

SHRIRAM PROPERTIES ACQUIRES A NEW PROJECT IN CHENNAI

Total saleable area of 1.9 msf¹ and aggregate revenue potential of ~Rs.1,200 crores

Bengaluru, May 23, 2023: Shriram Properties Limited (“SPL”), one of the leading real estate developers in South India, has acquired 100% development rights in an ongoing project at Chennai, through its wholly owned subsidiary, *Shrivation Elevations Private Limited*.

The Project, named “*Divine City*”, is an approved residential development with aggregate saleable area of 3.2 msf, to be developed in 3 phases. The first phase with 1.3 msf area was already launched by the erstwhile owners under the brand “*Shriram Divine City*”, with SPL as the Development Manager (DM). The project was launched pre-covid and received good response with ~60% of Phase-1 sold within a short period of time. The remaining two phases (1.9 msf area) is yet to be launched. Given the change in partner’s market strategy, the erstwhile owners have decided to monetise their development rights in the remaining phases of the project, with 1.9msf of saleable area.

The Chennai market is a big continuing growth opportunity for SPL, given its strong market positioning and positive demand trends. SPL is among top-5 developers in Chennai and has strong volume trends in recent years. SPL’s Chennai portfolio comprises of four key projects, with ~6.8msf of saleable area, including 1.8msf in completed projects/phases and ~5msf in ongoing project/phases. Nearly 60% of ongoing project is sold already and there are no material inventory in completed projects/phases. SPL is targeting to launch two new projects over the next 12-18 months in the Chennai markets, with aggregate sales potential of 3.3 msf.

In the context of its growth strategy for the promising Chennai markets, the Company has decided on the acquisition of development rights in Phase-2 & 3 of the Project with saleable area of 1.9 msf. The project has revenue potential of around Rs.1,200crs in next 5 years. The Project benefits from several significant competitive strengths, including its proximity to the IT corridor (proximity to DLF IT Park), improving metro-rail infrastructure, among others.

SPL is proposing to re-launch the Project under a new identity during H1-FY24.

Commenting on the development, Mr M Murali, CMD, Shriram Properties said, “*The acquisition is value accretive and will help us leverage the strong position in the micro market. Also, the acquisition will allow SPL to have full control of the remaining phases of the Project and unlock better value. Our focus will remain on quality execution on an accelerated pace with delivery delight to our customers.*”

¹ Msf = Million Square Feet

About Shriram Properties Limited

Shriram Properties Ltd (SPL) is one of South India's leading residential real estate development companies, primarily focused on the mid-market and affordable housing categories. SPL's key markets include Bangalore, Chennai and Kolkata which together accounts for nearly 85% of its development activities. SPL has demonstrated track record, having delivered 33 projects with saleable area of 19.5 msf, mostly in Bengaluru and Chennai. SPL has a strong development pipeline comprising of 53 projects with aggregate development potential of 53 msf, as of Dec 31, 2022.

SPL is part of the Shriram Group, a prominent business group with four decades of operating history in India, and is backed by globally renowned private equity players affiliated with TPG and Tata Opportunities Fund. SPL made its initial public offering and became a publicly traded company in Dec '21.

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