



CDS Asset Management Strategy 2026

Introduction

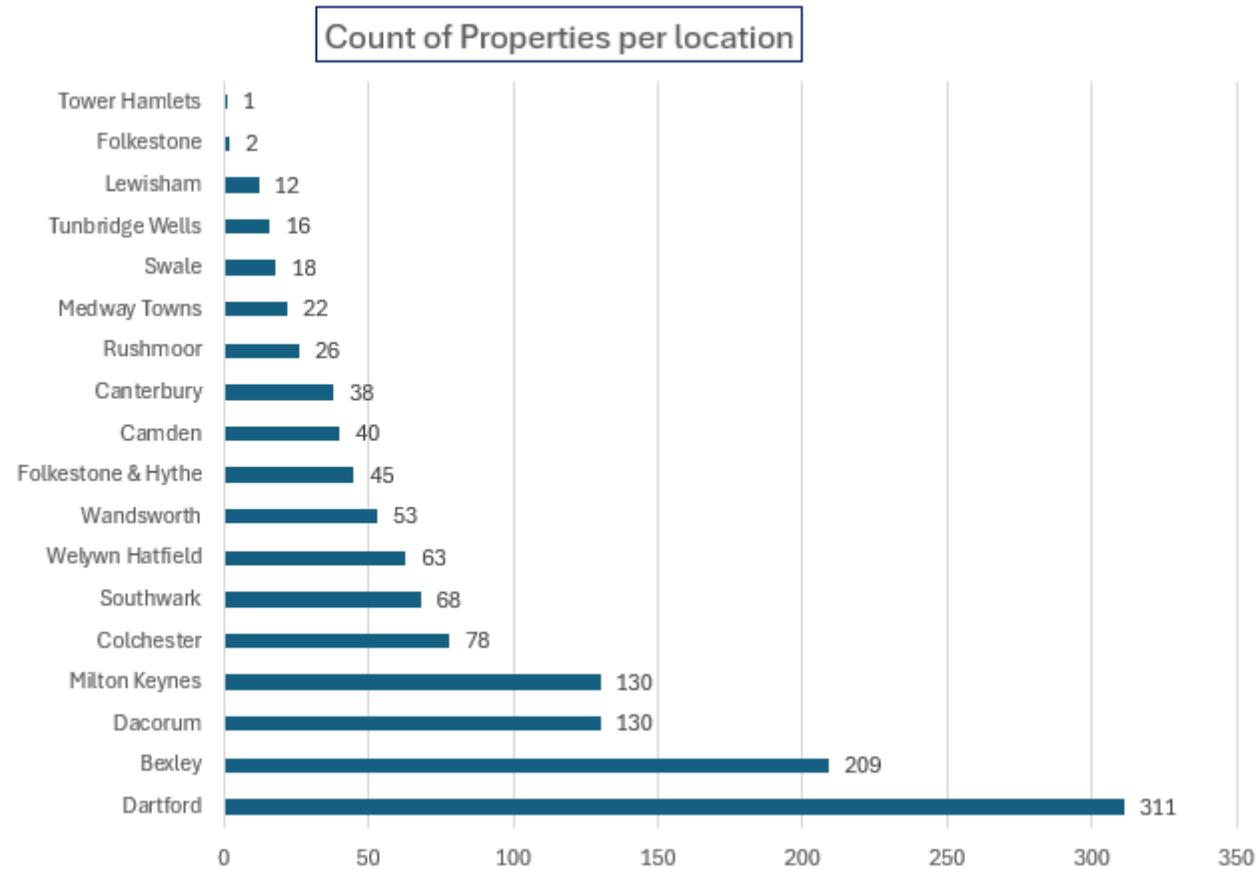
CDS is a unique charitable society with a proud 50 year legacy and clear ambitions for the future. We own and manage a geographically diverse range of properties, including 732 general needs homes, 71 Shared Ownership homes where we continue to hold equity, and 165 leasehold properties which are 100% sold. We also provide management services to over 30 housing co-operatives supporting over 1,000 homes with a wide range of landlord services.

