Housemark

Llywodraeth Cymru
Welsh Government

Welsh RSL Global Accounts

Headline report 2025

March 2026

Cartrefi Cymunedol Cymru | Community Housing Cymru

Introduction

This report features key financial metrics and analysis for the social housing sector in Wales for the financial year 2024/2025.

This report was commissioned by Community Housing Cymru (CHC) and Welsh Government. The report and its accompanying online reporting tool have been delivered by Housemark.

In the main, data featured in this report is derived from financial statements published by all RSLs (Registered Social Landlords) in Wales in line with the Government's Accounting Requirements. Welsh Government collected and reviewed finance returns for 2024/25 from 32 RSLs operating in Wales.

Financial statements for social landlords across the UK and Ireland are published in a standard format as set out by FRS 102 and SORP. This degree of standardisation across UK housing providers makes it possible to draw useful comparisons with social landlords operating in England, Scotland and Northern Ireland.

Sector-wide key financial results 2024/25

(weighted averages)

£1.4bn	Total annual turnover
16.0%	Operating margin
9.2%	Annual growth in turnover
10.8%	Annual growth in operating costs
£6,638	Social housing cost per unit
178,515	Total residential housing stock[1]
109%	EBITDA MRI interest cover

Summary

About this report	This report contains 2024/25 Global Accounts summarised into 14 standardised metrics using data from 32 developing Registered Social Landlords (RSLs). It has been commissioned by CHC and Welsh Government.
Overall analysis	The Welsh RSL sector faced a complex and challenging operating environment in 2024/25, which had an impact on financial metrics as costs rise and surpluses fall.
Finances	Increased investment in housing stock safety and quality has resulted in reduced margins and interest cover. Borrowing continues to be managed carefully in a market with rising average interest rates.
Costs	The median overall cost per unit rate has risen by around 20%. This is largely driven by increased investment in existing stock, alongside smaller rises in management costs and other activities.
Growth	Median turnover grew at a slower rate compared to costs, which partly explains lower operating margins compared to 2023/24. Long-term borrowing and fixed asset values both increase year-on-year.

[1] Includes social and non-social homes. Excludes non-residential units.

Finances

The four measures in this section represent how the sector is performing in terms of profitability and borrowing over a three-year period. Previous years' figures may have been updated in line with revisions to account submissions.

With RSL increased investment in housing stock safety and quality during 2024/25, the sector's costs have risen and surpluses have reduced. This, alongside increased capitalised major repairs expenditure has impacted interest cover.

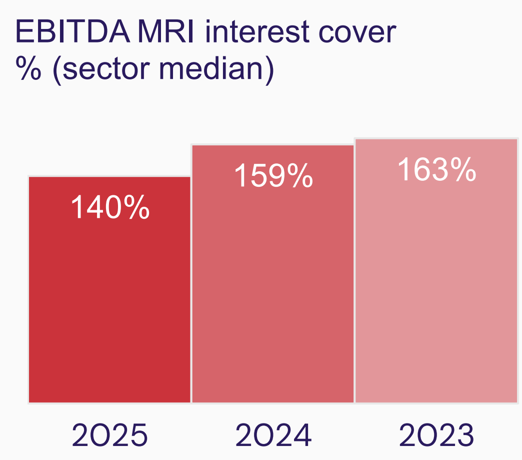
Operating Margin

The Operating Margin metric is calculated by showing the RSL's operating surplus as a percentage of turnover. Gains/losses on disposal of fixed assets are excluded from the surplus figure.

The pressure on RSL margins from increased investment in stock is shown with a 1.4 percentage point reduction in the median rate compared to 2023/24.

However, the latest figure is still higher than the 16% median recorded by the sector in 2022/23.

Interest cover

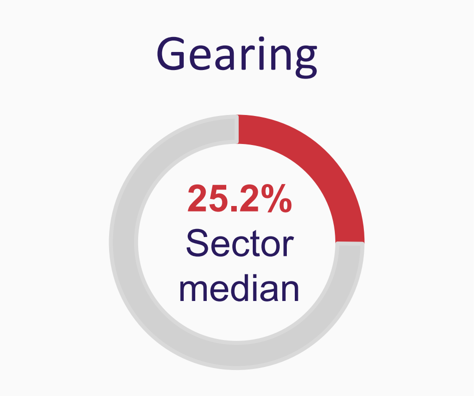


EBITDA with Major Repairs Included is calculated using a standardised methodology presenting earnings less capitalised major repairs as a proportion of interest payable. RSLs may have agreed a different versions of this metric with lenders to measure adherence to loan covenants[2].

We anticipate that results for this EBITDA MRI interest cover measure will continue to be lower than previous years for the medium term as RSLs work towards the Government's targets on WHQS, energy efficiency, and decarbonisation.

