

## Corporate Credit Rating

New  Update

**Sector:** REIT

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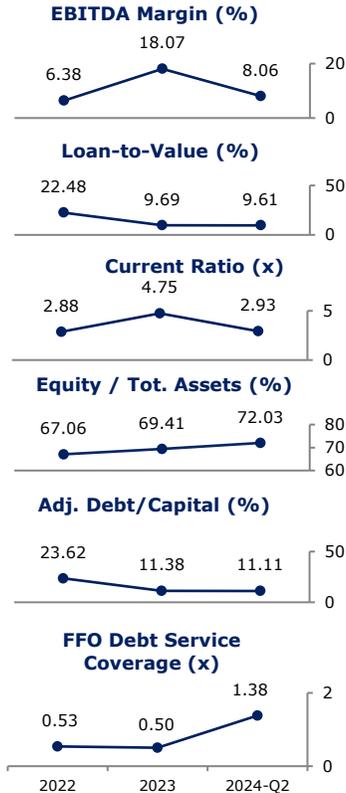
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Stable	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

\* Assigned by JCR on May 10, 2024



## SİNPAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

JCR Eurasia Rating, has evaluated the "Sinpaş Gayrimenkul Yatırım Ortaklığı A.Ş." in the investment grade category with high credit quality and revised the Long-Term National Issuer Credit Rating from 'BBB (tr)' to 'A (tr)' and the Short-Term National Issuer Credit Rating from 'J2 (tr)' to 'J1 (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as 'BB/Stable' as parallel to international ratings and outlooks of Republic of Türkiye.

Sinpaş Gayrimenkul Yatırım Ortaklığı A.Ş. (hereinafter referred to as "the Company" or "the Group" or "Sinpaş GYO") is a real estate investment trust company. Sinpaş İnşaat A.Ş., which was established on 22 December 2006 to transform into a Real Estate Investment Trust (REIT), was registered in the trade registry on 3 May 2007 following the approval of the Capital Markets Board and transformed into a REIT and its title was changed as Sinpaş Gayrimenkul Yatırım Ortaklığı A.Ş. As of the reporting date, the Company has 20 completed projects and 10 ongoing projects. The Company's ongoing projects are; Saklı Koru, Paşaköy Project, Boulevard Finansşehir, Metrolife Premium, Kuru Aura, Finansşehir Park Yaşam, Boulevards Çankaya 1. Phase, Finansşehir Yeni Palace, Finansşehir Time and Metrolife.

As of 1H2024, shareholder structure of the Company is Avni Çelik (43.4%), Ahmet Çelik (2.5%), Arı Finansal Kiralama A.Ş. (10%), Sinpaş Gayrimenkul Yat. Ort. A.Ş. (0.1%) and others (44%). Currently, with 54.22% actual outstanding shares ratio the Company have been publicly traded on the Borsa İstanbul (BIST) under the ticker symbol "SNGYO" since 2007. As of 1H2024, the number of personnel employed within the Group is 161. (FYE2023: 183)

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

### Strengths

- Remained satisfactory level of Loan-to-Value (LTV) ratio, evaluated as a sector-specific leverage metric, as of 1H2024,
- Contribution of advances received within the scope of the policy of financing construction costs through pre-sales to funding composition to some extent,
- Solid debt-to-capital ratio as of 1H2024 thanks to strong equity structure and debt service capacity,
- Steady cash flow metrics, and reasonable liquidity structure thanks to the long maturity weighted borrowing structure over the periods analyzed,
- Successful track record backed by the ability to provide niche projects with quality to the medium and high-income consumer segments,
- Compliance with the corporate governance practices as a publicly listed company.

### Constraints

- Ongoing legal processes regarding the Kızılıbük Thermal Wellness Resort Project,
- High sensitivity of real estate demand to fluctuations in mortgage rates,
- In the shadow of geopolitical risks, leading economic indicators point to continued weakness in global demand conditions, whereas actions for a soft-landing are at the forefront.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been revised from 'BBB (tr)' to 'A (tr)'. Large real estate portfolio, strong cash metrics, access to financial resources, experienced and qualified organizational structure have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as 'Stable'. The Company's trend of the LTV ratio, completion rates, sales performance and ongoing legal proceedings of Kızılıbük Thermal Wellness Resort Project, and developments regarding the macro conditions will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.