

# Real Estate

## Developers benefiting from consolidation

Over FY23-25, the acceleration in business development (BD) by large developers, especially beyond their core markets, and the consequent uptick in new launches has resulted in the market share of listed developers rising from 18% to 21%. Healthy organic cash flows and a strong balance sheet is enabling developers to expand in new regions. As per PropEquity, absorption in tier 1 cities in Jul'25 increased to 56msf, up 25% YoY on a favourable base and new launches contributed 16% to overall sales. Bengaluru has outperformed other markets, with absorption in the city up 53%/65% MoM/YoY to 10msf. Our interaction with channel partners in Mumbai, NCR and Bengaluru suggests that the quarter would be impacted by seasonality and there is increased consciousness among buyers on ticket size given the sharp increase in prices in recent years. In markets like Thane and Bengaluru, demand remains very strong in the INR 15mn-25mn segment. We expect the demand for residential units to sustain, atleast in the near term; while there could be a minor moderation, the demand-supply scenario is healthy directionally with high absorption and comfortable inventory levels. With a strong project pipeline and increased outflow on BD, we expect listed developers to outperform the industry and continue to gain market share. Godrej Properties, Sobha and Keystone are our preferred picks.

- **Rising consolidation:** Over FY23-25, the market share of the top 14 listed developers in bookings has gradually risen from 18% to 21% aided by accelerated business development (BD) by large players, especially beyond their core market. In 1QFY26, the market share of top 14 stood at 29% primarily due to the strong performance of DLF and a Bengaluru-based developer. Led by healthy organic cash flows and a strong balance sheet (especially post the fund-raise), companies are expanding in new regions to gain market share. Among our coverage universe, Lodha and GPL have identified Bengaluru and Hyderabad as their additional focused markets while Sobha is making inroads into Noida and Mumbai. With a strong project pipeline and increased outflow on BD, we expect listed developers to outperform the industry and continue to gain market share.
- **Absorption increased 25% YoY in Jul'25:** As per PropEquity, tier 1 cities absorption in Jul'25 increased to 56msf, up 25% YoY on a favourable base. On MoM basis, demand improved 16% led by MMR and Bengaluru. Launches continue to lag demand as tier 1 cities witnessed supply of 46msf, down 17% MoM. New launches contributed 16% to overall sales during the month. Bengaluru seems to have overcome the approval-related challenges that impacted its performance last year, with absorption in the city up 53%/65% MoM/YoY to 10msf. Average realisation was flat during the month and inventory was stable at c. 550k units with an overhang of 15 months.
- **Takeaways from channel checks: Bengaluru:** While the city witnessed a sharp uptick in supply in the month of July, our channel checks suggest there hasn't been much action from listed developers so far. Among the key developers, Lodha is in the process of launching its third project in the city at Sarjapur and the initial response is strong given the attractive ticket size. Our interactions suggest that there is increased consciousness among buyers on ticket size, given the sharp increase in prices in recent years and demand continues to be strong in the INR 15mn-25mn segment. There is significant interest for a plotted product and a few Bengaluru-based developers are expected to launch multiple projects in this segment during the quarter. Over the last couple of years, the city has witnessed the emergence of many new players like Lodha, Mahindra, Birla group, etc., which has resulted in increased competition among Grade A developers.

**Mumbai:** The overall market activity remain moderate largely due to lack of key launches. From the coverage universe, GPL has launched new projects at Versova and Navi Mumbai (Sanpada). In Thane, the projects with ticket size of INR 15-25mn are performing better than others. Players like Dosti, Lodha (Amara project) and Adani (largely due to location) are doing well. Rustomjee clocking INR 1bn monthly run-rate at Urbania township in Thane.



