

Publication	The Hindu Business Line
Date	29 October 2024

Realty firms account for 17% of QIP money raised this year

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The real estate sector has contributed about a sixth to the amount raised through qualified institutional placements (QIP) this year.

Of the ₹75,923 crore raised till September via QIPs, 17 per cent or ₹12,801 crore was by realty firms, data collated by Anarock Research shows. Prestige Estates Projects, Macrotech Developers and Brigade Enterprises raised the most through this route.

“Strong QIP activity highlights the sector’s crucial role in India’s broader capital markets and institutional investors’ growing confidence in Indian real estate,” said Anuj Puri, Chairman, Anarock Group.

ROBUST SALES

Robust housing sales growth after the pandemic has

QIPs by realty firms (₹cr)

	Issue size
Prestige Estates Projects	5,000
Macrotech Developers	3,281
Brigade Enterprises	1,500
D B Realty	920
Keystone Realtors	800
Max Estates	800
Anant Raj	500

Source: NSE & ANAROCK Research

prompted leading developers to launch inventory across markets.

According to Anarock Research, over 13.62 lakh units were launched across the top seven cities between 2021 and the first nine months of CY24. Housing sales in these cities soared to 14.36 lakh units, thereby leading to over 10 per cent decline in unsold housing inventory in this period, despite the high rate of supply addition.

“To fund their aggressive expansion, these developers are turning to IPOs and the

QIP route,” said Puri.

“Their success in these capitalisation efforts underscore the sector’s continued ability to attract both retail and institutional investors. We expect investor participation to grow manifold in the coming years.”

REALTY INDEX SHINES

The Nifty Realty index surged by nearly 250 per cent between January 2021 and September 2024, making it the second-best performing sector index after the Nifty PSU Bank Index.

Strong demand from post-pandemic homebuyers has also prompted developers to raise funds via IPOs to fund new project launches across geographies. Since 2021, six developers – Macrotech Developers, Shriram Properties, Keystone, Signature Global, Suraj Estate and Arkade Developers – have collectively raised ₹5,275 crore through IPOs.