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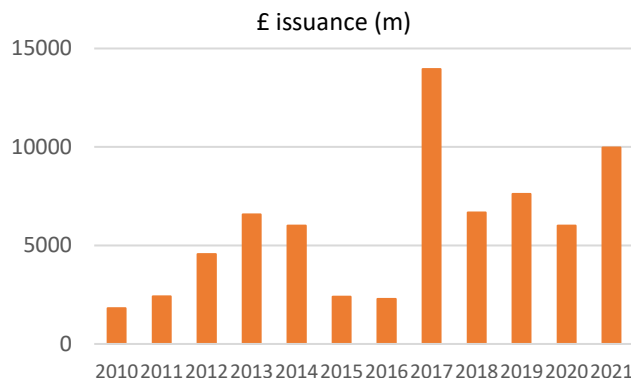
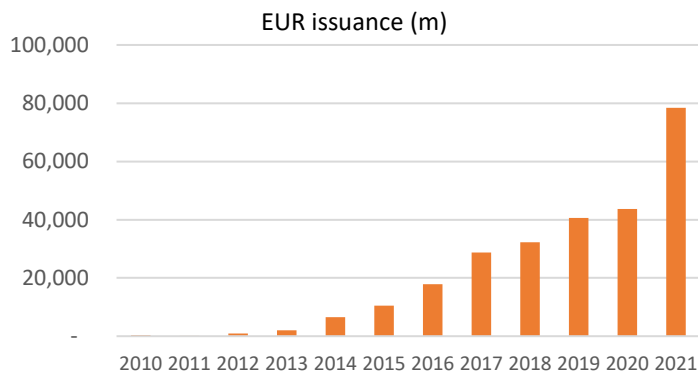
Monthly Bond Research

December 2021 at a glance – annual summary

EUR bonds issuance for 2021 reached €78bn of which €20.9bn were declared as Green. Only €31bn were rated. This compares to £9.9bn of total GBP bond issuance, of which £2.7bn were issued as green bonds. For the European bond market, this was the strongest year in the past 20 years.

Benchmarks	Yield	Benchmarks	Yield
10yr £ UK gilt	0.8%	10yr € BUND	-0.2%
10yr £ IBOXX AA	1.8%	10yr € IBOXX AA	1.0%
10yr £ IBOXX A	2.2%	10yr € IBOXX A	1.1%
10yr £ IBOXX BB	2.5%	10yr € IBOXX BB	1.3%

Source: Bayes Business School, Bloomberg



Source: Bayes Business School, Bloomberg

Public bond market (REITS) issuance 2021

Fixed rate Euro REIT

Years to Maturity	No of obs	Total Amount Out. (million)	€ Coupon (weighted)	No of obs	Total Amount Out. (million)	YTM (weighted)
0--3	19	9,611	0.8%	18	9,611	1.2%
3--5	23	10,471	1.1%	22	10,471	1.5%
5--7	10	6,250	1.0%	10	6,250	1.2%
7--10	3	1,010	1.4%	3	1,010	1.6%
10--15	1	750	1.6%	1	750	2.0%
15--20						

Source: Bayes Business School, Bloomberg

Fixed rate GBP REIT

Years to Maturity	No of obs	Total Amount Out. (million)	£ Coupon (weighted)	No of obs	Total Amount Out. (million)	YTM (weighted)
0--3					-	
3--5	1	500	2.5%	1	500	2.5%
5--7	2	700	1.6%	2	700	2.0%
7--10	2	700	2.6%	2	700	2.6%
10--15	2	600	1.9%	2	600	2.0%
15--20						
20--30						
30+	1	350	2.1%	1	350	2.0%

Source: Bayes Business School, Bloomberg

Summary public bond market (REITS, REOC & Other)

UK fixed rate bonds by vintage year, £

Vintage	No of obs	Total Amount Out. (million)	Coupon (weighted)	No of obs	Total Amount Out. (million)	YTM (weighted)
pre 2000	51	1,141	7.6%	51	2,735	2.5%
2000 - 2004	20	3,262	5.9%	20	3,262	2.6%
2005 - 2009	24	6,029	4.9%	24	6,029	2.4%
2010 - 2014	70	18,425	4.1%	70	18,425	2.0%
2015 - 2016	19	4,012	1.3%	19	4,012	0.7%
2017 - 2019	82	26,908	1.5%	81	26,808	1.0%
2020	19	5,785	2.1%	19	5,785	2.0%
2021	35	9,565	2.2%	35	9,565	2.3%

Source: Bayes Business School, Bloomberg

EUR fixed rate bonds by vintage year, €

Vintage	No of obs	Total Amount Out. (million)	Coupon (weighted)	No of obs	Total Amount Out. (million)	YTM (weighted)
pre 2000	5	96	0.7%			
2000 - 2004	5	22	7.4%	4	17	0.4%
2005 - 2009	4	20	3.1%			
2010 - 2014	51	3,989	2.6%	51	3,989	0.2%
2015 - 2016	124	13,373	1.5%	124	13,373	0.3%
2017 - 2019	471	45,482	1.4%	471	45,482	0.9%
2020	169	19,316	1.7%	169	19,316	1.6%
2021	224	34,033	1.4%	224	34,033	1.7%

