



Emerging as a formidable source of capital

Alternative Investment Funds (AIFs) in the Indian real estate sector are gaining traction as an excellent investment option across residential, commercial and industrial asset classes.



TOP STOREY
Kausar Firdausi

During the episodes of Indian real estate market volatility, Alternative Investment Funds (AIFs) act as a financial safety net, stepping in to provide the necessary funding when traditional financing avenues falter. This ensures the seamless progression of construction projects, irrespective of market fluctuations. Industry experts and stakeholders believe that AIFs bring a culture of transparency and corporate governance which attracts institutional and retail investors to the Indian realty sector. "This fosters more efficient and robust due diligence processes that adhere to robust compliance frameworks," says Dr. Niranjan Hiranandani, national vice chairman, NAREDCO.

According to recent industry statistics from SEBI, the assets under

management of AIFs in the country reached ₹6.9 trillion in 2022, up from ₹1 trillion in 2017, a 7x increase, highlighting their growing popularity as an investment vehicle.

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MD & CEO, Anarock Capital

across various asset classes like offices, retail, residential, warehouses and data centres, underscoring the catalytical role played by AIFs in the growth of Indian real estate. "Development and leasing of Grade A offices is very capital intensive and developers would look to monetise these assets in favour of HNIs, who would demand lucrative yields. With advent of foreign institutional capital in this space, this segment has seen increased formalisation with the attendant benefits of improved quality of supply and lower cap rates," adds Agarwal.

Akash Pharande, managing director, Pharande Spaces is also of the view that AIFs have significantly expanded the capital pool available for real estate, while playing a role of major catalyst for the growth and maturation of the sector.

One of the most discernible impacts is the remarkable surge in liquidity within the realty sector. Raj Inamdar, partner, TriVeda Capital, a new-age asset management company, says, "By providing flexible financing options

and access to increased capital, real estate AIFs empower developers to expedite project execution, acquire land parcels, and develop high-quality real estate asset." He further adds that the stringent regulatory framework of AIFs ensures transparency, compliance, and accountability.

This infusion of funds has significantly mitigated the capital-intensive nature of real estate investments. "Developers have gained newfound agility in commencing and completing projects, thereby reducing instances of delays and defaults," states BK Malagi, COO, Experion Developers.

Furthermore, AIFs have diversified investment opportunities within the realty sector. "They offer a spectrum of options, encompassing residential and commercial properties, as well as warehousing and logistics facilities," adds Malagi. This diversification has attracted a broader array of investors, both domestically and internationally.

Moreover, as Saurabh Shatdal, MD,

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land & capital markets, Cushman & Wakefield reports that the specialised focus on real estate coupled with flexibility to enter the project cycle even at pre-approval stage has placed AIFs in a unique space. "As access to capital, flexibility in structures and comprehensive solutions gain further importance in the success of project developments, AIF driven investments will continue to play a vital role in the evolution of the real estate sector," further puts in Shatdal.

Divaspati Singh, partner, Khaitan & Co points out that for investors looking to diversify their investments into the real estate sector, AIFs become a great channel which not only enables investors to diversify their investments into the sector, but also reduces the risk by spreading it across multiple investments made by the AIF.

AIFs have also played a pivotal role in resuscitating stalled or delayed realty projects, providing the critical financial support needed for their revival. "Real estate projects in India can benefit from alternative financing, especially those that have been stalled or delayed for a long time," says C J Singh, COO, Wave City.

In summation, AIFs have emerged as a formidable source of capital and expertise in the Indian real estate sector. Their contributions, ranging from enhancing liquidity to promoting professionalism and sustainability, have positioned them as key drivers of the sector's sustained growth and transformation.

IN SPOTLIGHT

Manglam Rambagh project unveiled with an investment of ₹200 crore

Leading the charge in redefining luxury living, Manglam Group has recently announced a groundbreaking investment of ₹200 crore for the residential project 'Manglam Rambagh'. Nestled in the heart of Jagatpura, Jaipur, this gated township is poised to set a new benchmark in premium living with its meticulously designed features and facilities.

Spanning across an expansive 2.2 acre of prime land, the project offers a haven of 114 flats spread over six floors, each curated to cater to the epitome of luxury living. The flat types include 3 or 4 BHK flats and 5 or 6 BHK penthouse, boasting spacious dimensions ranging between 2370 sq.ft. to 6120 sq.ft.

