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CREDIT OPINION
16 February 2026

Update

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RATINGS

Jigsaw Homes Group Limited

Domicile	United Kingdom
Long Term Rating	A2
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Theodora Bartzoka +44.20.7772.5294
Analyst
theodora.bartzoka@moodys.com

Sinan Li +44.20.7772.8652
Sr Ratings Associate
sinan.li@moodys.com

Jeanne Harrison +44.20.7772.1751
Vice President - Senior Credit Officer
jeanne.harrison@moodys.com

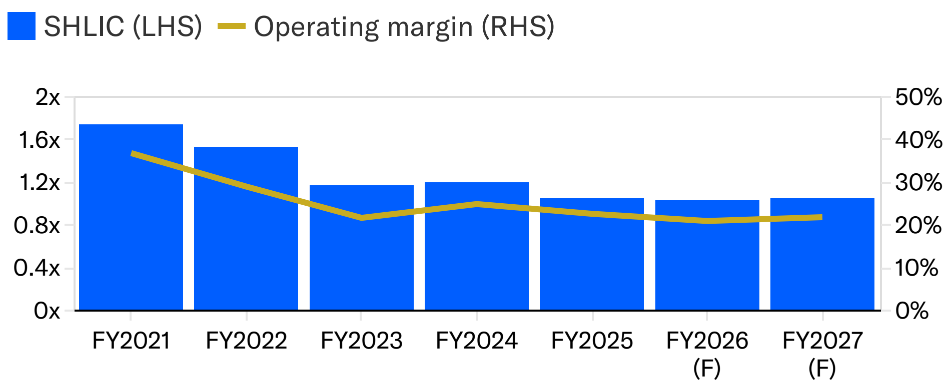
Jigsaw Homes Group Limited (UK)

Update following rating affirmation, outlook stable

Summary

The credit profile of Jigsaw Homes Group Limited (Jigsaw, A2 stable) reflects the group's adequate gearing and sound financial management with strong liquidity and a modest appetite for market sales. It also incorporates the group's weaker interest coverage ratios and the expected increase in debt metrics. Jigsaw also benefits from the strong regulatory framework governing English housing associations (HAs), and our assessment of a strong likelihood that the government of the United Kingdom (UK, Aa3 stable) would act in a timely manner to prevent a default.

Exhibit 1
Operating margin and interest cover will stabilise



F: Forecast.
Source: Jigsaw and Moody's Ratings

Credit strengths

» Operating margin expected to continue to recover

» Sound financial and treasury management

» Supportive institutional framework

Credit challenges

» Debt burden will continue to weigh on metrics

» Interest covers to remain low

Rating outlook
The stable outlook reflects Jigsaw's risk-averse and consistent strategy, as well as our expectation that operating performance will strengthen, with profitability stabilising in the mid-twenties, supporting the rest of the metrics at their current levels.

Factors that could lead to an upgrade
Upward pressure on the ratings could result from significantly improved gearing, interest coverage ratios or a significant increase in government support for the sector.

Factors that could lead to a downgrade
Downward pressure on the ratings could result from a ramp-up in capital spending that would lead to higher increases in debt levels, a significant sustained weakening in operating margins and interest coverage ratios, a significant deterioration in liquidity or a significant scaling up in market sales exposure. A weakening of the regulatory framework or dilution of the overall level of support from the UK government could also lead to downward pressure on the ratings.

Key indicators

Exhibit 2

Jigsaw Homes Group Limited

	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26 (F)	31-Mar-27 (F)
Units under management (no.)	35,198	35,732	35,992	36,856	37,448	38,228	38,778
Operating margin, before interest (%)	36.6	28.8	21.5	24.7	22.4	20.7	21.6
Net capital expenditure as % turnover	1.1	19.7	42.8	49.0	28.0	34.5	25.0
Social housing letting interest coverage (x times)	1.7	1.5	1.2	1.2	1.0	1.0	1.0
Cash flow volatility interest coverage (x times)	2.4	2.0	0.8	1.2	1.6	1.5	1.7
Debt to revenues (x times)	3.6	3.6	4.1	3.9	3.8	3.8	3.9
Debt to assets at cost (%)	47.1	45.1	46.2	47.9	48.3	49.8	50.8

F: Forecast.
Source: Jigsaw and Moody's Ratings

Profile
Jigsaw is a large housing association operating in the North West and Midlands of England. It manages approximately 37,000 units. It focuses predominantly on low-risk social housing lettings with a low exposure to first-tranche shared ownership sales.

