

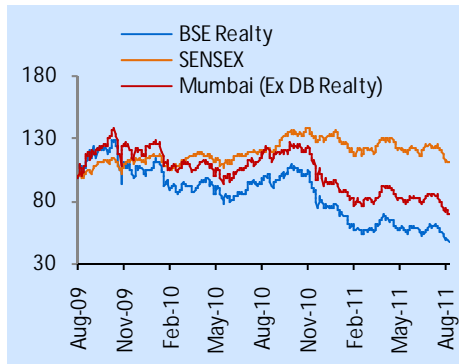
Pain continues

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BSE Sensex v/s BSE Real Estate



Source: Bloomberg, PL Research

Stock Performance

(%)	1M	6M	12M
Sensex	(9.0)	(7.5)	(7.8)
BSE Real Estate	(24.7)	(19.0)	(54.5)
Ackruti City	(6.3)	(19.5)	(66.3)
Ajmera Realty	(25.6)	(31.0)	(48.5)
Godrej Properties	(15.5)	10.6	(14.9)
HDIL	(37.0)	(30.6)	(64.9)
Indiabulls	(38.3)	(31.0)	(61.7)
Oberoi Realty	(3.7)	(6.6)	NA
Orbit Corporation	(15.4)	(27.4)	(73.0)
Peninsula Land	(17.2)	(23.5)	(36.6)
Phoenix Mills	(3.6)	21.9	(11.2)
Sunteck Realty	(8.4)	(20.4)	(58.4)

- Sales registrations down 31% YoY at 5,047
- Quarterly performance of listed developers echoes slowdown trend visible in registrations
- RBI's aggressive rate hike (+50 bps) in July to aggravate sector's woes
- Lease registrations up 19% YoY at 9645 continuing their upward trajectory

Sales registrations down 31% YoY, pain visible in the listed space

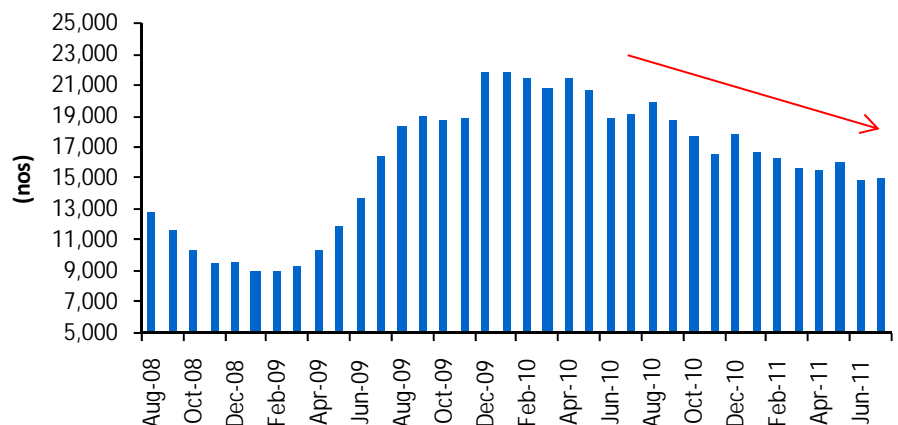
Sales registrations for the month of July are down 31% YoY to 5,047 levels pointing to a continuation of the downtrend. In the listed space, Mumbai realty developers have echoed the slowdown trend visible in the falling Sales registration numbers.

- HDIL launched a new project in Mulund and received a tepid response (only ~10% of project sold)
- TDR sales volumes for HDIL were down 24% QoQ indicating partly an overall delay in approvals, but mainly demand pressures in the system
- Orbit Corporation witnessed sales of a mere ~10,000 sf for the quarter, levels last seen in the September 2008 quarter
- The only company that bucked the trend was Oberoi Realty where its newly launched Goregaon project continued to witness a decent response.

In its monetary policy announcement at the end of July RBI raised rates aggressively by another 50 bps to tackle inflationary pressures. The double whammy for developers continues with borrowing costs on the rise along with worsening buyer affordability.

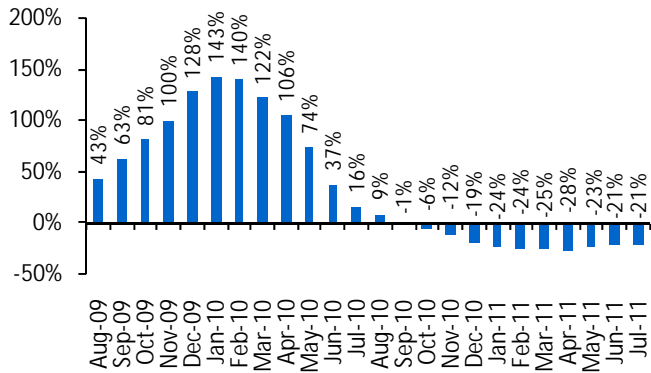
Lease registrations continue their upward trend up 19% YoY to 9645, although a tad lower than the all time high numbers seen last month.

