

Milestone Cap Buys Part of IT Park in Pune from MIDC

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Mumbai: Private equity firm Milestone Capital Advisors has acquired half of an IT park building in Kharadi business district of Pune for over ₹160 crore.

Milestone has bought the south wing of E-Park, a part of Kharadi IT Park promoted by Maharashtra Industrial Development Corporation (MIDC). The building is next to EON IT Park and all of its 2.30 lakh sq ft office space is leased to multinational companies with periodic rental escalations.

Milestone has entered this transaction with an entry yield of around 9.5% to the property.



PE firm has bought the south wing of E-Park, a part of Kharadi IT Park, which has 2.30 lakh sq ft of office space, for over ₹160 cr

“This investment was made with a mix of debt and equity while our borrowing costs were much lower, thus generating a positive arbitrage of around 100 basis points,” Sandeep Chadha, partner at Milestone Capital Advisors, told ET.

This is Milestone’s second investment through its fourth private real estate investment trust (REIT), called Milestone Commercial Advantage Fund. The north wing of E-Park is owned by Sunil Bharti Mittal-led telecom operator Bharti Airtel.

Milestone Commercial Advantage Fund made its first investment in June in The Capital, a commercial building in Mumbai’s Bandra-Kurla Complex. The latest investment takes the fund’s total commitment in pre-leased assets in India to ₹200 crore. The fund, which is backed by institutions, high networth individuals and family offices, is looking to generate a yield of close to 20% on a gross level through this investment.

“We are also evaluating and are in the process of undertaking due diligence of other assets in Mumbai and Bengaluru. These transactions are likely to be concluded soon as we are in advanced discussions with the owners of those assets,” Chadha said.

He said the commercial real estate investment scenario in India continues to be buoyant and the fund is open to invest in sustainable value propositions.