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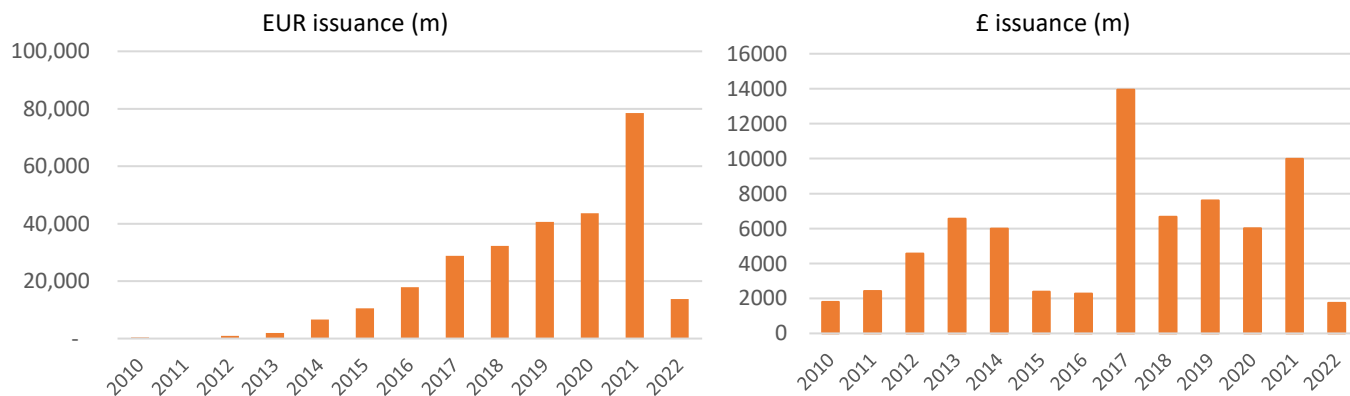
Monthly Bond Research

January 2022 at a glance

EUR bonds issuance for January 2022 was €13.8bn of which €5bn were declared as Green. The overall credit quality was BBB. This compares to £1.75bn of new GBP bond issuance, of which £0.5bn was green. In line with 10yr BUND movement, 10yr credit yields have also increased by a similar amount.

Benchmarks	Jan 22	Previous month		Jan 22	Previous month
10yr £ UK gilt	1.3%	0.8%	10yr € BUND	-0.03%	-0.18%
10yr £ IBOXX AA	1.8%	1.8%	10yr € IBOXX AA	1.2%	1%
10yr £ IBOXX A	2.3%	2.2%	10yr € IBOXX A	1.3%	1.1%
10yr £ IBOXX BB	2.5%	2.5%	10yr € IBOXX BB	1.5%	1.3%

Source: Bayes Business School, Bloomberg



Source: Bayes Business School, Bloomberg

Public bond market (REITS) issuance Jan 2022

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	0	-	0.0%	0	-	0.0%
3--5	12	4,434	1.1%	12	4,434	1.2%
5--7	4	2,000	1.2%	4	2,000	1.4%
7--10	8	3,240	1.8%	8	3,240	2.0%
10--15	5	2,250	1.4%	5	2,250	1.7%
15--20	0	-	0.0%	0	-	0.0%

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	16	1,142	7.7%	16	1,142	3.4%
2000 - 2004	20	3,248	5.9%	20	3,248	2.9%
2005 - 2009	23	5,797	4.6%	23	5,797	2.3%
2010 - 2014	78	19,223	4.2%	78	19,223	2.2%
2015 - 2016	25	3,759	1.4%	25	3,759	0.9%
2017 - 2019	88	27,422	1.5%	87	27,322	1.2%
2020	20	6,085	2.1%	20	6,085	2.4%
2021	36	9,501	2.3%	36	9,501	2.6%
> 2021	11	1,755	2.7%	11	1,755	2.6%

