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Our Q3 business update

We're pleased to present the highlights of the 3 months ending 31 December 2023.

- Operating surplus from core social housing lettings was £26.1m
- Our arrears remain stable at 4.3%. We continue to support our customers to claim unclaimed benefits, claiming nearly £7.5m so far this year
- We built 456 new homes
- We have available liquidity¹ of £534.6m.

Key metrics

	<i>Def.</i>	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3
Turnover		89.0m	84.4m	76.9m	91.6m	94.9m
Operating margin		35%	27%	39%	30%	33%
Operating margin (social housing lettings)		42%	35%	45%	35%	43%
Operating cost per unit		£3,753	£4,168	£3,779	£4,475	£3,936
New homes completed		254	618	312	298	456
Investment in new homes	2	87.8m	119.2m	143.1m	123.3m	109.7m
Investment in existing homes	3	10.1m	12.8m	9.1m	8.3m	6.8m
Number of shared ownership first tranche sales	4	122	159	95	95	212
Number of outright sales		38	30	17	40	28
Gearing	5	47%	48%	47%	51%	52%
EBITDA MRI interest cover		184%	130%	163%	148%	148%
Current tenant arrears		4.4%	4.1%	4.0%	4.0%	4.3%
Void loss		1.1%	1.2%	1.3%	1.2%	1.3%

Business performance

	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3
	£m	£m	£m	£m	£m
Core business surplus					
Rental income	51.9	51.6	56.2	57.8	58.2
Other income	2.1	2.3	2.3	2.0	2.3
Staff costs (<i>excl repairs</i>)	(6.6)	(7.6)	(6.2)	(6.9)	(7.3)
Property costs	(11.2)	(10.9)	(11.0)	(13.1)	(12.3)
Other operating costs	(13.5)	(16.3)	(15.1)	(18.6)	(14.8)
	22.7	19.1	26.2	21.2	26.1
Operating margin (social housing lettings)	42%	35%	45%	35%	43%
Sales profits	10.3	5.3	4.5	7.1	6.4
Interest costs	(11.9)	(10.7)	(13.9)	(14.0)	(16.8)
Surplus before tax	21.1	13.7	16.8	14.3	15.7
Tax & investment FV	-	0.7	(0.1)	0.1	(7.0)
Net surplus	21.1	14.4	16.7	14.4	8.7

Customer satisfaction

We ask customers to rate the service they receive out of 10. We're facing challenges with increased demand in repairs and rising customer expectations. We are focusing on improving areas that are most important to our customers to make their overall experience better. These areas are: speed of repairs, ease of contact and keeping customers informed.

Touchpoint	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3
Contact into Customer Experience team	8.6	8.8	8.6	8.7	8.5
Repairs	8.7	8.7	8.8	8.8	8.6
Complaints handling	5.2	4.6	4.6	4.9	4.1
ASB case handling	5.9	6.0	5.6	5.1	6.3
Planned maintenance	7.4	8.0	7.6	7.8	8.2
Move in (lettings)	8.7	8.9	8.6	8.6	8.6
Move in (sales)	7.2	9.5	8.1	9.5	7.1

N.B Scores are out of 10

Total homes

Here's a table showing movements in total homes. We've handed over 437 homes this quarter, excluding outright sales.

Total homes	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3
Opening position	33,692	33,881	34,325	34,589	34,912
Acquisitions	0	0	0	89	0
Handovers	208	500	295	248	437
Disposals	(19)	(56)	(31)	(14)	(17)
Closing	33,881	34,325	34,589	34,912	35,332

Definitions

If not defined, terms can be found in the Programme Admission Particulars to VIVID's EMTN programme

- 1** Liquidity includes cash, available revolving credit facilities and shelf facilities (pro-rated to 50%)
- 2** Cashflow investment in new homes
- 3** Investment in existing homes represents capitalised expenditure
- 4** Number of low cost home ownership (shared ownership) first tranche sales in the period
- 5** Loans falling due within one year adding loans falling due after more than one year deducting cash and cash equivalents, divided by housing assets at historic cost.

Disclaimer

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