

FITCH ASSIGNS GREAT PLACES HOUSING GROUP LIMITED'S SECURED BONDS 'AA-(EXP)' RATING

Fitch Ratings-London/Barcelona-03 October 2012: Fitch Ratings has assigned Great Places Housing Group Limited's (GPHG) proposed GBP200m secured bonds an expected Long-term local currency rating of 'AA-(EXP)'. The rating is aligned with GPHG's Long-term Local currency rating of 'AA-/Stable'.

The final rating is contingent on the receipt of final documentation conforming to information already received.

GPHG intends to use the proceeds to cover all its funding requirements under the group's current business plan, including its debt refinancing needs. The rating of the secured bonds reflects the ample security cover and legal responsibility for the full and timely repayment of the bonds and interest payments through the loan agreement.

The bonds will be bullet repayment fixed rate notes and the expected maturity date will be long dated. The bonds are secured by first fixed charges on housing properties owned by Great Places Housing Association (GPHA) which have been valued by Savills on an existing use value for social housing (EUV-SH) and market value subject to tenancies (MV-stt) basis. The properties are situated in northern England and the Midlands.

Financial covenants include minimum asset cover, which for properties valued on EUV-SH will be 1.05x the amount on-lent, and for those properties valued at MV-stt, 1.15x. The adequacy of security is subject to full assessments every five years. The bond also includes a provision for the substitution of charged properties subject to certain financial covenants.

Furthermore, the bond documentation stipulates a minimum asset cover ratio stating that the sum of the minimum value of the properties forming part of the security plus the retained proceeds par amount plus the charged disposal proceeds, will not be less than (i) the aggregate amount of the outstanding commitment, minus (ii) the amount of the undrawn commitment which is to be funded by a future sale of the retained bonds. Failure to pay principal and interest due under the loans as well as a breach of financial covenants are events of default.

If the issuer ceases to be a registered provider, within 180 days the borrower shall repay the whole of the outstanding balance of the loan with any interest and commitment fee accrued. Mandatory early redemption will also take place if the loan becomes repayable as a result of borrower default or the borrower ceasing to be a registered provider.

GPHG was formed in 2006 and owns or manages over 16,000 homes in northern England and the midlands and across over 30 local authorities. A rating action on GPHG would be reflected in the bond issue rating.

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Additional information is available on www.fitchratings.com. The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

Applicable criteria "Ratings of Public Sector Entities - Outside the United States" dated 5 March 2012 and "Tax Supported Rating Criteria" dated 15 August 2011 are available on www.fitchratings.com.

Applicable Criteria and Related Research:

Tax-Supported Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=686015

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