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	3	86	1.5%	2	76	0.0%
2000 - 2004	5	44	7.4%	4	34	0.7%
2005 - 2009	3	29	4.3%	3	29	0.0%
2010 - 2014	48	7,897	2.6%	48	7,897	0.4%
2015 - 2016	124	26,018	1.5%	124	26,018	0.4%
2017 - 2019	464	88,694	1.4%	464	88,694	1.1%
2020	167	38,396	1.7%	167	38,396	1.9%
2021	217	67,849	1.4%	240	67,954	2.1%
> 2021	31	11,924	1.4%	31	11,924	1.5%

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	787	5.3%	3	787	2.6%
AA	10	2,548	3.3%	10	2,548	2.4%
A	99	25,379	3.5%	99	25,379	2.4%
BBB	45	15,701	4.1%	45	15,701	3.1%
BB	6	2,650	3.3%	6	2,650	3.2%
B	0	-	0.0%	0	-	0.0%
C	11	2,528	4.3%	11	2,528	2.5%

Source: Bayes Business School, Bloomberg

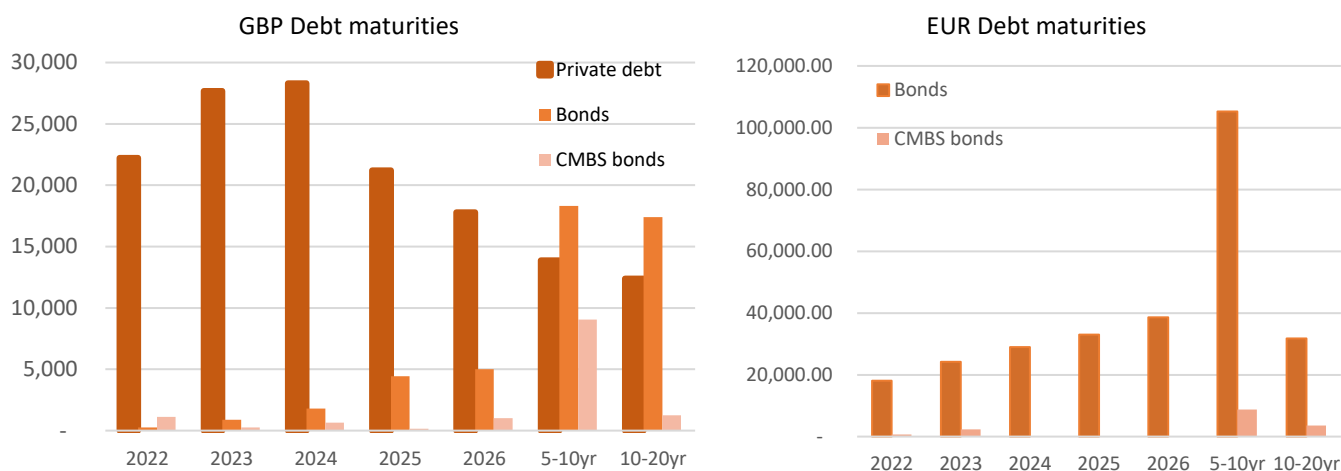
EUR fixed rate bonds by credit grade, €

rating group	No of obs	Total Amount Out. (million)	Coupon (weighted)	No of obs	Total Amount Out. (million)	YTM (weighted)
AA						
A	103	32,341	1.1%	103	32,341	1.0%
BBB	142	67,962	1.5%	142	67,962	1.2%
BB	13	4,750	2.9%	13	4,750	2.8%
B	3	1,140	3.8%	3	1,140	4.1%
C	40	13,688	1.9%	40	13,688	3.7%

Source: Bayes Business School, Bloomberg

Securitised markets (CMBS)

There has been no new issuance for CMBS in January 2022. Overall debt maturities for the UK and European market are showing that key maturities in bonds and CMBS are coming up between 2027 – 2032. Credit spreads for seasoned CMBS in UK and European markets have remained stable between December and January.



