



Press Release

Stockholm, 13 March 2013

Catella: Real estate credit sentiment firmly into positive territory

Catella's CREDI real estate debt indicator for the first quarter of 2013 gives a clear indication of improved prospects for real estate financing. The prospects regarding an improved climate which were indicated by CREDI for the fourth quarter of 2012 are thereby confirmed.

CREDI's main indicator for March 2013 – where an index above 50 indicates improved access to real estate financing – rose from 50.1 to 55.9.

“We have witnessed a positive development in the financing market since the beginning of the year. The results of our financing survey for the first quarter confirm this view of improved access to bank financing,” says Daniel Anderbring, who is in charge of Catella's CREDI.

Daniel Anderbring continues: “Those banks which are active on the Swedish market are more willing to finance real estate deals than they were in 2012. In addition, a number of previously active players, primarily German banks, have once again begun to cultivate the Swedish market. We believe that their activity will increase in pace with increased interest in Sweden on the part of foreign property investors, and as competition on their core markets intensifies.”

CREDI shows continued improvement in the key financials of listed property companies. On average, interest costs are declining and equity ratios increasing, at the same time as more players are using the capital market directly for their financing requirements by issuing corporate bonds and covered bonds.

“The listed property companies now have the strongest balance sheets since the end of 2007, and average financing costs of below 4%. As a consequence of these factors, combined with access to alternative financing, conditions are favourable for continued acquisition activity by the listed companies in 2013”, says Niclas Forsman, analyst at Catella.

The fourth edition of the Catella Real Estate Debt Indicator (CREDI) is attached and can be downloaded from catellaproperty.se. The next CREDI will be published in June 2013. CREDI consists of two parts. One is a survey addressed to Swedish listed property companies and banks providing real estate financing on the Nordic market regarding an assessment of changes in current and future credit terms and access to loan financing on the Swedish real estate debt market. The second part comprises a set of indices based on publicly available data illustrating the aggregate change in credit terms such as leverage, duration and cost of debt for the Swedish listed property sector.

Catella's property advisory services comprise three service areas: Sales and Acquisitions, Financing, as well as Analysis and Evaluation. The business is established in 11 European countries and has more than 200 employees.

For more information, please contact:

Daniel Anderbring
Analyst, Corporate Finance
+46 8 463 33 60, +46 70 846 47 86

Press contact:

Viktoria Ejenäs
Head of Communications, Corporate Finance
+46 8 463 33 34, +46 72 726 33 34