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Shriram Properties to shift focus from affordable housing to the mid-market segment



Bengaluru-based real estate developer Shriram Properties is shifting focus away from affordable housing, where it previously held a strong position. Chairman and Managing Director Murali Malayappan said the company will now focus on the mid-market and mid-premium segments, aiming for these categories to make up nearly 80% of its offerings within the next two years. Shriram Properties aims to add 20 million square feet to its existing inventory of 42 million square feet, over the next six years. Real estate projects in Chennai, Bengaluru, Kolkata, and its newest market, Pune, are expected to be the key growth drivers. The company aims to capitalise on the new brand identity to double sales value to

₹5,000 crore, triple revenues to ₹3,000 crore (the company has a revenue sharing model with their joint venture partners), and quadruple profits to over ₹260 crore in the next three years. Absolutely on track with respect to the launches. Three projects out of which, I mean, two are in Bangalore, one in Chennai, all on track. As we speak, one project already launched and received good success. For the other two projects, the EOI process is over, and we should be able to get this done before the 30th of September. The project launch is on track. The Pune project will not happen in Q2, but it is likely to happen in early Q3, so it is on track with respect to all the new projects. For the full year also, new projects is on track for launches. We have close to 11 projects for the year and for Q3 and Q4 the project launches are on track ₹1,000 crores overall is the gross revenue of the project and the project timeline could be about 3 to 3.5 years' time completion from the approval timelines. It's a ₹500 crore platform out of which two investments have been done. One investment, they got an exit now recently. There is a project in Bengaluru. It's a product development. The project has done phenomenally well. They just got an exit a couple of months ago.

Another project in Chennai, which they have an investment in there. We are exploring together if we can do another ₹500 crore platform, we are exploring together on again investing in the core markets like Bangalore, Chennai, and Pune. Last three year, what we have done is mid-market. It's about 67% it is likely to go up to close to about 75 to 80% in the mid-market segment. In the next two years, the outlook will be completely mid-market. We have moved

away consciously from affordable housing. We were dominant playing affordable housing, but we have consciously moved away from affordable housing, we will be in the mid-market and mid- premium segment that will be our focus. Close to about 80% will be in that category, some portion in the luxury category, some portion in a commercial. Maybe a small portion in affordable so that's where the next two years' time we are looking at now.