



**TRANSIQUE**  
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# Industry Insights - Financial Performance & Valuation Trends

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**Realty Industry**  
**October 23**

# Background (Coverage & Approach)

Transique Corporate Advisors takes immense pleasure in presenting its thirteenth Industry Insight report capturing the financial performance and valuation trends over 3 year period of “Realty Industry” and its Sub Industries including Residential, Commercial Projects. These trends are based on the data of last two audited financial years (FY 2020-21 and FY 2021-22) and trailing twelve months (TTM) consolidated financials as on July 2023.

The purpose of this “Realty Industry Insight Report” is to provide an executive summary of Realty Industry including its emerging Industry trends and Investment opportunities, macro understanding of the financial performance and movement in the median valuation multiples of companies operating in Realty Industry and its Sub-Industries.

For preparation of this Realty Industry Insight report on we have analysed 178 companies listed on NSE/BSE. After applying our proprietary filtration criteria for eliminating the outliers and adjusting for Infrequently Traded Companies, we have done detailed analysis of 30 companies which has been summarised in this report.

We hope this Industry Report Series: Financial performance and Valuation trends would be of use to the Corporates, Investors and Professionals. If you require any guidance or support or have any feedback, you may write to us at [info@transique.in](mailto:info@transique.in)

To read about more such Industry Insights and Valuations of 21 Industries and 193 Sub Industries, click here: <https://www.transiqueadvisors.com/transique-insight/>

# Executive Summary : Realty Industry

## Background

The Real Estate sector is an essential segment of the Indian economy which has linkages with more than 250 ancillary industries and employs more than 10% of India's workforce. In India, the real estate sector is the second-highest employment generator, after the agriculture sector. In 2022, India's real estate sector experienced price growth of 6%. Fresh real estate launches across India's top seven cities grabbed a 41% share in the first quarter of 2023 (January-March), marking an increase from the 26% recorded in the same period four years ago. Out of approximately 1.14 lakh units sold across the top seven cities in the first quarter of 2023.

## Contribution to GDP

Approximately 11%

## Employment Generation

Approximately 71 million people including construction sector

## Key Achievements

In the Union Budget 2023-24, the Finance Ministry has announced a commitment of Rs. 79,000 crore (US\$ 9.64 billion) for PM Awas Yojana, which represents a 66% increase compared to the last year. One of the leading recipients of FDI in the country; construction development sector inflows are at \$26.35 Bn (April 2000- March 2023)

## Present Scenario

In FY23, India's residential property market witnessed with the value of home sales reaching an all-time high of Rs. 3.47 lakh crore (US\$ 42 billion), marking a robust 48% year-on-year increase. The volume of sales also exhibited a strong growth trajectory, with a 36% rise to 379,095 units sold. The sales in the luxury residential market scaled by 151% year-over-year (y-o-y) in the quarter from January-March, 2023. The Private Equity Investments in India's real estate sector, stood at US\$ 4.2 billion in 2023.

## Growth Drivers

Indian Institute of Architects (IIA) and CII-Indian Green Building Council (IGBC) signed a MoU to boost green building movement in the area of architectural design and planning. Rapid growth in service sectors: IT/BPM, BFSI and Telecom. Rising demand from MNCs. Demand for office space in tier II cities.

