Vantage

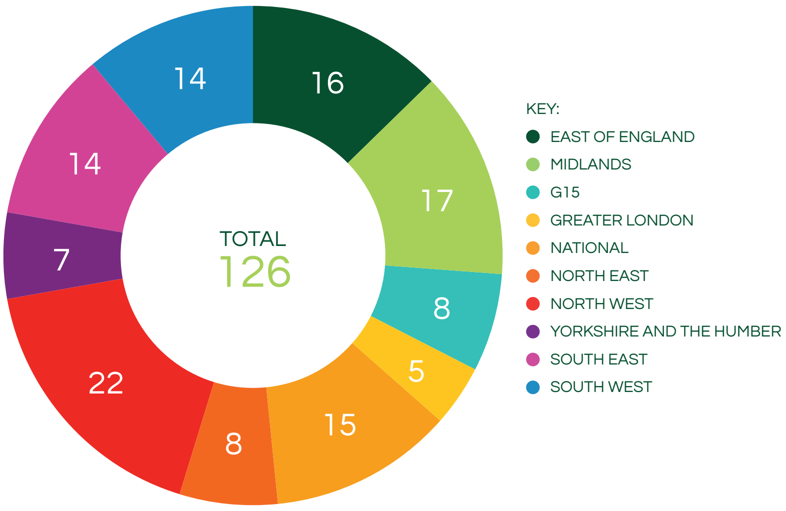
FINANCIAL STATE OF THE SECTOR REPORT FY24/25

Welcome to our tenth annual state of the sector report providing an overview of the financial headlines and key forward looking trends.

In summary the trend of reducing operating margins has certainly stabilised in FY24/25 which is positive. However, despite the uplift in rental income and a significant increase in property sales behind these margins, our analysis shows an average EBITDA MRI of below 100% for the first time in our ten years of reporting.

WHAT OUR SAMPLE REPRESENTS

NUMBER OF RPs:



- **126**
  REGISTERED SOCIAL HOUSING PROVIDERS
- **2,736,725**
  SOCIAL HOUSING UNITS OWNED AND MANAGED
- **90%**
  OF SECTOR TURNOVER

STOCK SIZE: TOTAL 126

0-10K	10-20K	20-50K	50K+
55 RPs	26 RPs	28 RPs	17 RPs

OUR HEADLINE ANALYSIS

£24.50BN
TOTAL TURNOVER UP 8.1% ON LAST YEAR

£5.34BN
OPERATING SURPLUS INCREASE OF 10.2%

£19.08BN
SOCIAL HOUSING TURNOVER
AN INCREASE OF 9.1%

EMPLOYMENT COSTS REACHED
£5.95BN
9% UP ON LAST YEAR

UNITS BUILT OR ACQUIRED
c. 49,000
A DECREASE OF 2%

AVERAGE DEBT WAS UP 8.6% TO
£94.95BN

HEADLINE SOCIAL HOUSING COST PER UNIT WAS
£5,856
COMPARED TO £5,333 IN FY23/24
A 9.8% INCREASE

INTEREST PAYABLE
£3.80BN
AN INCREASE OF 9%

ANALYSIS OF OPERATING MARGIN

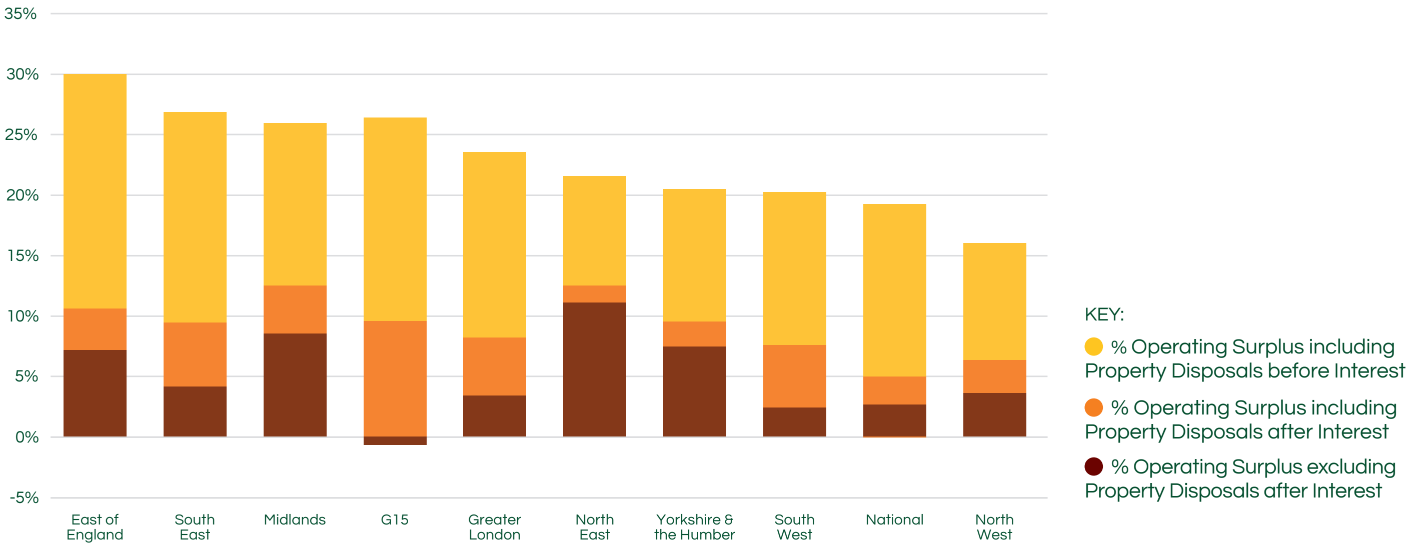
19%
AVERAGE OVERALL OPERATING MARGIN IN FY24/25

