

Asset Investment Strategy

2026 to 2029



Contents

Introduction

Customer

Operational context and stock profile

Drivers for change

Priorities

Customers are safe in their homes

Customers live in a decent home

Improve energy performance to EPC C by 2030

Invest beyond the home – a place-based investment strategy

Objectives

We will know our homes better and use data to make better decisions

We will provide our customers with a great service

We will evolve our investment plans to start to align investment, regeneration, disposal and new homes decisions around Place Plans

We will provide homes and places that are sustainable and support our long-term ambitions

We will work collaboratively with our customers and stakeholders to ensure we can access our homes

Place and Home Standard

03

04

04

05

05

06

07

08

09

10

11

12

13

14

15

16

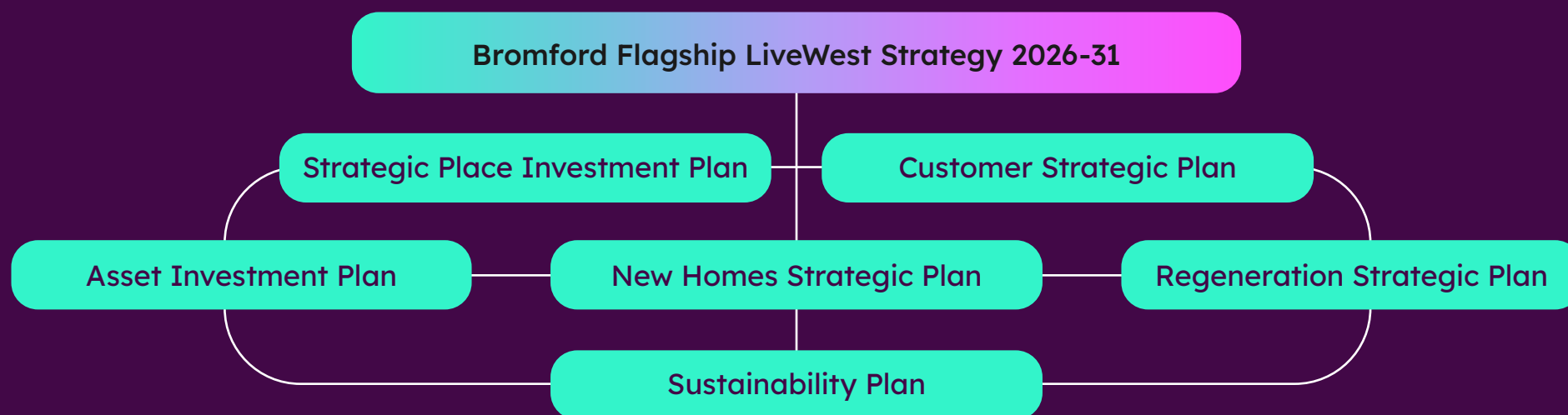


Introduction

The BFL Asset Investment Strategy sets out how we will invest in and manage our homes over the period 2026-2029. It translates the ambitions of our 5-year and 30-year financial plans into an integrated investment framework, ensuring that resources are deployed effectively to maintain existing stock, meet regulatory requirements, improve customer outcomes and safeguard long-term financial resilience. It marks the beginning of a transition in how we invest in homes and communities. While this strategy period remains rooted in the principles of traditional asset investment, it lays the foundations for a longer-term shift towards place-based investment and stewardship.

Through the scale and strength of BFL, we will invest in safe, compliant and sustainable homes, while developing a deeper understanding of how our investment decisions can support thriving places, better customer outcomes and stronger communities. This strategy provides the framework for balancing customer needs, regulatory requirements, sustainability ambitions and financial resilience, ensuring our homes and places continue to deliver value for generations to come.

This Asset Investment strategy is part of a strategic framework that outlines how we invest in homes and places.



Customers

Customers are central to our strategy and will play a key role in shaping and implementing our new approach. We want to work with customers in a range of ways to understand what matters most to them about their homes and communities, and to design long-term investments and improvements that reflect their priorities.

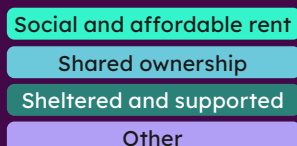
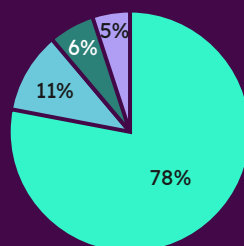
Our ambition is to create places where customers can live, work and thrive, supported by high-quality housing and a well-maintained environment. Alongside this, we will deliver excellent services that meet their needs and enhance their experience.