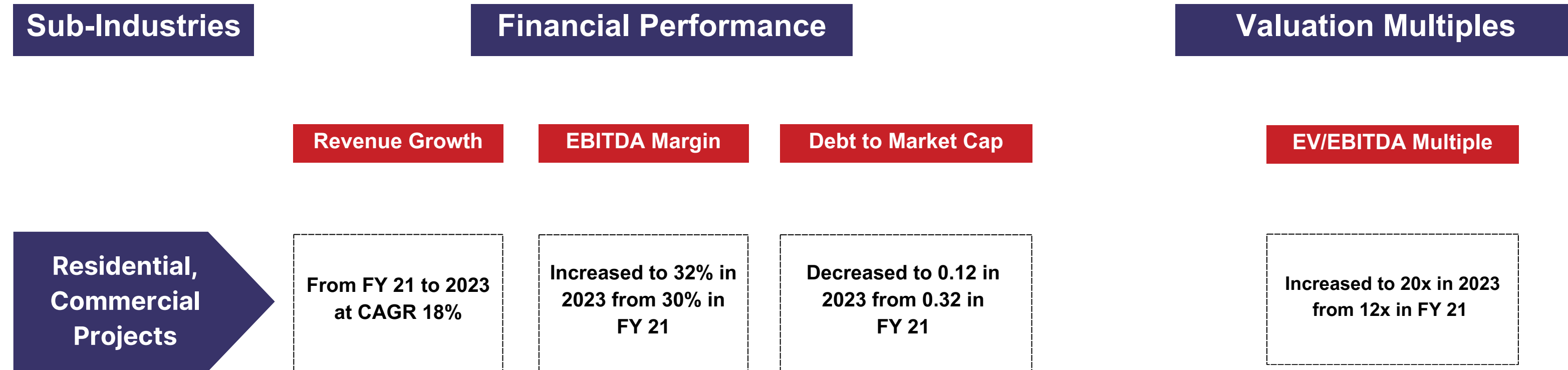
## Future Outlook

The number of Indians living in urban areas is expected to reach 542.7 million by 2025 and 675.5 million by 2035. By 2040, real estate market will grow to Rs. 65,000 crore (US\$ 9.30 billion) from Rs. 12,000 crore (US\$ 1.72 billion) in 2019. Real estate sector in India is expected to reach US\$ 1 trillion in market size by 2030, up from US\$ 200 billion in 2021 and contribute 13% to the country's GDP by 2025.

# Investment Opportunities

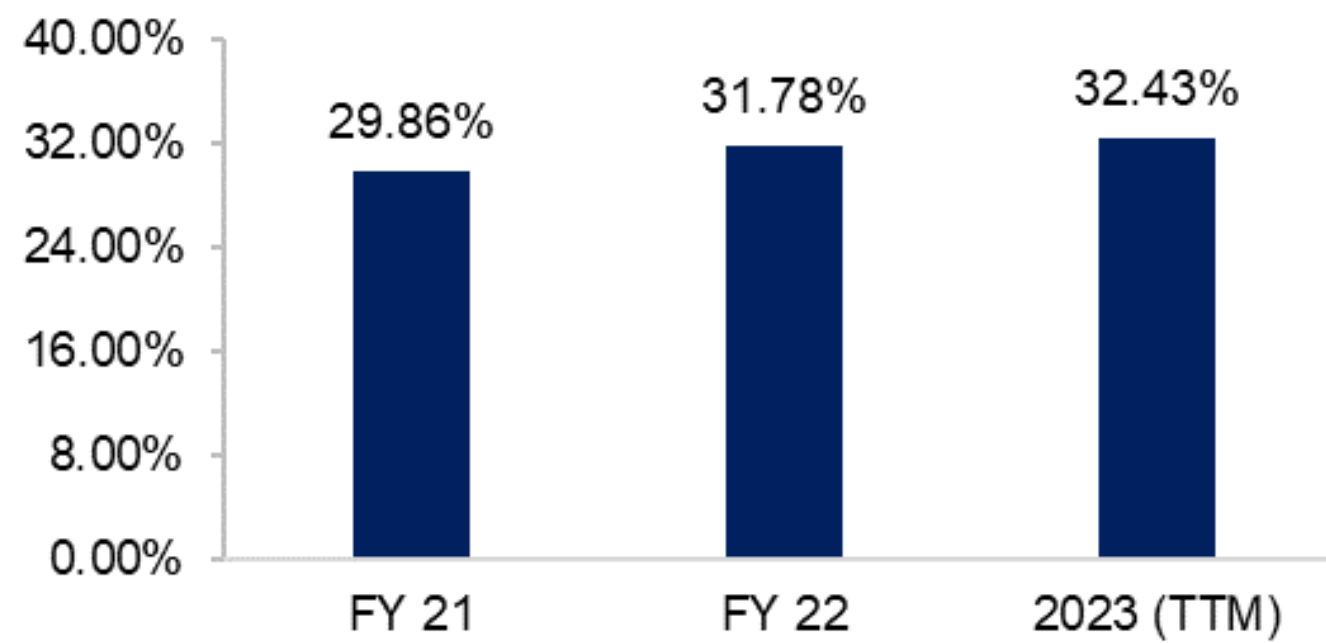
- As of December 31, 2022, India formally approved 425 SEZs, and as of January, 2023, 270 SEZs are operational. Most special economic zones (SEZs) are in the IT/ BPM sector.
- The Gujarat International Finance Tec-City Company Ltd (GIFTCL) is planning to develop social infrastructure including an entertainment, recreational and retail zone spread over 20.5 acres in GIFT City along with a large ferris wheel, GIFT Eye.
- The government's move to allow 100% FDI in construction, and development projects has also boosted the investors' confidence in the sector.
- Growing urbanization, the rise of the middle class, and the expansion of sectors like e-commerce and technology have created a demand for office spaces, logistics facilities, and retail outlets.
- Initiatives like the Pradhan Mantri Awas Yojana (PMAY), which aims to provide affordable housing for all, have fueled demand in the residential real estate segment.

