



Housing
Investment
Corporation



News Release

FOR IMMEDIATE RELEASE
March 17, 2021

HPC Housing Investment Corporation Completes Inaugural Social Bond Financing for New Construction Lending Program

TORONTO – HPC Housing Investment Corporation (HIC) is pleased to announce that it closed a C\$40 million social bond offering as part of its new Construction Lending Program, that will provide long-term financing for an [affordable housing project](#) in Edmonton, Alberta.

First to benefit from this new lending program is [Capital Region Housing](#)'s Londonderry mixed use redevelopment project. Located in central Edmonton, the redevelopment will replace the existing 80 units with 240 new 2- to 3-bedroom apartments and 1-, 3-, 4- and 5-bedroom townhomes. The project features:

- 192 affordable units with the remainder set at market
- 24 accessible (barrier-free) units
- 13% increase in energy efficiency, as compared to previous structure

The financing for this project was secured by HIC through the private placement of Senior Unsecured Amortizing Social Notes, Series C with The Canada Life Assurance Company (Canada Life) being the sole investor. Financing consists of a blended construction and take-out loan with a term of 40.25 years. It features an interest only period during construction (27 months) and a seamless transition to principal and interest payments for the balance of the term (assuming a 48 year amortization period) and a bullet payment due in June 2061.

The new Construction Lending Program adheres to [HIC's Social Financing Framework](#), which complies with the Social Bond Principles developed by the International Capital Markets Association in June 2020. HIC anticipates the new lending program will become a large component in the institution's portfolio as affordable housing providers across Canada seek to develop new affordable housing.

Quick Facts:

- The Londonderry redevelopment project is expected to be completed by March 2022. Watch a video tour of two show suites [here](#).

- TD Securities Inc. and Scotia Capital Inc. acted as Debt Placement and Sustainability Structuring Advisors and Agents for HIC's note issue, displaying their strong support for the affordable housing sector. HIC was advised by a team from Gowling WLG. The Agents were represented by Dentons Canada LLP.
- In December 2020, Standard and Poor's Rating Services affirmed an "A-" issuer credit rating and a stable outlook for the HIC Issuer Trust. The Senior Unsecured Amortizing Social Notes, Series C have received Standard & Poor's "A-" issue rating.
- In February 2019, HIC successfully closed a [first round](#) of financing for housing organizations in Alberta and British Columbia, who are providing 270 homes to low and moderate income families.
- HIC benefits from a \$20M credit enhancement from Canada Mortgage and Housing Corporation through the National Housing Strategy's Affordable Housing Innovation Fund.
- Canada's National Housing Strategy (NHS) is a 10-year, \$70+ billion plan that will give more Canadians a place to call home — this includes more than \$12 billion committed through the 2020 Fall Economic Statement.
- To learn more, please see the announcement [Backgrounder](#) and [Supportive Quotes](#).

About HPC Housing Investment Corporation (HIC)

HPC Housing Investment Corporation is a public sector lender providing long-term funding to affordable and social housing providers in Canada. HIC is a federal non-share corporation with three founding members: BC Housing, Manitoba Housing and Ontario's Housing Services Corporation. HIC aggregates the borrowing needs of eligible Canadian housing providers, giving them access to capital through the Canadian debt capital market efficiently and cost-effectively.

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About Capital Region Housing

At Capital Region Housing (CRH), HOME is our focus. We are the largest provider of social and near market housing in the Edmonton Metropolitan Region. We manage over 4500 social housing rental units and over 600 near market housing rental units. We offer both townhouses and apartments throughout the city. To learn more about our new developments, visit www.itstartswithhome.com.

About Canada Mortgage and Housing Corporation (CMHC)

As Canada's authority on housing, CMHC contributes to the stability of the housing market and financial system, provides support for Canadians in housing need, and offers unbiased housing research and advice to all levels of Canadian government, consumers and the housing industry. For more information, follow us on [Twitter](#), [Instagram](#), [YouTube](#), [LinkedIn](#) and [Facebook](#).

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This press release contains certain forward-looking statements that are subject to important risks and uncertainties. Actual results may differ materially from the results indicated in these statements for a number of reasons. HIC disclaims any intention to update any forward-looking statements.