Research Update:

Places for People Group Outlook Revised To Stable On Improving Credit Metrics; 'A-' Rating Affirmed

October 26, 2026

Overview

- We expect an improvement in Places for People Group Ltd.'s (PfP's) financial performance and debt burden over the next two years on more sustainable maintenance costs and projected group's rent increases outpacing inflation.
- We also consider that risks linked to the implementation of PfP's business plan have receded, since credit metrics have recovered as of financial year ended March 31, 2026, and expect management will scale back its development pipeline to maintain sufficient financial headroom if necessary.
- As a result, we consider the recovery in credit metrics will be sustainable over our rating horizon and at levels commensurate with an 'A-' rating.
- We therefore revised our outlook on PfP to stable from negative and affirmed our 'A-' ratings on PfP and its debt.

Rating Action

On Oct. 26, 2026, S&P Global Ratings revised its outlook to stable from negative and affirmed its 'A-' long-term issuer credit ratings on U.K. social housing provider Places for People Group Ltd. (PfP) and on Places for People Treasury PLC, a finance vehicle that we consider a core subsidiary of the group.

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 be a core subsidiary, as an issuer of the group's MTN program and the main asset-holding entity.

Outlook

The stable outlook reflects our expectations of gradual recovery in margins and debt metrics over 2027-2029 amid a more sustainable cost base and expectations that management would scale

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back its development ambitions, notably if proceeds from asset disposals were below expectations or financial indicators weakened due to merger activities.

Downside scenario

We could lower the ratings if management is unable to maintain a cost base that we consider sustainable or to scale back development to accommodate weaker financial metrics if needed, for example to support lower-than-expected proceeds from asset disposals or to offset the temporary impact of merger activities. This would be the case if the S&P Global Ratings-adjusted EBITDA margin does not stabilize at 15% or higher and interest coverage is substantially below 1x on a sustained basis.

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

Upside scenario

We could raise the rating if management were to prioritize debt reduction over the delivery of its investment program, leading to adjusted EBITDA interest cover sustainably above 1.25x over the forecast horizon. An upgrade would also, in our view, require the group to improve its risk profile, with reduced exposure to sales activities, to support its margins.

Rationale

The outlook revision reflects our view that PfP will continue to benefit from cost-efficiency measures and investments in existing housing stock implemented in previous years. We expect the measures will bring repairs spending to a more sustainable level to ensure the group's accommodation complies with the U.K. government's Decent Homes Standard and the second phase of Awaab's law. The recovery is further supported by our projection that the group's rent increases will outpace inflation.

We expect PfP's credit metrics will continue to recover, following a low point in financial year ended March 31, 2025. Other than the ability to maintain a sustainable cost base, the pace of this recovery in our view also depends on the group's ability to scale back its current development ambitions if receipts from sales activities, asset disposals, or grants were below expectations. This incorporates the group's revised investment program over financial years 2027-2029.

Our view of PfP's creditworthiness remains supported by the strong demand for its services and good predictability of its revenue stream in a regulated environment, as one of the U.K.'s largest housing associations. Due to its size, we also believe the group has decent expenditure and cash generation flexibility. The group also maintains a sound liquidity position and strong access to external liquidity, in our view.

Enterprise profile: A 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 its merger with South Yorkshire Housing Association and Elim Housing in December 2025, the group now owns about 85,000 social, affordable, and

shared-ownership rental units. Including managed units, the number of units PfP oversees is about 275,000, spread throughout the U.K.

The group's activities are more diverse 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. We forecast the group's exposure to sales activity will increase but remain structurally below one-third of total revenue.

We expect demand for the group's properties and services will stay 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 PfP 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 compared with smaller providers. We consider PfP's merger appetite high, having notably integrated four weaker housing associations in the past three years. Although this could expose the group to higher financial or operational risks, we note that it has so far shown a strong track record of successfully absorbing weaker entities. The group's investment program remains sizable over our forecast horizon, which will limit the financial headroom for the current 'A-' rating in our view.

