

## bLEND Funding completes first reverse-enquiry deal

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11<sup>th</sup> March 2019

### For Immediate Release

Despite the imminence of the 'Ides of March' meaningful BREXIT vote, bLEND Funding Plc priced its first £30million 'reverse-enquiry', 15 year bond at a sub 3% rate last Friday.

This is bLEND's second deal to date, achieving an all-in price of 2.984% and a credit spread of 1.50%.

A reverse-enquiry issue is one prompted by an approach from an investor, where bLEND has matched this interest with an underlying borrower -in this case Hightown Housing Association, based in Hemel Hempstead, who manage almost 6,500 affordable homes in Hertfordshire, Bedfordshire and Buckinghamshire.

"With over 160 borrowers in the THFC Group, we believe we are uniquely placed to use bLEND to match supply and demand for cost-effective funding" said Piers Williamson, Chief Executive of bLEND and THFC.

Despite its sub-benchmark size, the 15 year, bLEND reverse-enquiry achieved a credit spread comfortably inside the recent 10 year Notting Hill Genesis transaction (Spread 1.73%) and almost matched Clarion's 10 year launch spread (1.48%). This despite the proximity of the BREXIT vote.

"A number of prominent Sterling investors still have significant funds to invest" said Williamson. "Where we can identify this interest and match it with a borrower, we believe we can bring a new form of competitive tension to bear, compressing credit spreads. But to do this, we need a strongly rated vehicle (bLEND) to underpin investor confidence in this market". bLEND carries an A2 stable Moody's rating.

This latest pricing shows how quickly bLEND can deliver much-needed bond funding to a previously unrated borrower. This particular issuance priced almost a month to the day from when the necessary financial information was compiled for bLEND's private rating process (provided by Moody's).

David Bogle, Chief Executive of Hightown Housing Association, said:

“We are pleased to have secured 15 year funding at below 3%. We will use the money to build 1,000 affordable homes over the next two years to help reduce homelessness and house families who cannot afford to buy or rent at market rates.

“It has been good to work with THFC once again using the new bLEND borrowing option. The whole process, including the rating work, has been smooth, straightforward and expeditious.”

bLEND’s intention is to use its MTN programme to issue a variety of bond maturities (so called ‘building a credit curve’) over the coming year.

### **Notes to editor**

**Hightown Housing Association Limited** is a charitable housing association operating principally in Hertfordshire, Bedfordshire, Buckinghamshire and Berkshire, providing a wide range of housing and support services for families and single people including people with special needs.

Hightown currently manages almost 6,500 homes and employs over 1,000 staff. The housing association has an annual turnover of £82 million and a development programme that will deliver around 1,000 new affordable homes over the next two to three years.

Find out more at [www.hightownha.org.uk](http://www.hightownha.org.uk)

Follow Hightown on Twitter: [@Hightownha](https://twitter.com/Hightownha)

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