

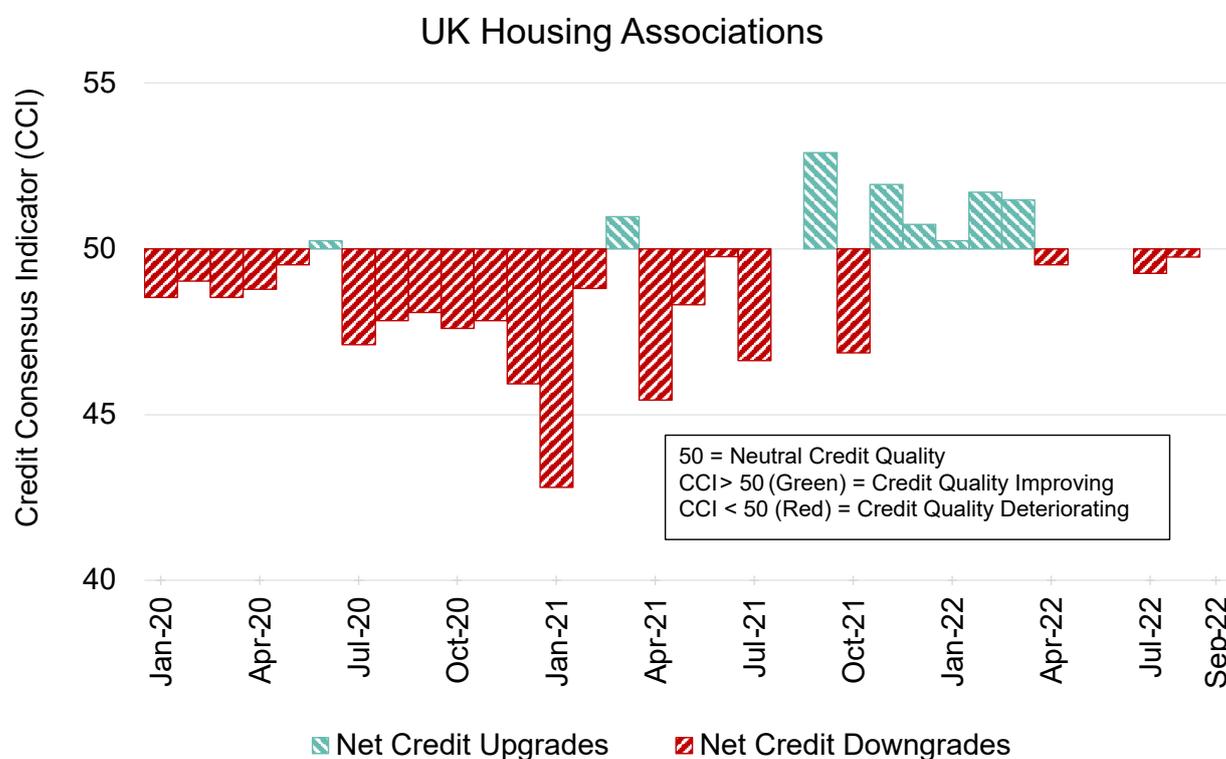
# UK Housing Associations: Return to Net Deterioration

October 2022

With warnings that inflation could [exceed 20% by the start of next year](#), plans to introduce a [tighter rent cap](#) for tenants in the social rented sector are being discussed, to try help insulate some of the most vulnerable from the current cost of living crisis. However, this rent cap could negatively impact housing associations and affect their ability to maintain and improve existing residents' homes and deliver more new affordable housing.

Figure 1 shows the Credit Consensus Indicators<sup>1</sup> (CCIs) for UK Housing Associations.

**Figure 1: Credit Consensus Indicators (CCIs), UK Housing Associations: Jan-20 to Aug-22**



More CCI industry graphs can be found within [Credit Benchmark's monthly CCI Monitors](#).

