Investment research

31 August 2026

Nordic large EUR real estate Key figures for Q2 26

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Q2 26	Akelius Residential AB	Balder	Castellum	Heimstaden Bostad AB
Company description	Akelius is a Sweden-based residential real estate company focusing on properties in attractive locations in growing metropolitan cities. Main geographies are USA (New York, Boston, Washington D.C., Austin), Canada (Toronto, Montreal, Ottawa, Quebec City), England (London), France (Paris) and Germany (Berlin).	Balder is one of Sweden's largest real estate companies, focusing on commercial and residential properties in the Nordics, with additional exposures to Germany and the UK. The property portfolio is well-diversified and benefits from generally long lease terms with tenants.	Castellum is one of the largest real estate companies in the Nordics. It focuses on commercial properties in growth regions in Sweden, Denmark and Finland. In addition to direct property exposures, Castellum owns close to 40% of Norwegian commercial real estate company Entra.	Heimstaden Bostad is one of the largest residential real estate companies in Northern Europe. The company owns properties in Sweden, Denmark, Norway, Germany, Finland, the Netherlands, the UK, the Czech Republic and Poland.
Property types	Residential 100%	Residential 60%, commerical 40%	Office 60%, other commercial 40%	Residential 100%
Key Credit Strengths #1	Geographically well-diversified portfolio	Well-diversified property portfolio in terms of both property types and locations	Strong diversification in terms of geographies and tenants	Focus on residential properties implies stable cash flows and limited cyclicality
Key Credit Strengths #2	Focus on residential properties implies stable cash flows and limited cyclicality	Limited single-tenant exposures and typically long lease lengths in commercial portfolio	Comparatively strong financial position	Large and geographically diversified portfolio
Key Credit Strengths #3	Limited vacancy risk	Limited dividend payments	Financially strong main owner in Akelius	Limited vacancy risk
Key Credit Strengths #4	Strong balance sheet and financially strong main owner	--	--	Strong institutional owners that have contributed new equity in the past
Key Credit Strengths #5	--	--	--	--
Key Credit Challenges #1	Typically low property yields and limited cash flows lead to relatively high net debt/EBITDA leverage	Comparatively high leverage and weak ICR	Currently weak office rental market and rising vacancies	Limited cash-flow generation and weak ICR
Key Credit Challenges #2	Uncertainty regarding future portfolio composition	Acquisitive growth strategy	Large-scale disposals lower property quality while reducing scale and diversification	Uncertain ownership outlook considering differing views on shareholder agreement
Key Credit Challenges #3	Sensitivity to rising interest rates and revaluation of properties	Complex balance sheet with a large number of associated companies	Earnings exposed to swings in economic cycles	Sensitive to changes in interest rates and yield requirements
Key Credit Challenges #4	--	--	--	--
Key Credit Challenges #5	--	--	--	--

Main shareholders			Main shareholders			Main shareholders			Main shareholders		
Name	Capital	Votes	Name	Capital	Votes	Name	Capital	Votes	Name	Capital	Votes
Akelius Apartments Ltd	99.0%	99.0%	Erik Selin and companies	33.0%	46.9%	Akelius Apartments Ltd	26.4%	27.8%	Heimstaden AB	36.2%	50.1%
Others	1.0%	1.0%	Arvid Svensson Invest	7.7%	13.8%	Gösta Welandson with companies	4.1%	4.3%	Alecta	38.7%	30.4%
			Swedbank Robur Funds	5.1%	3.4%	BlackRock	3.6%	3.8%	Folksam	18.9%	14.5%
			AMF	5.0%	3.3%	Vanguard	3.6%	3.8%	Swedish Pensions Agency	2.1%	1.6%
			Länsförsäkringar Funds	3.6%	2.4%	Nordea Funds	3.6%	3.8%	Others	4.1%	3.4%

Geographies		Geographies		Geographies		Geographies	
USA	48.1%	Helsinki	24.9%	Mälardalen incl. Stockholm	42.0%	Sweden	27.9%
Canada	31.4%	Gothenburg	18.1%	Western Sweden	20.0%	Germany	24.4%
UK	14.6%	Eastern Sweden	15.3%	Central Sweden	17.0%	Denmark	21.7%
France	4.9%	Stockholm	14.0%	Öresund region	14.0%	Czech republic	9.7%
Germany	1.1%	Other	27.6%	Finland	5.0%	Other	16.4%

	Akelius Residential AB	Balder	Castellum	Heimstaden Bostad AB
Issuer rating (S&P/Moody's/Fitch)	BBB-/NR/NR	BBB/NR/NR	NR/Baa2/NR	BBB-/NR/BBB-
Outlook (S&P/Moody's/Fitch)	S/NR/NR	S/NR/NR	NR/S/NR	S/NR/S
Adjusted property value (EURm)	5 461	21 646	12 091	29 970
Key credit metrics				
Adjusted net LTV	39.5%	59.9%	48.2%	52.2%
Gross secured LTV	3.4%	24.0%	19.1%	30.6%
Adjusted interest coverage	4.6x	2.2x	2.8x	1.8x
Adjusted net debt/EBITDA	11.0x	17.8x	11.7x	16.2x
Adjusted FFO/net debt	6.4%	2.9%	5.0%	1.7%
Funding metrics				
Avg. capital duration (yrs)	3.4	4.9	4.5	7.5
Avg. interest duration (yrs)	4.2	2.5	2.8	2.8
Avg. interest rate	1.8%	2.9%	3.5%	3.2%
Property portfolio metrics				
Economic occupancy	96.0%	95.0%	87.5%	97.5%
Avg. valuation yield	4.9%	4.9%	5.6%	3.8%

