

## **RATING ACTION COMMENTARY**

# **Fitch Affirms Places for People Group Limited at 'A-'; Outlook Stable**

Wed 15 Oct, 2025 - 08:16 ET

Fitch Ratings - London - 15 Oct 2025: Fitch Ratings has affirmed Places for People Group Limited's (PfPG) Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDRs) at 'A-'. The Outlooks on the Long-Term IDRs are Stable. A full list of rating actions is below.

The affirmation reflects Fitch's belief that PfPG's credit profile will remain strong enough over its five-year forecast period to support the ratings.

Fitch views PfPG as a government-related entity (GRE) of the UK (AA-/Stable). Our 'Strong Expectations' of support from the state for PfPG, combined with a 'bbb+' Standalone Credit Profile (SCP), which is four notches below the sovereign IDRs, leads to a one-notch uplift. Continuing high demand for social and affordable housing and ongoing cash flow from rented properties continue to support PfPG's credit, despite a challenging economic environment within the sector.

## **KEY RATING DRIVERS**

### **Support Score Assessment 'Strong expectations'**

Our 'Strong expectations' of extraordinary support for PfPG are reflected in a support score of 20, out of a maximum 60, under Fitch's GRE criteria. This reflects a combination of responsibility-to-support and incentive-to-support factor assessments as below.

### **Responsibility to Support**

#### **Decision Making and Oversight 'Strong'**

PfPG is a private, not-for-profit social housing registered provider (RP) in the UK and has no legal owner. All surpluses are reinvested to provide social housing. We consider the regulatory framework for English social housing to have a robust legal basis, and the

Regulator of Social Housing to maintain sound control and tight monitoring of RPs. The regulator's history of oversight and non-financial intervention in rare cases of distress is a key factor behind the sector's solidity.

### **Precedents of Support 'Strong'**

PfPG receives ongoing financial support through varying grants from Homes England for social, affordable and shared ownership development. This is to support additional subsidised housing, not to finance debt or prevent default. Fitch takes into account the support mechanisms the RP can benefit from, or has benefited from, the UK. Policy influence is supportive of the financial stability of RPs, with very few entering financial difficulties and none defaulting. Regulatory restrictions on government support are unlikely to prevent timely intervention in exceptional circumstances.

### **Incentives to Support**

#### **Preservation of Government Policy Role 'Strong'**

Social housing is a key public service. We see no immediate impact on the service from a PfPG default, as other RPs could act as substitutes, with only temporary disruption to the service. However, there would be a medium-term impact on the provision of service through reduced access by other RPs to external financing to finance their maintenance capex and new investments.

#### **Contagion Risk 'Not Strong Enough'**

A PfPG default would have a minimal impact on the availability or cost of domestic financing for the UK. Fitch considers a default would be treated as an isolated case of mismanagement, and therefore should not affect the sector.

### **Standalone Credit Profile**

PfPG's 'bbb+' SCP reflects a combination of a 'Stronger' risk profile and a financial profile at the upper end of the 'bb' category, with forecast leverage to average 14x during the five years to FY30 (year-end March) under our rating case (FY25: 20x).

#### **Risk Profile: 'Stronger'**

PfPG's 'Stronger' risk profile reflects the combination of our assessments below:

#### **Revenue Risk: 'Stronger'**

Demand for social housing across the UK remains strong. The UK government sets the threshold for annual social rent increases, but PfPG has flexibility over pricing from its non-social housing lettings activity, which it uses to cross-subsidise the core business. Social rent increases are capped at CPI plus 1% annually under the Rent Standard, which applies from April 2026 to March 2036. PfPG has a large share of revenue from non-social housing activities (40% of total revenue in FY25), comprising leisure management and property management services at 25%, developments for sale at 10%, and non-social housing lettings and other activities at 5%.

### **Expenditure Risk: 'Stronger'**

PfPG has well-identified cost drivers and low volatility in major items, with staff costs accounting for 43% of opex in FY25, above the sector average due to its complex structure and wide geographic reach. It has no material supply constraints, although maintenance labour market pressures have increased costs. Maintenance and major repairs spending rose to GBP287 million in FY25, reflecting reinvestment in existing stock and compliance with regulatory standards, including EPC upgrades. PfPG has decided to reduce its development projects from last year's financial plans. In FY25, PfPG completed 2,296 new homes (FY24: 1,750), of which 88.4% are affordable housing.

### **Liabilities and Liquidity Risk: 'Stronger'**

PfPG maintains a strong debt profile, with a long-term average debt maturity of around 12 years. Debt is diversified across bonds, revolving credit facilities, and term loans, with limited near-term maturities. About 86% of total debt is unsecured, and all foreign-currency debt is fully hedged via cross-currency interest rate swaps. Interest rate risk is limited, with 70% of debt at fixed rates. The debt repayment profile is smooth, mitigating repayment pressure, and despite some refinancing peaks (notably in FY26), we expect no refinancing risk due to PfPG's consistent surpluses, strong access to debt capital markets and high-value asset base.

