

## bLEND expands to Northern Ireland with £85m double-tranche issue

### 10<sup>th</sup> August – for immediate release

bLEND has expanded into the Northern Irish social housing sector as part of an £85m double-tranche transaction for two new borrowers today.

UK social housing's fastest-growing finance aggregator has tapped its 2047 social bond for £35m and its 2054 social bond for £50m, for Midlands-based Community Housing Group and Choice Housing Ireland respectively.

Choice Housing is bLEND's first Northern Irish borrower.

While both taps were issued on a spot basis, the £50m will be lent to Choice Housing on a 12-month deferred basis at an effective rate of 2.14%. This represents the tightest level yet achieved by bLEND for a deferred drawdown and reflects its new bespoke deferred drawdown offering, inaugurated in July with a £10m retained bond sale for Valleys to Coast. This offering was developed to give borrowers greater certainty over pricing in a market where deferred premia can be variable and hard to gauge.

With August typically a quiet month for new issuance, and the Sterling bond market having been choppy of late due to new forecasts on inflation and interest rate rises, bLEND steered a steady course with final pricing falling at +105bps over Gilts for the 2047 transaction and +113bps over Gilts for the 2054, giving all-in costs of funds of 2.01% and 2.14% (including deferral premium) respectively.

Today's transactions bring bLEND's total issuance to £1,183m, with its recently published 2020/21 annual report detailing the strength of its recent growth.

Piers Williamson, CEO of bLEND and parent company The Housing Finance Corporation (THFC), said: "bLEND's steady growth is opening up new opportunities for our borrowers, and today's first double-tranche issue demonstrates that. Not only does bLEND provide quick and easy access to long-term funding at very competitive rates, but it now offers a reliable deferred drawdown option, allowing our borrowers to take advantage of the current rates environment to meet future funding needs.

"This is a core part of bLEND's model and is central to the sector's capacity to respond confidently to the major challenges of decarbonisation, fire safety, and the development of truly affordable homes."

The Community Housing Group, which operates 6,000 homes across Worcestershire, was formed through a stock transfer at the turn of the millennium. The association provides high quality affordable housing, including dedicated housing provision to support independent living for over-55s. Today's new bLEND loan marks its entry to THFC group, with proceeds going toward its three-year plan for investing in stock quality and frontline service delivery.

As an existing borrower from THFC group, Choice Housing's bLEND loan indicates the strengthening of a long-standing relationship, and bLEND's entry to the Northern Irish social housing sector. Operating over 12,000 units, Choice Housing's mission is to enrich lives

through great homes, services and communities and it strives to be a force for good for tenants, colleagues, partners and society as a whole.”

David Knowlton, Finance Director at The Community Housing Group, said: “Community Housing is delighted to join bLEND with this £35m loan that will underpin our new 2021-2024 Corporate Plan.

“This plan commits us to providing an additional 1,000+ development units in the coming years, enabling us to respond to existing waiting lists. The bLEND team, along with our own advisors, Savills and Trowers & Hamlins, have been exceptional in getting this deal away at such a fantastic rate.”

Michael Rafferty, Choice Housing’s Director of Finance & Resources, said: “We are delighted to be joining bLEND and welcome its entry to the Northern Irish sector.

“Being able to lock-in current rates to meeting future funding needs is vital for us in mitigating risk, and bLEND provides that with ease and speed, supporting us as we continue to lead the way in building a new type of housing association.”

#### Notes to Editors

**About bLEND and THFC:** The Housing Finance Corporation (THFC) is the UK’s leading affordable housing aggregator, with £7.85bn of lending to around 160 housing associations in England, Wales and Scotland. THFC was set up in 1987 in partnership with the National Housing Federation and what was the Housing Corporation. It now also operates through its subsidiary company, bLEND, which was established in 2018. As a not-for-profit, the group’s surpluses are retained and reinvested to ensure THFC can continue to provide competitively priced funding for HAs long into the future. THFC’s track record of innovation includes some of the earliest green finance products for retrofit and sustainable developments.

For further information, please contact Piers Williamson, CEO of bLEND and THFC, via [piers.williamson@thfcorp.com](mailto:piers.williamson@thfcorp.com)

View the latest annual reports for THFC and bLEND at: <https://www.thfcorp.com/key-information/>

