Housing 21

Asset Management Investment Strategy

October 2025

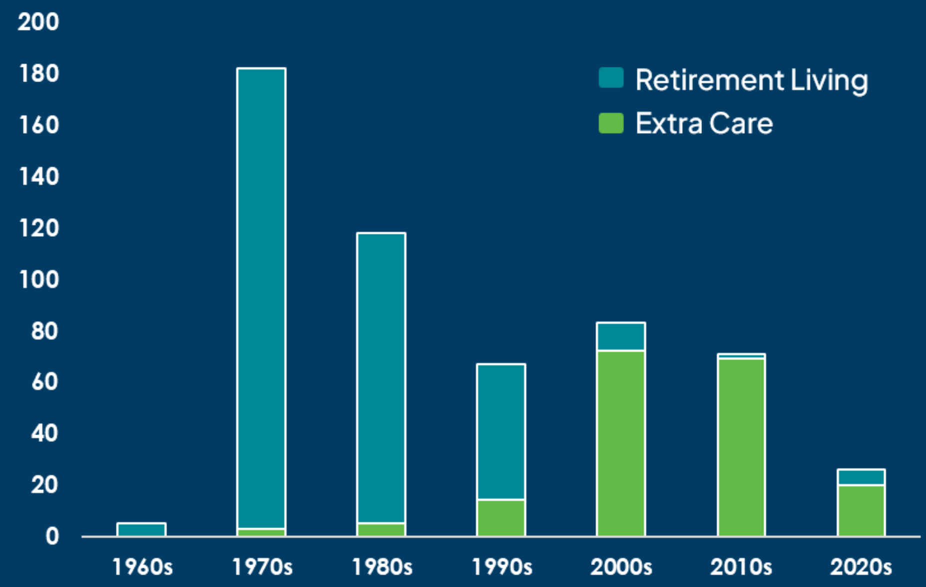
Introduction

This Asset Management Investment Strategy outlines our strategic priorities, current approach and the future commitments we have set to drive continuous improvement. Providing safe, high-quality housing through a sustainable investment programme remains our core purpose.

Housing 21's stock consists of over 24,000 Extra Care and Retirement Living properties, which vary in age profile and operate across 215 local authority areas. The Asset Management Team work in close collaboration with residents, operational and corporate colleagues to ensure we provide an excellent local service, while continuing to undertake investment projects and achieve our overarching strategic objectives.

Our commitment to meeting all regulatory requirements and implementing our enhanced Property Standards ensures that our properties meet the needs and expectations of our residents. We deliver a substantial annual investment programme which is informed by comprehensive stock condition data, defined standards, direct feedback and innovation. Sustainability, value for money, supporting Housing 21's growth ambitions and investing in our people are also critical areas of strategic focus.

Our properties



Strategic priorities

Seven priorities have been established to align with Housing 21's wider strategy. We identified key areas which require high involvement from the Asset Management team and will have the most impact on the service we deliver.

1. Providing quality properties
2. Involving and empowering residents
3. Growth and modernisation
4. Value for money
5. Data informed decisions
6. Sustainability
7. Investing in our people and culture

Governance

To fully embed our strategic commitments requires transparency and robust governance. A key objective is ensuring we meet legal requirements and strive to achieve a position of 'doing no harm'.

We employ the following governance structure:

- The strategy is endorsed by the Board and championed by the DCEO and DoSAM
- The strategy includes clear, measurable objectives and performance indicators
- Ownership of Asset Management commitments is delegated to relevant senior managers
- Quality assurance is implemented in line with Housing 21's Board Assurance Framework
- Policies, performance and key decisions are reviewed and agreed through Property Steering Group
- Investment Development Committee have oversight of all agreed actions from Property Steering Group

Regulatory context

We are committed to working within all relevant legislation and regulatory requirements to ensure our homes are safe, well maintained and of a high quality.

