

RATING ACTION COMMENTARY**Fitch Affirms Metropolitan Thames Valley Housing Group at 'A-'; Outlook Stable**

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Fitch Ratings - London - 24 Sep 2026: Fitch Ratings has affirmed Metropolitan Thames Valley Housing Group's (MTVH) Long-Term Issuer Default Rating (IDR) at 'A-' with a Stable Outlook. Fitch has revised MTVH's Standalone Credit Profile (SCP) to 'bbb' from 'bbb+'. A full list of rating actions is below.

The affirmation reflects Fitch's expectation that MTVH's credit profile will remain stable during the five-year forecast period.

Fitch views MTVH as a government-related entity (GRE) of the UK (AA-/Stable), which results in 'Strong expectations' of support from the state. Combined with a SCP of 'bbb', which is five notches below the sovereign rating, this leads to a two-notch uplift to the Long-Term IDR. High demand for social and affordable housing and ongoing cash flow from rented properties continue to support MTVH's ratings, despite the challenging economic environment.

KEY RATING DRIVERS**Support Score Assessment 'Strong expectations'**

Our 'Strong expectations' of extraordinary support from the UK to MTVH reflect a support score of 20 out of a maximum 60 under our GRE criteria. This reflects a combination of responsibility-to-support and incentive- to-support factors assessment as below.

Responsibility to Support**Decision Making and Oversight 'Strong'**

MTVH is a private, not-for-profit social housing registered provider in the UK. Its structure and status mean it has no legal owner, with all surpluses reinvested to provide social housing. We consider the regulatory framework for English social housing to have a robust legal basis and expect the Regulator of Social Housing to maintain sound control and tight monitoring of registered providers. 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'

MTVH receives financial support through varying grants from Homes England and the Greater London Authority 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 registered providers can benefit from, or have benefited from, via their sponsor, the UK. Policy influence is supportive of the financial stability of registered providers, with 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 in case of default, but there would be a medium-term impact on the provision of service as registered providers rely on external financing for their maintenance capex and new investments. Other registered providers could act as substitutes in the unlikely event of financial default, with only temporary disruption to the service and diminished medium-term service provision due to reduced financial resilience and access to finance.

Contagion Risk 'Not Strong Enough'

Default would have a minimal impact on either the availability or cost of domestic financing for the UK. Fitch considers that a default would be treated as an isolated case of mismanagement or viability concerns. As a result, this should not affect the sector at large.

Standalone Credit Profile

We have revised MTVH's SCP to 'bbb' from 'bbb+', due to a slight increase in leverage in FY26 (financial year ending 31 March) and based on projections. The SCP reflects a combination of a 'Stronger' risk profile and a financial profile assessed in the 'bb' category, with forecast leverage averaging around 16x.

Risk Profile: 'Stronger'

Fitch assesses MTVH's risk profile at 'Stronger', reflecting the combination of assessments:

Revenue Risk: 'Stronger'

This assessment is based on 'Stronger' assessments for demand and pricing characteristics. Revenue risk is driven by the high demand for social and affordable housing in the UK, and factors in MTVH's market-rate activity with high prices in the region where it operates. MTVH anticipates cross-subsidisation through shared ownership sales, which should offer some pricing flexibility.

Expenditure Risk: 'Stronger'

MTVH's costs are well identified and have low volatility, including reasonable staff costs across operations, at about 30% of opex, in line with peers. MTVH also has high flexibility on its investment and maintenance programmes. It has new stock compared with sector peers, with over 70% under 45 years old, and almost 50% under 20 years old. Newer stocks limit the costs of maintenance required to provide quality housing for tenants. A record total of 1,318 new homes were delivered in FY26 (544 in FY25), including 1,215 affordable homes. MTVH has 5,641 new homes in its pipeline.

Liabilities and Liquidity Risk: 'Stronger'

This assessment reflects MTVH's low-risk, long-dated debt portfolio and strong access to finance and liquidity. It operates in a fully developed financial market with full access to banks, debt capital markets and private placements. Most of its borrowing (about 85%) is at fixed rates, limiting exposure to fluctuations in the capital markets. Overall, MTVH has a strong debt profile with smooth and long-term repayment (average life of debt is over six years) with a small proportion of short-term debt.

Financial Profile 'bb'

MTVH's 'bb' financial profile reflects its robust performance. Net adjusted debt/EBITDA has increased in recent years, mainly due to increased non-recurring expenditure and building safety costs. Fitch expects leverage to improve over the rating horizon due to increases in development. However, we expect leverage to average around 16x in the last three years of the rating case.

We expect MTVH's operating revenue to average about GBP537 million between FY27 and FY31, with EBITDA averaging GBP193 million a year. As a result of MTVH's material capex plan, we expect net adjusted debt/EBITDA to improve towards around 16x, in line with peers in the middle of the 'bbb' SCP category.

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 registered providers have compliant ratings. MTVH operates under English law, where information quality is strong, with external publications internally and externally audited.

Short-Term Ratings

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

PEER ANALYSIS

One of MTVH's closest peers is Southern Housing (A-/Stable), which is of similar size (about 80,000 units) and operates in a similar location. Southern has recently gone through a merger and is facing similar fire safety challenges to MTVH.

Issuer Profile

MTVH is one of the largest registered providers in the UK. It is based primarily in London and the south-east, providing about 57,000 affordable homes.

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 FY22-FY26 historical figures and FY27-FY31 scenario assumptions.

RATING SENSITIVITIES

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

- A deterioration of net adjusted debt/EBITDA to significantly above 18x on a sustained basis.

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

- A sustained improvement in net adjusted debt/EBITDA below 12x in the medium term.

CLIMATE VULNERABILITY SIGNALS

The results of our Climate.VS screener did not indicate an elevated risk for MTVH.

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>.

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 TYPE ⚡	RATING ⚡	RATING ACTION ⚡	PRIOR ⚡
Metropolitan Housing Trust Limited				
senior secured	LT	A-	Affirmed	A-
Metropolitan Thames Valley Housing Group	LT IDR	A- Rating Outlook Stable	Affirmed	A- Rating Outlook Stable
	ST IDR	F1	Affirmed	F1
	LC LT IDR	A- Rating Outlook Stable	Affirmed	A- Rating Outlook Stable
	LC ST IDR	F1	Affirmed	F1

senior unsecured	LT	A-	Affirmed	A-
senior secured	LT	A-	Affirmed	A-

[VIEW ADDITIONAL RATING DETAILS](#)

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APPLICABLE CRITERIA

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

[Public Policy Revenue-Supported Entities Rating Criteria \(pub. 10 Jul 2026\) \(including rating assumption sensitivity\)](#)

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UK Issued, EU Endorsed

Metropolitan Thames Valley Housing Group

UK Issued, EU Endorsed

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