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Rs 12.000 crore worth property in Delhi up for sale

This has resulted in a buyer's market for both PE firms and big developers with deep pockets.



By **Anuradha Shukla**

Express News Service

Private equity firms and large developers are queuing up for property deals worth Rs 12,000 crore in Delhi-NCR, with several stressed real estate developers looking to sell unfinished projects and land banks.

“This is a good time for big developers looking to enter or consolidate the realty market in Delhi-NCR because the valuations are good. According to industry estimates, developers have lined up projects and properties worth Rs 12,000 crore for immediate sale, either completely or partially,” a senior executive from Alpha Corp Development, a Gurugram-based firm said.

It also admitted to plans on investing Rs 600-700 crore in distressed real estate assets alone in Delhi-NCR. Alpha is already in talks with three to four developers to take over projects, which they plan to re-brand, revamp and sell.

And the group is not alone. Just two months after the NBFC crisis blew up, developers are already feeling the heat. Even as they lobby for liquidity boosting measures with the government, many are either selling or looking for partners in troubled projects in order to raise immediate funding.

“There is certainly an increase in the volume of unfinished projects in Delhi. While the industry has already requested the centre to ease liquidity for the sector, pressure is mounting on developers and margins are becoming thinner. So, some consolidation is likely,” Getamber Anand, Chairman, CREDAI National said.

This has resulted in a buyer’s market for both PE firms and big developers with deep pockets. Real estate firms in Mumbai such as Radius Developers and Orbit Corp have also forged partnerships with stressed developers to finish stuck projects in the Delhi NCR region, which they claim is the safest way to test out the market.

Even realty major DLF has entered into a pact with global real estate investment, development and management firm Hines to jointly develop a high-end commercial project on a nearly 12-acre land in Gurugram’s Udyog Vihar for an undisclosed amount last week.

Even Bengaluru-based Prestige Group is said to be in talks with a few developers to expand into the Delhi-NCR market. Other players like Godrej and Oberoi Realty, who already have a presence in the market, are now looking at consolidating their market presence. Sources say Godrej is exiting the Mangaluru and Kochi realty markets, and has lined up Rs 4,500 crore to acquire stressed property and land banks.

Vikas Oberoi of Oberoi Realty says the time is ripe to buy land banks as valuations are right and competition is lesser. “Many developers just went into a land buying spree without vision and resources to complete projects. We are going to benefit. These are times to get good land parcels at a good price,” he said.

