

Milestone Capital to go for 'managed account'

The company is in discussion with pension and sovereign funds to raise \$200 mn for it

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Real estate fund manager Milestone Capital plans to go for a 'managed account' and is in talks with global pension and sovereign funds to raise funds, according to sources in the know.

The corpus of the managed account could be around \$200 million and it will aim at investing in pre-leased information technology parks and warehouses, and other commercial properties, sources add.

In a managed account, a single limited partner (LP) commits money to a fund manager and the latter invests on behalf of the LP as opposed to a 'blind pool' where many LPs pool money and the general partner invests in any of the projects they like.

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Executive vice-chairman
at Milestone Capital
Advisors



erties. It will give yields of 11-12 per cent today and with an effective asset management system in place, it can even take it up a notch higher," said Rubi Arya, executive vice-chairman at Milestone Capital Advisors.

Managed accounts are

catching up in the country. Recently, HDFC Capital Advisors headed by Vipul Roongta raised \$400 million from Abu Dhabi Investment Authority (ADIA) to provide long-term money to developers of affordable housing projects.

MILESTONE: AT A GLANCE

- Raised **₹3,840 crore** since inception in **2007**
- Currently, raising **₹500-crore** fund titled 'Milestone Opportunities Fund 10'
- Plans to go for a managed account of **\$200 million**
- Plans to raise a **₹1,000-crore** domestic fund to invest in commercial properties
- Returned **₹3,000 crore** to investors so far

Earlier, ADIA also committed \$200 million to Kotak Realty Fund.

Arya said the fund manager would also tie up with a distributor to raise a ₹1,000-crore domestic fund to invest in pre-leased commercial assets.

"Both will happen parallelly," she said, adding the fund manager was looking to invest ₹1,200 crore in the realty projects this year.

She also said that Milestone had so far returned ₹3,000 crore to investors.

Milestone Capital has also raised ₹170 crore for its ₹500-crore fund titled Milestone Opportunities Fund 10 and it will have a tenure of three-and-a-half years and will do structured debt and equity deals.

Set up in 2007, Milestone has raised \$800 million and advises nine schemes across real estate and bullion products.

According to a knight Frank report, the demand for new office space absorption has surpassed completions for the second straight year across the top six cities of India. While 41.1 million sq ft of space was absorbed in 2015, only 34.5 million sq ft of new supply came online. For the past eight years, the vacancy levels have remained at their all-time low.