Trading update

For the year ended
31 March 2025

Housing 21 is today issuing a trading update for the year ended 31 March 2025 which includes various financial and operational information. Whilst the financial information is audited, this update is provided for information purposes only.

Housing 21 is a leading, not-for-profit, specialist provider of older people's housing with on-site care or support. Across the sector, older people's housing is referenced by different terminology and offers varying degrees of support. For us, we have two offers: Retirement Living (which provides on-site support) and Extra Care (which has on-site Care Workers available 24/7). Except for The Watermill in Walsall, we do not manage care homes.

Highlights

- Housing 21 owns/ manages 24,004 properties, a net increase of 546 properties (31 March 2024: 23,458).
- We completed 255 newly developed homes for older people during the year and expanded further through the acquisition of 1,566 Extra Care properties from Midland Heart and 42 homes from Rooftop Housing. These increases were partly offset by the disposal of a portfolio of 1,158 leasehold properties.
- Turnover increased by 7.9 percent to £296.6 million (March 2024: £274.9 million) and operating surplus increased by 35.1 percent to £37.5 million (March 2024: £27.8 million).
- EBITDA-MRI interest cover was 122 percent (March 2024: 141.9 percent) [(1)] and Gearing was 41.1 percent (2024: 38.3 percent) [(2)].
- Undrawn facilities include £50m retained bond which is fully secured and £133m of secured revolving credit facilities and we have sufficient liquidity to August 2027.
- S&P re-affirmed our credit rating of A- with a stable outlook in August 2025 and the Regulator of Social Housing re-affirmed our V1 rating in May 2025.

Notes
(1) EBITDA-MRI defined by the regulator of social housing includes impairments – the outturn including impairments was 104.6 percent.
(2) Gearing calculated using the Regulator of Social Housing's gearing metric.

Operating review

Turnover, costs, and surpluses

The financial year ending 31 March 2025 was a good year for Housing 21. We celebrated our 60th anniversary as a housing association, improved on our already sector-leading levels of resident satisfaction, continued to invest to maintain the high-quality standards of our properties, combined a strong development pipeline with our biggest ever acquisition, delivered great services with the support of our fabulous employees and did all this whilst also achieving better-than-budgeted financial results.

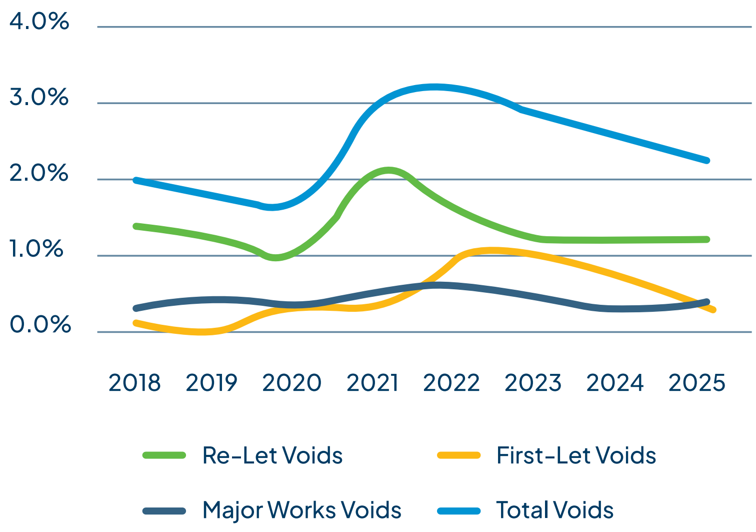
Great results are not a matter of luck or chance, but the consequence of our complete commitment to do our best to deliver on our purpose of enabling older people to live well, with dignity and autonomy, by providing high quality yet affordable housing with support or care.

A summary of financial performance for the 12 months ended 31 March 2025 compared to the same period in the prior financial year is set out below.

12 months ended 31 March	2024 £m	2025 £m	Change %
Turnover	274.9	296.6	7.9
Social housing lettings	199.7	226.9	13.6
Shared ownership and outright sales	10.7	6.1	(42.4)
Other social housing activities	7.9	6.5	(18.3)
Care services	53.4	55.2	3.4
Other non-social housing activities	3.3	2.0	(40.2)
Operating costs and costs of sale	**(244.1)**	**(261.3)**	**7.0**
Gain on disposal of other assets	**0.6**	**4.1**	**576.9**
Operation surplus (excluding charitable donation)	**31.5**	**39.5**	**25.6**
Charitable donation	(3.7)	(2.0)	(45.9)
Operating surplus	**27.8**	**37.5**	**35.1**

Turnover

Turnover increased 7.9 per cent to £296.6 million (2024: £274.9 million). This strong performance was driven by a combination of factors: the continued expansion of our portfolio through acquisitions and new developments, the permitted rent increase of 7.7 per cent in line with September 2023's CPI plus one per cent, and higher revenue recognition from our PFI/PPP contracts.