# Financial Performance & Valuation Multiples Trends Analysis- Realty Industry

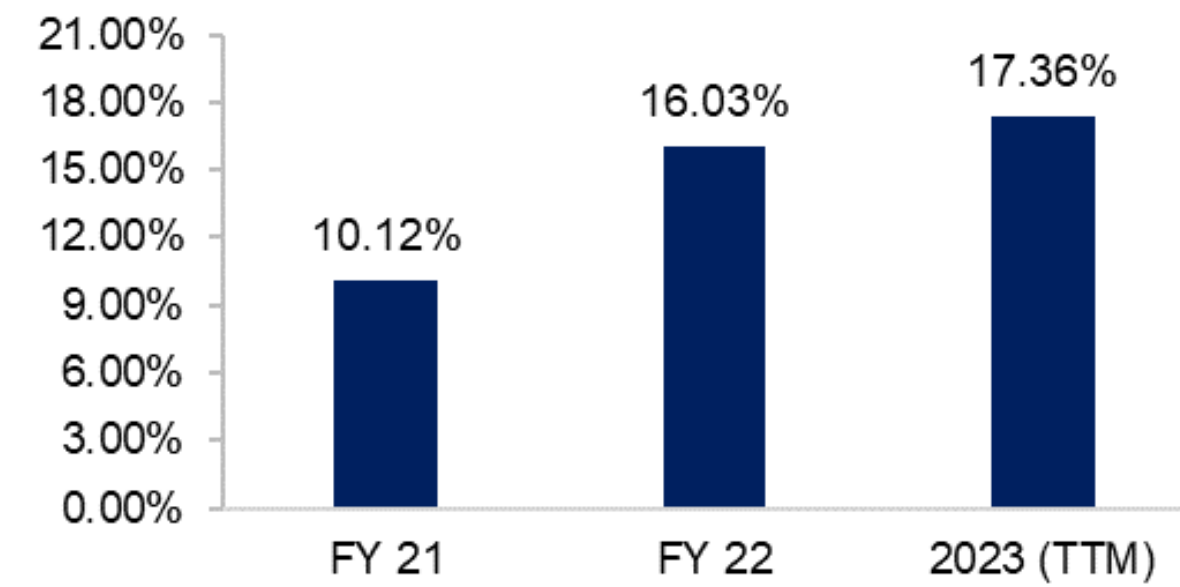


# Financial Performance Charts for 