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Barclays Sees Muni ‘Space Bonds’ Becoming $25 Billion Market.

Takeaways by Bloomberg AI

- Barclays Plc says the municipal-bond market is poised for new debt sales for space facilities after the enactment of the One Big Beautiful Bill Act.
- The legislation lets spaceports sell tax-exempt bonds, known as private-activity bonds, with no limit to issuance, according to Barclays strategists.
- Barclays predicts that outstanding debt for spaceport bonds could grow to between $20 billion and $25 billion by 2034, based on estimates from the Joint Committee on Taxation.

Barclays Plc says the municipal-bond market is poised for new debt sales for space facilities after the enactment of the Trump administration’s One Big Beautiful Bill Act.

The legislation included a provision that would let spaceports sell tax-exempt bonds, known as private-activity bonds, similar to airports. In a report late last week, Barclays strategists led by Mikhail Foux said that there is no limit to issuance of spaceport bonds, unlike other types of private-activity bonds.

“This could become a relatively active municipal sub-sector, in our view,” they wrote. “Several bond issues might be coming to the market in the not-so-distant future.”

A spaceport is any facility located near a launch site or a reentry site. Eligible projects may be those that are used to operate flights, load cargo to or from the spacecraft, or manufacture and repair spacecraft, for example.

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The new financing tool “offers numerous benefits for private entities and corporations, as well as space agencies involved in space exploration and related activities,” wrote Edwin Oswald and Kevin Roche, partners at Orrick, Herrington & Sutcliffe LLP, in an August report.

In Florida, the state’s aerospace finance authority has identified $2.9 billion of infrastructure needs for the Kennedy Space Center and Cape Canaveral Space Force Station.

Space authorities in Oklahoma, Texas, New Mexico and California are potential future issuers of the debt, the Barclays strategists wrote in the report.

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