Operational context and stock profile

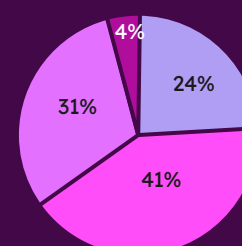
BFL manages approximately 127,000 homes for almost 300,000 customers across the West, South West, Central and East of England. Over 37% of our homes are under 25 years old. We recognise we have a range of age profiles across our operating area. Our planned programme of investment in our existing homes includes energy efficiency works, proactively improving their quality, energy efficiency and affordability for our customers. Almost 70% of our homes are houses and 75% are family accommodation with two or more bedrooms.

Number of homes owned by BFL Group:

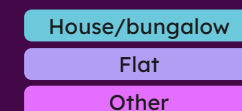
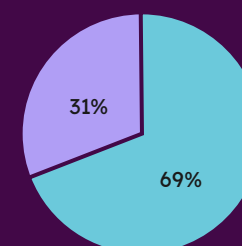
Tenure type
(95% affordable)¹



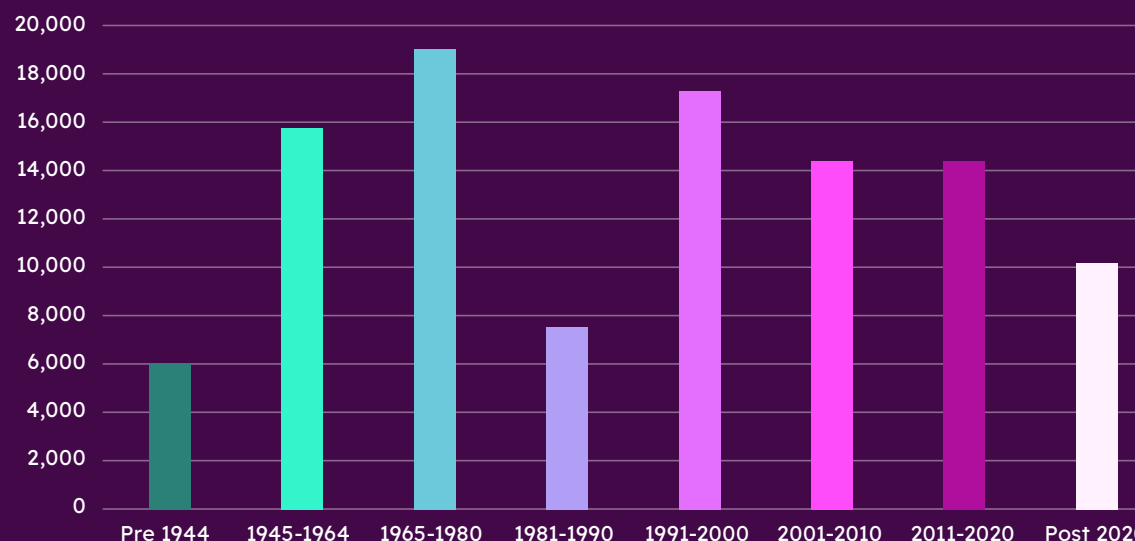
Number of bedrooms²



Type of property³



Age profile of our homes³



1. Based on data submitted to the Regulator of Social Housing in the Group's Statistical Data Return 2025-26 for properties owned and managed
2. Based on data submitted to the Regulator of Social Housing in the Group's Statistical Data Return 2025-26 for properties owned, and excludes leasehold, intermediate, care homes, shared ownership and non-social. Bedsits (less than 1%) and Bedspaces (less than 1%) have been included in the 1 Bedroom category
3. Based on data submitted to the Regulator of Social Housing in the Group's Statistical Data Return 2025-26 for properties owned, and excludes leasehold, care homes, shared ownership and non-social.

Our drivers for change

Aging homes

Keeping our homes safe, well maintained and performing well as they get older.

Customers

Making sure our homes continue to meet the needs and expectations of current and future customers.

Technology

Making the most of new technology to manage homes more effectively and ensure they remain digitally connected.

Climate resilience

Responding to climate change by improving the resilience of our homes and places to future climate risks.

Financial sustainability

Making the best use of our resources through efficient procurement, strong contract management and delivering value for money.

