

Mah Lifespace plans Rs250-cr project in Hyd

Publication: Business Standard . Agency: Bureau
Edition: Chennai . Page No: 5, Location: Top-Center . Size(sq.cms): 225
Circulation Figure: 12,000, qAVE(Rs.): 70,200.00

Click

Mah Lifespace plans Rs250-cr project in Hyd

BY REPORTER
HYDERABAD

Mahindra Lifespace, the realty arm of the Mahindra Group, is set to launch a Rs 250 crore residential project in Hyderabad, with an estimated completion time of 3 years.

The residential venture, to be developed on 10 acres at Kukatpally in Hyderabad, will be delivered in 3 years from now.

"We are currently doing the site work. The project is expected to be launched in the next couple of months and will be delivered in 3 years from then," Anita Arora, managing director and chief executive officer, told media-persons here on Thursday.

The company has completed close to 10 million sq ft of projects in the NCR Region, Chennai, Bangalore and Pune. Mahindra Lifespace has 10 million sq ft of land bank in various stages of development on the drawing board and is ready to be developed in 3 years. The company has completed in the next 10 million sq ft of projects for 3.5 million sq ft of space.



The residential venture, to come up on 10 acres at Kukatpally in Hyderabad, will be delivered in 3 years from now.

"The price per sq ft would be Rs 4,700 per sq ft. We have land parcels in five cities and investment in them has already been done, while we require Rs 2,000 crore to carry on the construction," she said, adding that the company's board had approved for additional borrowing of up to Rs 500 crore via non-convertible debentures (NCDs) or term loans. "We, however, will look at raising Rs 250 crore via NCDs to part fund our ongoing projects by the end of the current financial year."

Stating that Hyderabad, Pune

and Nagpur would be the next important markets for the company, she said they were exploring other long-term opportunities actively in the city.

Mahindra Lifespace, which caters to the middle and high-end housing segment with the selling price ranging from Rs 2,700 to Rs 10,000 per sq ft, is drawing up plans to enter the affordable housing segment in Tier-II cities with the price range of Rs 5 lakh to Rs 15 lakh per unit.

"We are studying the market for the new category. We have strong presence in Maharashtra, NCR and Tamil Nadu. Hyderabad is also one of the markets that we are looking at for affordable housing. We have to see how the first project takes shape in a year from now, before moving to other regions," she said, while declining to comment further.

Mahindra Lifespace has delivered 1.4 million sq ft of space worth Rs 700 crore in sales last year. Its average EBITDA (earnings before interest, taxes, depreciation and amortisation) margin currently stands at 32 per cent and net profit margin at 22 per cent.