

TEMPERATURE CHECK

What are Housing Associations really thinking about their sector?

Introduction

With market conditions renewing the focus on affordable housing, the role of Housing Associations (HAs) has never been more critical.

As they are expected to deliver a substantial proportion of new homes, these organisations remain essential to addressing the UK's housing crisis and widening access to quality, secure accommodation.

At the same time, HAs face mounting pressure to maintain and upgrade their existing portfolio - Awaab's Law, energy efficiency targets, the Decent Homes Standard and Future Homes Standard are all emerging costs for the sector to contend with, while increasingly strained budgets bring their own challenges.

For a glimpse into what the sector is thinking, we asked a panel of HAs to offer their input on key questions about their industry.

Some of the illuminating headlines from the data include:

- Nearly 80% of surveyed HAs have increased their property portfolio in the last three years, and 85% plan to increase their portfolio further in the next three years.
- Over a third of surveyed HAs say the biggest obstacle to building new housing is the cost of maintaining their existing homes.
- The overwhelming majority of surveyed HAs have made no changes to their future housing development plans based on changes in funding from central government.
- More than a third of respondents felt their work will have no meaningful impact on reaching local housing targets.

Other questions touched on MMC, how HAs perceive the quality of the homes they acquire, and how they're being impacted by the Building Safety Act.

Their feedback presents a diverse picture, where expansion of new stock is both a plan and a priority, but concerns about both prohibitive costs and central funding confidence pervade the sector.



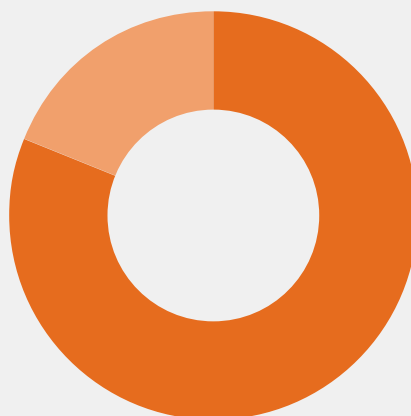
The numbers and what they say

Acquisition or building of new housing in recent years

Of the surveyed respondents, only 19% of the responding participants indicated that they had not expanded their portfolio.

Of the respondents who indicated they have been expanding their customer offer, a significant proportion (but not a majority) of respondents indicated they expand their portfolio through a mix of directly instructing the building of new homes, acquiring completed homes from builders, and directly building homes through their own construction arm.

Of the respondents who indicated they favoured only one approach to expanding their portfolio, the most favoured approach was to acquire completed homes built by a third party.



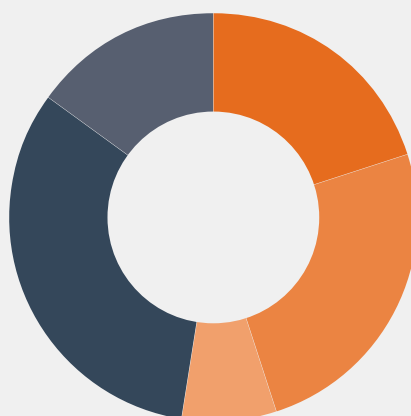
- 81% of respondents have expanded their portfolio
- 19% of respondents have not expanded their portfolio

Plans to build or acquire new homes

Of our surveyed respondents, only 15% indicated that they would not be expanding their portfolio over the next three years.

Among the vast majority who indicated they do plan to increase their property portfolio, a significant proportion (but not a majority) of respondents once again indicated their favoured approach to portfolio expansion would be a mix of asset strategies.

Of those who favoured one specific strategy to add to their property portfolio, respondents once again indicated a strong preference for the acquisition of completed housing.

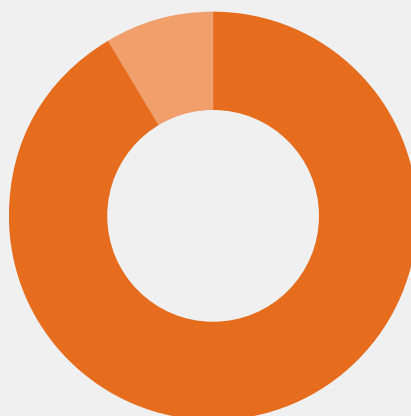


- 20% plan to fund building of new homes
- 25% plan to acquire completed homes
- 8% plan to build in-house
- 32% plan a combination of the above
- 15% plan to reduce stock

Perception of new home quality

The former two questions establish clearly that there is a desire to expand homes through completed housing, but what do those respondents think of the homes they do acquire?

The vast majority of respondents indicated that they were either happy with the quality of new build homes, or that they thought the quality of their homes was high.

