

Prestige to Buy Out Arm via Deal with PE Red Fort

Our Bureau

Mumbai: The Prestige Group is acquiring the stake it doesn't already own in group company Prestige Projects for ₹324 crore through a wholly-owned special purpose vehicle (SPV) to enter the affordable housing segment. The Bengaluru-based realty developer is buying the 66.7% stake from private equity partner Red Fort India Real Estate and landowners, the company said in a statement.

Prestige Group already owns 33.3% in Prestige Projects, which has land spread over 180 acres in Bengaluru. The acquisition is set to be completed by January 31.

“Our long-term strategy to create value is to diversify our revenue base, expand earnings and strengthen our development pipeline. This transaction will help us enter the affordable-housing segment in a big way. The proposed project in the SPV has a

significant potential to grow our profitable revenue base and further strengthen our market share in the micro-market,” said Irfan Razack, CMD, Prestige group.



Prestige will enter the affordable housing segment with the ₹324-cr deal

The group intends to develop a large-scale affordable and mid-income housing project comprising of apartments, villas and plots with various lifestyle amenities as well as malls and sports facilities.

“This transaction fits well with our strategy of entry into new affordable housing segment, which has huge demand and potential for growth. The total developable area of the project will be around 7.5 million square feet, and we estimate top line revenue potential of over ₹3,500 crore from this development,” said Venkat K Narayana, CEO, Prestige Group.