**Sumit Kumar**

sumit.kumar@jmfl.com | Tel.: (91 22) 66303089

**Sourabh Gilda**

sourabh.gilda@jmfl.com | Tel: (91 22) 66303114

**Tushar Wankhede**

tushar.wankhede@jmfl.com | Tel: (91 22) 62241795

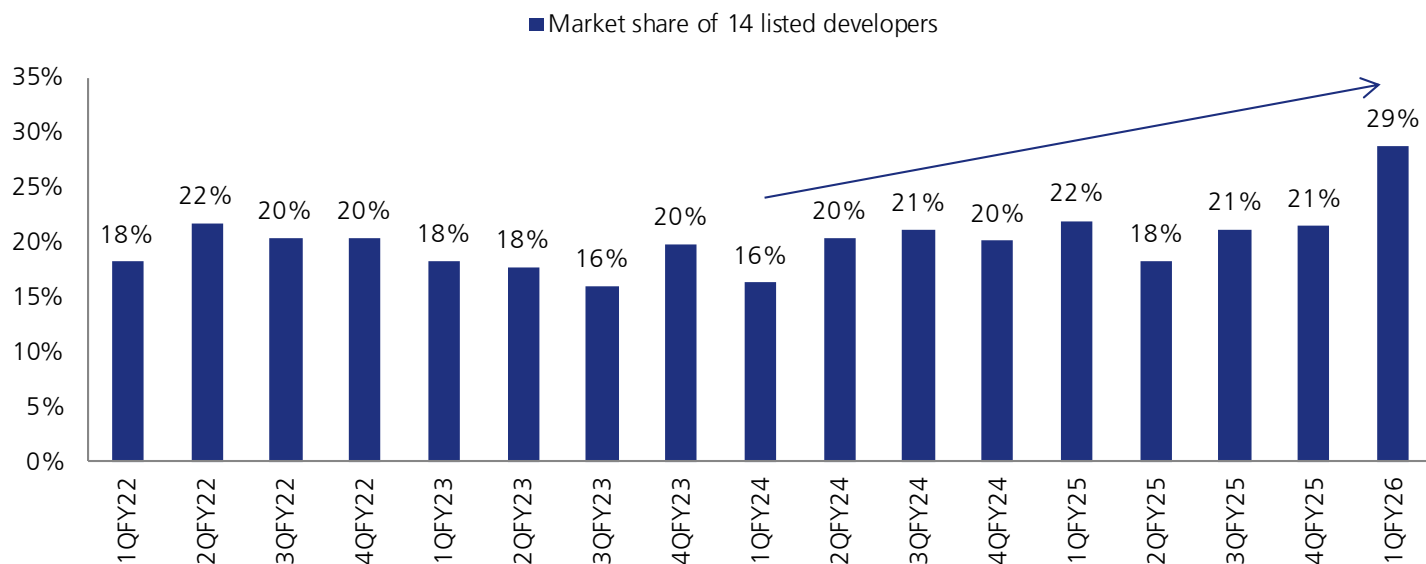
JM Financial Research is also available on: Bloomberg - JMFR <GO>, Thomson Publisher & Reuters, S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

**NCR:** Among all cities, NCR has witnessed the least action on new supply which has also impacted absorption. Among key developers, only GPL has come up a new project at Golf Course extension with ticket size of INR 100m+ (its third project in this location) but multiple new projects have received RERA approval in the last 2 weeks. Overall, the demand has moderated especially in the INR 50mn+ ticket size and hence the lack of launches in this segment.

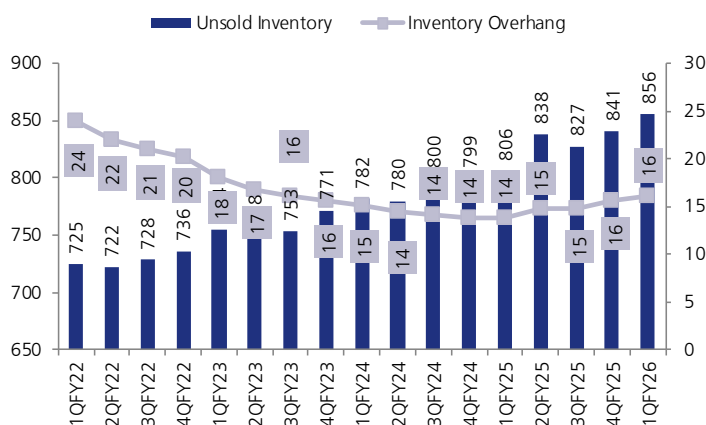
- **Godrej, Sobha and Keystone are our preferred picks:** We expect the demand for residential units to sustain, atleast in the near term; while there could be a minor moderation, the demand-supply scenario is healthy directionally with high absorption levels and comfortable inventory levels. At current levels, Godrej (Mar'26 TP: INR 2,600), Sobha (Mar'26 TP: INR 1,850) and Keystone (Mar'26 TP: INR 855) are our preferred picks.