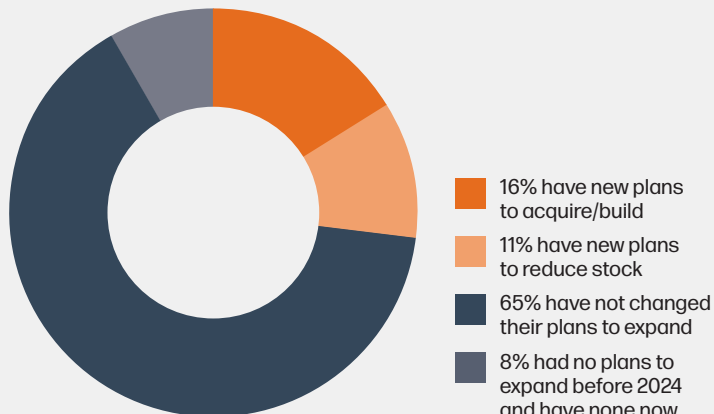


- 89% of respondents said quality was good or high
- 11% said quality was low or not acceptable

Responses to central government funding

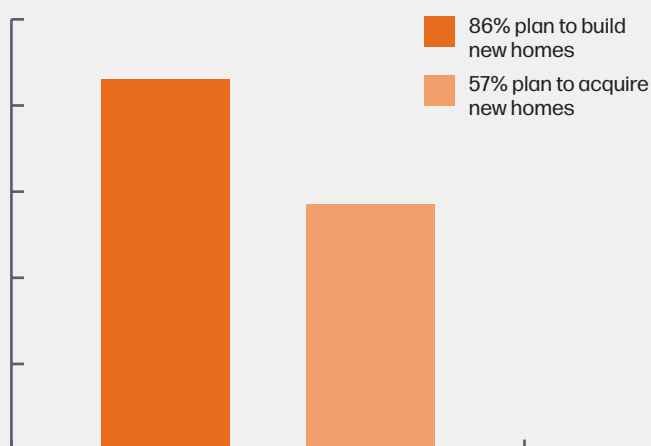
More than 70% of respondents - regardless of whether they intended to increase the size of their portfolio, indicated that new central funding announced in the 2024 budget had made little impact to their future plans.

Just over 16% reported making changes to future plans to expand their portfolio, and nearly 11% indicate they're planning to reduce their overall stock size.



For those who are using the funding to do more, will they build or buy?

In a follow-up question for respondents who indicated they would expand homes based on new additional funding, there was a preference indicated for building versus acquiring new homes.

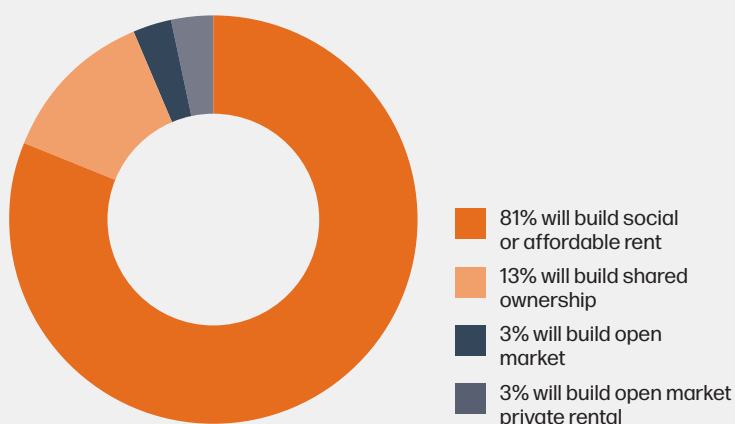


For those who will expand their portfolio, what will they acquire or build?

In a question to the wider audience, there was a strong preference shown for building homes to rent with 50% of our respondents saying the tenure of their new homes would be social rent.

Just over 31% indicated a preference to build homes for affordable rent tenure, and a much smaller 12% indicated they would build for shared ownership.

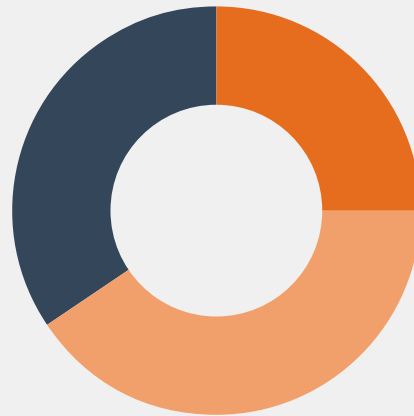
Just over 6% indicated they would be building homes for private sale.



Have HAs embraced modern methods of construction (MMC)?

The majority of respondents, almost 60%, either use or plan to use MMC. This might be actively using MMC in building, buying new homes with MMC, or planning to use MMC in the future.

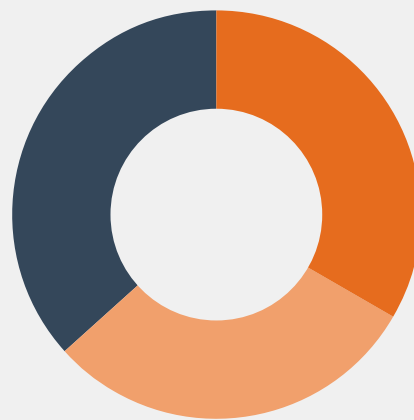
41% expressed either no prior experience or intention of using MMC within their future plans.



