

Research Update:

Fastighets AB Forvaltaren 'AA-/A-1+' And 'K-1' Ratings Affirmed; Outlook Stable

October 27, 2025

Overview

- We forecast that Swedish public housing provider Fastighets AB Forvaltaren (Forvaltaren) will ramp up its capital expenditure (capex), leading to weaker liquidity.
- At the same time, we believe that Forvaltaren will slightly strengthen its EBITDA margins, which will help contain debt-funding needs for said capex.
- We affirmed our 'AA-' long-term and 'A-1+' and 'K-1' short-term issuer credit ratings on Forvaltaren.
- The outlook is stable.

Rating Action

On Oct. 27, 2025, S&P Global Ratings affirmed its 'AA-/A-1+' long- and short-term foreign and local currency issuer credit ratings on Fastighets AB Forvaltaren (Forvaltaren). The outlook is stable. We also affirmed the 'K-1' short-term Nordic regional scale rating on Forvaltaren.

Outlook

The stable outlook reflects our view that Forvaltaren's management will be able to uphold the public housing provider's financial performance and contain the strain on debt from an expanding capex program.

Downside scenario

We could lower the rating if Forvaltaren's management allows faster debt accumulation, for instance if capex on new construction and existing housing stock increases faster than we assume in our underlying base case. This would likely weigh on indebtedness, with the ratio of debt to non-sales-adjusted EBITDA surpassing 15x. Such developments could signal a weakening of management and governance.

Primary Contact

Dennis Nilsson
Stockholm
46-84-40-5354
dennis.nilsson
@spglobal.com

Secondary Contact

Carl Nynerod
Stockholm
46-84-40-5919
carl.nynerod
@spglobal.com

Upside scenario

We could consider raising the rating if Forvaltaren's EBITDA margin and liquidity significantly improve. An upgrade could also occur if the ownership support structure for Forvaltaren strengthens to the extent that we positively reassess the housing provider's role for, or link with, the City of Sundbyberg (not rated), Forvaltaren's sole owner.

Rationale

Our ratings reflect Forvaltaren's stable rental operations; the strong focus of its risk-averse management on the provider's core activities; and its robust financial metrics. We expect Forvaltaren to keep EBITDA margins close to 30%, which should help contain debt accumulation during periods with higher capex in coming years.

Enterprise profile: Forvaltaren benefits from strong demand in Sundbyberg, thanks to its proximity to Stockholm

Forvaltaren focuses on renting out residential properties, which we regard as a low-risk sector due to its stable and noncyclical revenue base. Demand for rental housing is strong in Sundbyberg thanks to its proximity to central Stockholm. Forvaltaren's housing vacancies primarily relate to apartments that are being emptied for renovation. The housing provider updated its approach from vacating apartments during refurbishments to offering the affected tenants a discount on the rent to incentivize them to remain in the property.

In our view, Forvaltaren's management is experienced and proactively manages the housing provider's financial and operational risks. Over the years, Forvaltaren has gradually reduced its exposure to commercial premises and increased its focus on refurbishing and developing existing residential stock. It monitors financial risks prudently, in line with its risk-limiting financial policies. Positively, the city's directive for the housing provider's strategy has become more balanced between growth and financial objectives in recent years, and we do not foresee any major shifts in Sundbyberg's direction of Forvaltaren under the current political leadership.

We assess the regulatory framework for Swedish public housing companies as very strong (see ["Regulatory Framework Assessment: Very Strong For Swedish Public Housing Companies And Cooperative Housing Societies,"](#) June 2, 2025).

Financial profile: New development and rising capex will push up leverage

EBITDA margins have recovered from an inflationary expenditure shock in 2022. While the tariffs that drive utility expenditure like heating, water, and waste are still rising above inflation levels, Forvaltaren has been able to recover associated EBITDA margin losses in recent years through higher rent increases and lower vacancies. We believe that Forvaltaren will be able to uphold EBITDA margins closer to 30% in coming years, which should help limit debt-funding needs for its capex program.