Detailed credit considerations
On 12 February 2026 we affirmed the BCA and ratings of Jigsaw and maintained the stable outlook.

Jigsaw's A2 rating combines a Baseline Credit Assessment (BCA) of a3 and a strong likelihood that the UK government would act in a timely manner to prevent a default.

Baseline credit assessment
Operating margin expected to continue to recover
Jigsaw expects its operating margin to gradually recover to around 25% by fiscal 2028, supported by rental income growth that is running above inflation. The operating margin weakened to 22% in fiscal 2025 from 25% in fiscal 2024 due to a one-off charge related to a development contractor entering administration. Excluding this charge, the operating margin would have been 24%. Nevertheless, higher spending on repairs and maintenance to drive improvement in customer experience remains a priority. The recovery in profitability will also be supported by reduced reliance on subcontractors — which had previously peaked due to service pressures — as the housing association works to maximise direct delivery to improve efficiency.

Jigsaw is exiting a cycle of low required component replacement as the majority of its kitchens and bathrooms were installed in between 2005 and 2014 and only need to be replaced now. Jigsaw has budgeted for the increased cycle of component replacement in its business plan and is working with consultants to smooth out the replacement peak.

Sound financial and treasury management with a modest appetite for market sales

Jigsaw's financial resilience is supported by its well-defined, modest appetite for market sales, with no exposure to higher-risk outright sales. Jigsaw focuses on low-risk social housing lettings (SHL), which averaged 87% of turnover over the past three years. SHL tend to generate stronger and more stable cash flows than market sales activities, as demand for social housing remain high across the country, and as a significant proportion of social or affordable rents are paid via government transfers in the form of housing benefits.

The HA's financial profile is also supported by its low-risk treasury policy. During fiscal 2025, Jigsaw restructured its treasury portfolio to reduce refinancing risk and added a £40 million revolving credit facility to strengthen financial capacity. As a result, its liquidity coverage stood at 2.2x in fiscal 2025—equivalent to around 53 months of coverage of net cash flow requirements—and is expected to be maintained at similar levels. As of September 2025, the HA had £324 million of available revolving credit facilities.

The group structure is more complex than peers with four registered providers due to previous mergers - but the HA will be simplifying this with a consolidation to one registered provider by March 2027. Jigsaw is involved in two joint ventures, without financial or development risk. Both are for social housing with one to deliver projects on employment and the other dealing with procurement. Jigsaw retained its G1/V1 governance and viability scores from the Regulator of Social Housing in December 2025.

Supportive institutional framework in England

The sector's credit quality will continue to benefit from the strong institutional framework governing English housing associations (HAs) reflected in an Operating Environment score of a3 and a Regulatory Framework score of a1. These scores are assigned at a national level and reflect the following credit considerations:

The regulator maintains strong oversight through quarterly returns, long-term business plans, annual reviews, and regular programmed inspections for HAs with more than 1,000 units. The regulator has a strong track record of intervention in cases of mismanagement or financial stress.

The operating environment for English housing associations remains supportive. Demand for social housing is very high and English housing associations retain some expenditure flexibility, with a track record of controlling costs to mitigate lower income. The UK government confirmed that for fiscal 2026, rent increases within the English sector will be pegged at the September Consumer Price Index (CPI) plus 1%. Rent convergence has been confirmed to start in April 2027, providing certainty to the sector.

Debt burden weighs on metrics, but the pressure is offset by strong liquidity

Jigsaw plans to increase its debt to £1 billion by fiscal 2027, from £0.9 billion in fiscal 2025, to fund its capex. We expect Jigsaw's debt to revenue to remain high at an average of 3.9x over the next three years, above the A2-rated peers median of 3.3x. The group's gearing is expected to increase, and will weaken against A2-rated peers, averaging 51% over the next three years, from 48% in fiscal 2025.

Jigsaw's development programme includes 3,143 units between fiscal 2026 and 2030, a modest level (of 1.7% of current units annually) under Moody's definition. Of these, 82% are for social or affordable rent and 18% for shared ownership. The HA expects grant funding to cover a reasonable proportion of its development costs, a credit positive as it limits debt funding.

