

Research Update:

Wheatley Housing Group Affirmed At 'A+' Following Scottish Government Rating Assignment; Outlook Stable

December 3, 2025

Overview

- On Nov. 12, 2025, S&P Global Ratings assigned its 'AA' long-term issuer credit rating to the Scottish Government, with a stable outlook.
- We have subsequently reassessed the likelihood of government support for social housing landlord Wheatley Housing Group to moderately high from high because of increased visibility on the government's relationship with the social housing sector.
- We continue to view Wheatley's willingness to increase rents above inflation as a credit strength, supporting robust financial metrics.
- We therefore affirmed our 'A+' long-term issuer credit rating on Wheatley, with the rating outlook remaining stable.

Rating Action

On Dec. 3, 2025, S&P Global Ratings affirmed its 'A+' long-term issuer credit ratings on Scotland-based Wheatley Housing Group Ltd. (Wheatley) and core group entity Wheatley Homes Glasgow. The outlooks are stable.

We also affirmed our 'A+' issue rating on the £300 million bond issued by Wheatley Group Capital PLC, which we consider a core subsidiary of the group.

In addition, we affirmed our 'A' long-term issuer credit rating on Lowther Homes, Wheatley's commercial arm that provides mid-market homes and property management services. The rating on Lowther is one notch lower than that on Wheatley, reflecting Lowther's status as a highly strategic entity within the group. The outlook is also stable.

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Outlook

The stable outlook reflects our expectation that Wheatley's management will prudently execute its business plan while keeping enough financial headroom to mitigate cost and investment pressures.

Downside scenario

We could lower the rating if we see a material weakening of the group's credit metrics. This could happen if management is unable to control costs, such that they significantly surpass our current projections, or if debt-funded spending on development increases materially beyond our projections, which would also weaken liquidity.

Upside scenario

We could raise the rating on Wheatley if cost-control efforts or additional income from rents or grants secured for investments in existing housing stock result in EBITDA margins improving materially beyond our current projections, helping to strengthen the group's debt metrics, all else remaining equal.

We could also raise the rating if we think Wheatley's role for, and link with, the Scottish government have strengthened, implying a higher likelihood of extraordinary support.

Rationale

We expect Wheatley will continue to balance its large investment program with appropriate rental increases, supported by strong demand for its properties (see "[Wheatley Housing Group Ltd.](#)," published June 2, 2025, on RatingsDirect). This should contribute to a moderate strengthening of the group's financial performance by fiscal 2028, though we anticipate Wheatley will continue to use additional financial capacity to drive investment projects across its housing portfolio. The size of Wheatley's development program continues to depend on the amount of grants available, with new build capital expenditure funded via a mix of debt and grant funding. We therefore anticipate the effects of debt-funded development will be contained, with Wheatley's debt metrics strengthening by fiscal ending March 31, 2028. We continue to assess the group's liquidity position as very strong.

Government-related entity analysis

We believe there is a moderately high likelihood that Wheatley would receive timely extraordinary government support in case of financial distress. This has a neutral impact on our rating on Wheatley. We have reassessed the likelihood of support, to moderately high from high, following our assignment of a 'AA' rating to the Scottish Government. This reflects increased clarity on the approach the Scottish government could take to intervene in times of distress, aligning the assignment with that of Wheatley's rated U.K. peers. We assess Wheatley's role to the government as important, given the acute demand for housing in Scotland and Wheatley's function as a provider and developer of social housing. We further consider that Wheatley has a strong link with the Scottish government, given the level of engagement with Scotland's housing regulator.

Related Criteria

- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [Criteria | Governments | General: Methodology For Rating Public And Nonprofit Social Housing Providers](#), June 1, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Rating Government-Related Entities: Methodology And Assumptions](#), March 25, 2015
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Economic Outlook Europe Q1 2026: Germany's Fiscal Reawakening](#), Nov. 24, 2025
- [Non-U.S. Social Housing Providers Ratings Risk Indicators: Largely Stable](#), Nov. 17, 2025
- [Non-U.S. Social Housing Providers Ratings History: October 2025](#), Nov. 17, 2025
- [United Kingdom](#), Oct. 13, 2025
- [Regulatory Framework And Systemic Support Assessments For Nonprofit Social Housing Providers](#), Sept. 10, 2025,
- [European Housing Markets: Strong Demand And Weak Supply Will Keep Prices High](#), July 10, 2025
- [U.K. Social Housing Providers: Extra Development Grants Won't Improve Financial Headroom](#), June 26, 2025
- [U.K. Social Housing Borrowing 2025: Focused On Containing Debt](#), April 24, 2025
- [Regulatory Framework Assessment: Strong For Social Housing Providers In The U.K.](#), April 17, 2025
- [Non-U.S. Social Housing Sector Outlook 2025: Quality Maintenance Constrains Recovery](#), Jan. 14, 2025
- [The Autumn Budget Kicks Off A Funding Regime Revision For U.K. Public Sector Entities](#), Nov. 5, 2024
- [U.K. Social Housing Providers' Financial Capacity Shrinks On Investment Needs](#), Nov. 4, 2024
- [Cyber Risk Brief: U.K. Public Sector Is Increasingly Under Threat](#), Oct. 24, 2024

Ratings List

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Ratings Affirmed

Ratings List

<u>Wheatley Housing Group Ltd.</u>	
<u>Wheatley Homes Glasgow Ltd.</u>	
Issuer Credit Rating	A+/Stable/--
<u>Wheatley Group Capital PLC</u>	
Senior Secured	A+
<u>Lowther Homes Limited</u>	
Issuer Credit Rating	A/Stable/--

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