

Research Update:

U.K.-Based Social Housing Provider Places for People 'A-' Ratings Affirmed; Outlook Negative

October 24, 2025

Overview

- We project that the credit metrics of U.K. social housing provider Places for People Group Ltd. (PfP) will improve in the coming two to three years, thanks to the cost containment measures and effective controls the group has introduced, especially in its repairs services.
- In further efforts to improve its financial position, we understand PfP has both scaled back on its development ambitions and launched targeted asset divestments to limit debt intake.
- Nevertheless, we consider there are risks to our projections, as the group significantly overspent on its budgets, primarily on maintenance, in the past two years.
- We therefore affirmed our 'A-' rating on PfP. The outlook remains negative.

Rating Action

On Oct. 24, 2025, S&P Global Ratings affirmed its 'A-' long-term issuer credit rating on U.K.-based Places for People Group Ltd. The outlook remains negative.

We also affirmed the 'A-' long-term issuer credit rating on Places for People Treasury PLC, a finance vehicle that we consider a core subsidiary of the group, and maintained the negative outlook.

We also affirmed our 'A-' issue ratings on the group's senior secured and unsecured debt and the senior unsecured medium-term note (MTN) program issued by Places for People Treasury and Places for People Homes Ltd. We consider Places for People Homes to also be a core subsidiary of the group, as an issuer of the group's MTN program and the main asset-holding subsidiary.

Outlook

The negative outlook reflects the risks that a higher cost base, related to investments in existing stock and expenditure on new developments, combined with less predictable merger activities, could result in the group's credit metrics remaining weak on a sustained basis.

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Downside scenario

We could lower the rating in the next 12 months if management's actions are ineffective, such that the S&P Global Ratings-adjusted EBITDA margin does not recover to above 15% and interest coverage remains substantially below 1x on a sustained basis.

We could also lower the rating if we believe that the likelihood of support from the U.K. government will not extend to the group in a timely manner.

Upside scenario

We could revise the outlook to stable if, over the next 12 months, management's actions to contain costs are effective, such that the group performs in line with or better than our base-case scenario.

Rationale

The rating affirmation reflects our view that social housing provider PfP will keep closer to its budget, especially on repairs and investments in existing stock, which should support an improvement in its credit metrics. PfP benefits from strong demand for its services and good predictability of its revenue stream in a regulated environment, as one of the largest housing associations in the U.K. We expect the group will continue to focus on its investments in existing stock, albeit in a more financially sustainable way, underpinned by cost efficiencies and controls, improved stock data, and the expansion of in-house services teams.

We also believe that, due to its size, the group has decent expenditure and cash generation flexibility. It has formalized a new asset management strategy, targeting the divestment of expensive properties and the creation of geographical clusters. We expect that increased receipts from assets disposal, together with grant funding and reduced development ambitions, would translate to lower funding needs than we previously expected.

Enterprise profile: Large national presence creates economies of scale that offset some risks associated with complex and diversified activities

PfP is one of the largest housing associations in the U.K., supporting its financial capacity and operational performance. Over time, PfP has grown through both the development of new units and mergers. Following the completion of the last merger, with Origin Housing, in April 2024, the group now owns about 80,000 social, affordable, and shared-ownership rental units. Including managed units, the number of units PfP oversees is about 260,000, spread throughout the U.K. The group's activities are more diversified than many peers', including the management of leisure facilities, property management, development, and construction services. Although we think these could bring more volatility to financial results and carry operational challenges, we consider them less risky than sales activities, and that PfP has adequately managed these in the past. Our forecast expects the group's exposure to sales activity will increase, but remain structurally below one-third of total revenue.

We expect that demand for the group's properties and services will remain sound. PfP's social and affordable rent and service charges remain below 60% of average market rent in its areas of operation, and its vacancy rate has averaged 1.7% over the past three years, which we consider in line with the sector average.

We think that PfP's management has a good track record of managing its diversified operations, accommodating complex business combinations and sophisticated treasury management. Its large asset base offers greater flexibility in making development decisions than smaller providers. While we now expect proceeds from fixed asset sales to be higher than in prior plans, we still think the group will not overly rely on these to achieve its financial targets. Nevertheless, over the past two years PfP has materially deviated from its budgets, both due to external conditions and management's decisions. We think this tightened the group's financial headroom and weakened our view on the reliability of its planning processes.

Since the majority of PfP's stock is in England, we assess the regulatory framework under which it operates as strong, similar to other registered providers of social housing in England (see ["Regulatory Framework Assessment: Strong For Social Housing Providers In The U.K.,"](#) April 17, 2025).

Financial profile: Extensive cost control measures, stock rationalization, and more modest new development expenditure should support recovery

We project PfP's adjusted EBITDA margin to improve to a moderate 20%, as the group implements measures to rein in costs while rents continue to increase. The adjusted EBITDA margin has weakened over the past two years due to increased expenditure on existing stock, reflecting high demand from tenants and the group's efforts to achieve higher standards on rented units. These include costs to deal with cases of damp and mold, component replacements, and building safety. Part of the increased expenditure is also due to PfP introducing more extensive quality checks in its homes in a proactive effort to identify necessary work.

We understand that, in response to this, PfP has strengthened its in-house repairs team, migrated its asset data to enhanced systems, and implemented cost containment measures to deliver better services at a lower cost. Together with other cost efficiencies, the exclusion of some costs we consider one-off in nature, and rent growth, this should allow PfP to achieve better financial results in the next two to three years.