3 Years of Realty Industry

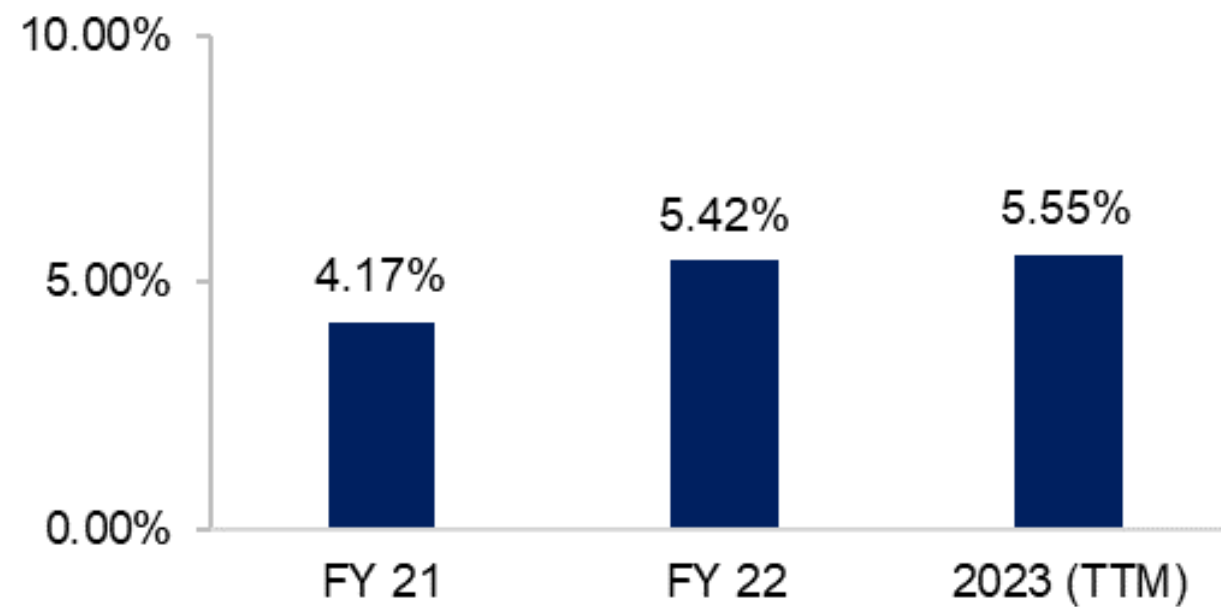
### EBITDA Margin (%)



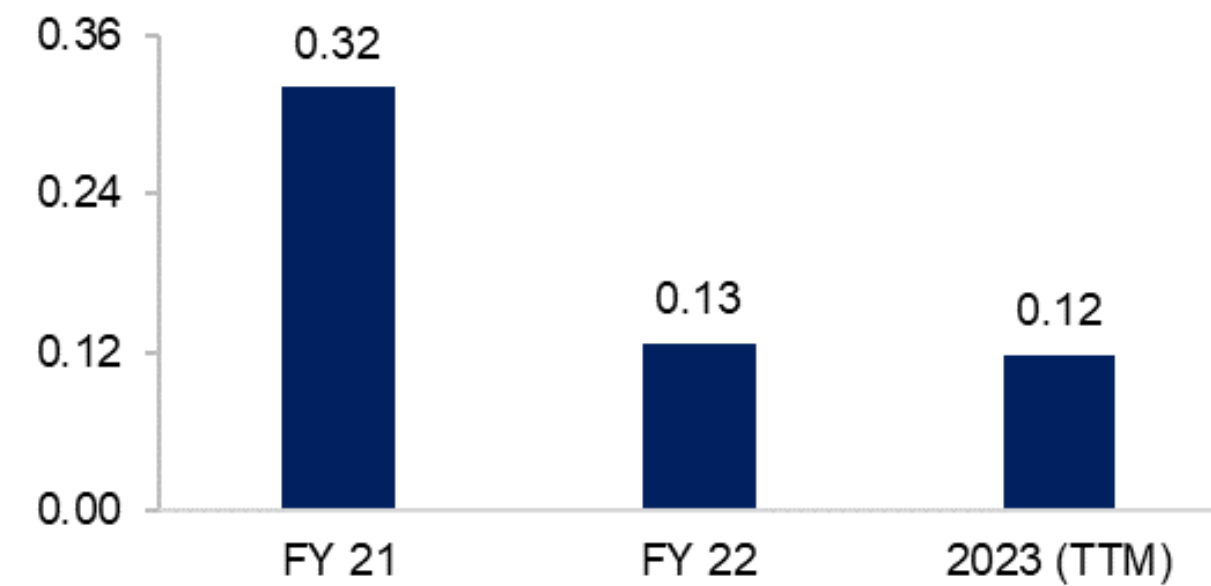
### PAT Margin (%)



