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Shriram Properties to develop 53 million sq ft with revenue potential of Rs 20,000 cr



Bengaluru-based real estate developer Shriram Properties plans to develop 53 million square feet (msf) across Bengaluru, Chennai, and Kolkata over the next two to three years. The portfolio is expected to generate revenue of about Rs 20,000 crore.

"Out of the entire portfolio, construction for 23 msf is ongoing across 23 projects. The revenue potential from these ongoing projects would be in the range of Rs 9,000-9,200 crore," Murali M, Chief Managing Director (CMD), Shriram Properties, told Money control.

Additionally, the rest of the 20 msf will be completed within the next two to three years, he added.

New launches

Shriram Property said the company has six new project launches lined up for this quarter, out of which, four have already been launched. Additionally, the company plans to launch 12 projects this fiscal.

Out of the 23 msf in ongoing projects, about 8.1 million msf is in Bengaluru and 5.6 million msf in Chennai. These are in various stages of completion.

Development of these projects would be substantially completed within the next two years, the company added.

Plotted development accounts for about 16 percent of the overall portfolio of Shriram Properties.

"We are not looking forward to entering the premium segment yet. However, we have about 7 percent of our ongoing portfolio in the luxury range. The company plans to stay in the mid-segment and affordable ranges for some time," Murali added. Most of the premium projects are lined up for the southern parts of Bengaluru, he said.

South Bengaluru consists of areas like HSR Layout, Bannerghatta, Madiwala, Anekal and Hosur Road.

Since June, the company has launched Shriram Park 63 and Shriram Golden Acres in Chennai. In Bengaluru, Shriram Properties has launched Eden 144 - Phase 2, Shriram Pristine Estates, Shriram Chirping Ridge, Shriram Poem and Shriram Solitaire.

Two projects, one in Bengaluru and one in Chennai, are scheduled to be launched in March 2023. In Chennai, the company's project Prime Life Spaces will be spread across 10 lakh sq. ft., and in Bengaluru, 1.3 lakh sq. ft. Both projects will be done through joint development arrangement.

Delayed projects

In October last year, Shriram Properties and ASK Property Fund agreed to establish an investment platform for acquisition of residential real estate projects, especially stuck real estate assets.

In December, the company deployed Rs 125 crore to acquire a delayed project, Golden Ira in Bengaluru. This is a plotted development project of the Golden Gates Group.

"We have identified at least eight stuck projects in Bengaluru and Chennai, and negotiations are ongoing. We are hoping to close the investment platform within the next six to nine months," Murali added.

Murali also said that a major today concern is the delay in getting approvals from local authorities. "Such delays in acquiring the required approvals often delay the timeline as a whole. However, I am sure the government bodies are actively working on smoothening the process," he said.

The company said that as of now, it does not plan on commercial developments. "Additionally, we are planning on foraying into Pune, given the city's real estate sector is growing at a surprising rate," Murali added.