MANAGEMENT COSTS INCREASED TO
£3.55BN
AN INCREASE OF 10.1%

SURPLUS ON DISPOSAL OF PROPERTIES
£1.20BN
AN INCREASE OF 25%

OVERALL REPAIRS AND MAINTENANCE
£9.02BN
AN INCREASE OF 14%

ANALYSIS OF OPERATING SURPLUS BY REGION



REPAIRS AND MAINTENANCE COSTS

ROUTINE MAINTENANCE
TOTAL FY24/25: £3.40BN
TOTAL FY23/24: £3.07BN
↑ 10.8%

PLANNED MAINTENANCE
TOTAL FY24/25: £1.29BN
TOTAL FY23/24: £1.21BN
↑ 6.0%

MAJOR REPAIRS EXPENDITURE
TOTAL FY24/25: £0.80BN
TOTAL FY23/24: £0.70BN
↑ 14.6%

TOTAL SUM OF CAPITALISED COMPONENTS
TOTAL FY24/25: £3.53BN
TOTAL FY23/24: £2.92BN
↑ 20.6%

OVERALL REPAIRS AND MAINTENANCE

£9.02BN

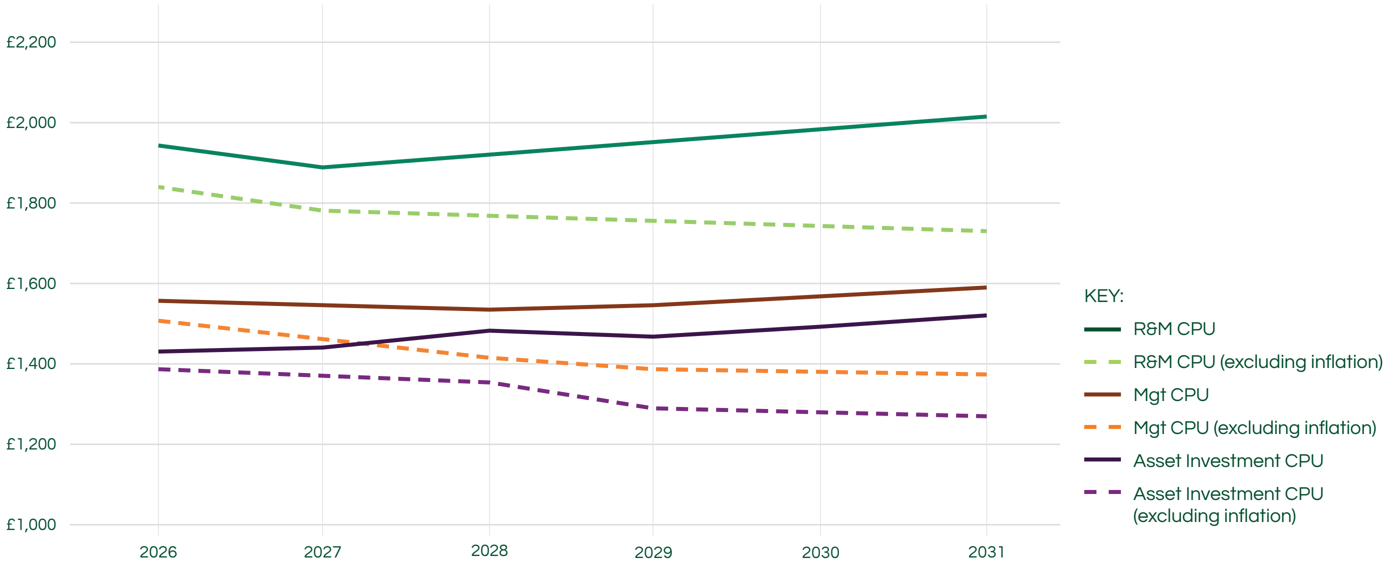
IN FY24/25
UP FROM £7.91BN
IN FY23/24

VANTAGE ANNUAL ACCOUNTS ANALYSIS - 6 YEAR HIGHLIGHTS

Year	Reinvestment %	New Supply Delivered % Social Housing Units	EBITDA MRI Interest Cover %	Headline Social Costs Per Unit £	Operating Margin % Social Housing
2019/20	8.3%	1.8%	171%	£4,213	28%
2020/21	6.8%	1.4%	194%	£3,958	28%
2021/22	7.5%	1.7%	152%	£4,417	25%
2022/23	7.9%	1.6%	139%	£4,826	21%
2023/24	9.4%	1.7%	114%	£5,681	22%
2024/25	8.2%	1.6%	96%	£5,856	22%