The capex also includes £24 million of energy efficiency costs to retrofit social housing stock to achieve EPC C by 2030. The vast majority of Jigsaw's stock is at EPC-C or above but the HA still needs to retrofit around 4,800 units or 16% of its stock. Jigsaw has further secured £2.96 million from Warm Homes: Social Housing Fund Wave 3 to support energy efficiency improvements. Lastly, the capex includes fire safety costs, with two buildings over 18 meters requiring façade upgrades and one building over 11 meters. Spending will accelerate until fiscal 2027.

Jigsaw's investment in existing homes is data-driven. The group is currently accelerating stock condition surveys conducted by its recently-formed in-house surveyor team, with a target of 100% coverage by the end of fiscal 2027.

Despite the increased capital spending, liquidity risk is limited as illustrated by Jigsaw's liquidity coverage of 2.2x in September 2025, above A2-rated peers (1.4x). In addition, Jigsaw's unencumbered asset position could support around £530 million of additional borrowing capacity, thanks to released excess securities.

Jigsaw does not require any additional funding before December 2028. During fiscal 2025, Jisgsaw restructured its treasury portfolio to reduce refinancing risks, align covenant definitions, extend current facilities and secure new medium-term funding.

Jigsaw's debt structure carries a relatively moderate level of risk, with variable rate debt representing 16% as of September 2025, and only 10% of drawn debt scheduled to mature within the next five years.

Interest covers to remain low

The increase in debt will weigh negatively on Jigsaw's interest coverage ratios and limit their recovery. Net interest payments are expected to increase to £49 million by fiscal 2027 from £44 million in fiscal 2025, weighing on interest covers.

The group's social letting interest coverage (SHLIC) is expected to slowly improve over the next three years to 1.2x in fiscal 2028, from 1.0x in fiscal 2025. SHLIC is supported by the additional revenues from new developments at relatively low marginal servicing costs. Similarly, Jigsaw's cash flow volatility interest cover (CVIC) is expected to improve to an average of 1.6x over the next three years. Both will remain below peers and below historical averages.

Jigsaw's interest cover covenant headroom is sufficient throughout its business plan, a credit positive.

Extraordinary support considerations

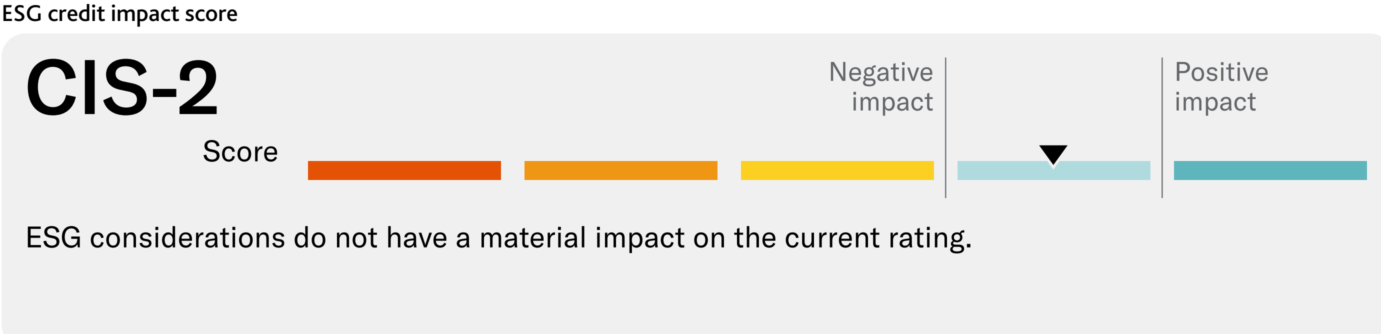
The strong level of extraordinary support factored into the rating reflects our view of the UK government's support for the housing association sector due to its political, economic and social importance. Extraordinary support for the sector is predominantly exercised through sector regulators whose wide-ranging powers in cases of financial distress include facilitating mergers. However, this process can be protracted and is reliant on HAs agreeing to merge, which is more challenging in a weakened operating environment, with high expenditure pressures and high borrowing costs. In addition, our assessment that there is a very high default dependence between Jigsaw and the UK government reflects their strong financial and operational linkages.

