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London & Quadrant Housing Trust
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London & Quadrant Housing Trust Trading Update for the period ending 30 September 2026

London & Quadrant Housing Trust ('L&Q') is today issuing its consolidated unaudited trading update for the six months ended 30 September 2026 ('2026 Q2'). All statement of comprehensive income comparatives are to L&Q's consolidated unaudited prior year equivalent period being the six months ended 30 September 2025 ('2025 Q2').

HIGHLIGHTS

- There are 105,391 homes owned or managed (as at 31 March 2026: 106,321)
- L&Q has completed 648 new residential homes (2025 Q2: 1,052)
- Turnover was £469m (2025 Q2: £511m)
- EBITDA[1] was £170m (2025 Q2: £238m)
- EBITDA interest cover[2] was 190% (2025 Q2: 216%)
- EBITDA-MRI[3] was £105m (2025 Q2: £199m)
- EBITDA-MRI margin[4] was 23% (2025 Q2: 40%)
- EBITDA-MRI margin (excluding sales)[5] was 28% (2025 Q2: 47%)
- Gross sales EBITDA margin[6] was (2)% (2025 Q2: 10%)
- Net sales EBITDA margin[7] was (27)% (2025 Q2: (3)%)
- EBITDA-MRI interest cover[8] was 117% (2025 Q2: 182%)
- EBITDA-MRI social housing lettings interest cover[9] was 134% (2025 Q2: 170%)
- Operating surplus was £130m (2025 Q2: £199m)
- Debt to assets[10] was 36% (2025 Q2: 41%)
- Sales as a % of turnover[11] was 11% (2025 Q2: 22%)

Commenting on the results Edward Farnsworth, Executive Group Director Finance said:

L&Q's unaudited Q2 results demonstrate our continued focus on our core social purpose, investing in the quality of existing homes and services while maintaining the financial strength to deliver more affordable housing over the long term.

Investment in residents' homes continues to be one of our highest priorities. Through our Major Works Investment Programme we are improving the safety, comfort and environmental performance of our homes, alongside continued investment in day-to-day maintenance. This increased investment can be seen in our financial results. Capitalised major repairs increased to £65m from £39m in the equivalent period last year, while maintenance costs were £144m compared with £130m. We continue to carefully balance this investment with the need to maintain financial resilience and capacity for the future.

We continue to make good progress on building safety and improving residents' homes. During the quarter, George House in Kilburn became the fourth L&Q high-rise building to receive a Building Assessment Certificate from the Building Safety Regulator, while we also completed Resident Engagement Plans for all our higher-risk buildings ahead of schedule. Our work at Lewisham Park Towers, combining improvements to residents' homes with building safety and energy-efficiency upgrades, was also recognised as Community Engagement Project of the Year at the 2026 Construction News Awards. Together, these achievements reflect our commitment to delivering safe, well-managed homes while working closely with residents and communities.

Our balance sheet is significantly stronger following the completion of our programme of strategic asset management. Net debt was £4.2bn at 30 September compared with £5.1bn at 31 March 2026, and debt to assets was 36%, compared with 41% in the equivalent period last year. This financial capacity will support

delivery of Our Future Shape 2026-31 Corporate Strategy and our long-term commitment to residents and communities in Greater London and Greater Manchester.

There remains a significant need for new social and affordable homes. The Government's new £39bn Social and Affordable Homes Programme provides an important long-term framework for new investment, with social rent at the heart of the programme. We welcome this renewed focus and will continue to look for opportunities to deliver new affordable homes where they are financially sustainable and support our strategic objectives.

The sales environment remains challenging and we continue to manage our exposure carefully. Sales accounted for 11% of turnover compared with 22% in the equivalent period last year. Maintaining this disciplined approach to sales, development and investment will be important as we continue to strengthen L&Q for the long term.

HOUSING COMPLETIONS

L&Q, including joint ventures, has completed 648 (2025 Q2: 1,052) residential homes in the financial year to date. This comprises of 444 (2025 Q2: 792) completions for social housing tenures (69%) and 204 (2025 Q2: 204) completions for market tenures (31%). During that same time, 613 new build residential homes commenced on site (2025 Q2: 636) with the majority of starts being later phases of existing developments.

DEVELOPMENT PIPELINE

L&Q, including joint ventures, is operating from 61 (2025 Q2: 85) active sites. L&Q has approved 131 (2025 Q2: 5) homes during the financial year bringing total homes in the approved development pipeline to 6,181 (2025 Q2: 8,074), of which 80% are currently on site. Of the homes approved in the development pipeline 39% are for social housing tenures and 61% are for market tenures. L&Q holds a further potential 20,556 (2025 Q2: 25,480) strategic land plots.

