

The Housing Finance Corporation: November 2019 SFHA Finance Conference



Who are THFC?

THFC is an independent, specialist, not-for-profit finance company that makes loans to regulated Housing Associations, **THFC** funds itself through the issue of bonds to private investors and by borrowing from banks.

THFC currently provides over £7Bn to 135 Housing Associations borrower groups throughout the UK

For over 30 years the National Housing Federation and the Regulator (currently the RSH) have acted as stewards of THFC
For the last 4 years, through its subsidiary, **Affordable Housing Finance** THFC has been the delivery partner for the Affordable Housing Guarantee Scheme.



- Lending since 2000
- Scottish Portfolio totals: £151m
- 11 Borrowers to date:
 - Castle Rock Edinvar Housing Association*
 - DGHP*
 - Dunedin Canmore*
 - Eildon Group*
 - Glen Oaks Housing Association*
 - Grampian Housing Association*
 - Home (Scotland)*
 - New Gorbals Housing Association*
 - NG Homes*
 - Sanctuary (Scotland)*
 - Thenue Housing*
- All long term borrowing. Principally Bond & EIB. Small portion of AGHP
- Longest maturity: 2044



30 Year Gilt yields since Article 50

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HA Public Issuance in the last 12 months

THFC

	Nominal Amount (£)	Rating	Date Issued	Term (Years)	Spread over Gilts	Cost of funds	Moodys BCA
bLEND Funding PLC	250,000,000	-/A2	Sep-18	29	1.58%	3.46%	
Southern	300,000,000	-/A3	Oct-18	29	1.58%	3.62%	a3
GB Social Housing	16,000,000	A-/-	Nov-18	20	1.95%	3.83%	
Karbon	250,000,000	A+/-	Nov-18	29	1.53%	3.50%	
Clarion	250,000,000	A/A3	Jan-19	10	1.48%	2.72%	baa1
THFC Funding No 3	83,000,000	A/-	Jan-19	25	1.63%	3.45%	
Notting Hill Housing Trust	250,000,000	A-/A/-	Jan-19	10	1.73%	2.97%	
Futures	200,000,000	A+/-	Jan-19	25	1.68%	3.41%	
MORhomes	250,000,000	A-/-	Feb-19	19	1.90%	3.48%	
Metropolitan Retained	100,000,000	A-	Feb-19	29	1.75%	3.57%	
bLEND Funding PLC	50,000,000	-/A2	Mar-19	15	1.50%	2.98%	
Incommunities	250,000,000	A+/-	Mar-19	30	1.57%	3.29%	
Home Group	350,000,000	A-/-	Mar-19	24	1.70%	3.25%	
bLEND Funding PLC	20,000,000	-/A2	Mar-19	35	1.43%	2.92%	
bLEND Funding PLC	25,000,000	-/A2	May-19	15	1.59%	2.83%	
Clarion	100,000,000	-/A3	Jul-19	29	1.30%	2.71%	baa1
Accent	350,000,000	A+/-	Jul-19	30	1.30%	2.73%	
Optivo Retained	75,000,000	-/A2	Sep-19	29	1.45%	2.41%	a3
Catalyst Retained	50,000,000	A/-	Sep-19	28	1.43%	2.55%	
Yorkshire Retained	60,000,000	-/A3	Sep-19	25	1.55%	2.67%	baa1
THFC No.3 Retained	13,500,000	A/-	Sep-19	24	1.48%	2.41%	
bLEND Funding PLC	20,000,000	-/A2	Sep-19	28	1.43%	2.39%	
LiveWest	250,000,000	-/A2	Oct-19	24	1.40%	2.35%	a3
Wrekin	250,000,000	A/-	Oct-19	29	1.48%	2.61%	
Citizen (1 yr deferred tap)	100,000,000	-/A2	Oct-19	23	Est. 1.52%	2.60%	a3
L&Q tap	84,800,000	A-/-	Oct-19	34	Est. 1.61%	Est. 2.74%	
bLEND (retained)	20,000,000	-/A2	Oct-19	15	1.60%	2.48%	
THFC No.3 Retained	5,000,000	A/-	Oct-19	24	1.45%	2.55%	
Morhomes	38,600,000	A-/-	Oct-19	18	1.75%	2.79%	
Sovereign Housing Capital	375,000,000	A+/A2	Oct-19	29	1.27%	2.48%	a3

HA Recent Private Placements

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Private Placements	Offering	Pricing Date	Size	Rating	Final Maturity	Spread	Yield on issue
Undisclosed	PP inc deferred	Oct-19	£100m	Undisclosed	2055	Undis	2.86
Undisclosed	PP inc deferred	Oct-19	£105m	A1	2047	Undis	2.77
Soha	PP deferred	Oct-19	£40m	-	2051	-	-
One Manchester	PP	01-Oct	£75m	-	2047	162.5	2.58
Newport City Homes	PP	Aug	£95m	-	2036	166	-
One Housing Group	PP	-	£150m	-	-	200	2.84
Accord	PP	-	£30m	-	-	-	-
Total - 7			£545m			172	2.66

Source: JCRA T.H.A.T. thought no 35

What is different about THFC?

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