In April 2024, the Home Standard was replaced by the new Safety and Quality Standard. This standard is set by the Regulator of Social Housing and requires registered providers to understand the condition of their properties and ensure they are well maintained and safe. It mandates that all stock meets the Decent Homes criteria, as well as being compliant with related laws and regulations.These include:

- Decent Homes Standard
- Housing Act 2004
- Homes (Fitness for Human Habitation) Act 2018
- Energy Efficiency Regulations 2015
- Regulatory Reform (Fire Safety) Order 2005 as amended by the Fire Safety Act 2021
- Social Housing (Regulation) Act 2023 (Awaab's Law)
- Building Regulations
- Procurement Act 2023
- Building Safety Act 2022
- Homes England Funding Conditions

Awaab's Law

Awaab's Law marks a pivotal regulatory change for registered providers in England. Under the Hazards in Social Housing (England) Regulations 2025, social landlords will be legally required to investigate and remedy emergency and significant hazards within a prescribed timeframes. The new regulation comes into effect in October 2025 and initially apply to damp and mould hazards and all emergency repairs. In 2026 this will extend to include a wider range of HHSRS hazards and from 2027 include all HHSRS hazards, excluding overcrowding.

Asset Management will support the wider organisation to meet the requirements of Awaab's law:

- Continue to carry out HHSRS assessment and Stock Condition Surveys on our schemes
- Provide technical assistance to Housing Managers where required
- Lead on resolving severe cases of damp and mould requiring major improvement works

Exceeding Decent Homes

The Decent Homes Standard is the UK Government's minimum technical benchmark, and we report our performance annually using their methodology. We met the standard across our stock in 2010 and introduced our enhanced Property Standards in 2015 to exceed these minimum requirements.

In September 2025, we participated in the government's consultation to reform Decent Homes. With changes anticipated, we will be proactive in evolving our approach to ensure our homes not only meet the revised standards but also reflect customer expectations and embrace innovation.

1. Providing high quality properties

Our investment strategy is crucial to providing high-quality, in-demand properties, ensuring we maintain our status as landlord of choice in the sector. We use a range of approaches to shape and inform our investment programme.

This investment has never been more critical. Sector tragedies relating to fire safety and damp and mould reinforce the importance of understanding the condition of our properties, while actively listening to residents and responding to their needs.

As such, we continue to invest in our stock and maintain our bespoke property standards, whilst ensuring we respond to changing regulations and resident expectations.

Stock condition survey

Our Surveying team undertake a comprehensive Stock Condition Survey of 100% of our stock every 5 years. Housing 21's stock condition survey is a detailed database of all the components we have across our stock, their condition and replacement date.

Housing 21's Property Standards

- Kitchens will be replaced every 20 to 25 years, with a backstop of 25 years
- Bathrooms will be replaced every 20 to 25 years, with a backstop of 25 years
- All properties will have an EPC rating of C or above
- All schemes will have a digital emergency call system installed in advance of the digital switchover
- Communal areas at schemes will have design-led decoration, which are inspected every 8-10 years to assess condition

The stock condition data we collect is essential to shaping the strategic direction of our assets. However, an investment programme derived solely from stock condition data would lack the necessary complexity to ensure optimum investment in our assets. In addition, we use:

- Enhanced Housing 21 Property Standards
- Synchronised and intelligent sequencing of works and modernisations
- Information provided through regular meetings with residents and our operational colleagues to discuss the programme
- Repairs data for significant components
- Energy performance data (including SAP and KW/h)
- Remodelling and development of underutilised spaces
- Data supplied by our service contractors

Our schemes are supported by bespoke business plans which undergo regular review. When a business plan signals potential concerns regarding the viability of a scheme, an options appraisal is conducted to ascertain the optimal strategy, whether it involves additional investment, remodelling, or disposal.

Design-led makeovers

We have dedicated resources and expertise within the team. We adopt an individualised approach to each project, allowing residents to have a voice before, during, and after the works are completed. Careful consideration is given to all aspects of our designs, including the use of colour, contrast, lighting, décor, flooring and wayfinding.

Housing 21 is a dementia-friendly organisation and our schemes have many residents living with dementia, sight impairment and physical difficulties. As defined in Housing 21's Dementia-friendly Design Guide, we follow established principles to support residents' independence and quality of life.

These standards are part of Housing 21's corporate dementia action plan and have been adopted for refurbishments of existing stock as well as new build developments.