Since the majority of PfP's housing 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: Higher cost efficiencies and asset disposals to mitigate the impact of high investment in existing and new homes

We project PfP's adjusted EBITDA margin will continue to recover, reflecting the benefits of improvement measures introduced in previous years. These include the strengthening of its inhouse repairs team, enhancement of its operation systems, and updated working practices, all contributing to the delivery of better services at a lower cost, thereby ensuring the group's housing complies with the U.K. government's Decent Homes Standard and the second phase of Awaab's law. The recovery is further supported by our projection of the group's rent increases outpacing inflation, leading to our expectations that margins will stabilize at 17%-18% over the forecast horizon.

PfP's debt burden will remain elevated over our forecast horizon, with the adjusted non-sales EBITDA interest coverage ratio averaging about 0.9x and debt to adjusted non-sales EBITDA averaging about 23x over financial years 2027-2029. We note, however, a steady recovery in both indicators. PfP still has a large development pipeline, which we expect the group will fund through grants and increasingly through its targeted asset-disposal plan, thereby limiting debt intake. The successful execution of the plan is nonetheless subject to external market conditions.

We expect PfP's liquidity position will remain very strong over the next 12 months, underpinned by a sources-to-uses ratio of about 2.0x 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 £2.0 billion, comprising cash, a 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 £1.0 billion (mainly capital expenditure 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 positive in our assessment.

Government-related entity analysis

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. One of the Regulator of Social Housing's (RSH's) key goals is to maintain lender confidence and low funding costs across the social housing sector. Therefore, 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 instances of the RSH mediating mergers or arranging liquidity support from other registered providers in cases of financial distress and we think this would also apply to PfP.

Key Statistics

Places for People Group Ltd.--Key statistics

Mil. £	2025a	2026a	2027bc	2028bc	2029bc
Number of units owned or managed (No.)	262,670	276,069	274,578	271,340	269,070
Adjusted operating revenue	1,036.2	1,209.9	1,313.1	1,333.5	1,350.9
Adjusted EBITDA	89.6	187.1	230.0	232.6	238.1
Non-sales adjusted EBITDA	75.9	174.7	216.2	219.9	225.8
Capital expense	640.6	508.5	633.5	595.7	617.0
Debt	4,801.8	5,261.7	5,231.1	5,039.1	4,908.4
Interest expense	228.2	272.7	266.6	255.5	247.4
Adjusted EBITDA/Adjusted operating revenue (%)	8.6	15.5	17.5	17.4	17.6
Debt/non-sales adjusted EBITDA (x)	63.3	30.1	24.2	22.9	21.7
Non-sales adjusted EBITDA/interest coverage(x)	0.3	0.6	0.8	0.9	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 Ltd.--Rating component scores

Factor	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

Places for People Group Ltd.--Rating component scores

Factor	Assessment
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

- Sector Review: U.K. Social Housing Stumbles Toward A Slow Recovery, Oct. 21, 2026
- United Kingdom 'AA/A-1+' Ratings Affirmed; Outlook Stable, Oct. 9, 2026
- Economic Outlook Europe Q3 2026: Energy Shock Rekindles Stagflation Risks, June 24, 2026
- Non-U.S. Social Housing Providers Ratings Risk Indicators: Ratings Hold Steady Despite Negative Bias, April 27, 2026
- Non-U.S. Social Housing Providers Ratings History: March 2026, April 27, 2026
- U.K. Social Housing Brief: The Middle East War Weighs Only Modestly On Financial Recovery, April 2, 2026
- European Housing Markets: Structural Pressures Persist, Forecasts Barely Shift, Feb. 3, 2026
- Non-U.S. Social Housing Sector Outlook 2026: Headwinds Ease, Feb. 2, 2026
- Potential Merger With South Yorkshire Housing Association Unlikely To Have Immediate Effect On Places for People Group, March 26, 2025

Ratings List

Ratings List		
Ratings Affirmed; Outlook Action		
	To	**From**
Places for People Group Ltd.		
Places For People Treasury PLC		
Issuer Credit Rating	A-/Stable/--	A-/Negative/--
Ratings Affirmed		
Places for People Homes Ltd.		
Senior Secured	A-	
Places for People Homes Ltd.		
Places For People Treasury PLC		
Senior Unsecured	A-	

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