Gearing

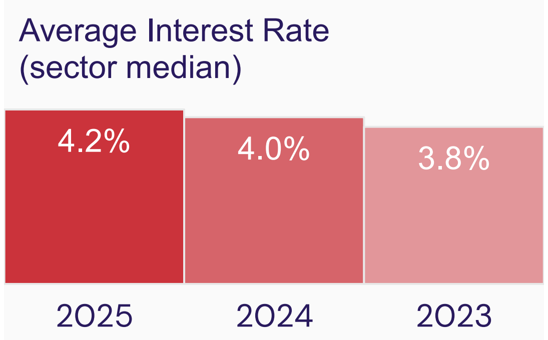
This metric assesses how much of the assets are funded by borrowing. It compares a landlord's net debt to the historic cost of its properties. RSLs' borrowing tends to change only incrementally year-on-year, with a median result consistently around 25%.



Cost of funding

Average interest rates have risen year-on-year as the cost of borrowing increased across the UK economy.

The 4.2% median for 24/25 indicates that the sector has negotiated beneficial rates across the loan portfolio.



[2] the calculations used for this report will not always be comparable with those reported in loan covenant reports. It is recommended that contact is made with individual RSLs if further clarity is required.

Costs

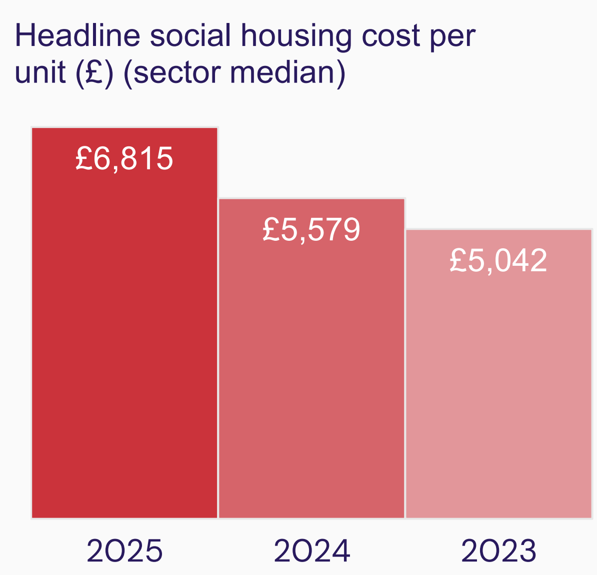
Increased costs for routine and planned maintenance are driving double digit year-on-year increases for many RSLs, with sector-wide capitalised major repairs expenditure increasing 57% between 23/24 and 24/25 – an increase of £105m. While lower increases in management costs and other activities have mitigated this rise, the median social housing cost per unit grew by 20%.

Housemark data shows that this pattern towards increased revenue and capital expenditure on maintenance is evident across the UK and is the result of a drive from all parties to improve the safety and quality of social housing.

Headline social housing cost per unit

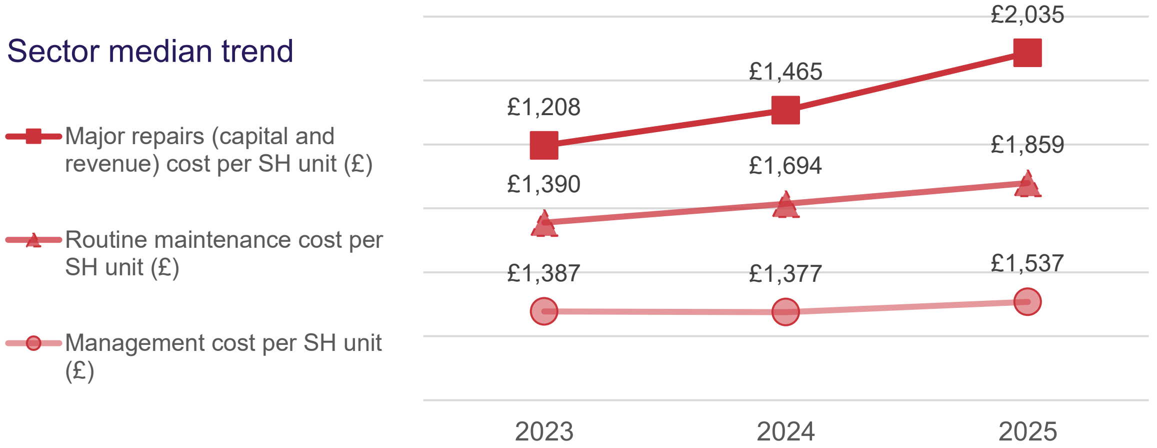
This measure isolates key operational expenditure managing and maintaining social homes. It excludes items such as depreciation and bad debt but includes capitalised major repairs expenditure for the period.

