

REAL ESTATE Q1FY26 Result Preview

Equities | 9th July, 2025

Axis Securities Equity Research

REAL ESTATE – DEMAND RESILIENCE AND LAUNCH RECOVERY

Real Estate

We expect companies under our coverage to show a 55% improvement QoQ in pre-sales for Q1FY26. This is primarily due to a low base established in the previous quarter, Q4FY25. Companies like Prestige Estates and Oberoi Realty are set to report healthy bookings for the year. They are on track with their quarterly expectations for sales. Companies like Arvind Smartspaces, Man Infraconstructions will report weaker performance due to a lack of launches. Their bookings are mainly driven by sustenance sales. However, we believe upcoming business developments and spillover launches will keep the companies on track for the full year guidance.

Furthermore, we see approval delays being eased and anticipate healthy launches for this year. The demand for residential real estate still has momentum, and we expect 30%-60% sales on launch, prevailing in cities like NCR, Bangalore. The spillover launches and a low base will drive further growth for these companies. Companies like Prestige have been able to establish their ground in Mumbai with Prestige Turf Tower.

Overall, we see good end-user demand and a balanced growth approach will prevail going forward. For annuity as well, we see improvement in occupancy that has started showing in operational numbers. Key launches from our coverage universe include Oberoi's Elysium Tower D, PEPL's launches of TPC Indirapuram, Prestige Gardenia, and Prestige Chennai Pallava Gardens.

Arvind Smartspaces

ARVSMART is expected to report a pre-sale of ~Rs 170 Cr for Q1FY26, showing slow growth for this quarter. This is mainly due to a lack of launches in this quarter. The pre-sales are mainly driven by ongoing project sales. 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-Rs 4,000 Cr.

Embassy Park REITS

Revenue from business is expected to be ~Rs 940 Cr. This shows a 13% de-growth QoQ. NOI margin is expected at 86% and a modest improvement in occupancy to 88%.

Man Infraconstructions

The company experienced a slow but steady quarter with no new launches. This might lead to below-par bookings for the quarter, and we expect Rs 550 Cr in pre-sales for Q1FY26. This will mainly be driven by sustenance sales of the Vile Parle, Tardeo, and Dahisar project. It is also on a strong BD trajectory, coupled with robust launches in upcoming quarters.

Oberoi Realty

OBER had a steady quarter, missing fireworks. The company launched Elysium Tower D, a 0.8 Mn sq. ft. project. Half of this inventory was launched with almost 50% sales on launch. We expect pre-sales of Rs 950 Cr. Sustenance sales were mediocre, but we expect good sales going forward, driven by big launches like SkyCity Tower H, Jardin Tower A, and the Gurgaon launch. We also expect Peddar Road and Adarsh Nagar launches in Q4FY26. Skycity Mall has reached ~40% occupancy.

Prestige Estates Projects

Prestige Estates had a stellar quarter in Q1FY26, expecting to fulfil its guidance of Rs 12,000 Cr in pre-sales. This is almost 44% of its full-year bookings guidance. This is mainly driven by the spillover launches of TPC Indirapuram, Prestige Gardenia and Prestige Chennai Pallava Gardens. Pallava Gardens was launched on the second-to-last day of the quarter and will show numbers in the coming quarter. Southern Nautilus and Spring Heights contributed to sustenance sales. The hotel segment IPO will get its SEBI approval for listing this year. Annuity improvement was seen with Alphatec, showing rental increments.

Signature Global

We see QoQ improvement in the bookings for Q1FY26 to the tune of Rs 2,640 Cr, mainly driven by new tower launches at existing projects. The company had one launch this quarter, namely Cloverdale (Titanium Phase 2), a Rs 3,500 Cr project, with 770 units launched and an average realisation of Rs 18,500/sq. ft. The company expects to see heavy launches in Q2FY26 and Q3FY26 in Sector 37D and Sector 71.

Key Monitorable in Q1FY26E

We would watch out for the management commentary on 1) Future launch path, 2) Luxury segment demand, 3) Price increases and absorption, and 4) Outlook on real estate cycle. 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

Q1FY26 Preview Numbers

Pre-Sales (Rs Cr)	Q1FY25	Q4FY25	FY25	Q1FY26E	YoY	QoQ
Arvind Smartspaces	201	381	1,270	170	-15%	-55%
Man Infraconstructions	691	743	2,251	550	-20%	-26%
Oberoi Realty	1,067	853	5,281	950	-11%	11%
Prestige Estates	3,030	6,957	17,000	12,000	296%	72%
Signature Global	3,120	1,620	10,290	2,640	-15%	63%

Performance v/s Guidance

Pre-Sales (Rs Cr)	Q1FY26E	FY26E Guidance	% Guidance completion for Q1FY26E
Arvind Smartspaces	170	1,700	10%
Man Infraconstructions	550	2,900	19%
Oberoi Realty	950	6,600*	14%
Prestige Estates	12,000	27,000	44%
Signature Global	2,640	12,500	21%

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