

Annual Review

Standard & Poor's
February 2024



Thrive
Homes



Introduction and agenda

Introduction

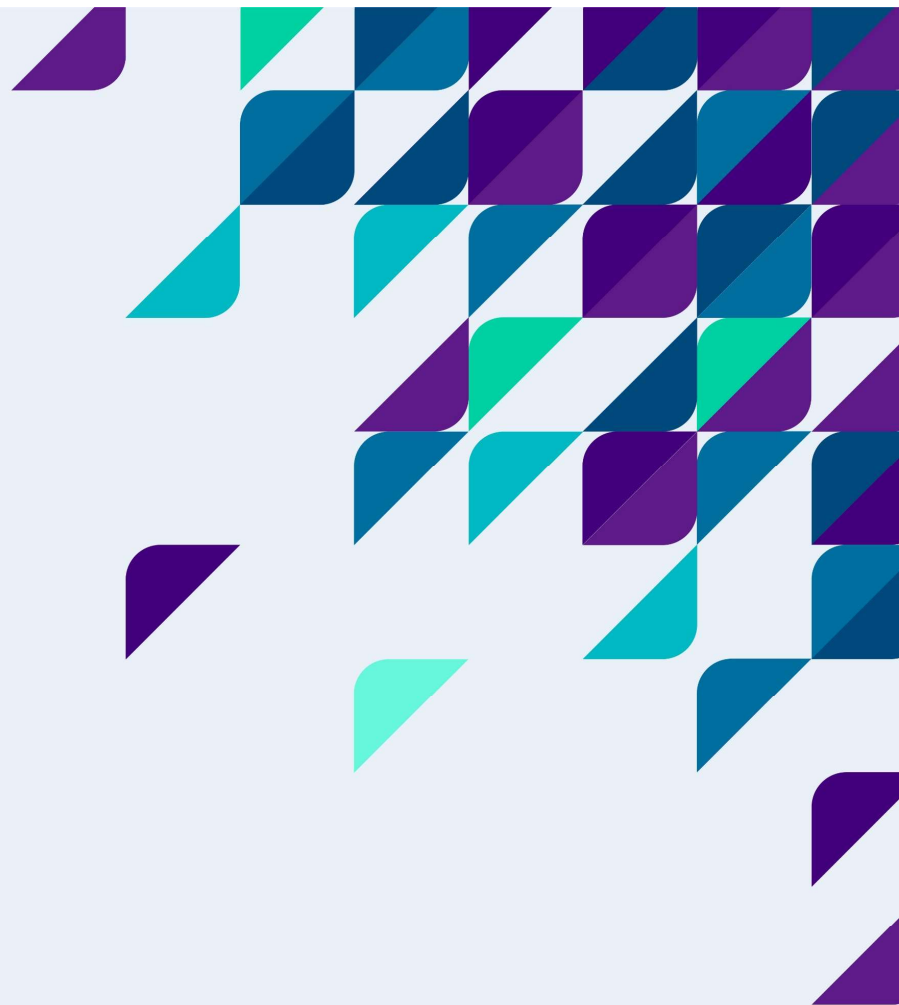
- Elspeth Mackenzie
- Stephen King
- Alix Green
- Jo Barrett
- Karen Forbes-Jackson
- Olu Oloruntuyi

- Overview, Strategy & Performance
 - Governance
 - Operations
 - Financial Update & Treasury
 - Development and Sales
 - Asset Management
 - ESG
- 

About us

Elspeth Mackenzie

Chief Executive



Key facts and figures

A leading provider of social and affordable homes in the Northern Home Counties



 **15** local authorities

Data from 31 Mar. '23

 **5,780** homes

 **57** new homes

 **181** colleagues

 **7,143** customers

Established in 2008 with 4,183 homes from a large-scale voluntary transfer with Three Rivers District Council.

 Strong margins, VFM and liquidity

 G1/V2 rating published in Nov. 2023

 Credit rating - S&P 'A+' (stable outlook) affirmed Mar. '23

The background is a solid teal color. On the right side, there are several overlapping, semi-transparent shapes in various shades of teal, creating a layered, abstract effect. The shapes include a large curved area at the top right and a diagonal shape below it.

Our Purpose & Strategic Approach

A purple decorative shape in the top left corner, resembling a stylized triangle or a corner of a square.

Our Purpose

Thrive exists to provide and manage housing that helps individuals and families secure a good quality, safe home that they can afford.

Our Principles

Customers

We are committed to building open and honest relationships.

Colleagues

Working together, we are a forward-thinking employer creating a culture where everyone feels valued.

Environment

We are committed to minimising our impact on the environment.

Communities

In partnership with others, we contribute to the wellbeing of the communities we work within.

Strategic Objectives

Resilient, with a strong financial base

By focusing on the basics of effective business management, we can deliver our ambitions for growth.

Fair Deal for Customers

Providing good quality homes and services for customers across a range of tenures.

Growth

Increasing access to a range of affordable homes within our existing operating areas.

Great Place to Work

Attracting and retaining the right talent to deliver now and in the future.

How we work

Tuned-in

Curious

Smart,
can do

Ownership

Pride

Thrive Homes' Strategic Framework

Fair deal for customers	Great place to work	Growth	Resilient with a strong financial base
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Sub-strategies & 3-year action plans inform the Medium-Term Plan

Customer	Asset	Colleague	Growth	Treasury	Technology & Data
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Equality, Diversity and Inclusion

Environmental, Social, Governance

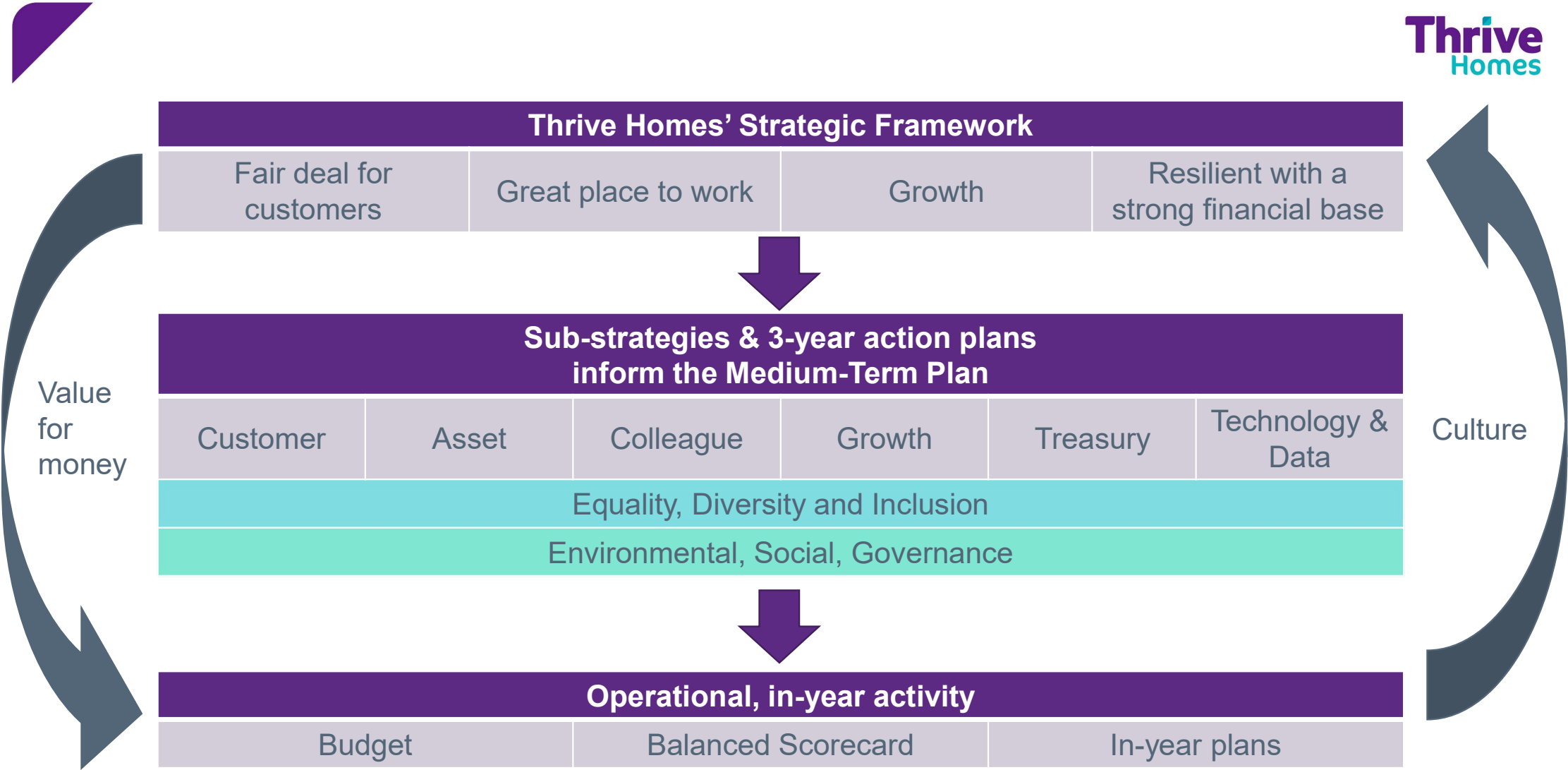


Operational, in-year activity

Budget	Balanced Scorecard	In-year plans
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Value for money

Culture





Performance to date

Year 2 sub-strategic plan

Resilient with a strong financial base

On
target

- **Maintaining financial covenants and golden rules with headroom**
- Increased turnover to £48m FY 2023 (£41m in FY 2022).
- Strengthened the balance sheet increasing development capital spend by a total of £105m.
- Refreshed the Asset Appraisal Model and delivering key AMS strategies.
- Thrive continues to develop its existing IT system.

Fair deal for customers

On
target

- **Continued to deliver safe compliant homes and a responsive repairs service.**
- 48% of customers have joined Thrive Customer Voice to have their say on our services.
- Annual HomePlan visits to c86% (to date) of tenants.
- Invested an average of £5m pa in our existing stock.
- Over 50% of households are registered on our customer portal – myThrivehub.
- Ongoing investment in technology will ensure that we continue to be accessible to our customers


Growth

Working
towards

- **We are a key delivery partner for the Accent Strategic Partnership. Our £27 million allocation of Homes England funding will support schemes starting on site before March 2026.**
- Delivered 57 new-build properties in FY 22/23, with 282 homes on site due to be completed over the next 2 years.
- Acquired 547 homes from L & Q in FY 22/23
- Refurbished and converted 60 properties for shared ownership making the best use of assets to generate return on investment to help us grow the business.

Great place to work

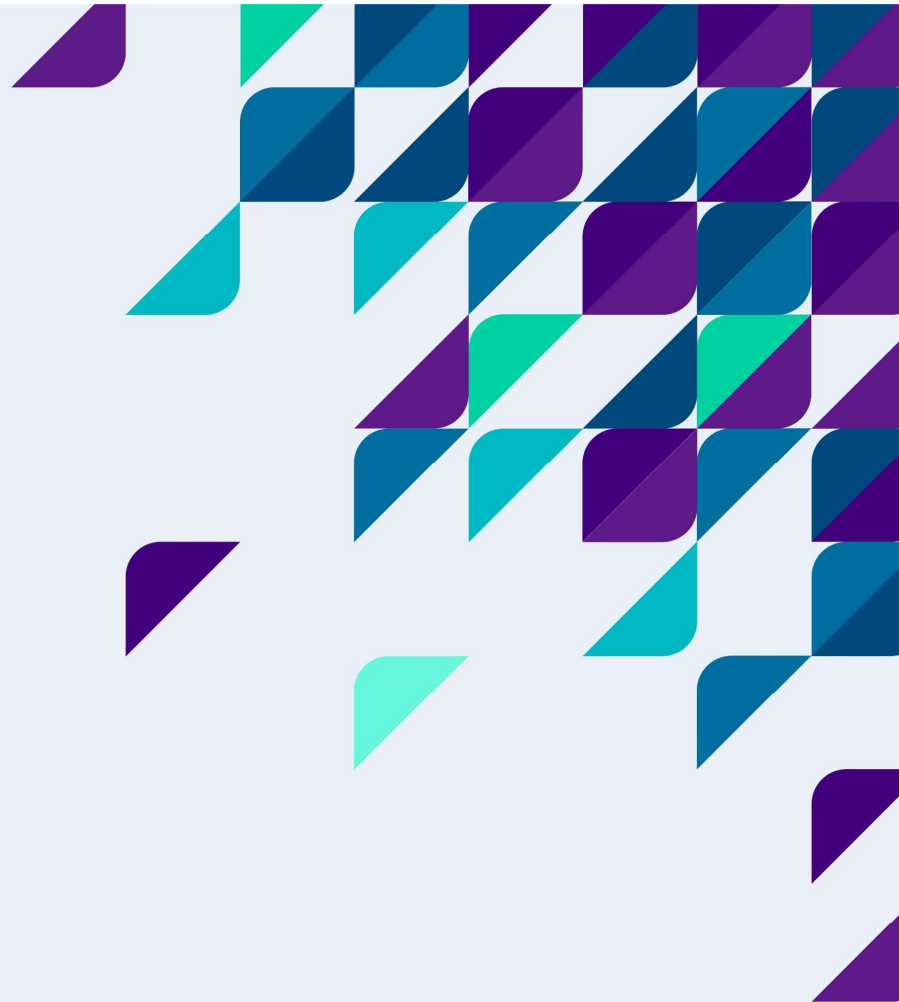
Above
target

- **Retained Investors in People 'We invest in people' gold accreditation and have been awarded 'We invest in wellbeing' gold accreditation.**
 - Our 'smart working' approach, uses technology to provide greater flexibility in our working practices.
 - Introducing a wider range of benefits and incentives focused on the health and wellbeing of colleagues.
 - Providing opportunities for volunteering.
- 

Governance

Karen Forbes-Jackson

Executive Director – Corporate Services



Group Structure



**Thrive
Homes**

Registered charity
and registered
provider of affordable
housing.

