choice or the timing of improvement works following acquisition.

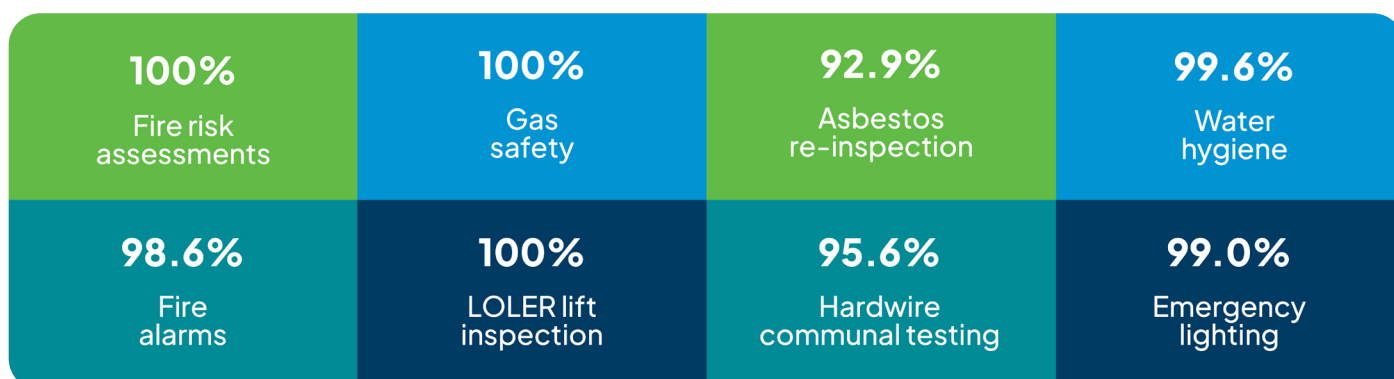


Pictured: Before (left) and after (right) investment at Dorothy Terry House in Redditch

Set out below is a summary of our performance against our Property Standards.

		<u>Housing 21</u>	<u>Acquisitions</u>	<u>Combined</u>
	Decent Homes	100%	100%	100%
	Kitchens	100%	100%	100%
	Bathrooms	100%	95.3%	99.6%
	Makeover	100%	25.6%	93.9%
	EPC C	99.6%	100%	99.7%
	Digital Call	92.7%	44.2%	88.7%

Compliance performance remained strong throughout the year. Where 100 per cent compliance was not achieved, properties were temporarily voided or equipment removed from use, with appropriate controls in place to ensure residents are not placed at risk.



Treasury and financing

	31 March 2025	31 March 2026
Gross debt £m	750.1	819.8
Cash and short-term investments £'m	71.7	71.1
Net debt £'m	678.4	748.7
Cash and undrawn facilities ⁽¹⁾ £'m	213.7	256.7
Housing property value £'m	1,698	1,831
Interest cover ⁽²⁾ %	206	215
Gearing %	41.1	37.5
Liquidity horizon ⁽³⁾	February 2026	November 2026
Credit rating (S&P) ⁽⁴⁾	A-	A-

Notes:

(1) Cash for these purposes includes only unrestricted cash

(2) Based on most restrictive covenant

(3) Date at which point additional facilities will be required to maintain 18 months of liquidity

(4) Annual reassessment to be completed in summer of 2026.

At 31 March 2026, gross debt stood at £819.8 million (2025: £750.1 million). Net debt increased to £748.7 million, while housing property value rose to £1,831 million.

During the year, the Group strengthened its funding position through a £25 million extension to its Barclays revolving credit facility and the completion of a new £100 million ten-year fixed-rate loan with Nationwide. The Nationwide facility increased the proportion of our overall fixed-rate debt to 88 per cent, providing a high level of certainty over future interest costs.

The Group remains grateful for the continued support and confidence of its funding partners. These strong and constructive relationships have been instrumental in enabling Housing 21 to invest in new homes, maintain prudent liquidity and manage financial risk responsibly. We value these partnerships highly and remain committed to open and transparent engagement that supports the long-term resilience and strategic ambitions of the organisation.

The Group maintained strong covenant headroom, with interest cover improving to 215 per cent (2025: 206 per cent). Gearing, measured in line with the Regulator of Social Housing's Value for Money metric, remained within appetite at [37.5] per cent (2025: 41.1 per cent).

Liquidity remained robust. At the year end, the Group held £71.1 million of cash and cash equivalents, of which £19.7 million was unrestricted. Liquidity was further supported by a £50 million retained bond and £187 million of secured, undrawn revolving credit facilities.

This is sufficient to meet forecast funding requirements through to April 2028, taking account of expected operating cash flows, planned investment in new and existing homes, debt servicing commitments, potential acquisition activity and anticipated grant receipts.

In line with our Treasury Management Policy and its requirement to maintain a minimum of 18 months' forward liquidity, further facilities will be required by November 2026. Discussions with additional lenders are well advanced, with new funding expected to be in place during summer 2026.

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 unaudited results for the 12 months ending 31 March 2026.

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