**Exhibit 1. Market share of 14 listed companies has increased to 21% in FY25 from c.18% in FY23**



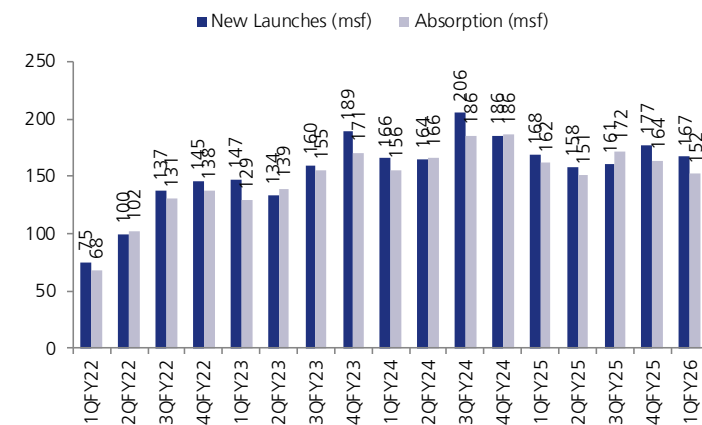
Source: PropEquity, JM Financial

**Exhibit 2. Tier 1 cities - unsold inventory and inventory overhang**



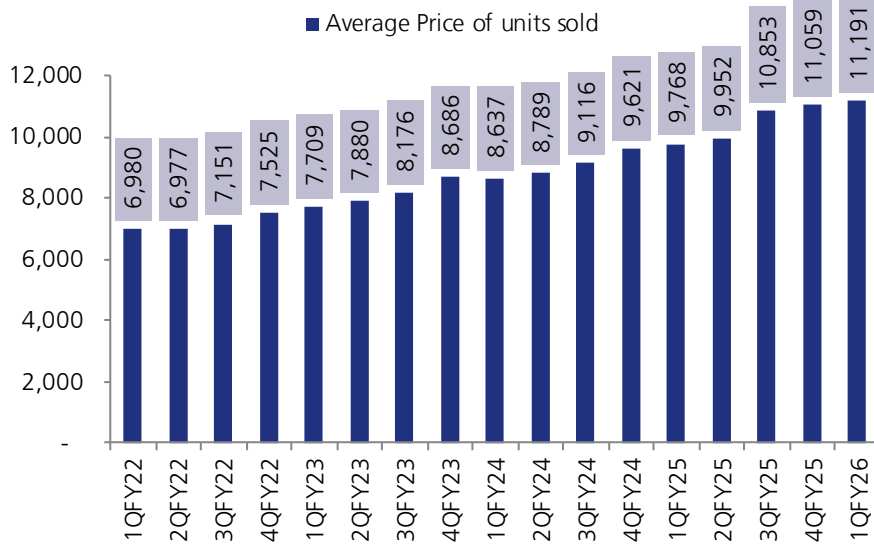
Source: PropEquity, JM Financial

**Exhibit 3. Tier 1 cities - new launches and absorption**



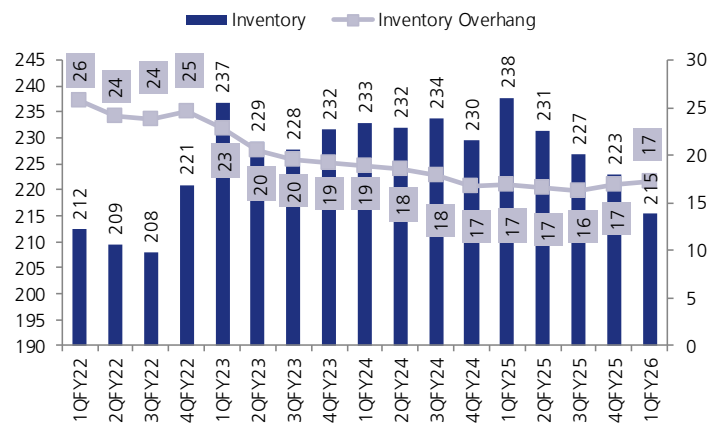
Source: PropEquity, JM Financial

Exhibit 4. In 1QFY26, Tier 1 cities prices grew by 15% YoY



