

## Press Release

Issued: 16 December 2022

### **MORhomes PLC Rating and Outlook Affirmed by S&P**

Following completion of its regular annual review of MORhomes PLC, S&P has affirmed both MORhomes PLC's credit rating and the Outlook on it. [The credit rating remains A-\(Stable\)](#).

This is an extremely positive outcome at a time when rating agencies have applied downgrades to the credit rating and / or downward revisions to the outlook of some peers of MORhomes and many Housing Associations. It serves to underline the strength of MORhomes' underlying pool of borrowers, and differentiates it from individual Housing Associations as a pooled vehicle with an increasingly broad spread of risk.

In setting out its rationale for the rating, S&P states that "MORhomes continues consolidating its business position, attracting new shareholders and expanding its product offering. This supports our view that it will maintain its market share despite high competition."

S&P has revised its assessment of MORhomes' liquidity, saying that "the liquidity ratios are sustainably above 1x (the one-year ratio equals 1.44x). We therefore revised the company's liquidity assessment to strong from adequate."

Regarding risk management S&P says, "In our view, MORhomes' robust liquidity position and prudent risk management policies provide certainty that the company's financial risk profile will remain adequate, and we do not expect its borrowers' creditworthiness to deteriorate."

Neil Hadden, Chair of MORhomes PLC said: "We are delighted that S&P has recognised the growing strength and maturity of MORhomes through the affirmation both of the credit rating and of the outlook at a time when many in the sector are facing downgrades or downward outlook revisions."

Patrick Symington, CEO of MORhomes, said: "We are particularly pleased at S&P's endorsement of how MORhomes continues to consolidate its business position and its prospect of maintaining market share by making further loans. We were set up to provide housing associations with good access to the debt capital markets, and this shows we are fulfilling this purpose and staying strong at a time of many challenges for housing associations."

ENDS

### **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	Housing Solutions
Calico Homes	Calico

Broadacres Housing Association Cornerstone Housing Ltd Broadland Housing Association Rochdale Boroughwide Housing Selwood Housing Society	Broadacres Cornerstone Broadland RBH Selwood Housing
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