

Alfa Group decided to cancel the bond auction within the Hungarian NKP framework in Q1 due to increased interest rates

Alfa Group is ready to re-open the green bond issuance in the future in case of a better market environment

BUDAPEST, HUNGARY, April 4, 2022

/EINPresswire.com/ -- [Alfa Group](#) is

committed to be climate conscious.

Accordingly the company has worked

out guidelines to ensure that the real

estate investments are

environmentally friendly: use of

renewable energy and energy saving

solutions in the group's office

buildings, warehouses, logistic centers and residential buildings built recently.



Ha11er green homes in Hungary by Alfa Group

Alfa Group started the process of issuing a [green bond](#), by developing a green bond framework, which got positive feedback from the auditors. Green bond is an investment in the future for the company, guaranteeing that only investment that has a positive impact on the environment or climate is financed. Alfa Group wants to offer the opportunity to investors to join in this positive change, and protect our planet.

“

Alfa Group is still committed to build a better future for our children, and continue to work on its green initiative with the previously founded methodology, audited by KPMG.”

Alfa Group International

The process of issuing Alfa Group's green bond was started in 2020, but the costs of bond service became higher than expected due to the recent base interest rate increase by the National Bank of Hungary. In comparison to the

beginning of the process, the coupon that needs to be offered to investors was doubled. Additionally the required amortization seriously reduced the attractiveness of this source of financing, from the perspective of risk profile offered.

Considering the higher uncertainty in the market the company agreed internally to take a more

conservative stance to focus on completion of the prepared pipeline projects.

In line with the original business plan for 2022, Alfa Group's "2913 uptown" project in Kassák Street in the 13th district is completed, all units are sold and to be handed over to clients. The 1st phase of the new residential development in [Haller](#) Street, in the 9th district is under construction, funded by Bank Intesa. The Group managed to increase the percentage of sold apartments to 45% with above budgeted prices. The 2nd and 3rd phases of this development are planned to become part of AEH consolidation, and Alfa Group intends to proceed with construction of the two schemes.



Ohad Epschtein, President of Alfa Group International

While Alfa Group was working on its ongoing developments, received new offers and closed the negotiations over bank financing, offered in the structure of project finance for the financing of the development pipeline, by local and international banks, with the commercial parameters better than possible to be achieved from bond issuance.

As the main reason for bond issuance was the need for a financing development pipeline, an alternative source of financing with attractive commercial terms was considered better. The Group decided to cancel the bond auction within the Hungarian NKP framework in Q1 due to increased interest rates.

Alfa Group is still committed to build a better future for our children, and continue to work on its green initiative with the previously founded methodology, audited by KPMG. From the group's residential developments, one in the 13th district has been finished and handed over to buyers, while the first phase of the more than 600 flat containing development in the 9th district is underway. Both developments use renewable geothermal energy and many innovative solutions to realise the company's climate conscious aspiration.

Alfa Group is ready to re-open the green bond issuance in the future in case of a better market environment

Witty Sharp

Market Reporter Publishing Corp
[email us here](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/567248257>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2022 IPD Group, Inc. All Right Reserved.