Registered society
number: 30398R

**Thrive
Places**

Provides and
manages homes for
market rent.

Registered company
number: 12292058

Building for
Thrive Ltd

Our design and build
business.

Registered company
number: 10471305

Thrive Homes
Financial Plc

Our main funding
vehicle, delivering
bond financing.

Registered company
number: 08902717

An experienced executive team



Elspeth Mackenzie

Chief Executive BA, Dip H. Admin, FICH
Elspeth has had a varied career in housing management, spanning over 35 years.

She has a wealth of experience in property management, strategic planning, organisational development and the governance of housing associations.



Jo Barrett

Executive Director – Operations MRICS, MARLA

Jo has worked in the housing sector for 35 years. She brings extensive experience of strategic asset management, day-to-day repairs and maintenance, and a focus on customer experience.



Karen Forbes-Jackson,
Executive Director – Corporate Services,

MCPD. With over 25 years of generalist HR experience at the strategic and operational level, Karen brings the ability to proactively meet business needs in a rapidly developing, customer-focused organisation.



Alix Green

Executive Director – Investment & Growth

Alix has vast experience in real estate, development, and investment. She has built her reputation advising on and attracting investment in new growth areas – incl. Build-to-Rent (BTR) and affordable housing.

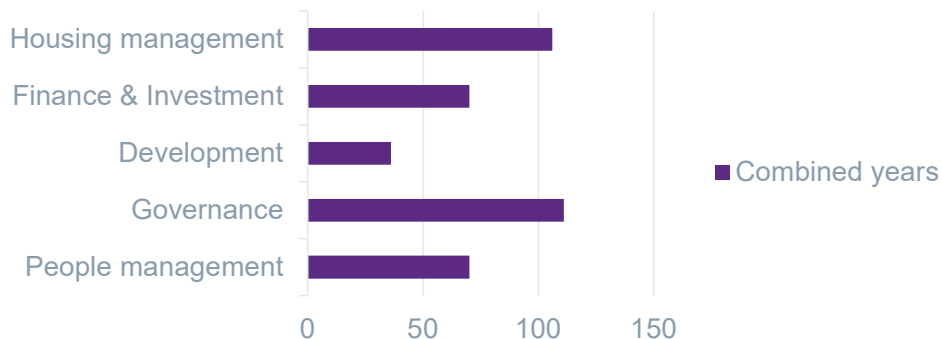


Stephen King

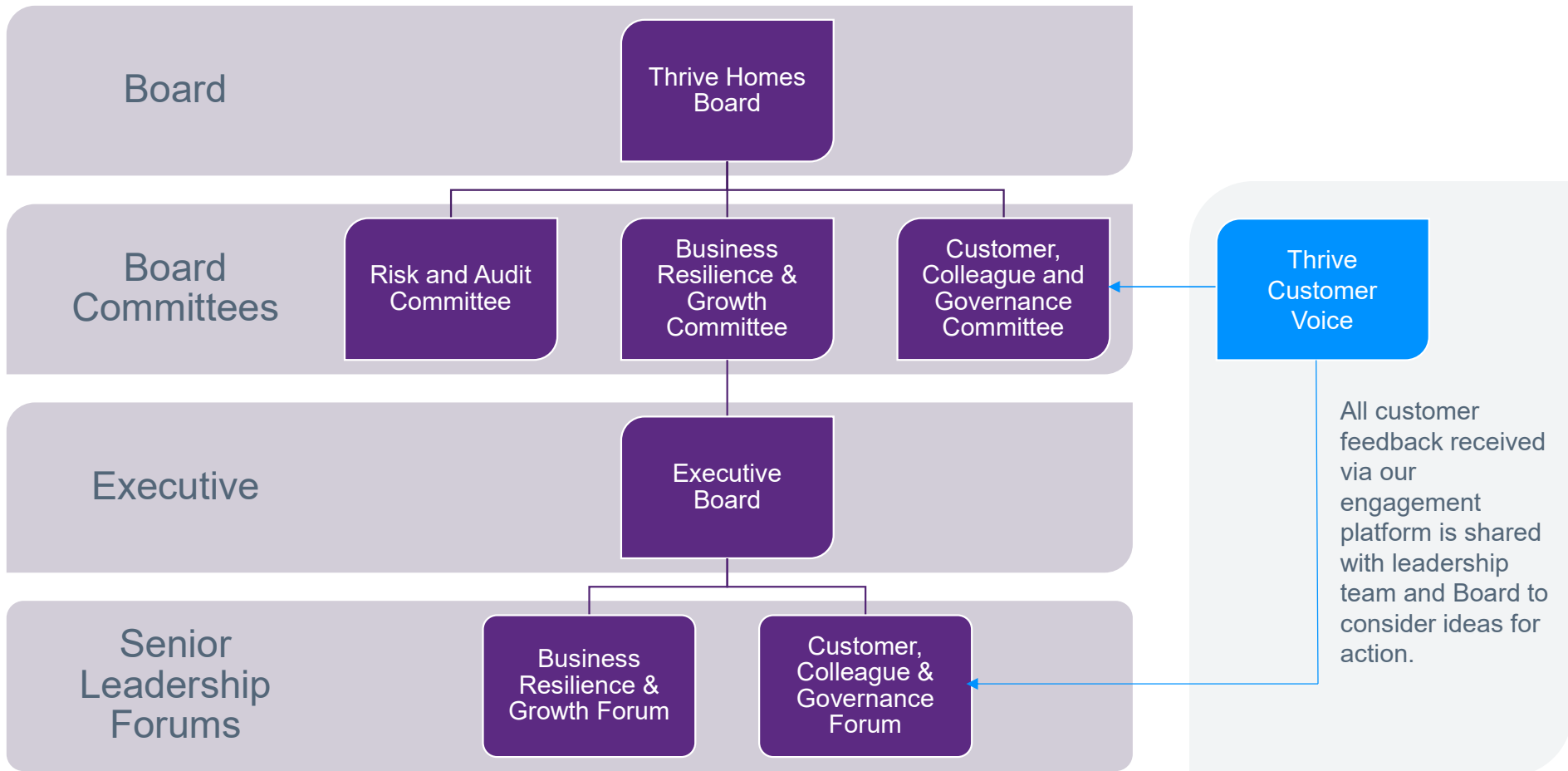
Executive Director – Finance

A chartered accountant, Stephen trained with PwC before moving to the commercial world. His last 15 years have been in senior financial positions within the social housing and charity sectors.

120 years combined experience in senior leadership



Governance



Led by a multi-skilled Board



Kate McLeod
Chair
CFO in the charity sector



Kate Still
Shadow Chair
CEO business transformation



Rachel Harrison
Vice Chair
CFO philanthropy focused funding organisation
● Chair



Jessica Friend
Non-Executive
Group Corporate FD in housing sector
▲ Chair



Craig O'Donnell
Non-executive
Group Innovation Director in property sector
■ Chair



David Dahan
Non-executive
Strategic Advisor in investment & environmental sustainability
● ▲



Rachel Hatfield
Non-executive
International finance and corporate lawyer
■ ▲



James Invine
Non-executive
Equity analyst
● ■



Elsbeth Mackenzie
Chief Executive
Thrive Homes
● ■ ▲



John Osborn
Non-executive
Property fund manager
● ▲



Matthew Peake
Non-executive
Exec Director Finance in charity sector
■ ▲



Graham Snell
Non-executive
Marketing director and organisational change
● ■



John Tibbitts
Non-executive
Strategic development, investment & asset management consultant
● ▲



Robert Abraham
Associate Board Member
Managing Director investment company
● ▲



Yvonne Luu
Associate Board Member
Director, social purpose strategy consultancy
● ■

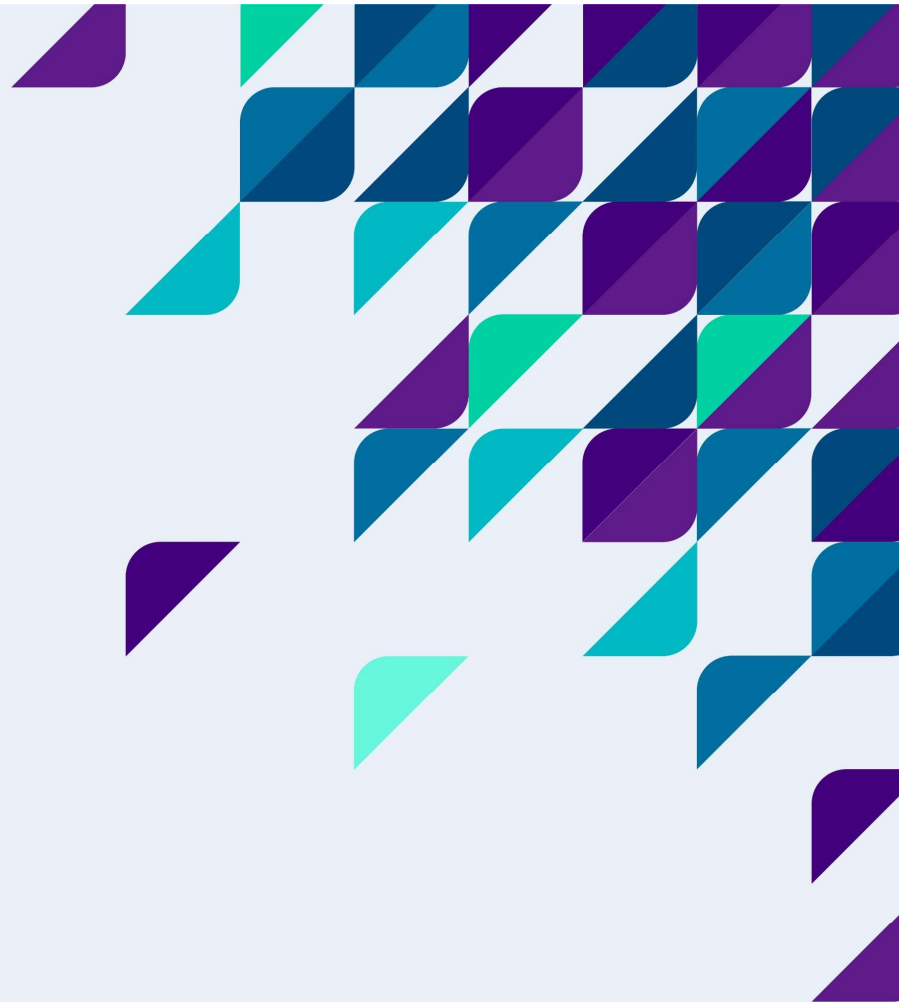
Committee Key

- Risk & Audit Committee
- Customer, Colleague & Governance
- ▲ Business Resilience & Growth