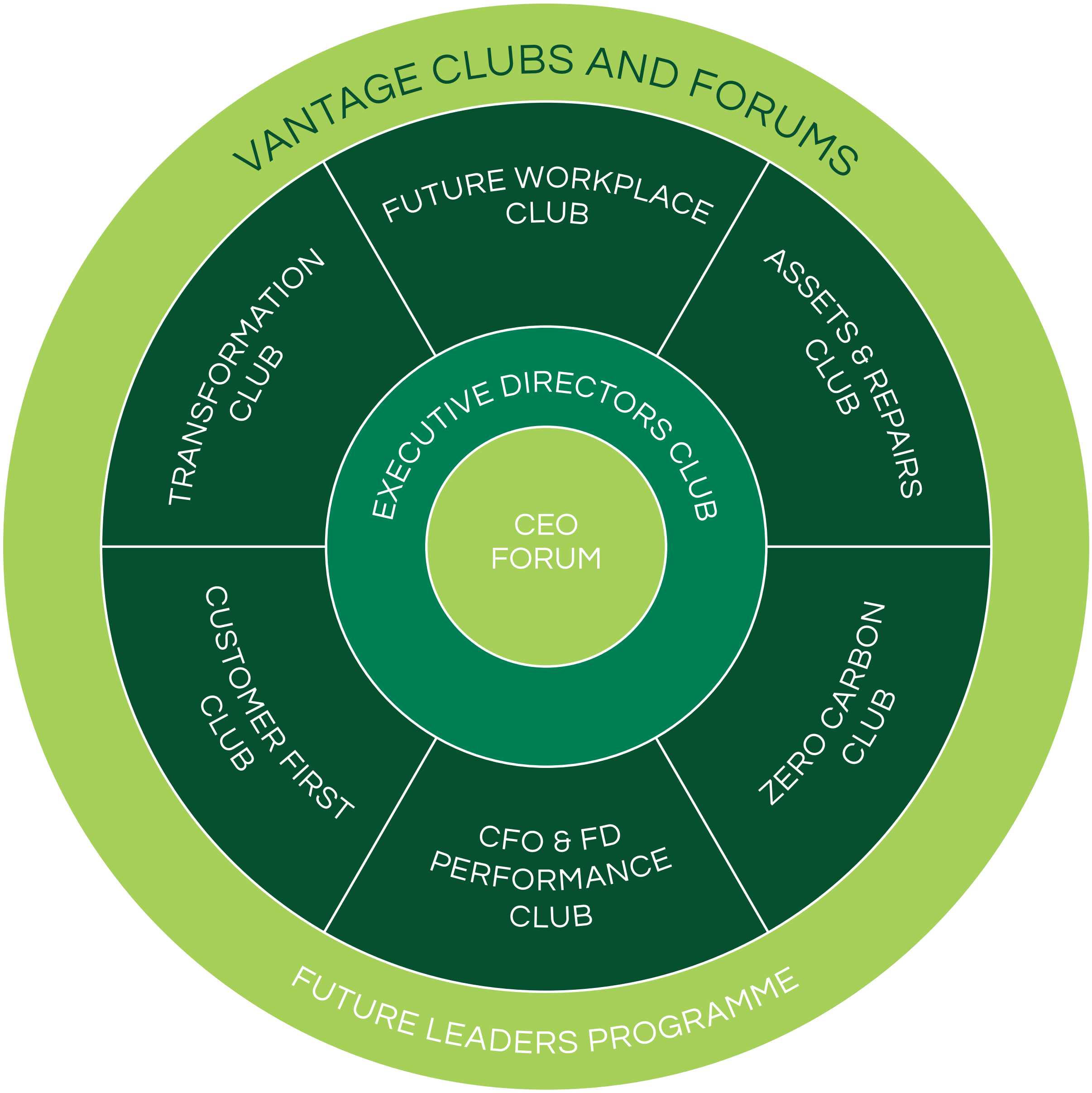
These average figures have been taken from the last 6 Social Housing Financial State of the Sector reports. Note that the samples of c.130 organisations (unlike the rest of this report) will differ slightly in each data set.

6 YEAR FORECAST COST PER UNIT – VANTAGE CFO CLUB ANALYSIS



The chart shows the forecast cost per unit trend for three key components both including and excluding inflation. Note this is an extract from the Vantage 2025 consolidated FFR analysis from the c.50 members of our CFO club; representing over 850,000 homes with an average stock of c.17,500.

Vantage provide national visibility on the sector's performance and areas of best practice through our collaboration and leadership clubs. We would like to thank our CFO club members for their input into this report and leading the way in tackling the financial challenges ahead.



If you would like to discuss the report or require further information then please get in touch at info@yourvantage.co.uk