

Research Update:

Cathay Number One Real Estate Investment Trust Ratings Affirmed At 'twA/twA-1'; Outlook Stable

November 28, 2024

Rating Action Rationale

Taiwan Ratings Corp. today affirmed its 'twA' long-term and 'twA-1' short-term issuer credit ratings on **Cathay Number One Real Estate Investment Trust** (Cathay No.1 REIT). The outlook on the long-term rating is stable.

The ratings on Cathay No.1 REIT continue to reflect the trust's good asset quality and conservative financial policy that leads to modest debt leverage. Recurring cash flows from long-tenor lease contracts with fixed base rent could support the trust's stable profitability over the next two years. Nonetheless, Cathay No.1 REIT's high asset and tenant concentration as well as its focus on the hotel industry temper these strengths. We view the volatility in Taipei's hotel industry remains higher than for office buildings because their performance is highly dependent on the number of inbound international tourists to Taiwan.

Related Criteria & Research

Related Criteria

- Criteria | Corporates | General: Corporate Methodology - Jan 07, 2024
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities - Jan 07, 2024
- General Criteria: National And Regional Scale Credit Ratings Methodology - Jun 08, 2023
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - Oct 10, 2021
- General Criteria: Group Rating Methodology - Jul 01, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments - Apr 01, 2019
- Criteria | Corporates | Industrials: Key Credit Factors For The Real Estate Industry - Feb 26, 2018
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers - Dec 16, 2014
- General Criteria: Country Risk Assessment Methodology And Assumptions - Nov 19, 2013
- General Criteria: Methodology: Industry Risk - Nov 19, 2013
- General Criteria: Principles Of Credit Ratings - Feb 16, 2011

Related Research

- Taiwan Ratings' Ratings Definitions - November 11, 2021

(Unless otherwise stated, these articles are published on www.taiwanratings.com)

PRIMARY CREDIT ANALYST

Susan Chen

Taipei

+886-2-2175-6817

susan.chen

@spglobal.com

susan.chen

@taiwanratings.com.tw

SECONDARY CONTACT

Beatrice Chen

Taipei

+886-2-2175-6829

beatrice.chen

@spglobal.com

beatrice.chen

@taiwanratings.com.tw

Ratings List

Ratings Affirmed

Cathay Number One Real Estate Investment Trust

Issuer Credit Rating	twA/Stable/twA-1
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