Understanding Registered Providers: **Survey Insights 2026**

Introduction

As one of the industry leaders in Affordable Housing, Rapleys provides insight, strategy and advice to all stakeholders in the sector, working closely with Registered Providers, Developers and Local Authorities to help housing delivery. This survey, conducted in the first half of 2026, together with our own analysis and insight, provides a snapshot overview of the state of the sector, its performance and future outlook.

Market Context

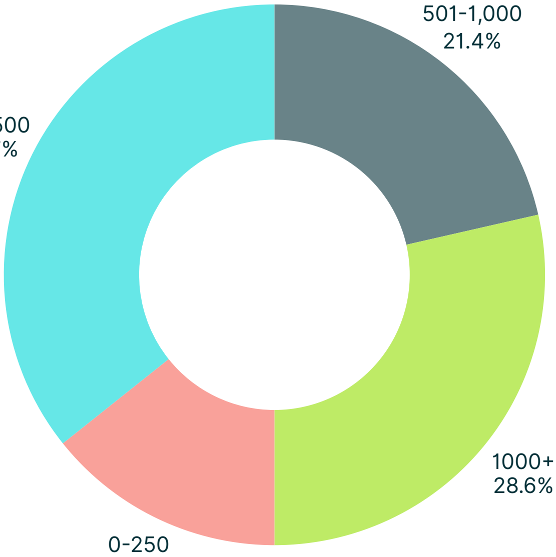
The affordable housing market has undergone a significant correction over the past three years. Rapid increases in inflation, borrowing costs and construction prices materially affected development viability, forcing many Registered Providers to pause acquisitions while reassessing business plans. At the same time, providers have faced unprecedented expenditure on existing homes. Investment in building safety, decarbonisation, stock condition improvements and regulatory compliance has diverted billions of pounds away from new development programmes. Despite these pressures, housing need continues to increase. Demand for affordable housing significantly exceeds supply across most regions of England, while housebuilders increasingly rely upon Registered Providers to acquire affordable housing within mixed-tenure developments. As private sales rates have moderated, affordable housing has become an increasingly important component of developers' delivery strategies.

Policy backdrop

The sector has moved from short-term funding cycles to a decade-long framework. The £39bn Social and Affordable Homes Programme (SAHP) 2026–2036 is now live, alongside a 10-year rent settlement allowing CPI+1% annual increases, giving landlords and investors long-term rent certainty, with convergence limiting increases to roughly £1–£2 a week on top for most tenants. Government has also made £2.5bn of low-interest loans available over 2026–2030 through the National Housing Bank (Homes England) and the GLA in London, at 0.1% interest over 25-year terms, with 60% of the funding earmarked for London.

Conclusion

While financial pressures, asset management obligations and build cost inflation continue to constrain activity, respondents are signalling renewed appetite for acquisitions following the introduction of long-term grant funding and greater policy certainty. The results indicate a market transitioning from caution towards selective growth, with development strategies increasingly focused on larger, lower-risk opportunities and established delivery partners.



How many units did you acquire in total in 2025?

Over **85%** of respondents acquired over 250 units in 2025 highlighting that activity was not as dearth as widely discussed in the media, despite the delay in grant funding and the general backlog in s106 units.

Most frequently deals were between the 50-100 unit bracket. There were fewer deals between 0-25 units (less than **15%**). Overall, most respondents **(1/3)** acquired in total between 251-500 units, with just over a quarter acquiring over 1,000 in total in the last 12 months.

What was your average deal size last year (in terms of units)?

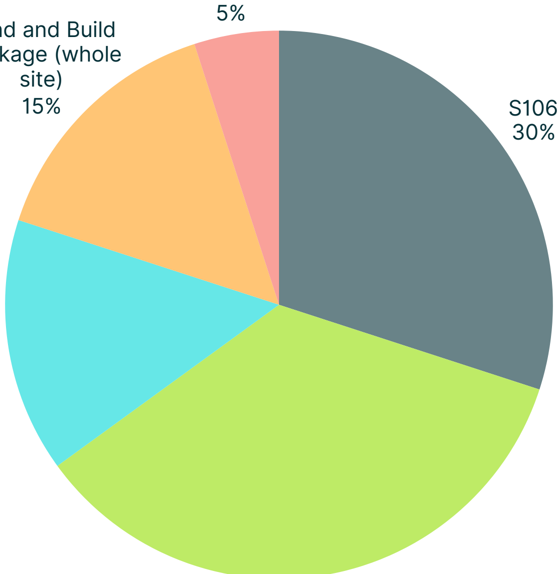
Fewer than **15%** were in the 0-25 bracket, which is perhaps unsurprising given the challenges that smaller scale s106 deals bring when it comes to management costs, and also the fewer number of smaller RPs in the sector today, following a period of strong M&A activity. It does, however, highlight that there is an opportunity for deals to be done with smaller SME housebuilders if the right deal can be struck early on - this is something Rapleys has been working on across the South and Southeast.

