

GEWOBA Aktiengesellschaft Wohnen und Bauen

July 28, 2026

This report does not constitute a rating action.

Credit Highlights

Overview

Enterprise profile

--Gewoba is Bremen's public housing provider that cooperates closely with the city's authorities to increase housing supply.

-- The entity focuses on traditional affordable housing, with no exposure to development-for-sales activity and limited ancillary business.

-- We consider Gewoba's management to be experienced in navigating within Bremen's tight housing market.

Financial profile

-- Strong operating margins and solid financing conditions will support investments over the next few years, in our view.

-- Contained cost pressures and steady rent increases will help sustain EBITDA margins above 30% over the next years.

-- Low but rising debt means interest costs will increase, albeit in a moderate way due to benefits from subsidized promotional bank funding.

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Outlook

The stable outlook reflects our view that Gewoba's management will retain solid margins in its core renting business through efficient cost management, underpinned by strong market demand and a solid path of adding new rental units. We assume Gewoba's financial metrics such as leverage and liquidity will not significantly change and that the city-state of Bremen's propensity for providing extraordinary support to Gewoba in times of financial stress will remain unchanged.

Downside scenario

We could lower the ratings if Gewoba's S&P Global Ratings-adjusted EBITDA margins weaken substantially, for example due to deficient cost controls or increased investment needs in existing homes. We could also take this action if the company accelerates its growth aspirations, resulting in a materially higher debt burden.

Upside scenario

We could raise the ratings if Gewoba's management contained its development spend, or improved its financial performance, leading to substantially slower debt accumulation than we currently anticipate. An improvement in our view of the likelihood of extraordinary support from Bremen in case of financial stress and an improvement in our assessment of the city's financial situation could also mean ratings upside.

Rationale

S&P Global Ratings estimates Gewoba's adjusted EBITDA margins will remain solidly above 30% over the next two years. This is thanks to the company's adequate cost efficiency measures and utilized rent growth potential, as well as unit expansion. Solid market demand dynamics in Gewoba's area of operations give room for sound rental increases across the portfolio as investments related to improving existing properties' energy efficiency persist.

Continued investment spending will increase debt to close to 10x S&P Global Ratings nonsales-adjusted EBITDA by the end of 2028. The company's investment pipeline, both on new construction as well as on refurbishment, reflects favorable funding costs offered by Bremen's regional development bank, keeping interest cover in check. We anticipate Gewoba's outstanding debt will grow from €1.1 billion in 2025 to €1.3 billion in 2028, with the company adding about 700 public housing units by then. Subject to an eventual improvement in the interest rate environment, Gewoba's project pipeline could expand, accelerating funding needs within or beyond the next two years.

Gewoba's liquidity position remains resilient. The company continues to prefund its anticipated investment pipeline, including with funding from European Investment Bank (EIB) and promotional banks in Germany. This underpins its very strong liquidity position.

Enterprise profile: High investment spending as Gewoba's management benefits from strengthened funding terms, expanding its core rental business

Gewoba, which owns about 43,350 housing units, is the German city of Bremen's leading public housing provider. The company also has sizable activities in the nearby towns of Bremerhaven and Oldenburg, the former showing slightly lower rent prices than the portfolio average. Our ratings on Gewoba are underpinned by its almost exclusive focus on traditional residential lettings, with no development for sales activities. We assess the inherent industry risk of the company's operations as low. Gewoba pursues a narrowly defined mission--codified in the articles of association--to provide adequate housing to large parts of society. This explicitly includes socially disadvantaged groups. Gewoba's auxiliary activities comprise a small utility subsidiary that provides metering services and small volumes of mostly self-produced heat and electricity.

Gewoba's properties benefit from strong demand. On average, the company charged €7.0 per square meter at year-end 2025, about 10% below our estimate for the weighted-average in-place market rent in its area of operation. Helped by the housing needs of Ukrainian refugees, vacancies across Gewoba's asset base is only 0.7%, well inside target levels of about 1%. This compares favorably with a reported market void rate of 2%-3% across Bremen and is in line with German public housing provider peers.

We assess the regulatory framework under which German public housing providers such as Gewoba operate as strong (see "[Regulatory Framework Assessment: German Public Housing Providers Witness New Government Initiatives But Remain Steady](#)," Aug. 18, 2025).

Management's agile reaction to a dynamic funding environment by swiftly shifting in and out of projects exemplifies very robust management practices. Following last year's revision to Gewoba's investment pipeline, plans for 2026 remain relatively stable, with investment in climate targets and new units balanced against one another. All investments, regardless of type, have to meet internal affordability requirements, expanded to profitability and cash flow considerations. We think this allows management to maintain strong financial metrics. Going forward management aims to align the timing of its investment planning even more closely to its budgeting cycle. We consider the company's plans to be realistic and executed with attention to detail, including formalized risk management and financial policies.

Starting 2027 a new board member will join the management board, completing the succession process and interim solution, bringing along experience from a Berlin-based social housing provider. We anticipate no material strategy shift going forward.

Financial profile: Debt accumulation continues while margins remain resilient on solid rent growth

We expect Gewoba's financial performance to stay robust, with adjusted EBITDA margins of more than 30% throughout the next two years. Rental increases broadly in line with inflation expectations for existing units, and new units added to the portfolio will allow Gewoba to navigate cost pressures on salaries, repairs, and maintenance, in our view. We believe Gewoba has sufficient headroom for rent increases because the rent index for Bremen shows rent levels for Gewoba are below market rates. Further, large-scale refurbishments make room for additional rent increases.

