

Mantri set to roll out 6 townships

Sobia Khan
BANGALORE

TO MEET the growing demand for mid-range apartments, Mantri Developers plans to roll out six integrated residential township projects comprising 30,000 units across Chennai, Bangalore and Hyderabad. Only 3,000 units are expected to come up in the first phase and the company plans to invest Rs 3,000 crore on the projects, the company's MD Sushil Mantri has said. The apartments will be available in the Rs 30 lakh to Rs 3 crore range.

Mantri also plans to launch four new projects in Bangalore to address the mid-income segment in the next six months, he said. Demand for apartments in the Rs 30-40 lakh range is expected to spurt by 10-15% in Bangalore alone, he says. With only 1,200 apartments expected to hit the market in the coming months, Mantri hopes to cash in on this demand spurt. He says there has been a "change in customer profile. Earlier, demand was driven mainly by IT professionals, which led to a price rise."

Currently, Mantri has six projects

in different stages of construction in Hyderabad, Bangalore and Chennai. As of now, about 20% of their 1,800 apartments still remain unsold. The developer plans to roll out four shopping malls. However, commercial launches have been put on the back-burner till September 2010.

The firm hopes to start construction of six hotels in Bangalore in five-star and four-star categories totalling 1,200 keys in the next one year with an investment of Rs 1,000 crore. It has tied up with Hilton and Hyatt to manage and operate its hotel business, which is expected to be operational in the next three years.

To fund these projects, it hopes to raise Rs 600-700 crore through banks, internal accruals and customer advances. Talking of the financial details, Sushil says: "Our cash-flow is positive. Our existing residential projects are generating good cash flow."

The developer is also in discussions with mid-sized realty firms to buy out distressed assets and has a capital outlay of Rs 400 crore to acquire property in Hyderabad, Bangalore and Chennai.