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MUMBAI



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Mumbai-based real estate company Godrej Properties Ltd is planning to enter the plotted land development business to expand its footprint and brand presence to more cities. The company is actively scouting for large land parcels on the outskirts of Bengaluru, Pune and the National Capital Region (NCR), a senior executive said.

The new business will be funded by Godrej Residential Investment Programme (GRIP) II, a \$275-million investment platform set up by Godrej Properties along with a consortium of investors led by Dutch pension fund asset manager APG Asset Management NV in early 2016.

"We are evaluating multiple land parcels across cities to enter into plotted land development. We are in advanced talks with multiple people and we want to make this as an important vertical and asset class for us," said Mohit Malhotra, executive director, Godrej Properties. The company has already signed term sheets to buy a couple of land parcels of over 25 acres each in Bengaluru and Pune, and is conducting due diligence.

Malhotra said the company is open to starting the business either by forming joint ventures with land owners or through purchase of land in partnership with its investors. In plotted land development projects, land plots are sold to customers after developing the surrounding area with basic infrastructure. Other than DLF Ltd and Unitech Ltd, few large realty firms have entered this segment. It has largely been a stronghold of local builders and land owners particularly in cities like Delhi - NCR and Bengaluru. "Inherently, Indian consumers like land. There is a big need from the consumers' side. Particularly in Noida and Greater Noida, people like plots where they can build houses. What people want is if they can get the benefit of owning the land," said Malhotra.

