

## bLEND brings sub 3% deal for new borrower

7<sup>th</sup> June 2019

### For Immediate Release

Funding aggregator bLEND, priced a new £25m, 15 year bond deal at a cost of 2.83%, the tightest yield achieved to date under the Moody's A2 rated MTN programme.

The funding will go to Regenda Homes, bLEND's fifth borrower, bringing outstandings under the MTN programme to £345m – all issued in its first eight months of operation.

"This is the third deal in a row we have brought at under 3%" said Piers Williamson, bLEND's Chief Executive. "HAs are learning how to issue different maturities opportunistically. With the restoration of the rent settlement next year at CPI +1%, locking in a fixed rate cost lower than the settlement for 15 years looks a pretty sensible way of funding affordable housing".

Current very low Gilt yields (the reference Gilt for bLEND's transaction was just below 1.25%) factor in both domestic continued political grid-lock and the potential for a wider global slowdown- driven by trade-wars. "In this environment, Housing Associations are viewed as a defensive investment" said Williamson. "the emerging theme where Associations flex development schemes, often working with Homes England or the GLA, to switch tenures, particularly in the South East, is seen as a positive by investors".

Regenda, who operate in 30 local authority areas across the North West of England, will use the funding to increase their stock of around 11,000 homes, with particular emphasis upon sustainable community regeneration and mixed-tenure developments.

Tony Russell, Executive Director of Resources at The Regenda Group said "We have worked with our Board and our treasury advisers, DTP to explore our long-term financing options and are delighted with the outcome. 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. This funding will help to deliver nearly 1,300 additional homes over the next 5 years."

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