

## bLEND starts 2021 with record low sub-2% deal



6<sup>th</sup> January 2021 – For immediate release

Just six days into the new year bLEND has tapped its 2054 bond to lend £37m to a new borrower at a record low all-in rate of 1.932%.

The spread of 115bps over Gilts was notably tighter than those on bLEND's spot deals done in the last quarter, and represents a negative new issue premium of 5bps which underlines the perceived strength of bLEND's credit. Considerable interest from investors, including two sovereign wealth funds, meant that the transaction closed books in excess of 5 times oversubscribed, with, if anything, increased investor interest in social housing sector paper compared to last year.

bLEND 2054 spot issuance spreads last 90 days		
Date	Spread	All-in rate
06/10/20	G + 133bps	2.17%
29/10/20	G + 135bps	2.09%
06/01/21	G + 115bps	1.93%

This first transaction of 2021 comes after a very full 2020 in which bLEND more than doubled the size of its loan portfolio, issuing £463m to 10 housing association borrowers, all but one of whom were new to bLEND.

Proceeds of this transaction will go to Cardiff Community Housing Association, which owns and manages almost 3,000 homes with a strong local focus. Today's deal is the second struck by bLEND for a Welsh association in the last month, demonstrating its continued support for the sector in Wales. Including THFC and AHF lending as well, the THFC group is now the largest long-term lender to Welsh housing associations.

Brian Pickett, Corporate Director – Central Services at Cardiff Community, said "We are delighted with the rate achieved on this transaction. Our access into bLEND and its associated market leading rates allows us to refinance some of our current facilities and fund new affordable homes. The housing crisis in Cardiff grows more acute and our ability to develop new affordable homes mean we can provide vital places for families to call a long-term home. The competitive nature of this rate allows us the headroom to deliver services and support our current tenants at such a difficult time for everyone."

bLEND's CEO, Piers Williamson, said "we've begun 2021 in a really good way. In reality, investor appetite doesn't get much better than this, and we should know as the most frequent issuer in the housing association space! It's a tribute to the strength of UK housing associations that they can attract this interest in an otherwise very uncertain market. Although it is going to be a testing year for many UK businesses, housing associations are well supported by Government (particularly in Wales) and are obviously very domestically oriented, so as an investment they have terrifically defensive qualities".

He added: “Though the challenge of Covid-19 remains very real, the vaccine programme offers a way through, and as we come out of this difficult period bLEND will be there to support a wide array of housing associations as they build back better and tackle the UK’s continuing housing crisis.”