

Lucknow,  
Mumbai, New  
Delhi

Page No. 18 Position: Centre Height: 15 Column: 4

**PIROJSHAH GODREJ**, managing director, Godrej Properties Ltd

## ‘The commercial real estate market is on an upswing’

**Nachiket Kelkar**

nachiket.kelkar@hindustantimes.com

**MUMBAI:** Godrej Properties is looking to monetise more commercial real estate in its Bandra Kurla Complex project in Mumbai to cash in on the revival in the sector, managing director Pirojsha Godrej said on Thursday. The company had recently sold 435,000 square feet space in the complex to Abbott for ₹1,479 crore. Godrej was speaking after launching a project — ‘The Trees’ — in Mumbai’s suburb Vikhroli. Excerpts:

**Mumbai’s real estate market has been in a slowdown for 2-3 years now. How do you see things?**  
The demand environment is subdued everywhere at the moment. But I don’t think it’s a case that there is no demand. Many developers are seeing good sales in some projects. We have sold more space in the first



Cost of borrowing is certainly reducing for the whole sector. Godrej Properties cost of borrowing has come down significantly. Our incremental borrowing is now happening at under 10%

half of this financial year than in the whole of last year. But for a more full-fledged recovery, confidence needs to improve. It may differ from city to city, but by and large I think, the sector will be in much better position in a year.

**Recently a Crisil report stated that refinancing of debt has become a big issue for realtors. What is your take?**

There is no doubt that there are serious challenges in the sector, especially for the smaller players as the credit environment

is difficult and cash-flows are weak. Even in the top set of developers, there are some who are in higher difficulty than others.

**After the Abbott deal are you looking at more such asset monetisation deals?**

Hopefully... That was a big deal, where we sold more than what we have left now in that project. I do think that the commercial real estate market is on an upswing, so we should be able to monetise that project completely over the next 9-12 months.

We currently have a net debt of around ₹2,200 crore. Over the long-term, we will continue to reduce debt, but that is not a concern at present.

**After the RBI rate cuts, have you seen borrowing cost come down?**

Cost of borrowing is certainly reducing for the whole sector. Our incremental borrowing is now happening at under 10%, and average borrowing cost is now 10.5%.

**Are you looking at newer markets to expand into?**

In a limited sense... We are already in the top real estate markets of the country and we are now looking at adjacent areas. So in NCR, we have projects in Gurgaon and Delhi, but we don’t have projects in Noida. So we are very open to doing projects in Noida. In Mumbai, there are micro-markets such as Thane, where we are keen to do projects there.

**EWS**  
**EM2**