Exhibit 1: 3-month Moving avg. Sales Registrations in Mumbai



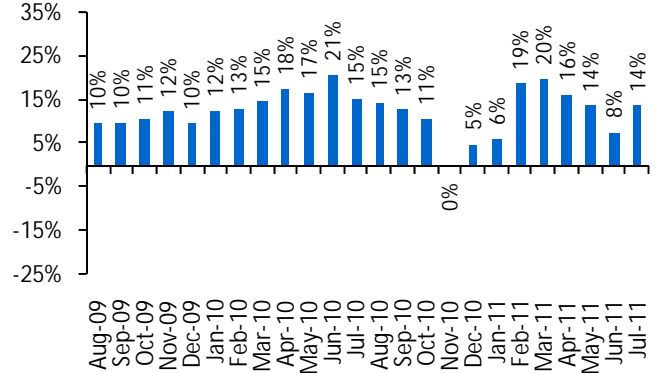
Source: DGR Mumbai, PL Research

Exhibit 2: 3-month Moving Average Sales YoY % growth



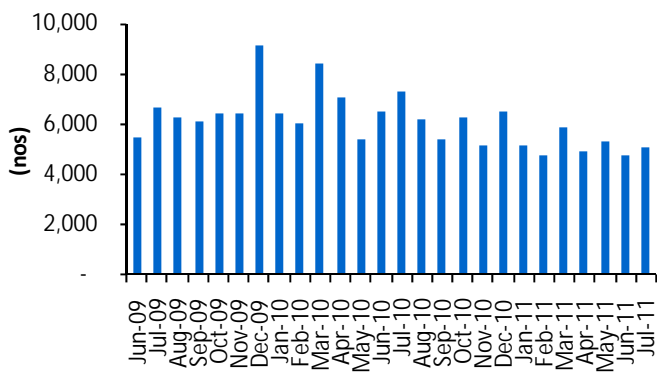
Source: DGR Mumbai, PL Research

Exhibit 3: 3-month Moving Average Leases YoY % growth



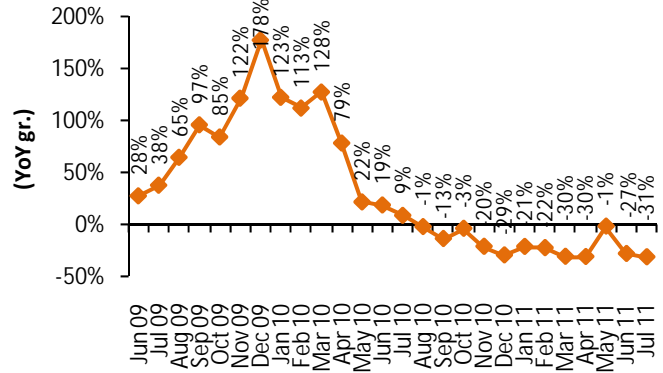
Source: DGR Mumbai, PL Research

Exhibit 4: Registration of Sale Deed agreements in Mumbai



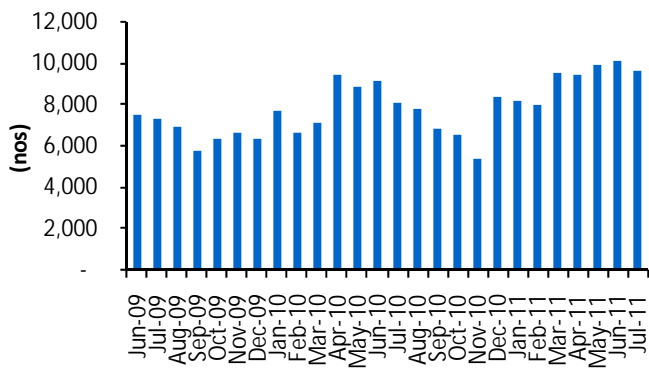
Source: DGR Mumbai, PL Research

Exhibit 5: YoY% growth in Sale Deed registrations



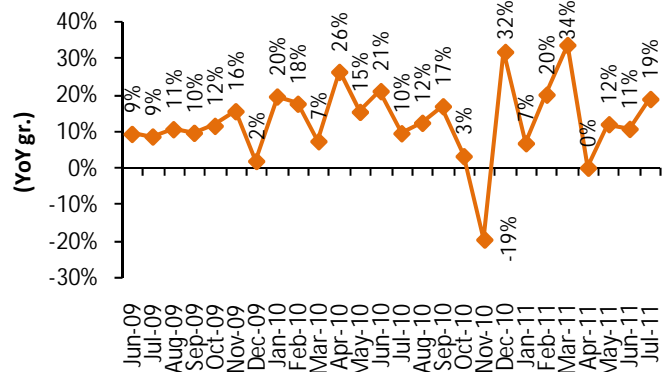
Source: DGR Mumbai, PL Research

Exhibit 6: Registration of Lease Agreements in Mumbai



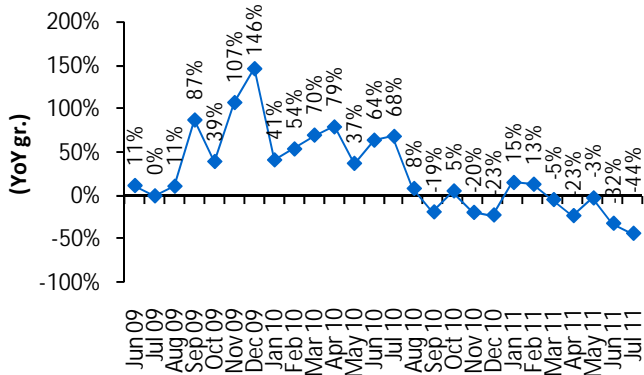
Source: DGR Mumbai, PL Research

Exhibit 7: YoY% growth in Lease Agreement registrations



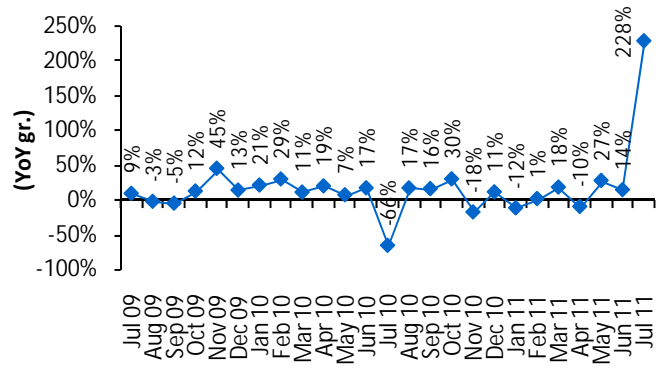
Source: DGR Mumbai, PL Research

Exhibit 8: 'Mumbai Island City' Sale Deed Registrations



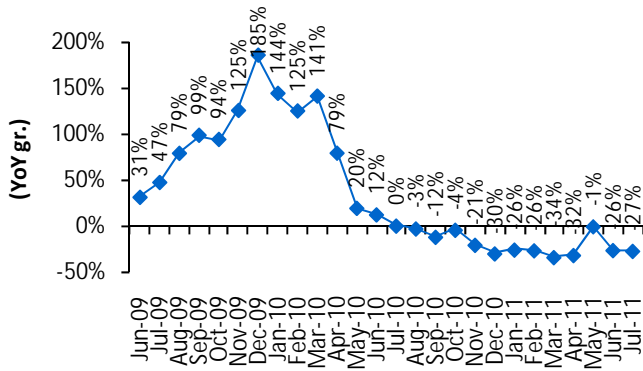