The Asset Management Strategy is based on the substantial stock condition surveys carried out in 2025. These surveys have informed the five strategic objectives and provided evidence for the first 3 years (initial phase) plan. This is because it is important to continue to invest in CDS homes as soon as we are able to do that based on sound data and evidence. That is the position for 2026/27. However, this strategy is about more than just using the evidence and data. It is about having CDS residents at the heart of deciding what is needed in their homes and their communities. So, year one will also be about sharing and co-producing an updated strategy that applies both across CDS properties as a whole, but also has local plans that matter and make sense to local communities. This is why the first of the five strategic objectives is the same as CDS's vision.

Five Strategic Objectives

1. **Grow co-op and community-led housing** to see more people living and working in co-operative ways
2. **Keep residents safe in their homes** by embracing excellent building safety standards and ensuring our residents, their families and visitors are safe
3. **Ensure our residents' homes meet their needs now and into the future** by enabling and promoting co-production, sustainable tenancies, neighbourhoods and homes
4. **Ensure customers can live in comfort** by improving affordable warmth opportunities and meeting the new Decent Homes Standard by 2035
5. **Protect the value of our assets** by investing in current and new homes where this represents value for money, and disposing of properties/assets where this isn't the case

Location of our stock (all tenures)



CDS main asset types (all tenures)

House	622
Flat	425
Flat – Shared	6
Bungalow	17
Bedsit	25
Maisonettes	9
Garages and Commercial and other	158
Total	1262

Tenures

Assured	680
Secured	52
Garage Licenses	78
Shared Ownership	71
Leasehold	165
Freehold	212
Commercial	4
Total	1262

This Asset Management Strategy will enable CDS to make strategic decisions on property investment

It is intended to provide our residents, colleagues and board members with assurance that there is a clear and direct relationship between CDS's strategic vision and operational delivery. In order to look after our homes, our residents and the community, we have established the resources and finances required to deliver our five-year corporate plan and 30-year business plan, ensuring the ongoing viability of the organisation and sustained investment in asset management throughout the life of this plan and beyond. Our objectives and priorities are aligned with the corporate plan and risks are actively monitored and managed through our strategic risk register, providing further assurance that our approach remains robust, responsive, and resilient.

Data-driven decision-making will ensure we take the right decision at the right time. Keeping our residents, their families and their visitors safe in their homes is of utmost importance. We will ensure we comply with statutory and regulatory requirements and guidance, as applicable. We will also ensure we follow our own strategies, policies and procedures.

A strategy rooted in our purpose, driven by evidence and data

An asset management strategy is only as good as the data we hold about the properties we own, including the location and concentration of stock, the type properties we own and, most importantly, the age and condition of the properties and the components (kitchens, bathrooms etc.) within them.

This information comes directly from stock condition surveys we commissioned and the data we hold from those surveys in our Integrator asset database. During 2022/23, we assessed the data available as being inadequate to properly inform our asset management decisions. At that point, only 20% of our data originated from actual property stock condition surveys completed in 2019, with the remaining data being cloned. That is, assumptions being made that neighbouring properties would be in a similar condition to the ones we had surveyed.

In late 2024, we commissioned Ridge & Partners to survey all tenanted properties. To ensure we used actual property condition information to make this plan whenever possible, we contacted residents using multiple methods and tried to schedule appointments to see their homes at least three times before cloning data, whilst continuing efforts to complete the surveys. We are pleased that our efforts resulted in surveys being completed in over 85% of our homes.

SCS figures current as of January 2026

Stock Condition Survey Data	Count
Homes with a full survey < 5 years old	627
Homes without a full survey (no access)	105
Number of properties with cloned data	(105)
Totals	732

The stock condition data available, combined with property maintenance information (primarily from responsive repairs and voids) provides a strong basis for planning investment over the next three years and across our 30-year business plan. With the correct stock condition data, the most effective and appropriate planned investment decisions are made around the needs of our properties to ensure they remain as safe, modern and comfortable homes for our residents.

Individual property elements such as roofs, windows and doors can be replaced at the right time, considering age and condition. We have photographs to verify the property's condition, along with an assessment indicating whether it is in poor condition or not. We are taking a similar approach with the internal components, such as kitchens and bathrooms, so that such investment is fair for all residents and phased out based on our disposable and revenue income.

