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Essar sells Bengaluru residential project to SNN Builders for Rs 490 crore

In a rare deal in the real estate space, Bengaluru-based SNN Builders has acquired Essar's under construction Water's Edge residential project in Bangalore for Rs 490 crore

The deal gains significance as Essar, a Shashi and Ravi Ruia-owned company, aims to move away from its non-core businesses. It had recently sold Equinox Business Park in Mumbai to RMZ Corp for Rs 2,400 crore.

SNN Builders now takes over Essar's IBROX Real Estate Development Private Ltd, the company that owns the Water's Edge project, and will take responsibility to complete and deliver the project within a revised schedule, a company release said. The final transaction price includes customer liabilities.

Ramesh Agarwal, managing director of SNN, said, "We are looking forward to an exciting entry into North Bangalore. SNN will now relaunch the project and rebrand it in a way that existing customers and future prospects will be able to experience a product that will stand out in the Hebbal micro-market."

Water's Edge, a 2 million sq. ft. residential project spread over eight acres, is located on the Outer Ring Road and will comprise five 40-storey towers, with over 400 apartments in the 3, 4 and 5 BHK configurations.

The project is likely to generate revenues of Rs 1,200 crore.

"At Essar, customers are our main focus and we wanted to ensure that we hand over the project to someone with a similar mindset," said Sudip Rungta, executive director (M&A) at Essar.