21.4% answered 101+

42.9% answered 51-100

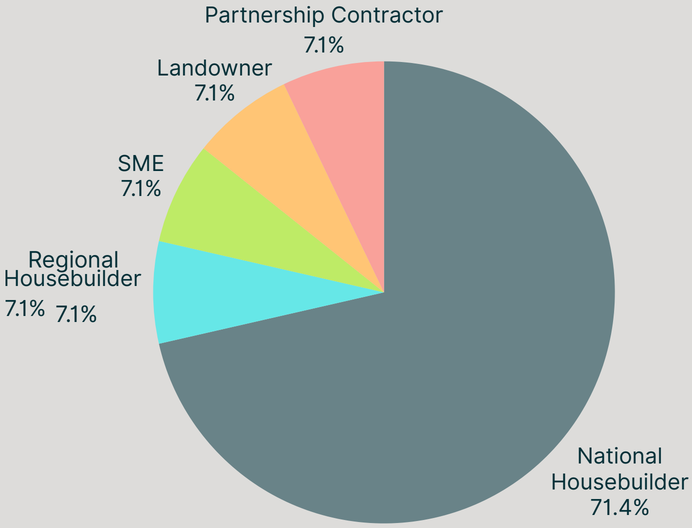
21.4% answered 25-50

14.3% answered 0-25



What deal type did you complete most frequently last year?

Continued reliance on Section 106 and additionality acquisitions reflects both the availability of pipeline from national housebuilders and the lower delivery risk compared with direct land-led development. In an environment where construction costs and planning uncertainty remain significant concerns, many providers continue to favour de-risked acquisition models over taking planning and delivery risk themselves.

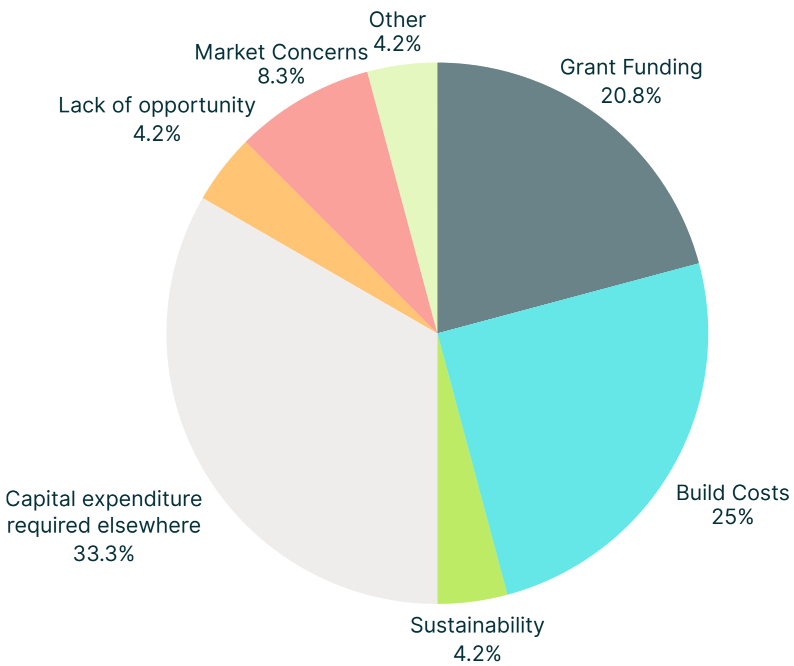


With which organisation have you most frequently completed transactions?

Over **70%** of deals were completed with national housebuilders. Partnership contractors, landowners, SMEs and regional housebuilders made up the remainder.

What was the biggest obstacle to acquiring units in 2025?

The responses illustrate how development decisions are increasingly influenced by competing investment priorities. Across the sector, providers continue to balance ambitions for growth against significant expenditure on existing stock, including building safety, damp and mould remediation, decarbonisation and compliance with new regulatory requirements.



Have you reduced offers in the last 12 months?