We still forecast capex to be elevated in coming years, although anticipated delays in construction will likely spread out the peak in expenditure more than we previously expected. We forecast Forvaltaren's capex will rise to about Swedish krona (SEK) 750 million in 2026, up from SEK350 million in 2023. We assume that about half of these investments will go toward renovating and maintaining existing stock, while the other half will be spent on new development. As local construction capacity is constrained, we foresee new development being delayed

Fastighets AB Forvaltaren 'AA-/A-1+' And 'K-1' Ratings Affirmed; Outlook Stable

compared with original timelines and we furthermore anticipate that stronger EBITDA margins will help to contain debt accumulation. As a result, we forecast Forvaltaren's debt-to-non-sales-adjusted EBITDA ratio will reach 13.8x by year-end 2027. We project the ratio will remain structurally below 15x, in line with our previous expectations.

Although market interest rates have started to come down, we expect the non-sales-adjusted EBITDA interest coverage ratio will decrease to 3.0x by 2026. This reflects rising indebtedness as Forvaltaren carries out its capex plan.

Forvaltaren's liquidity sources cover its uses by 0.85x over the next 12 months. Its sources comprise cash and committed liquidity facilities totaling SEK1.2 billion, as well as operating cash flow forecast at SEK250 million. Anticipated uses include SEK680 million of capex that we expect over the coming 12 months, as well as SEK1.1 billion of maturing debt and interest payments in the same period. While Forvaltaren historically has had liquidity coverage around 1.0x, the higher capex will weigh on the ratio in coming years because the company's liquidity policy requires coverage of debt maturities but not of future capex.

Forvaltaren's liquidity position rests on its committed borrowing facilities, alongside our view of its strong access to external liquidity. Forvaltaren has proven that it has good access to capital market funding even amid market stress, and it benefits from being able to obtain bank loans with a municipal guarantee from Sundbyberg.

Government-related entity analysis

Forvaltaren is a fully owned subsidiary of Sundbyberg. In our view, Forvaltaren benefits from a high likelihood of receiving timely and sufficient support from Sundbyberg if needed. Forvaltaren plays an important role as a key contributor of housing for the city's increasing population and expanding ambitions. Furthermore, we consider Forvaltaren's link to Sundbyberg to be very strong. The city is actively involved in defining Forvaltaren's strategies.

Key Statistics

Fastighets AB Forvaltaren--Key statistics

Mil. SEK	2023 A	2024 A	2025 BC	2026 BC	2027 BC
Number of units owned or managed	6,633	6,665	6,679	6,781	6,795
Adjusted operating revenue	810.3	832.7	870.4	905.8	938.7
Adjusted EBITDA	228.4	223.5	237.9	254.6	270.3
Non-sales adjusted EBITDA	224.0	221.6	236.0	252.6	268.2
Capital expense	399.1	350.2	495.9	744.8	597.6
Debt	2,200	2,400	2,730	3,330	3,710
Interest expense	44.6	50.5	69.0	85.2	90.1
Adjusted EBITDA/Adjusted operating revenue (%)	28.2	26.8	27.3	28.1	28.8
Debt/Non-sales adjusted EBITDA (x)	9.8	10.8	11.6	13.2	13.8
Non-sales adjusted EBITDA/interest coverage(x)	5.0	4.4	3.4	3.0	3.0

Rating Component Scores

Fastighets AB Forvaltaren--Ratings score snapshot

	Assessment
Enterprise risk profile	2
Industry risk	2
Regulatory framework	2
Market dependencies	3
Management and governance	2
Financial risk profile	3
Financial performance	4
Debt profile	2
Liquidity	4
Stand-alone credit profile	a+
Issuer credit rating	AA-

Related Criteria

- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [Criteria | Governments | General: Methodology For Rating Public And Nonprofit Social Housing Providers](#), June 1, 2021
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Rating Government-Related Entities: Methodology And Assumptions](#), March 25, 2015
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Regulatory Framework Assessment: Very Strong For Swedish Public Housing Companies And Cooperative Housing Societies](#), June 2, 2025

Ratings List

Ratings List

Ratings Affirmed

[Fastighets AB Forvaltaren](#)

Fastighets AB Forvaltaren 'AA-/A-1+' And 'K-1' Ratings Affirmed; Outlook Stable

Ratings List

Issuer Credit Rating	AA-/Stable/A-1+
Nordic Regional Scale	--/--/K-1

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.