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## **bLEND returns to market with 2.25% deal**

bLEND tapped its benchmark 28 year bond today to raise £125m for two housing association borrowers at an all-in rate of 2.25%.

The transaction, which achieved a spread of 1.68% over Gilts, was three times oversubscribed, with interest from two new overseas investors, indicating the attractiveness of the affordable housing sector and of bLEND's A2 credit rating. As a subsidiary of the THFC Group, bLEND's original business plan was to follow the 'THFC model' and grow the MTN programme to £500m over 5 years; today's transaction grows it to £515m, in under 2 years. The yield of 2.25% marks the third sub-3% rate by the THFC Group in 2020 alone.

This deal is the eighth long term financing transaction in the Sterling capital markets since the start of the Covid-19 lockdown. Sector issuance has totaled nearly £1.2bn in that time, with new issuance premia collapsing from 30bp at the start of April to the -1bp reported by bLEND today.

Proceeds of the bLEND tap will go to WDH and The Regenda Group. The Regenda Group manages 13,000 homes across the North West with a focus on regenerating places and providing opportunities for people. With over 30,000 units, WDH is a large registered provider with a history of delivering quality and affordable housing to its residents, concentrated around the Wakefield district. Today's deal with bLEND marks WDH's first long term bond transaction.

THFC Group's dedicated security charging team were able to use their years of experience to help WDH complete the charging of a large portfolio of properties prior to the tap, so they can access the funds raised immediately.

John Austin, Director of Finance at WDH, said "today's transaction has been a long time in the works, and it was clearly worth it. We're very pleased to have got through bLEND such a low cost of funds, and thanks to the ease of the whole process we will be able to use these funds straight away to support our business model and deliver for our communities."

The Regenda Group's Executive Director of Resources, Tony Russell, said "Our first experience with bLEND was smooth and straightforward, but now as a member of the borrower pool we have been able to access the markets with even greater ease, to take advantage of positive conditions in the capital markets and meet our funding needs to further our regeneration strategy."

WDH and The Regenda Group are organisations rooted in their communities, providing genuinely affordable housing in areas of high need, so bLEND is thrilled to be able to help them access the capital markets with ease and achieve low cost finance.

CEO of the THFC Group, Piers Williamson, said: "Housing associations are perceived by investors as a low-risk, long-term investment. It has been noticeable throughout the last seven weeks that investors have noted the defensive qualities of housing associations. We have been able to demonstrate very effectively the concrete steps that HAs are taking to mitigate operational risk as well as development and sales risk. The success of our transactions shows that investors are listening!"

## **Contacts**

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