

## bLEND lends £50m to Lincolnshire Housing Association

**12<sup>th</sup> February 2021 – for immediate release**

bLEND returned to the market today for the second time in 2021, to price a 33 year, £50m loan for Ongo Homes at an all-in rate of 2.25%.

The transaction was priced at a spread of 115bps over Gilts, pricing comfortably within secondary market levels. This, combined with the deal being in excess of five times over-subscribed, demonstrated the sustained investor appetite for bLEND (A2), even though it is the most frequent capital markets issuer in the housing association market.

The transaction sees bLEND's new growth in the 2020/21 financial year alone surpass £500m. The vehicle, THFC's third substantial issuer, was established in MTN format three years ago to provide housing associations with an alternative to private placements. Total issuance in bLEND now stands at £915m, of which £87m has been issued in 2021 alone. bLEND has consistently achieved market-beating rates, with the weighted average cost of funds for the entire £525m issuance issued in the last 12 months (including deferred drawdown transactions, which price at a premium), below 2.2%.

Proceeds of the £50m tap will go to Ongo Homes. With over 10,000 units, Ongo Homes operates across Lincolnshire and Yorkshire with a core focus on providing affordable, quality homes and creating vibrant communities. The organisation is financially strong, with high social housing letting cover, low debt relative to revenue generation, and a development plan which focuses on the delivery of affordable housing for those in need. As one of the largest housing providers in the region, Ongo Homes is a significant contributor to the local economy.

Ongo's CEO, Steve Hepworth, said "bLEND has provided us with smooth access to low-cost capital markets funding, allowing us to build the new affordable homes that our region needs. At Ongo we truly believe that providing good quality, safe and secure homes is the bedrock of a strong community. The funding secured today through bLEND will enable us to realise this vision as we invest further in our tenants and communities. We have an ambitious build programme aiming to build over 2,000 homes over the next 10 years and this funding will enable us to achieve that."

Piers Williamson, CEO of bLEND, said "Ongo have been fantastic to work with and we are proud to be able to fund housing organisations, like Ongo, that focus on truly affordable rents and building vibrant communities. We set up bLEND precisely to help housing associations access long-term funding without hassle or compromising on price. We now have 14 borrowers in bLEND and with our existing pipeline we look forward to surpassing bLEND's first £1Bn of issuance in the coming weeks."

