

Housing associations in 2025: a strategic review



NATIONAL
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Introduction

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Housing associations exist to provide good quality, safe and affordable homes and services. We've been doing it for hundreds of years.

But over the last few years we've faced significant challenges including an unstable operating and policy environment.

To meet these challenges, housing associations have had to stretch resources more than ever before.

Meanwhile, the symptoms of the housing crisis worsen, and our homes and services are desperately needed but in desperately short supply. In England, 4.2 million people would benefit from living in a social home and 160,000 children are living in temporary accommodation – a shocking figure and a record high. Poor quality housing is having a hugely detrimental impact on people's lives and costs the NHS £1.4bn per year.

Our sector is determined to do more and to meet the multiple challenges it faces head on: improving our existing homes including decarbonising them, continuing to improve our services to residents, and building the homes that people need.

But there is only so much we can achieve on our own. The new government has committed to delivering “the biggest boost to affordable housing in a generation” and has begun to set out an ambitious policy agenda for housing. With the right partnerships nationally and locally, and with the right funding and policy environment, we can deliver on our social purpose and play our part in ending the housing crisis.

Ahead of the NHF's new five-year business strategy starting in April 2025, and within the context of the new political and policy environment, the NHF has led a strategic review of our sector's position, refreshed our statement of social purpose, and established our priorities for the coming years.

This report shares the findings from our strategic review and will be used to shape the NHF's next business strategy.

We have undertaken extensive engagement and consultation over three months to gather insight

for this report. We've held open and wide-ranging conversations to form and then test views on the sector's challenges, vulnerabilities and strengths, and what our sector's priorities should be for the upcoming five years.

We have conducted these conversations virtually and in person, in large and small groups and in one-to-one settings. Overall, we have engaged with:

- **Nearly 700 members over more than 30 sessions.**
- **Covering every size band of organisation.**
- **Including all member groups, from supported and older persons' housing, to rural and BME housing.**
- **We also met with key stakeholders and partners including MHCLG, CIH, the Regulator of Social Housing, Housemark, Homes England, Crisis, NHS stakeholders and Savills.**
- **And we ran a dedicated session with our Tenant Advisory Panel.**

Housing associations' social purpose



Housing associations were founded to deliver a social purpose – to provide good quality affordable housing, typically to those who would otherwise be unable to secure the home they need.

This report follows our 2022 strategic review, where we published a clear and succinct definition of this social purpose.

In consultation with our members, we have revisited our members' social purpose and have produced a revised version:

- **To provide good quality, safe and affordable homes with good services.**
- **To put residents at the heart of everything we do.**
- **To work in partnership within our communities to improve outcomes for residents.**
- **To play our part in resolving the housing crisis.**

It was clear from conversations with our members that our primary purpose is to be good landlords, making a difference to people's lives through good homes and services and strong partnerships.

Beyond that, we heard how housing associations have always sought to relieve housing crises, whether defined by nineteenth century squalor or a post-war drive to rapidly improve housing conditions for millions of people. Helping to resolve the housing crisis will also contribute to other pressing public policy priorities including decarbonisation, and improving health and social care outcomes.

At the NHF we're driven by our sector's purpose and our role will continue as:

- **Being the national voice of housing associations.**
- **Shaping the external environment**
- **Offering support and collaboration on sector-wide issues.**

Where we are now



Harnessing our strengths

Our core offer – a good, safe and affordable home with good services – remains our greatest strength thanks to its power to transform people’s lives for the better.

We also heard lots of great examples about how:

- **We are community driven.**
Working well with partners in our communities, and taking a collaborative approach to investment in which people and communities are considered first.
- **We are in it for the long term.**
Our long-term stewardship of homes and communities sets us apart – we think about what is fit for purpose now, but also what will stand the test of time. We are not motivated by short-term profit margins, but by enduring outcomes.
- **We have a new political context for housing, with strong support for social and affordable homes.**
We have worked hard to foster a strong relationship with the government which supports our long-term aims and is beginning to develop a policy programme that will strengthen our sector’s ability to deliver more and better homes.

We make a positive contribution to both the economy and people’s personal finances. Just one year of building the 90,000 social rented homes our country needs would **add £51.2bn to the UK economy.**

Our social homes provide savings to residents of £18bn per year in England compared to what they would have to pay in the private rented sector.

This means that living in social housing saves the average household more than £5,000 per year in rent.