Priorities

Our aim is to invest in the right homes and places at the right time. This strategy sets out our investment priorities for existing homes over the next three years we'll:

- ensure that customers live in homes that are safe, healthy and support them to thrive.
- ensure that customers live in a decent home
- improve the energy performance of our customers' homes to a minimum of Energy Performance Certificate (EPC) C by 2030
- Place-based investment that creates thriving communities, looking beyond simply achieving decency





Priority 1

Customers are safe in their homes

Safety is our first and non-negotiable priority. We'll meet and, where possible, exceed all landlord safety requirements, ensuring every customer lives in a home where risks are proactively identified, managed and where possible, eliminated.

What this means in practice:

- full compliance with all statutory safety obligations (gas, electrical, fire, water hygiene, lifts, asbestos, structure)
- adoption of a zero-tolerance approach to overdue compliance actions
- embedding a proactive, risk-based asset management model rather than reactive compliance
- alignment with emerging and new regulation, (including Awaab's Law, Decent Homes 2 and Building Safety Act requirements)

What success looks like for customers:

- customers feel safe and confident in their homes

What success looks like for BFL:

- no regulatory breaches or enforcement action
- a demonstrable shift from reactive to preventative safety management





Priority 2

Customers live in a decent home

We will ensure every home meets and where possible exceeds the Decent Homes Standard (and future revisions), providing homes that are warm, weather-tight, functional, and fit for modern living.

What this means in practice:

- robust management of homes to mitigate non-compliance risk with decent homes across the portfolio
- lifecycle replacement programmes will progressively transition from age-based investment triggers towards a risk, condition and outcomes-based approach
- tackling disrepair and latent defects at pace
- improving quality, space standards, and usability (where feasible)



What success looks like for customers:

- all homes meet or exceed Decent Homes standards
- less disruption for customers due to fewer reactive repairs
- customers experience higher satisfaction with their homes - upper quartile performance for TP04 Satisfaction that the home is well maintained

What success looks like for BFL:

- reduced reactive demand, allowing more effective financial and workforce planning



Priority 3

Improve energy performance to EPC C by 2030

We will deliver a financially sustainable pathway to EPC C by 2030, reducing carbon emissions while improving affordability and comfort for customers.

What this means in practice:

- prioritising the least efficient homes first through our retrofit programme (Energy Performance Certificate (EPC) D to G)
- taking a whole-house, fabric-first approach wherever technically feasible, rather than piecemeal upgrades
- alignment with net zero 2050 commitments (Scope 1, 2, and 3 where applicable)
- reducing fuel poverty and improving thermal comfort

What success looks like for customers:

- measurable reduction in energy demand and carbon emissions
- customers experience improved thermal comfort and are able to heat their homes

What success looks like for BFL

- regulatory compliance with EPC C by 2030
- every home at EPC C or above by 2030 (where technically feasible)





Priority 4

Invest beyond the home – a place-based investment strategy

We'll move beyond property-level investment to a place-based model, targeting investment where it delivers the greatest social, environmental, and economic impact. By understanding places as well as properties, we will make investment decisions that improve neighbourhoods, strengthen communities and create sustainable long-term lasting value for customers and BFL.

What this means in practice:

- using data and insight about places to inform investment decisions, including data on deprivation, health, housing demand, sustainability and asset performance
- delivering coordinated interventions across neighbourhoods, rather than isolated improvements to individual homes
- attracting stakeholder investment and aligning programmes with local authorities, regeneration initiatives and strategic partners
- investing in the wider environment around our homes to enhance neighbourhood quality, community wellbeing and local pride
- targeting resources where they can deliver the greatest long-term benefit for customers and places



What success looks like for customers:

- clear link between investment and improved place outcomes
- stronger, more sustainable communities
- reduced repairs

What success looks like for BFL:

- more effective and efficient use of investment resources through targeted, evidence-led decision making
- improved long-term asset performance and neighbourhood desirability
- reduced demand for reactive interventions through proactive investment and maintenance higher levels of customer satisfaction and trust
- fewer complaints and service failures, enabling colleagues to spend more time proactively supporting customers and communities
- stronger partnerships with local authorities and stakeholders, increasing our ability to attract investment and deliver regeneration outcomes

Objectives

The following five objectives support the delivery of our investment priorities. Together, they strengthen our understanding of our homes and places, improve the services we provide, enhance decision-making, support our sustainability ambitions and ensure customers remain at the heart of investment decisions.



