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bLEND prices tap at sub-2%

bLEND today priced a tap of its benchmark 2047 bond to achieve an all-in rate of 1.97% for two housing association borrowers.

The £38m transaction marks the second sub-2% deal by the THFC Group this year, demonstrating strong investor confidence in A2 rated bLEND, a subsidiary of THFC. Today's deal brings bLEND's total issuance this year to £188m, and its overall issuance since inception to £553m. The tap priced at a spread of 132 over Gilts.

Proceeds of the tap will go to Leeds Federated Housing Association and Ateb Group. Leeds Federated manages around 4,300 properties across Leeds, Wakefield and North Yorkshire, and will use the £20m loan to develop new affordable homes in the Leeds City Region. Ateb first borrowed from THFC in 1994, and now manages 2,800 homes in Wales. Their £18m of proceeds from today's tap will fund the provision of high-quality affordable homes in West Wales.

Director of Finance and IT at Leeds Federated, Jason Ridley, said: "We are delighted with today's rate, and the low-cost of funds means we can continue to develop even more new affordable homes and provide a high-quality service to our tenants. The team at bLEND ensured that the whole process was as swift and smooth as possible. bLEND offers Leeds Federated streamlined access to long-term finance, and now as a member of the pool we are well placed to take future advantage of positive market conditions to fund the provision of affordable housing."

Nick Hampshire, Ateb's CEO, said "We are very pleased with today's bLEND transaction that will further support our commitment to bring new affordable homes to the communities of West Wales. This transaction will make a significant difference to the great communities we serve and will ensure we can continue to create 'better living solutions' for years to come. Even in these difficult times, the bLEND team have provided a high level of professional service that resulted in an outcome that exceeded our initial expectations. It was a real team effort with Ateb receiving the invaluable support of Savills Financial Consultants throughout the process and legal support from Devonshires Solicitors. We look forward to working with bLEND again."

Andy Gladwin Treasury Director at DTP, advisors to Leeds Federated said "The all-in rate of 1.97% is a fantastic result and allows Leeds Federated to maximise their contribution to the supply of affordable homes in Leeds. The result is testament to the hard work of the teams at Leeds Federated and bLEND and it's great to see investors recognise and reward the credit strength of both Leeds Federated and bLEND."

Savills acted as Financial Consultants for Ateb, and Director Patrick Hawkins, Director said: “We are delighted for Ateb Group in closing such an attractive deal with bLEND. bLEND were mandated in competition with other institutional investors and all parties worked extremely well during these un-settling times. Securing such long-term investment at this low fixed rate of interest provides Ateb and its tenants with an ever-more robust financial platform for many years to come.”

Piers Williamson, THFC’s CEO, said “We set up bLEND to offer a smoother product to our borrowers, and today’s transaction is demonstrative of its success. To achieve a sub-2% rate once in THFC was fantastic, but to be able to do it again in bLEND is a real testament to our ability to deliver for our borrowers, and support their provision of much-needed affordable housing.”

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