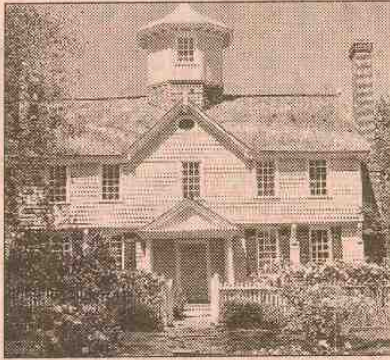


Home is where the buck is for construction firms

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Infrastructure developers like Gammon India, Hindustan Construction Company, Simplex and Soma Enterprise are foraying into housing development. Gammon India, which has been involved in building roads, now wants to venture into real estate sector

TO CASH in on the real estate boom, infrastructure developers such as Gammon India, Hindustan Construction Company, Simplex and Soma Enterprise are foraying into housing development. Gammon India, which has been involved in building roads, ports and power projects, now wants to venture into housing sector. "We are looking at opportunities for constructing housing complexes.

There is a huge demand for quality products. We intend to cater to all segments," Gammon India's assistant vice-president, Umesh Gupta, said.

Feedback Ventures' infrastructure division managing

director, Gopal Sarma, said the infrastructure developers have definite advantage in venturing into real estate business. "Construction firms have an edge in the real estate segment since they have the required technical skills. This reduces their business risk considerably," he said.

Certain infrastructure developers have created separate divisions for the new venture. Soma Enterprise, which is in the process of finalising details for its first real estate project in Bangalore, has created a separate real estate division. The Bangalore project is a 100-acre township, primarily with residential housing.

The company's decision to enter into real estate business is due to the increasing demand for urban housing.

"Soma had invested in lands in the last few years. The investment has now matured and this is the time for entering into property development," Soma Enterprise director, Ankinedu Maganti, said. He admitted that the executional requirements in the real estate segment are similar to that of the infrastructure sector.

Simplex Infrastructure, which has so far confined itself in developing roads and power projects, is now entering the real estate market primarily in the south.

"Simplex is looking at value addition by entering the segment. We have already identified 1.5 million square feet for real estate construction for retail, commercial and residential spaces," Simplex director, Amitabh Mundhra, said.