

Press Release

Issued: 24 February 2022

MORhomes funds 3,889 new homes across England and Wales

Social housing bond aggregator, MORhomes, has funded 3,889 new affordable homes in 58 local authorities across England & Wales since its launch according to its Impact Report released today (24 February 2022).

MORhomes, which is owned by 66 housing association shareholders, had lent £492m to 18 housing associations up to the end of 2021, 94% of which has directly funded the development of new homes. Borrowers allocated the rest to other social and sustainable activities including energy efficiency improvements to existing stock.

Recognised as a sector leader in ESG (Environmental, Social, Governance) investment, MORhomes reports that its borrowers are performing well above ambitious standards when it comes to ESG. The data comes from its innovative Sustainable Housing Assessment (SHA) which it introduced last year to effectively benchmark ESG impact for its investors.

The first-of-its-kind tool comprises 11 criteria measuring landlords' ESG performance against an objective standard. 50% represents a positive score overall and the average score of all SHAs completed to date is 73%.

MORhomes launched its sustainability bond, one of the first in the sector, in November 2021 and recently secured an AA ("leader") ESG rating from MSCI¹.

The homes funded by MORhomes loans to date are for a range of tenures including 2,105 for social and affordable rent, 1,012 for shared ownership and 219 designed for people with support needs to live more independently.

Neil Hadden, chair of MORhomes, said; "Despite all the challenges of the past year, housing associations are continuing to deliver when it comes to tackling two of our biggest crises – the housing shortage and climate change.

"We are proud to showcase how MORhomes borrowers are collectively making real social and sustainable impact. Sustainability has always been a huge part of our ethos at MORhomes and we are pleased to be pushing this agenda forward through our new sustainability bonds and other activities.

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“Investors are continuing to seek out sound opportunities which not only have a financial return but also generate a positive impact on communities and lives. Our housing association borrowers are delivering this in their work every day. This is also demonstrated in the results coming back from our SHAs.”

Cornerstone Housing Ltd was the first housing association to borrow via MORhomes Sustainability Bond. Its CEO Tom Woodman commented; “We are in both a climate crisis and a housing crisis, so it’s very timely to be part of this sustainability bond that will help Cornerstone deliver much-needed new, affordable homes at high energy-efficiency standards. The MORhomes process was swift and effective, and we are pleased to be part of this.”

MORhomes recently passed the landmark of £500m on-lent to housing associations, having secured deals for Broadland and RBH early in 2022. The company offers flexible loans from £10m, simple documentation and prides itself on the speed and efficiency of access to the market that it can offer housing associations. Any not for profit registered housing provider in the UK is eligible to become a member of MORhomes.

For more information and to read MORhomes’ Sustainability Impact Report 2021 visit <https://morhomes.co.uk/investor-relations-menu/announcements/>

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NOTES TO EDITORS

MORhomes

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 66 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.

In February 2021 MORhomes launched its [Sustainability Bond Framework](#) which enables all future MORhomes bonds to be Sustainable Bonds in accordance with the ICMA (International Capital Markets Association) 'Sustainability Bond Guidelines'. Existing bonds are Social Bonds in accordance with the ICMA Social Bond Principles 2018. Sustainalytics has independently reviewed MORhomes' Framework and provided a positive Second Party Opinion.

MORhomes' first issue was completed in February 2019 enabling it to on-lend £260m. The loan portfolio has now increased to £522m. Its current borrowers are:

<u>Borrower Name</u>	<u>Borrower Group Name</u>
A2Dominion South Ltd	A2Dominion
Aster Communities Ltd	Aster
Synergy Housing Ltd	Aster
EMH Housing and Regeneration Ltd	EMH
Hafod Housing Association Ltd	Hendre
Local Space Ltd	Local Space
Melin Homes Ltd	Melin
North Devon Homes	North Devon
Heart of Medway Housing Association Ltd	MHS
Pobl Homes and Communities Ltd (previously two loans, now consolidated)	Pobl
South Yorkshire Housing Association Ltd	South Yorkshire
Wandle Housing Association	Wandle
Thrive Homes	Thrive Homes
Origin Housing Limited	Origin
Eastlight Community Homes	Eastlight
Housing Solutions	Housing Solutions
Calico Homes	Calico
Broadacres Housing Association	Broadacres
Cornerstone Housing Ltd	Cornerstone
Broadland Housing Association	Broadland
Rochdale Boroughwide Housing	RBH

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