

## London & Quadrant Housing Trust Trading Update for the period ending 31 March 2026

London & Quadrant Housing Trust ('L&Q') is today issuing its consolidated unaudited trading update for the twelve months ended 31 March 2026 ('2026'). All statement of comprehensive income comparatives are to L&Q's consolidated audited prior year equivalent period being the twelve months ended 31 March 2025 ('2025').

### HIGHLIGHTS

- There are 107,176 homes owned or managed (as at 31 March 2025: 109,659)
- L&Q has completed 2,055 new residential homes (2025: 2,316)
- Turnover was £1,033m (2025: £1,111m)
- EBITDA-MRI<sup>1</sup> was £323m (2025: £371m)
- EBITDA-MRI margin<sup>2</sup> was 29% (2025: 32%)
- EBITDA-MRI margin (excluding sales)<sup>3</sup> was 40% (2025: 40%)
- Gross sales EBITDA-MRI margin<sup>4</sup> was 5% (2025: 10%)
- Net sales EBITDA-MRI margin<sup>5</sup> was (11)% (2025: 1%)
- EBITDA-MRI interest cover<sup>6</sup> was 152% (2025: 156%)
- EBITDA-MRI social housing lettings interest cover<sup>7</sup> was 149% (2025: 148%)
- Operating surplus was £370m (2025: £377m)
- Debt to assets<sup>8</sup> was 41% (2025: 39%)
- Sales as a % of turnover<sup>9</sup> was 22% (2025: 23%)

### Commenting on the results Ed Farnsworth, Group Director, Finance said:

"L&Q's preliminary unaudited results reflect continued financial resilience and delivery against our corporate strategy. We have delivered 1,479 new affordable homes and spent a historic £424m on the maintenance of our residents' homes (Q4 25 £396m) this year. This reflects our conscious decision to invest more in new and existing affordable homes whilst maintaining the financial performance of our core business.

We've now come to the end of our 2021-26 strategy period, during which we carried out over 1.3m repairs, built more than 15,500 new homes, and started the sector's largest building safety programme, through which we have inspected over 2,000 buildings containing more than 32,000 homes, and remediated almost 100 blocks.

We completed year three of our £3bn, 15-year Major Works Programme, through which we have delivered over 21,500 home improvements so far. We also marked a significant milestone as we surpassed £100m of social value to bring additional positive impacts in local communities through our maintenance supply chain.

We've now launched a new five-year corporate strategy, Our Future Shape 2026-31. This sets out how we will continue prioritising significant investment and improvement to deliver better outcomes for residents, whilst focusing on our core purpose of building and managing social homes in Greater London and Greater Manchester.

In the quarter, we completed the transfer of 3,500 homes in South Buckinghamshire; part of our long-term approach to rationalise stock outside our core geographies of Greater London and Greater Manchester. Barking Riverside, our joint venture with the GLA achieved outline planning permission for up to 20,000 homes including a significant amount of new affordable homes.

We continued to make good progress on the sale of our private rented sector business, a significant step in our aim to simplify L&Q, generate additional financial capacity, and focus on our core purpose as a social housing provider.

We also appointed two new Executive Directors to drive further improvement in our customer service offer and strengthen our leadership in the North West as we embark on our new strategy. Sharon Burns took up

the role of Executive Group Director, Customer Services, and Aly Heald was appointed in a newly created Executive Group Director, Partnerships and Regional Operations role.

Aly will take a long-term, partnership-driven approach to enabling our work to provide social homes that meet the high levels of housing need in Greater Manchester. We also further strengthened our governance with a senior Board appointment. Jocelyn McConnachie brings extensive Executive and Non-Executive experience to our Group Board, and her expertise in strategic transformation, championing the voices of residents and driving customer service improvements will be invaluable.”