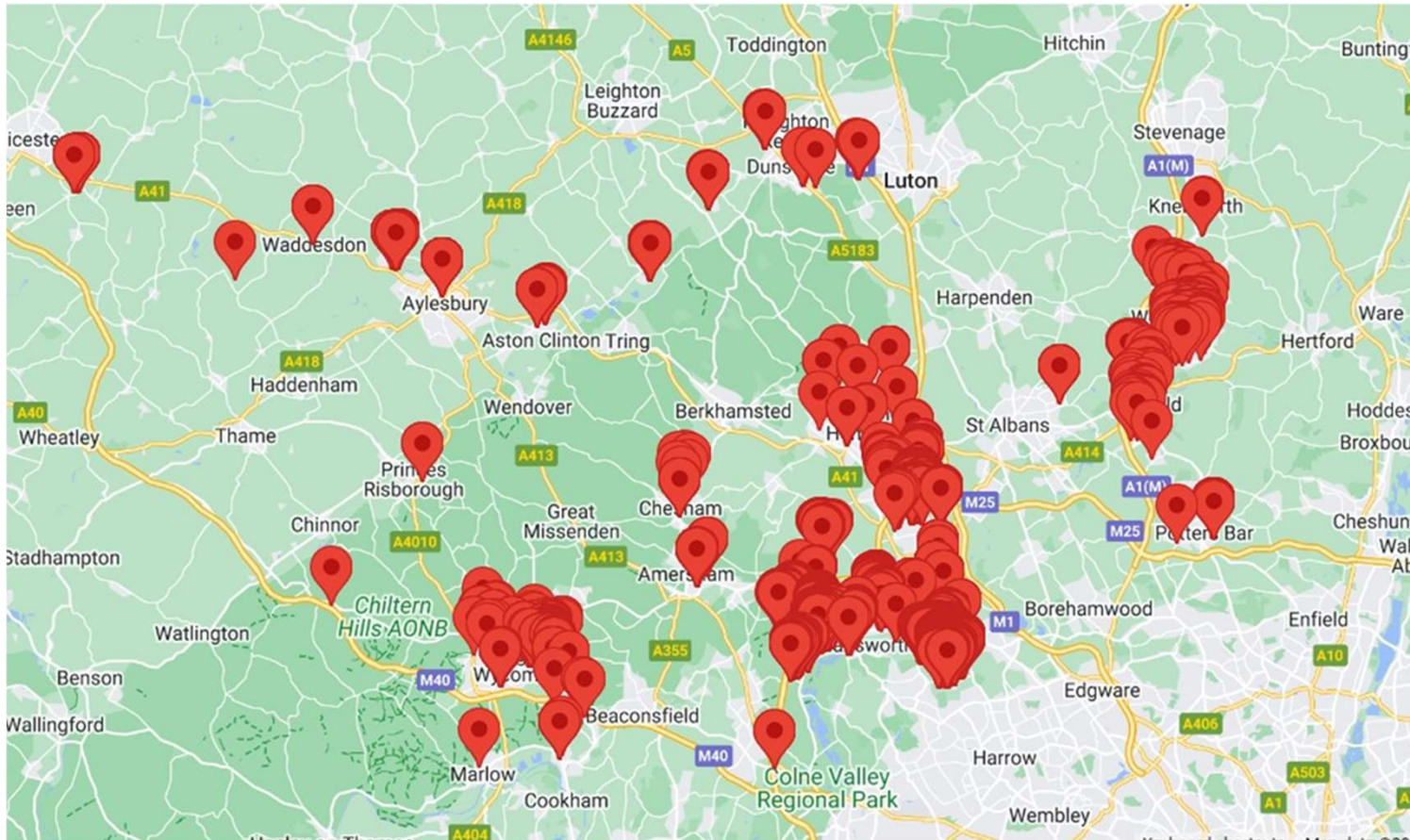
Operations

Jo Barrett

Executive Director - Operations



Current Portfolio Geography

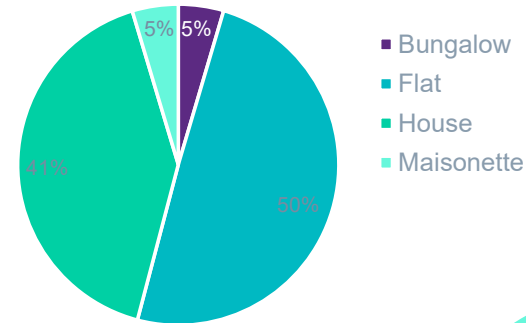


- Circa 69% of our stock are concentrated in Three Rivers District Council
- 10% in Buckinghamshire
- The remaining 21% is spread over 13 local authorities

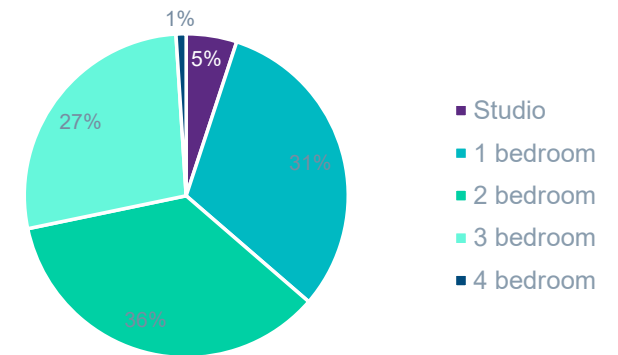
Our portfolio

Tenure	Mar '21 units	Mar '22 units	Mar '23 units	Mar '23 %
Social Rent	3,759	3,707	3,982	69%
Leaseholders	499	504	631	11%
Shared Ownership	199	182	322	6%
Affordable	281	285	310	5%
Managed Properties	27	233	239	4%
Intermediate	100	100	99	2%
Rent to Homebuy		72	88	2%
Market Rent	47	61	61	1%
Others - Non dwellings	33	30	48	1%
Total	4,945	5,174	5,780	

Stock by property type



Stock by bedrooms



2 new build high-rise
apartment blocks
No cladding issues



Area of strong demand

Thrive Homes operates in areas of higher-than-average property & rental prices which helps ensure strong demand and customer retention.

SALES

- **Demand** continues to be high – achieving 38% first tranche sales.

Average property price	£K
Hertfordshire	470
Bedfordshire	392
Buckinghamshire	493
Oxford	446
National	294

SAFE COMMUNITIES

- Low crime, high levels of employment, earnings and population when compared to national average.

Criteria	Thrive community	GB average
Level of ALL recorded crime	64.9 per 1K population	83.5 per 1K population
Unemployment levels	4.1%	7.9%
Gross weekly pay per residence	£684.80	£589.80
Population density (persons per hectare)	7.24	4.3

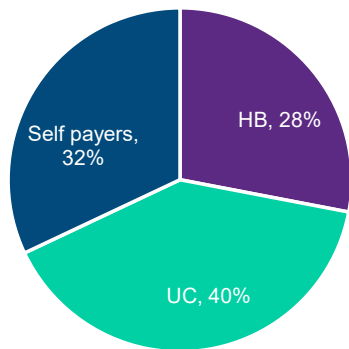
LETTINGS

- Low levels of rent loss through voids – 0.75%.
- High demand for our properties – average 70+ bids per home.
- 1,225 households on the waiting list (was 1,138).
- Approximately 170 voids per year.

No of Bedrooms	Social Rent	Private Rent	Ratio to Market
Studio/Room	£88.65	£154.98	57.20%
1 Bedroom	£100.25	£282.37	35.50%
2 Bedroom	£116.64	£346.94	33.62%
3 Bedroom	£137.04	£432.69	31.67%
4 Bedroom	£150.22	£598.71	25.09%

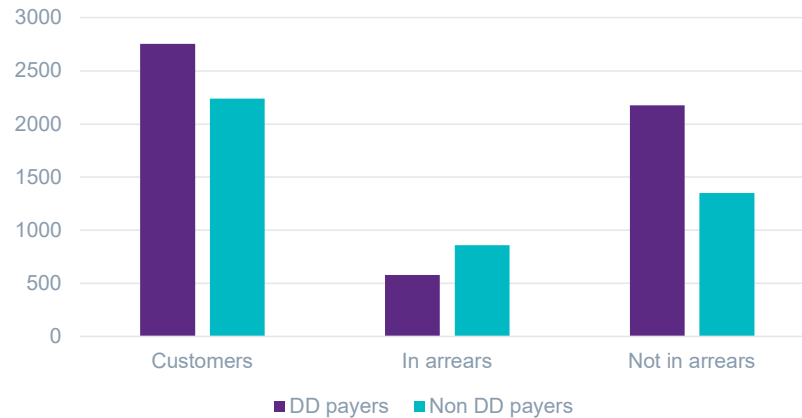
Income profile

Customer income source



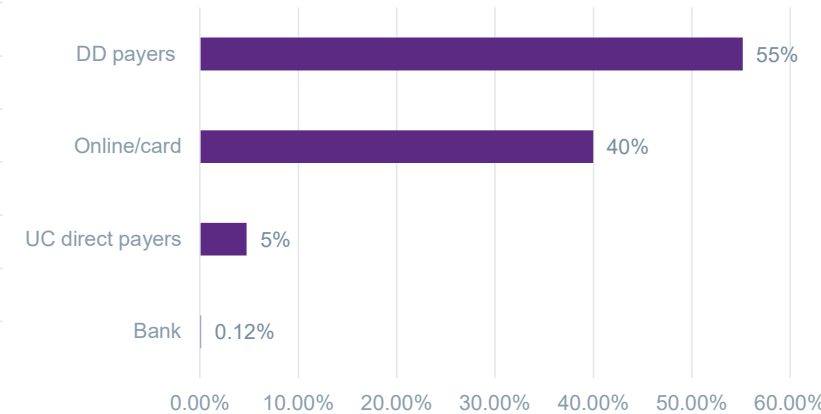
68% of customers rely on help from benefit agencies to pay their rent.

Arrears by payment information



Customers paying by DD are less likely to be in arrears

Payment information



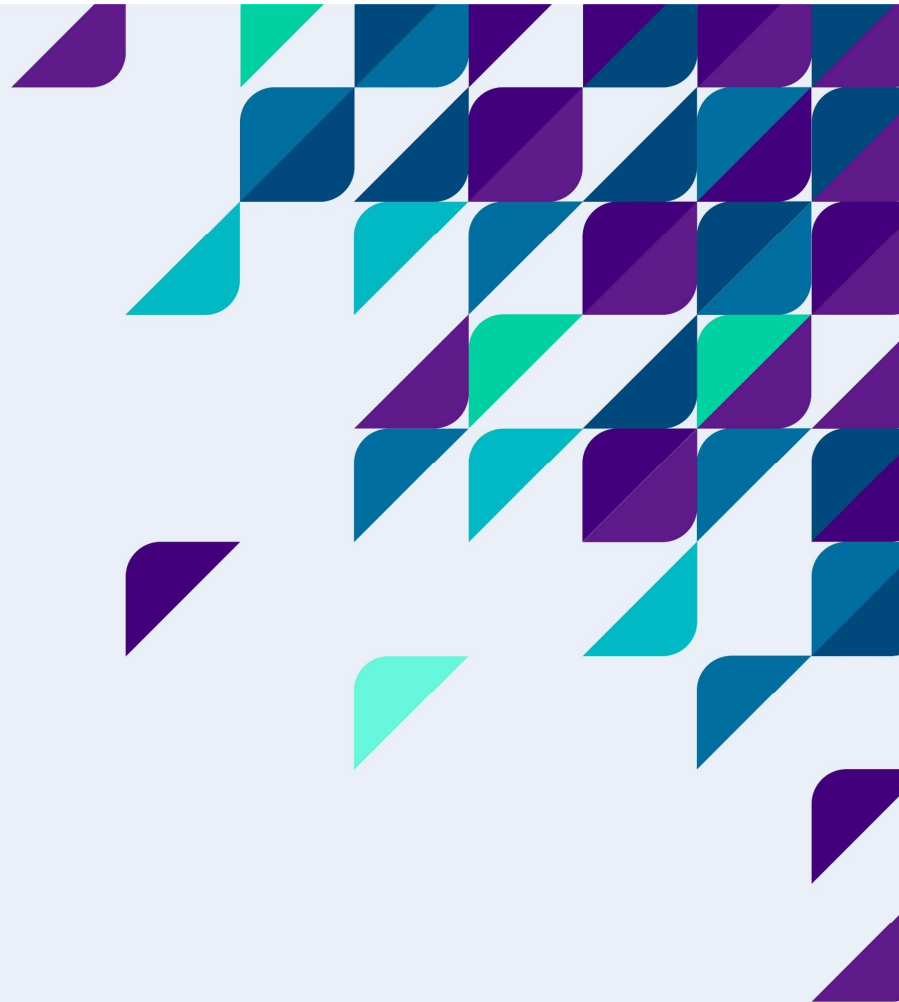
55% of customers pay by direct debit, this includes those in receipt of HB

- 1,470 out of 4,995 of our customers are in arrears
- Rent and service charges collection for Jan is 99.2% (source BSC)
- Customer arrears for Jan 24 is 2.61% (source BSC)
- We are managing the impact of Universal Credit well and have Trusted Partner Status with DWP

Financial Update

Stephen King

Executive Director - Finance



Financial Performance: Sector and Benchmarking

- Significant economic and social factors creating sector challenges on margins, cashflow and investment.
- Thrive Homes financial metrics show favourable performance against benchmarks.
- Strong financials in excess of covenants and golden rules: EBITDA MRI Margin @27%, EBITDA MRI interest cover @110%, Gearing @85%.