The years 1-3 initial phase is based on current condition data, ensuring that all major home components identified as being in poor condition will be replaced, with priority given to those failing the Decent Homes Standard, but this will be reviewed with the 2026 announcement of the new DHS. It is important to note that 105 properties were cloned against similar properties due to access issues, which may lead to variations once full investigations are completed. Where surveyors were unable to access loft spaces, insulation requirements were assumed based on property age and lack of evidence of prior upgrades, resulting in a high number of properties flagged for insulation work. We intend to manage insulation programmes by leveraging home insulation grants and carefully planning this critical energy-efficiency work over the next 10 years. A dashboard analysis is available in Appendix A, showing top components in poor condition by location.

The expected lifecycles used in our business planning generally conform to the standard used across the sector. These figures represent average expected lifespans.

Safety first

Our Asset Management Strategy's key priority is to keep customers safe in their own homes.

Within our team there is specialist knowledge and access to external consultancy services to ensure we understand and comply with our obligations around:

- Fire Safety
- Gas Safety
- Electrical Safety
- Asbestos
- Water Hygiene
- Lifts and M&E (Mechanical & Electrical) Plant
- Damp & Mould
- Decent Homes Standards

We will use the external support and our stock condition data to ensure that our cyclical programmes are implemented to mitigate any risks posed to the health and safety of our tenants.

Regulations that are applied to the sector are ever-changing and becoming increasingly stringent in the interests of better standards and customer safety, all of which we will adopt into policy standards and operational practices.

In recent years, the sector has responded to the findings and requirements arising from the tragic events of the Grenfell Tower fire and the death of two-year-old Awaab Ishak. These events led to the improvements in fire safety standards and compliance, including the Fire Safety Order and specific smoke detector and carbon monoxide detector regulations, and recently the introduction of Awaab's Law with improvements in processes and practices around the elimination of Damp & Mould.

The new Building Safety Act came into force in April 2022 and aims to improve the safety of High-Risk Residential Buildings, namely high-rise buildings of which CDS has one at Lithos Road in Camden, London.

Stricter rules are in place for maintenance and management of this building. In accordance with these requirements, the building has been registered with the Building Safety Regulator.

There is a requirement to develop and maintain a Building Safety Case file to contain relevant building safety information and we are compliant. We are also required to actively engage with residents in tall buildings. We will develop this approach over the three years of the plan, drawing on best practice from others in the sector.

The estimated costs

We manage our money carefully to make sure your homes are safe, good quality and affordable. Our Treasury Management Policy helps us plan ahead and spend wisely. It sets clear rules for how we borrow, save and invest so we can pay for repairs and improvements without putting our finances at risk. We check regularly to make sure everything is on track and that we're getting the best value for money.

The board has decided how much risk they are willing to take when it comes to money and funding. We keep a healthy financial buffer for emergencies, but we won't use it unless we really need to. Any extra money we make is used to improve existing homes. We prefer long-term loans because they give us stability and help us plan for the future. This approach means we can keep our residents' homes safe and well-maintained while staying financially secure.

Most of our income comes from the rent our residents pay. As a result, we have a responsibility to use that money wisely. We aim to provide the right services at the right time and at the best possible cost.

The future capital and cyclical investment plan is directly informed by the results of our recently completed stock condition surveys. Investment costs have been calculated for each component using up-to-date cost benchmarks from the construction sector, ensuring our financial planning is robust, evidence-based and aligned with industry standards. Risks remain specifically around rising costs, limited funding and unexpected expenses that could impact delivery of investment plans. We will ensure the budgets are regularly reviewed, that we seek external grants and that we prioritise investments based on robust data and value for money.

Forecasting responsive maintenance costs is challenging. We have a staged approach to estimating responsive maintenance cost reduction over 30 years based on delivering the asset investment programmes and starting from a current responsive maintenance budget of £1.2 million per year:

Years 1–3: Initial Phase

- **Impact:** Minimal reduction in responsive maintenance costs is expected in the first 1–3 years. This is because the benefits of planned investment (such as component replacements and upgrades) take time to materialise. There may even be a temporary increase in repairs as underlying issues are uncovered during works.
- **Estimated Budget:** Responsive maintenance costs are likely to remain close to £1.2 million per year during this period.