Specifications

Housing 21's investment programme centres on ensuring that the components we install are fit for purpose and meet residents' expectations. Our specifications are regularly reviewed to ensure key components are durable and align to the lifecycles outlined in our enhanced Property Standards and the Decent Homes Standard. While value for money is paramount, it is equally important that our specifications incorporate innovation and produce high-quality results. Where necessary, we partner with specialist suppliers to ensure products are suitable for our customer demographic. We actively seek resident involvement when reviewing specifications, especially for the property standards, and incorporate their feedback into our decision making.

Digital call technology

We have already made significant progress in transitioning our warden call systems from analogue models and 85% of our stock now has a digital installation. We are undertaking a procurement exercise to deliver the remainder and are focused on systems that prioritise two-way digital engagement.

Our commitment

- Complete physical inspection of all dwellings and continue to validate stock condition survey data
- Complete resident-led review of kitchens and bathrooms specifications
- Utilise EPC data to inform investment decisions
- Develop a specification for digital emergency call systems which promotes improved customer influence and engagement
- Continue to deliver design-led makeover programme, informed by residents' needs, preferences and contemporary trends

2. Resident involvement and empowerment

Involving and empowering our residents in decision making is essential for the continual improvement of our Asset Management service.

Meaningful engagement

Surveyors and Operations hold annual, in-person resident engagement meetings which centre around key topics including quality, safety and the environment. The meetings provide us with a forum to listen to residents at a local level, receive feedback on performance and suggestions for service improvements.

Residents are informed about the investment programme through meetings and individual letters which detail the 5-year programme. Supplementary literature, including handbooks and guidance, are readily available. We are continually looking at means to diversify how we communicate with residents, aligning our approach with Housing 21's wider engagement strategy.

Prior to any investment projects, consultations are held with residents so they fully understand the scope, impact and sequencing of works.

Providing choices

Providing choice is central to empowering our residents. Prior to any new kitchen or bathroom project, they will receive a consultation from the Surveyor and contractor. We offer different options for fixtures, fittings and finishes from our specification, ensuring homes reflect residents' personal preferences and choices, while remaining appealing to future tenants.

For communal makeover projects, the Designers hold a resident consultation and present a variety of tactile mood boards to demonstrate different makeover options. All residents are given voting slips to express their preferred design.

Continuous improvement

We recognise the value of resident feedback to comprehend our customers' unique needs, experiences and expectations. We use feedback as a tool to inform strategic decisions and actively seek to obtain residents' perspectives and ideas.

Residents were instrumental to initially shaping Housing 21's enhanced Property Standards. Since these standards were first introduced, we have continued to involve residents in our activities. To gather direct, quality feedback, we have hosted several product review days, with supplier demonstrations, across different regions. The feedback provided by these focus groups is used to develop our specifications.

We gather post-investment satisfaction data through a digital survey which is sent to local Housing Managers. Our Senior Management Team have carried out comprehensive post-investment reviews, which capture user experience, of key areas such as digital call systems, makeovers and bathrooms. We will continue to enhance our methodologies for monitoring post-investment satisfaction and apply any lessons learned.

Our commitment

- Communicate our Asset Management Investment Strategy to residents
- Develop a resident engagement plan in alignment with Housing 21's resident communications approach and enhance our current resources
- Surveyors will undertake annual in-person resident engagement meetings
- Managers will conduct in-depth reviews which capture resident experience

3. Growth and modernisation

Asset Management is instrumental to supporting Housing 21's ambitious growth strategy.

Full modernisations

Full modernisations make a significant impact at transforming outdated schemes, creating quality, desirable homes while extending the lifespan of the scheme. These projects often involve sequencing investment works into a single project, which minimises disruption and offers financial savings through economies of scale.

Site development and underutilised space

Enhanced communal spaces and additional units have been created through developing underutilised spaces and building extensions. All proposals are backed by a strong business case, and we collaborate closely with key stakeholders. Where possible, we leverage grant funding to supports the costs of re-development.

Acquisitions

Since 2023, Housing 21 has acquired over 2,400 units from other providers. We are dedicated to ensuring that these properties are refurbished to meet our Property Standards and are brought up to the equivalent quality of the rest of our stock.

New build developments

As we build new homes, it is imperative that we ensure a smooth, effective handover. A collaborative approach between the Development and Delivery and Asset Management teams throughout all key stages of the build is essential to achieving this. Additional support may also be offered in areas where we have specific expertise, such as interior design.

