

## PRESS RELEASE

24 October 2019

Press release by MORhomes

MORhomes PLC, the funding agency owned by over 60 housing associations, is pleased to announce that it has today priced a £38.6m tap of its 3.4% Notes 2038 issued via MORhomes' unique sterling Social Bond Programme.

The Notes have been priced at 108.724, to give a yield on the bonds of 2.788%, 0.69% inside the rate on the inaugural issue in February.

The Notes carry a 3.4% coupon paid semi-annually and have a redemption date of 19<sup>th</sup> February 2038 and were issued at a spread to gilts of 1.75%.

The proceeds of the issue will be used to make a loan to MORhomes' tenth Housing Association borrowing group, Wandle Housing Association.

S&P has rated MORhomes and its programme A- with a positive outlook. In the rating analysis, S&P highlights MORhomes strong financial profile and structure which mitigates credit risk. S&P considers that the rating could be upgraded within two years if the Company meets its business plan.

The Programme also benefits from a second party opinion from Sustainalytics on its compliance with Social Bond principals.

The tap was lead managed by NatWest Markets.

Neil Hadden, Chair of MORhomes, said today: "I am very pleased that we have been able to meet Wandle's requirement for new funding. This demonstrates the flexibility and innovation built into the MORhomes model. I look forward to helping other associations to meet their ambitions over the coming months and years."

Patrick Symington, CEO of MORhomes, said today: "Documenting and agreeing this transaction has taken less than 4 weeks from start to finish, demonstrating that MORhomes is a fast and highly efficient way for housing associations to access the capital markets".

Sue Bate, Executive Director of Finance for Wandle Housing Association said today "As one of the initial investors in MORhomes we are delighted to be the first "tap" borrower and secure funding at rates which will help deliver our Long Term Financial Plan. Ultimately this will enable us to build more homes and improve the services we can provide to our residents."

ENDS

Notes to editors

MORhomes was established in response to the concerns about the capacity of the sterling bond market to fund the needs of housing associations.

MORhomes is an initiative created by the Housing Association sector, for the Housing Association sector.

MORhomes is a new funding agency to allow associations regular access to the capital markets.

MORhomes provides its Borrowers

- Flexibility to borrow in amounts from £10m upwards - saving the cost of having to borrow larger amounts which might be more than is needed at any one time
- Quick access to the market, reducing uncertainty over the price of funds
- Flexibility on types of security offered and efficient use of security
- Simple documentation and reduced costs and resources in going to the market
- No onerous corporate financial covenants
- Transparent predictable credit process and annual credit limit.

Over time, it aims to expand the investor base beyond the UK and is specifically targeting socially responsible investors.

MORhomes is a plc 100% controlled by housing associations. It follows the UK Code of Corporate Governance and aspires to the highest levels of corporate governance and transparency.

MORhomes is capitalized by equity and subordinated debt provided by its borrowers, and third party junior debt.

The borrowers in the issue are:

**Borrowers in MORhomes inaugural issue**

<b>Borrower Name</b>	<b>Group Name</b>
A2Dominion South Ltd	A2Dominion
Aster Communities Ltd	Aster Group
Synergy Housing Ltd	Aster Group
EMH Housing and Regeneration Ltd	EMH
Hafod Housing Association Ltd	Hendre
Local Space Ltd	Local Space
Melin Homes Ltd	Melin Homes
Heart of Medway Housing Association Ltd	MHS
Charter Housing Association Ltd	Pobl
Tai Gwalia Cyf	Pobl
South Yorkshire Housing Association Ltd	South Yorkshire (SYHA)
Wandle Housing Association	Wandle

This issue will bring the total loans advanced by MORhomes to housing associations to £300m.