Years 4–30: Realisation of Benefits

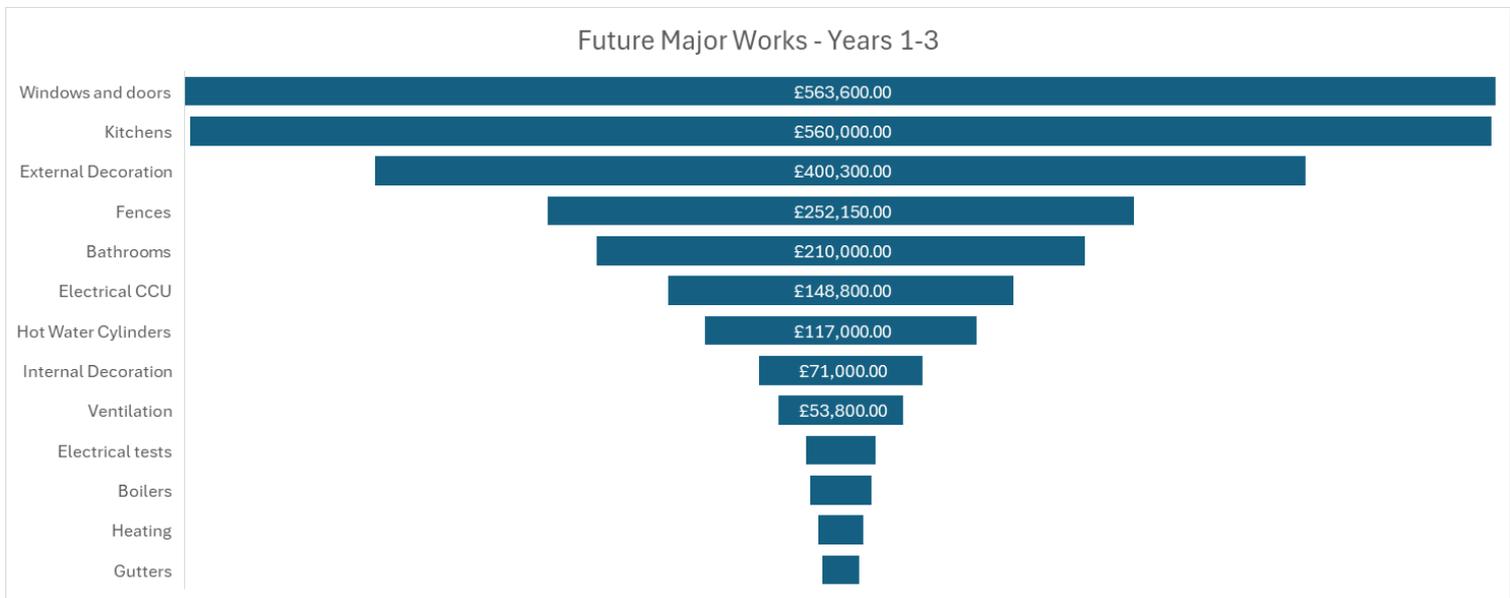
- **Impact:** From year four onwards, as the investment programme is fully implemented and the stock condition improves, a significant reduction in responsive maintenance demand is expected.
- **Typical Sector Benchmark:** Well-delivered planned investment can reduce responsive maintenance costs by 20–40% over the long term, depending on the scale and effectiveness of the works. If a 30% reduction is achieved, we will spend £840,000 per year in today's money, from year four onward (that's just over £1,100 per property we own compared to £1,600 currently). Over 27 years it equates to a saving of £9.7 million and we expect will also result in improved residents' satisfaction.

Decarbonising our 732 homes will require significant investment in insulation, major component replacements and exploring upgrading heating systems from gas boilers to low-carbon alternatives. Based on sector benchmarks, the total programme cost is estimated at £15–25 million, depending on property needs and chosen solutions. These figures are estimates and should be carefully considered. We do not yet know what investment will be required. The exact forward cost will be refined as we complete further surveys and appraisals and we will actively seek grant funding and phase works to manage costs. Not all properties will require this level of investment and we know that over the next 30 years, the political agenda and government priorities are likely to shift and our plans will need to adapt.

