

## Press Release

**Issued: 19 October 2020**

### **MORhomes closes £30m loan deal for Eastlight Community Homes**

MORhomes PLC, the housing association bond aggregator owned by more than 60 housing associations, has today raised £30m for a new borrower, Eastlight Community Homes. This is MORhomes' 17th housing association loan and the deal brings MORhomes' total loan book up to £408m.

Against a backdrop of 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 execute deals at the right time and the right price.

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 £391m. Barclays acted as sole bookrunners on the deal.

Patrick Symington, Chief Executive of MORhomes, said: "With macro-economic risks increasing and uncertainty regarding housing association ratings following the UK sovereign downgrade by Moody's, we are delighted to have executed this transaction and achieved an excellent price for our shareholder/ borrower. Our flexible and efficient processes enable our borrowers to move quickly and pick a time that 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".

David Hall, Executive Director of Resources at Eastlight, said: "The terms of the funding model offered by MOR Homes suited Eastlight very well and we are very pleased to have been able to access the market so quickly. This will enable us to deliver our significant investment commitments and continue to build more affordable new homes in Essex and beyond."

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#### 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 £408m. 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	South Yorkshire HA
Wandle Housing Association	Wandle
Thrive Homes	Thrive Homes
Origin Housing Limited	Origin

Eastlight Community Homes	Eastlight
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**EASTLIGHT COMMUNITY HOMES**

Eastlight is a new housing association for the East of England, formed in July 2020 following the merger of two Essex-based affordable homes providers.

With 12,000 homes in Essex and Suffolk, Eastlight’s vision is for a bigger, better, bolder partnership approach to help solve the long term housing challenges and unlock potential for residents and communities in the East.

Eastlight is the largest Community Gateway association in the UK, with a modern resident engagement and empowerment offer at its heart.