The future projected cost of the entire development pipeline (including work in progress and developments not yet committed or on site) that extends until the financial year ending 31 March 2046 is estimated at £1.7bn (2025 Q2: £1.8bn) of which £1.3bn (77%) is currently committed (2025 Q2: £1.2bn).

UNAUDITED FINANCIALS

The unaudited financials exclude further adjustments that are subject to audit review.

Statement of Comprehensive Income

	2026 Q2 (£m)	2025 Q2 (£m)	Change
Turnover			
Non-sales	438	445	
Sales	31	66	
	469	**511**	**(8%)**
Operating costs and cost of sales			
Non-sales	(341)	(309)	
Sales	(41)	(67)	
	(382)	**(376)**	**(2%)**
Surplus on disposal of fixed assets and investments	48	66	
Share of profits from joint ventures	(5)	(2)	
Change in value of investment property	-	-	
Operating surplus	**130**	**199**	**(35%)**
Net interest charge	(87)	(106)	
Other finance income/ (costs)	(2)	-	
Disposal of business interest	(232)	-	
Taxation	-	-	
Surplus/(Loss) for the period after tax	**(191)**	**93**	**(305%)**

EBITDA MRI and Net Cash Interest Paid

	2026 Q2 (£m)	2025 Q2 (£m)	Change
Operating surplus	130	199	
Change in value of investment property	-	-	
Amortised government grant	(15)	(15)	
Depreciation	55	54	
Impairment	-	-	
Capitalised major repairs	(65)	(39)	
EBITDA MRI	**105**	**199**	**(47%)**
Net interest charge	(85)	(105)	
Capitalised interest	(4)	(5)	
Net cash interest paid	**(89)**	**(110)**	**19%**

Statement of Financial Position

	2026 Q2 (£m)	31 March 2026 (£m)	Change (£m)
Housing properties	11,589	11,623	(34)
Other fixed assets	88	93	(5)
Investments	352	1,459	(1,107)
Net current assets / (liabilities)	(322)	(834)	512
Total assets less current liabilities	**11,707**	**12,341**	**(634)**
Loans due > one year	3,759	4,207	(448)
Unamortised grant liabilities	1,992	2,011	(19)
Other long-term liabilities	395	371	24
Capital and reserves	5,561	5,752	(191)
Total non-current liabilities and reserves	**11,707**	**12,341**	**(634)**

Non-Sales Activities

	2026 Q2 (£m)	2025 Q2 (£m)	Change (£m)
Net rents receivable	412	422	(10)
Charges for support services	2	2	-
Amortised government grants	15	15	-
Other income	9	6	3
Turnover	**438**	**445**	**(7)**
Management costs	(52)	(47)	(5)
Service costs	(69)	(62)	(7)
Maintenance costs	(144)	(130)	(14)
Support costs	(2)	(4)	2
Depreciation & impairment	(55)	(54)	(1)
Other costs	(19)	(12)	(7)
Operating costs	**(341)**	**(309)**	**(32)**
Surplus on disposal of fixed assets	48	66	(18)
Change in value of investment property	-	-	-
Operating surplus	**145**	**202**	**(57)**

Arrears

Current tenant arrears for all tenures are at 5.41% (as at 31 March 2026: 5.57%)

Sales Activities

The cost of sales is inclusive of capitalised interest and overhead costs:

	2026 Q2 (£m)	2025 Q2 (£m)	Change (£m)
Property sales income	31	66	(35)
Land sales income	-	-	-
Turnover from sales (excluding JV's)	**31**	**66**	**(35)**
Cost of property sales	(33)	(60)	27
Cost of land sales	-	-	-
Operating costs	(8)	(6)	(2)
Impairment	-	-	-
Total costs (excluding JV's)	**(41)**	**(66)**	**25**
Operating Surplus (excluding JV's)	**(10)**	**-**	**(10)**
Joint venture turnover	24	57	(33)
Joint venture cost of sales	(23)	(51)	28
Joint venture operating costs	(6)	(8)	2
Impairment of investment in JV's	-	-	-
Share of (losses)/profits from joint ventures	**(5)**	**(2)**	**(3)**

AVERAGE SELLING PRICE

The average selling price, including JVs, for outright market sales during the financial year to date was £508k (2025 Q2: £361k). The average selling price of first tranche shared ownership sales during the financial year to date was £425k (2025 Q2: £403k) with an average first tranche sale of 28% (2025 Q2: 31%).