While capital and revenue investment in stock is driving expenditure, for individual landlords, other items may be significant. For example, RSLs with significant supported housing will record a higher cost per unit due to additional resourcing requirements.



Social housing cost breakdown

In the level below headline social housing costs, RSL financial statements provide a breakdown of expenditure into broad categories. While the interpretation of accountancy guidance may differ between landlords, sector-wide averages are useful to understand the split between activities.



Housing management

These two measures put a number on the effectiveness of lettings and income management activities, which are core elements of RSLs' businesses.

With average annual rental income per unit just over £6,000, these results equate to median percentage rates of 1.4% void loss and 5.2% arrears (which includes current and former tenants' arrears).

Growth

This section includes metrics to provide some context to the in-year measures shown on other pages of this report. By comparing 2024/25 to 2023/24 and 2022/23, it is possible to understand more about the direction of travel.

As highlighted elsewhere in this report, Welsh RSL finances have generally been resilient in the face of external operating environment pressures. Rent increases have driven turnover upwards, but the increase in operating costs in the last year has been higher, which has resulted in lower margin rates and interest cover.

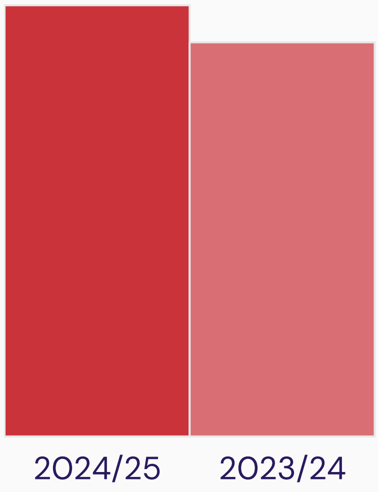
Turnover

The main component of RSLs' turnover is rental income from social housing – this accounts for around two-thirds of the total.

Outside social housing, turnover also includes income from activities such as shared ownership first tranche sales, service charge income and the development and acquisition of new homes for rent.

The average RSL rent increase between 2023/24 and 2024/25 was above 7% after considering the affordability of individual properties. This average increase in rental income is a key factor pushing median turnover growth to 9.4% over the period.

Sector median
Growth in turnover (%)
9.4%



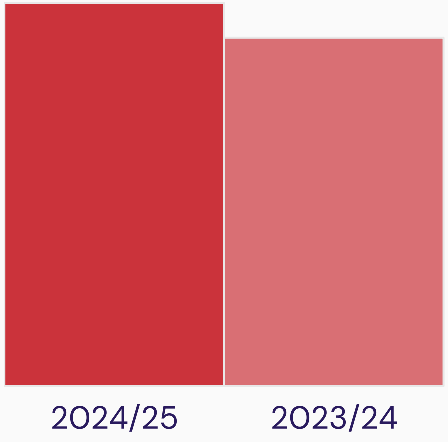
Costs

This metric shows the increase in costs reported by Welsh social landlords in the year between 2023/24 and 2024/25.

Unlike headline social housing costs, this measure takes account of all operating costs across the RSL's business.

Following a smaller rise in the year prior to 2023/24, RSLs costs have risen considerably during this reporting period, with a median increase of 9.9%. Compared to 2022/23, median operating costs have risen over 20%.

Sector median
Growth in operating costs (%)
9.9%



Finances

Expenditure of £290m on works that improve or extend the life of an asset and £870m on new developments offset by a reduction of £179m in property depreciation have driven a £1bn sector wide increase in total fixed assets.

Sector-wide long-term borrowing increased year-on-year by around £278m, with an increase of 4.5% at the median point.

4.5% Sector median
Growth in long-term borrowing (%)

8.9% Sector median
Growth in total fixed assets (%)

Global Accounts national results

The quartiles presented in these tables are numerical, meaning that 25th centile represents the lowest values and 75th centile the highest.

Financial metric	25th centile	Median	75th centile
Operating Margin (%)	12.7%	17.4%	22.0%
Gearing (%)	20.8%	25.2%	31.9%
EBITDA MRI interest cover (%)	40.4%	139.6%	198.1%
Average interest rate (%)	3.5%	4.2%	4.8%
Headline social housing cost per unit (£)	£5,654	£6,815	£7,761
Management cost per SH unit (£)	£1,317	£1,537	£1,920
Routine maintenance cost per SH unit (£)	£1,713	£1,859	£2,132
Major repairs (capital and revenue) cost per SH unit (£)	£1,760	£2,035	£2,710
Void loss per social housing unit (£)	£52	£87	£119
Arrears per social housing unit (£)	£245	£311	£459
Growth in turnover (%)	6.8%	9.4%	13.3%
Growth in operating costs (%)	5.8%	9.9%	15.4%
Growth in total fixed assets (%)	6.9%	8.9%	12.7%
Growth in long-term debt (%)	-0.3%	4.5%	14.5%