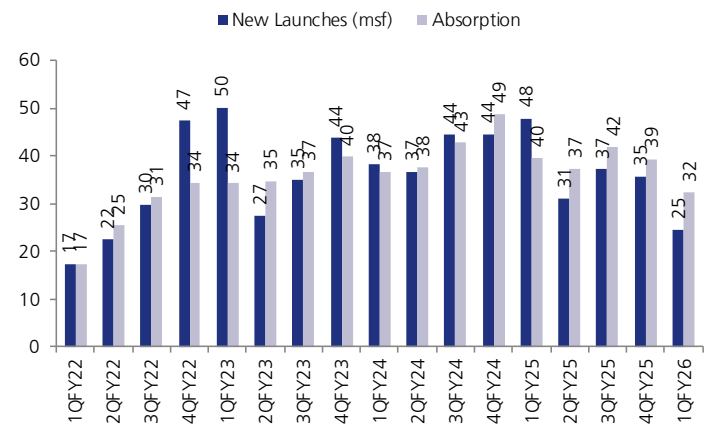
Source: PropEquity, JM Financial

Exhibit 5. MMR inventory maintained at 17 months...



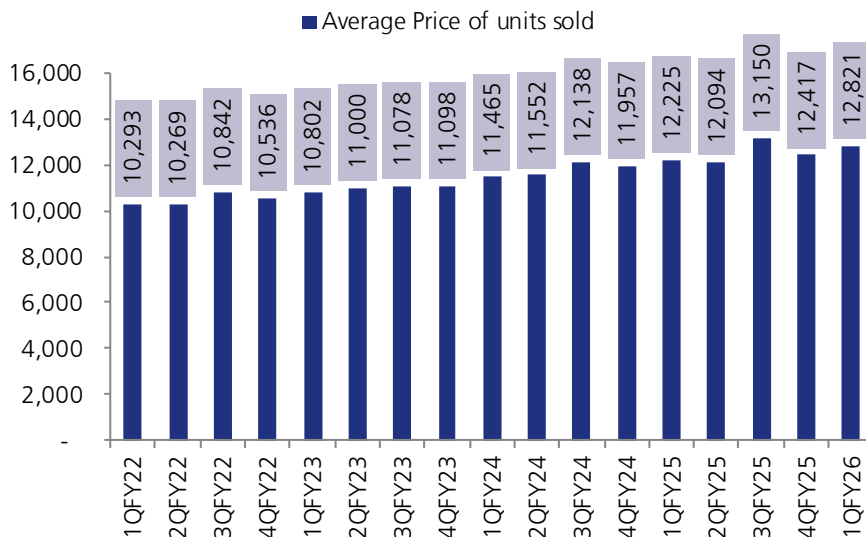
Source: PropEquity, JM Financial

Exhibit 6. ...as supply continues to lag demand



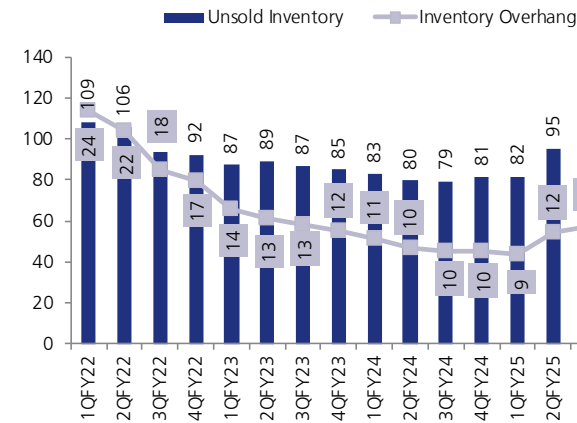
Source: PropEquity, JM Financial

Exhibit 7. In 1QFY26, MMR witnessed 5% YoY growth in pricing



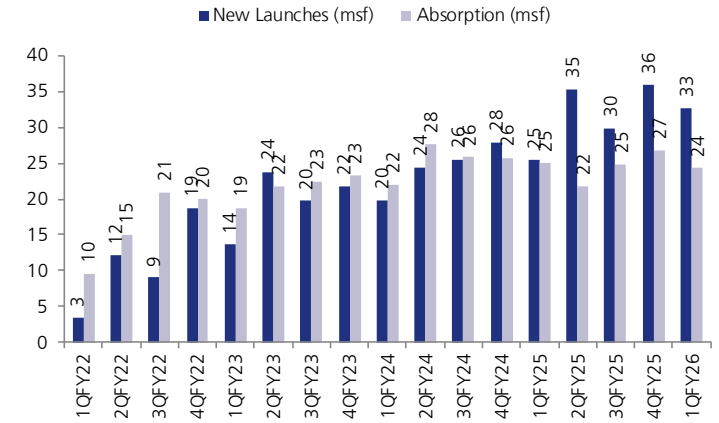
Source: PropEquity, JM Financial

Exhibit 8. Bengaluru witnessing gradual rise in inventory...



