

Corporate Credit Rating

New Update

Sector: Construction

Publishing Date: 24.06.2025

Team Leader

Cemil ERKÜRK

+90 212 352 56 73

cemil.erkurk@jcrer.com.tr

Senior Analyst

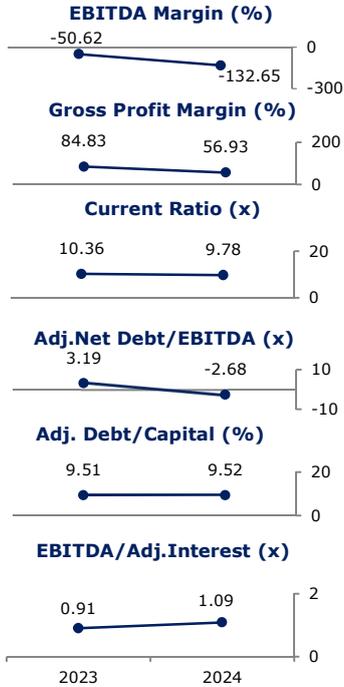
Ömer Faruk ÇAĞLAR

+90 212 352 56 73

omer.caglar@jcrer.com.tr

RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A- (tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Assigned by JCR on May 10, 2024



Piyalepaşa Gayrimenkul Geliştirme Yatırımı ve Ticaret A.Ş.

JCR Eurasia Rating, has evaluated **Piyalepaşa Gayrimenkul Geliştirme Yatırımı ve Ticaret A.Ş.** in investment-grade category with high credit quality category and revised the Long-Term National Issuer Credit Rating from '**A (tr)**' to '**A- (tr)**' and the Short-Term National Issuer Credit Rating from '**J1 (tr)**' to '**J2 (tr)**' with '**Stable**' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were affirmed as '**BB/Stable**' according to JCR-ER's national-global mapping methodology, as parallel to international ratings and outlooks of Republic of Türkiye.

Piyalepaşa Gayrimenkul Geliştirme Yatırımı ve Ticaret A.Ş. ("Piyalepaşa Gayrimenkul" or "the Company") was established in 2012. The main activity of the Company is the construction, sale and renting of housing, office and residential projects in Piyalepaşa, İstanbul under urban transformation project. Piyalepaşa Gayrimenkul completed 989 houses, 149 commercial real estates in Piyalepaşa İstanbul project and plans to complete 348 houses, 77 commercial real estates, 1 show center and 1 hotel in Piyalepaşa İstanbul Premium project. As of May 2025, the Company's paid-in capital amounts to TRY 265.35mn and the Company's shareholders are Polat İnşaat Sanayi ve Ticaret A.Ş. (28.62%), Polat Turizm Otelcilik Ticaret ve Sanayi A.Ş. (22.97%), Polat Holding A.Ş. (18.73%), İbrahim Polat Holding A.Ş. (13.37%), Adnan Polat (16.28%), İbrahim Polat and Murat Polat with a total of 0.04% share.

Key rating drivers, as strengths and constraints, are provided below.

Strengths

- Relatively low leveraged balance sheet along with solid equity base sustained by retained earnings and capital adjustment differences
- Ability to finance project via advances received from model housing sales decreasing external funding need
- Foreseeable revenue generation capacity thanks to high level of inventory
- Supported by İbrahim Polat Holding, experienced group dating back to 1955

Constraints

- Continuing operating loss and negative EBITDA in FY2023 and FY2024 due to not reflecting prepaid housing sales in the income statement
- Decrease in sales due to foreigners' tendency of real estate investment in different countries in FY2024
- Sharp deterioration of cash flow metrics in FY2024 due to long cash conversion cycle
- Structural sensitivity of the construction sector to macroeconomic conditions
- Improvement needs in the level of corporate governance practices
- As actions for a global soft landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty

Considering the aforementioned points, the Company's the Long-Term National Credit Rating has been revised from '**A (tr)**' to '**A- (tr)**'. The Company's relatively low leveraged balance sheet along with solid equity base sustained by retained earnings and capital adjustment differences, ability to finance project via advances received from model housing sales decreasing external funding need, foreseeable revenue generation capacity thanks to high level of inventory, supported by İbrahim Polat Holding, experienced group dating back to 1955 and other global downsides have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Credit Ratings are determined as '**Stable**'. The Company's continuity of cash generation capacity and profitability performance, adequacy of liquidity, indebtedness level, market position and regulations in the sector are the main factors that will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions about the sector will be monitored as well.