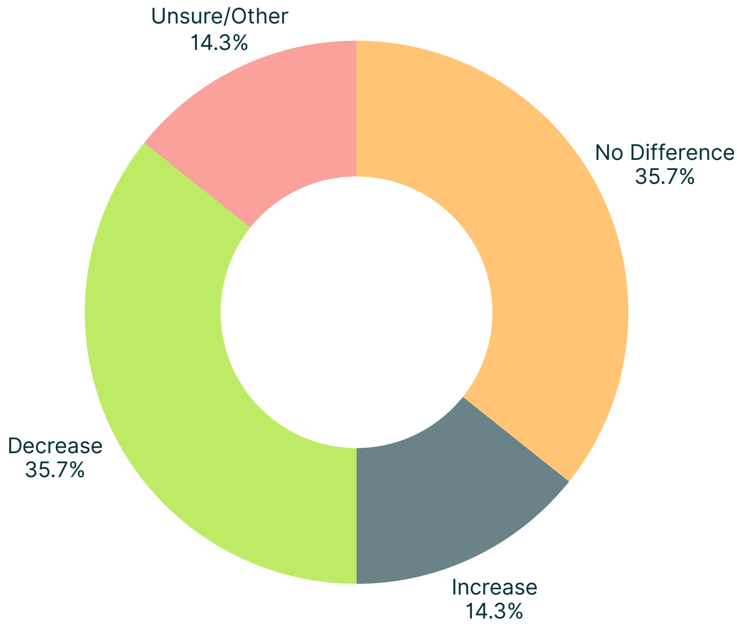
50% of respondents said they had reduced offers in the last 12 months. The reasons included grant funding programme, build costs, borrowing costs, a lack of capacity and mergers. Again, now grant funding is clarified for the next 10 years, we expect the reduction of offers to ease off, particularly given constraints in the new development market.

50% Yes

50% No

Have you noticed an increase or decrease in deal opportunities the last 12 months?

The relatively even distribution of responses suggests there is no consistent national picture. Local markets continue to vary considerably depending on housebuilder activity, grant availability and the financial position of individual providers. Rather than a shortage of opportunities, many respondents appear to be experiencing a shortage of opportunities that meet revised investment criteria.



What is your preferred unit type?

Flats continue to face greater regulatory complexity, higher service charges, increased building safety obligations and more challenging viability, making family housing comparatively attractive from both an operational and financial perspective.

14.3% answered flats

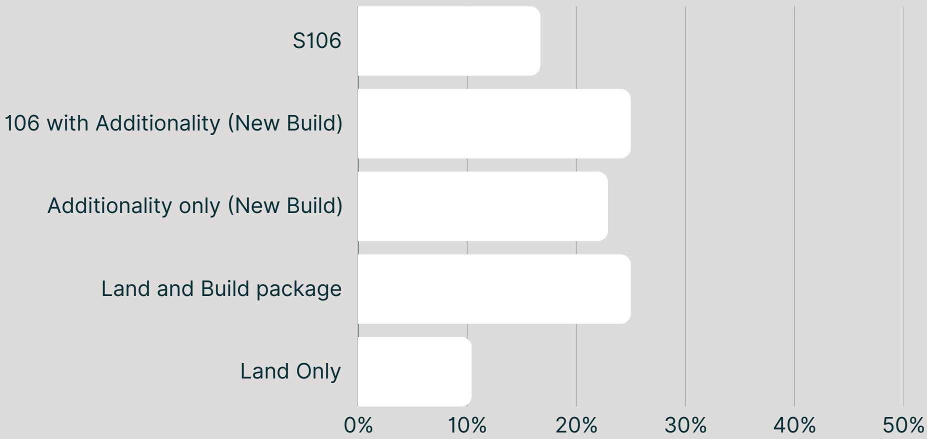
85.7% answered houses

What tenure will these be?

Social rent is the strongest priority amongst respondents with an average allocation of just of **45%**. Affordable Rent tenure by comparison only averages **12.9%**.

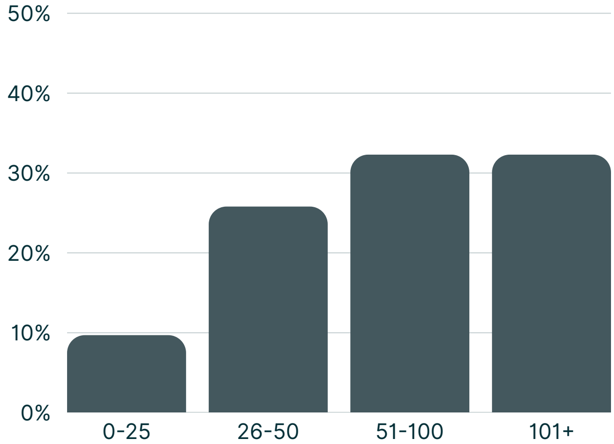
Almost all respondents put some weighting into shared ownership across the types of tenure, with most between **20%** and **40%**. Only **1/5** of respondents included Rent to Buy or London Living rent in their tenure allocations, whilst around half included Affordable Rent, again mostly at the **20%** or **40%** allocation mark.