This translates to an estimated £12bn per year saving on support for housing costs through the welfare system.

In addition, last year housing associations spent a record level of £8.8bn on repairs and maintenance.

Where we face challenges

We have consistently heard from our members that the challenges they face now are deeper and more profound than those of three years ago.

- **Finances are stretched.**
The Global Accounts for 2023/24 demonstrate the extent of the pressure on housing association financial capacity – with spend on existing stock in 2023/24 at a record high of £8.8bn – a 55% increase on the pre-pandemic level of £5.7bn.
- **Priorities are competing.**
Across our conversations we heard how housing associations are grappling with multiple competing and important priorities which include building and fire safety remediation, significant investment in maintaining and improving existing homes, meeting the requirements of the new regulation and oversight regime, decarbonisation and climate change (which are linked but different challenges), and building much needed new social and affordable housing.
- **Our population is ageing.**
England has an ageing population but at present we are not building the homes that older people want and need at anywhere near the required rate.
- **And supported housing is at crisis point.**
Supported housing, which provides enormous value to both its residents and to local health and social care systems, has seen funding levels fall to the extent that some schemes are at significant risk of becoming completely unviable.
- **Which means we're not providing the right homes for the right people.**
The current lack of supported housing, recently estimated at just over 80,000 homes for working age adults alone, means there is an increasing number of new residents in general needs homes that have unmet additional support needs. Housing officers will always do their best to accommodate such needs but are not qualified to do so in full. Moreover, some public sector services that exist to support people with additional needs have been cut.



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There are also some challenges that expose vulnerabilities in the sector:

- **Making difficult decisions.**
The delivery of new social and affordable homes is inextricably linked to our sector's social purpose. But the financial constraints on our sector mean that difficult decisions lie ahead for some existing homes, particularly those that are no longer fit for purpose, or financially viable, and homes that may not be built. In a constrained environment, focusing on existing homes first is necessary, and we will need to explain this clearly so stakeholders understand why.
- **Social purpose: sustaining the not-for-profit model.**
The social housing sector's borrowing capacity has been constrained as a result of shortsighted policy over the last 15 years. It's vital that capacity is rebuilt to safeguard the not-for-profit and public sector model of social housing. The current model ensures landlords are accountable to residents, not to shareholders.
- **A lack of public understanding.**
Many of our members agreed that greater public support for housing associations' work would help to secure the right enabling long-term funding and policy. However, at present there is a lack of public understanding around what we do.
- **Our journey of improvement.**
During our last strategic review, we recognised that performance on some issues was not consistent across the sector. Three years on we have made good progress on improving our homes and services. However, we are still not where we want to be and know that we must continue to improve to build trust with stakeholders and the public.



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Key insights

The above summarises hundreds of conversations, and have led us to establish three key insights on where we are now:

1

The quality of the homes and services delivered to residents is what matters most and is the key to long-term success.

2

We have an opportunity to secure a period of renewal and growth by partnering with government on a long-term housing strategy, and building wider political consensus.

3

Public understanding matters. We need to invest in building the public's understanding of housing associations and the value our sector brings.



Where we want to focus: three emerging priorities

We asked our members what good would look like in five years' time. While five years is a relatively short period of time, we believe it is long enough for the sector to demonstrate good progress towards achieving its longer-term goals.

It is clear from all our conversations with members that the last few years have been incredibly tough for colleagues as the sector has responded to increased demands on its services with less resource to do so.

Our new five-year strategy will be based on the key insights above, which we have gathered through this review, setting out a plan to help our members to overcome challenges, harness their strengths, and arrive at 2030 as an even stronger sector.

We think the three overarching priorities that will shape our work are:



1. Supporting our members to deliver good homes and services for residents

Our members told us that the key to building trust is delivering good homes and good services.

The Better Social Housing Review and our shared action plan with the CIH emphasised the importance of focusing on core service delivery, improving our approach to asset and housing management, making better use of data, delivering services equitably and tackling discrimination, and the role we play in communities.

We want to build on the progress of the last three years and focus on how we can continue to improve, looking both at what the sector can do on its own and what it can only do with the right support from the government.

Our members told us that, five years from now, **we should be confidently demonstrating that we are good landlords with evidence**, showing that we are playing an important role in delivering the government's long-term housing strategy. This should include strategic priorities for existing homes such as fire and building safety, quality, decency and energy efficiency, and building new social housing.