Our commitment

- Ensure all newly acquired stock is brought up to Housing 21's Property Standards
- Provide technical expertise to support pre-acquisition appraisals
- Sustain team resilience, adopting an adaptive approach to accommodate business growth
- Attend all key milestone meetings for new build developments

4. Value for money

Value for money is central to our delivery objectives as we strive to achieve the greatest return from our assets and the best outcomes for residents.

Procurement

Our procurement strategy is robust and effective, focused on achieving Best Value. We have established several long-term frameworks and contracts, while maintaining high levels of competition across our supply chains.

Component lifecycles

Key to achieving value for money is investing in line with our property standards, as well as our 'optimal time' approach to component replacement. This ensures that components are not just renewed on a simple cyclical basis, preventing premature replacement and maximising their useful life. Durability is central to our specifications to extend the useful life of our components.

Social value

Housing 21 have made concerted efforts towards capturing examples of social value from across the organisation and it is now included within the annual financial statements. Many of our contractors have already demonstrated good social value practice. Going forward, we will be proactive in identifying and centrally recording these examples of social value related to Asset Management activity.

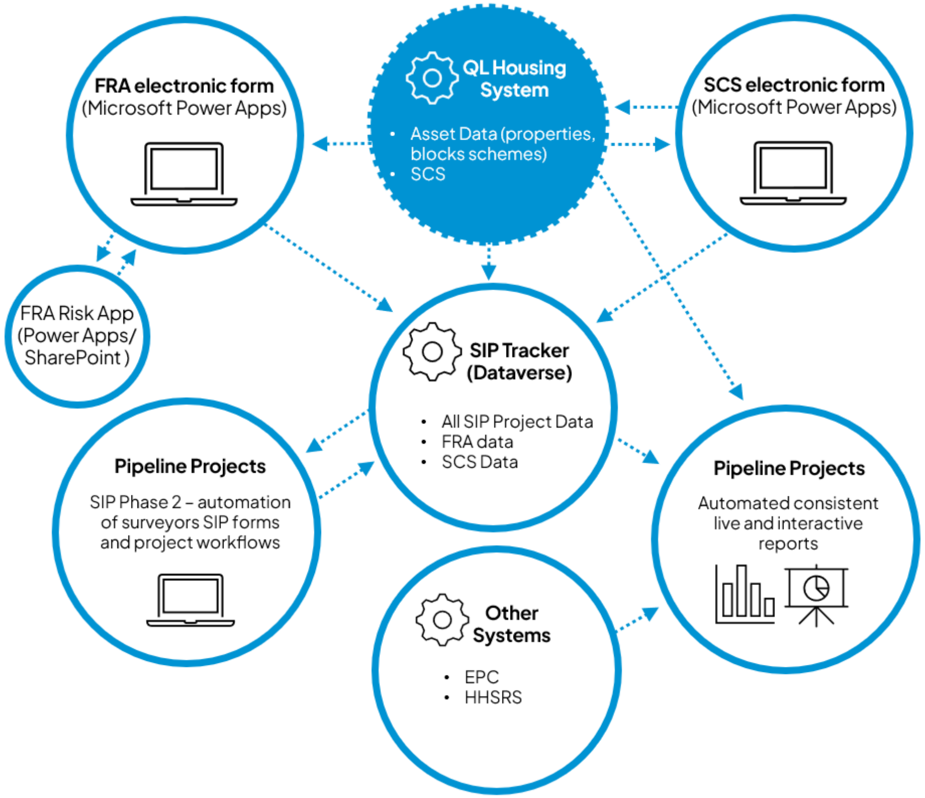
Furthermore, we will work closely with our operational colleagues to ensure that the social value offer from our contractors has a meaningful benefit to residents and the wider community.

Our commitment

- Uphold compliance with the UK Procurement Act 2023
- Strengthen our team to ensure greater focus on value for money
- Benchmark and compare costs and working practices against similar organisations
- Develop initiatives to engage residents in procurement exercises and specification and developments
- Undertake quality reviews of key components

5. Data informed decisions

The data we collect, manage and maintain facilitates decision making especially around the quality, safety and sustainability of our properties. Our objective is to leverage robust and reliable data to strengthen decision-making, ensuring that our property investment strategies are proactive, efficient, and aligned with long-term asset performance.