## HOUSING COMPLETIONS

L&Q, including joint ventures, has completed 2,055 (2025: 2,316) residential homes in the financial year to date. This comprises of 1,479 (2025: 1,875) completions for social housing tenures (72%) and 576 (2025: 441) completions for market tenures (28%). During that same time, 1,250 new build residential homes commenced on site (2025: 519) with the majority of starts being later phases of existing developments.

## DEVELOPMENT PIPELINE

L&Q, including joint ventures, is operating from 65 (2025: 90) active sites. L&Q has approved 248 (2025: 810) homes during the financial year bringing total homes in the approved development pipeline to 6,713 (2025: 8,877), of which 79% 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: 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 2040 is estimated at £1.8bn (2025: £2.1bn) of which £1.4bn (77%) is currently committed (2025: £1.4bn).

## UNAUDITED FINANCIALS

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

### Statement of Comprehensive Income

|   | 2026<br>(£m) | 2025<br>(£m) | Change      |
|---|--------------|--------------|-------------|
| <b>Turnover</b>                                     |              |              |             |
| Non-sales   | 898          | 915          |             |
| Sales   | 135          | 196          |             |
|   | <b>1,033</b> | <b>1,111</b> | <b>(7%)</b> |
| <b>Operating costs and cost of sales</b>            |              |              |             |
| Non-sales   | (659)        | (657)        |             |
| Sales   | (147)        | (176)        |             |
|   | <b>(806)</b> | <b>(833)</b> | <b>3%</b>   |
| Surplus on disposal of fixed assets and investments | 172          | 149          |             |
| Share of profits from joint ventures                | (14)         | (10)         |             |
| Change in value of investment property              | (15)         | (40)         |             |
| <b>Operating surplus</b>                            | <b>370</b>   | <b>377</b>   | <b>(2%)</b> |
| Net interest charge                                 | (210)        | (223)        |             |
| Other finance income/ (costs)                       | (5)          | (6)          |             |
| Disposal of business interest                       | -            | (120)        |             |
| Taxation  | (1)          | 5            |             |
| <b>Surplus for the period after tax</b>             | <b>154</b>   | <b>33</b>    | <b>367%</b> |

## EBITDA and Net Cash Interest Paid

|  | 2026<br>(£m) | 2025<br>(£m) | Change       |
|--|--------------|--------------|--------------|
| Operating surplus                      | 370          | 377          |              |
| Change in value of investment property | 15           | 40           |              |
| Amortised government grant             | (29)         | (29)         |              |
| Depreciation                           | 109          | 105          |              |
| Impairment                             | -            | 24           |              |
| Capitalised major repairs              | (142)        | (146)        |              |
| <b>EBITDA-MRI</b>                      | <b>323</b>   | <b>371</b>   | <b>(13%)</b> |
| Net interest charge                    | (207)        | (223)        |              |
| Capitalised interest                   | (6)          | (15)         |              |
| <b>Net cash interest paid</b>          | <b>(213)</b> | <b>(238)</b> | <b>11%</b>   |

## Statement of Financial Position

|   | 2026<br>(£m)  | 2025<br>(£m)  | Change<br>(£m) |
|---|---------------|---------------|----------------|
| Housing properties                                | 11,678        | 11,807        | (129)          |
| Other fixed assets                                | 92            | 93            | -              |
| Investments                                       | 1,515         | 1,573         | (58)           |
| Net current assets                                | (819)         | 118           | (937)          |
| <b>Total assets less current liabilities</b>      | <b>12,466</b> | <b>13,591</b> | <b>(1,125)</b> |
| Loans due > one year                              | 4,206         | 5,415         | (1,209)        |
| Unamortised grant liabilities                     | 2,004         | 2,066         | (62)           |
| Other long-term liabilities                       | 348           | 356           | (8)            |
| Capital and reserves                              | 5,908         | 5,754         | 154            |
| <b>Total non-current liabilities and reserves</b> | <b>12,466</b> | <b>13,591</b> | <b>(1,124)</b> |