BENCHMARK DATA

Thrive v Peer v Sector

	31-Mar-21			31-Mar-22			31-Mar-23			31-Mar-24		31-Mar-25
	Actual	Peer	Sector	Actual	Peer	Sector	Actual	Budget	Sector	Forecast	Budget	Budget
1: Reinvestment %	16.6%	9.7%	5.8%	15.8%	7.1%	6.5%	18.4%	22.90%	7.1%	13.3%	11.20%	9.3%
2a: New supply of Social Housing units delivered %	1.7%	2.5%	1.3%	4.4%	1.6%	1.4%	1.0%	0.7%	1.3%	1.3%	1.2%	2.7%
2b: New supply of non-Social Housing units delivered %	0.0%	0.04%	0.0%	0.30%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3: Gearing %	73.3%	51.0%	43.9%	73.3%	47.9%	44.1%	68.8%	63.1%	45.4%	65.0%	65.6%	66.0%
4: EBITDA MRI Interest Cover %	200%	235%	183%	167%	141%	146%	140%	144%	129%	124%	145.1%	151.7%
5: Headline Social Housing cost per unit	£3,730	£4,570	£3,730	£4,368	£3,990	£4,150	£4,792	£4,863	£4,475	£5,188	£4,644	£4,859
6a: Operating Margin (Social Housing Lettings) %	37.7%	31.7%	26.3%	28.9%	25.1%	23.3%	22.1%	27.8%	20.0%	20.0%	24.6%	24.5%
6b: Operating Margin (overall) %	38.6%	28.6%	23.9%	27.9%	21.7%	20.3%	27.1%	33.8%	18.5%	27.0%	29.6%	24.7%
7: Return on Capital Employed	4.9%	3.8%	3.3%	4.1%	3.41%	3.20%	4.2%	5.2%	2.8%	3.1%	3.1%	3.8%

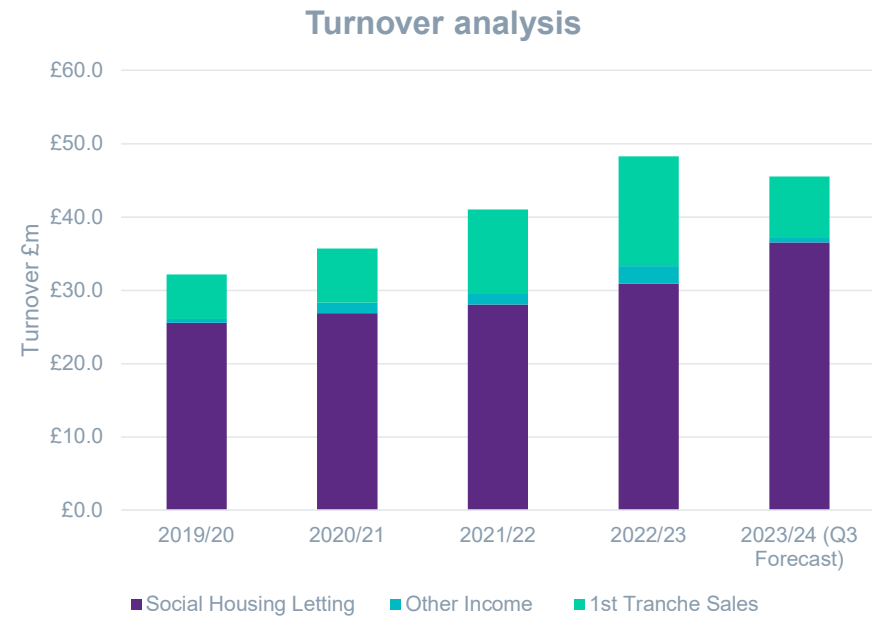
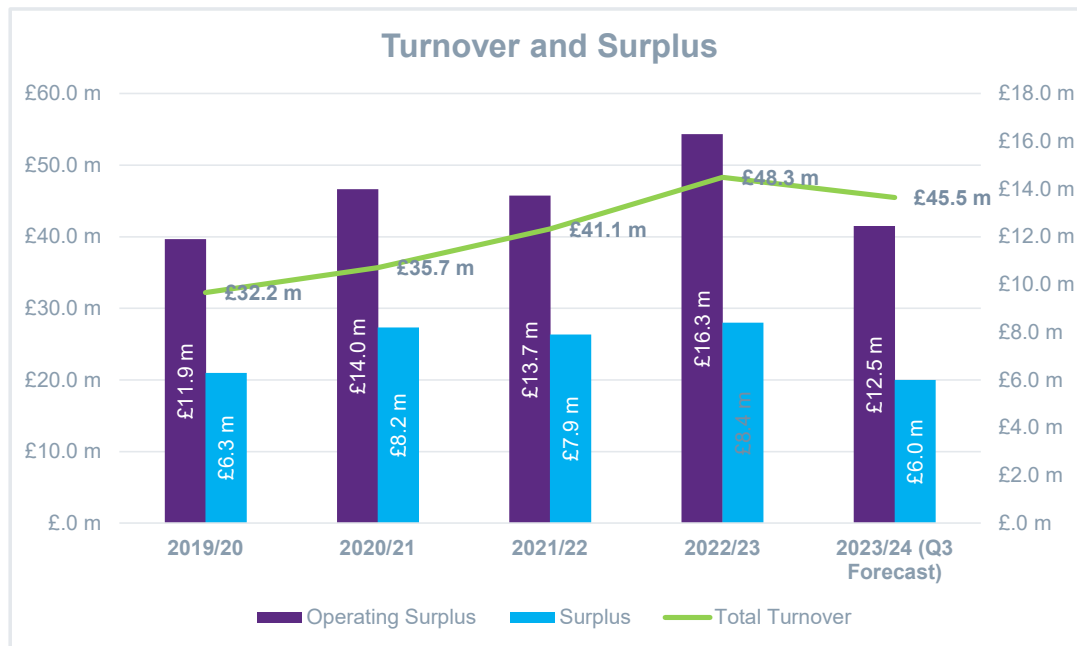
Source of Data

Thrive: Annual Financial Statements

Peer & Sector: Housemark VFM reports

Year-end Financials

- Continued strong performance and metrics in the year as we continue to progress our strategic growth ambition.
- Core business of Social Housing letting continues to increase year on year, reflecting higher stock numbers and rental increases.
- Reduced volume of First Tranche Sales has resulted in lower turnover in 23/24 prior to budgeted increase in 24/25 as demand for this tenure remains strong.
- Increase in day-to-day repairs and major works program expenditure as we invest and maintain our stock have reduced margins in 23/24.
- Key challenges in 23/24 continue to be to manage performance through difficult economic climate whilst maintaining our standards of service.



Financial Projections

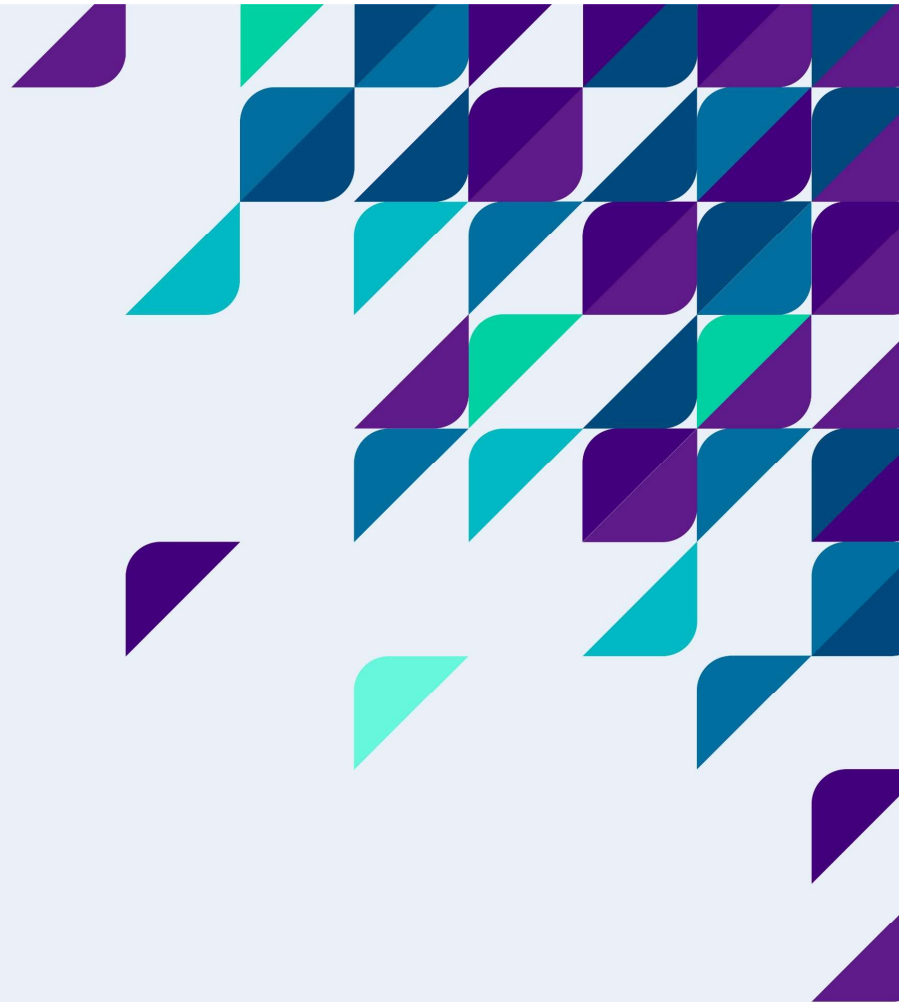
- Key metrics remain strong with improved surplus and increased investment in our stock
- Growth in turnover from social housing activities and organic development and sales.
- Capital investment in line with component replacement and energy efficiency programmes

	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29
	Budget	Business Plan			
1: Reinvestment %	9.3%	7.9%	8.2%	6.6%	4.9%
2a: New supply of Social Housing units delivered %	2.7%	1.1%	0.9%	4.3%	2.4%
2b: New supply of non-Social Housing units delivered %	0.0%	0.0%	0.0%	0.0%	0.0%
3: Gearing %	66.0%	63.8%	66.0%	62.9%	61.4%
4: EBITDA MRI Interest Cover %	151.7%	110.5%	112.2%	111.7%	115.6%
5: Headline Social Housing cost per unit	£4,859	£6,195	£6,083	£6,835	£7,037
6a: Operating Margin (Social Housing Lettings) %	25%	24%	25%	29%	31%
6b: Operating Margin (overall) %	25%	29%	29%	33%	34%
7: Return on Capital Employed	3.1%	3.1%	3.1%	4.4%	4.4%
Turnover (m)	£55.8	£45.5	£47.9	£63.7	£62.2
Operating Surplus (m)	£13.8	£13.2	£13.9	£20.7	£21.2
Housing Assets - cost (m)	£438.9	£468.6	£501.8	£531.7	£552.1
Net Assets (m)	£90.6	£93.8	£96.9	£105.8	£114.6