The Asset Management data framework identifies key data including the source, reporting requirements, accuracy and owner. The information we hold is regularly validated against our asset list and reported to senior management to review and confirm performance. We ensure that all data collected fully meets GDPR requirements and Housing 21 data governance.

It is critical that our models and reporting tools are fit for purpose and accessible, enabling our colleagues to easily locate and manipulate data for the insights they require. While we have a dedicated team of data professionals who support with monitoring performance, we are committed to empowering everyone to become more confident with using data. We will continue to work collaboratively with the wider organisation on any shared initiatives and to embed a positive data culture.

Our commitment

- Maximise asset potential using robust data and targeting investment decisions
- Create data quality dashboards for all main data sets

6. Sustainability

Housing 21 has launched its Net Zero Carbon and Environmental Sustainability Strategy 2024 - 2030, detailing several Key Performance Indicators (KPIs) to measure progress.

Recent government updates to EPC methodologies, Minimum Energy Efficiency Standards, and heat network and metering regulations will continue to influence our strategic direction for sustainability.

Energy Performance Certificates (EPC)

Under the previous EPC methodology (RdSAP 9.94), Housing 21 achieved an EPC rating of C or above across 99% of its stock. In June 2025, the UK Government introduced RdSAP 10, an update to the EPC methodology. The new approach has changed the evaluation criteria and as such may change may affect our existing ratings—some properties may improve, while others risk falling below a C.

We are proactively reviewing EPCs due to expire before 2030 to identify those at risk of dropping below the threshold. Where properties meet the C rating, we will renew certificates to secure compliance. Where they fall short, we will plan targeted improvements, exploring grant funding opportunities where available.

Minimum Energy Efficiency Standards

In July 2025, Housing 21 responded to the government's consultation on introducing Minimum Energy Efficiency Standards (MEES) for the social rented sector. The consultation proposed a three-part metric, measuring Fabric Performance, Smart Readiness, and Heating Systems, as the basis for MEES, alongside transitional measures, exemptions, and implementation plans.

A separate consultation on the Home Energy Model (HEM) is expected later in 2025, which will outline grading options for MEES compliance. Housing 21 is well positioned to meet MEES, but a thorough understanding of the HEM criteria will be essential to assess its alignment with EPC requirements.

Given the potential future transition to HEMs, we will continue to remain mindful over our investment, ensuring we appropriately balance EPC gains, cost and disruption to residents. We also recognise that actual energy consumption by our residents is often lower than EPC assumptions, and this will inform our strategic approach to energy efficiency upgrades.

Heat network and metering regulations

Housing 21 operates heat networks (communal heating systems) across a third of its stock. By April 2027, housing associations must register with Ofgem and meet new standards to remain authorised. Additionally, heat metering regulations are under review.

The heat network regulatory regime will cover a wide range of topics, including:

- Reporting to Ofgem, monitoring and enforcement
- Pricing regulation
- Complaints and redress
- Metering, billing and service charge reform
- Debt management and protections for vulnerable consumers
- Provision of information to residents
- Compensation

Housing 21 will be required to record controller settings to ensure minimum and maximum heat outputs. As our heat networks are often set higher than designed due to residents' needs and preferences, formal heat agreements will assist in clarifying obligations and support consistent, efficient heating delivery. While Operational and Finance teams will lead with ensuring compliance with the new regulations, Asset Management will proactively support with any building-related requirements.

Piloting new technologies

We are continuously researching low carbon heating solutions and, following comprehensive appraisals, have trialled several new technologies. However, these systems often come with compromises including greater disruption to residents, increased installation costs, higher costs of use and more complex system controllability. Many low carbon technologies depend on grant funding to be viable, and we continue to pursue available opportunities.

Our commitment

- Undertake comprehensive review of Housing 21's EPC position under RdSAP 10 methodology
- Develop investment plans for schemes below EPC C (RdSAP 10), compliance with MEES and HEM, leveraging grant funding where possible
- Support the wider organisation with ensuring compliance with heat network regulations

7. Investing in our people and culture

Our people are pivotal to the quality of the service we deliver, and we have a strong appreciation for the role they play in delivering our strategic priorities.