SALES MARGINS

The cost of sales is inclusive of capitalised interest and overhead costs but excludes impairment:

	Shared Owner-ship (£m)	Outright Sales (Non-JV) (£m)	Land Sales (£m)	Outright Sales (JV's) (£m)	*2026 Q2* (£m)	2025 Q2 (£m)	Change
Turnover	14	17	-	24	**55**	123	(68)
Cost of sales	(15)	(18)	-	(23)	**(56)**	(111)	55
Gross profit	**(1)**	**(1)**	**-**	**1**	**(1)**	**12**	**(13)**
Gross EBITDA margin	**(7%)**	**(6%)**	**-**	**4%**	**(2%)**	**10%**	**(12%)**
Operating costs	(4)	(4)	-	(6)	**(14)**	**(15)**	**-**
Operating (loss)/ surplus	**(5)**	**(5)**	**-**	**(5)**	**(15)**	**(3)**	**(13)**
Net EBITDA margin	**(36%)**	**(29%)**	**-**	**(21%)**	**(27%)**	**(3%)**	**(26%)**

UNSOLD STOCK

As at 30 September 2026, L&Q, including joint ventures, held 881 completed homes (2025 Q2: 694) as unsold stock with a projected revenue of £160m (2025 Q2: £101m). Projected revenue for shared ownership assumes a first tranche sale of 25%.

Of the total unsold stock, 1% has been held as stock for less than one month and 72% is for shared ownership, a tenure where we would expect to continue to show a higher comparative level of unsold stock due to bulk handovers in short time periods and limitations to pre-sale meaning gradual sales rates. In the year to date, L&Q has handed over 117 and sold 116 shared-ownership homes.

L&Q's forward order book excluding joint ventures consists of 11 exchanged homes with projected revenue of £2m and 10 reservations with projected revenue of £2m.

Tenure	**Projected Revenue (£m)**	**No. of Homes**	<1 Month	1-3 Months	3-6 Months	6-12 Months	**>12 Months**
Shared Ownership	68	632	-	103	8	159	362
Outright Sale (non-JV's)	63	122	-	67	-	55	-
Total excluding JV's	**131**	**754**	**-**	**170**	**8**	**214**	**362**
Outright Sale (JCA's)	-	-	-	-	-	-	-
Outright Sale (JCE's)	29	127	8	44	11	48	16
Total Joint Ventures	**29**	**127**	**8**	**44**	**11**	**48**	**16**
Total Unsold Stock	**160**	**881**	**8**	**214**	**19**	**262**	**378**

NET DEBT AND LIQUIDITY

As at 30 September 2026, net debt[12] (excluding derivative financial liabilities) was £4,195m (as at 31 March 2026: £5,101m) and available liquidity within the group in the form of committed un-drawn revolving credit facilities and non-restricted cash was at £1,671m (as at 31 March 2026: £1,360m). Approximately 49% of L&Q's loan facilities and 68% of drawn loan facilities are at a fixed cost. L&Q has £495m of debt maturities within the next 12 months.

UNENCUMBERED ASSETS

	2026 Q2	**31 March 2026**
No. of homes owned or managed	105,391	106,321
No. of social housing homes provided as collateral against debt facilities	(50,774)	(50,464)
No. of private rented homes provided as collateral against debt facilities	-	(1,295)
Total no. of unencumbered homes owned or under management	**54,617**	**54,562**
% of homes under management held as collateral against debt facilities	48%	48%
Unencumbered asset ratio[13]	51%	50%

L&Q CREDIT RATINGS

As at date of trading statement release:

Rating Agency	***S&P***	***Moody's***	**Fitch**
Long-term credit ratings	BBB+/Stable	A3/Stable	A-/Stable

Notes:
[1] Operating surplus – change in value of investment properties – amortised government grant + depreciation + impairment +/- actuarial losses/gains in pension schemes
[2] EBITDA / net cash interest paid
[3] Operating surplus – change in value of investment properties – amortised government grant + depreciation + impairment -capitalised major repairs +/- actuarial losses/gains in pension schemes
[4] EBITDA-MRI / (turnover – amortised government grant)
[5] EBITDA-MRI from non-sales activities / turnover from non-sales activities
[6] Gross profit from sales + impairment / turnover from sales including joint ventures
[7] Operating surplus from sales + impairment / turnover from sales including joint ventures
[8] EBITDA-MRI / net cash interest paid
[9] EBITDA-MRI from social housing lettings / net cash interest paid
[10] Net debt (excluding derivative financial liabilities) / total assets less current liabilities
[11] Sales turnover (including joint ventures) / (turnover plus turnover from joint ventures)
[12] Short term loans + Long term loans + FV & Net issue premium, less cash & cash equivalents
[13] 100% less (loans due after more than 1 year + derivative liabilities + unamortised grant liability) / total assets less current liabilities

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