

For Immediate Release

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AHF Retained Bond Sale achieves new pricing low

Affordable Housing Funding priced a retained bond sale transaction today for Hundred Houses Society, a 1,200 unit Cambridge based Housing Association at a new record low for a public bond.

The cost of the 27 year £5m drawdown was 2.6%, or Gilts + 0.31%, an all-time low for a drawing under a long term bond. To date AHF has been able to deliver a series of drawings under its EIB facility as low as 2.20%, albeit for slightly shorter average life loans (c 20 years). However, this is the lowest rate achieved so far through its bond programme.

The cost differential between competing sources of long term funding for small HAs is now becoming significant. AHF's most recent tap issue last month was at 2.92% and now its retained issuance at 2.6% compares with the cost achieved of 3.88% for GB Social Housing in its March 2015 £16.8m issuance.

Piers Williamson, Chief Executive of AHF said "Although AHF's programme is for minimum tranches of £5m, today's pricing for Hundred Houses shows we can deliver exceptionally low funding costs for smaller community based HAs as well. The fact that we are able to keep driving our credit spreads in bodes well for our planned issuance after the General Election".

Jane Cantor, Hundred Houses' Resources Director added: "We remain committed to delivering much needed social housing in the Cambridge area, and making sure our current and future residents get value for money in all our activities. The monies will be used to deliver our HCA Affordable Homes Programme 2015-18, for which we are now fully funded."

Contacts:

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

Tel: 020 7337 9930

Hundred Housing Society: Jane Cantor, Resources Director: jcantor@hhs.org.uk

Tel: 01223 315 036