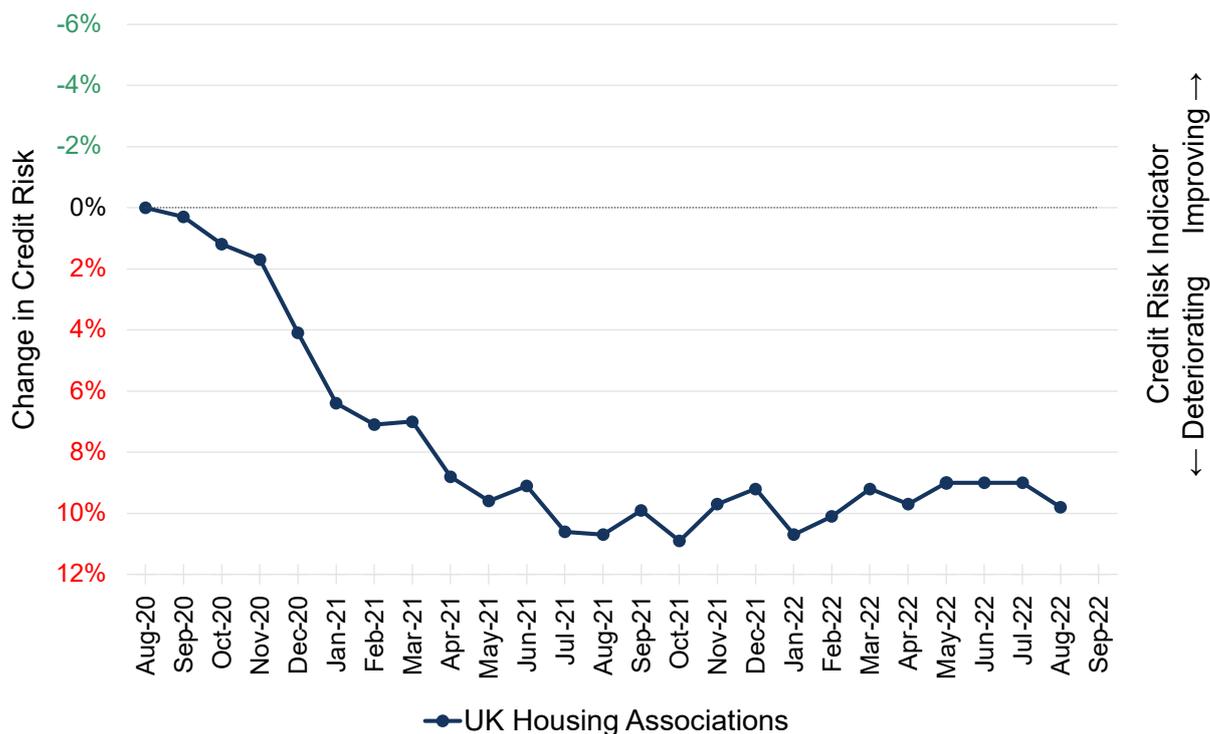
After a run of months of net deterioration in 2020, this sample of more than 400 UK Housing Associations started to consistently record months with a CCI above 50 late last year through to early this year (Nov-21 to Mar-22). However, in more recent months credit movement in UK Housing Associations has been returning to net deterioration, with CCIs below 50 recorded in the last 2 months.

The deterioration of UK Housing Associations is mirrored in Figure 2, showing a long incline in average credit risk – measured by default probability (axis inverted).

<sup>1</sup> The CCI is an index of [forward-looking credit opinions](#) based on the consensus views of over 20,000 credit analysts at 40+ of the world's leading financial institutions.

Drawn from more than [950,000 contributed credit observations](#), the CCI tracks the total number of upgrades and downgrades made each month by credit analysts to chart the long-term trend in analyst sentiment. A monthly CCI score of 50 indicates neutral credit quality, with an equal number of upgrades and downgrades made over the course of a month. Scores above 50 indicate that credit quality is improving. Scores below 50 indicate that credit quality is deteriorating.

