



CREDI indicates a positive view of the credit market among property companies

In the September issue of the Catella Real Estate Debt Indicator (CREDI), the Main Index increases from 41.8 to 49.8, the strongest result since the autumn of 2015.

“In this year’s third CREDI survey, we see an improvement in the CREDI Main Index, from 41.8 to 49.8. This is the highest index value in two years, and marks the second largest improvement in the history of CREDI. Listed property companies have a very positive view of the development of the credit market, due to factors such as improved access to bank loans and reduced credit margins. In addition, property companies and banks agree that credit duration has increased,” says Martin Malhotra, Project Manager at Catella.

“Historically, the responses of property companies’ in the CREDI survey have tracked the development of the overall stock market. The relatively strong development on the stock market over the last year indicates a continued improvement in the credit sentiment over the coming quarters. Furthermore, the positive view of the credit market in the latest CREDI survey indicates a stabilisation in bank lending to the property sector,” says Arvid Lindqvist, Head of Research at Catella.

“While access to bank loans has improved and corporate bonds remain popular, preference shares are becoming increasingly less relevant for property companies. After more than a year with no new issues on the Nasdaq OMX Nordic Main Market, property companies are now looking to redeem their outstanding preference shares. During the summer, Sagax redeemed more than 70 per cent of its preference shares, which reduced the total volume by 8.2 per cent. In addition, Balder intends to redeem all of its 10 million outstanding preference shares, which would reduce the total volume by an additional 24 per cent,” Martin Malhotra concludes.

The twentieth edition of the Catella Real Estate Debt Indicator (CREDI) is attached and can also be downloaded from catella.com/credi. 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. Read more about the methodology at catella.com/credi. This edition also includes an analysis of preference shares and an overview of the property market.

For further information, please contact:

Martin Malhotra	Arvid Lindqvist
Project Manager	Head of Research
+46 8 463 34 05	+46 8 463 33 04

Catella is a leading specialist in property advisory services, property investments, fund management and banking, with operations in 13 European countries. The group has sales of approximately SEK 2 billion and manages assets of approximately SEK 150 billion. Catella is listed on Nasdaq Stockholm in the Mid Cap segment. Read more at catella.se.

PRESS RELEASE

Stockholm, 26 September 2017



martin.malhotra@catella.se arvid.lindqvist@catella.se

Catella is a leading specialist in property advisory services, property investments, fund management and banking, with operations in 13 European countries. The group has sales of approximately SEK 2 billion and manages assets of approximately SEK 150 billion. Catella is listed on Nasdaq Stockholm in the Mid Cap segment. Read more at catella.se.