

bLEND backs modular housing

2nd September 2020

bLEND's board has backed the acceptance of volumetric and panelised modular housing as security for its lending activities to housing associations.

The move marks an important step for the sector, where modular housing is increasingly gaining traction, but where many banks and lenders are reluctant to accept it on equal terms as security. bLEND, a subsidiary of The Housing Finance Corporation, hopes its new stance on modular housing will benefit the sector by encouraging other lenders to follow suit.

Piers Williamson, Chief Executive of bLEND, said "it is clear that modular housing is going to have a key role in addressing the national housing crisis, so over the next couple of months we are going to look to partner with one or two of the leaders in this area because we think that is the responsible thing to do.

We are keen to get good quality, quality assured modular units into charge, which will help us see how it performs over time. That in itself will give comfort to lenders in the sector that it can represent the new normal."

Director of Credit and Risk at bLEND, David Stokes, said "Coming from an initial position of scepticism, I have become convinced that volumetric and panelised modular housing, with the right certifications and warranties, can be viewed on at least an equal footing with traditionally constructed units. This is why Modular is growing in popularity among housing associations and house-builders. The fact that this initiative has been promoted by the Risk team shows how seriously bLEND views this opportunity.

In its unique role in the sector, bLEND has always been at the forefront of new developments. We take seriously our duty to innovate and adapt to meet housing associations funding needs, and so it is right to start exploring the use of factory-built modular housing as security on our loans, as it is clear that as a feature of housing association's business strategies it is here to stay."

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