### ROCE (%)



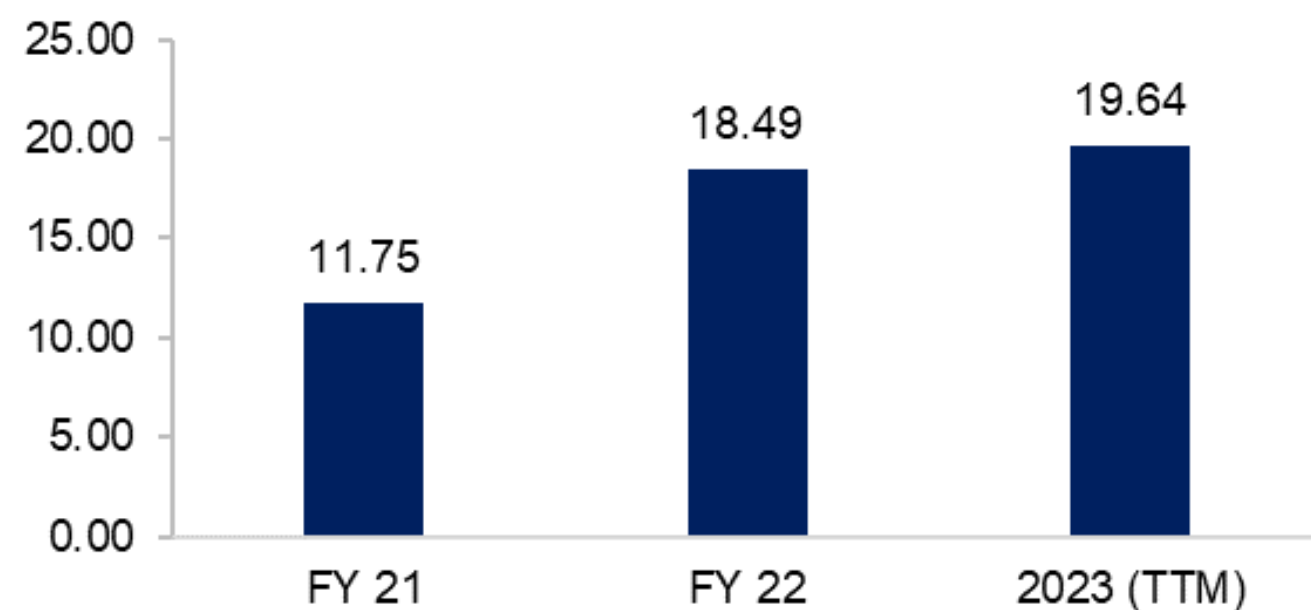
### Debt to Market Cap Ratio



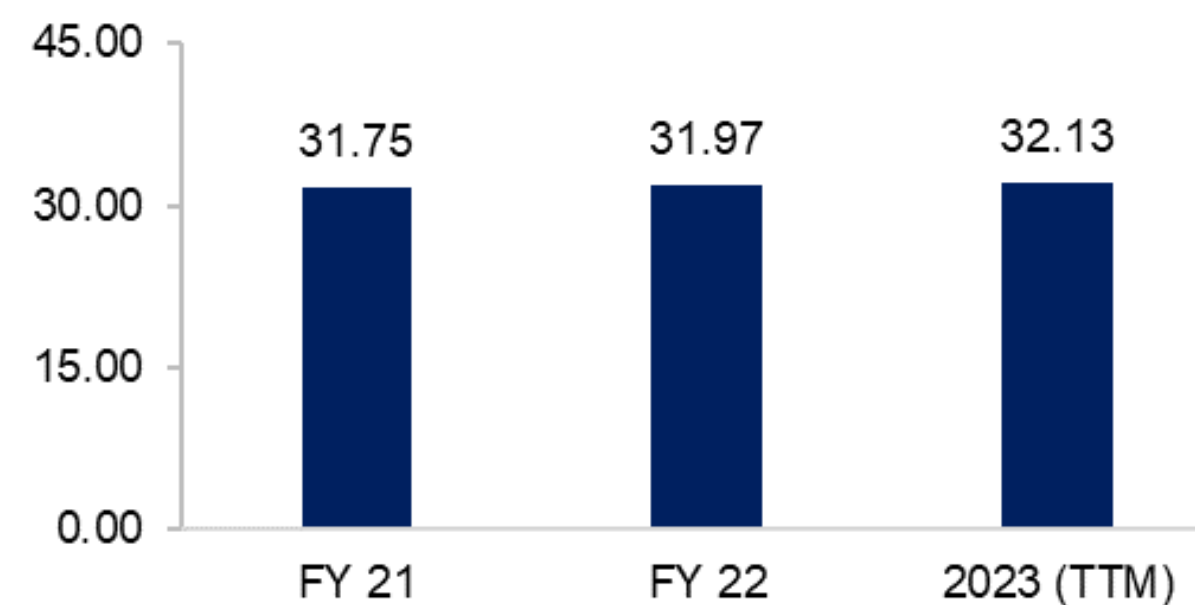


# Valuation Multiples Trend analysis