It is unsurprising in the current environment that RPs prefer shared ownership because it brings in upfront cash sales, lowers ongoing tenancy risks, and generates capital to build more homes. Affordable rent, by contrast, relies on long-term, fixed income that faces strict government caps. Registered Providers (housing associations) often hesitate to allocate or develop properties for Rent to Buy or London Living Rent because these intermediate models offer lower rental income, carry high administrative costs, and complicate financial forecasting compared to standard social rent or outright market sales.



What deal types will you consider?

Few respondents are looking for land only deals, with most looking for package deals, s106 and s106 with additionality.

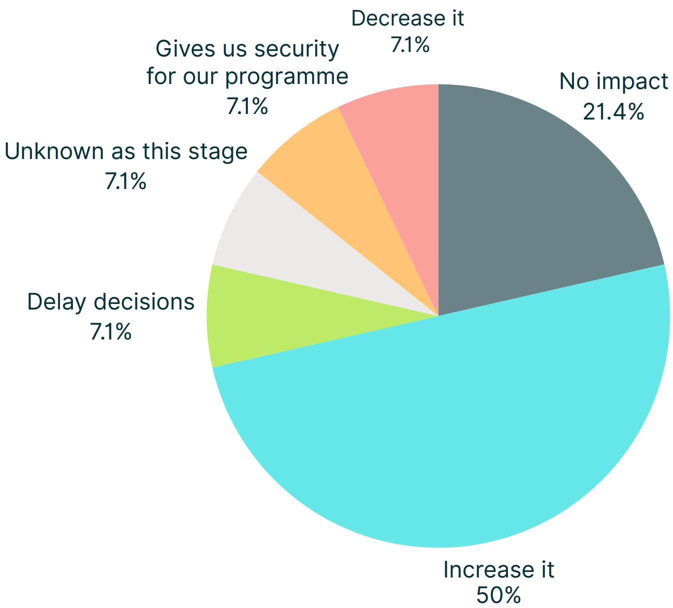


What lot size will you consider?

The ideal lot size is over 50+ units with only a handful of respondents looking at lots fewer than 25 units.

What is your key criteria for acquisitions in 2026?

- “Property handovers late 2028 onwards, and we are seeking grant funded units as we have a good proportion of S106 already”
- “Delivery in next 36-months. Non-gas. Priority for rented”
- “To meet 100% NDSS where possible”
- “GLA grant supported”
- “Shared ownership led additionality opportunities”
- “Schemes with minimal flats and if they do we prefer maisonettes and private amenity space“
- “Sustainability is key”
- “Pipeline capacity and planning certainty”
- “Ideally we are looking at JVs”
- “Deals which deliver completions post 2029”
- “150 units plus ideally”
- “Additionality, Single Family, Majority Shared Ownership”
- “Meeting Homes England Numbers for Strategic Partnerships”
- “EPC-B min”
- “ASHP to be provided”
- “Units to achieve NDSS”
- “Estate charges apportioned on floor area basis”
- “Core operational areas / low density low rise / stable partners willing to share risk”



What impact will the new Affordable Homes Grant Funding programme have on your activity for 2026?

The new Social and Affordable Homes Programme is expected to have a positive impact on affordable housing delivery, with half of respondents anticipating that it will increase their delivery during the current financial year. However, the extent to which this translates into additional delivery will depend on the timing and allocation of grant funding, as well as wider constraints around scheme viability, planning and delivery capacity.