Decarbonisation assumptions for all homes

Item	Typical Cost per Home	Total for 732 Homes
Insulation & Fabric	£8k–£12k	£5.9m–£8.8m
Component Replacements – Mainly doors and windows	£5k–£10k	£3.7m–£7.3m
Heating System Upgrade	£8k–£12k	£5.9m–£8.8m
Total	£21k–£34k	£15.4m–£24.9m

The expected spend on key components during 2026 to 2029 is shown below:



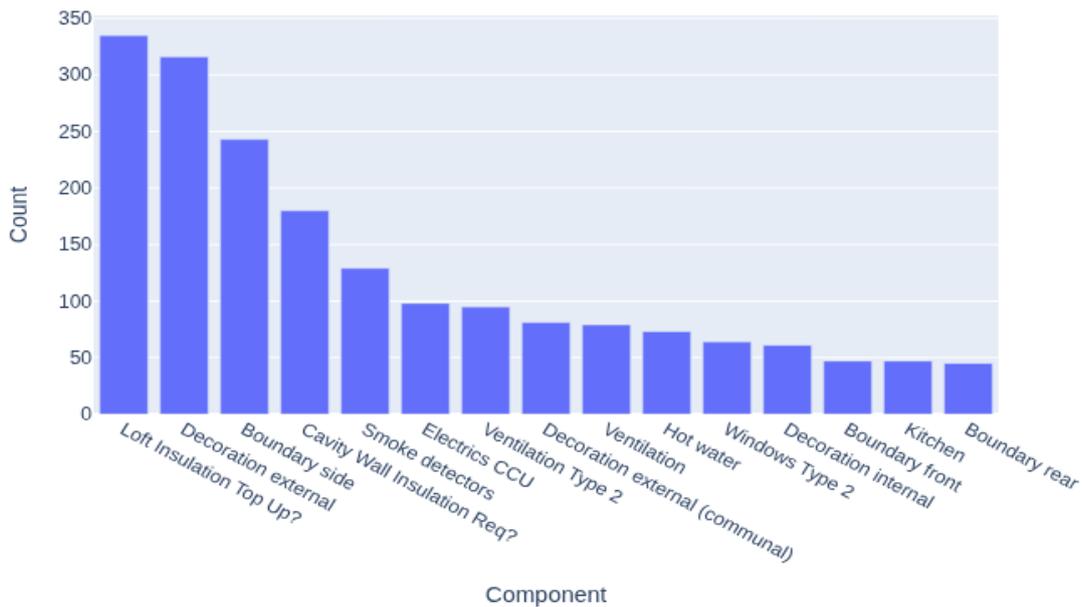
The funding for year one of the Strategy (2026/27) is included in the budget for that financial year. During Years one and two funding options for future years will be explored in line with the 30-year business plan and the requirement to meet the new Decent Homes Standard by 2035. This also allows for co-production work in year one to help make sure the strategy is anchored in what CDS communities want and any local or broader changes can be incorporated.