Treasury

Olu Oloruntuyi

AD Treasury

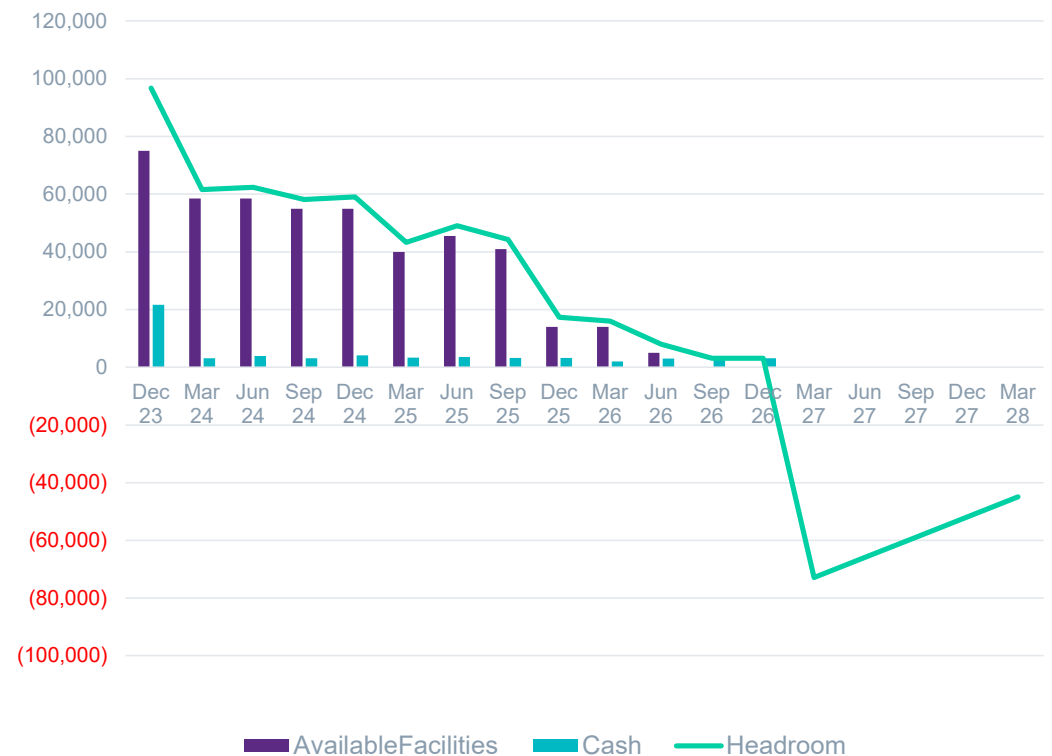


Treasury Management Policy

Liquidity Risk management

- We have sufficient liquidity headroom (2.5 years for our committed development in excess of the 18 months policy requirement)
- New funding is required in FY26/27 which gives sufficient time to raise new debt.

Headroom



Treasury Management Policy

Covenant compliance

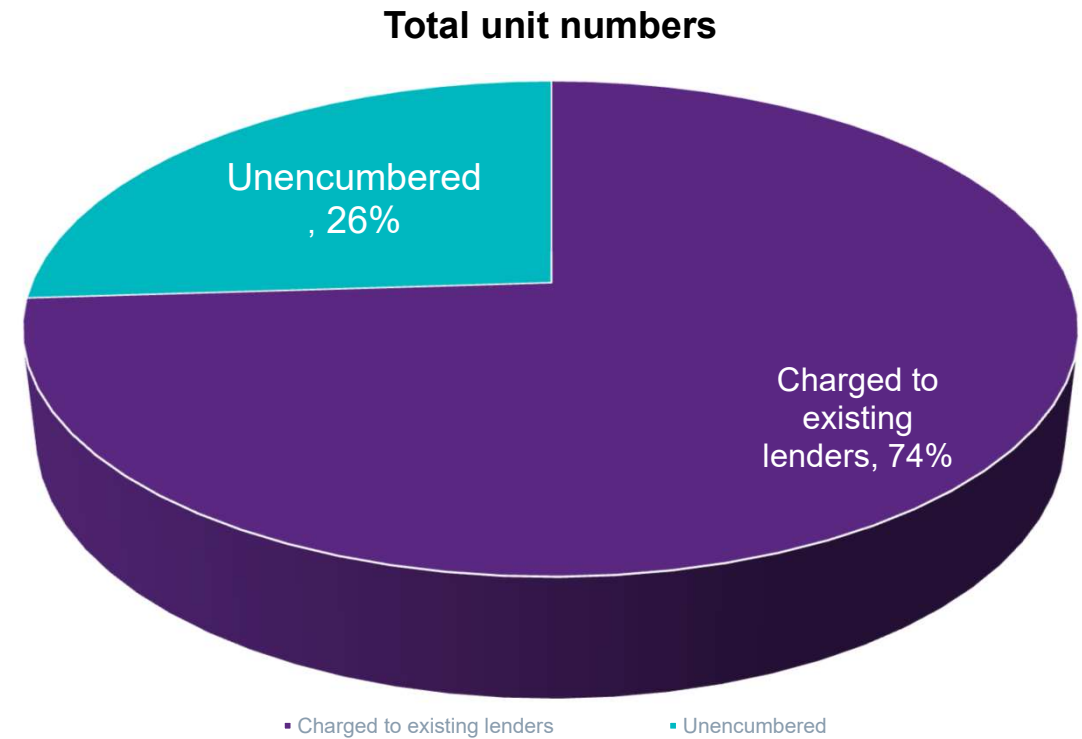
Lender/Investor	Interest cover Ratio	Q3 Forecast 23/24	Budget 23/24
Bond	Net Annual Income - 100%	109%	110%
Lloyds	EBITDA MRI - 100%	147%	145%
Santander	EBITDA to Net Interest Payable -130%	208 %	197%
	Gearing Ratio		
Lloyds	Net Debt to Historic property cost 85%	53%	50%
Santander	Net Debt to Historic property cost 85%	53%	50%
	Asset Cover Ratio		
Bond	EUV-SH (105%) MV-ST (115%)	167%	168%
Lloyds	EUV-SH (105%) MV-ST (115%)	259%	135%
MorHomes	MV-ST (115%)	181%	173%
Santander	105%/125% (EUV-SH/MV-ST) SO 125%	143%	144%

Interest rate risk management

Lender	Total facility £m	Drawn facility £m	Fixed/Variable	Repayment dates	Comments
THF Bond	200	200	Fixed	24 March 2039/43/47/51	Bullet repayments
Lloyds	25	25	Fixed	16-Oct-25	Term loan
MorHomes	25	25	Fixed	19-Feb-38	Bullet repayments
Santander	75	0	Variable	04-Feb-27	RCF - fully secured
Total	325	250			

Security

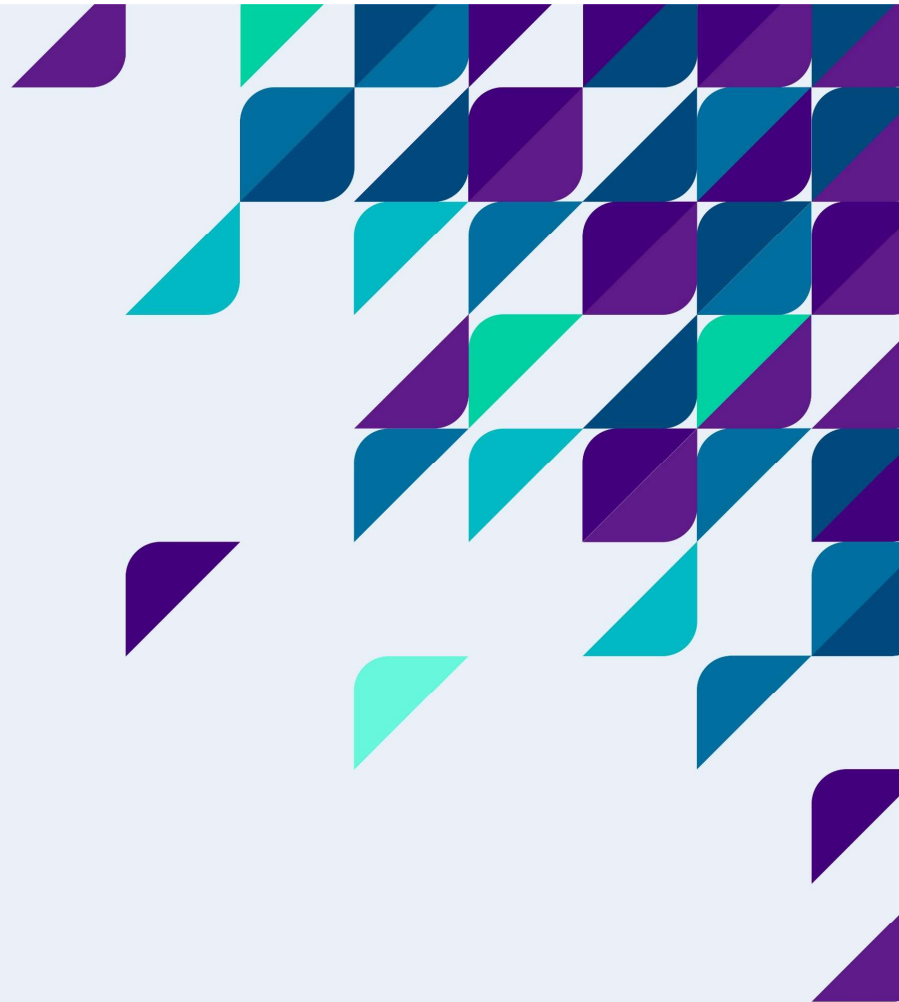
- Thrive currently has 5,619 chargeable properties, valued at £559m MV-ST (31 December 2023).
- 4,119 units are charged to existing lenders
- 26% (1,500 units) are unencumbered at a total indicative estimated EUV-SH valuation of £113m



Development and sales

Alix Green

Executive Director – Investment & Growth



How we grow



Land acquisitions &
organic growth
opportunities



Management
opportunities



Acquisitions



Strategic partnerships



Development and Investment

- Review of processes has recently been conducted, including updating development procedures to control risk
- Development roadmap of all landbank and sites to identify future options.
- A mix of land-led and s106 opportunities in the programme. Opportunity to shift prioritisation to investment and partnerships being explored.
- A land bank of sites within the portfolio.
- Thrive's landbank gives Board the ability to both secure the future development programme and control the spend on development when managing risk both in development and in the wider organisation.
- Fully funded development programme through a secured Bond Tap and RCF facilities - Board has considered the extent of exposure to variable interest rates.



Organic growth pipeline



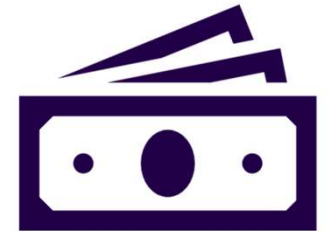
5 schemes in
contract
23/24 delivering

282

homes

99 rented
183 intermediate
(shared ownership)

