
Grading Action

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PACRA HARMONIZES ITS REAL ESTATE DEVELOPER GRADING AND PROJECT GRADING ACRONYMS

The real estate sector, apart from fulfilling social needs, is also instrumental for the economy, considering its potential for employment generation and stimulating investment and industrial activity.

PACRA covers two distinct elements of the real estate industry, Real Estate Developers and Projects. These are graded on separate scales, as each has specific characteristics. The Real Estate Developer grading assesses the systems and controls in place and the ensuing project management and execution capacity of the developer. Meanwhile, the Project grading aims to highlight the prospects of execution of a particular project as per plan and transfer of ownership as per agreed terms.

Cognizant of the fast changing dynamics of the sector, PACRA has become more vigilant in its approach of assigning and surveilling its real estate sector gradings. Although the basic premise of the grading remains intact, we continuously explore various dimensions to strengthen the grading process and facilitate end users. In this regard, we have aligned the acronyms of Developer Grading and Project Grading with the respective products. The following table depicts the previous and new acronyms:

Real Estate Developers Grading Scale

Previous Acronym	New Acronym	Execution Capacity
PE 1	DG 1	Very Strong
PE 2	DG 2	Strong
PE 3	DG 3	Good
PE 4	DG 4	Adequate
PE 5	DG 5	Weak

Real Estate Projects Grading Scale

Previous Acronym	New Acronym	Execution Capacity
EP 1	PG 1	Very Strong
EP 2	PG 2	Strong
EP 3	PG 3	Good
EP 4	PG 4	Adequate
EP 5	PG 5	Weak

Detailed definitions of both grading scales are available on our website (www.pacra.com).