

Piramal Realty Goes for Space in the Middle

Co plans to invest ₹3,500 cr in residential segment in Mumbai region in 3 years, with focus on mid-market compact housing

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Mumbai: Piramal Realty, the real estate development arm of the Piramal Group, is planning to invest ₹3,500 crore to develop residential projects in Mumbai Metropolitan Region (MMR) over the next three years, with significant focus on mid-market segment, a top company official said.

The company, which counts Goldman Sachs and Warburg Pincus as investors, is foraying into mid-market compact housing segment with a five-acre development as part of its larger 32-acre township project Piramal Vaikunth in Thane.

Of the total planned investment of ₹3,500 crore, the company will be investing ₹1,500 crore to develop two million square feet on this five-acre plot. The company will be offer-

More the Merrier

Co to offer 1 & 1.5-BHK flats with configurations of 350-500 sq ft at **₹60-80L**

Plans to launch three more projects by July this year

Will continue exploring new land in MMR for residential & commercial developments

₹1,250 cr Co's total sales in first 3 quarters of FY20

₹2,000 cr Expected revenue by the company for FY20

ring 1 and 1.5 bedroom apartments with configurations of 350-500 sq ft priced ₹60 lakh to ₹80 lakh.

“The combination of right product, location and ticket size ensures good response, and our recent launches in South Mumbai have

reinforced this. Luxury will do well but this is also a good segment to be in, and right now, the market prefers compact units,” Anand Piramal, executive director, Piramal Group, told ET. “The proposed investment will be supported thro-

ugh a mix of internal accruals, debt and some part of equity.”

The company is planning to launch three more projects by July — including projects in Mahim, Thane and a new tower at its Byculla development — and will be making compact housing a part of all of its projects hereon. Last month, Piramal entered into a joint development agreement with Omkar Realtors & Developers for a 2.2 million sq ft residential project spread over four acres in Mumbai’s Mahim locality.

It is planning to add total 10 million sq ft projects in 2020 to its existing 17 million sq ft ongoing development portfolio. South Mumbai projects, including Mahalaxmi and Byculla, continue to contribute 50% of the company’s portfolio.

Piramal Realty clocked in sales of over ₹1,250 crore in the first three qu-

arters of the financial year 2019-20, of which over ₹450 crore was achieved in the quarter ended December. The company witnessed growth of over 50% for ongoing projects during the first nine months as compared to a year ago. Piramal expects the company to end the financial year 2019-20 with revenues worth around ₹2,000 crore led by performance of ongoing projects and new launches.

The company will continue exploring new land parcels in the MMR for residential and commercial developments, he said. “We have been receiving proposals from land owners for outright sale and joint developments. Most of the landlords have toned down their expectations in line with market realities. Apart from landlords, lenders have also started approaching for completion of projects,” Piramal added.