

# Make in Bengal, build in Mumbai

**SAMBIT SAHA**

**March 29:** Top property developers of Calcutta are venturing beyond the saturation of Bengal and the east to build beachheads where the competition and the money is, from Mumbai to Madurai.

Siddha, Forum, Emami and Shristi Infrastructure are just some of the homegrown brands to have picked up projects in western and southern India. The South City Group has even crossed the channel to conquer Colombo.

"It is a matter of opportunity. Our chairman believes that we should strive to be a national player and take up projects that make business

sense," said R.K. Agarwal, advisor to Emami Infra.

Last week, the company announced a seven-acre residential project at Mulund, a bustling suburb north-east of Mumbai. There are already Emami projects in various stages of development in Hyderabad, Chennai and Coimbatore, among other cities.

The realty arm of the city-based FMCG company has also acquired 12,000 acres in Madurai. Emami is toying with the idea of "composite all-round development" in phases.

For Siddha, which has established itself as one of the big names in the "affordable realty" segment in Calcutta,

broadening its geographical horizon means creating enough opportunity for the next generation. The company has picked up two projects at Wadala and Kandivali in Mumbai and is looking for more in Bangalore and Hyderabad.

Three months ago, Siddha had started an outdoor and online campaign, besides a brokers' meet, to announce its entry into the Mumbai market. Fifty units were sold even before the formal launch. "There is demand in this market. If you are ready to offer competitive pricing, units will be sold," Sanjay Jain, managing director of Siddha, said.

A price drop in Calcutta

## REALTY BITES

- Calcutta developers expanding out of east
- Mumbai pit stop No.1 for all
- Bangalore, Hyderabad, Chennai also on radar
- Move aimed at tapping high-growth markets
- Pan-India presence, business scale-up are also driving expansion

does not trigger sales velocity, although no realtor with a stake would officially admit it.

Rahul Saraf, managing director of Forum Projects, was one of the early birds to ven-

ture out of the east. He had started off with a residential project in the Bandra Kurla Complex. Forum has acquired 3.2 million sq ft of "development area" with a local partner and the first phase of a 250,000sq ft of residential space would be delivered next year.

"We were initially going to eastern markets such as Jamshedpur, Bhubaneswar and Rourkela, where people know Forum. But we soon realised that management resources are being strained but the balance sheet is not growing enough," Saraf said.

He cited Serendipity, Forum's Bandra Kurla project, fetching Rs 30,000 per sq ft rate

as an example of the potential rewards of operating in more challenging environments. Buoyed by the response, Forum is already angling for two more projects.

A report by international property consultancy Knight Frank explains why Calcutta developers are zooming in on Mumbai. Calcutta reported sales of 17,647 units in 2016 whereas Mumbai saw more than three times higher sales at 60,374 units. The average price of a Mumbai flat was Rs 8,120 per sq ft. In Calcutta, it was Rs 3,575 per sq ft.

Of the eight cities featured in the report, Calcutta was above only Ahmedabad in terms of price realisation.

Shristi, a part of the financial conglomerate Srei, is building a G+42 tower near Shivaji Park, Dadar. "We have built properties in Asansol, Santiniketan, Kharagpur and many small towns. Besides Calcutta, there are no places for us to grow in Bengal," Sunil Jha, managing director of Shristi, said.

None of these developers intends to reduce its Calcutta footprint, though. "The state cabinet has just approved a new township in Rajarhat," Saraf said.

Siddha plans to deliver 10,000 units over the next five years. Emami and its associates like Orbit have also lined up several projects.