

## Press Release

**Issued: 25 September 2020**

### **MORhomes closes £30m loan deal for Origin Housing**

MORhomes PLC, the housing association bond aggregator owned by more than 60 housing associations, has today raised £30m for a new borrower, Origin Housing Ltd. This is MORhomes' 16th housing association loan and the deal brings MORhomes' total loan book up to £378m.

Against a backdrop of global political and economic uncertainty this once again underlines the attractions of the structure developed by MORhomes to permit rapid market access for borrowers so that they can take advantage of pricing opportunities. In this case we were able to complete the transaction in just a week from receiving the instruction from the borrower and with a yield on our bond close to the lowest since it was launched in February 2019.

The majority of the funds were raised via a tap to the existing 3.4% bond maturing in 2038 and brings the total issued to £363m. Barclays acted as sole bookrunners on the deal.

The bond was issued at a price of 114.709% and at a margin of 180bps over the benchmark gilt, giving a yield of 2.363%.

Patrick Symington, Chief Executive, said: "We are delighted to have achieved an excellent price for our shareholder/ borrower. Our unique 'Standby Liquidity Agreement' enables our borrowers to hold all the documentation for the funding deal ready and waiting so that they can borrow when the time is right for them and right for the market. With a range of other benefits such as flexible use of security and minimal business covenants we are becoming one of the leading options for fixed term debt for housing associations."

Neil Hadden, Chair of MORhomes said: "MORhomes was set up to improve access for housing associations to the financial markets. Our model of quick and efficient access to the market is proving more relevant than ever. Each new loan strengthens the platform and puts us in a better position to provide more loans in the future"

Gloria Yang, Finance Director at Origin said: "We are very pleased to raise new funds through the sector lending vehicle, MORhomes. The process is thoroughly efficient, enabling us to capitalise on the market movement, with flexibility around security. The funds will support our development pipeline to deliver much needed affordable housing in our local communities."

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.

Its mission is to support the provision of Social and Affordable Housing in the United Kingdom by acting as a central borrowing vehicle designed to facilitate access to the capital markets by not for profit, registered social housing providers

MORhomes is an initiative created by the housing association sector, for the housing association sector. It allows associations regular access to the capital markets.

MORhomes provides its borrowers with

- 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
- Immediate access to funds with up to a year to put security in place
- Simple documentation and reduced costs and resources in going to the market
- Minimal corporate financial covenants
- Transparent predictable credit process and annual credit limit.

MORhomes is a plc 100% owned and 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. All MORhomes bonds are Social Bonds in accordance with the ICMA Social Bond Principles 2018.

MORhomes’ first issue of £250m was completed in February 2019 and it has now issued and on-lent nearly £380m. Its current borrowers are:

<u>Borrower Name</u>	<u>Borrower Group Name</u>
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
North Devon Homes	North Devon Homes
Heart of Medway Housing Association Ltd	MHS
Charter Housing Association Ltd	Pobl
Tai Gwalia Cyf	Pobl

South Yorkshire Housing Association Ltd Wandle Housing Association Thrive Homes Origin Housing Limited	South Yorkshire HA Wandle Thrive Homes Origin
---	--

For more information please contact Patrick Symington, CEO MORhomes  
[patrick.symington@morhomes.co.uk](mailto:patrick.symington@morhomes.co.uk)/ 01256 862005/ 07867 537373

## ORIGIN

Origin Housing Limited (“Origin”) is a dynamic and diverse organisation that owns and manages over 6,900 properties across central London and Hertfordshire. We develop and own social, shared ownership, market rent, care and support and outright sale homes. We are a selected Strategic Partner to the GLA as part of the Connected Partnership, delivering affordable housing in London.

Our business is inspired by our vision:

- Great homes where our residents love to live.
- Positive people who care, respond and get it right first time, every time.
- Strong communities, where people feel comfortable and are supported

Visit [www.originhousing.org.uk](http://www.originhousing.org.uk) or contact Julie Humphreys, Head of Communications, [Julie.humphreys@originhousing.org.uk](mailto:Julie.humphreys@originhousing.org.uk) for more information.