

SASH – helping charities grow property ownership with less risk

At SASC, we often say that SASH loans help our borrowers grow their property assets without taking on the level of risk that come with conventional borrowing – or with renting.

That's a simple claim. It's also a bold one, and hard to prove. After all, showing that something is *less risky* is harder than pointing to a single numerical positive outcome. Until now, we've mainly relied on what our borrowers have told us: that SASH feels safer, more flexible and better aligned with how they operate.

But SASH is now about half way through its scheduled life. That means we can start to look beyond warm words and turn to the numbers. How have organisations actually used SASH over its first six years? And what does that say about the impact SASH actually has?

What the data shows

The short answer is that when these organisations have bought property they have mostly chosen to use SASH loans in preference to other sources of borrowing. For some organisations, SASH loans have funded all their property purchases; others have added SASH loans to a wider mix of funding.

That alone is telling. Charities don't borrow lightly. If they consistently prefer one source of funding over another, it's worth asking why.

This is also not just about getting bigger. Looking more closely at the data reveals an important nuance. It's tempting to assume that buying more property automatically means expanding services and reaching more people. In reality, only about one-quarter of the growth in property ownership among SASH borrowers is linked to expanding services.

Most of the growth in ownership funded by SASH loans has been about something else instead: a shift from renting to owning. In other words, organisations haven't been using SASH just to grow – they've also been changing the way they secure the buildings they need to deliver their services.

Ownership brings with it greater control: over property quality and location and ultimately over the quality of services delivered. It also increases an organisation's credibility with commissioners and partners. For many borrowers, this has been less about scale and more about resilience.

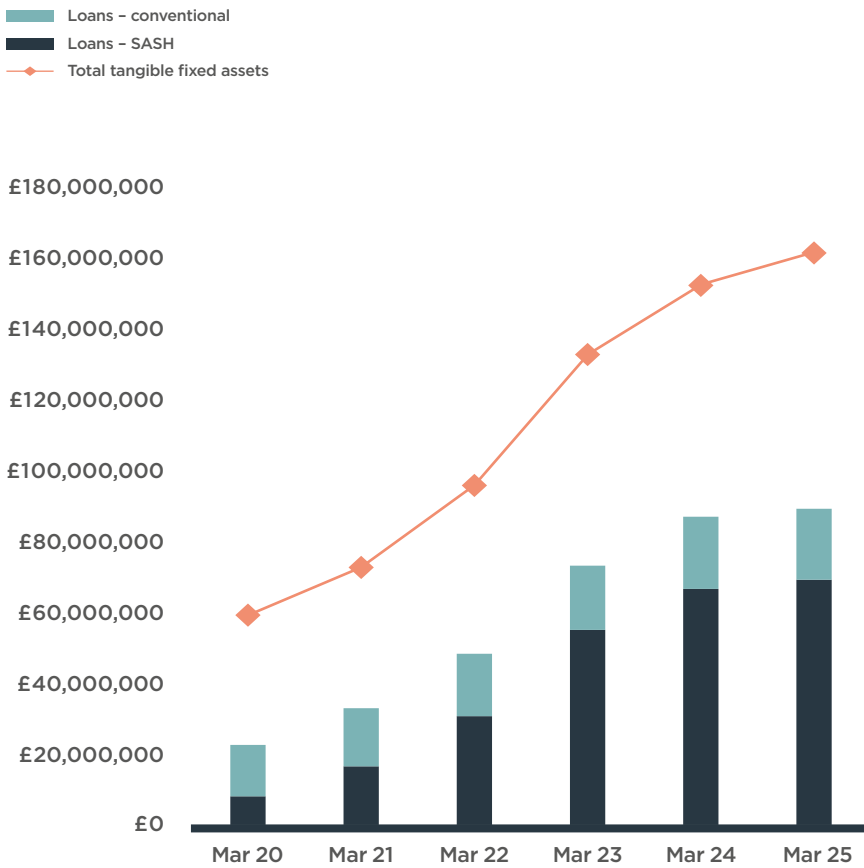


Chart 1. SASH borrowers: property assets vs. borrowing (broken down by type), 2020-25

How ownership has grown

SASH made its first loans in 2019. Most of its borrowers have a 31 March financial year end. This means we're now in a position to show six years (2020-25) of financial history for the twenty organisations that had drawn loans from SASH by March 2025.

Chart 1 shows how property ownership has grown across this group over that period. Just as importantly, it also shows how the organisations have funded that growth.

The line in Chart 1 shows that over the six years 2020-25 these twenty organisations working with vulnerable people have grown their combined portfolio of owned property by £102 million (from £59 million to £161 million), across 492 properties.

Doing this means the organisations have needed to rent fewer properties. In principle, they could collectively have chosen to rent 492 properties in which to deliver their services,

either from the social sector (housing associations and councils) or from the private rented sector (PRS). Renting also makes lower demands in terms of property management skills and resources.