for 3 Years of Realty Industry

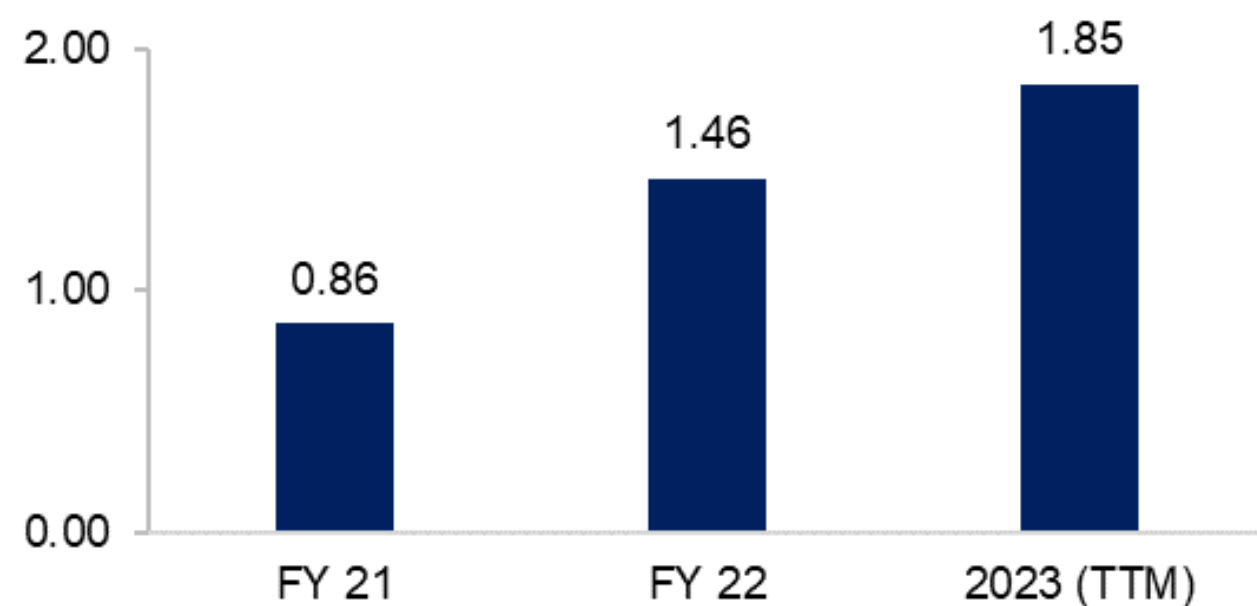
### EV/EBITDA



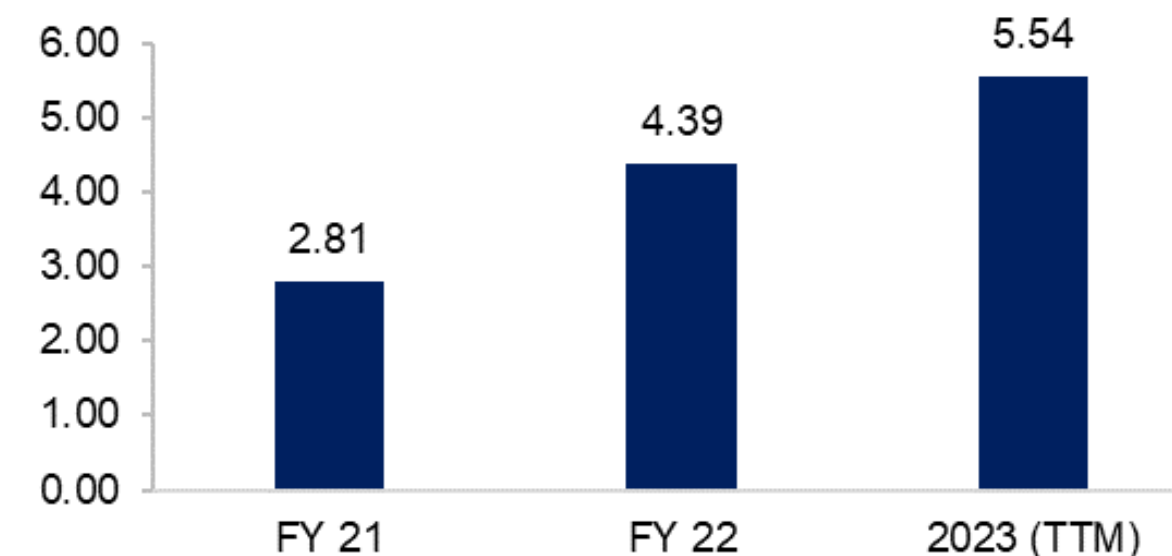
### Price to Earnings (PE)



