

Tamil Nadu Shelter Fund invests in affordable housing project by Vijay Raja Homes

Synopsis

After a major push from the government, the affordable market in India has received a major boost. Development focus on mid and affordable segments continued in H1 2021 with 72% of new launches in the sub Rs 10 million categories.



Tamil Nadu Shelter Fund (TNSF), a fund managed by the Tamil Nadu Infrastructure Fund Management Corporation (**TNIFMC**), has invested Rs 95 crore in an affordable housing project by **Vijay Raja Homes Private Limited**.

The fund will be utilised for the construction and development of 'VRX 360' a 2700-unit under construction affordable development project in **Thirumazhisai**, a suburb in western Chennai.

"The affordable segment is our key focus and we believe in the Government's vision of housing for all. This is an industry where the phrase "affordable luxury" is considered as an oxymoron," said Chendilnathan, Chairman and Managing Director, Vijay Raja Homes Private Limited.

TNSF is a Category I (Social) Alternative Investment Fund (AIF) invested by global investors like **World Bank** and managed by TNIFMC. It invests in Environmental, Social and Governance (ESG) compliant affordable housing impact projects for commercial returns. Its ESG monitoring framework has been developed along with World bank.

This is the first time World Bank has invested in an Innovative finance vehicle to support and provide funding for good quality affordable houses by private developers, including industrial workers housing, working women hostels and assisted care living for senior citizens and disabled people.

JLL India was the exclusive advisor for the transaction

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"Thirumazhisai is an ideal location – with great connectivity to both the city via the outer ring road and the industrial corridors via NH4. The physical infrastructure will be further enhanced with the development of Phase II of the Chennai Metro up to 'Poonamallee'. Apart from upcoming residential

developments, this micro-market also houses large auto OEMs and Industrial Estates", said Siva Krishnan, Managing Director, Chennai & Coimbatore and Head of **Residential Services**, India, JLL.

Overall, the residential sales in Q2 (April-June) 2021 increased by 83% as compared to Q2 2020, across the top seven cities, driven by the low base effect, less stringent lockdowns, and accelerating vaccination drives during Q2, 2021, demonstrating improved resilience in the market, mentioned a JLL report.

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