Source: DGR Mumbai, PL Research

Exhibit 9: 'Mumbai Island City' Lease Agreement Registrations



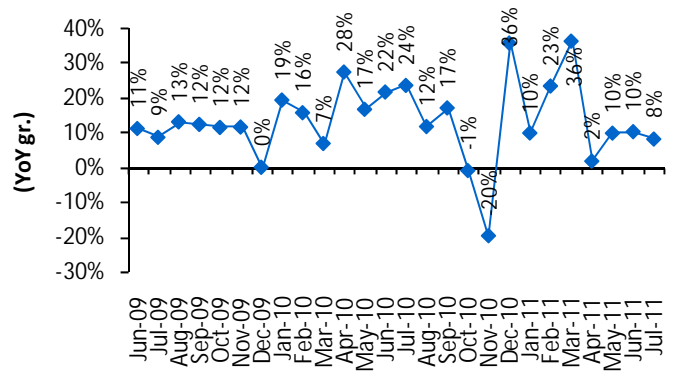
Source: DGR Mumbai, PL Research

Exhibit 10: 'Mumbai Suburb' Sale Deed Registrations



Source: DGR Mumbai, PL Research

Exhibit 11: 'Mumbai Suburb' Lease Agreement Registrations



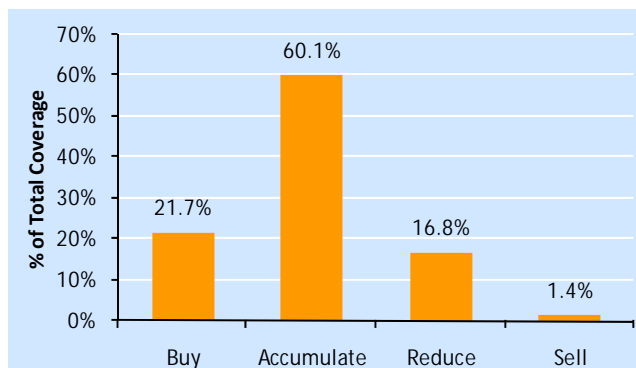
Source: DGR Mumbai, PL Research

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Rating Distribution of Research Coverage



PL's Recommendation Nomenclature

BUY	: Over 15% Outperformance to Sensex over 12-months	Accumulate	: Outperformance to Sensex over 12-months
Reduce	: Underperformance to Sensex over 12-months	Sell	: Over 15% underperformance to Sensex over 12-months
Trading Buy	: Over 10% absolute upside in 1-month	Trading Sell	: Over 10% absolute decline in 1-month
Not Rated (NR)	: No specific call on the stock	Under Review (UR)	: Rating likely to change shortly

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