



# Welsh RSL Global Accounts

Headline report 2024

February 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 2023/2024.

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 2023/24 from 35 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 2023/24 (weighted averages)

£1.29bn	Total annual turnover
17.1%	Operating margin
4.6%	Annual growth in turnover
2.9%	Annual growth in operating costs
£5,546	Social housing cost per unit
175,000	Total residential housing stock <sup>1</sup>
161%	EBITDA MRI interest cover

# Summary

<b>About this report</b>	This report contains 2023/24 Global Accounts summarised into 14 standardised metrics using data from 35 developing Registered Social Landlords (RSLs). It has been commissioned by CHC and Welsh Government.
<b>Overall analysis</b>	The Welsh RSL sector has remained resilient across key financial metrics in a complex and challenging operating environment.
<b>Finances</b>	The median operating margin has increased and compares favourably to RSLs in other parts of the UK. Borrowing continues to be managed carefully in the face of rising average interest rates.
<b>Costs</b>	The median overall cost per unit rate has risen. This is driven by increased investment in existing stock, while keeping rises to management costs to a minimum.
<b>Growth</b>	Median turnover grew at a faster rate compared to costs, which has helped boost operating margins. Works to existing stock has increased asset values, while most landlords reduced long term debt.

<sup>1</sup> Includes social and non-social homes. Excludes non-residential units.

# Finances

Housing association finances have proved resilient to significant external pressures experienced over the last 5-6 years. While increased investment in housing stock safety and quality caused major repairs expenditure to rise in 2023/24, surpluses and operating margins recovered while gearing rates reduced, coinciding with increased average interest rates.

The four measures in this section represent how the sector is performing in terms of profitability and borrowing.

## Operating Margin

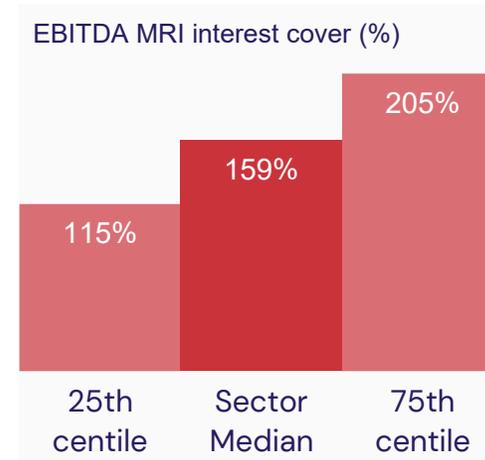
The Operating Margin metric is calculated by showing the RSL's operating surplus as a percentage of turnover. Gains/losses on disposal of fixed assets are excluded from the surplus figure.

While RSL margins have been under pressure in recent years, the sector median improved by 2.8 percentage points during 23/24. By comparison, average operating margins for social landlords in England remained static while those in Scotland reduced over the same period.



<sup>2</sup> 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.

## Interest cover

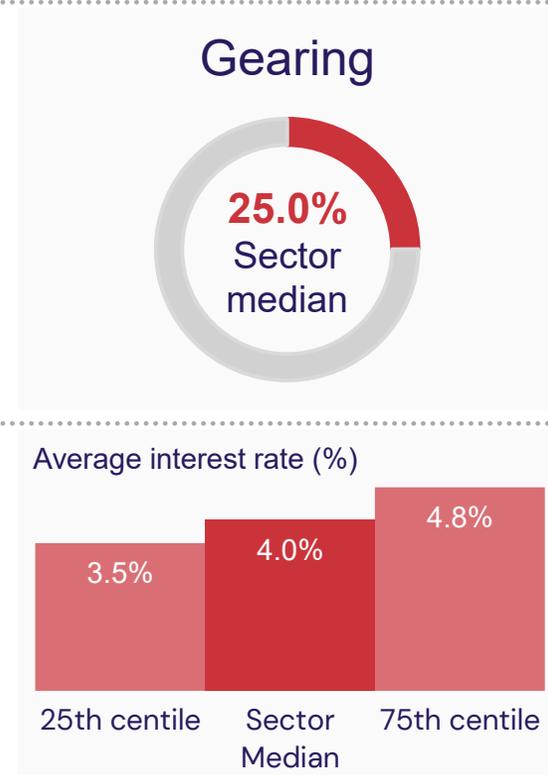


EBITDA with Major Repairs Included is calculated using a standardised methodology presenting earnings less capitalised major repairs as a proportion of interest payable. RSLs may have agreed a different versions of this metric with lenders to measure adherence to loan covenants<sup>2</sup>.

While interest cover using this measure has reduced in recent years (chiefly due to increased major repairs expenditure), 90% of debt-funded RSLs maintained earnings to interest payments above 100% in 23/24.