We project that the improvement in EBITDA and reduced spending on new developments will moderate the build-up of debt, but metrics will remain very weak. While PfP still has a large development pipeline, it has reduced its ambitions to accommodate the higher expenditure required on existing homes and external market conditions. We now forecast capital expenditure (capex) will be about 25% lower than in our previous base case. Most capex will be funded through grant funding and the group's targeted assets disposal plan, which will limit debt intake. As a result of the group's stronger financial performance and gradual deleveraging, we anticipate the interest coverage ratio will steadily recover toward a moderate 1x by 2029.

We expect PfP's liquidity position will remain very strong over the next 12 months, underpinned by a sources-to-uses ratio of about 1.9x and our view of the group's strong access to external liquidity. Over the coming year, we forecast the group's liquidity sources will be about £1.7 billion, comprising cash, large amount of undrawn and available revolving credit facilities, asset sales, grant receipts, and cash from operations (adding back the noncash cost of sales), while we forecast liquidity uses will be about £0.9 billion (mainly capex and debt service payments). The group has a diversified pool of lenders and a strong track record of accessing the debt capital markets, which we consider as positive in our assessment.

Government-related entity analysis

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We believe there is a moderately high likelihood that PfP would receive timely extraordinary government support in the event of financial distress. This leads to a two-notch uplift from the stand-alone credit profile. As one of the Regulator of Social Housing's (RSH's) key goals is to maintain lender confidence and low funding costs across the sector, it is likely that the RSH would step in to try and prevent a default in the sector, in our opinion. We base this view on previous records of the RSH mediating mergers or arranging liquidity support from other registered providers in cases of financial distress and think this would also apply to PfP.

Key Statistics

Places for People Group Limited--Financial Summary

(Mil. £)	--Year ended March 31--				
	2024a	2025a	2026bc	2027bc	2028bc
Number of units owned or managed	245,272	262,670	262,574	262,215	260,906
Adjusted operating revenue	809	1,036	1,104	1,290	1,194
Adjusted EBITDA	99.0	89.6	192.5	224.7	233.2
Nonsales adjusted EBITDA	86.7	75.9	160.4	185.1	202.0
Capital expense	394.8	640.6	565.7	521.1	521.4
Debt	3,683.5	4,801.8	4,910.7	4,835.0	4,783.0
Interest expense	186.1	228.2	226.8	224.4	222.3
Adjusted EBITDA/Adjusted operating revenue (%)	12.2	8.6	17.4	17.4	19.5
Debt/Nonsales adjusted EBITDA (x)	42.5	63.3	30.6	26.1	23.7
Nonsales adjusted EBITDA/interest coverage(x)	0.5	0.3	0.7	0.8	0.9

a--Actual. bc--Base case reflects S&P Global Ratings' expectations of the most likely scenario. N.A.--Not available.

Rating Component Scores

Places for People Group Limited--Ratings Score Snapshot

	Assessment
Enterprise risk profile	3
Industry risk	2
Regulatory framework	3
Market dependencies	2
Management and governance	3
Financial risk profile	4
Financial performance	5
Debt profile	6
Liquidity	2
Stand-alone credit profile	bbb
Issuer credit rating	A-

S&P Global Ratings bases its ratings on nonprofit social housing providers on the seven main rating factors listed in the table above. Our "Methodology For Rating Public And Nonprofit Social Housing Providers," published on June 1, 2021, summarizes how the seven factors are combined to derive each social housing provider's stand-alone credit profile and issuer credit rating.

Related Criteria

- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [Criteria | Governments | General: Methodology For Rating Public And Nonprofit Social Housing Providers](#), June 1, 2021
- [General Criteria: Rating Government-Related Entities: Methodology And Assumptions](#), March 25, 2015
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [United Kingdom](#), Oct. 13, 2025
- [European Housing Markets: Strong Demand And Weak Supply Will Keep Prices High](#), July 10, 2025
- [U.K. Social Housing Providers: Extra Development Grants Won't Improve Financial Headroom](#), June 26, 2025
- [Non-U.S. Social Housing Providers Ratings Risk Indicators: Stabilization At Lower Levels](#), May 12, 2025
- [Non-U.S. Social Housing Providers Ratings History: April 2025](#), May 12, 2025
- [U.K. Social Housing Borrowing 2025: Focused On Containing Debt](#), April 24, 2025
- [Regulatory Framework Assessment: Strong For Social Housing Providers In The U.K.](#), April 17, 2025
- [European Housing Markets: Better Housing Affordability Supports Recovery](#), Jan. 27, 2025
- [Non-U.S. Social Housing Sector Outlook 2025: Quality Maintenance Constrains Recovery](#), Jan. 14, 2025
- [The Autumn Budget Kicks Off A Funding Regime Revision For U.K. Public Sector Entities](#), Nov. 5, 2024
- [U.K. Social Housing Providers' Financial Capacity Shrinks On Investment Needs](#), Nov. 4, 2024
- [Cyber Risk Brief: U.K. Public Sector Is Increasingly Under Threat](#), Oct. 24, 2024

Ratings List

Ratings List	
Ratings Affirmed	
Places for People Group Ltd.	
Places For People Treasury PLC	
Issuer Credit Rating	A-/Negative/--
Foreign Currency	A-/Negative/--
Places for People Homes Ltd.	

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Ratings List

Senior Secured	A-
<u>Places for People Homes Ltd.</u>	
<u>Places For People Treasury PLC</u>	
Senior Unsecured	A-

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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