



Pick of the week

Oberoi Realty

Recommendation: **ADD**

Current Price: ₹855

Potential Upside: **17%**

Date: **06th December 2021**

Time Period: **12 Months**

Target Price: ₹1000

Why Invest?

- Oberoi Realty is well placed to capitalize on improved demand for residential real estate, with projects across ticket sizes in key micro-markets of Mumbai.
- Oberoi Realty in order to increase its presence outside MMR (Mumbai Metropolitan region) could explore NCR (National Capital Region) as the next geography. The company initially shall look for small projects with saleable area of ~20-30 lakh sq. ft with conservative investment upto Rs1000 cr.
- The company reported strong sales performance in Q2FY22 with sales of Rs830 cr (+153% yoy, +388% qoq) for sales area of 4.4 lakh sq. ft on account of sales traction witnessed across all its micro-markets.
- The company is also looking to launch another project in Thane (total area of 1.5 cr sq. ft) of 10 lakh sq. ft in Q3FY22 tapping into festive demand. Launch of the much awaited Thane project and pick-up of sales in 360 West could bring new momentum to sales numbers.
- Oberoi Realty's net asset value (NAV) has 59% contribution from residential portfolio. Maintain ADD rating and Fair Value to 1,000/share factoring strong sales performance and price increases.