

Publication	vccircle.com
Date	10 December 2024
Link	https://www.vccircle.com/askproperty-fund-strikes-second-luxury-housing-bet-in-gurugram-?amp=1

ASK Property Fund strikes second luxury housing bet in Gurugram



The real estate investment arm of Blackstone-backed ASK Group Monday announced its investment in a residential project in Gurugram along with Shapoorji Pallonji Real Estate and the property arm of Kanodia Group.

The entities will together invest about Rs 270 crore (around \$31 million) in the luxury housing project located in Sector 46, Gurugram as an initial investment. The project, however, is being developed by KREEVA, the real estate arm of Kanodia Group, a diversified business conglomerate which recently entered the property sector.

With this ASK Property Fund has made its second investment in the luxury housing segment, after its February announcement to infuse around Rs 120 crore in a luxury residential project to be developed on Gurugram's Golf Course Road by TREVOC Group.

"We recognize the project's exceptional revenue potential due to its prime location within an established catchment area. With significant equity from KREEVA and partnership with Shapoorji Pallonji Real Estate, this project effectively minimizes risk, making it a compelling investment opportunity for us," said Bhavin Jain, the chief investment officer of ASK Property Fund.

The funds will be used to expedite the development of KREEVA's flagship project in Sector 46, spread across 1.74 acres, with revenue expected to exceed Rs 1,200 crore over the next five years.

The developer, KREEVA, entered the real estate market only this year, although its target is on the ultra-luxury segment in the Delhi – National Capital Region market.

While this was a new investment, ASK Property Fund, in August, made its maiden exit from an investment made alongside Bengaluru-based Shriram Properties. The two entities, via their co-investment platform, invested Rs 85 crore in plotted development project Shriram Pristine Estate via their Rs 500-crore-co-investment platform. The stressed asset, then called

Golden Ira, developed by Golden Gates Group in North Bengaluru, was launched in January 2023.

ASK Property Fund realized an internal rate of return of about 20% on its investment, with an MOIC (multiple on invested capital) of about 1.24x in about 18 months of investment.

Among other bets from the co-investment platform with Shapoorji Pallonji Group, the platform invested about Rs 206 crore in the project – Shriram 122 West, located in Chennai and launched in January this year.

These funds were used to complete the acquisition, while the proceeds for the project's working capital requirements were to be infused separately.