APPENDIX A

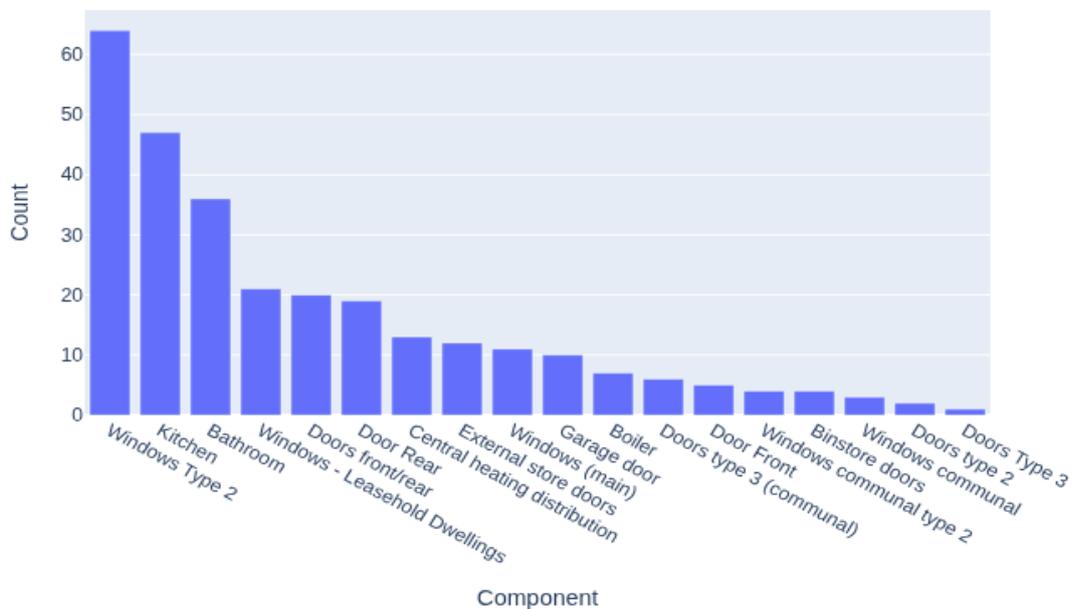
Dashboard: Poor Condition Analysis

This report includes updated visuals, showing high level data about the top poor condition components identified through the Stock Condition surveys. It also gives an insight into the number of poor condition components per location and gives an overview of the main home components such as kitchens and bathrooms.

Top Poor Condition Components



Counts for Key Components (Kitchen, Bathroom, Boiler, Heating, Windows, Doors)



Worst Affected Locations (Updated Top Issues)

Street	Town	Postcode	Poor Condition Count	Top Issues
Swallow Close	Erith	DA8 3PD	264	Loft Insulation Top Up, Electrics CCU, Bathroom
Hollywood Way	Slade Green	DA8 2QD	149	Loft Insulation Top Up, Boundary side, Decoration external
Hauksbee Gardens	Milton Keynes	MK5 7EF	99	Loft Insulation Top Up, Boundary side, Hot water cylinders
Leasowe Place	Milton Keynes	MK13 8LZ	82	Decoration external, Boundary side, Rear access footpaths
Alefounder Close	Colchester	CO4 3UR	81	Loft Insulation Top Up, Cavity Wall Insulation Req, Decoration external
Stiles Close	Erith	DA8 1QN	79	Ventilation bathrooms, Loft Insulation Top Up, Hot water
Heayfields	Welwyn Garden City	AL7 2EH	76	Cavity Wall Insulation Req, Decoration external, Boundary side
Hillbury Road	London	SW17 8JT	69	Windows - Leasehold Dwellings, Doors front/rear, Downpipes
Wootton Drive	Hemel Hempstead	HP2 6JZ	69	Cavity Wall Insulation Req?, Loft Insulation Top Up, Decoration external
Benbow Court	Milton Keynes	MK5 6JE	68	Loft Insulation Top Up, Decoration external, Boundary side

Counts per Location for Key Components

Street	Town	Postcode	Count
Albion Street (HO)	London	SE16 7JU	5
Alefounder Close (Mixed)	Colchester	CO4 3UR	9
Archangel Street (HO)	London	SE16 1AB	5
Elliot Close	Canterbury	CT1 1FS	1
Forest Road (Mixed)	Colchester	CO4 3XG	6
Heayfields (Mixed)	Welwyn Garden City	AL7 2EH	6
Hillbury Road (HO)	London	SW17 8JT	30
Moat Farm Close	Folkestone	CT19 5DQ	8
Phoenix Place (Mixed)	Dartford	DA1 2XA	94
Riverdale Road	Erith	DA8 1PZ	10
Robin Hood Meadow (Mixed)	Hemel Hempstead	HP2 6NH	6
Rochdale Way (Mixed)	Colchester	CO4 3XQ	7
Selkirk Drive (HO)	Erith	DA8 3QR	2
Shellons Street	Folkestone	CT20 1BW	4
St Agnells Lane (Mixed 80% HO)	Hemel Hempstead	HP2 6EQ	6
Stiles Close	Erith	DA8 1QN	11
Swallow Close	Erith	DA8 3PD	38
Tangerine Close (Mixed)	Colchester	CO4 3XE	10
The Halt (Mixed)	Whitstable	CT5 3EQ	9
Baltic (HO)	London	SE16 6AU	8
Wetherby Gardens (HO)	Farnborough	GU14 6BW	6
Wootton Drive (Mixed)	Hemel Hempstead	HP2 6JZ	4