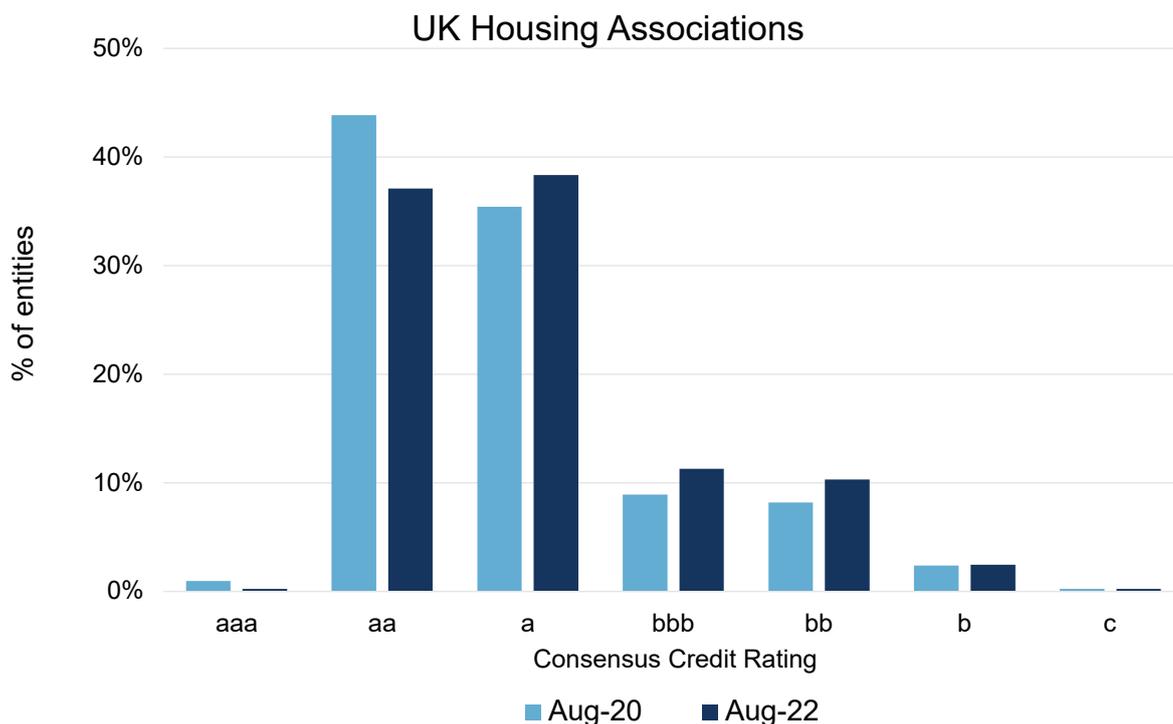
Figure 2: Credit Trend, UK Housing Associations; Aug-20 to Aug-22



UK Housing Associations Credit Trend graph can be found on the [Credit Benchmark Web Application](#), as a fixed list aggregate.

Figure 3 shows the credit distribution for this sample two years ago compared to current estimates.

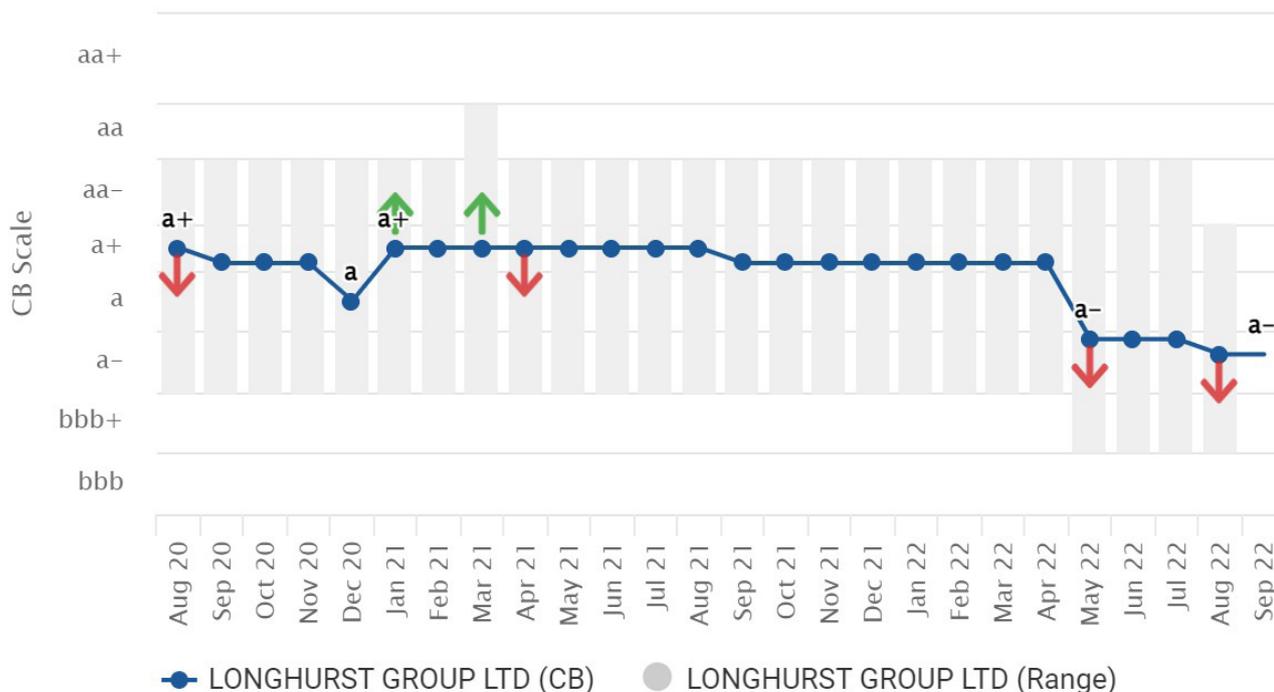
Figure 3: Credit Distribution, UK Housing Associations; Aug-20 vs Aug-22



