

Publication	outlookbusiness.com
Date	05 September 2024
Link	https://www.outlookbusiness.com/corporate/committed-to-developing-sustainable-assets-shriram-properties-cmd-murali-malayappan

Committed to Developing Sustainable Assets: Shriram Properties CMD Murali Malayappan



Real estate developer Shriram Properties (SPL) on August 21 unveiled a brand transformation initiative as part of its growth strategy aimed at enhancing customer satisfaction. SPL NxT, the new mission of the SPL group, plans to make its foray into the mid-market and mid-premium segments of residential real estate markets in Bengaluru, Chennai, Kolkata and Pune.

The mid-market segments have expanded in recent years, accounting for 59% of housing demand in India in 2023 as against 49% in the pre-Covid-19 period. In SPL's core markets of Bengaluru and Chennai, the mid-segments accounted for 75% of demand in 2023, against the pre-Covid-19 periods of 60% and 52%, respectively. In Kolkata, demand stood at 64% as opposed to the previous 48%.

In an interview to Outlook Business, chairman and managing director Murali Malayappan talks about how the mid-segment housing has shown strong resilience and accelerated growth and the company's plans to double its sales and triple its revenue over the next three years through SPLNxT.

Q What has been the philosophy behind choosing to build in Bengaluru, Chennai, Coimbatore, Visakhapatnam and Kolkata? Which locations in your opinion provide maximum geographical opportunities?

A The real estate sector in India identifies 10 major markets. These markets account for 80% of demand in real estate. The demand in mid-market and mid-premium market in India has grown by 80%. We are developing a project at Pune. SPL has been committed to not just develop real estate but to foster communities. We are a leading real estate developer in southern India. In addition to that we now have a presence in the east and the west, Kolkata

and Pune respectively, as we see them as growing markets for the mid and mid-premium segments.

We have no plans at this moment to develop projects at Mumbai or Delhi-NCR. We have delivered 18,000 units so far and have had four times growth between 2017 and now.

Q What are your thoughts around premiumisation in real estate in India?

A The demand in mid and mid-premium segments is set to grow. SPLNXT may focus only on a small percentage of luxury properties subject to client need.

Q Would your firm look to expand in assisted living/retirement homes? What is your take on this segment of housing?

A As a brand we understand that customer demands around senior living and co-living are going to rise significantly. SPLNXT will remain agile and opportunistic in this regard.

Q What do your customers stand to gain when they invest in properties developed by your firm?

A We have house owners who have shown interest to purchase their second homes with us because of what we have been able to provide, not only as a property, but as a solid foundation of commitment to their wellbeing and safety.

Q Innovation and sustainability are a part of your brand motto. Can you share some sustainable initiatives that Shriram Properties has undertaken and hopes to undertake in the future? Also, does providing sustainable housing increase the price point for mid-segment housing?

A We have completed more than 10 green projects. Most of our projects over the last few years have received green certification. If India is to reach the milestone of a \$10tn economy all stakeholders, government, industry and media must build consensus and share responsibility. Our projects address challenges of water shortage and energy efficiency. We are fully committed to developing sustainable assets for the future. In 2015-16 when Chennai was hit by floods our sites were safe. As a group we take extreme care to address infrastructure challenges. Going green involves rising cost in the short-term and faces resistance from buyers. In the long-term it has reduced costs for our customers by 35% and they are happy about it. As a group we take immense care at the level of planning, and I believe that everyone stands to win by developing real estate responsibly.

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Q How has SPLNXT planned to harness technology for building business?

A Technology is being harnessed to create impact in real estate. We have AI bots for online property searches and plan to get pitches to text. We would also be looking to get a curated list that would help us build a customer profile. Our customer relationship managers (CRM) at this point can cater to about 200 customers; we will be looking to increase the potential

for our CRMs to cover 700 customers. We have also launched Shriram Parivar App and Shriram Synergy. We will be exploring the scope for automation to see how it can benefit our customers. At SPLNxT we will also see how technology can be used to scale-up our business.