Source: Bayes Business School, Bloomberg

UK fixed rate bonds by credit grade, £

rating group	No of obs	Total Amount Out. (million)	Coupon (weighted)	No of obs	Total Amount Out. (million)	YTM (weighted)
AAA	3	791	5.4%	3	791	2.3%
AA	10	2,549	3.3%	10	2,549	2.1%
A	95	24,289	3.5%	95	24,289	2.0%
BBB	44	15,628	4.1%	44	15,628	2.7%
BB	6	2,650	3.3%	6	2,650	2.9%
B						
C	45	3,956	4.2%	45	3,956	2.1%

Source: Bayes Business School, Bloomberg

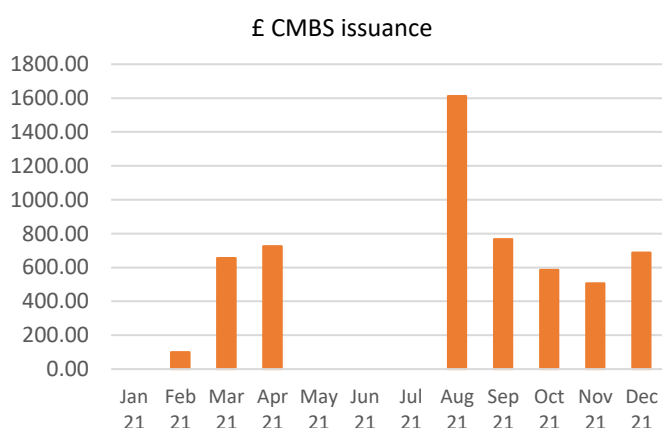
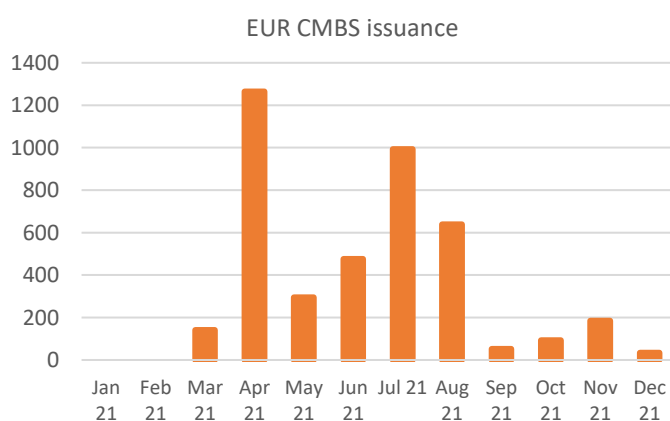
EUR fixed rate bonds by credit grade, €

rating group	No of obs	Total Amount Out. (million)	Coupon (weighted)	No of obs	Total Amount Out. (million)	YTM (weighted)
AA						
A	103	15,927	1.1%	103	15,927	0.7%
BBB	154	35,800	1.5%	154	35,800	0.9%
BB	15	2,875	2.6%	15	2,875	2.4%
B	3	550	3.8%	3	550	3.8%
C				18	2,838	6.7%

Source: Bayes Business School, Bloomberg

Securitised markets (CMBS)

Throughout 2021 there was good monthly issuance in both markets. EUR CMBS issuance reached 4.2bn while GBP CMBS issuance was slightly higher with £5.6bn. Credit spreads between the different tranches are 30 -50bps up to BBB, while any lower rated tranches B and C are priced significantly wider.



Source: Bayes Business School, Bloomberg

CMBS issuance 2021 by credit grade

rating group	No of obs	Total Amount Out. (million)	Coupon (weighted)	No of obs	Total Amount Out. (million)	Coupon (weighted)
	EUR	EUR	EUR	£	£	£
AAA	5	1,096	0.8%	7	1,074	0.9%
AA	9	343	1.3%	7	262	1.2%
A	6	217	1.8%	7	227	1.5%
BBB	6	313	2.3%	7	273	2.1%
BB	4	250	3.4%	5	206	2.6%
B	3	50	4.7%	1	42	
C	7	1		6	2	

Source: Bayes Business School, Bloomberg

CMBS monthly coupons at issuance

Monthly coupons EUR	March	Jul	Sept
Aaa	0.9%	1.3%	0.9%
AA	1.3%	1.6%	1.2%
A3	1.7%	2.0%	1.4%
BBB	2.6%	2.9%	2.0%
BB	3.7%		3.9%
B			
C			

Source: Bayes Business School, Bloomberg

Month coupons £	March	April	May	Jul	Sept	Oct
AAA	0.9%	0.7%		1.3%	0.9%	1.3%
AA	1.3%	1.1%	1.6%	1.6%	1.2%	2.0%
A	1.7%	1.6%		2.0%	1.4%	2.2%
BBB	2.6%	2.3%		2.9%	2.0%	3.0%
BB	3.7%				2.9%	4.3%
B						
C			1.2%			3.4%

Source: Bayes Business School, Bloomberg

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