Source: Various company data, Danske Bank Credit Research

Q2 26	Hemsö	Lumo Homes	Sagax	Sato Oyj
Company description	Hemsö is a Swedend-based real estate company focusing on community service properties such as nursing homes, education and health care. Properties are spread throughout Sweden, Finland and Germany.	Lumo Homes is Finland's largest private residential property company, focusing on the main growth centres in the country. The greater Helsinki area constitutes majority of the portfolio's market value. The company is also present in other larger cities in Finland including Tampere, Turku and Oulu.	Sagax is a Sweden-based real estate company which owns and manages light-industry properties in the Nordic countries as well as France, the Netherlands, Spain, Germany, and Denmark.	SATO is the second largest private residential landlord in Finland. Majority of the company's investment portfolio is located in the Helsinki region. Balder, one of the largest Swedish property companies, is SATO's main owner.
Property types	Public 100%	Residential 100%	Industrial 100%	Residential 100%
Key Credit Strengths #1	Demographic trends support nursing homes and healthcare	Focus on the stable residential real estate market	Strong cash-flow generation and interest coverage	Focus on the stable residential real estate market
Key Credit Strengths #2	Long contract lengths, often with public sector tenants	Geographic focus on the main growth cities in Finland	Strong diversification in terms of geographies and tenants	Geographic focus on the main growth cities in Finland
Key Credit Strengths #3	Strong ownership by government pension fund AP3 (85%)	Comparatively low leverage	Proven access to capital markets	Comparatively low leverage
Key Credit Strengths #4	Strong interest fixing and debt maturity profile	Diversified tenant mix	Healthy interest-fixing profile provides earnings stability	Diversified tenant mix
Key Credit Strengths #5	--	--	--	--
Key Credit Challenges #1	Comparatively high leverage	Sensitivity to rising interest rates and revaluation of properties	Historically expansive strategy	Sensitivity to rising interest rates and revaluation of properties
Key Credit Challenges #2	Interest coverage likely to decline from strong levels	Challenging near-term rent increase outlook due to rental apartment oversupply in the Helsinki metropolitan area	Complex balance sheet with large exposures to JVs and associated companies	Challenging near-term rent increase outlook due to rental apartment oversupply in the Helsinki metropolitan area
Key Credit Challenges #3	Education properties could face demographic headwinds	Geographical concentration	High-yielding assets indicate above-average property risk	Geographical concentration
Key Credit Challenges #4	--	High tenant turnover	--	High tenant turnover
Key Credit Challenges #5	--	--	--	--

Main shareholders			Main shareholders			Main shareholders			Main shareholders		
Name	Capital	Votes	Name	Capital	Votes	Name	Capital	Votes	Name	Capital	Votes
Third AP Fund	85.0%	85.0%	Heimstaden Bostad AB	18.7%	18.7%	David Mindus	15.8%	28.0%	Fastighets AB Balder	58.4%	58.4%
Sagax	15.0%	15.0%	Varma	16.6%	16.6%	Staffan Salén	6.2%	11.3%	APG	22.6%	22.6%
			Ilmarinen	7.8%	7.8%	Avanza Pension	4.0%	2.8%	Elo	12.8%	12.8%
			The Finnish Industrial Union	6.0%	6.0%	Vanguard	3.8%	2.6%	The State Pension Fund	4.9%	4.9%
			Trade Union of Education in Finland	3.5%	3.5%	Handelsbanken Funds	2.4%	1.7%	Tradeka-invest	0.2%	0.2%

Geographies		Geographies		Geographies		Geographies	
Sweden	65.0%	Helsinki region	75.9%	Finland	30.0%	Helsinki Metropolitan Area	85.4%
Finland	18.0%	Tampere	8.4%	France	22.0%	Tampere	8.5%
Germany	17.0%	Turku	3.8%	Sweden	20.0%	Turku	5.8%
		Other	12.0%	Benelux	15.0%	Other	0.3%
				Other	13.0%		

	Hemsö	Lumo Homes	Sagax	Sato Oyj
Issuer rating (S&P/Moody's/Fitch)	A-/A3/AA-	NR/Baa2/NR	NR/Baa2/NR	BBB/NR/NR
Outlook (S&P/Moody's/Fitch)	S/S/S	NR/S/NR	NR/PO/NR	S/NR/NR
Adjusted property value (EURm)	8,069	8,474	6,524	5,357
Key credit metrics				
Adjusted net LTV	57.2%	45.0%	57.4%	42.6%
Gross secured LTV	0.0%	12.1%	6.9%	14.2%
Adjusted interest coverage	3.3x	2.4x	4.3x	2.2x
Adjusted net debt/EBITDA	13.8x	14.1x	13.1x	12.3x
Adjusted FFO/net debt	5.0%	3.0%	6.4%	4.1%
Funding metrics				
Avg. capital duration (yrs)	5.2	2.7	3.0	3.1
Avg. interest duration (yrs)	3.8	2.3	2.5	N/A
Avg. interest rate	2.1%	3.4%	2.7%	3.5%
Property portfolio metrics				
Economic occupancy	97.8%	94.4%	95.0%	95.3%
Avg. valuation yield	5.1%	4.5%	6.3%	N/A

Source: Various company data, Danske Bank Credit Research

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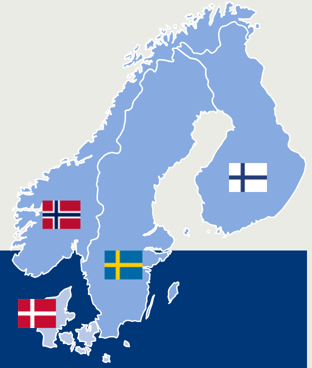

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Report completed: 31 August 2026 at 12:11 CET
Report disseminated: 31 August 2026 at 13:30 CET