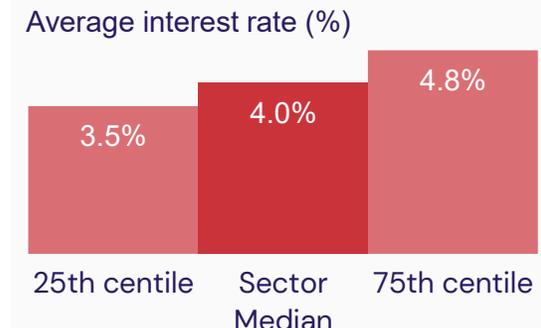
## Gearing

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. Gearing rates reduced between 22/23 and 23/24 as asset valuations grew more than borrowing.



## Cost of funding

Average interest rates rose for many RSLs between 22/23 and 23/24 as the cost of borrowing increased across the UK economy. The 4.0% median indicates that the sector has negotiated beneficial rates across the loan portfolio.



# Costs

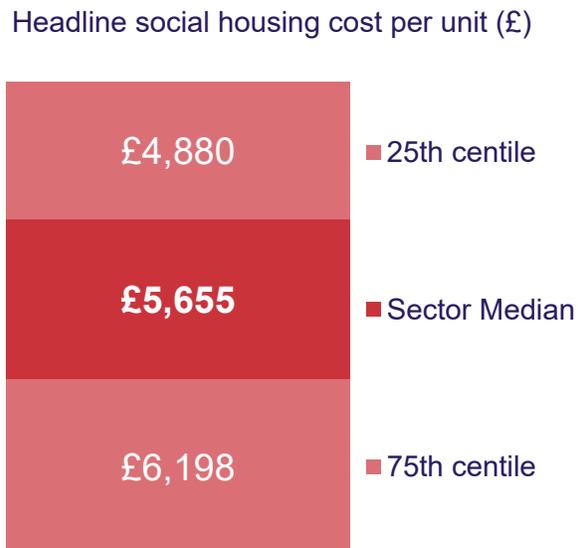
Even with greater stability in the wider economy, the requirement for landlords to achieve value for money has continued unabated. Increased costs for routine and planned maintenance are driving double digit year-on-year increases for many RSLs.

Housemark benchmarking data for the UK-wide social housing sector reveals that Welsh RSLs are not alone. Increased cost pressures from investment in existing stock is also driving up expenditure in England and Scotland. This suggests that Welsh landlords are subject to similar economic pressures as in other UK nations, with similar levels of increased expenditure.

## 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.

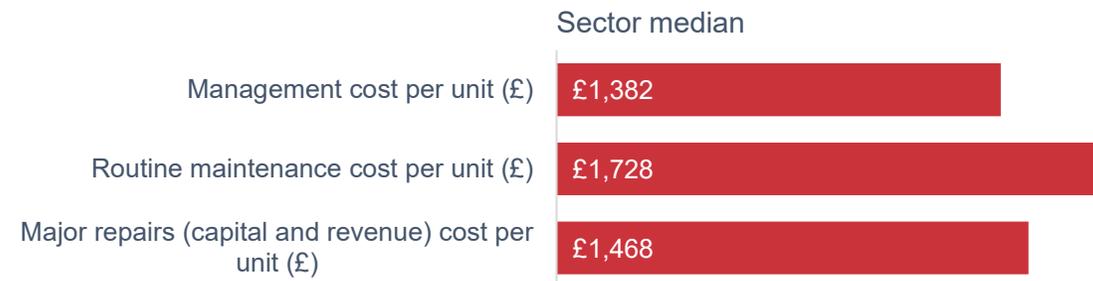
While investment in existing stock is driving most expenditure, for individual landlords, other contextual items may be significant. For example, RSLs with significant supported housing will record a higher cost per unit due to additional resourcing requirements.



# 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.

Compared to 22/23, median costs increased in nominal terms by over 20% for routine maintenance and major repairs, while managements costs reduced by 0.4%. This demonstrates the efforts that RSLs are making to maintain homes while preserving service quality.



## 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 around £5,900, these results equate to median percentage rates of 1.3% void loss and 5.8% 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 2023/24 to 2022/23, it is possible to understand more about the direction of travel. The reporting tool accompanying this report also contains 2024/25 data for additional analysis.

