

## REAL ESTATE Q4FY25 Result Preview

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Axis Securities Equity Research

## REAL ESTATE – STRATEGIC GROWTH GOING FORWARD

## Real Estate

We expect companies under our coverage to show a 36% decline in pre-sales for Q4FY25 YoY. This is primarily due to the already high base established in the previous financial year's Q4. Companies like Man Infraconstruction and Arvind Smartspace are set to report healthy growth for the year. Companies like Oberoi Realty, Prestige Estates, and Signature will report lower Q4 pre-sales numbers compared to the previous year. However, for the annual pre-sales (FY25), Signature Global and Man Infraconstruction have achieved their full-year guidance.

Further, approval delays persisted in 9MFY25, where we saw delays in key launches for our coverage universe, also impacting Q4FY25. We saw an easing of these delays towards the end of the quarter and expect the spillover launches to have a healthy impact on FY26. Going forward, we expect strategic and controlled growth from the companies. Companies with a high base might see deceleration for FY25 but will see recovery in the coming years due to a low base.

Overall, the time taken to convert an EOI (expression of interest) to sales has increased due to a weak market, and the demand frenzy has ceased to exist. End-user demand is still strong, and the sector will see a more balanced growth approach. Key launches from our coverage universe include PEPL's launches of Suncrest, Nautilus, and Southern Star, ARVSMART's North Bangalore project—Park, and MICL's Vile Parle Project.

## Arvind Smartspace

ARVSMART is expected to report a pre-sale of ~Rs 1,300 Cr for FY25, showing modest growth and a 12% miss on guidance for the year. A delay in key launches like the Bannerghatta project for this FY mainly causes this miss. This is a temporary setback with an otherwise healthy sales launch pipeline and balance sheet. For FY26, the company has a GDV launch worth Rs 3,000-4,000 Cr. These factors indicate promising growth, and the company maintains a 35% pre-sales growth guidance.

## Man Infraconstruction

The company launched two projects during the quarter—the Vile Parle project and two towers in the Parkwood project. It saw ~25% sales on launch. Going forward, it has five launches planned for FY26 and expects a ~25% growth in pre-sales.

## Oberoi Realty

OBER saw a launch in Thane for Q3, giving ~Rs 5,600 Cr of pre-sales for FY25. The company also continues with a soft launch for its Skycity mall and is implementing a staggering occupancy strategy. Its upcoming launches include Alibaug, Gurugram, and Adarsh Nagar. We might see moderate growth for the coming year as the likelihood of all the launches occurring in FY 26 is low.

## Prestige Estates Projects

Approval challenges hindered PEPL's growth for the FY25. Several key launches were delayed including the Indirapuram Prestige City and Pallava Gardens in Chennai, among others. The GDV for these delayed launches sums up to Rs 17,000 Cr, the timely launch of which could have completed the company's pre-sales guidance. The company managed to launch Suncrest, Nautilus, Southern Star and Spring Heights (GDV of Rs 16,000 Cr) and might end the year with pre-sales of Rs 14,000 Cr, largely missing their Rs 26,000 Cr guidance. However, we expect Indirapuram to be launched in Q1FY26, which will attract good sales for the upcoming year.

## Signature Global

The company recorded pre-sales of Rs 1,620 Cr for the quarter and Rs 10,209 Cr for FY25, achieving its full-year pre-sales guidance with the best-ever full-year pre-sales. The company noted collections of Rs 11,700 Cr, up 16% YoY. It expects the demand in Gurugram to remain intact and will continue with its strategy to focus on mid—and premium-segment housing.

## Key Monitorable in Q4FY25E

We would watch out for the management commentary on 1) Future launch guidance, 2) Luxury segment demand, 3) Price increases and Absorption, and 4) Outlook on real estate cycle FY26. This year, we remain positive on companies with slow growth due to a low base and deferred launches.

### OUR TOP POSITIVE PLAYS

**Prestige Estates; Signature Global**

## Real Estate

### Q4FY25 Preview Numbers

Pre-Sales (Rs Cr)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25E	YoY (in %)	QoQ (in %)
Arvind Smartspace	323	201	464	224	420	30	88
Man Infraconstructions	391	691	209	608	400	2	-34
Oberoi Realty	17,644	10,670	14,425	19,183	12,000	-32	-37
Prestige Estates	4,707	3,030	4,023	3,013	4,000	-15	33
Signature Global	4,145	3,120	2,780	2,770	1,600	-61	-42

### Performance v/s Guidance

Pre-Sales (Rs Cr)	Q4FY25E	FY25E	FY25 Guidance
Arvind Smartspace	420	1,309	1,500
Man Infraconstructions	400	1,908	1,500
Oberoi Realty	12,000	56,278	65,000
Prestige Estates	4,000	14,065	26,000
Signature Global	1,600	10,270	10,000

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