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Shriram Properties plans 1.8 million square feet development in Chennai, on track to be debt-free in 18 months



*M Murali,
Chairman & Managing Director,
Shriram Properties*

Chairman and managing director M Murali said the Tamil Nadu real estate sector will grow 30 percent by 2023.

Bengaluru-based [Shriram Properties](#) plans to develop 1.8 million square feet (msf) of real estate by the end of the year in Chennai out of the total 4.5 msf development it has planned across the country, M Murali, chairman and managing director told reporters on October 11. "In Chennai, we have a portfolio close to 15.29 msf. Additionally, several projects are under construction. We are looking for aggressive growth in Chennai till the next year," he said.

Currently, Shriram Properties has completed projects worth Rs 3,000 crore in Chennai. Projects worth another Rs 2,500 crore are currently under development. And next year, projects worth Rs 2,425 crore will be launched, Murali added.

"Among the projects in Chennai is Shriram Park 63, a 2.1 msf development in Perungalathur. Phase 1 of the project has been handed over ahead of schedule. While Phase 2 will be delivered soon, Phase 3 is still under construction. Among the other projects are Shriram Shankari Apartments and Temple Bells, containing 2-000-plus units meant for post- retirement stay in Guduvancheri," he said.

The company said Phase 1 of Shriram Divine City in Mangadu is nearing completion, while Phase 2, of about half a million square feet, has just been launched.

"We are also launching another project with a development of 1 msf within this quarter near Poonamallee. Additionally, in Q4 we are planning to launch another 0.5 msf near Mangadu. In Q3, we are also eyeing a plotted development of 0.5 msf. In Q1 next year we will launch a 6 msf plotted development," he added.

Currently, the company is hoping for 35 percent sales at launch for the upcoming projects by the next financial year.

Commercial and stuck projects

Murali added that out of the total development, the company is looking at 3.6 msf of commercial projects in Chennai within the next year.

“Several projects are under the prospect list for new launches. We have active negotiations in 15 projects in the city currently. Out of them, at least eight are stuck projects,” he added.

Tamil Nadu market to grow by 30 percent in 2023

The company is optimistic about the prospects in the Tamil Nadu capital. “The announcement of a new airport and the outer ring road construction will drive demand in Chennai,” he said. Murali said currently, the Tamil Nadu real estate sector is growing by 25 percent. However, the growth can go up to even 30 percent by 2023, he said.

“Today after Covid waves, purchasing and asset-holding abilities of homebuyers have gone up. Close to 12.37 msf was being absorbed in 2021. The first three quarters of 2022 saw absorption of 12.61 msf. And this year, we can see close to 13-14 msf of absorption,” he said. Murali added that Shriram Properties is looking forward to growing 30 percent year-on-year, outpacing the larger market.

The company added that it is on track to be net zero-debt within 18-24 months.