14.3% Yes

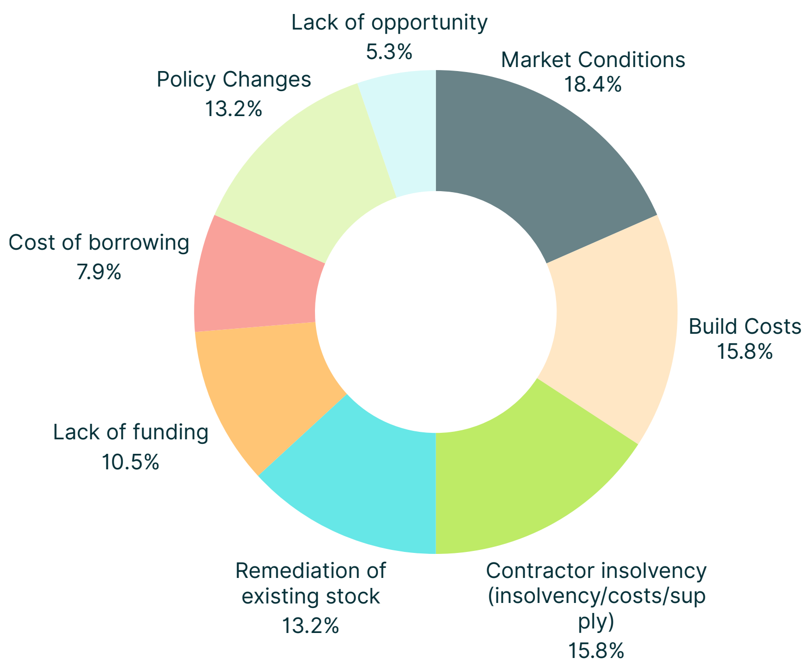
85.7% No

Will you be prioritising upgrading of existing assets over new acquisitions and development?

Over **80%** said that upgrades to existing stock would not be prioritised over development in the next 12 months. Perhaps this implies that the majority have (hopefully) dealt quickly with existing issues. As 100% stock conditions are accelerated however, this figure may increase as RPs get to grips with the totality of their portfolios.

What are the greatest risks to your development programme in 2026?

The greatest risks to activity going forwards were market conditions, followed by build costs, contractor insolvencies and remediation of existing stock.



What single Government initiative would make the most difference to the sector?

The single Government initiative that would make the most difference to the sector was noted as reform of the planning sector (**33%**) followed by financial support, showing that new development itself will continue to be an issue because of delays and constraints posed by planning, and viability of construction. This is something the sector will be watching closely as further Government changes, and the dissemination of already announced changes seeps through.

Further comments we received:

- "The increase in the activity of our competitors will significantly impact our stroke rate in acquiring new opportunities. We have been one of only a few active RPs in our region over the past 12 months. This looks to be changing."
- "The renters rights act will only have a detrimental affect on the industry, as the increase in national insurance and minimum wage has done."
- "Our unit split by tenure is more like 50% social rent, 40% shared ownership and 10% rent to buy but we weren't able to put this with the options available."

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Notable Headwinds

- **Viability pressure:** Gilt yields remain a challenge for bidders, creating viability issues, though downward movement would benefit sector sentiment. Existing stock obligations, high gilt yields, stretched viability and planning delays are all major challenges for RPs.

- **Stock investment burden:** Spending on repairs and maintenance rose to a record £9.5bn in the year to March 2026, 5% above 2024/25, and is forecast to rise a further 12.6% this year, with average interest cover forecast to fall from 78.9% to 67.3% by March 2027.

- **Regulatory step-up:** New standards including the Future Homes Standard and Awaab's Law are resetting baselines, raising upfront costs even as they reduce lifecycle risk.

- **Geopolitical cost pressure:** The conflict in the Middle East has increased the cost of debt and is expected to further increase build costs at a time when viability is already stretched.

Notable Tailwinds

- **Improving sentiment:** Registered Providers are feeling more positive in 2026 despite challenging conditions, supported by leftover grant funding from the previous Affordable Homes Programme and greater clarity on future rent growth.

- **Selective S106 re-entry:** RPs in some areas are selectively re-entering the S106 market and beginning to bid for existing newer-build operational portfolios, as first-generation For-Profit RP (FPRP) portfolios start to trade, creating transactional evidence.

- **New capital inflow:** Increasing interest from new capital looking to access the sector - the FPRP model continues to mature, with growing institutional interest (L&G, and others) in long-income affordable housing.

- **MMC and delivery reform:** Modern Methods of Construction is shifting from pilots to platforms, supporting productivity, quality assurance and programme certainty, described as one of the sector's most significant transformations in decades.

- **Programme oversubscription:** The latest Affordable Homes Programme was oversubscribed, evidencing well-funded RPs' ambitious growth targets.

- **A final word:** As the Government reshapes and the new Prime Minister undoubtedly doubles down on his initial speech to house everyone in the UK, we will hope to see further measures unveiled that aim to further support the sector and ease the challenges. The next 12 months will be crucial.

Rapleys' specialist AH team provides strategic valuation, development, and agency services to Registered Providers across the UK. To find out more about our services and how we can support your organisation, please contact:

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