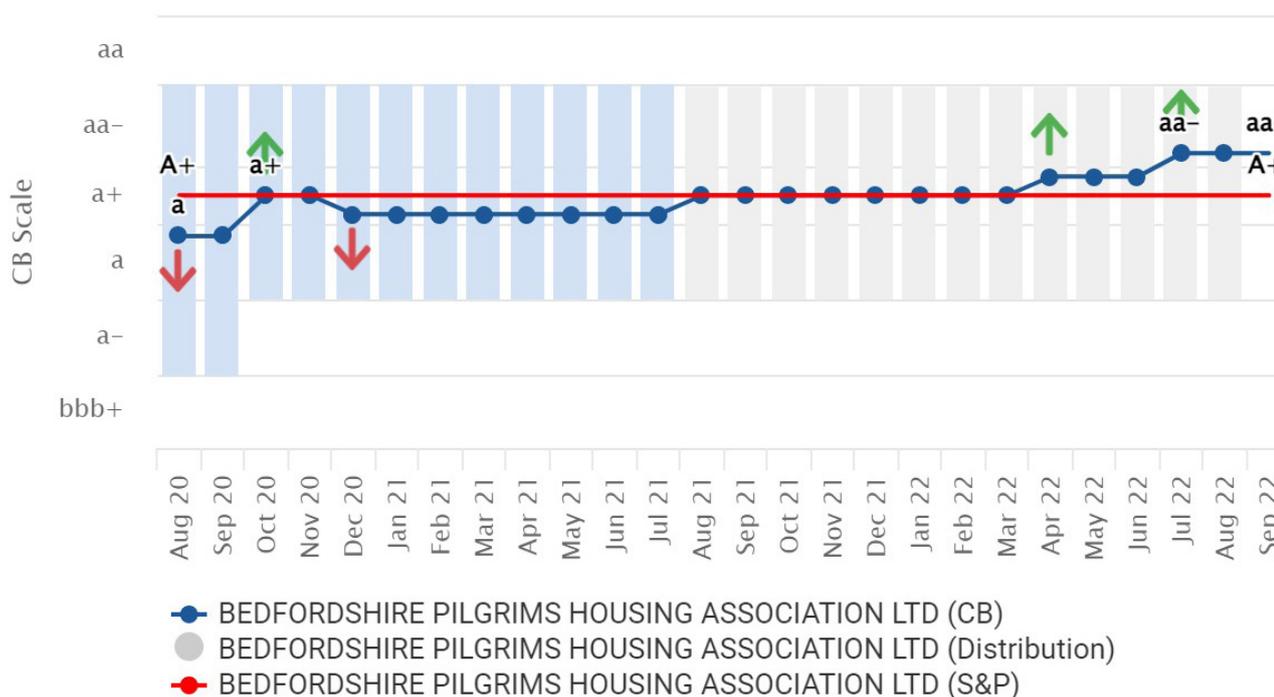
While more than 85% of UK Housing Associations are still investment grade, the credit distribution has shifted to the right over the past two years. There has been a significant decrease in entities with an aa credit category rating, and an increase in the **a**, **bbb** and **bb**.

