

How Salarpuria Sattva Group is building up its data centre biz

By

Swet Sarika

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Bengaluru-based Salarpuria Sattva Group, which is known for commercial and residential real estate projects, is now building up a portfolio of data centres across cities, a top executive told VCCircle. Data centres are buildings that house computing facilities like servers, routers, switches and firewalls.

As **reported** by VCCircle, the developer kicked off its data centre business two years back and now has a portfolio of roughly 140 megawatt (MW) in different stages of development.

“We built two data centres – one in Mumbai and another in Bengaluru – with 20 MW capacity each and sold them to different companies. Building these centres has given us the expertise to make a strong portfolio across cities. We are open to exploring

various avenues once data centres are ready – sell, lease or even manage them ourselves,” said Bijay Agarwal, managing director, Salarpuria Sattva Group.

Agarwal said that the company will have five data centres -- two in Bengaluru and three in Hyderabad – in the next few quarters of capacity 20-40 MW each.

“We have identified locations in Bengaluru and Hyderabad and will be taking up these projects, each spread across four million square feet (sq ft), in a phased manner. The idea is to have a portfolio like our commercial developments and grow it gradually,” he said. Agarwal added that the data centre business in India is in a nascent phase and will grow at a faster pace in the coming days.

The company is currently using internal accruals and bank funding to develop data centres and is open to tying up with private equity funds and financial institutions.

Data centres as an asset class have gained prominence in the last few years and the shift towards digital in the pandemic has shined a spotlight on the segment.

Plus, the policy thrust on protecting data and a proposed policy framework on data centre parks will also boost the segment. As per a study by real estate consultant JLL India, the data centre market in the country stands at 350 MW now and is expected to add 431 MW during 2020-24.

Office space

Salarpuria Sattva Group, which has a strong portfolio of office buildings across cities, has lined up a bunch of launches in the office segment for the next few quarters. It has a partnership with Blackstone, one of the largest owners of office space in the country, across five projects spanning 30 million sq ft.

Blackstone and Salarpuria recently **acquired** Global Village Tech Park Coffee Day Enterprises Ltd.

Earlier, Blackstone Group had taken a 50% stake across four office projects in Hyderabad from Salarpuria Sattva Group.

“The office space is coming back on track. While the demand for leasing is a bit slow, we expect a healthy number by the April-June quarter. Companies are taking time to come back to the market in a big way. As the economy will rebound, we expect leasing to go upwards from April,” Agarwal said.

He said that the company has lined up launches in Bengaluru, Hyderabad and Pune for the next few quarters. The group has so far completed residential and commercial projects spanning 48 million sq ft. It also has a presence in the education, facility management, aerospace and hospitality sectors.