Over £7m
(23/24 year to date)
received from
shared ownership
sales to reinvest



Secured over
£27.5m
funding for
399 homes



Homes
England



Opportunities within land
portfolio which can release

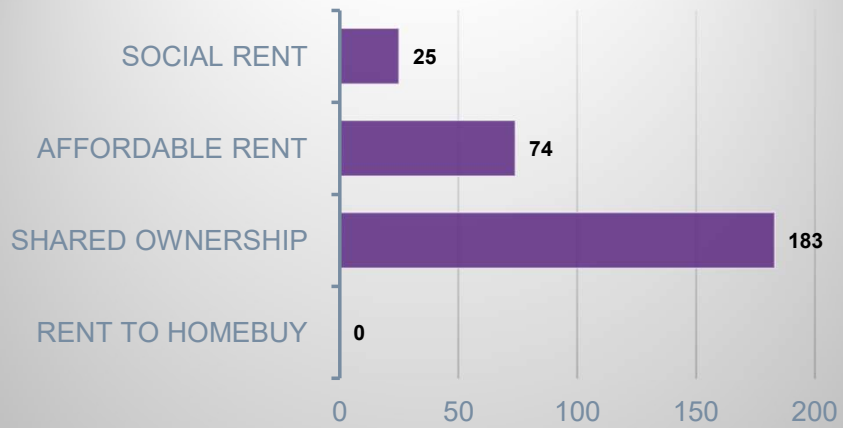
760

homes

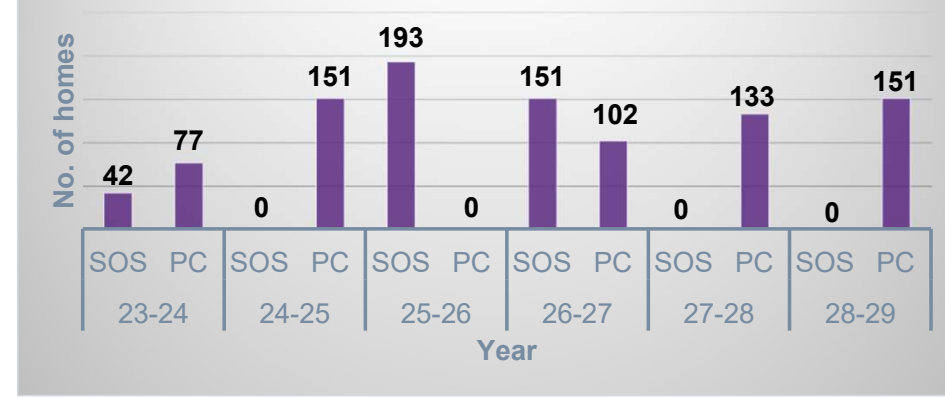


Development and Investment

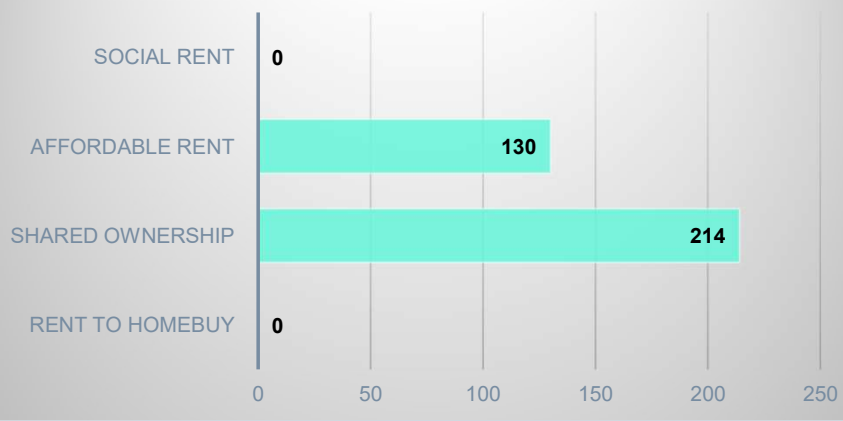
Committed Schemes by Tenure



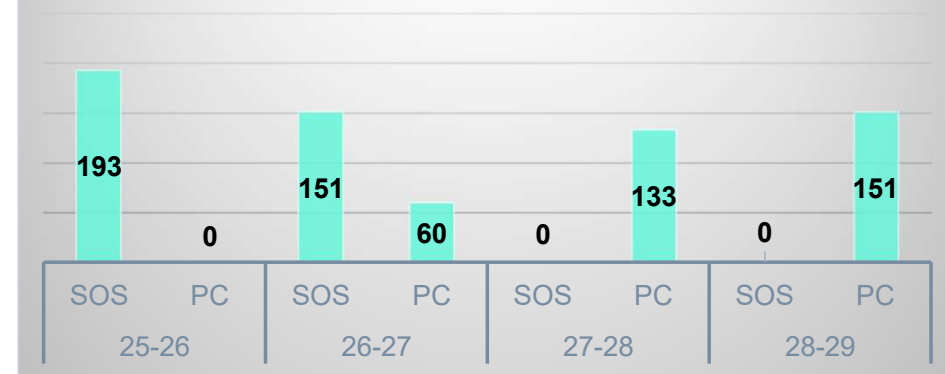
Committed Schemes Construction Programme



Pipeline by Tenure



Pipeline Scheme Construction Programme



Sales

	Sales Forecast 2024/25	Completed & Forecast Sales 2023/24	Average First Tranche Share 2023/24	Average Surplus Margin 2023/24
New Builds	92	25	39%	19%
Conversions	30	44	40%	60%
ALL UNITS	122	69	39.5%	42%

Forecast

- 24/25 forecast first tranche sales from reservations = 56%+
- Strong sales off-plan

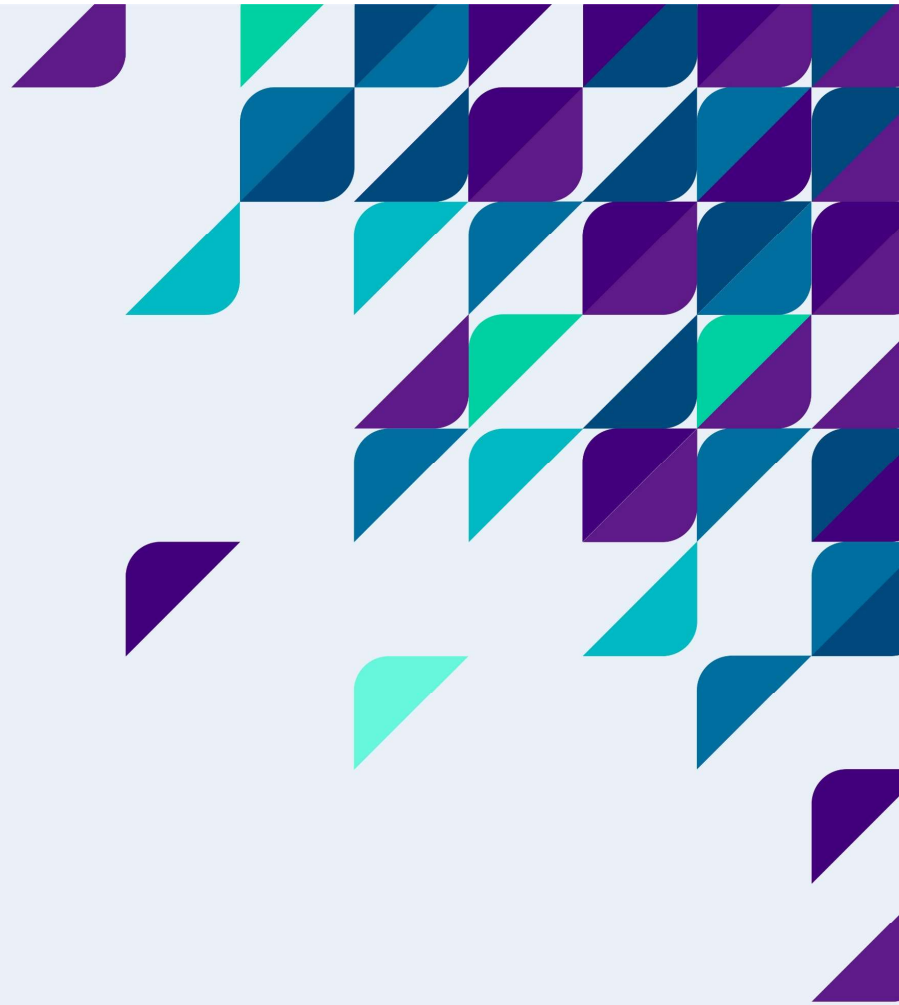


Our future plans

- Review opportunities for strategic alignment, acquisition and partnerships to secure the homes for our growth programme.
- Growth operational area review – matrix approach to new business.
- Seeking partnership and joint venture opportunities.
- Building on strong relationships with Local Authorities, including seeking funding opportunities that have been previously secured from Council's for Thrive developments.
- Continue to deliver high quality developments that are commercially viable and flexible.
- Currently reviewing development objectives linked to reducing carbon emissions and net carbon zero targets.
- Deliver a balanced mix of housing types and tenures to meet demand, aspiration and operational requirements, including regeneration.
- Preference for traditional build over full modular schemes – less risk in planning and construction.

Asset Management

Jo Barrett



Asset Management Strategy

We recognise the importance of managing our assets; ensuring homes are safe, well-maintained and meet the Decent Homes Standard.

Our strategy is underpinned by strategic workstreams:

- an Individual Roadmap for Every Home
- return on investment
- Engagement with customers
- the environment & communal spaces
- delivery of planned & responsive repairs
- standards
- building safety.





Asset Management Strategy

To support this, we:

Plan cyclical and major repairs


Deliver responsive repairs primarily through Thrive Homes Services (THS)

Develop an investment journey for every home, including energy efficiency improvements

Support the Thrive Deal through HomePlan, our programme of customer engagement, tenancy and property management.

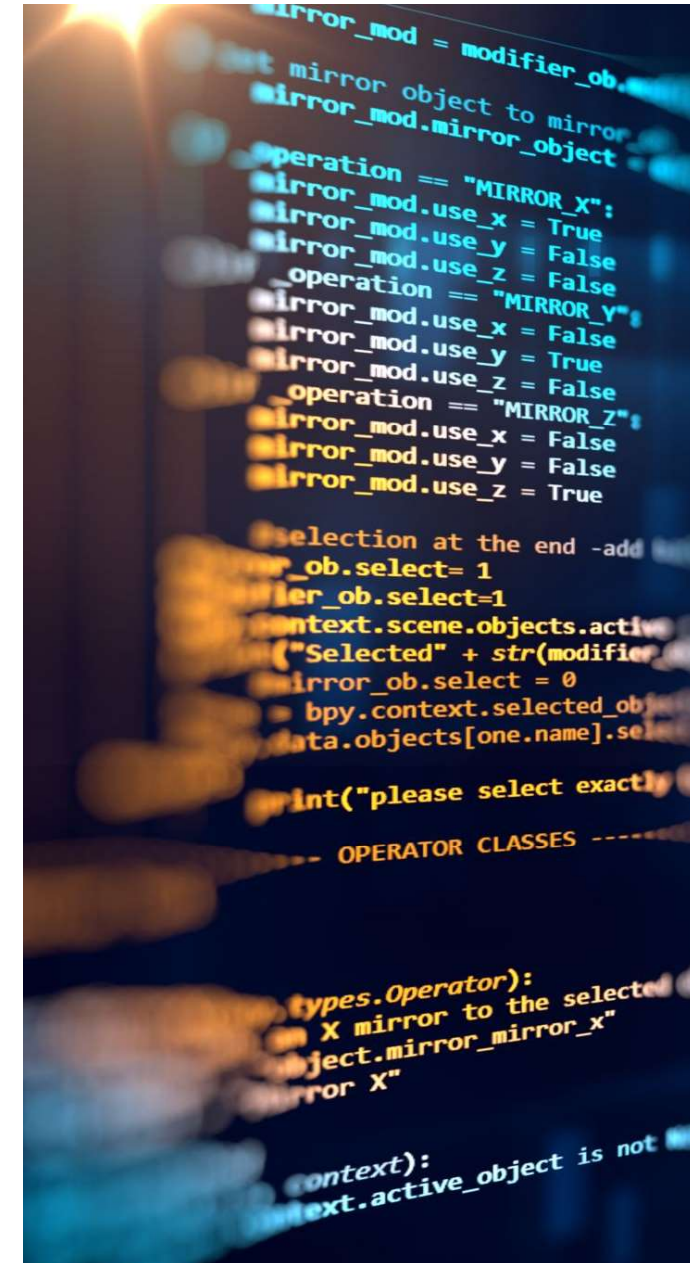
Keep our data up to date using stock condition and energy surveys

Use a bespoke appraisal tool to assess the performance of each home.



Asset Management Data

- Currently delivering Decent Homes Plus
- Use Keystone - our asset management system. It holds stock condition survey (SCS) collected by in-house and external surveyors on a 5-yearly cycle.
- Data is kept live through updates from other surveys and as works are completed. Costs are regularly reviewed to ensure they reflect current and forecast conditions.
- Asset management data underpins business plan major works expenditure.
- Report, through our balanced scorecard to provide visibility of investment and programme delivery, EPC-C portfolio status and Decent Home compliance.



Asset Management

Investment into existing stock

2022-23 Financial year

Typical spend of £5m – £5.5m per year across:

- Decent Homes Plus work – typically 1,000 – 1,300 component renewals per year
- Includes a large energy efficiency program of grant assisted energy efficiency work
- We also spend circa £350k per annum on cyclical decoration as part of our 8-year cycle and £1.6m on compliance – gas, electrical, water, asbestos and fire safety.

95 
Bathrooms

336 
Boilers & heating systems

95 
Kitchens

157 
Windows

92 
Roofs

249 
Doors

In last
5 years

£25.7m 
Spent

6,957
Components installed



Energy performance

Thrive Homes has developed an asset roadmap with a plan for every home. This includes future investment and maximising grant funding to ensure our housing stock is improved.

We aim to achieve EPC C by 2030 and by adopting a ‘fabric first’ approach, we will move towards net zero carbon by 2050.