- 25% have always built or acquired MMC
- 41% only buy or build traditional
- 34% plan to build or buy MMC homes soon

Will HAs be able to make a material impact on their local housing targets?

Whilst the majority of respondents, more than 63%, indicated that they think they will be able to positively impact progress to local housing targets through their organisation's efforts, a significant minority, 36%, indicated they did not believe their plans would have any meaningful impact on their local housing targets.



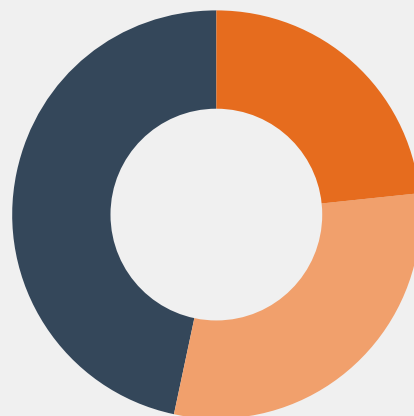
- 33% say they will be important in meeting housing targets
- 30% say they will have a limited impact
- 37% say they will have no meaningful impact

How is the Building Safety Act affecting their plans?

The surveyed audience did not indicate that delays caused by the Building Safety Act were having a significant effect on their ability to expand housing stock - many respondents, 47%, indicated their property pipeline did not include buildings affected by the Building Safety Regulator or the Building Safety Act.

Elsewhere, just over 23% of respondents indicate that they have struggled to either build homes or acquire new homes because of delays brought in by the Act and the Regulator.

30% indicated that there was no change to the pipeline of new high rise homes post Building Safety Act.



- 23% say they're struggling to build or acquire because of BSA
- 30% say no change to pipeline
- 47% say their homes not affected by BSA

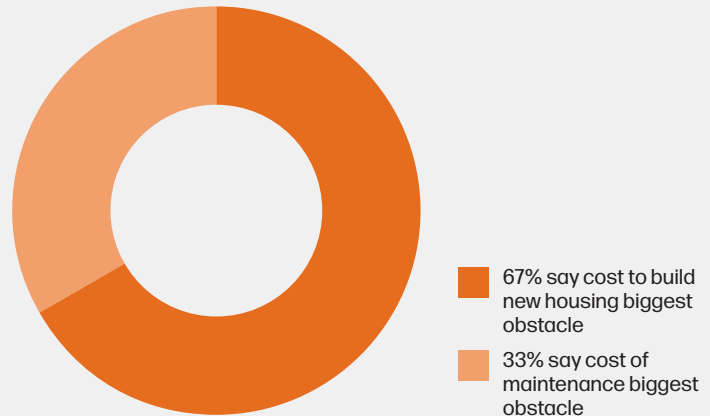
What's the biggest obstacle to development plans?

The biggest obstacle cited for the creation of new housing is, perhaps unsurprisingly, cost.

The cost of building new housing was cited as the leading obstacle to increasing property portfolios at 56% of responses.

A further 33% said the biggest obstacle was maintaining the homes already provided to their customers.

A remaining 10% of respondents cited the cost of acquiring new homes as their largest obstacle.



How this data was gathered

This data was gathered through a survey of HA professionals in November and December of 2025.

Gathering of data, soliciting of responses, and collating of data was handled by Building Magazine including 72 respondents.

This sample will be used to inform discussion of issues facing the sector of coming years.

Future study and discussion

LABC Warranty sees the data gathered and presented as the beginning of a longer conversation across 2026 around the challenges and opportunities that HAs face.

With the help of our partners at Local Authority Building Control, as well as other third parties in the construction media, we intend to use this research as the foundation of more specific, in-depth studies from select HAs.

Of particular interest to LABC Warranty is the combined preference to acquire stock over building it, and the overall satisfaction in quality with new homes in the sector.

LABC Warranty, as a provider offering inspection services to new-build homes, would like to explore how quality can be assured – not just on the site itself, but demonstrated to HAs taking on the costs of that housing in the future.

About LABC Warranty

Founded in 2007, LABC Warranty works in partnership with Local Authority Building Control (LABC) to provide secure and reputable structural warranties across England and Wales.

As a risk management partner, LABC Warranty undertakes inspections of properties under construction at key stages from foundations through to finishes, assessing new homes against an industry-leading Technical Manual.

LABC Warranty works with some of the largest house builders, contractors and housing associations in the country, providing 10 or 12 years of cover for new homes, homes to rent, social housing, self-build, completed homes and commercial projects.

Together with Local Authority Building Control and site teams, we help providers of all sizes create homes and communities to be proud of.



2 Shore Lines Building, Shore Road, Birkenhead, Wirral, CH41 1AU

T 0800 183 1755 E enquiries@labcwarranty.co.uk

labcwarranty.co.uk

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