Figures 4-6 show detailed credit trends for various individual UK Housing Associations, some of which have limited CRA coverage.

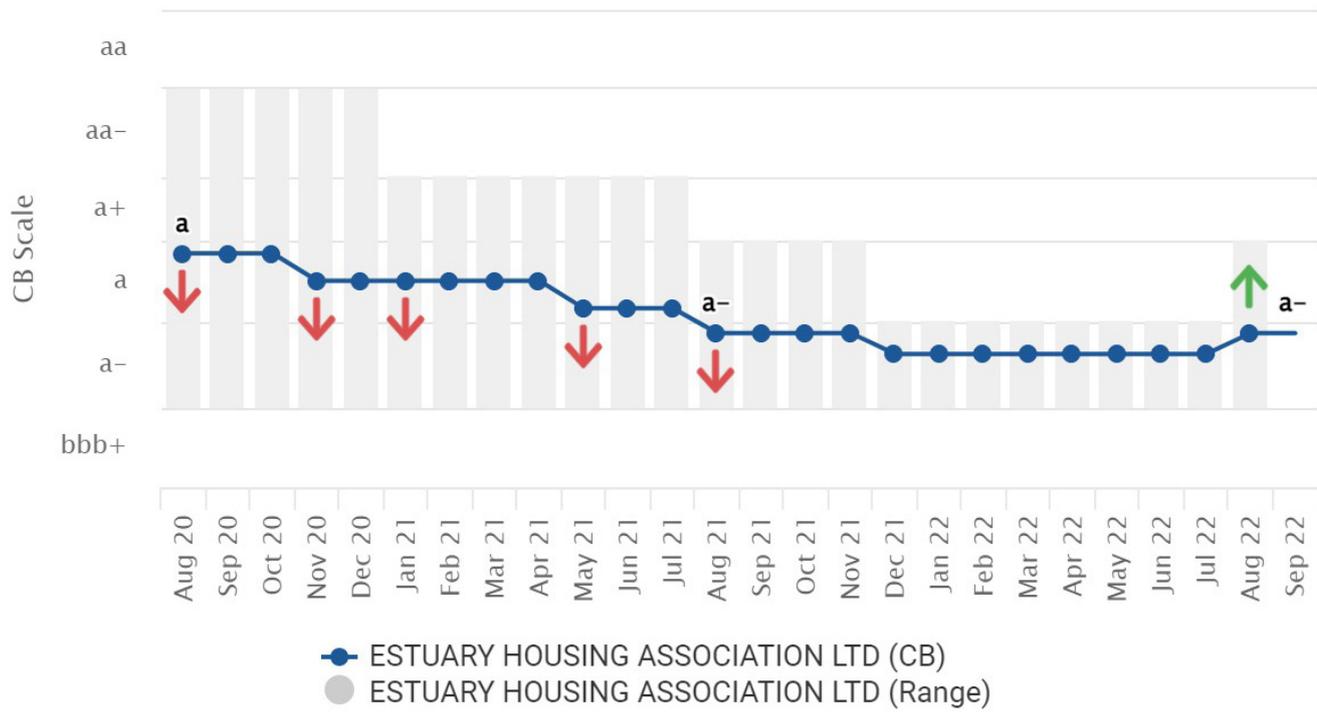
**Figure 4: Longhurst Group LTD**



**Figure 5: Bedfordshire Pilgrims Housing Association LTD**



**Figure 6: Estuary Housing Association LTD**



# Credit Consensus Ratings and Analytics

## Real-world risk views with unparalleled consensus coverage.

Credit Benchmark provides Credit Consensus Ratings and Analytics based on contributed risk views from 40+ of the world's leading financial institutions, including 15 GSIBs, domiciled in the US, Continental Europe, Switzerland, UK, Japan, Canada, Australia and South Africa.

For regulatory and business reasons, these financial institutions have each created their own regulated internal credit rating agency to assess the creditworthiness of tens of thousands of obligors. Credit Benchmark collects, aggregates and anonymises this information to provide an independent, real-world perspective of risk, delivered twice monthly to our partners.

Credit Benchmark fills an information gap left open by traditional credit risk content providers by offering a timely, comprehensive view of credit risk which proves complementary to issuer-paid rating agencies and third party model vendors. The first of its kind "credit consensus" data reflects the expertise of more than 20,000 credit analysts across the contributing group – a powerful example of the wisdom of crowds.

