

AFFORDABLE HOUSING

Kotak Realty invests ₹110 cr in TDI project

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MUMBAI

Kotak Realty Fund, a division of **Kotak Investment Advisors Ltd**, has invested ₹110 crore in a residential project of **TDI Infrastructure Ltd** in Kundli, a part of the National Capital Region.

This is the fund's second investment on the outskirts of Delhi in less than five months.

In November, Kotak Realty Fund invested ₹110 crore in **Parsvnath Developers Ltd's** 130 acre township-cum-plot development project at Sohna on the outskirts of Delhi.

"We have made this investment because we are interested in the affordable housing segment," said V. Hari Krishna, director, Kotak Realty Fund.

TDI Infrastructure is developing an integrated township in Kundli of over 1,250 acres called TDI City. Kotak Realty Fund will be investing in a 29-acre residential project in TDI City. The project covers three million sq. ft and the units will be in the range of ₹25-50 lakh, according to Krishna.

TDI Infrastructure, an NCR-based realty firm has townships in Mohali, Panipat, Kundli, Jalandhar, Agra, Moradabad that falls under the mid-market segment. Anil Sharma, senior manager, corporate communications with TDI Infrastructure said he was not aware of the deal with Kotak Realty Fund.

Kotak Realty Fund has \$765 million (around ₹4,184 crore today) in assets under management, according to a company spokesperson who added that the company has primarily invested in residential properties in Mumbai, Bangalore, National Capital Region, Chennai.

One of the reasons for investing in new locations on the outskirts of Delhi is the high costs of traditional favourite locations such as Gurgaon and Faridabad.

According to Krishna, the property valuations in Gurgaon have escalated in a short time. Real estate consultants agree with this view.

"Property prices in Gurgaon are going beyond the affordability level. Some pockets are costing ₹15,000-17,000 per sq. ft and investors are shying away from making new investments," said Samantak Das, director of research at **Knight Frank India Pvt. Ltd**. But analysts are sceptical about the viability of residential projects in these new locations. "Kundli is far off from the main job markets like Manesar and Delhi. The vacancy level is high at the moment and it is not a good investment option even for the next three-five years," said Das.

On 13 February, *Mint* reported that Kotak Realty Fund closed a transaction to invest ₹70 crore with the real estate company, Runwal Group, and an additional ₹100 crore debt provided by **Kotak Mahindra Bank Ltd's** non-banking finance company.