Source: Bayes Business School, Bloomberg

Outstanding CMBS by credit grade

rating group	No of obs		Total Amount Out. (million)		Coupon (weighted)	
	EUR	EUR	EUR	EUR	£	£
AAA	9	1,546	0.8%	9	1,252	1.0%
AA	14	1,226	1.4%	16	1,300	1.6%
A	10	532	2.0%	9	263	1.7%
BBB	11	461	2.5%	11	454	1.9%
BB	6	282	3.5%	8	298	3.3%
B	4	86	3.0%	5	121	2.9%
C	51	4,491	2.8%	34	985	1.9%

Source: Bayes Business School, Bloomberg

Outstanding EUR CMBS by industry

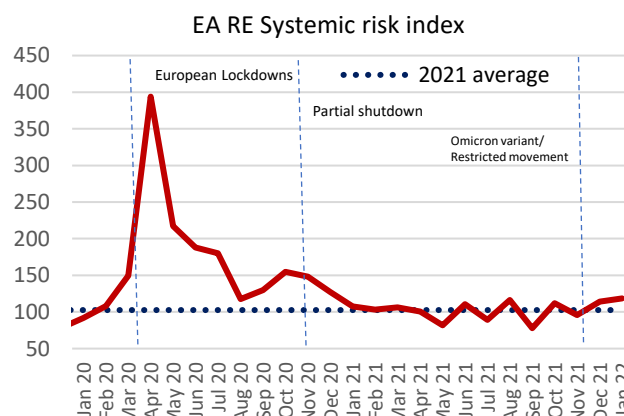
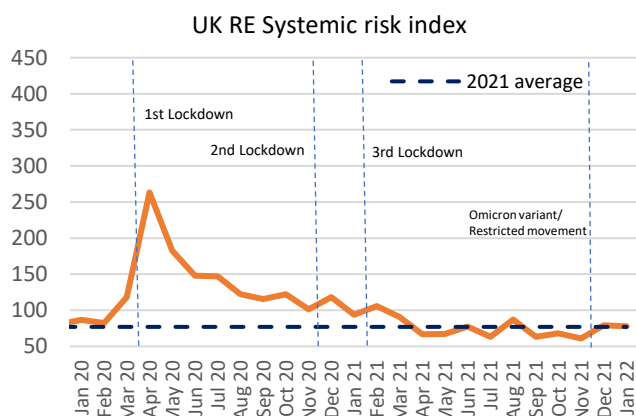
Industry	EURO CMBS			GBP CMBS		
	No of obs	Total Amount Out. (million)	Coupon (weighted)	No of obs	Total Amount Out. (million)	Coupon (weighted)
office	40	1,400	1.7%	18	1,067	1.5%
retail	23	719	1.4%	32	1,482	2.0%
student	45	2,805	1.8%	45	3,368	1.5%
logistic	46	1,923	1.4%			
leisure				36	1,471	1.3%
supermarket				3	232	1.1%

Source: Bayes Business School, Bloomberg

Systemic Risk

The systemic risk index captures the exposure of the financial system to the Real Estate market. Since 2021Q2, systemic risk in both the Euro Area and the UK RE sectors decreased significantly. However, the new Omicron variant resulted in turmoil in the stock markets and higher systemic risk by the end of 2021. In January 2022, the UK systemic risk index was at the same level as in December and just above the 2021 average. Alternatively, Euro Area systemic risk exhibits an upward trend and remains 17% higher than last year's average.

Market indicators



Source: Bayes Business School, Thomson Reuters EIKON Datastream

5 largest green bond issuers 2021, €

Company	Sector	Amount
CTP NV	Logistics	2.5bn
Signa Development Finance SCS	Residential	1.05bn
Deutsche Wohnen SE	Residential	1bn
Digital Intrepid Holding BV	Diversified	1bn
Acef Holding SCA	Diversified	1bn

Source: Bayes Business School, Bloomberg

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