Overall voids were 2.2 per cent; an improvement compared to the prior year. Notably, re-let voids remained low at 1.2 per cent, demonstrating continued resilience despite increased rental and service charges in recent years. We maintain strong relationships with local authorities and manage our own waiting lists to enable timely lettings and minimise rental loss.

We continue to take a careful and responsible approach to sales, offering shared ownership only where it is the right option for residents and communities, rather than as a default. We do not rely on sales income to meet our financial commitments. In 2024/25, we supported 33 households into home ownership through shared ownership, with buyers typically purchasing around half of their home (average equity share: 52 per cent). We also completed two outright sales. At the year-end, we held 53 sales properties available to future residents.

Our acquisition from Midland Heart added 246 homes to our sales portfolio (134 shared ownership and 112 leasehold), of which 12 were available for sale at the point of transfer. Under the terms of the lease, we are required to buy back these properties when residents sell. In 2024/25, we repurchased 14 homes and were pleased to help seven more households move in through resale (four shared ownership and three outright sales).

Pictured above: St Crispin Village, which was acquired through the Midland Heart transfer

Operating costs and costs of sale

Overall costs excluding our charitable donations increased by 7.0 percent to £261.3 million (2024: £244.1 million). Management costs increased by £6.1 million compared to the prior year, primarily driven by our growth through acquisitions. In addition, we remain committed to attracting and retaining high-quality employees and awarded a five percent pay increase at the start of the financial year.

Maintenance costs increased by £4.5 million year on year, reflecting our continued investment in high-quality homes for residents. Of this increase, £2.3 million related to planned maintenance and £2.2 million related to day-to-day responsive repairs. Planned maintenance naturally varies depending on the timing of scheme refurbishments, with our property standards ensuring that every scheme receives a communal makeover at least once every 10 years to maintain high living standards.

Pictured above: The communal kitchen at Dorothy Terry House before (left) and after (right) the scheme makeover

This year, we also invested £1.3 million in upgrading recently acquired schemes, which contributed significantly to the overall increase. The rise in responsive repair costs reflects our enlarged property portfolio, inflationary pressures, and higher repair volumes. This was driven both by the natural ageing of our existing stock and by newly acquired schemes reaching the stage where repairs are required.

We have recognised impairments of £5.2 million in the year, largely relating to the planned decommissioning of two tower blocks, Ash Grange and Oak Grange in Liverpool. While both buildings remain entirely safe, expert surveyors have advised that the concrete frames are at risk of erosion within the next five to 10 years, and even with significant investment, their lifespan would be unlikely to extend beyond 20 years.

After careful consideration, we felt it was the right decision to begin the process of supporting residents to find suitable alternative accommodation. The properties have therefore been impaired, and the site is expected to be redeveloped in the coming years.

Gain on disposal of other assets

The gains on disposal on other assets has been generated through the disposal of our leasehold portfolio, which was announced in March 2024 and completed in July 2024, and the continued disposal of our non-social rented portfolio and staircasing.

Charitable donations

Building on the success of our award-winning Helping Hands Fund, we have established an independent charitable trust to further enhance the wellbeing of Housing 21 residents. Thanks to our strong performance this year, we were able to donate £2 million to the new Housing 21 Resident Support Trust Limited. These funds will be dedicated to supporting residents' wellbeing and to funding projects that make a real difference in our communities. The Trust will be overseen by independent trustees, ensuring transparent and fair distribution of funds.

This new initiative follows the £200 payment made to Housing 21 residents last year, reflecting our ongoing commitment to supporting those who live with us.

Growth and investment

Development

Housing 21 plays a critical role in the future of older people's housing as one of the few providers actively developing new social housing specifically for this demographic. We remain committed to delivering at least 400 new homes annually.

We delivered 255 completions during the year, comprising 172 Retirement Living properties across four schemes and 83 Extra Care properties in a single scheme, falling just one unit short of our target of 256. Notably, we achieved 511 starts on site making us the 25th largest registered provider by starts on site and third largest programme of social rent properties in 2024/25. Overall, we have delivered 25 percent of all new Older Persons Housing (through Homes England) over the last 10 years.

At the end of the financial year we also had an additional 19 development projects on site that are set to deliver a further 1,028 new properties as well as a strong pipeline of other development prospects.

Development spend on new properties amounted to £96.5m million and this growth has been supported by funding secured from our local authority partners, totalling £0.7 million, alongside £39.6 million received from Homes England.

Pictured above: South Hayling Court, a newly completed Retirement Living scheme

Acquisitions

The 2024/2025 year was also our biggest yet for the acquisition of specialist housing for older people from other providers. As well as acquiring one Extra Care scheme with 42 properties from Rooftop Housing Association, we acquired 1,566 properties from Midland Heart. Almost 85 percent of these homes are for social rent, but with some shared ownership and leasehold properties. The portfolio also included several retirement villages, which provide an exciting new dimension to the range and type of services we deliver.

St Matthew's Court, one of the schemes acquired from Midland Heart

The acquisitions have also increased the number of Extra Care schemes in the Housing 21 portfolio to 191 and, for the first time, we have exceeded the threshold of 10,000 Extra Care properties, thus confirming our status as the leading provider of this specialist form of accommodation.

