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Shriram Properties sees no impact of high mortgage rates, layoffs on housing demand

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Shriram Properties, the real estate arm of the Shriram Group, expects to clock 20 per cent yearly growth in sales for the next three years, with demand intact in its core market in Southern India despite widespread job losses in the technology sector and high mortgage rates.

Admitting there were job losses and that interest rates have gone up, M Murali, Chairman and Managing Director of Shriram Properties, told *businessline* that this would not have a big impact on India and home-buying sentiments.

He pointed out that fundamentally Indians have a savings mindset and during times of financial insecurity



M Murali, CMD,
Shriram Properties

they tend to buy homes in addition to gold, the favourite hedge the world over. He said the propensity to buy homes, for which Covid-19 was responsible, was still a major driver as it had brought them back to the basics of life.

The company, which is backed by funds such as TPG, Walton Street Capital and Starwood Capital, has the majority of its residential

portfolio in the mid-income segment.

In the current quarter to March, the company had six launches in all, spread over 13 lakh square feet, compared to the 10 lakh square feet in the December quarter.

The launches would have a potential sales value of ₹600 crore, said Murali.

Some of the projects the company is launching in the current quarter were to be launched earlier, but could not due to delays in approvals. Including ongoing projects, the company has a pipeline of 5.3 crore square feet in saleable area.

NEW MARKETS

Over the next three years, it plans to complete and deliver one crore square feet of projects. Bengaluru and Chennai are its core markets

where it plans to deepen its presence.

It is just starting off in Kolkata, Coimbatore and Vizag, and plans to foray into Hyderabad and Pune. Murali said they would look at Mumbai sometime in the future, but there are no plans to enter National Capital Region.

The foray into new markets will be through joint developments and joint ventures.

