

12 January 2017

AHF Starts New Year of Bond Issuance

Only 12 days into the New Year, Affordable Housing Finance (AHF), the Government Guaranteed funding aggregator has brought its 12th bond deal to market with a £114.8M deal priced at Gilts plus 0.30%, the lowest credit spread achieved under the £1.5Bn Bond programme to date. The re-offered cost of the bond, at 2.24% was above the programme lows achieved at the end of 2016 (1.98% was the lowest) and reflected the rebound of the Sterling fixed income bond market as it reacts to geo-political factors and the probability that domestic inflation will rise over the coming months.

Although the transaction was smaller than previous tranches and tighter priced, it proved attractive to investors, finishing two times over-subscribed with a good mix of investors, including one central bank buyer.

The transaction was for two underlying southern housing association groups: Radian Housing Group and Bracknell Forest Homes.

Piers Williamson, Chief Executive of AHF said that ‘we had wanted to get to market as soon as possible in 2017. Given recent volatility and the build up to the expected European negotiations, we wanted to take advantage of still favourable market conditions, given the shortage of longer term Sterling issues and consequent good demand. Over the last 12 months, we have been able to issue over £750m of AHF bonds with a weighted average cost of 2.32%. That’s a fantastic benefit to the housing associations that have taken part, ultimately helping them to deliver more badly needed affordable homes’.

Contacts:

AHF: Piers Williamson, Chief Executive: piers.williamson@thfcorp.com

Tel: 020 7337 9930

HA	Amount	Contact	Job Title	E-mail
Radian Housing Group	£99,800,000	Andrew Newberry	Director of Finance	Andrew.Newberry@radian.co.uk
Bracknell Forest Homes	£15,000,000	Sally Reay	Finance Director	Sally.Reay@bracknellforesthomes.org.uk