Objective 1

We will know our homes better and use data to make better decisions



Objective 2

We will provide our customers with a consistently high level of service



Objective 3

We will evolve our investment plans to start to align investment, regeneration, disposal and new homes decisions around Place Plans



Objective 4

We will provide homes and places that are sustainable and support our long-term ambitions



Objective 5

We will work collaboratively with our customers and other stakeholders to ensure we can access our homes



Objective 1

We will know our homes better and use data to make better decisions



Understanding our homes and places is fundamental to delivering better outcomes for customers and making informed investment decisions. By bringing together stock condition, compliance, energy performance, location and customer data, we will develop a comprehensive view of every home, enabling us to target investment where it will have the greatest impact.

High-quality data will support a more proactive approach to asset management, helping us maintain safe, warm and compliant homes, respond more effectively to issues such as damp and mould, and improve customer satisfaction. Stock condition surveys and inspections of communal areas will identify risks early, while customer and vulnerability data will help us prioritise homes that require greater attention.

Better intelligence will also strengthen long-term planning, ensuring investment is aligned to customer needs, sustainability ambitions and financial priorities. This will help us make best use of resources, support the transition to net zero, improve climate resilience and maximise social value. Where homes are no longer capable of supporting the long-term ambitions for a place, regeneration will be considered alongside continued investment

To deliver this, we will:

- make every contact count, taking every opportunity to collect insight and information into the condition of homes and how customers live in them
- collaborate with colleagues across BFL to ensure we know our customers and use that information to inform how we make investment decisions
- standardise our approach to asset data by ensuring consistency across our legacy organisations and using all sources of property condition information
- bring together our asset appraisal model, combining financial and strategic data, to have one consolidated view of performance by place
- complete a stock condition survey on every home within five years, and identify homes where a more frequent assessment might be needed
- develop a programme of surveying communal areas of blocks and estates in line with enhanced Place Standards and Decent Homes 2
- develop the data sets and metrics to measure performance against our homes and place standard
- improve our system reporting on data quality and completeness of stock condition information
- implement a consistent building safety reporting and management approach, integrating data from legacy organisations and estates



Objective 2

We will provide our customers with a great service

In addition to providing excellent homes and places, we are committed to delivering a high-quality service for our customers. This commitment extends across everything we do, from responsive repairs and routine safety checks to planned investment programmes and home upgrades.

Clear and consistent communication is at the heart of our approach. We want our customers to feel informed and supported throughout their interactions with us. That includes being transparent about our plans and timelines, so customers know when to expect investment and what those improvements will involve.

Our engineers will be equipped with the right tools and information to deliver first-time fixes wherever possible, helping to minimise disruption and enhance customer satisfaction. We will also take a proactive approach to repairs, using data and insight to identify and resolve issues before they escalate. We recognise that we won't always get things right, and when we do fall short, we are committed to putting things right quickly and thoroughly.

Our goal is to ensure customers feel listened to, respected, and valued. Together, these principles will help us build trust, deliver consistently high standards, and provide a service our customers can rely on.

To deliver this, we will:

- improve our first time fix rates
- learn from our complaints and reduce the volume of complaints
- increase customer satisfaction for planned and reactive maintenance
- harness and use the feedback customers give us through engagement and complaints
- review the customer end to end journey for our planned investment and seek opportunities to align across the BFL group to ensure a consistent customer experience
- maintain top quartile performance for the Tenant Satisfaction Measures (TSMs): home feels safe, home is well maintained
- review opportunities for proactive maintenance and seek to understand the value of pre-empting problems with our customers' homes and proactively resolve them





Objective 3

We will evolve our plans to align regeneration, disposal, existing and new homes investment around Place Plans

Taking a long-term approach to planning helps us make better decisions about our homes and communities. It ensures we balance customer needs, financial sustainability and our ambitions for the future. We'll develop our Homes and Places Standards, providing a clear framework for how we invest in our homes and places and helping us focus investment where it can have the greatest impact.

This approach will allow us to anticipate future challenges and respond with informed, investment decisions. We will consider changing regulations and consumer standards, evolving customer expectations, net zero and energy efficiency targets, the requirements of Decent Homes 2 and changing patterns of housing demand. By planning ahead, we can reduce reactive spending, maintain compliance, and make the best use of our resources to deliver maximum value and comfort for our customers. This will also give us the flexibility to respond to opportunities that enhance homes and places as they arise.

