

Press Release

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MORhomes taps bond in £13.0m loan deal for Elim

MORhomes PLC, the housing association bond aggregator owned by 68 housing associations, has tapped its £453m 2038 benchmark bond to lend £13.0m to Elim Housing. This represents MORhomes' second loan in quick succession to a Group with less than 1,000 units, following on from its loan to Soho Housing just before Christmas.

The tap of the 13-year maturity means that MORhomes now has 23 borrowers and a total loan book of £539m.

MORhomes once again demonstrated its ability to execute deals quickly in a wide range of market conditions. In this case it was able to execute the deal in a volatile market, with the tap being priced at another record tight issuance spread for MORhomes. Compared to the 4.75% December 2038 gilt, which is the benchmark gilt for MORhomes' 2038 bond, pricing was G+108*.

Andrew Morton, Chief Executive Officer of MORhomes, said: "Markets continue to offer opportunities for borrowers who are able to move at pace. MORhomes' unique model of quick and efficient access to the markets is ideally suited to this, with MORhomes' Standby Liquidity Agreement enabling potential borrowers to price with minimal notice without having to commit to borrowing prior to giving notice. We are delighted to have been able to execute this deal for Elim once again within 48 hours of receiving the mandate, achieving another record low spread in the process."

Malcolm Cooper, Chair of MORhomes said: "We are pleased to welcome new borrower Elim as we continue to increase and broaden 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".

Paul Smith, CEO of Elim Housing said: "Elim's loan with MORhomes is critically important in securing the future plans of the organisation. We have been incredibly impressed with the process and the ability of MORhomes to respond to our needs in a challenging time for the sector. Elim has ambitious plans to grow, rationalise our geography and to improve our existing homes, and this relationship with MORhomes helps move those plans forward."

The sole Bookrunner on this tap issuance was Barclays.

* Pricing was executed against the 3.75% January 2038 gilt.

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 68 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 £5m 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 £539m. Its current borrowers are:

<u>Borrower Name</u>	<u>Borrower Group Name</u>
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 Broadland Housing Association Rochdale Boroughwide Housing Selwood Housing Society Soho Housing Association Ltd Elim Housing Association Ltd	Cornerstone Broadland RBH Selwood Housing Soho Elim
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For more information, please contact Andrew Morton, CEO MORhomes
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Elim Housing Association

Elim provides just under 900 affordable homes and the delivery of homelessness-related support services to over 250 individuals each year.

Elim's customers include families and single people living in our properties for rent, young people undertaking apprenticeships or training, clients within our support services and people buying houses that we have developed, among others. We have the same aim for all these relationships: to ensure that the housing and services Elim provide serve as a platform for growth, facilitating all our customers to achieve their aspirations.