

Radhakishan Damani's Dmart buys Rs 100 crore retail space in Goregaon from Sunteck Realty

Synopsis

Avenue Supermarts that owns retail chain Dmart has bought a total of nearly 40,000 sq ft spread across three floors in the under-construction 18-storey commercial tower being constructed by the developer as part of its larger layout Oshiwara District Center (ODC).



Billionaire investor **Radhakishan Damani's** company **Avenue Supermarts** has bought retail space worth around Rs 100 crore from property developer **Sunteck Realty** **NSE -4.11 %** at its upcoming project **Sunteck** City in Goregaon suburb of Mumbai, said persons with direct knowledge of the development.

Avenue Supermarts that owns retail chain **Dmart** **NSE 2.24 %** has bought a total of nearly 40,000 sq ft spread across three floors in the under-construction 18-storey commercial tower being constructed by the developer as part of its larger layout Oshiwara District Center (ODC).

"The deal is valued at Rs 25,000 per sq ft and the entire retail space is expected to be delivered in the next few months," said one of the persons mentioned above.

Damani, known as an astute investor, has been picking up real estate assets, over the last few months irrespective of the ongoing Covid19 pandemic, across prime Indian cities that have emerged as key consumption centers. He has bought several properties in personal capacity as well as through Avenue Supermarts.

ET's separate email queries to both Damani and Sunteck Realty remained unanswered until the time of going to press.

In Mumbai alone, Avenue Supermarts has bought 4-5 properties including retail space and land parcels worth over Rs 1,000 crore including an 8-acre land parcel in Thane from Mondelez India, formerly Cadbury India.

Apart from Mumbai, the retail chain has also acquired two properties in Hyderabad, one each in Bangalore and Pune.

Value of these deals in addition to Damani's personal property buys is over Rs 2,000 crore.

Prior to this, the company acquired a 1.5-acre land parcel on LBS Marg in Mumbai's Bhandup suburb that has been acquired for Rs 81 crore. In March,

the company had bought two floors spread over 39,000 sq ft in an under-construction project in Chembur suburbs of Mumbai for over Rs 113 crore in a similar deal.

The retail firm has been working on expansion plans for DMart stores and most of these properties bought by the company will be used for strengthening its presence across various micro-markets including new locations.

These transactions for land parcels and ready retail space on an outright basis even during the ongoing pandemic indicates the company's confidence that offline shopping will be back to normal and revive once the epidemic ebbs.

Interestingly, the company usually picks up real estate assets needed for its retail business expansion on an outright basis, unlike other retail chains that base their expansion strategy on a standard leasing model.

Following the launch of its first store in the Powai suburbs of Mumbai in 2002, the DMart chain now has presence in 221 locations across Maharashtra, Gujarat, Andhra Pradesh, Madhya Pradesh, Karnataka, Telangana, Chhattisgarh, NCR, Tamil Nadu, Punjab and Rajasthan.

The company has added nine stores to its portfolio in the financial year 2020-21 and has converted two stores to fulfilment centres (FC) to scale up its e-commerce business.

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