Assessing our homes and places will help us develop long-term plans that support better communication with customers, more efficient procurement and delivery, and faster progress on complex or large-scale projects. Looking at the big picture helps ensure every decision contributes to creating safe, high-quality homes and thriving communities where people feel proud to live. We will use asset investment as a catalyst for wider investment and partnership activity, such as attracting public funding, aligning with NHS priorities and supporting regeneration partnerships.

This strategy marks our first steps towards a place-based approach to planning and investment, helping us tailor investment and regeneration activity to the needs of each community.

To deliver this, we will:

- develop a BFL Strategic Place Investment plan
- take our first steps towards place-based investment plans and away from component planning
- develop an asset grading and options appraisal framework to understand the value of our homes to our customers and our business and assess our homes against this framework
- develop a strategic plan for regeneration to understand how we will identify homes and places for regeneration
- incorporate more granular carbon reduction spending into our asset viability modelling to understand the impact on whole stock performance





Objective 4

We will provide homes and places that are sustainable and support our long-term ambitions

We'll ensure our homes are affordable to run, environmentally sustainable and resilient, supporting our net zero ambitions and long-term performance of homes for both our customers and BFL.

We've a vital role in helping our customers to lower their bills and reduce energy consumption. By improving the energy performance of our homes, we can reduce fuel poverty and improve living conditions.

At the same time, reducing carbon emissions is essential if we're to achieve net zero by 2050 and play our part in tackling climate change. Housing is one of the UK's largest sources of carbon emissions, so retrofitting existing homes and designing new homes to be low carbon is a strategic priority for BFL.

By investing in greener technologies and sustainable materials, we can prepare our homes for the future, maximise funding opportunities, and creating lasting value for customers and communities.

We'll take a broad, data-driven and ambitious approach to achieving this objective. While continuing to enhance the condition of our homes, we also aim to be at the forefront of exploring and applying emerging technologies to create greater value for our customers. This will involve piloting innovative solutions, making bold choices and embracing new ways of doing things when opportunities arise.

To deliver this, we will:

- deliver our programme of improvements to ensure our homes achieve EPC by 2030 (where feasible)
- seek opportunities to collaborate with partners and access external funding
- design sustainability into our investment decisions
- agree our long-term heating strategy for homes that supports achieving EPC C by 2030 and net zero by 2050
- understand climate risks in our homes and places and start to plan how these will be mitigated
- understand the role of sensors and how they can be deployed at scale following completion of several pilots
- pilot new innovations in areas such as solar, micro grids, battery storage and heat networks and understand how they can be delivered at scale
- pilot supply side innovations such as smart metering to make electrification more affordable for customers and understand how they can be delivered at scale
- implement and operationalise our energy modelling software to further shape our approach to decarbonising our portfolio
- review our heat networks, ensure that they are compliant with the regulations and seek opportunities to improve outcomes for customers



Objective 5

We will work collaboratively with our customers and stakeholders to ensure we can access our homes

We'll build strong, trust-based relationships with customers and partners so we can consistently access homes, and deliver safety, compliance and investment programmes effectively.

We'll take a proactive and personalised approach to working with customers, making it easier for us to access homes when we need to carry out inspections, safety checks, repairs and improvements. We'll use customer insight to better understand the barriers to access and tailor our approach to meet different needs.