While announcing the project launch, Amrita Gupta, director, Manglam Group, said, "We're not just building homes; we're cultivating a greener lifestyle and nurturing a healthier tomorrow. Our commitment extends beyond luxurious living; it encompasses environmental responsibility. The project incorporates eco-friendly features and innovations which reduce our carbon footprint and promote sustainable practices."

The luxurious abodes are competitively priced, ranging between ₹1.38 crore to ₹3.73 crore, offering a

comprehensive range of amenities which redefine the art of living. The project boasts a sprawling 700 sq. yard garden area which serves as a serene escape amidst nature's bounty. Residents can also indulge in the grandeur of the 1.66-acre luxurious clubhouse which adds a touch of sophistication to their lifestyle.

Strategically located, the Manglam Rambagh offers unrivalled connectivity to key areas of Jaipur, including Malviya Nagar, Tonk Road, Sitapura Industrial Area and Ramchandrapura Industrial Area. Commuting convenience is further assured with proximity to landmarks like the 7-number bus stand (1.3 km), NRI Circle (1.5 km), Jaipur International Airport (8 km), and St. Mary's School (200 meters).

The project is expected to be completed by December 2024.

Danube Properties plans roadshows across 5 Indian cities to attract more Indian investments

Danube Properties, a prominent private realty developer in the UAE, has recently announced the launch of Oceanz at the Dubai Maritime City. With a development value exceeding ₹5600 crore, Oceanz will offer unlimited views of the magnificent Arabian Gulf and a new leisure and cruise tourism hub next to the historic Shindagha heritage village. One tower of the two Oceanz towers with 500+ units was sold out on the day of launch while the demand for tower two is going strong. With growing investment demands from Indians, Danube Properties aims to conduct roadshows and organise expos across five Indian cities, including Delhi-NCR, Mumbai, Pune, Hyderabad and Chennai.

Prices of residential units start from

₹2.42 crore for a studio apartment, making them an attractive proposition for homebuyers and investors who could benefit from the continuous price appreciation as the real estate sector is witnessing increase in demand. Danube Properties' homes come with a trendsetting 1 per cent monthly payment plan, following the initial deposits – making home acquisition more affordable and attractive.

Speaking on the launch, Rizwan Sajan, founder and chairman, Danube Group, said, "As demand for homes continues to grow, we are committed to bringing more supplies in the market to meet the rising demand from across the countries, especially India."



Realtors' Forum

Mumbai's Dharavi slum redevelopment project seems to be a model for other such clusters across Indian metro cities. Let's see what industry experts have to say...



AVNEESH SOOD
Director, Eros Group

"The Dharavi slum redevelopment project sets a commendable precedent for urban revitalisation endeavours across India's metropolitan areas. Its emphasis on in-situ rehabilitation, preserving the social and economic fabric, and the envisaged public-private partnerships for funding could pave the way for similar initiatives. However, we must remain mindful of the unique challenges posed by each urban centre, such as land costs and population diversity."



RIDHAM GADA
Partner, Prem Group

"The initial phase of the Dharavi redevelopment project covers 240 acres of the total 600-acre area, and the approach to its execution must be comprehensive. It's not merely about housing and business spaces; it's essentially a plan for a self-sustaining township. To make this transformation successful, it should be implemented in carefully planned phases."



HARSH PARIKH
Partner, Khaitan & Co

"Dharavi redevelopment will pave the way as a model slum redevelopment, considering the complexities in terms of eligibility of slum dwellers, manner to deal with ineligible dwellers, securing rights of these eligible holders till they are permanently rehabilitated, legal rights of land owners etc. This has the potential to change the manner in which slum redevelopment will happen going forward and many precedents will be set."



VIKAS JAIN
CEO, Labdhi Lifestyle

"The redevelopment of Dharavi will not just improve the living conditions of the people but will have a ripple effect in its immediate neighbourhood as well. Areas like Bandra and Sion which border Dharavi will immensely benefit as the redevelopment will attract residential, commercial, retail and hospitality assets to come up here. We can expect property prices to spiral and command a premium in the area."