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Karbon Homes Limited
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RNS announcement

Karbon Homes Group: Annual Review and Financial Statements to 31 March 2026

Karbon Homes is a housing association that owns or manages over 34,000 homes across the North East of England and Yorkshire within diverse communities facing a range of challenges and opportunities.

We are pleased to publish our financial statements to 31 March 2026.

A full pdf copy of the financial statements is attached to this announcement and is also available via the company's website at www.karbonhomes.co.uk/corporate/

Highlights for the period ending 31 March 2026

- KHG owns and/or manages 34,247 homes
- Karbon Homes Limited maintained its **G1/V1 status** from the Regulator for Social Housing on 24 September 2025, following a regulatory inspection. We also achieved our first customer grade of C2.
- Turnover for the period (excl. housing sales and asset disposals) was **£233.7m** (2025: £219.0m)
- *Operating surplus for the period was **£53.2m** (2025: £53.0m)
- **Overall operating margin (excl. asset sales) was **22.8%** (2025: 24.4%)
- The surplus after tax for the period was **£31.1m** (2025: £35.7m)
- **Gearing as at 31 March 2026 was **41.0%** (2025: 36.7%)
- **Return on capital employed for the period was **3.6%** (2025: 3.6%)

* Excludes housing sales, disposals, revaluations and negative goodwill.

***RSH Value for Money definitions.*

Commenting on the results, Scott Martin, Executive Director of Resources at Karbon Homes, said:

Despite the challenging operating environment we have experienced over the last year, with financial, regulatory and political environments changing at pace, we have made great progress against our strategic aims and are continuing to have a positive impact across our communities.

We have had our 'A' credit rating affirmed by S&P, along with our stable outlook. This reflects our continued focus on balancing financial performance with delivering customer priorities, and our commitment to improving and achieving efficiency gains.

Despite a continued rise in costs, with increased inflation and higher interest rates, we've remained committed to both the delivery of new affordable homes and continued investment in our existing homes.

With funding from our Strategic Partnership with Homes England we completed 478 new homes across the North East and Yorkshire. These homes are available for a mix of tenure types to meet the wants and needs of residents at varying stages of life.

And we have delivered £105.6m of planned and responsive investments. We have had a particular focus on delivering the new regulatory requirements which came into effect in October under Awaab's Law.

To ensure we meet these requirements and deliver the best possible services to customers, we created a dedicated Damp and Mould Team. The team is focused on tackling damp and mould issues quickly, thoroughly and with care.

Throughout the year we have consistently performed very strongly on building and customer safety measures. We are also letting our homes more quickly than ever before and despite cost-of-living pressures on our customers we've seen a significant reduction in rent arrears, thanks to new support measures we have put in place.

The results of both our Customer Net Promoter Score (NPS), and our Tenant Satisfaction Measures (TSMs) reflect the efforts we have made to continually improve the experience our customers have with us.

Our NPS, which calculates how likely customers are to recommend Karbon to others, sat at a record high of +42. Scores above 0 are considered good and above +50 is excellent. And our TSM for overall satisfaction sat at 84.9%.

Heading into the new financial year, we gained approval from the charity commission for the launch of Karbon Foundation.

As a charitable arm within the Group, the foundation is designed to help us create more and lasting social impact in the North East and Yorkshire. The coming year will see us embed the new organisation within the Karbon Group.

We also submitted our bid to Homes England for the next Social and Affordable Homes Programme. This time we've taken a different approach, working collaboratively with other registered providers in the region on a consortium bid, pooling expertise and resources to deliver a strong, reliable and resilient pipeline of development.

We look forward to hearing the outcome in the coming months.

The development of our newly established subsidiary within the Group, Graphite Living, will play a key role in the delivery of our future development ambitions. We are at the second stage of registration with the Regulator of Social Housing and we're continuing conversations with potential investors around its structure.

In a difficult economic context we will continue to face difficult choices around investment, but we will ensure we prioritise what is most important. We will do this through a prudent strategy and strong management practices, all underpinned by robust oversight of our housing assets.

This approach will enable us to continue with our mission to provide our customers and communities with a 'strong foundation for life'.

Key financial metrics £m	**2025/26**	**2024/25**	**2023/24**	**2022/23**	**2021/22**
Social housing core rental income	195.9	183.7	161.2	138.2	128.5
Sales and other turnover	37.8	35.3	30.2	27.4	26.7
Turnover	**233.7**	**219.0**	**191.4**	**165.6**	**155.2**
Cost of sales and other operating costs	(29.0)	(26.6)	(21.3)	(19.1)	(17.8)
Social housing core operating costs	(151.5)	(139.4)	(126.4)	(102.9)	(97.2)
Social housing core operating surplus	*44.4*	*44.3*	*34.8*	*35.3*	*31.3*
Operating surplus	**53.2**	**53.0**	**43.7**	**43.6**	**40.2**
Surplus on housing sales	7.4	2.5	2.4	3.3	3.8
Net interest cost	(27.2)	(22.3)	(18.4)	(17.8)	(19.6)
Tax and other *	(2.3)	2.5	4.7	54.4	11.3
Surplus	**31.1**	**35.7**	**32.4**	**83.5**	**35.7**

*Tax and other in FY 2026 comprises: corporation tax, movement on valuation of investment properties, loss on disposal of other fixed assets. Previous years also include negative goodwill from merger with other associations.

For further information, please contact:

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