



CRISIL Real Estate Star Ratings (CREST) FAQs



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1. What are CREST ratings?

CREST ratings indicate the quality of the rated real estate project, as per the agreed specifications. The quality of the project is assessed on various parameters including construction, clarity of title and timeliness.

2. What is the CREST Ratings scale?

The CREST ratings are assigned on an eight-point scale, which is specific to a city. The highest rating given to any project is 'Seven Star' and the lowest rating is 'Non-deliverable' project. The assigned rating thus benchmarks the rated project against other real estate projects in the same city.

3. Which real estate segments can receive the CREST Rating?

CREST ratings can be assigned to residential, commercial, office, and retail real estate projects, including townships, mixed development projects, special economic zones, information technology parks and hotels.

4. What is the criterion for CREST ratings?

CREST ratings are determined on the basis of project-specific parameters such as the sponsor, construction quality, legal documentation, financial planning and innovation.

5. As per the criterion, will a superior product in a luxury segment receive a higher rating?

No; the rating is based entirely on the expected conformance of a project to the stipulated specifications. It is not based on the level of amenities provided in the project. It is possible for an affordable housing project to obtain a higher rating than a luxury apartment project.

6. What is the rating process and how much time does it take?

The rating process begins as soon as all the requisite information is received from the company executing the project, and consists of the following four major steps:



Step: 1

Analysis of the information by the operating team



Step: 2

Site visit and interaction between the rating team and the company



Step: 3

Preparation of the rating report by the team, and presentation of the report before the rating committee



Step: 4

Assignment of a rating by the rating committee, acceptance of the rating by the developer and publication of the rating in public domain by CRISIL. The entire rating process will take about four to five weeks.

7. What is the requisite information for obtaining the rating?

- a. Developer-specific information, including track record, and copy of audited accounts and schedules for the past three years
- b. Project-specific information relating to approvals, timelines and quality
- c. Specific undertakings by developer(s)

8. At what frequency will CRISIL monitor the project? Can CRISIL change the rating after the initial rating is assigned?

CRISIL will regularly monitor the key project milestones relating to statutory approvals, financial results, major construction stages, financial closure, fund disbursements and sales bookings. Under any circumstance, the rating will be reviewed and a site visit will be made at least once a year. The rating will be kept under surveillance until CRISIL receives the occupancy/completion certificate, i.e. till the time the project has been completed or withdrawal of the project by the developer, whichever is later. The ratings can be downgraded or upgraded at any time, as in the case of other ratings assigned by CRISIL.

9. Till when is the surveillance fees payable?

A surveillance fee is payable each year until CRISIL receives the occupancy/completion certificate i.e. till the time the project has been completed or withdrawal of the project by the developer, whichever is later.

10. How can a rating be withdrawn?

A rating can be withdrawn only after the project is completed and the occupancy/completion certificate is in place. If a developer wishes to withdraw the project, he/ she should get in touch with the concerned analyst and share the copy of occupancy/completion certificate along with a withdrawal request form. He has to clear all the dues till that date and once this is done, the rating can be withdrawn from the system. After withdrawal, the developer has to stop usage of rating logos in all its communication.

11. At what stage of a project can the CREST Rating be obtained?

The rating can be assigned to a project at any stage. Ongoing projects as well projects that are yet to be launched can obtain the rating. Projects in their initial stages will directly benefit in terms of pricing and saleability from the rating. Largely completed and sold projects will derive the indirect benefit of showcasing the developer's capability and track record from the rating.

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12. How will real estate projects and developers benefit from CREST Ratings?

- Certification from CRISIL, an independent external institution, enhances the credibility and brand value of the project and the developer(s)
- Helps developers to take a closer look at their systems and processes and strengthen them further
- Enhanced credibility with banks and financial institutions
- Enhanced negotiating and pricing power for soliciting private and foreign investments

13. How can a developer showcase the CREST ratings?

The ratings can be displayed at the project site, corporate office, and on letterheads and envelopes, as well as in advertisements. CRISIL will also make all efforts to publicise the rating to retail customers.

14. What are the final rating deliverables?

CRISIL will provide a rating certificate (mentioning the specific rating) and a rating report (mentioning the rating rationale) on the project.

About CRISIL Limited

CRISIL is a global, agile and innovative analytics company driven by its mission of making markets function better. We are India's foremost provider of ratings, data, research, analytics and solutions. A strong track record of growth, culture of innovation and global footprint sets us apart. We have delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers.

We are majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

About CRISIL Ratings

CRISIL Ratings is part of CRISIL Limited ("CRISIL"). We pioneered the concept of credit rating in India in 1987. CRISIL is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI"). With a tradition of independence, analytical rigour and innovation, CRISIL sets the standards in the credit rating business. We rate the entire range of debt instruments, such as, bank loans, certificates of deposit, commercial paper, non-convertible / convertible / partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 24,500 large and mid-scale corporates and financial institutions. CRISIL has also instituted several innovations in India in the rating business, including rating municipal bonds, partially guaranteed instruments and microfinance institutions. We also pioneered a globally unique rating service for Micro, Small and Medium Enterprises (MSMEs) and significantly extended the accessibility to rating services to a wider market. Over 95,000 MSMEs have been rated by us.

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