## Non-Sales Activities

|  | 2026<br>(£m) | 2025<br>(£m) | Change<br>(£m) |
|--|--------------|--------------|----------------|
| Net rents receivable                   | 840          | 833          | 7              |
| Charges for support services           | 3            | 8            | (5)            |
| Amortised government grants            | 29           | 29           | -              |
| Other income                           | 26           | 45           | (19)           |
| <b>Turnover</b>                        | <b>898</b>   | <b>915</b>   | <b>(17)</b>    |
| Management costs                       | (90)         | (83)         | (7)            |
| Service costs                          | (132)        | (137)        | 5              |
| Maintenance costs                      | (282)        | (250)        | (32)           |
| Support costs                          | (5)          | (8)          | 3              |
| Depreciation & impairment              | (109)        | (121)        | 12             |
| Other costs                            | (41)         | (58)         | 17             |
| <b>Operating costs</b>                 | <b>(659)</b> | <b>(657)</b> | <b>(2)</b>     |
| Surplus on disposal of fixed assets    | 172          | 149          | 23             |
| Change in value of investment property | (15)         | (40)         | 25             |
| Operating surplus                      | <b>396</b>   | <b>367</b>   | <b>29</b>      |

## Arrears

Current social housing tenants' gross rent arrears as a percentage of rent receivable for the year are 5.57% (as at 31 March 2025: 5.20%).

## Sales Activities

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

|   | 2026<br>(£m) | 2025<br>(£m) | Change<br>(£m) |
|---|--------------|--------------|----------------|
| Property sales income                       | 133          | 163          | (30)           |
| Land sales income                           | 2            | 33           | (31)           |
| <b>Turnover from sales (excluding JV's)</b> | <b>135</b>   | <b>196</b>   | <b>(61)</b>    |
| Cost of property sales                      | (131)        | (131)        | -              |
| Cost of land sales                          | (3)          | (45)         | 42             |
| Operating costs                             | (13)         | (6)          | (7)            |
| Impairment                                  | -            | -            | -              |
| <b>Total costs (excluding JV's)</b>         | <b>(147)</b> | <b>(182)</b> | <b>35</b>      |
| <b>Operating Surplus (excluding JV's)</b>   | <b>(12)</b>  | <b>14</b>    | <b>6</b>       |
| Joint venture turnover                      | 103          | 73           | 30             |
| Joint venture cost of sales                 | (93)         | (67)         | (26)           |
| Joint venture operating costs               | (24)         | (16)         | (8)            |
| Impairment of investment in JV's            | -            | -            | -              |
| <b>Share of profits from joint ventures</b> | <b>(14)</b>  | <b>(10)</b>  | <b>(4)</b>     |

## AVERAGE SELLING PRICE

The average selling price, including JVs, for outright market sales during the financial year to date was £436k (2025: £419k). The average selling price of first tranche shared ownership sales during the financial year to date was £403k (2025: £407k) with an average first tranche sale of 31% (2025: 32%).

## SALES MARGINS

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

|                            | Shared<br>Owner-<br>Ship<br>(£m) | Outright<br>Sales<br>(Non-JV)<br>(£m) | Land<br>Sales<br>(£m) | Outright<br>Sales<br>(JV's)<br>(£m) | 2026<br>(£m) | 2025<br>(£m) | Change<br>(£m) |
|----------------------------|----------------------------------|---------------------------------------|-----------------------|-------------------------------------|--------------|--------------|----------------|
| Turnover                   | 72                               | 61                                    | 2                     | 103                                 | <b>238</b>   | <b>269</b>   | (31)           |
| Cost of sales              | (75)                             | (56)                                  | (3)                   | (93)                                | <b>(227)</b> | <b>(243)</b> | 16             |
| Gross profit               | <b>(3)</b>                       | <b>5</b>                              | <b>(1)</b>            | <b>10</b>                           | <b>11</b>    | <b>26</b>    | (15)           |
| <b>Gross EBITDA margin</b> | (4%)                             | 8%                                    | (50%)                 | 10%                                 | <b>5%</b>    | <b>10%</b>   | (5%)           |
| Operating costs            | (7)                              | (6)                                   | -                     | (24)                                | <b>(37)</b>  | <b>(22)</b>  | (15)           |
| Operating surplus          | <b>(10)</b>                      | <b>(1)</b>                            | <b>(1)</b>            | <b>(14)</b>                         | <b>(26)</b>  | <b>4</b>     | (30)           |
| <b>Net EBITDA margin</b>   | (14%)                            | (2%)                                  | (50%)                 | (14%)                               | <b>(11%)</b> | <b>1%</b>    | (12%)          |