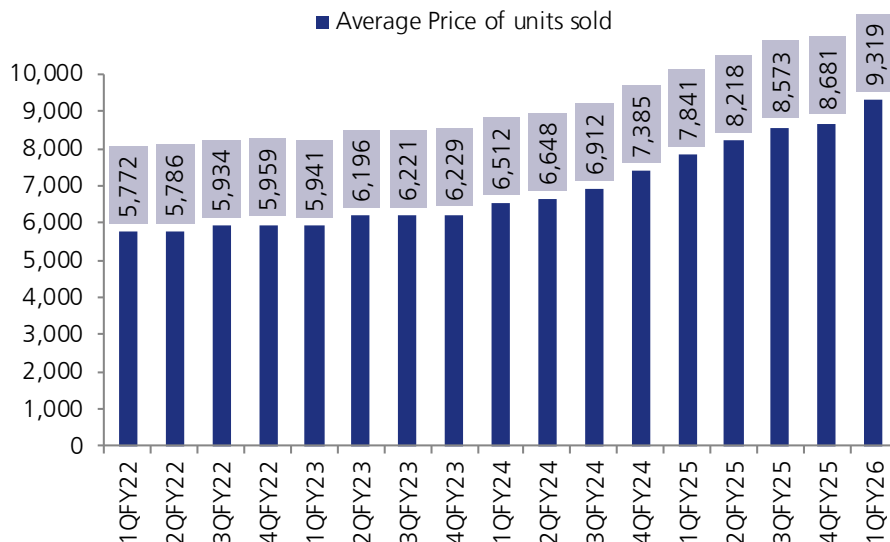
Source: PropEquity, JM Financial

Exhibit 9. ...led by higher supply



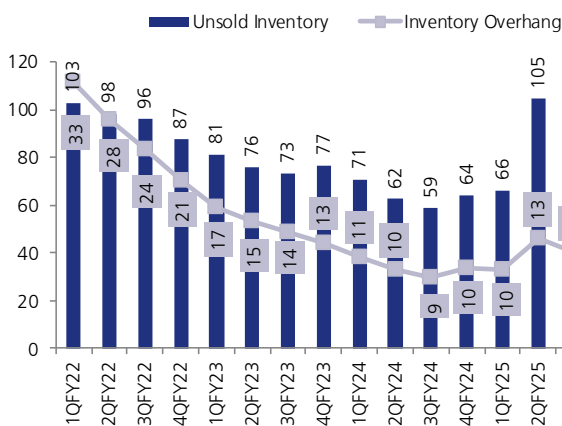
Source: PropEquity, JM Financial

Exhibit 10. Bengaluru – Average realisation up 19% YoY in 1QFY26



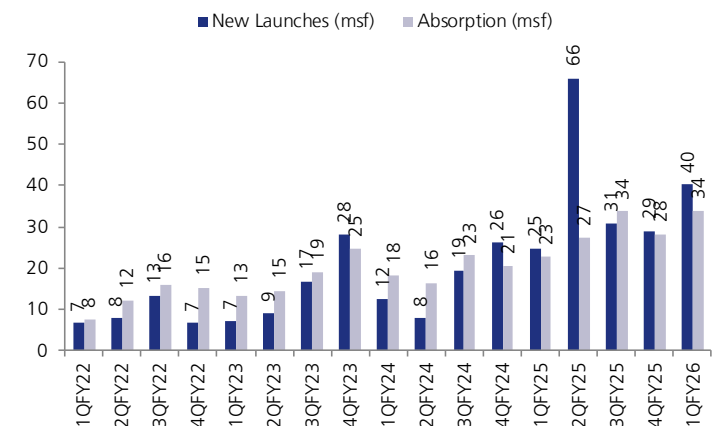
Source: PropEquity, JM Financial

Exhibit 11. NCR – Inventory since 2QFY25 skewed by DDA supply

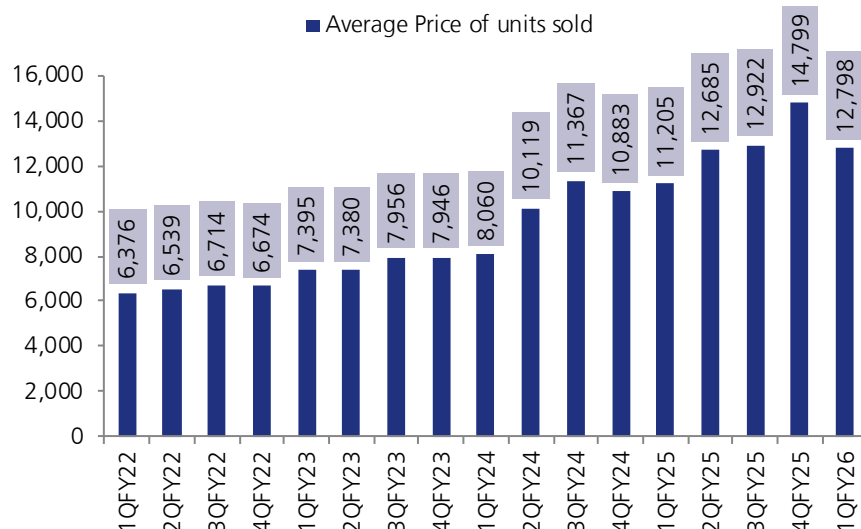


Source: PropEquity, JM Financial

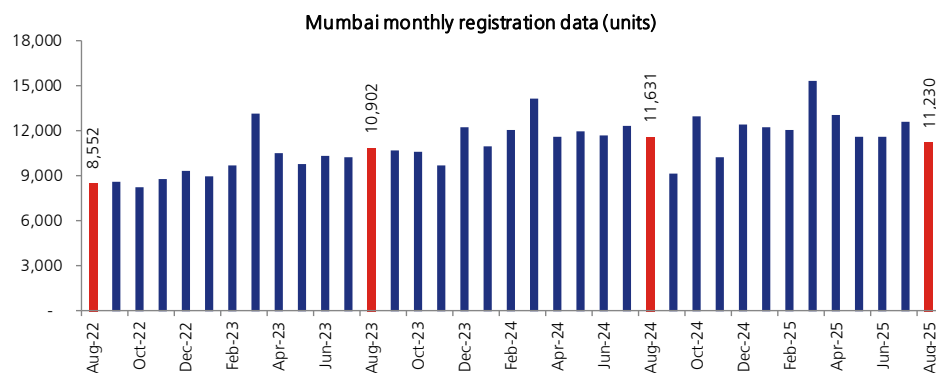
Exhibit 12. Ex-DDA units, supply lags demand



Source: PropEquity, JM Financial

**Exhibit 13. Delhi-NCR witnessed 14% YoY growth in pricing**

Source: PropEquity, JM Financial

**Exhibit 14. Mumbai property registrations were steady in Aug'25**

Source: Company, JM Financial

