

Press Release

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MORhomes closes £22m loan deal for Housing Solutions

MORhomes PLC, the housing association bond aggregator owned by more than 60 housing associations, has raised £22m for a new borrower, Housing Solutions. This is MORhomes' 18th housing association loan and the deal brings MORhomes' total loan book up to £429m.

The majority of the funds were raised via a tap to the existing 3.4% bond maturing in 2038 and brings the total issued on the bond to £412m. Barclays and Allia C&C acted as joint lead managers on the deal. MORhomes took advantage of strong demand for housing association bonds and issued the bond at a yield of 2.27%, a spread of 160bps (1.60%) over the benchmark gilt rate, which was significantly below the current bid price. This is the lowest yield and lowest spread that has been achieved since the launch of the bond in February 2019.

Against a backdrop of continuing 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.

Patrick Symington, Chief Executive of MORhomes, said: "We are delighted to have executed this transaction and achieved an excellent price for our new borrower, Housing Solutions. Our flexible and efficient processes enable our borrowers to move quickly and borrow the amount they need at 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 Joyce, Director of Finance at Housing Solutions, said: "Housing Solutions has a fantastic track record of building more quality homes. We are delighted with the market interest and the pricing result which underlines the support for the sector and Housing Solutions. The funds will enable Housing Solutions to further pursue our mission by delivering much needed energy efficient affordable homes for local people".

ENDS

[Notes to editors](#)

MORhomes is a unique and innovative borrowing vehicle for the UK social housing sector. It is constituted as a PLC and applies the highest standards of corporate governance. Its shares are owned by over 60 major not-for-profit UK housing associations. Its public debt is traded on the London Stock Exchange. It raises finance on the bond markets and lends it on to housing associations, who must be shareholders.

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 100% owned and controlled by housing associations. It 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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