Housing 21 is an Investors in People Platinum organisation and, as a specialist technical team, we will continue to invest in our team to ensure all our people are equipped with the necessary knowledge, skills and tools for their roles.

Engaging and listening to our employees is valuable to promoting a positive team culture. We value inclusivity and use a variety of forums, including employee survey results, to ensure everyone's voice is heard and their ideas are considered.

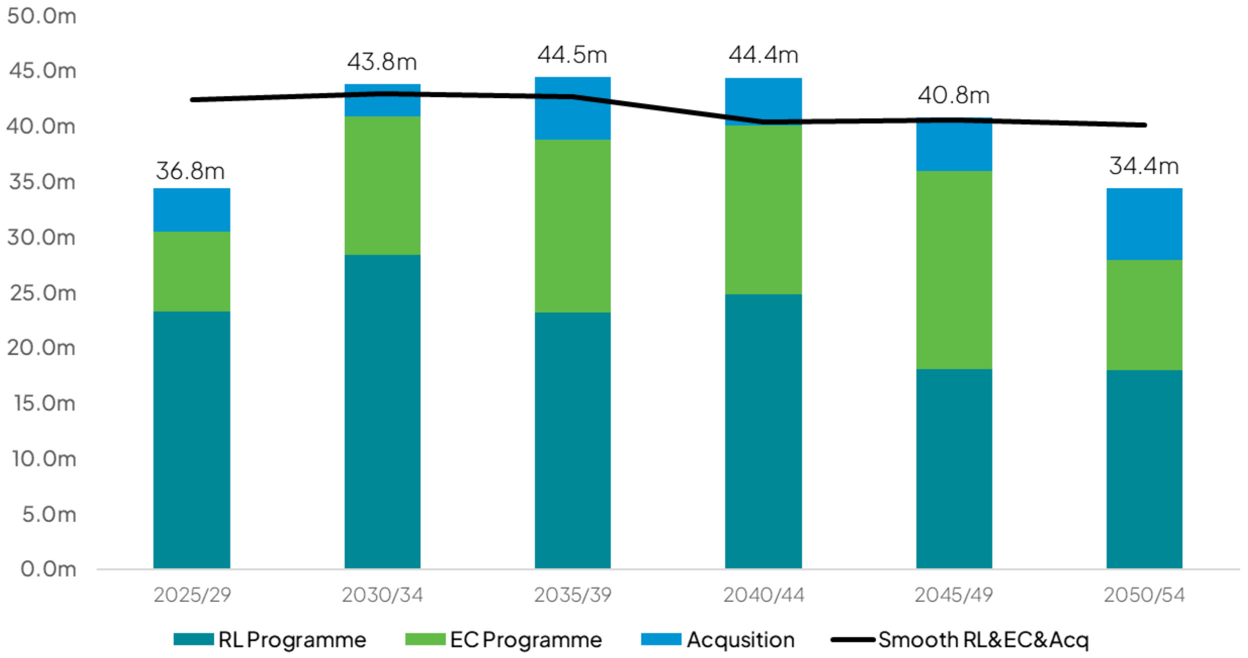
Our commitment

- Develop an induction plan for new employees, including signposting to Housing 21's employee resources and benefits which support wellbeing
- Review and develop training plan for new and existing employees, ensuring all employees are trained to meet regulatory requirements
- Automate core business processes, reducing the need for manual intervention
- Maintain a positive culture through regional in-person meetings and national events, including recognition and reward opportunities
- Participate in interdepartmental events to promote cohesive working
- Maintain an up-to-date succession plan

Business plan

The table and graph demonstrates our investment programme broken down by business stream.

