

STOCKS OF DEVELOPERS TO GAIN

Real Estate Bill to Boost FDI, Bring in more Transparency

Select property developers with good reputation in the market will benefit most from the recent Real Estate Bill as they already follow most of the norms laid out in the bill. Analysts said Oberoi Realty, Godrej Properties and Prestige Estates are likely to benefit the most as they compete in the most unorganised market. The real estate bill will lead towards greater transparency, stringent regulations and timely completions, said analysts. It will also attract higher FDI, bringing in the much needed funds to the sector.



OBEROI REALTY

The company has only exposure to Mumbai market which is under inventory pressure. Any recovery in market can provide significant boost to company sales. The Oberoi Exquisite, Goregaon project, is already complete while any pick-up in sales could unlock significant cash flows.

TOTAL BUY CALLS 24

TOTAL SELL CALLS NA

CMP ₹246 | MCAP ₹8,355Cr | 1 YR RETURN -12.2%

P/E 25.4 | CONSENSUS TARGET ₹343

GODREJ PROPERTIES

There is significant amount of capital locked in commercial projects against which the company has incurred significant capex. Any quick monetising can unlock capital which may present upside move for the stock. The company has strong presence in Mumbai and NCR market.

TOTAL BUY CALLS 10

TOTAL SELL CALLS 4

CMP ₹276 | MCAP ₹5,511Cr | 1 YR RETURN 4.65%

P/E 28.8 | CONSENSUS TARGET ₹337

PRESTIGE ESTATES

Highly dependent on Bangalore market. In case the IT demand gathers momentum, the Bangalore market can see some revival. Analysts said faster than expected pace of execution and focus on completions will help unlock significant cash flows from existing projects.

TOTAL BUY CALLS 16

TOTAL SELL CALLS 1

CMP ₹145 | MCAP ₹5,456Cr | 1 YR RETURN -44.3%

P/E 16.01 | CONSENSUS TARGET ₹243