

“Our primary focus is on low-density development”



In an exclusive interview, **AMIT JAIN, CMD, Arkade Group** talks about how his company has grown in recent years, its ongoing projects and growth plans, Mumbai's redevelopment market, etc. Excerpts...

What is Arkade Group's focus area, and how has the company grown in recent years?

Our primary focus is on low-density development, providing ample open space within our projects. We focus on residential development in the form of open plots or redevelopment of societies predominantly in the suburbs of Mumbai. Over the last few years, Arkade Group has grown significantly and shown steady and remarkable progress. We have completed more than 25 projects and delivered all projects with occupation certificates. Moreover, we have also been appointed as developer by six societies in western suburbs in Mumbai, and discussions are ongoing for signing a definitive MoU for the purchase of land of around 12,000 square meters in Bhandup.

Overall, the growth in the past and the future outlook is very promising.

How many projects is the company currently working on?

We have four ongoing projects with a potential topline of ₹1250 crore and construction area potential of 1.2 million. The ongoing projects are at Santacruz West, Andheri East, Goregaon East, and Borivali West. Recently, we completed two projects for which the occupation certificate is received in Vile Parle-East and Malad-West. We are set to launch our new acquisition project in Mulund, having a potential topline of ₹600 crore. Furthermore, we have already delivered close to 4.2 mn. sq.ft. to more than 4,250 plus families.

How has the realty market changed over the last ten years, and what is your experience with operating in the Mumbai property market?

The Mumbai realty market has seen many ups and downs since 2016 following structural changes like demonetisation, GST implementation, clarity on RERA norms, Covid-19, reduction in stamp duty, and low home loan interest rates for a limited period. In fact, the implementation

of RERA in Maharashtra has indeed proven to be a boon to the end consumers, and all the required information is available at a click of a button, enabling the buyer to make an informed decision. The demand is stable, and the growth story of Mumbai is intact. Post pandemic, demand for luxurious and bigger apartments is increasing in the mature markets. People have realised that waiting is not going to get them any better deals. The right time to buy a house is now. The kind of projects that suburban Mumbai is offering in terms of size, layout, and amenities is attracting a lot of inquiries and steady closures.

What opportunities does the company see in the redevelopment market in Mumbai?

Redevelopment is unique to the city of Mumbai, and the growth story in redevelopment is continuing. There is a positive framework like cluster developments, which shall open up common spaces and will have structured redevelopment. There is hardly any undeveloped land available in the city, and whatever development is happening, be it in the form of society development or industrial to residential conversion or slum redevelopment, we are looking at this space positively.

Do you see any slowdown in the Mumbai property market due to rising interest rates?

In the short term, an upward interest rate trend may affect the eligibility criteria of potential homebuyers. However, once the rates stabilise, customers will likely gain a better understanding and proceed with purchases. Based on current trends, interest rates are expected to settle within the 8.75% to 9.50% range for home loan rates in the year 2023-2024. The post-covid recovery indicates that interest rates are likely to remain stable or increase.

What are Arkade Group's growth plans?

We achieved a remarkable topline of ₹500 crore in sales during FY2022-23. In the upcoming year, we are planning to launch up to five to six projects, and we are also looking forward to tapping the capital markets with an IPO sometime in FY2023-24. Furthermore, we have initiated an internal restructuring exercise, benchmarking our processes and approvals, construction timelines, and sales generation to meet the industry's highest standards.

(As told to Kausar Firdausi)