

News monitored for: M&M - Lifespaces & Development



BUILDING HOMES

Mahindra Lifespaces buys group firm land in suburban Mumbai

BY MADHURIMA NANDY
madhurima.n@livemint.com

BANGALORE

Mahindra Lifespaces Developers Ltd, the real estate and infrastructure arm of the Mahindra Group, has bought two plots in suburban Mumbai from group companies to build homes.

The firm bought 150,000 sq. ft of land in Kandivali previously used as a warehouse by the group's tractor factory. In Ghatkopar West, it bought 225,000 sq. ft of land.

"We will keep looking at such opportunities whenever they are available," managing director and chief executive Anita Arjundas said, without disclosing the purchase prices.

Property analysts peg the estimated revenue from the properties at around ₹338 crore, based on an average market price of ₹9,000 per sq. ft. They estimated the land cost of the two parcels at ₹4,300 per sq. ft.

Internal land purchases such as these benefit both the buyer and the parent firm. Groups such as Mahindra and Godrej have land assets that can be monetized through real estate developments. The realty arms get easy access to land at competitive rates.

Godrej Properties Ltd, a unit of **Godrej Industries Ltd**, has monetized land that belonged to **Godrej Agrovet Ltd** and **Godrej and Boyce Manufacturing Co. Ltd** through joint ventures.

In June, Mahindra Lifespaces bought 23 acres in Pimpri, Pune, from **Mahindra Engi-**

The company has followed an expansive land acquisition policy across cities

neering and Chemical Products Ltd at an estimated ₹100 crore for a residential project. Mahindra Engineering's manufacturing facility at the site will be shifted out.

"Internal land buys like these from group companies need to make business sense and fit the profile of the developer though they may not necessarily be cheaper land available," said Gulam Zia, national director-research and advisory services, **Knight Frank India Pvt. Ltd**, a property advisory.

Mahindra Lifespaces has followed an expansive land acquisition policy across locations, typically looking at large format projects under its Mahindra World City concept.

The company is in an aggressive land buying mode and is in the process of acquiring around 3,000 acres in Pune and 1,000 acres in Chennai for two special economic zones.

To strike a balance, it is also developing smaller, more niche residential projects in cities such as Mumbai. It is already developing residential projects in Goregaon and Bhandup in suburban Mumbai.