

# ‘Nobody has got the mixed land use concept right in India’

*PROVENANCE LAND announced its equity partnership with Singapore's GIC recently, an announcement that came after a relative lull period for the developers who hold marquee assets like the Four Seasons Hotel in Mumbai. Adarsh Jatia, CEO and MD, Provenance Land, in an interview with FE's Manisha Singhal, says he genuinely believes in the mixed land use development story and that nobody in India has got the concept right. He said that Provenance will look at more assets to develop in this category, going forward. Excerpts:*

## Why did you partner with GIC?

Because they are long-term and strategic investor and not in a rush to exit. We did not want an investor who would say I want my money back after four years and send us looking for another investor. In this case, the focus is long term to build the assets – the commercial, residences and the hotels. Once this development gets established as a market leader in each of those asset classes because we have the

capital, we can go out there and acquire more land, acquire some projects outside and make it a part of this entity. So, today we broadly know what we are looking at and when we do the next project.

## What is the deal and what is end-use of the money coming into the company?

We are together committed to \$250 million to be ploughed back into the development. Some of it will go into completing residences (currently under construction).

## The group has not made any big ticket announcements. Why have you been quiet?

We had two sets of demergers in 2010. We demerged Asian hotels, a listed entity which had Hyatt Regency – Delhi, Mumbai and Kolkata – that got split into three entities and we had the Delhi Hyatt Regency property. In 2013, we again went through a family settlement for four assets, the Hyatt in Delhi, the project in Goa, Four Seasons in



Mumbai and adjoining land with Four Seasons and land in Pune. So, the group has been through changes and when you go through one of those, it takes a little bit of time to readjust. Prior to this, there had been significant amount of growth. We were conservative refocused our energies

towards consolidation.

## How and why the mixed land use development focus?

Nobody has got the mixed use development concept right in India. We know how to build assets as we have built all big banner iconic landmark assets in hospitality sector. We then entered into residential. We have now announced a commercial project moving from a pure hospitality group. We are taking our expertise and our forte into these spaces as hospitality is a long-gestation business.

As our focus is tier-1 cities – where the land prices and interest rates are at an all-time high – we refocused to expand the portfolio rebranded as Provenance Land and the land adjacent to Four Seasons right in the middle of Worli is a great opportunity. Globally, if we see hospitality is part of a mixed use development, in India, historically, we have a situation where you were only doing a hotel and that's it. So, when you mix up the portfolio each asset

feeds off or complements the other; so the synergies between the hotel asset will benefit from the residential, the commercial, and vice versa.

## What are the future plans for expansion?

Today this mixed use development itself is 4.5 acres for use as hospitality, residential and commercial with a partner like GIC. Beyond that, we have more lands that we will launch at the right time. Right now, we are not looking to expand outside Mumbai. Each asset that we built is right at the top of its peers like our residential tower with 64 storey and only 41 apartments catering to the ultra HNIs. The idea is to build a Grade-A commercial tower in line with global standards that attract top multinational corporates.

So, we are very focused on providing best-in-class kind of planning and specification for the tower. We are now broad-basing our portfolio and if we get the right land that lends to mixed use development we would love to do that.