But the growth in ownership gives these organisations greater control over the quality and location of the properties they use; and therefore also over the quality of the services they provide. Owning more property also makes the organisations more credible bidders when it comes to bidding for contracts or other partnerships with local authorities.

Not all of the growth in ownership shown by the line in Chart 1 has come from SASH loans. SASC is not trying to credit SASH with all of the change shown in Chart 1. But the columns in the chart show that SASH loans have played a disproportionate role.

As every homeowner knows, buying property needs capital (cash). Most of these twenty organisations, being charities, have limited reserves which they can use to buy property; and

Ownership tends to strengthen financial resilience, improve service quality, and give organisations more control over their future

no shareholders who can provide capital. Only the few who are regulated by the Regulator of Social Housing may have access to Homes England grants.

That means these organisations had to borrow to fund most of their property purchases. The total height of the columns in Chart 1 shows that the organisations' combined debt has increased by £67 million to £89 million.

Most of the new debt these organisations have taken on (£61 million, or about 91 per cent) has been SASH loans. For a range of reasons, SASH loans are less risky than conventional mortgage debt. They usually have some combination of a variable interest rate, a variable repayment amount and are non-recourse to the borrower. This means that if things go wrong, non-payment of the loan does not threaten the organisation's survival.

Seen this way, Chart 1 isn't just about growth. It's about how growth has been derisked for these charities. If SASH had not existed, we believe one of two things would have happened:

- The organisations would still have grown their property ownership to the same degree. But to do this, they would have first needed to find significant cash resources for deposits and then taken on more financial risk (by using conventional mortgages), or
- More likely, since charities are naturally risk-averse, and also because conventional mortgages generally require significant deposits, the organisations simply would not have been able to grow their property ownership to the same extent. This would have left them renting, which gives them less control and also some financial risk.

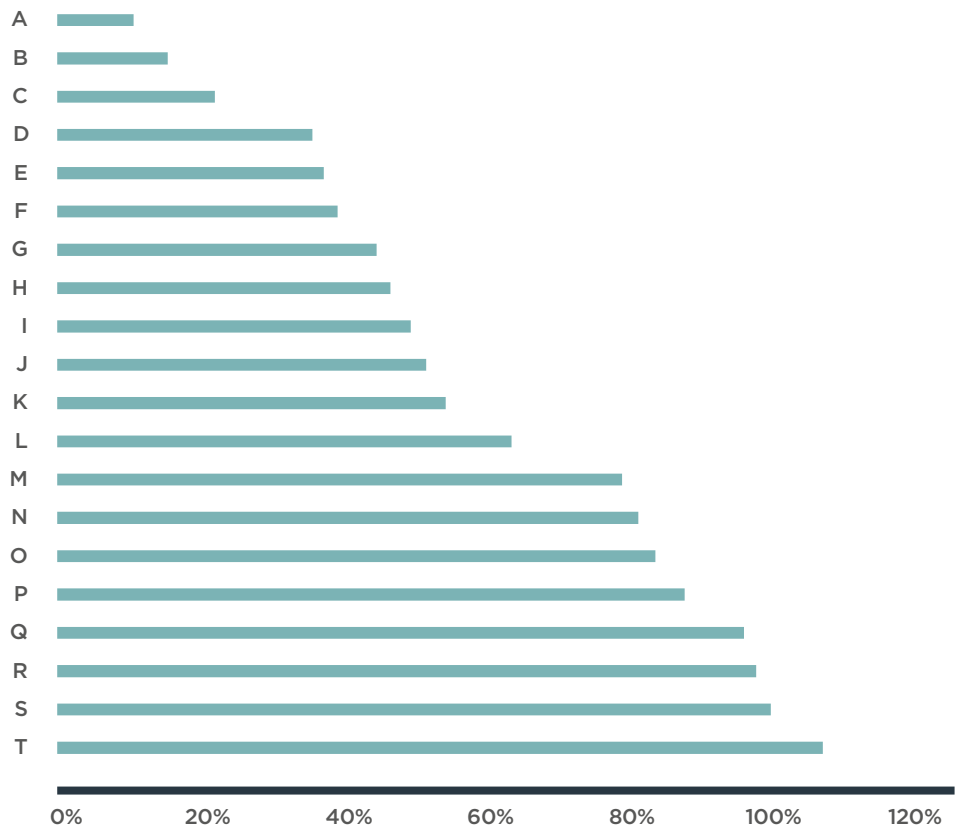


Chart 2. SASH's relative impact on borrowers, March 2025

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What this looks like for individual borrowers

Chart 1 looked at the whole group of twenty SASH borrowers on a combined basis. That gives a useful snapshot of SASH's overall impact. But the organisations differ widely in terms of size and circumstance.

Chart 2 looks behind the overall figures to see the impact SASH has had on individual borrowers. It compares each individual organisation's SASH loans to the fixed assets it owned as of March 2025.