### Price to BV



### Market Cap/Sales



# Top Performing Companies in Realty Industry



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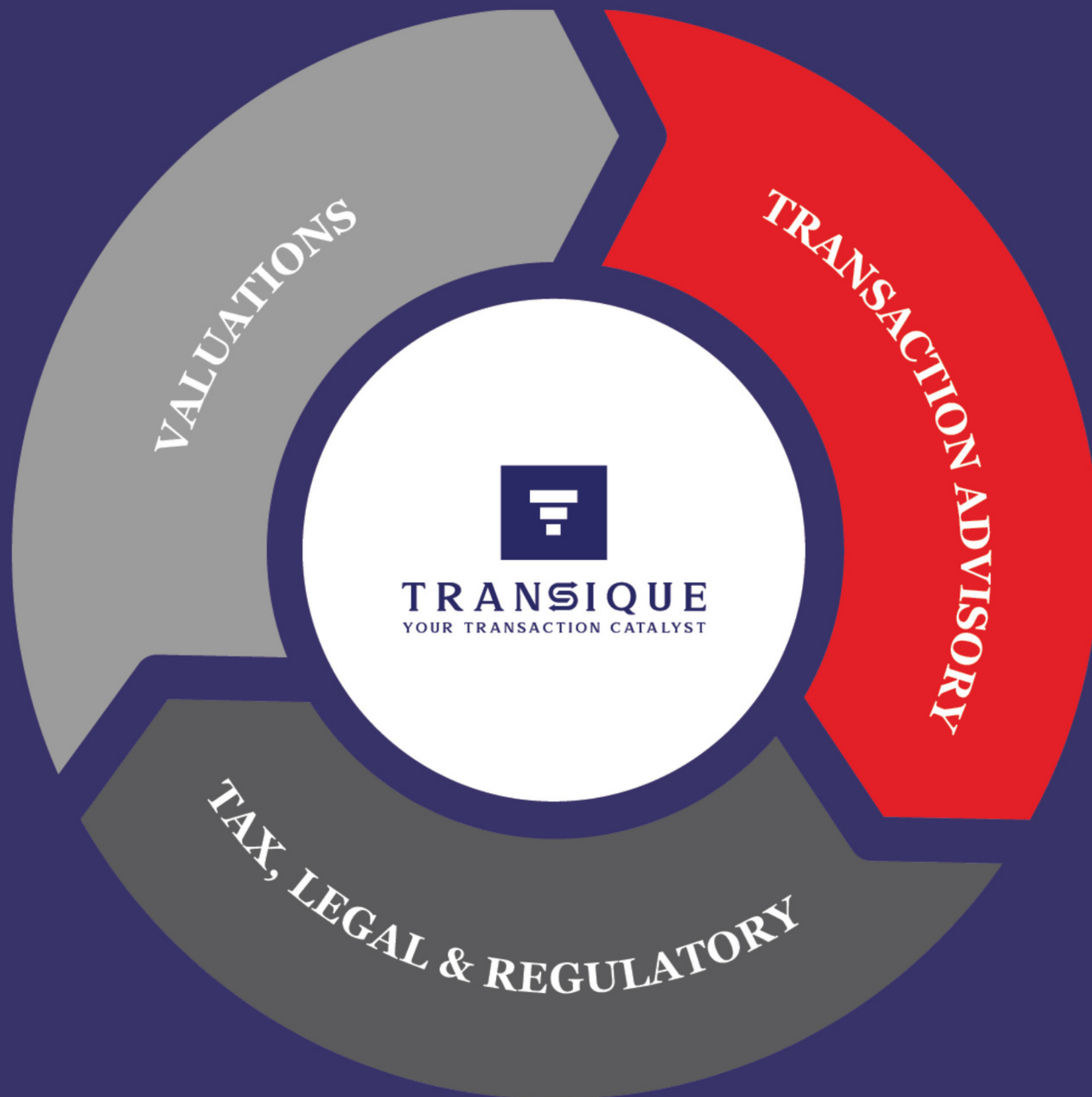
Residential,  
Commercial  
Projects



The Phoenix Mills Limited

# Industry, Sub Industry & Sub Group Classification

Industry	Sub Industry	Sub Group	No. of Companies
<b>Realty</b>	<b>Residential, Commercial Projects</b>	Aquaculture	1
		Construction - Civil / Turnkey - Medium / Small	3
		Construction - Factories / Offices / Commercial	11
		Construction - Housing - Large	4
		Construction - Housing - Medium / Small	9
		Finance - Investment / Others	1
		Floriculture / Tissue Culture	1
		<b>Total</b>	<b>30</b>



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