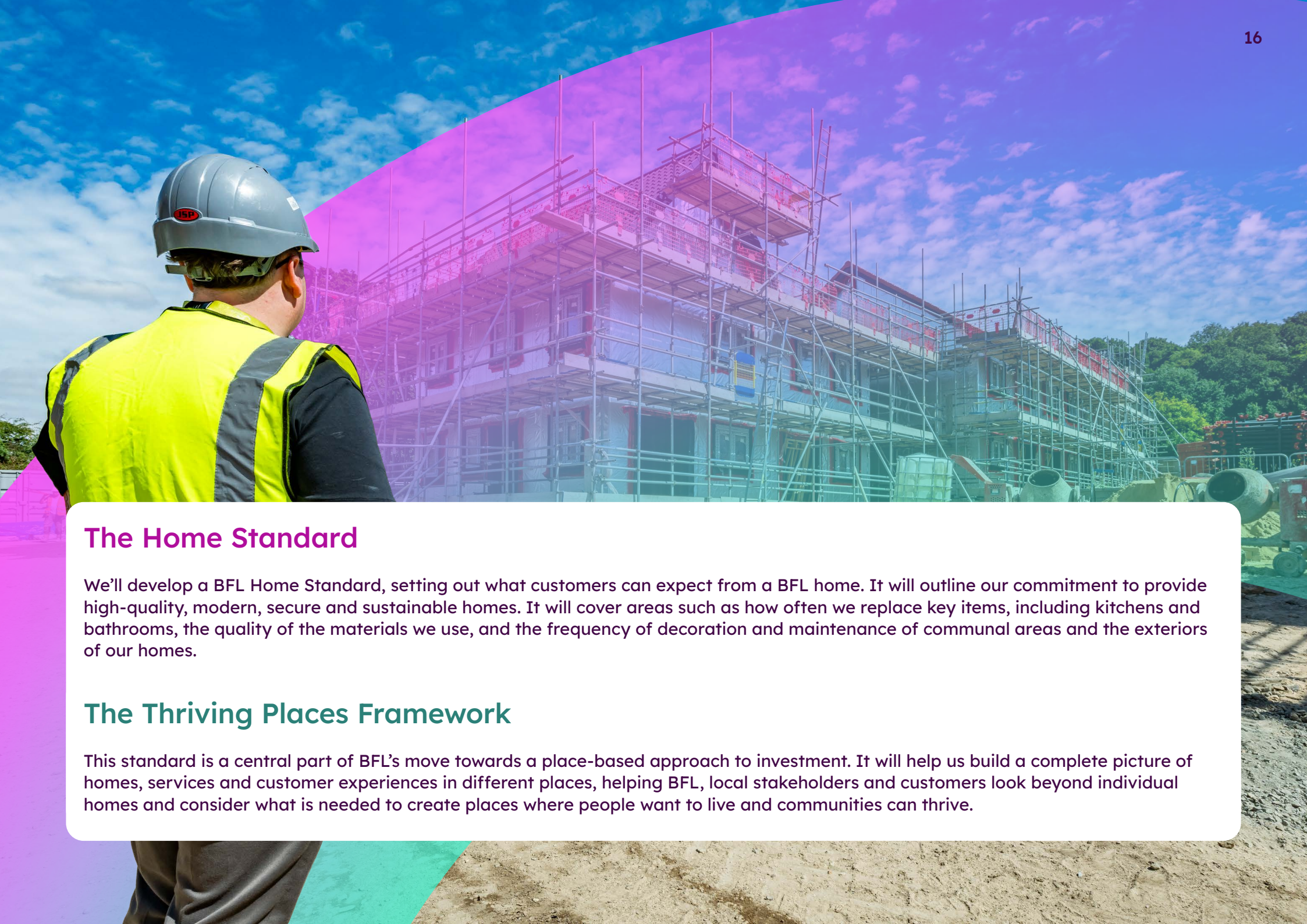
We will offer more flexible appointment options and improve our scheduling systems to make access as convenient as possible. We will also work closely with local services and support organisations to help us engage with vulnerable or hard-to-reach customers, ensuring that we can consistently deliver essential safety and investment works.

What this means in practice:

- reducing no-access rates for safety checks and planned works
- building customer understanding of why access matters
- tailored engagement approaches for different customer needs
- strong partnership working with local stakeholders and support services

To deliver this, we will:

- understand our customers better by collecting data and information and using it to flex our service where required
- develop our BFL customer promise
- be clear and consistent when we communicate with our customers about accessing their homes - shifting perception from 'inconvenience' to 'essential for my safety and home quality'
- use behavioural insight to encourage positive customer behaviours
- remove friction in our appointment system, expanding the opportunities for customers to self-serve and providing flexible appointment options
- support our most vulnerable customers by working with partners such as local authorities, health services and support agencies
- improve operational discipline and build confidence through reliability – ensuring appointments are kept, improving contractor performance and increasing trust that we will turn up when we said we would
- introduce clear escalation and enforcement routes, publishing a clear access policy (engage > warn > enforce) ensuring consistent, fair application across BFL
- treat access as a core KPI, not an afterthought, creating organisational focus and accountability



The Home Standard

We'll develop a BFL Home Standard, setting out what customers can expect from a BFL home. It will outline our commitment to provide high-quality, modern, secure and sustainable homes. It will cover areas such as how often we replace key items, including kitchens and bathrooms, the quality of the materials we use, and the frequency of decoration and maintenance of communal areas and the exteriors of our homes.

The Thriving Places Framework

This standard is a central part of BFL's move towards a place-based approach to investment. It will help us build a complete picture of homes, services and customer experiences in different places, helping BFL, local stakeholders and customers look beyond individual homes and consider what is needed to create places where people want to live and communities can thrive.

Enabling people to thrive