

# Vasakronan - Q3 22

31.10.2022

Vasakronan (MW) reported an increase in rental income of 15% y/y and a 7% increase y/y in operating surplus in Q3 22. On a like-for-like basis the rental income rose by 6% y/y while the operating surplus rose by 3% in Q1-3 2022. Net lettings were positive by 82m in Q3 with an economic occupancy rate of 90.8% as of end September (Q2 22: 91.6%). Out of total vacancies some 1.2 percentage points were related to vacancies in project developments and development properties. The average increase in the rent level on renegotiated leases during the quarter was 5% (Q2 22: 5%).

Unrealized value changes in the property portfolio amounted to negative SEK2.1bn in Q3 or 1.1% due to lower yield requirements and rising interest rates, mitigated by an inflation-drive increase in the operating surplus. The average valuation yield requirement was 3.8% as of end September (end June 3.7%). As of end June Vasakronan's total property portfolio market value stood at SEK194bn (Q2 22: SEK196bn). Leverage was stable sequentially with a net LTV of 40% as of end September. All in all we regard Vasakronan's Q3 performance as credit neutral.



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