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Mah Lifespace plans Rs 250-cr project in Hyd

Bureau

Mahindra Lifespace Developers, the realty arm of the \$14.4-billion Mahindra Group, is setting its foot in Hyderabad, its fifth market in the country, with a one-million sft residential project involving an investment of Rs 250 crore.

"We are currently doing the site preparatory work. The project, on a 10-acre site at Kukatpally, will be launched in the next couple of months and will be delivered in three years from then," Anita Arjundas, managing director and chief executive officer, told mediapersons here on Wednesday.

Having completed close to 7-million sft of projects in the National Capital Region, Chennai, Mumbai and Pune, Mahindra Lifespace currently has 10 million sft of space, which it calls Mahindra Lifespaces, under various stages of development – some on the drawing board and some ready to be delivered – which will be completed in the next four years. Of the 10 million sft, the selling price for 3.5 million sft space would be Rs 4,700 per sft.

"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 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 sft, 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 sft of space worth Rs 700 crore in sales last year. Its average EBIDTA (earnings before interest, taxes, depreciation and amortisation) margin currently stands at 32 per cent and net profit margins at 22 per cent.