Sometimes a commitment to good homes and good services means difficult decisions need to be made. This might include selling some homes or stopping the delivery of some services. **As a sector we must be able to explain difficult decisions in the broader context of our social purpose** to ensure stakeholders trust in the decisions we make.

Leaving no stone unturned **in the pursuit of a more stable and ambitious supported housing** sector will be crucial not just for supported housing residents, but also for the array of benefits that flow to other services thanks to the preventative benefits of a good home with effective support services. Over the next five years we must also make significant progress on planning for how we house, and provide the right support to, an older population.

Building and then maintaining sufficient financial and operational capacity will be an essential building block. This will enable investment in: new homes and the regeneration of homes that are no longer fit for purpose, existing homes including vital safety work, and constant improvement in how we deliver services to residents. Social housing rent policy will be crucial to this, and in five years' time we need a clear vision for the long-term future of rent policy, developed in collaboration with residents and partners.

Five years from now we will have reached the first phase on the journey to net zero, with all homes reaching at least EPC C. And **we will have developed, with others, a much clearer plan as a sector for how we decarbonise our homes by 2050**, and how our homes need to adapt to mitigate the impact of climate change.

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2. Influencing and partnering on the long-term housing strategy

The NHF has long called for the government to develop a long-term plan for housing, including in our last business strategy. The government has now committed to doing so in 2025.

We must make the most of the significant opportunity this represents to demonstrate how our work contributes to multiple government objectives beyond housing, including economic growth, better health, preparing for an older population, and reducing pressure on public services.

We also know just how important it is for our sector to have a strong, sustained, constructive working relationship with the government. Helping the government deliver against its ambitious targets for housing set out in its Plan for Change will help maintain that vital relationship and avoid the policy instability of recent years.

We must also continue to engage with all political parties to achieve consensus across the political spectrum that housing is a priority that needs support from government and opposition.

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3. Positioning housing associations as trusted partners with greater public understanding

At the time of our previous strategic review, scrutiny of the sector was at a high. Over the last three years we have begun to restore trust, but there is more to do.

- **With government.**
Our members reflected that, given the importance of the right funding and support from the government, ensuring we build on our current strong relationship with government by becoming a trusted partner is crucial for success.
- **With residents.**
The NHF's Together with Tenants initiative successfully made the case for stronger relationships between landlords and residents – the requirements of the Charter are now reflected in the new, mandatory, consumer regulatory requirements. But it's clear that trust between landlords and residents is still not as strong as it could be. We will work together with our members, and with resident groups, to agree a plan of action and deliver it.
- **With the public.**
Housing associations provide a home to 10% of England's population. Yet we remain relatively unknown to most of the public. This is a critical vulnerability that we must address by building a more detailed understanding of what the public think and then take action to raise our profile and build our reputation. Greater awareness among the public of what we do, who we house, and the positive impact we have will help to ensure that not only this government, but also future governments, are more likely to provide the support we need. It will also help to tackle the stigma that still affects those living in social housing, and to attract and retain the staff we need to deliver good services.

How successful we can be with this will depend on how well we can deliver on theme one above.



Beyond delivering good homes and services, we know our reputation locally depends on the roles we play in communities to support residents and connect them to local opportunities and services. It also depends on being a good partner, working alongside local public services to help sustain tenancies, prevent homelessness, and help local authorities to meet housing need.

As the government's devolution agenda unfolds, the sector will need to have strong relationships with local decision-makers in place, and a good understanding of how to best navigate more devolved structures and funding.

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Next steps

We will publish our new business strategy, informed by this strategic review and our wider work, in April 2025.

We will then develop the three emerging priorities we have proposed here into specific plans and activities. We will consult with our members on our approach and many of the activities will be delivered with you and, in some cases, with partners.

We would like to thank everyone who participated in this review - our assessment of the sector's key issues and priorities for the years ahead is heavily based on the input of our members, residents and stakeholders

Our sector remains well placed to make a hugely positive impact on society. The years to come will bring excitement and fresh challenge. We will work with you to achieve the best possible outcomes for the sector and for its residents.



**The National Housing Federation (NHF)
is the voice of England's housing associations.**

Our housing association members provide homes for around six million people, and are driven by a social purpose: providing good quality housing that people can afford.

We support our members to deliver that social purpose, with ambitious work that leads to positive change.

Find out more about our work
via **[housing.org.uk](https://www.housing.org.uk)**