

Six in a month: AHF's EIB II Facility funds further borrowers

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For Immediate Release

This week, Affordable Housing Finance (AHF) have priced a further £95m of EIB II funding for three housing associations. These latest pricings show keen interest from borrowers who wish to utilise AHF's ever-popular EIB II facility before the Government backed aggregator's underwriting phase ceases.

On Thursday, Family Mosaic, who manage 26,000 properties across the South of England (and are in an advanced stage of merging with Peabody), borrowed £50m of EIB funding at a very competitive floating rate of 6 Month Libor + 0.178%. Family Mosaic will commence its drawdown on the 14th December 2017 and the funds will go towards the company's promise to build 1,000 new homes a year, alongside community care and tenant support.

Thursday similarly saw £25m of EIB funding priced for Stonewater Limited at a fixed rate of 1.867% (20-year Gilt +0.017%). Stonewater, who manage 31,500 homes across England, will use this cost-effective issuance to implement its ambitious plans to deliver more affordable new builds by 2022. Stonewater's Executive Finance Director, John Bruton, said:

"We are delighted to complete this loan. It will contribute to us building over 300 affordable rent and home ownership units in locations across the South West, Midlands and East of England. While we also use other sources of finance, the very low interest rate we have secured from EIB means we can do more to meet the huge housing need that exists than if we only had access to commercial loans".

On Friday, £20m was agreed at a fixed rate of 1.873% (Gilt+0.013%) for the London-based HA, Gateway. They predominantly operate within East London, and have a property portfolio of 2,800 homes. The £20m of EIB funding will go towards community support and their plans to build 500 new homes by 2020.

AHF's Chief Executive, Piers Williamson said:

"All three HAs have priced significantly inside spreads being achieved on HA standalone bonds. This comparison highlights the low-cost structure of

AHF's EIB financing and its ability to outprice other sector issuances. It's just a shame all good things have come to an end!"

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