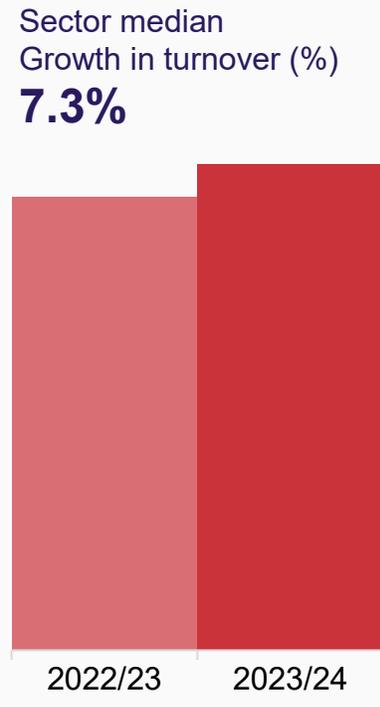
As highlighted elsewhere in this report, Welsh RSL finances have generally been resilient in the face of external operating environment pressures. Rent increases have driven turnover upwards, which has offset the increase in costs between years while outlooks for fixed assets and long-term borrowing remain positive.

## 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 2022/23 and 2023/24 was above 6%, but below the 6.5% cap set by Welsh Government as RSLs consider affordability of individual properties. This average increase in rental income is a key factor pushing median turnover growth to 7.3% over the period.

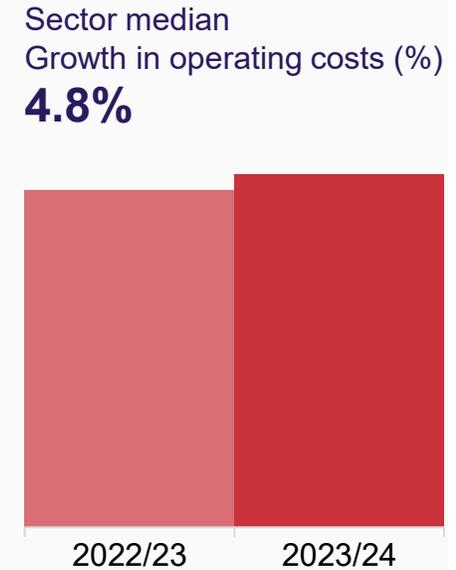


## Costs

This metric shows the increase in costs reported by Welsh social landlords in the year between 2022/23 and 2023/24.

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

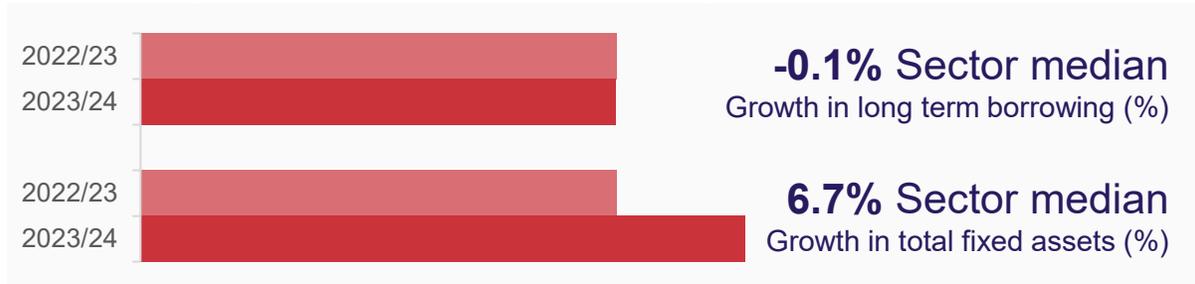
Following a sharp rise in the year prior to 2022/23, RSLs managed cost control during this reporting period, with a median increase of 4.8%. With turnover rising faster than costs, many landlords were able to report increased margins.



## Finances

Expenditure of £189m on works that improve or extend the life of an asset and £599m on new developments offset by a rise of £147m in property depreciation are the main reasons for a £680m sector wide increase in total fixed assets.

While sector-wide borrowing levels have increased year-on-year by around £174m, despite a small reduction at the median point.



# Global Accounts national results

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

Financial metric	25th centile	Median	75th centile
Operating margin (%)	14.3%	18.8%	22.8%
Gearing (%)	20.4%	25.0%	31.8%
EBITDA MRI interest cover (%)	115.2%	159.2%	205.2%
Average interest rate (%)	3.5%	4.0%	4.8%
Headline social housing cost per unit (£)	£4,880	£5,655	£6,198
Management cost per unit (£)	£1,193	£1,382	£1,823
Routine maintenance cost per unit (£)	£1,469	£1,728	£1,949
Major repairs (capital and revenue) cost per unit (£)	£1,108	£1,468	£1,926
Void loss per social housing unit (£)	£48	£79	£110
Arrears per social housing unit (£)	£263	£344	£418
Growth in turnover (%)	4.6%	7.3%	9.2%
Growth in operating costs (%)	0.6%	4.8%	10.1%
Growth in total fixed assets (%)	3.9%	6.7%	10.0%
Growth in long term debt (%)	-2.2%	-0.1%	8.6%