### **Financial Profile 'bb'**

PfPG's 'bb' financial profile reflects adequate performance, although it has deteriorated in the past XX years and we expect it to persist in the near term due to ongoing macroeconomic challenges. Net adjusted debt/EBITDA remains high, averaging 14x over the five years to FY30, at the upper end of the 'bb' category. The high leverage is driven by ongoing group-wide investment in development and reinvestment in existing stock, alongside the impact of recent merger activity, notably the integration of Origin Housing, which added large debt and cost pressures to the group.

We expect PfPG's operating revenue to average about GBP1,245 million a year between FY26 and FY30. We expect performance to be aided by economies of scale, due to PfPG's size and area of operations, supported by recent mergers. Fitch expects EBITDA to increase to GBP371 million in FY30 from GBP314 million in FY26 (FY25: GBP229 million). We expect leverage to decrease from current levels as costs diminish, although it will remain strained due to investment in existing stock but supported by a scaled-back development plan. We project net debt/ EBITDA to fall from 20x in FY24, to average about 14x over the five years to FY30.

### **Other Rating Factors**

We assess all asymmetric risk attributes as 'Neutral' due to a strong regulatory framework, transparent reporting of information and a risk-averse debt structure. Debt is mostly fixed-rate and vanilla (sterling bonds and bank debt). Governance and management are assessed by the regulator and most RPs have compliant ratings of either G1 or G2. They operate under English law, which we consider strong, and their Country Ceiling is 'AAA' (UK). Information quality is strong, with external publications internally and externally audited.

### **Short-Term Ratings**

The Short-Term IDR at 'F1' is the higher of two possible outcomes mapping to PfPG's Long-Term IDR of 'A-', reflecting its strong liquidity metrics.

### **Debt Ratings**

PfPG has several special purpose vehicles (SPVs) that Fitch rates, including Places for People Treasury plc and Places for People Homes Limited. They issue debt on capital markets and are rated in line with the group, at 'A-'; both have long-term senior unsecured ratings for both, and People Homes Limited also has a long-term senior secured rating.

### **PEER ANALYSIS**

The closest peers for PfPG are Clarion Housing Group Limited (A+/Negative) with regards to geographic spread, and The Riverside Group Limited (A-/Stable), which shares similar investment requirements as a result of its merger.

### **Issuer Profile**

PfPG owned or managed 262,670 housing units at FYE25, including over 77,000 social and affordable homes, making it one of the largest RPs in England.

### **KEY ASSUMPTIONS**

Fitch's rating case is a "through-the-cycle" scenario, which incorporates a combination of revenue, cost and financial risk stresses. It is based on FY21-FY25 historical figures and FY26-FY30 assumptions.

**RATING SENSITIVITIES**

**Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade**

- Sustained deterioration of net debt/EBITDA significantly above 18x on a sustained basis

**Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade**

- An upgrade of the sovereign or a sustained improvement in net debt/EBITDA below 12x in the medium term, which could lead to an upgrade.

**ESG Considerations**

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

**PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS**

PfPG's ratings are credit-linked to the UK.

**References for Substantially Material Source Cited as Key Driver Rating**

The principal sources of information used in the analysis are described in the Applicable Criteria.

**RATING ACTIONS**

| ENTITY / DEBT ⚡ | RATING ⚡ | PRIOR ⚡ |
|-----------------|----------|---------|
|-----------------|----------|---------|

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|                                    |           |                          |          |  |                                |
|------------------------------------|-----------|--------------------------|----------|--|--------------------------------|
| Places for People<br>Group Limited | LT IDR    | A- Rating Outlook Stable |          |  | A- Rating<br>Outlook<br>Stable |
|                                    | Affirmed  |                          |          |  |                                |
|                                    | ST IDR    | F1                       | Affirmed |  | F1                             |
|                                    | LC LT IDR | A- Rating Outlook Stable |          |  | A- Rating<br>Outlook<br>Stable |
|                                    | Affirmed  |                          |          |  |                                |
|                                    | LC ST IDR | F1                       | Affirmed |  | F1                             |
| Places for People<br>Homes Limited |           |                          |          |  |                                |
| senior unsecured                   | LT        | A-                       | Affirmed |  | A-                             |
| senior secured                     | LT        | A-                       | Affirmed |  | A-                             |
| Places for People<br>Treasury plc  |           |                          |          |  |                                |
| senior unsecured                   | LT        | A-                       | Affirmed |  | A-                             |

[VIEW ADDITIONAL RATING DETAILS](#)

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**APPLICABLE CRITERIA**

[Public Policy Revenue-Supported Entities Rating Criteria \(pub. 12 Jan 2024\) \(including rating assumption sensitivity\)](#)

[Government-Related Entities Rating Criteria \(pub. 18 Jul 2025\)](#)

**ADDITIONAL DISCLOSURES**

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Places for People Group Limited

UK Issued, EU Endorsed

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