

First look performance

Summary of year-end
results for 2022-23

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Introduction

The year ending March 2023 was characterised by two seismic shocks for social housing landlords – the highest inflation price rises for a generation, accompanied by an intense focus on the quality of housing stock. The effect on a sector still recovering from the upheaval of the pandemic, has been an increase in operational complexity and a significant strain on capacity. Landlords are wrestling with competing demands – for asset investment, enhanced consumer regulation and rising costs – set against a backdrop of lower income from less-than-inflation rent increases.

Housemark's unique benchmarking data for 2022/23 – based on results from 241 landlords across the UK, provides the most comprehensive comparative data analysis and comparison metrics for the sector. With figures annualised to represent the full year, we exclusively show how the sector performed in the year and provide landlords with the insight and context to understand their own performance.

The results in this report are based on Housemark's Monthly Pulse, which is open to all subscribers. Using anonymised monthly performance results, we produce a fully validated benchmarking analysis report at the end of each month. For more details on Monthly Pulse, please contact data@housemark.co.uk.

Alongside this exclusive first look at 2022/23 performance, we have produced a TSM-focused report for English landlords. This sets the baseline for six key measures collected through Monthly Pulse, giving you at-a-glance knowledge of how the sector is performing at the outset of increased regulation.

At a glance...

Average satisfaction falls 8–10 points in three years

Challenges in delivering repairs services and increased demand for damp and mould investigations have resulted in falling satisfaction rates – 8–10 points lower than equivalent results pre-2020.

Complaints volumes increase 78%

Ombudsman-led work to raise the profile of complaints in England has led to an increase in volumes. This is closing the gap on Scotland's established complaint handling systems.

Arrears stabilise at 2.8%

Despite prices of everyday essentials rising by up to 11% in the year, social landlords have sustained tenancies and kept current arrears below 3%, at the same level as 2022.

Repairs volumes rise to 3.1 per property

Even with continued operational challenges, many landlords have been able to set repairs services on the right track by completing long-outstanding work in 2022/23.

In-target repairs completions drop to 85%

A knock-on effect of working through repairs backlogs is a drop in the proportion completed within target timescales, with similar falls in satisfaction rates.

Customers

The experience of customers living in social housing came under the spotlight during 2022/23, as regulators, governments and the media all focused on improving housing quality and making things right for residents. The results of this have presented several challenges for the sector outlined by these performance measures.

While satisfaction rates started the year relatively static, difficult weather conditions over winter accompanied by increased demand for damp and mould investigations, resulted in falling satisfaction rates. On average, satisfaction rates were around 2–3 points lower than 2021/22 and 8–10 points lower than the equivalent results pre-2020.

Increased visibility of the Housing Ombudsman in England and changes to the Complaint Handling Code, have led to a 78% rise in recorded Stage 1 complaints. This pattern, already evident in Scotland, means that landlords will need to increase resources and visibility of complaint management as English consumer regulation draws closer to its Scottish counterparts.

Digital contact is slowly increasing as landlords invest in customer portals – now around two points higher than in 2022. We forecast that monthly averages may reach 1 in 3 contacts before 2024.

However, even with the availability of multiple digital communication channels, the telephone remains the primary source of contact between landlords and residents. Above all else, residents appear to value the opportunity to feel their voice is being heard and that someone is owning their request.

76.2%

Average overall satisfaction with the service over the year

40.3

Formal stage 1 complaints received in year per 1,000 units

82.9%

% of complaints resolved within target in year

27.1%

Average contact received via digital channels over the year

Management

Performance results for housing management teams during 2022/23 show considerable diversity – both between individual landlords and across various management activities.

Monitoring current tenant arrears monthly for over two years has confirmed the significant effects that Christmas rent-free weeks, and year-end trawls through suspense accounts have on results. Compared to the previous year, median arrears rates barely changed. Even though larger urban landlords typically reported an arrears increase, many landlords' income collection teams have shown resilience when faced with external factors such as the cost-of-living crisis.

While anti-social behaviour recorded by social landlords changed little at the median point during 2022/23, we see wide variations between organisations. With a TSM in this area, it is imperative for English landlords to evaluate case data and seek to understand where recording mechanisms are driving outlying figures away from the median.

For most landlords, voids and lettings performance has struggled to recover since the pandemic. The increase in vacancies and re-let times, together with comparatively low lettings rates, have created a new normal with more vacant homes staying empty for longer periods.

Staff sickness across the year showed seasonal fluctuations especially during winter when flu, COVID and other respiratory viruses are most prevalent. Despite this, we found that annual sickness rates were close to the historic norm of 4% at the median point.

2.80%

True current tenant arrears at year-end as a % of rent due

35.7

New ASB cases reported in year per 1,000 units

6.10%

Social housing lettings completed in year as a % of units

0.57%

Dwellings vacant but available at year end as a % of units

4.13%

Average % of working days lost due to sickness in year

Maintenance

Maintenance teams in the social housing sector have, perhaps, experienced the biggest challenges during 2022/23. In addition to tackling shortages in labour and materials, the onset of price inflation affected the construction industry earlier than the consumers, while the spotlight on housing quality has called into question the effectiveness of asset management in the sector.

By contrast with these challenges, some activities such as building safety compliance have continued as planned, given their importance. Most landlords also maintained high levels of completed gas and electrical safety inspections throughout the year.

Following two years of fluctuations between restrictions and backlogs, many social landlords spent 2022/23 ensuring their responsive repairs service was able to function at the right level to meet demand. Over the year, repairs volumes largely returned to pre-2020 levels, despite several challenges, dealing with adverse winter weather and an increase in work to tackle damp and mould.

Working through repairs backlogs has had an impact on repairs completed within target, dropping around 5 points compared to pre-2020 norms. This figure should provide a baseline for English landlords to make improvements as this measure becomes a regulatory requirement.

The knock-on effect of challenges to repairs services is a fall in transactional satisfaction. Put simply, stretched services that aren't performing at expected levels result in lower satisfaction rates.

99.99%

% of homes with valid gas safety record at year-end

98.87%

% of properties with a EICR certificate up to 5yo at year-end

0.71

Emergency repairs completed in year per property

2.36

Non-emergency repairs completed in year per property

86.7%

Average satisfaction with the repairs service over the year

85.0%

Percentage of non-emergency repairs completed by target

About Housemark

Housemark is the leading data and insight company for the UK housing sector and is jointly owned by the National Housing Federation and the Chartered Institute for Housing. Established in 1999, Housemark has around 350 subscriber organisations across housing associations, local authorities and ALMOs in the UK.

Combining sector sentiment, best practice and trend analysis, we deliver high-level insights and forecasts to give you the confidence to make in-year decisions about the future of your business.



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