We expect Gewoba's debt to steadily increase from a low base while the company maintains very strong interest coverage. Addition of new units to Gewoba's portfolio and continuing property refurbishment push up debt levels. The company's debt stock at year-end 2025 was slightly below our prior expectation on delayed project execution for construction. We estimate capital spending for active construction projects will average about €80 million annually—somewhat below prior projections--over the next three years. This, coupled with high spending on existing stock, implies about €220 million of additional debt by 2028, accumulating somewhat slower than we previously anticipated. However, capital expenditure could rise further, requiring additional borrowing, should funding costs improve. This could happen, for example, if German promotional lender KfW {Kreditanstalt für Wiederaufbau} refines its programs following announcements by Germany's government aiming to increase housing construction.

Gewoba utilizes a wide range of funding instruments to manage interest costs. Besides a registered bond (Namensschuldverschreibung), the company uses EIB loan facilities and is negotiating an additional envelope. It is also investigating options with another supranational multilateral lender. Gewoba regularly borrows from commercial and promotional banks. Loans from the latter are particularly attractive, not least because Gewoba pays only 0.35% interest on €90 million of loans sourced from Bremer Aufbaubank, Bremen's (BAB) promotional lender. This, in part, explains the company's very strong non-sales EBITDA interest coverage. Gewoba also addresses interest rate reset risks for its commercial loans via forward contracts.

Gewoba's liquidity position is very strong. The company has more than €160 million of committed, yet to be drawn, long-term loans that it agreed mainly with KfW, regional development bank BAB and EIB. These loans--combined with roughly €140 million of revolving credit lines and a similar

level of cash generated from continuing operations--mean the ratio of liquidity sources to uses stands at about 1.9x as of June 30, 2026. The main uses of liquidity over the coming 12 months are investments that we estimate at about €170 million and debt service of about €70 million.

We evaluate Gewoba's access to external liquidity as satisfactory. This is based on the company's established presence in the private capital market and its reliable access to a diversified pool of commercial, promotional, and mortgage banks. Sufficient unencumbered assets facilitate borrowing from the latter.

Government-related entity analysis

We believe there is a moderately high likelihood that Gewoba, as a government-related entity, would receive timely and sufficient extraordinary support from Bremen, its 75.1% majority shareholder. However, the impact of such support is currently neutral on our ratings. We assess the link between Gewoba and Bremen as strong. This is demonstrated, for example, by the fact that the head of the state government's housing and urban development department is usually the chairman of Gewoba's supervisory board. Other government officials and state parliamentarians are ordinary members of the supervisory board. Considering that Gewoba effectively helps Bremen address its constitutional mandate to provide adequate housing, and the high significance this has on the political agenda, we assess the company's role as important.

Key Statistics

Table 1

Gewoba--Financial statistics

Mil. €	2024a	2025a	2026bc	2027bc	2028bc
Number of units owned or managed	43,481	43,781	44,030	44,220	44,480
Adjusted operating revenue	356.0	362.3	375.3	383.9	391.8
Adjusted EBITDA	125.5	131.0	126.4	130.8	135.4
Nonsales adjusted EBITDA	125.5	131.0	126.4	130.1	135.4
Capital expense	143.3	152.8	186.4	145.0	115.3
Debt	1,019.9	1,096.7	1,208.1	1,278.8	1,313.9
Interest expense	12.8	14.6	19.5	22.3	25.4
Adjusted EBITDA/Adjusted operating revenue (%)	35.2	36.1	33.7	34.1	34.6
Debt/Nonsales adjusted EBITDA (x)	8.1	8.4	9.6	9.8	9.7
Nonsales adjusted EBITDA/interest coverage(x)	9.8	9.0	6.5	5.8	5.3

a--Actual. e--Estimate. bc--Base case reflects S&P Global Ratings' expectations of the most likely scenario. N.A.--Not available.

Rating Component Scores

Table 2

Gewoba--Ratings score snapshot

	Assessment
Enterprise risk profile	3
Industry risk	2

Regulatory framework	3
Market dependencies	3
Management and governance	3
Financial risk profile	2
Financial performance	3
Debt profile	2
Liquidity	2
Stand-alone credit profile	a
Issuer credit rating	A

S&P Global Ratings bases its ratings on nonprofit social housing providers on the seven main rating factors listed in the table above. Our "Methodology For Rating Public And Nonprofit Social Housing Providers," published on June 1, 2021, summarizes how the seven factors are combined to derive each social housing provider's stand-alone credit profile and issuer credit rating.

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
- [General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating](#), Oct. 1, 2010

Related Research

- [European Housing Markets: Structural Pressures Persist, Forecasts Barely Shift](#), Feb. 3, 2026
- [Non-U.S. Social Housing Sector Outlook 2026: Headwinds Ease](#), Feb. 2, 2026
- [Non-U.S. Social Housing Providers Ratings Risk Indicators: Largely Stable](#), Nov. 17, 2025
- [Non-U.S. Social Housing Providers Ratings History: October 2025](#), Nov. 17, 2025
- [Regulatory Framework Assessment: German Public Housing Providers Witness New Government Initiatives But Remain Steady](#), Aug. 18, 2025

Ratings Detail (as of July 28, 2026)*

[Gewoba](#)

Issuer Credit Rating	A/Stable/A-1
Issuer Credit Ratings History	
27-Jul-2020	A/Stable/A-1

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or

Ratings Detail (as of July 28, 2026)*

obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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