

CREDI indicates an improving credit market

In the April issue of the Catella Real Estate Debt Indicator (CREDI), the Main index increases from 50.3 to 50.5, which is the second consecutive quarter where the Main index is above 50.0.

“In this year’s first CREDI survey, the credit market continues to improve as the Main index increases from 50.3 to 50.5. This is the second consecutive quarter where the CREDI survey indicates an improving credit market, which has not happened since the autumn of 2015. Reduced credit margins and increased access to credit are important reasons for the improved credit climate,” says Martin Malhotra, Project Manager at Catella.

“We are seeing a strong interest in centrally located office properties in large cities, especially in Stockholm, while it is becoming increasingly difficult to sell properties in secondary locations. We are expecting to see an increased yield gap between properties in A, B and C locations,” says Arvid Lindqvist, Head of Research at Catella.

“Furthermore, we are seeing a continued interest in bonds among property companies. In 2017, property companies listed on Nasdaq Stockholm Main Market increased their volume of bonds by 80 per cent, from SEK 51 billion to SEK 91 billion. In the spring of 2018, we also had the first new issue of property-related preference shares on Nasdaq Stockholm Main Market since May 2016, as NP3 issued preference shares of approximately SEK 288 million,” Martin Malhotra concludes.

The twenty-second edition of the Catella Real Estate Debt Indicator (CREDI) is attached and can also be downloaded from catella.com/en/news-and-pressreleases/research. CREDI consists of two parts: one is an index based on a survey of listed property companies and active banks, and the other a set of indices based on publicly available data. CREDI also includes an analysis of preference shares and an overview of the property market.

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