82.4%

of existing homes are
EPC C
or above

73.7
Average
SAP

2,824 (+177)

SAP points
increased



5 Net

332 (+5)

Properties
increased to EPC-C



£1.55m (£30k)

Spent on energy
efficiency works



41 (-)

Tenant refusals
for energy works



7 Net

£547 (+£26)

Cost per SAP
point gained



207 (+3)

EPCs undertaken



Safe Homes

- Thrive is committed to customers being and feeling safe in their homes, spending £1.6m on compliance annually, we deliver this through:



Close management and reporting on the Big 6 H&S and Building Safety Risks



A positive culture of Health, Safety & Wellbeing



HomePlan visits



Safe Developments inline with new and emerging Building and Fire Safety Legislation, Regulations & Guidance



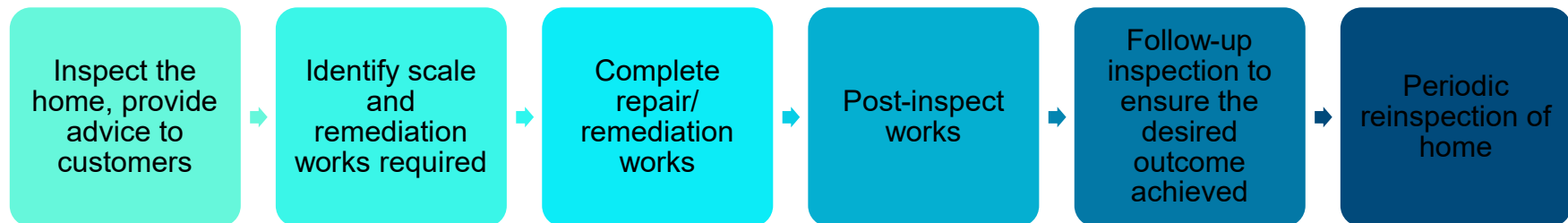
Fire Risk assessments, Fire Door replacement programme, Fire Door inspections (flat blocks 11m+)



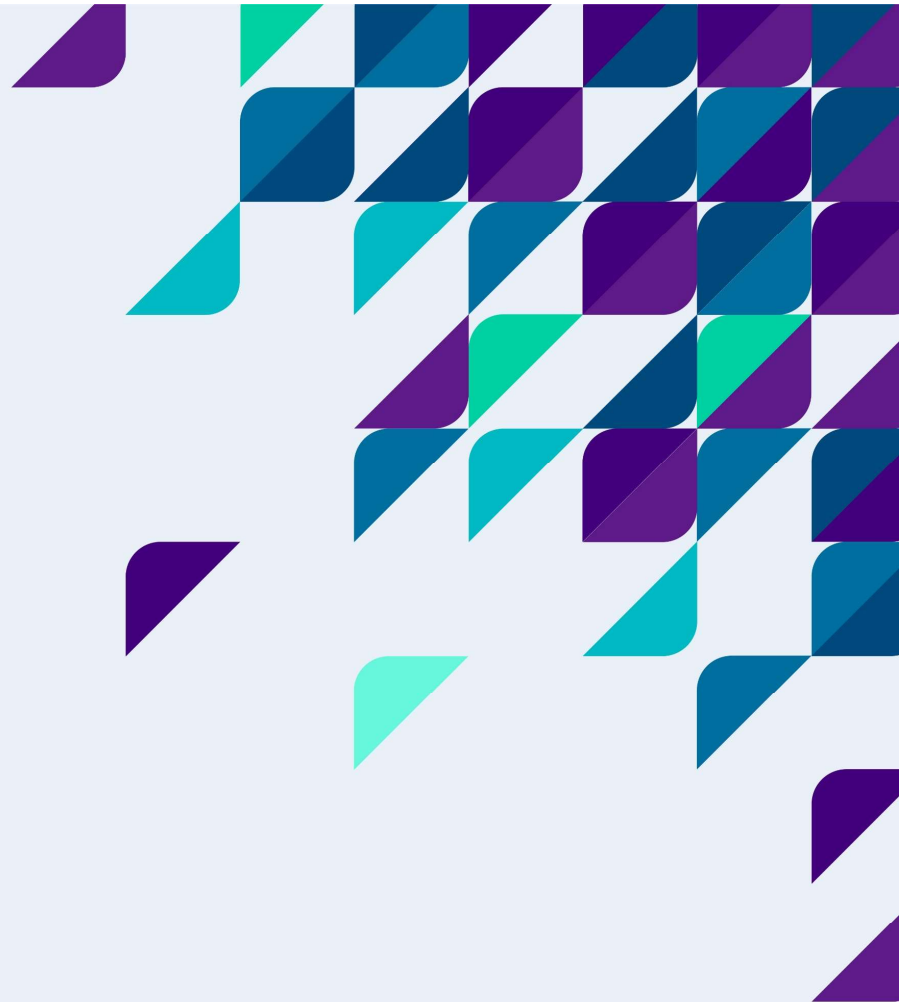
Damp & Mould

- Thrive uses a variety of methods to identify and report cases of damp and mould:-
 - HomePlan visit
 - Landlord compliance checks
 - Stock Condition Surveys
 - Routine repair completions
 - Repairs and works by third-party contractors
 - Customer direct reports

Following a report of damp and mould Thrive will:-

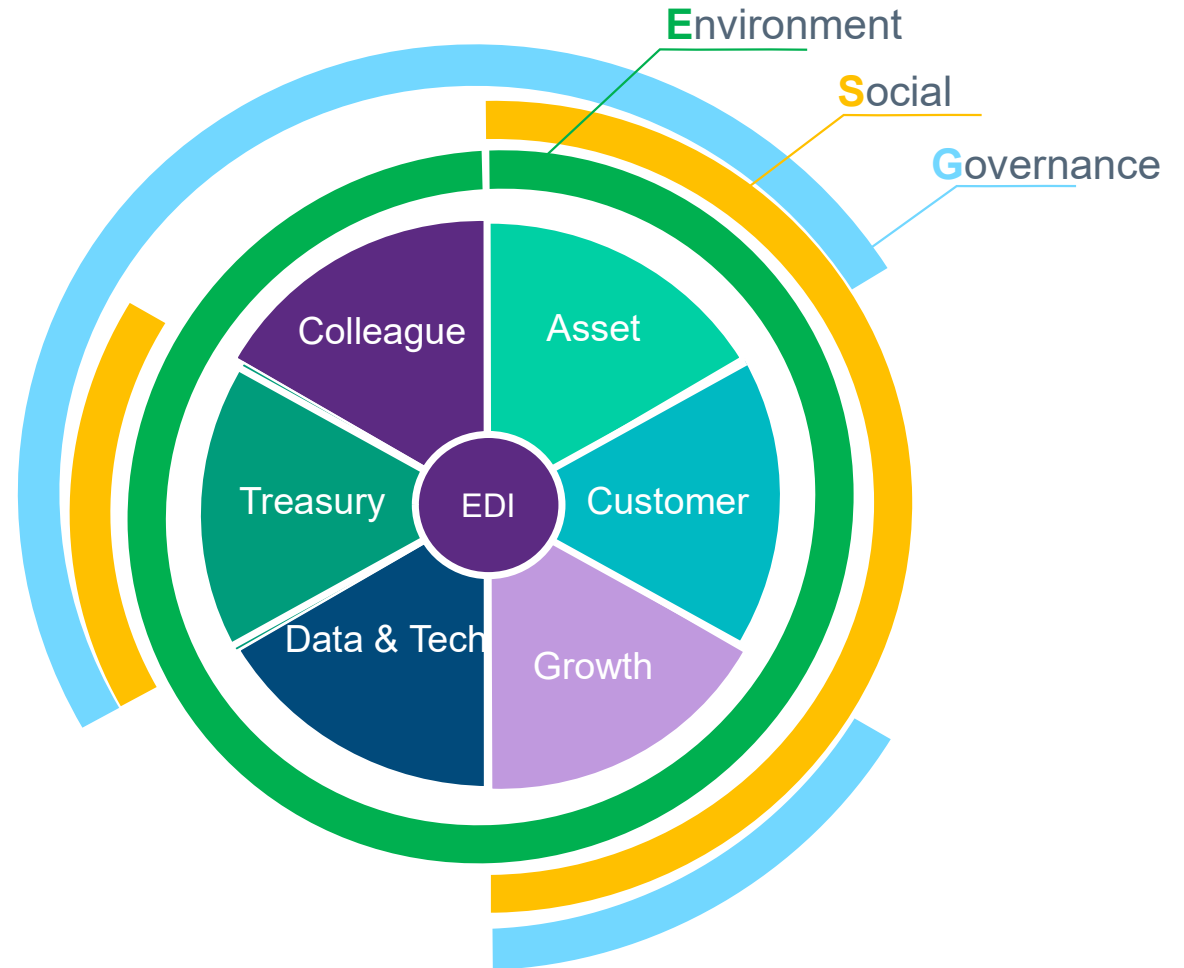


ESG



Our Approach

- Thrive Homes is an early adopter of the Sustainability Reporting Standard (SRS) for Social Housing.
- The 48 SRS metrics have been overlaid across the six pillars of our Sub-Strategic Plans.
- Our annual report is published on our website at www.thrivehomes.org.uk/esg





Environment

- Understand our **carbon emissions** across scopes 1, 2, and 3.
- Using **Intelligent Energy software** model energy performance.
- Leveraging **grant funding**;
 - SDHF Wave 2 secured = £1.36m
 - HACT carbon credits c£100k
 - Endotherm (heating system additive) early adopter
- Net zero pathway modelled for all homes.
- Five new homes built to be **carbon negative** in their operations.

E



Social

- Rents are **47.12% cheaper** than the average private rental sector.
- 99.8% homes meet **Decent Homes** Standard.
- 100% of flat blocks have an in-date **Fire Risk** assessment.
- 99.92% compliant **gas safety**.
- 48% of customers are members of **Thrive Customer Voice**.
- 69.8% overall **satisfaction** with Thrive's services.
- 89% satisfaction with **repairs**.
- £125K **grants** given to community organisations over 3-year period.

S



Governance

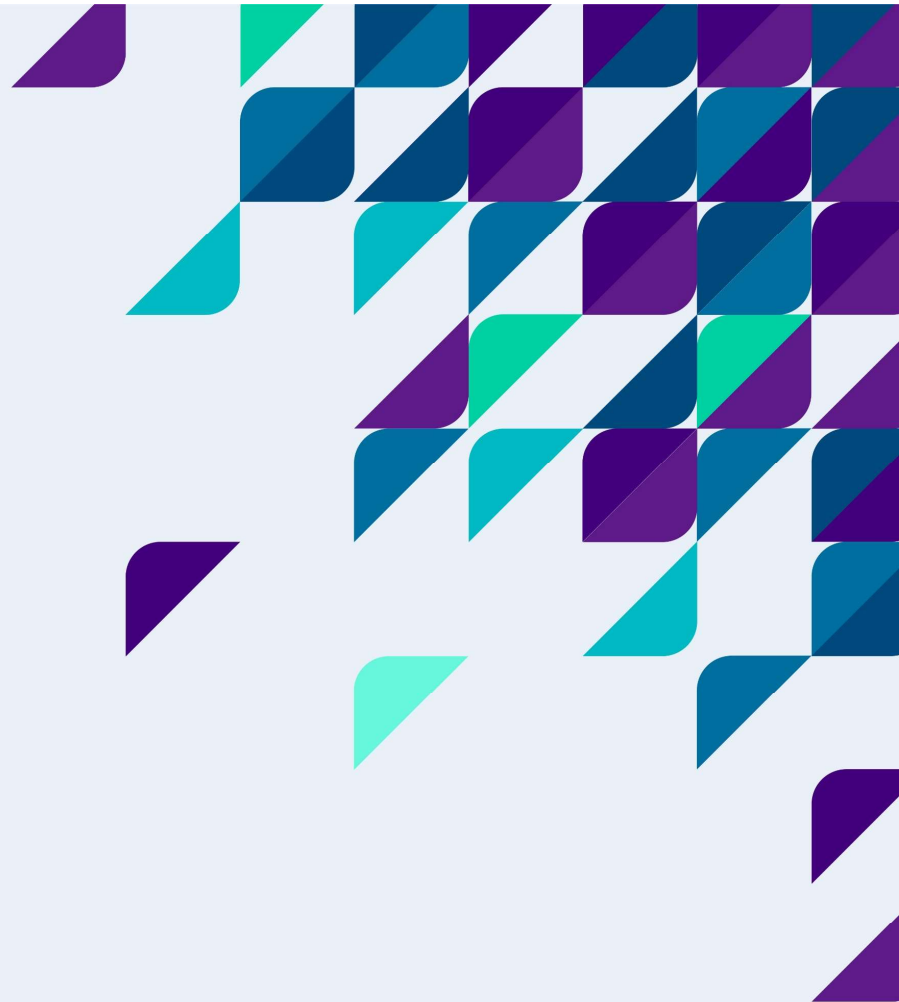
- Retained **G1/V2** rating in November '23.
- Compliant with the NHF Code of Governance 2020 and Housing Ombudsman's Complaint Handling Code.
- Signatory to the NHF Together with Tenants Charter.
- **IIP** 'We invest in people' and 'We invest in wellbeing' **gold** accreditation.
- Average number of sick days per colleague was 0.7 days in 2022-23.
- **Membership of the Board** is based on an evaluation of skills and experience.

