

<b>Publication:</b>	Economic Times	<b>Edition:</b>	Mumbai
<b>Date:</b>	20-Sep-2017	<b>Page No:</b>	10
<b>Supplement:</b>	Main	<b>Size (cm2):</b>	274.9
<b>Title:</b>	Mumbai Developers Gain as RERA Brings Order to Realty	<b>Byline (Author):</b>	Rajesh.Mascarenhas

**A SHIFT TO ORGANISED PLAYERS** is expected with the advent of the regulator, driving up stocks of these players; more funding options have boosted sentiment

# Mumbai Developers Gain as RERA Brings Order to Realty

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**Mumbai:** Mumbai-based realty firms have scorched the charts on the Street in recent times on expectations that there would be a major shift in favour of organised real estate players, especially after the stringent implementation of the Maharashtra Real Estate Regulatory Authority (MahaRERA). Analysts also attributed the rally to the opening up of funding avenues for commercial realty projects.

Stocks such as Bombay Dyeing, Mahindra Lifespace, Godrej Properties, Marathon Nextgen, and Oberoi Realty have rallied between 20% and 148% in the past one month, against 7% gain in the BSE Realty index.

Several small realty developers are, in fact, merging their projects with large established developers to comply with MahaRERA which will give good business to the organised players, claimed market participants.

“The recent introduction of the

Top Gainers			
Stock	CMP (₹)	1 Month Return (%)	P/E
Bombay Dyeing	193.35	148.36	69.55
Marathon Nextgen	364.90	29.90	12.27
Mahindra Lifespace	524.00	29.61	21.08
Godrej Properties	607.15	19.26	63.45
Oberoi Realty	422.50	14.45	38.06



RERA has pumped in a new lease of life into the sector. It is expected to weed out unorganised players and whip up buyer confidence, restoring the much-needed buoyancy,” said Chintan Modi, analyst, Motilal Oswal Financial Services. “Maharashtra will see a very early consolidation compared with other markets as MahaRERA is functioning very efficiently here.”

In the medium term, less-capitalised, or non-serious players, may find complying with the RERA provisions difficult, leading to partial or full exit from their projects. Serious and well-capitalised players should benefit from this with increased demand and higher realisations, said experts.

“The provisions of capital adequacy, full disclosures and strict penalties should lead to greater transparency

and increased customer confidence. This, coupled with favourable long-term fundamentals, should benefit the sector,” said Harshal Pandya, analyst, Edelweiss.

Analysts are bullish on most Mumbai-based realtors, and most broking houses that are tracking Mahindra Lifespace and Godrej Properties have given a buy rating to the stock. “We like Mahindra Lifestyle given its strong parentage, management’s focus on improving return ratios through strategic partnerships, affordable housing foray and comfortable balance sheet at 0.2 times debt to equity,” said Deepak Purswani, analyst at ICICI Securities.

Mohit Agarwal, analyst, IIFL, said that Godrej Properties is in a sweet spot to benefit the most from the ongoing reforms in the real estate sector such as RERA and affordable housing.

However, Parikshit Kandpal of HDFC Securities, said that Oberoi Realty needs to rethink its product strategy to accelerate pre-sales for the upcoming projects.

