

Press Release

Issued: 12 August 2022

MORhomes taps bond in £20m loan deal for Selwood

MORhomes PLC, the housing association bond aggregator owned by 66 housing associations, has tapped its £470m 2038 benchmark bond to lend £20m to Selwood Housing.

The tap of the 16-year maturity means that MORhomes now has 22 borrowers and a total loan book of £542m.

MORhomes once again demonstrated its ability to execute deals quickly in a volatile market. In this case it was able to execute the deal in a traditionally quiet season for the markets, finding a window of comparative stability to issue at a good price. The yield on the tap was 4.01%.

Patrick Symington, Chief Executive of MORhomes, said: “Markets have been volatile recently with global economic uncertainty. MORhomes has noticed an increased interest in Housing Associations borrowing flexibly in smaller amounts to help deal with these uncertainties. MORhomes’ unique model of quick and efficient access to the markets is ideally suited to this. We are delighted to have been able to execute this deal for Selwood Housing at a very good rate in the current market.”

Neil Hadden, Chair of MORhomes said: “We are pleased to welcome new borrower Selwood Housing as we continue to increase our community of borrowers and the size of our loan book. 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”.

Mark Mayler, Group Finance Director at Selwood Housing, said: “We appreciate the work that MORhomes has put in to complete this deal in a very challenging market and are very pleased with the outcome. The speed that all sides were able to turn around the requirements for the transaction to be processed were faster than we could have achieved anywhere else. This will help us mitigate current short term interest rate risks as we continue our work to provide local affordable homes.”

Barry Hughes, Chief Executive of Selwood Housing, said: “We are delighted to have been able to work with MORhomes to secure this new funding which will continue to help us invest in our local communities and house more people in need.”

The sole Bookrunner on this tap issuance was Allia C&C.

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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.

MORhomes’ first issue was completed in February 2019 enabling it to on-lend £260m. The loan portfolio has now increased to £542m. 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 Calico Homes Broadacres Housing Association Cornerstone Housing Ltd Broadland Housing Association Rochdale Boroughwide Housing Selwood Housing Society	Housing Solutions Calico Broadacres Cornerstone Broadland RBH Selwood Housing
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For more information, please contact Patrick Symington, CEO MORhomes
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Selwood Housing

At Selwood Housing Group, we provide local, affordable homes.

We own and manage almost 7,000 homes for rent and shared ownership in the south west and are growing. Our ambition is to deliver 1,000 more affordable homes by 2026, to help tackle the housing crisis. As a charity, our surplus is reinvested into new homes, our existing properties and into our communities.

As part of our communities for over 30 years, we know the difference a stable home can make. Affordable, safe, secure homes give people a foundation on which to build their lives. The range of homes we provide, from rented to shared ownership, sheltered accommodation and care homes means we help many local people.

We believe that being truly local makes us different. Our team is made up of 300 local people who really get to know our customers and are passionate about helping them. By listening to what our customers say, we are continually improving our services.

Put simply, we are here to play our part in solving the UK's housing crisis, as a long-term partner and investor in our communities.

Visit selwoodhousing.com for further information.

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