G

Risk management and business plan stress testing

Karen Forbes-Jackson

Stephen King





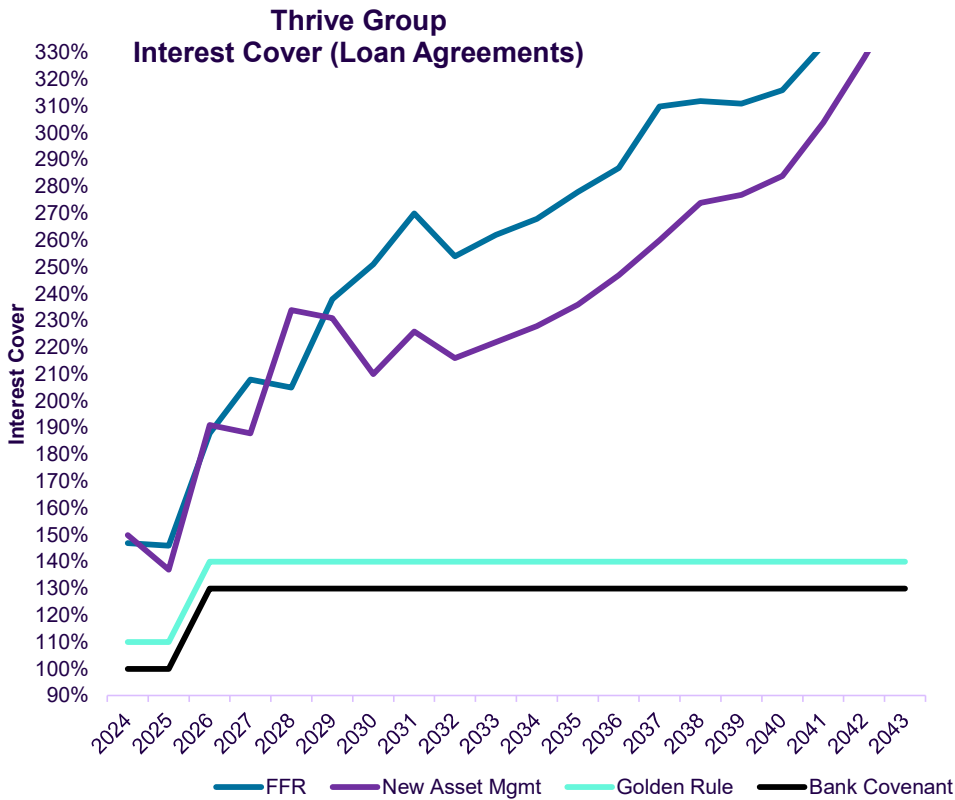
Strategic Risk Register

- Risk and Assurance Framework was signed off by RAC:Jul-23 meeting and at the Board: Dec-23
- Reports provided to every RAC and Board meeting
- Monitored Monthly
- Risk Management Audit completed – June-23 **Substantial Assurance**



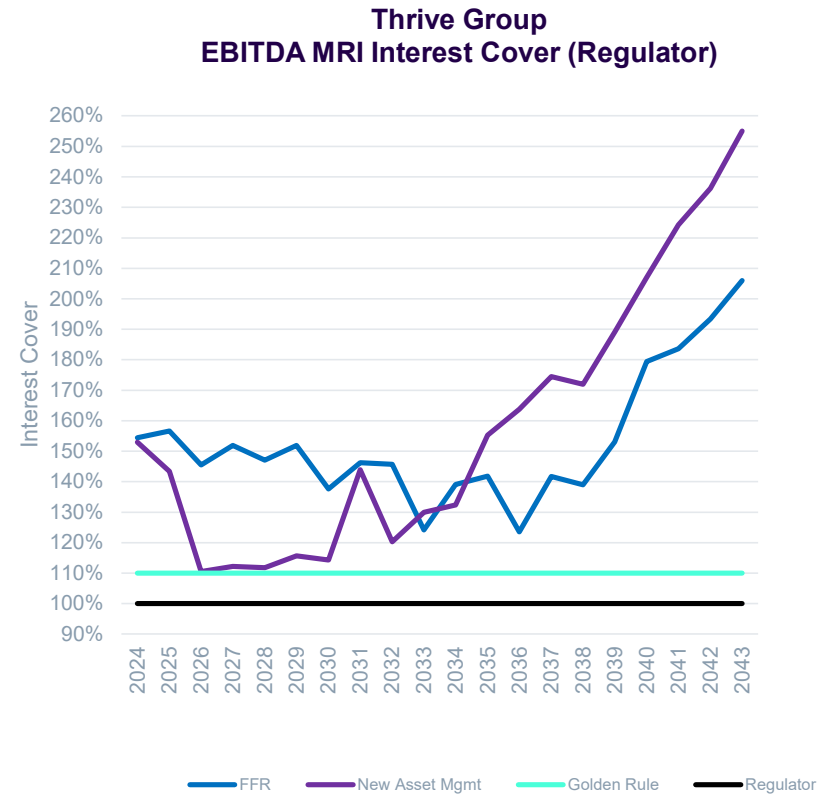
Headroom to covenant – EBITDA MRI & EBITDA

Headroom to tightest lenders covenant – EBITDA MRI & EBITDA



New Asset Management is Base Plan

EBITDA MRI Interest Cover – Regulator Covenant



Stress Test and Mitigation Process

Stress Tests are determined by checking against Thrive's Risk Register, Centrus (specific and sector) guidance and BR&G Committee Feedback

Through the Business Plan Process these are modelled and impacts on key metrics published and reviewed

Mitigations are updated and developed to ensure plans to bring cash and covenants back in line

Mitigation Section in all Business Plans
Mitigations papers updated regularly and included in the Risk Register

Many of the stresses (i.e. interest rates and inflation) have materialised to a degree therefore status on stresses and mitigations are continually modelled and discussed in the Business Plan item at EMT and when appropriate at Committee

The economic environment Thrive is operating within requires that modelling and stress testing becomes part of our business as usual (BAU).

Thrive
Homes



Appendix



The small print....

- This presentation has been prepared specially for this meeting
- All the information presented here has been, or will be in the public domain
- We've put this information together in good faith but no representation, warranty or undertaking (implied or express) is made.



Slide 51

JB0 I don't think this slide should be included

Jo Barrett, 2024-02-19T10:59:34.263

OOO 0 [@Jo Barrett] happy to hide or delete it. For investors presentation in the future it means we have provided the information based on what's in the public domain and no come back to Thrive which was my logic

Olu Oloruntuyi, 2024-02-19T13:32:12.740

SK0 1 Put it in the appendix

Stephen King, 2024-02-20T08:03:31.647



Sales market

What are mortgage lenders saying?

Nationwide:

- House prices begin 2024 on a more upbeat note
- UK house prices rose 0.7% month on month in January
- Further recovery in annual rate of change, with prices down just 0.2% compared with a year ago

Halifax:

- Average house prices rose by +1.3% in January, the fourth monthly rise in a row
- Property prices grew +2.5% annually, the highest annual growth since January 2023
- Typical UK home now costs £291,029, over £3,700 more than last month
- South East England continues to see most downward pressure on house prices

What are the portals saying?

Rightmove:

- Average new seller asking prices rise by 1.3% (+£4,571) month-on-month to £359,748, the biggest December to January increase in prices since 2020, though average prices are still 0.7% lower than at this time last year
- There has been some tentatively promising activity in the first week of the year, markedly stronger than a year ago, as more prospective buyers and sellers seem to have the confidence to get their 2024 moving plans started early

Zoopla:

- Price falls are slowing as more sales are agreed at the start of 2024.
- The uplift in agreed sales in the final weeks of 2023 has continued into 2024.
- London and the East of England have seen the biggest rebound in buyer demand at the start of 2024.

What are the people saying?

Best headline score in two years as optimism for coming 12 months strengthens

- All measures up and a headline score of -19, the best since January 2022.
- The view on our personal financial situation for the coming year has gained two points and now stands at zero.
- This ends 24 consecutive months of negative scores for this measure and this significant change is the best single indicator for how the nation's households feel about their income and expenditure.
- Despite the cost-of-living crisis still impacting many households across the UK, consumers appear to be encouraged by the positive news about falling inflation.



Risk profile/Stress testing

Stress / Scenario	Scenario	Description
ST1	Rent Increase Cap	<ul style="list-style-type: none"> - Rents increase capped at 5% for 2025 - CPI flat thereafter
ST2	Interest Rates	<ul style="list-style-type: none"> - Sonia +3% 2025-2026 - Sonia +2% 2027 - Base thereafter
ST3	Void and Bad Debts	<ul style="list-style-type: none"> - Void and bad debts double for the first 3 years
ST4	Operating Costs	<ul style="list-style-type: none"> - All cost inflation increases by +2% for first 4 years - Opex and MRI 2% increase 2024-2027
ST5	Sales Impact	<ul style="list-style-type: none"> - Sales values fall by 15% for 2 years (2024 & 2025) - Sales delayed by 3 months
ST6	Sales Impact 2	<ul style="list-style-type: none"> - S/O Sales 1st Tranche % falls to 25% (from 35%)
MV1	Weak Economy, High Inflation, Supportive Government	<ul style="list-style-type: none"> - S2 - Interest Rates - S3 - Void and Bad Debts - £1m additional costs year 1 and 2 - Sales fall 15% in yr. 1 recover over next 2 years - Sales delayed by 3 months - Repairs & maintenance and build costs increase by 1% for first 4 years - Inflation increases 1% in years 2 and 2.5% in years 3 and 4 before returning to base
MV2	Weak Economy, low Inflation, Supportive Government	<ul style="list-style-type: none"> - Sonia falls by 1% for the first 4 years - S3 - Void and Bad Debts - £1m additional costs year 1 and 2 - Sales fall 15% in yr. 1 recover over next 2 years - Sales delayed by 3 months - Repairs & maintenance and build costs increase by 0.5% for first 4 years - Inflation levels reduced by 1% in years 2-5 before returning to base
MV3	Weak Economy, High Inflation, Hostile Government	<ul style="list-style-type: none"> - S2 - Interest Rates - S3 - Void and Bad Debts - £1m additional costs year 1 and 2 - Sales fall 15% in yr. 1 recover over next 4 years - Sales delayed by 3 months - Repairs & maintenance and build costs increase by 2% for first 4 years - Social rents -1% for year 2-6 - Inflation increases 1% in years 2 and 2.5% in years 3 and 4, 1% in year 5 before returning to base
MV4	Weak Economy, low Inflation, Hostile Government	<ul style="list-style-type: none"> - Sonia falls by 1% for the first 4 years - S3 - Void and Bad Debts - £1m additional costs year 1 and 2 - Sales fall 15% in yr. 1 recover over next 2 years - Sales delayed by 3 months - Repairs & maintenance and build costs increase by 1.5% for first 4 years - Social rents -1% for year 2-6 - Inflation levels reduced by 1% in years 2-5 before returning to base

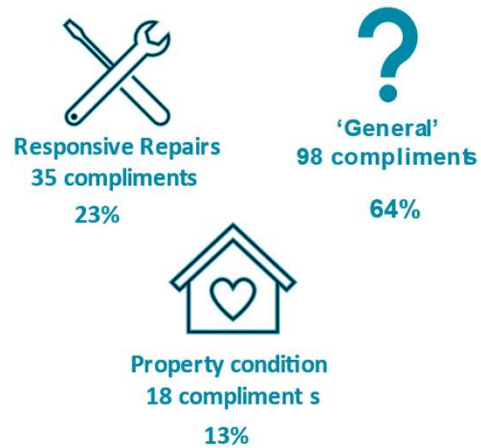
Customer Experience

2023-24 Year to date

Complaints



Compliments



Satisfaction