	2025/29	2030/34	2035/39	2040/44	2045/49	2050/54
RL Programme	23,307,325	28,393,457	23,159,316	24,813,249	18,107,213	17,997,021
EC Programme	7,126,693	12,447,332	15,641,407	15,280,922	17,869,089	9,897,251
Acqusition	6,327,527	2,954,813	5,651,463	4,297,807	4,808,287	6,488,970
Total	**36,761,545**	**43,795,601**	**44,452,185**	**44,391,978**	**40,784,590**	**34,383,243**
Smooth RL&EC&Acq	**42,377,378**	**42,960,518**	**42,700,271**	**40,375,890**	**40,572,908**	**40,081,095**



Action plan

Providing high quality properties								
Commitment	Q3 (25/26)	Q4 (25/26)	Q1 (26/27)	Q2 (26/27)	Q3 (26/27)	Q4 (26/27)	Q1 (27/28)	Q2 (27/28)
Complete physical inspection of all dwellings and continue to validate stock condition survey data								Ensure we are on target to achieve by Q4
Complete resident-led review of kitchens and bathrooms specifications								
Utilise EPC data to inform investment decisions	Ongoing							
Develop a specification for digital emergency call systems which promotes improved customer influence and engagement								
Continue to deliver design-led makeover programme, informed by residents' needs, preferences and contemporary trends	Ongoing							

Resident involvement and empowerment								
Commitment	Q3 (25/26)	Q4 (25/26)	Q1 (26/27)	Q2 (26/27)	Q3 (26/27)	Q4 (26/27)	Q1 (27/28)	Q2 (27/28)
Communicate our Asset Management Investment Strategy to residents			Part of new REM template					
Develop a resident engagement plan in alignment with Housing 21's resident								

communications approach and enhance our current resources								
Surveyors will undertake annual in-person resident engagement meetings	As per local arrangements							
Managers will conduct in-depth reviews which capture resident experience								
Growth and modernisation								
Commitment	**Q3 (25/26)**	**Q4 (25/26)**	**Q1 (26/27)**	**Q2 (26/27)**	**Q3 (26/27)**	**Q4 (26/27)**	**Q1 (27/28)**	**Q2 (27/28)**
Ensure all newly acquired stock is brought up to Housing 21's Property Standards	As per deadlines determined by Housing 21's acquisitions and new build development programme.							
Provide technical expertise to support pre-acquisition appraisals								
Sustain team resilience, adopting an adaptive approach to accommodate business growth								
Attend all key milestone meetings for new build developments								
Value for money								
Commitment	**Q3 (25/26)**	**Q4 (25/26)**	**Q1 (26/27)**	**Q2 (26/27)**	**Q3 (26/27)**	**Q4 (26/27)**	**Q1 (27/28)**	**Q2 (27/28)**
Uphold compliance with the UK Procurement Act 2023	Ongoing							
Strengthen our team to ensure greater focus on value for money								
Benchmark and compare costs and working practices against similar organisations								

Develop initiatives to engage residents in procurement exercises and specification and developments								
Undertake quality reviews of key components		Annual exercise				Annual exercise		

Data informed decisions

Commitment	Q3 (25/26)	Q4 (25/26)	Q1 (26/27)	Q2 (26/27)	Q3 (26/27)	Q4 (26/27)	Q1 (27/28)	Q2 (27/28)
Maximise asset potential using robust data and targeting investment decisions	Ongoing							
Create data quality dashboards for all main data sets								
Automate stock investment project delivery								

Sustainability

Commitment	Q3 (25/26)	Q4 (25/26)	Q1 (26/27)	Q2 (26/27)	Q3 (26/27)	Q4 (26/27)	Q1 (27/28)	Q2 (27/28)
Undertake comprehensive review of Housing 21's EPC position under RdSAP 10 methodology								
Develop investment plans for schemes below EPC C (RdSAP 10), compliance with MEES and HEM, leveraging grant funding where possible								
Support the wider organisation with ensuring compliance with heat network regulations	As per Housing 21's requirements							

Investing in our people and culture								
Commitment	Q3 (25/26)	Q4 (25/26)	Q1 (26/27)	Q2 (26/27)	Q3 (26/27)	Q4 (26/27)	Q1 (27/28)	Q2 (27/28)
Develop an induction plan for new employees, including signposting to Housing 21's employee resources and benefits which support wellbeing								
Review and re-develop team training plan for new and existing employees, ensuring all employees are trained to meet regulatory requirements								
Maintain a positive culture through regional in person meetings and national events, including recognition and reward opportunities		National event				National event		
Participate in interdepartmental events to promote cohesive working	As per arrangements							
Maintain an up-to-date succession plan			Review				Review	
Automate core business processes, reducing the need for manual intervention							As per Business Systems' schedule	