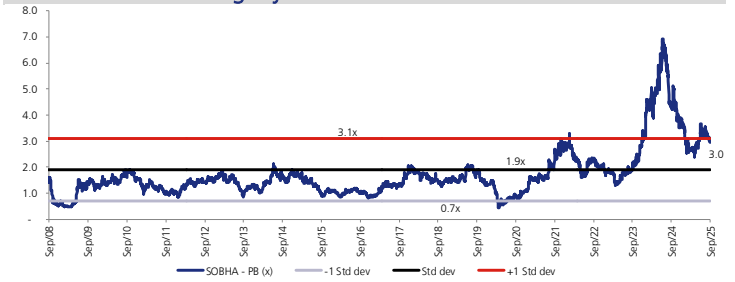
**Exhibit 15. Real Estate comps – Godrej Sobha and Keystone are our top picks**

Company	CMP	Mcap (INR bn)	TP Rating	Upside (%)	EV/Pre-sales			EV/EBITDA			EV/OCF			Pre-sales CAGR
					FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25-27E
DLF	764	1,891	1,000 BUY	31%	6.3	5.9	5.6	15.8	14.8	13.9	27.5	14.7	8.0	7%
Lodha	1202	1,195	1,480 BUY	23%	5.4	4.4	3.5	19.4	15.5	12.5	17.3	13.0	10.5	25%
Godrej Properties	2013	606	2,600 BUY	29%	2.2	2.0	1.7	10.2	9.0	7.9	11.6	9.6	7.7	13%
Oberoi Realty	1662	604	1,750 HOLD	5%	8.1	6.0	4.6	23.0	17.3	13.1	13.2	17.6	13.2	33%
Sobha	1454	155	1,850 BUY	27%	1.8	1.3	1.1	8.8	6.4	5.6	13.3	5.0	6.2	26%
Keystone Realtors	611	77	855 BUY	40%	2.4	1.8	1.3	11.9	8.9	6.4	6.5	12.9	9.0	36%
Sunteck Realty	395	58	615 BUY	56%	2.0	1.5	1.3	9.3	7.0	5.8	13.8	11.3	9.3	27%

