

## **For Immediate Release**

**24 February 2016**

### **AHF prices sub 3% for the 7<sup>th</sup> time**

AHF priced a £8.5m retained bond sale today for Colne Housing Society through its 'AAA' rated, government guaranteed subsidiary Affordable Housing Finance (AHF).

Volatility in the commodity and equity markets, reducing global growth forecasts and central bank intervention have meant a challenging market recently, with spreads widening across the entire credit spectrum. Despite this environment the bonds were sold at just 0.40% above the government gilt rate, still a clear 1% inside the secondary market price for the best HA own-name bonds. This meant an all-in rate of just 2.66% – amongst the lowest cost long term fixed rate funding ever seen in the sector and the 7<sup>th</sup> time that AHF have sold bonds at an effective rate of under 3%.

Piers Williamson, AHF's Chief Executive said: "we are delighted to support Colne with this funding package. The great result which was secured today will deliver real value to their business, underpinning the construction of more affordable homes in North Essex and South Suffolk. With the market digesting the potential for 'Brexit' we are pleased with the continued strength of investor demand evidenced today".

Kathryn Price, Resources Director at Colne said "we have been pleased to have been able to work closely with THFC to ensure that we got the best rate and had funds available when we needed them".

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