## UNSOLD STOCK

As at 31 March 2026, L&Q, including joint ventures, held 777 (2025: 743) completed homes as unsold stock with a projected revenue of £130m. Projected revenue for shared ownership assumes a first tranche sale of 25%.

Of the total unsold stock, 14% has been held as stock for less than one month and 75% 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 542 and sold 607 shared-ownership homes.

L&Q's forward order book excluding joint ventures consists of 31 exchanged homes with projected revenue of £12m and 62 reservations with projected revenue of £12m.

| Tenure                      | Projected Revenue (£m) | No. of Homes | <1 Month   | 1-3 Months | 3-6 Months | 6-12 Months | >12 Months |
|-----------------------------|------------------------|--------------|------------|------------|------------|-------------|------------|
| Shared Ownership            | 62                     | 580          | 18         | 58         | 131        | 123         | 250        |
| Outright Sale (non-JV's)    | 35                     | 74           | -          | 44         | 28         | -           | 2          |
| <b>Total excluding JV's</b> | <b>97</b>              | <b>654</b>   | <b>18</b>  | <b>102</b> | <b>159</b> | <b>123</b>  | <b>252</b> |
| Outright Sale (JCA's)       | -                      | -            | -          | -          | -          | -           | -          |
| Outright Sale (JCE's)       | 33                     | 123          | 93         | 1          | -          | 20          | 9          |
| <b>Total Joint Ventures</b> | <b>33</b>              | <b>123</b>   | <b>93</b>  | <b>1</b>   | <b>-</b>   | <b>20</b>   | <b>9</b>   |
| <b>Total Unsold Stock</b>   | <b>130</b>             | <b>777</b>   | <b>111</b> | <b>103</b> | <b>159</b> | <b>143</b>  | <b>261</b> |

## NET DEBT AND LIQUIDITY

As at 31 March 2026, net debt (excluding derivative financial liabilities) was £5,101m (as at 31 March 2025: £5,384m) and available liquidity within the group in the form of committed un-drawn revolving credit facilities and non-restricted cash was at £1,360m (as at 31 March 2025: £1,051m). Approximately 54% of L&Q's loan facilities and 67% of drawn loan facilities are at a fixed cost. L&Q has £966m of debt maturities within the next 12 months.

## UNENCUMBERED ASSETS

|  | 2026          | 2025          |
|--|---------------|---------------|
| No. of homes owned or managed  | 107,176       | 109,673       |
| No. of social housing homes provided as collateral against debt facilities | (50,464)      | (54,566)      |
| No. of private rented homes provided as collateral against debt facilities | (1,295)       | (1,295)       |
| <b>Total no. of unencumbered homes under management</b>                    | <b>55,417</b> | <b>53,812</b> |
| % of homes under management held as collateral against debt facilities     | 48%           | 51%           |
| Unencumbered asset ratio <sup>10</sup>                                     | 50%           | 46%           |

## 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:**

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

**This trading update contains certain forward-looking statements about the future outlook for L&Q. Although the Directors believe that these statements are based upon reasonable assumptions, any such statements should be treated with caution as the future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.**

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