Source: Company, JM Financial

**Exhibit 16. DLF trading at 4.5x 1 year forward P/B**

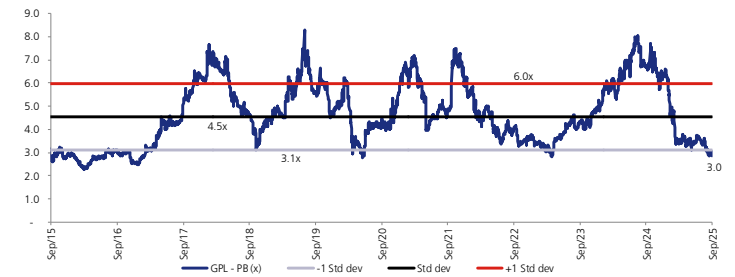
Source: Bloomberg, JM Financial

**Exhibit 17. Sobha – slightly below +1SD**

Source: Bloomberg, JM Financial

**Exhibit 18. Lodha consolidating near historical average**

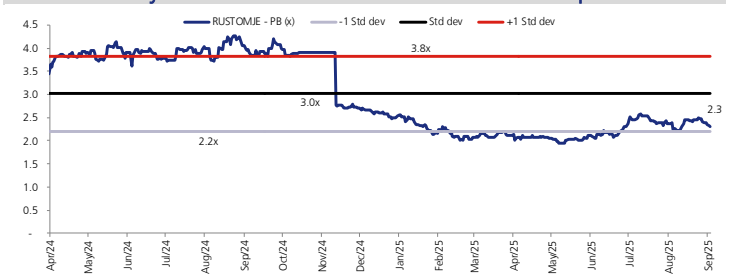
Source: Bloomberg, JM Financial

**Exhibit 19. Godrej Properties – multiple dropped due to fund-raise**

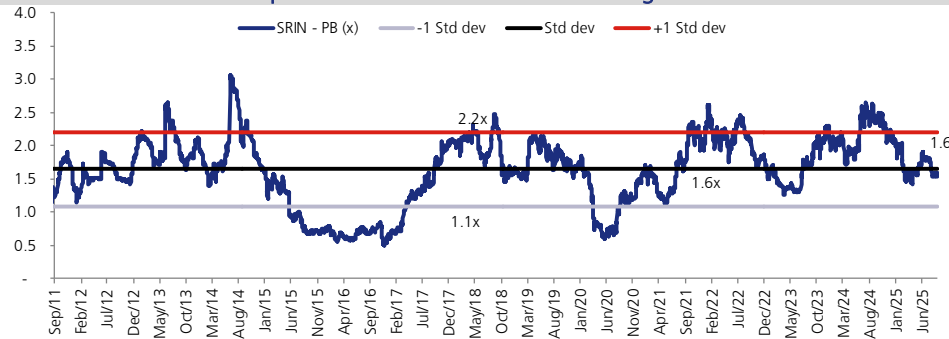
Source: Bloomberg, JM Financial

**Exhibit 20. Similar to DLF, Oberoi is trading at healthy premium**

Source: Bloomberg, JM Financial

**Exhibit 21. Keystone Realtors has lot of room to catch up**

Source: Bloomberg, JM Financial

**Exhibit 22. Sunteck's multiple is in line with the historical average**

Source: Company, JM Financial

## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: [jmfinancial.research@jmfl.com](mailto:jmfinancial.research@jmfl.com) | [www.jmfl.com](http://www.jmfl.com)Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: [sahil.salastekar@jmfl.com](mailto:sahil.salastekar@jmfl.com)Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: [instcompliance@jmfl.com](mailto:instcompliance@jmfl.com)

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

\* REITs refers to Real Estate Investment Trusts.

**Research Analyst(s) Certification**

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

**Important Disclosures**

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.



While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

**Additional disclosure only for U.S. persons:** JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 27th Floor, Office No. 2715, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

**Additional disclosure only for U.K. persons:** Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

**Additional disclosure only for Canadian persons:** This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.