ESG considerations

Jigsaw Homes Group Limited's ESG credit impact score is CIS-2

Exhibit 3

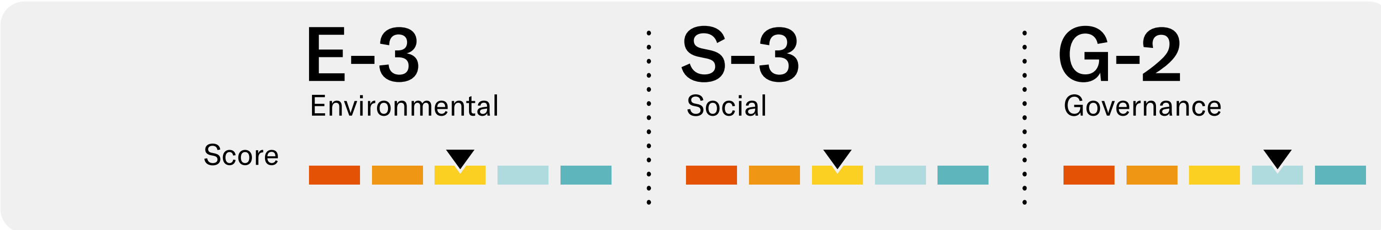
ESG credit impact score



Source: Moody's Ratings

Jigsaw's **CIS-2** indicates that ESG risks have a limited impact on its rating. Although carbon transition risks and social risks are prevalent we consider that Jigsaw has the ability to effectively mitigate them through its strong governance and management practices. We also consider that the supportive regulatory framework for the sector offsets some ESG risks.

Exhibit 4
ESG issuer profile scores



Source: Moody's Ratings

Environmental

Jigsaw has a material exposure to environmental risks (**E-3**) relating to a significant proportion of its stock requiring retrofit to meet energy efficiency standards by 2030 (carbon transition risks), leading to increased expenditure.

Social

Jigsaw has a material exposure to social risks (**S-3**) through sector-wide legislative requirements to improve the safety and quality of existing stock (responsible production risks) and the vulnerability of the sector to tenant affordability considerations through the government's social rent policy. Those risks can materialise in the form of reduced operating margin and interest cover metrics.

Governance

Jigsaw has limited governance risks (**G-2**). Its governance is fit for purpose, with strong financial management policies and processes, detailed reporting and a somewhat more complicated organisational structure but we consider this mitigated by the group's strong management and governance practices. The regulatory framework also supports good governance in the sector.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Rating methodology and scorecard factors

The assigned BCA of a3 is close to the scorecard-indicated BCA of baa1 in fiscal 2025.

The methodologies used in this rating were European Social Housing Providers, published in July 2024, and Government Related Issuers, published in May 2025.

Exhibit 5
Fiscal 2025

Jigsaw Homes Group Limited			
Baseline Credit Assessment	**Sub-factor Weighting**	**Value**	**Score**
Factor 1: Institutional Framework			
Operating Environment	10%	a	a
Regulatory Framework	10%	a	a
Factor 2: Market Position			
Units Under Management	10%	37,448	a
Factor 3: Financial Performance			
Operating Margin	5%	22.4%	baa
Social Housing Letting Interest Coverage	10%	1.0x	baa
Cash-Flow Volatility Interest Coverage	10%	1.6x	baa
Factor 4: Debt and Liquidity			
Debt to Revenue	5%	3.8x	baa
Debt to Assets	10%	48.3%	ba
Liquidity Coverage	10%	2.2x	aa
Factor 5: Management and Governance			
Financial Management	10%	a	a
Investment and Debt Management	10%	baa	baa
Scorecard - Indicated BCA Outcome			**baa1**
Assigned BCA			**a3**

Source: Jigsaw Homes Group, Moody's Ratings

Ratings

Exhibit 6

Category	Moody's Rating
JIGSAW HOMES GROUP LIMITED	
Outlook	Stable
Baseline Credit Assessment	a3
Issuer Rating -Dom Curr	A2
JIGSAW FUNDING PLC	
Outlook	Stable
Senior Secured -Dom Curr	A2

Source: Moody's Ratings

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