

Intea Fastigheter AB (publ)

Rating Action Report

LONG-TERM RATING

BBB

OUTLOOK

Stable

SHORT-TERM RATING

N3

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Intea Fastigheter AB (publ) 'BBB' long-term issuer rating affirmed; Outlook stable

Nordic Credit Rating (NCR) has affirmed its 'BBB' long-term issuer rating on Sweden-based community service property manager [Intea Fastigheter AB \(publ\)](#). The outlook is stable. The 'N3' short-term issuer and 'BBB' senior unsecured issue rating were also affirmed.

Rating rationale

The affirmation reflects our expectations of timely completion of projects and lengthened contract durations within Intea's operating portfolio, enhancing revenue visibility and improving operational cash flows. The company's average remaining lease term stood at 8.1 years as of the first quarter of 2025, compared with 6.4 years in the first quarter of 2024 due to a number of new builds, expanding its operating portfolio. We expect Intea's completion of new properties with high energy efficiency and strong cash flows will drive improvements in profitability. Intea's larger operating portfolio, with a higher share of newly builds, positively influences our view of its asset quality. We anticipate the company will continue adding projects to its pipeline, with cash outflows for ongoing projects moderately exceeding annual operating earnings, and the shortfall financed through additional debt. We expect property values to be robust, with positive fair value changes linked to the project portfolio, driven by the healthy yield gap of these assets. These factors underpin our view that net loan-to-value (LTV) will increase towards 53.5% by the end of 2027.

The company has significantly extended its interest-fixing period in recent quarters. We expect the interest-fixing duration to increase slightly due to restructured swap contracts in the second quarter of 2025. The fixed-interest period was 4.6 years at the end of first-quarter 2025, compared to 2.4 years at the end of the third quarter of 2024. This reduces the company's sensitivity to interest rate changes, increases predictability of interest costs and funding costs of its projects. In our view, Intea's financing costs are nearing long-term sustainable levels, which, along with improved cash flows from operations, results in a strong rebound in interest coverage expected at 2.6–3.1x over the next three years.

We believe Intea's debt maturity profile will remain front-loaded in the near term, with a liquidity profile weaker than its investment grade peers, who typically have committed liquidity sources exceeding expected cash outflows. The company is primarily funded with senior unsecured debt, resulting in low asset encumbrance, which can serve as an alternative source of liquidity if necessary. Intea is expected to proactively refinance its debt maturities and lengthen the debt maturity profile, as financing has become more accessible at longer tenors. We expect the company, however, to have a substantial parts of its funding from commercial paper which increasing sensitivity to changed funding conditions.

Stable outlook

The stable outlook reflects our expectation that Intea's net interest coverage is likely to remain comfortably within our rating requirements over our forecast period through 2027 and that property values will remain robust. It also reflects our expectation that the company will continue to have strong access to capital markets and will not make changes to its low-risk business profile by broadening project development exposure or make changes to its low-risk business profile.

We could raise the rating to reflect improved credit metrics, with net LTV below 50%, net debt/EBITDA below 10x and net interest coverage above 3.0x over an extended period, together with improved debt maturity and liquidity profile. The rating could also be raised following significantly reduced property concentration and lower project development exposure, together with improved debt maturity and liquidity profile.

We could lower the rating if Intea's key credit metrics weaken, with net LTV above 55% and interest coverage below 2.2x. We could also lower our rating if the company increases its project development exposure without improving its liquidity management and long-term capital structure. Lastly, we could downgrade Intea if we perceived a negative change in financial risk management or change in risk tolerance.

Related publications

- i) [Swedish real estate snapshot \(Q4 2024\): growth is back on the menu](#), 4 Mar. 2025.
- ii) [Swedish real estate outlook 2025](#), 23 Jan. 2025.
- iii) [Intea Fastigheter AB \(publ\) 'BBB' long-term rating affirmed; Off watch; Outlook stable](#), 12 Dec. 2024.
- iv) [Comparison of NCR-rated community service property managers](#), 9 Dec. 2024.

Rating list	To	From
Long-term issuer credit rating:	BBB	BBB
Outlook:	Stable	Stable
Short-term issuer credit rating:	N3	N3
Senior unsecured issue rating:	BBB	BBB

Figure 1. Intea rating scorecard

Subfactors	Impact	To	From
Operating environment	20.0%	a	a
Market position, size and diversification	12.5%	bb+	bb+
Portfolio assessment	12.5%	a-	bbb+
Operating efficiency	5.0%	aa	aa-
Business risk assessment	50.0%	a-	bbb+
Ratio analysis		bb+	bb+
Risk appetite		bb+	bb+
Financial risk assessment	50.0%	bb+	bb+
Indicative credit assessment		bbb	bbb
Liquidity		Adequate	Adequate
ESG		Adequate	Adequate
Peer calibration		Neutral	Neutral
Stand-alone credit assessment		bbb	bbb
Support analysis		Neutral	Neutral
Issuer rating		BBB	BBB
Outlook		Stable	Stable
Short-term rating		N3	N3

Figure 2. Capital structure ratings

Seniority	To	From
Senior unsecured	BBB	BBB

Type of credit rating:	Long-term issuer credit rating Short-term issuer credit rating Issue credit rating
Publication date:	The rating was first published on 26 May. 2020.
Office responsible for the credit rating:	Nordic Credit Rating AS (NCR), Oslo, Norway. NCR is a registered credit rating agency under Regulation (EC) No 1060/2009.
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Were ESG factors a key driver behind the change to the credit rating or rating outlook?	No.
Methodology used when determining the credit rating:	NCR's Corporate Rating Methodology published on 8 May 2023 NCR's Rating Principles published on 14 Feb. 2024 NCR's Group and Government Support Rating Methodology published on 14 Feb. 2024 The methodology and principles documents provide analytical guidance to NCR's rating activities including but not limited to, assumptions, parameters, cash flow analysis, and stress-testing. NCR's methodologies and principles can be found on our website nordiccreditrating.com/governance/policies . The historical default rates of entities and securities rated by NCR will be viewed on the central platform (CEREP) of the European Securities and Markets Authority (ESMA) .
Materials used when determining the credit rating:	Annual- and quarterly reports of the rated entity, Bond prospectuses, Company presentations, Data provided by external data providers, External market reports, Meetings with management of the rated entity, Non-public information, Press reports/public information, Website of rated entity.
Potential conflicts of interest:	The rating is NCR's independent opinion of the rated entity's relative creditworthiness. The rating is solicited, i.e. it is prepared for a fee paid by the rated entity. At the time of analysis and publication neither NCR nor any of the analysts or persons involved in the rating process held any interest, ownership interest or securities in the rated entity. NCR does not have any direct or indirect shareholder with a holding of more than 5% of NCR's shares and votes. For further information, please refer to NCR's conflict of interest policy which is available on: https://nordiccreditrating.com/governance/policies
Additional information:	Prior to publication, the rating was disclosed to the rated entity. The issuer was given 24 hours (of which 8 business hours) to remark on factual errors and/or the inadvertent inclusion of confidential information, if applicable. The rating was not amended after the review by the issuer. No stress test was performed. Standard cash flow forecasting was performed. NCR's rating is an opinion regarding the relative creditworthiness of an entity or an instrument. It is not a prediction, guarantee or recommendation to buy, hold or sell securities. NCR assigns outlooks to issuer ratings to indicate where they could move in the near term, normally 12–18 months. Further information on the rating process, rating definitions and limitations is available on our website: nordiccreditrating.com/governance/policies .
Ancillary services provided:	No ancillary services were provided.
Regulations:	This rating was issued and disclosed under Regulation (EC) No 1060/2009.
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