Credit Consensus Ratings and Analytics are available on over 60,000 corporate, financial, fund and sovereign entities globally, most of which are unrated by credit rating agencies.

### Data that works for you

Credit Benchmark data is available via our Web App, Excel add-in, API, flat-file download, and third-party channels including Bloomberg.

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- Counterparty Risk Management
- Credit Risk Management
- Systematic Credit Trading
- Securities Finance
- Supply Chain Risk
- Trade Credit Insurance
- Fund Management
- Regulation, RWA & Capital
- Onboarding, KYC & Relationship Management
- Point-in-Time (PIT) Impairments
- Accounts Payable & Receivable



**10 Million**

Contributed Credit Risk Estimates Per Year  
40 Million+ Estimates Collected Since Launch



**60,000+**

Entities Covered



**2x**

Twice Monthly Frequency



**75%**

Unrated by Major Credit Rating Agencies



**1,200+**

Aggregates



**160+**

Countries



**80+**

Months of Data



**50+**

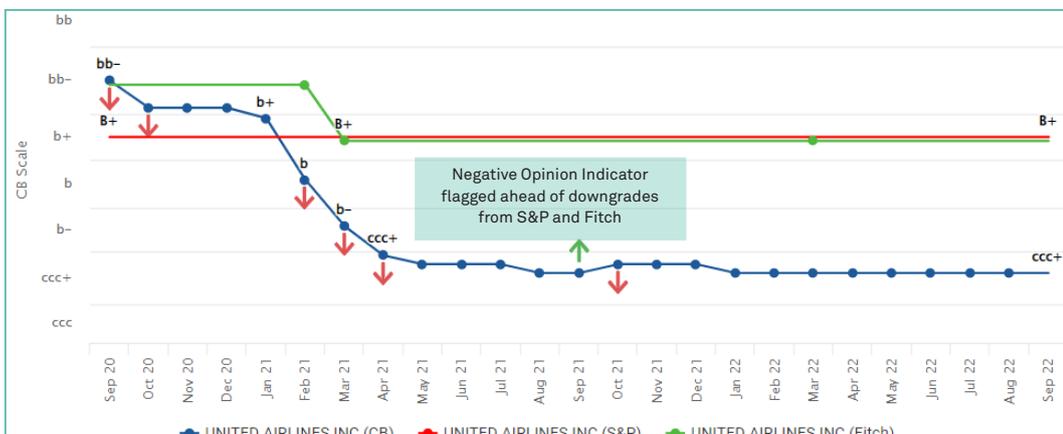
Data Metrics



**40+**

Contributing Financial Institutions Representing a Pool of 20,000+ Credit Analysts

# Real-world risk views with unparalleled consensus coverage



**Credit Consensus Rating:**  
Unique measure of creditworthiness based on the views of 40+ leading global financial institutions

**Consensus Analytics:**  
Insights into the depth, dispersion, movement, and directionality of the Credit Consensus Rating's underlying views

**Opinion Indicator:** Month over month observation-level net downgrades or upgrades

Credit Benchmark Web App: Entity-Level Data Sample

**Quickly filter the database of 60,000+ legal entities**

**Combine qualitative and quantitative fields to screen for entities that meet your criteria**

**44,628 Entities found**

**Screen for public and non-publicly rated entities within specific geographies, industries, sectors and within your defined rating thresholds**

CBID	Entity Name	Credit Consensus Rating	S&P Rating	Fitch Rating
CB0000000009	IHS GLOBAL CANADA LTD	bbb-	Unrated	Unrated
CB0000000025	GYP HOLDINGS III CORP	bb	Unrated	Unrated
CB0000000080	GESTIELLE CEDOLA DUAL BRAND	a-	Unrated	Unrated
CB0000000087	TRANE TECHNOLOGIES LUXEMBOURG FINANCE SA	bbb+	Unrated	Unrated
CB0000000088	TECK HIGHLAND VALLEY COPPER PARTNERSHIP	bbb	Unrated	Unrated

Credit Benchmark Web App: Data Screen Sample

## Data that works for you:

Credit Benchmark data is available via our Web App, Excel add-in, API, flat-file download, and third-party channels including Bloomberg.

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## Contact

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