

Brookfield leads race to acquire IL&FS HQ

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Mumbai: Brookfield Asset Management has emerged as the frontrunner to acquire IL&FS group's iconic 4.5-lakh sqft headquarters in Mumbai's Bandra Kurla Complex. While a few others, including private equity firms and real estate companies, had shown interest none of them has matched the bid by Brookfield.

IL&FS board has put the group's corporate headquarters on the block as part of the resolution process to address Rs 99,000 crore of debt. Constructed in 2005, the 11-storey building was one of the earliest to come up in the business district. The IL&FS board has been seeking to realise Rs 1,000 crore from the

sale of the property. However, sources said that Brookfield's bid is a bit lower.

While the target price is in line with the current value of office premises in the district, the private equity firm has said that the property is nearly 17-year-old and would require additio-

BID MAY BE UNDER ₹ 1K CR

nal investment for modernisation and repairs. Also, IL&FS has said that it will continue to occupy a few floors for the time being as a tenant. When contacted, IL&FS declined to comment on the transaction.

The Canadian alternate investment company made headlines last year with its \$2-billion real estate deal to

acquire 1.2 crore sqft of office space from RMZ Corp. The company subsequently raised Rs 3,800 crore through its real estate investment trust.

Last year, Yes Bank had acquired the 6.95-lakh sqft erstwhile headquarters of Anil Ambani's Reliance Group for Rs 1,200 crore. However, no money changed hands as the purchase was adjusted against a loan due from the group company.

Earlier, another private equity company Blackstone and Godrej Properties had shown interest in the office property. While IL&FS building is only 11 storey's subsequent real estate developments in the BKC's G-Block have many more floors as a relaxation in norms have allowed higher floor space index for offices using IT.