

Publication:	City Air News
Date:	Saturday, 4 th November 2017
Weblink:	http://www.cityairnews.com/content/nisus-finance-exits-midcity-heights-project



Nisus Finance Exits from Midcity Heights Project

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City Air News Author(s):

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Mumbai, November 3, 2017: Nisus Finance Services Co Pvt Ltd. (NiFCO,) a focused alternatives advisor with a Real Estate-focused Debt / Mezzanine Fund has exited its investment in Midcity Heights Pvt. Ltd., one of the leading developers engaged in the construction and development of real estate project within western suburbs of Mumbai.

Midcity Heights Pvt Ltd, had last year raised the capital from investors of NiFCO to fund its residential project "Ocean Heights" located at Versova, Andheri (W) in Mumbai. Ocean Heights project comprises of 21 storied building with over Rs. 60 crores in sale value. NiFCO

had agreed to invest up to Rs. 30 crores with MidCity Heights but secured an early exit returning back 1.23x of the capital within 14 months.

Commenting on successful exit, Mr. Amit Goenka, MD & CEO NiFCO said, “Our strategy of investing into late stage projects is paying rich dividends to investors. This is the third instance wherein we have returned back capital this year without delinquency and with handsome returns. It strongly vindicates our strategy and asset management strength. We were happy to support MidCity due to its sharp focus on completing the development, effecting sales and collections and being compliant with statutory norms. The advent of RERA has boosted buyer confidence for such fast completing projects allowing increased sales velocity and quick receivables.”

Mid-income housing projects have seen revival in demand, supported by aggressive home finance schemes, which has brought in quick liquidity into such projects. Suburban micro markets of Mumbai are performing well and Mid City’s Ocean Heights is a good example of such a project. RERA has allowed many promoters to look for last mile funding to accelerate their completion and delivery. Also ready and nearly ready projects are most attractive to buyers. NiFCO’s strategy works well with such last mile investments since project companies can raise money quickly and retire it equally quickly, optimising their capital costs while maximizing benefits from their project’s profits. Investors are benefitting well from this as their capital is churning fast, without getting stuck while diversifying their portfolio, on the back of high alpha returns.