Charity G is the largest single borrower of SASH loans. But because Charity G is a relatively large and long-established organization its SASH loans represent less than half of its property portfolio.

At the other end of the spectrum, Charity T's SASH loan is of median size in the group (£2 million), but because Charity T is a relatively small organization and relatively early in its growth, as of March 2025 SASH loans accounted for just over 100% of Charity T's property portfolio.

One way to interpret Chart 2 would be to say that the higher the percentage shown, the more SASH has transformed the organisation's level of property ownership.

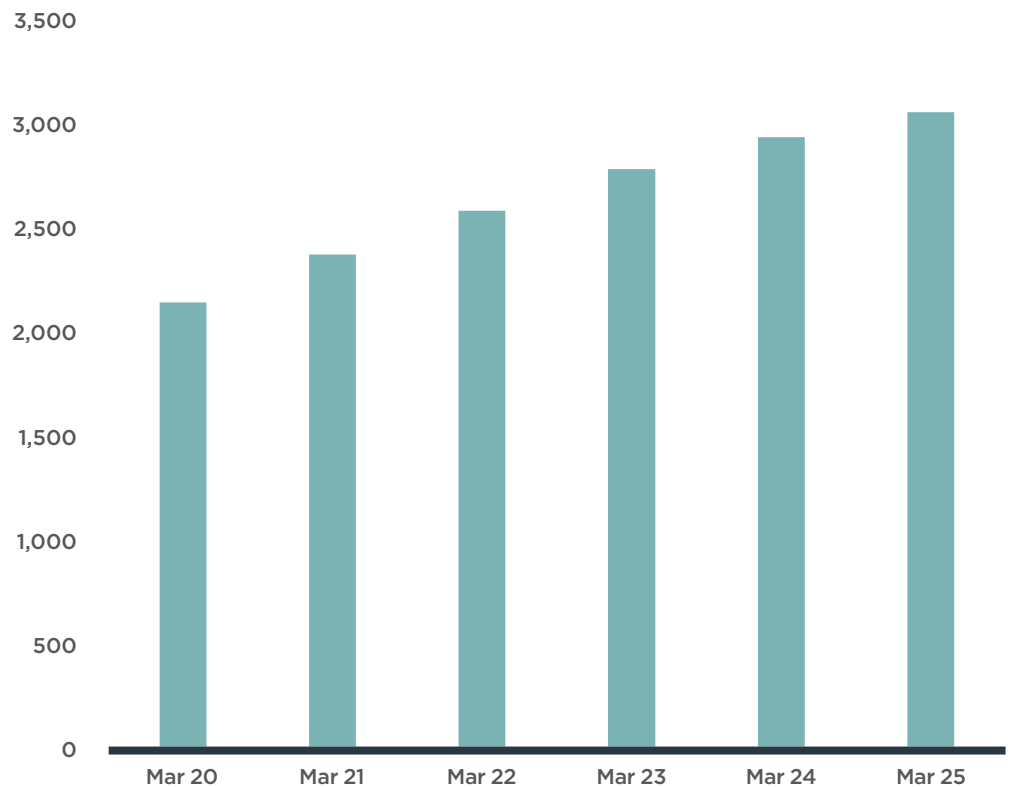


Chart 3. SASH borrowers, number of employees

Changing the mix

It's important not to confuse growth in property ownership with growth in services. For many of these organisations, the growth in property ownership has been more about changing the mix in their property portfolio – that is, switching from renting property to owning it – than about growing services.

Chart 3 shows how employee numbers have grown over the same six-year period. This is a reasonable proxy for growth in the volume of services provided. Across the group, total staffing increased by about one-third (37 per cent, or six per cent per annum).

But Chart 3's 37 per cent growth in employees (or services) pales by comparison with the growth Chart 1 showed in property ownership. While employees grew over the six years by one-third (37 per cent), property ownership grew by over 2.5 times (157 per cent).

SASH has also allowed organisations to rebalance their portfolios towards ownership and away from long-term reliance on rented buildings.

The difference in growth seen between Charts 1 and 3 shows that SASH funding has not just been about absolute growth in services. SASH has also allowed organisations to rebalance their portfolios towards ownership and away from long-term reliance on rented buildings.

That shift matters. Ownership tends to strengthen financial resilience, improve service quality, and give organisations more control over their future.

Conclusion

SASC does not believe there is any one "right" or "best" way for organisations like the ones we support to access the housing they need to deliver their services. Renting, buying with a conventional mortgage and buying with a SASH loan are three distinct alternatives. Each has its own pros and cons.

In an ideal world, SASC would like to see a "mixed economy" in this respect. The organisations we support deliver vital services. Each of them faces a specific set of opportunities and challenges. What works for one may not work for another, or may not work at every stage of their development.

Thanks to its investors, SASC has been able to introduce a third option into the financing mix. SASH doesn't replace other alternatives – it broadens the range of choices available. That allows organisations to choose the combination that makes them strongest and most resilient over the medium term.