

Marvel Realtors to raise ₹ 500 crore from PE players

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On the back of a booming real estate market in Pune, real estate developers Marvel Realtors is all set to raise about ₹ 500 crore from private equity players during this financial year.

Marvel Realtors has already got external funding to the tune of over ₹ 1,100 crore for its ongoing projects. With the new fund raising efforts its total external investment will touch ₹ 1,600 crore.

"Real estate market in Pune has witnessed rapid growth in terms of residential properties owing to developing infrastructure, employment opportunities, and urban lifestyle. We are developing homes ranging from ₹ 70 lakh to ₹ 20 crore in Pune. Overall, luxury housing in Pune contributes around 8 per cent of total market which is better than the other cities of India. The private equity players who invested in our projects have got good returns," said Vishwajeet Jhavar, founder and CEO,



Marvel Realtors.

The company is among the few companies that has managed to return to its investors. Over the last two years Marvel has managed to give full or in some cases partial exit to several of its investors like HDFC Asset Management Company, JM Financial, and US based hedge fund Och Ziff. Others such as hedge fund player Capital First, ICICI Prudential, India Reit (Ajay Piramal Group), and Pracore continue to be invested in the company.

Earlier this year, Och Ziff that had invested ₹ 77 crore in 2008 in Marvel's Zephyr, a luxury residential project in Pune, exited from the same at ₹ 250

crore. Och Ziff continues to be an investor in the firm's commercial project Edge, where it has made investments worth ₹ 160 crore in 2009.

The company claims that HDFC Asset Management made three times on equity when it exited from Marvel Omega in 2012. It had invested ₹ 55 crore.

Despite not so good exits at project level in the real estate sector Marvel has managed to get PE investments.

In 2014, Capital First has invested ₹ 130 crore in Marvel's Edge, a commercial space project.

Marvel Realtors has developed over 24 million sq. ft. of luxury residential, commercial and retail projects across cities, totaling to ₹ 14,000 crore under various stages of development. Other than Pune, Marvel is developing projects in Mumbai, Goa and Bangalore.

With good spell in terms of sales and investor confidence, the company also announced its re-branding initiative with a new logo and tagline 'The sensible side of luxury'.

Among Marvel's residential projects in Pune, 25 have been completed, 40 are ongoing and 25 under-launch.

This includes six commercial projects in various stages of development in Viman Nagar, NIBM Road, Lulla Nagar and Magarpatta that will offer over one million sq.ft of commercial space for commercial and retail. It has a ratio of 80:20 of residential and commercial space development.

This year, Marvel is delivering around 2,000 residential flats to its customers which is highest ever by any city developer says Jhavar.

According to Cushman & Weikfield's research report, in the year 2013, overall PE investments in Pune were ₹ 1,460 crore, recording an increase of over four times from 2012 driven primarily by investments in leased office assets.

The report also points out that the total inflows from private equity funds in the real estate sector for 2013 was recorded at ₹ 7,000 crore (\$1.1 billion), an increase of 13 per cent compared to 2012.