Investment and compliance

We are committed to ensuring our properties remain 100 percent safe with no outstanding compliance concerns in respect of fire, gas, electrical, water, asbestos or lift safety. We also have no instances of unaddressed damp or mould. We not only ensure all our properties meet the national Decent Homes Standard but also seek to apply more exacting standards that include having kitchens and bathrooms that are no more than 25 years old and a design-based makeover or refresh of communal areas every 10 years.

A newly refurbished bathroom at Edward Arnold Court

This is a significant undertaking and last year we invested £38.8 million in maintaining the standards of our properties and a further £8 million on their décor and design. These high standards demonstrate the positive respect and dignity we believe older residents deserve.

Green Lane View following its interior design makeover

Virtually 100 percent of our properties (99 percent) also achieved Energy Performance Certificate Level C; those that did not were because the resident has declined to have the necessary works undertaken or the works are about to commence on newly acquired schemes.

We are committed to moving from this strong position of energy efficiency towards a situation where all energy is derived from non-fossil fuel sources, but in making this transition we will remain acutely aware of not making decisions that are detrimental the convenience and affordability of heating options for our residents.

Below is an overview of our performance against our property standards.

	Housing 21*	Acquisitions	Combined	Comments
Decent Homes*	100%	100%	100%	As at 31/3/25, excludes Somers Court
Kitchens	100%	97.7%	99.8%	1 schemes outstanding
Bathrooms	100%	90.7%	99.2%	4 schemes outstanding
Makeover	100%	18.6%	93.2%	35 schemes outstanding
EPC C (schemes)	98.5%	97.7%	98.4%	8 schemes outstanding
Digital Call	90.5%	34.9%	85.8%	73 properties outstanding

*Housing 21 rented stock excluding Kent and Oldham PFI, Market Rent, Rukba

Property standards performance as July 2025

Our focus continues to be on compliance first and we demonstrate strong performance across our key compliance metrics. Where we do not achieve 100 percent, we ensure the property is temporarily made void and/ or appliance is not in use and other protections are in place, so no resident is ever at risk.

99.98% Fire risk assessments	**100%** Gas safety	**99.4%** Asbestos re-inspection	**100%** Water hygiene
98.8% Fire alarms	**99.8%** LOLER lift inspection	**100%** Hardwire testing	**99.6%** Emergency lighting

Compliance performance as July 2025

Treasury and financing

	31 March 2024	31 March 2025
Gross debt	£666.8m	£750.1m
Cash including short term investments	£108.3m	£71.7m
Net debt	£558.5m	£678.4m
Housing property value	£1,503m	£1,698m
Gearing	38.3%	41.1%
Cash and undrawn committed facilities (1)	£191.8m	£213.7m
Liquidity horizon (2)	October 2025	February 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

At 31 March 2025, Housing 21 held £71.7 million in cash and cash equivalents, of which £25.7 million was unrestricted. Liquidity is supported by a fully secured and unsold £50 million retained bond, along with £188 million of secured, undrawn revolving credit facilities (RCFs).

Total available liquidity at year-end was sufficient to meet all projected financing requirements through to August 2027. This forecast covers operating cash flows, planned investment in new and existing properties, potential acquisitions, debt servicing obligations, and expected grant income. However, to maintain compliance with our internal golden rule of holding a minimum of 18 months' forward liquidity, new facilities will need to be secured by February 2026.

At 31 March 2025, net debt stood at £658.4 million (compared to £558.5 million at 31 March 2024), reflecting increased investment activity. Gearing, as measured using the Regulator of Social Housing's Value for Money metric, was 41.1 percent (2024: 38.3 percent).

External endorsement

We are proud that we retained our financial viability rating (V1) and Standard and Poor's reaffirmed our credit rating of A-, with a stable outlook in August 2025.

The Regulator of Social Housing said: "Based on the evidence gained from the inspection we have concluded that there is appropriate assurance that Housing 21's financial plans are consistent with, and support, its financial strategy. Housing 21 has appropriately evidenced that it has an adequately funded business plan, sufficient security in place to support its financial plans, and Housing 21 is forecast to continue to meet its lenders financial covenants under a wide range of adverse scenarios. Housing 21's Board has effective oversight of its financial position."

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 12 months ending 31 March 2025.

These materials do not constitute or form part of and should not be construed as, an offer to sell or issue, or the solicitation of an offer to buy or acquire securities of Housing 21 in any jurisdiction or an inducement to enter into investment activity. No part of these materials, nor the fact of their distribution, should form the basis of, or be relied on or in connection with, any contract or commitment or investment decision whatsoever. Neither should the materials be construed as legal, tax, financial, investment or accounting advice.

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.

Housing 21

CYBER ESSENTIALS CERTIFIED

ARMED FORCES COVENANT

INVESTORS IN PEOPLE®
We invest in wellbeing Gold

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We invest in people Platinum

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