



SANJAY BORADE

Provenance Land (formerly known as Magus Estates and Hotels), owner of Four Seasons Hotel in Mumbai, is geared up to redefine the luxury residential landscape of the country's financial capital. The Mumbai-based developer, a part of the R.K. Jatia group, has a track record of successfully developing and delivering a portfolio of highly iconic properties in the field of hospitality (green-field hotel projects in partnership with Hyatt International and Four Seasons Hotels & Resorts) and is now building five-star-hotel-branded ultra luxury residential project in the upmarket, Worli. It will be a landmark project that features carefully-curated limited edition residences.

Called Four Seasons Private Residences Mumbai, the 600-crore project is a part of Provenance Land's recent strategy to reposition itself in the market as a full-fledged developer with a diversified mix-use portfolio, comprising hospitality, residential and commercial properties. In fact, the developer, backed by over 500 employees, will primarily focus on high-end mixed use development at every location it identifies for development. At each location, there will be a mix of all three components.

The process of transition for the company started in 2014 when the Jatiyas decided to rename it Provenance Land from Magus Estates and Hotels. The genesis of the Jatiyas' hospitality journey goes back to 1980 when they, along with the Guptas and the Sarafs (all NRIs), formed Asian Hotels Ltd and put up India's first Hyatt hotel in 1983 in New Delhi. Asian Hotels was demerged into three separate entities in 2010.

At that time, Asian Hotels Ltd had three hotels in its portfolio – Hyatt Regency in Delhi, followed by two properties – Hyatt Regency Mumbai and Hyatt Regency Kolkata – in 2002-03. The Jatia brothers – Raj Kumar and his younger brother Shiv, who rechristened them as Asian Hotels (North) and owned Hyatt Regency in Delhi and Pune, parted ways in 2013, with Raj Kumer, along with his son Adarsh, resigning from the company as its directors and later forming Provenance Land. In this new entity, Raj Kumar Jatia, 67, is now chairman and Adarsh Jatia, 36, CEO &

Building landmarks

Provenance Land is all set to reposition itself in the market with a diversified portfolio

*Adarsh Jatia,
CEO and MD*

managing director.

Jointly created with the Four Seasons hospitality chain (which will service and manage these residential apartments once ready), the 60-storey project will host 35-limited edition, highly exclusive apartments. Equipped with all modern amenities, the new benchmark of residential development, with 300,000 sq ft of saleable area, is coming up over a plot of six acres, where it has also been hosting its 202-key Four Seasons Hotels since 2008. While the residential project and the hotel are a part of the two-acre parcel, the remaining four-acre parcel has been earmarked for high-end commercial development. Of the commercial portion, the company is looking to launch a development (particularly office) of around 700,000 sq ft (involving about 2.5 acres) in the next two-four quarters.

Four Seasons Private Residences, launched in 2015 and expected to be completed by end 2019, has already evoked a good response with more than 60 per cent of the project already being sold. These apartments (size: 3,500-7,000 sq ft) are priced ₹30-100 crore and the buyers include, among others, promoter families and HNI NRIs from Hong Kong, the UK, the US and the Middle East. The current rate for the project is around ₹100,000 per sq feet.

"These are limited edition apartments built to suit the taste of select high-end buyers, who normally look not just for space but a complete lifestyle experience," says Ashok Kumar, managing director, foreign property consultant, Gennex Partners. "In a market like India, which is still evolving, the supply and availability of this niche segment is still restricted and, hence, any attempt to meet this need should generate a good response. Catering to this segment will call for a different approach and business model on the part of developers."

In the last decade or so the Indian market has undergone a transition. There is an emergence of subsets/micro markets, and ultra luxury is one of them. Apart from local buyers, there are members of Indian diaspora across the world, looking at India and seeking a similar kind of living experience in their own country. Either they are coming back to explore opportunities

in the rapidly-changing Indian economy or they shuttle between multiple locations. A few of them are also keen to buy such exclusive properties as their second homes.

"These are ultra HNIs and, for them, more than money, it is the comfort and experience that matters," adds Samantak Das, chief economist & national director, Knight Frank India. "All these years, they have struggled to get such spaces in India. But now, with niche projects like Four Seasons Private Residences and few others coming up, they are more than willing to be part of that experience. The involvement of a trusted global brand like Four Seasons will be a driving factor for such projects."

Mixed alliances

The Bengaluru-based Prestige group has also joined hands with the Leela group to put up Prestige Leela Residences, in Bengaluru, while Oberoi Realty has roped in Ritz Carlton for one of its premium projects, Three Sixty West, in Worli, which is among South Mumbai's prime locations (22 apartments: average price per flat is about ₹40 crore). Bengaluru's Embassy group has also forged alliances with the Four Seasons and is putting up a mixed development – Embassy ONE in Bengaluru. The development will be home to Four Seasons Hotel and Private Residences, Bengaluru, as well as prime retail and commercial offices.

Four Seasons Private Residences, Mumbai, has been conceptualised and designed by a leading team of global consultants. A team from Gensler, an international architecture firm from San Francisco (which is responsible for the design of Shanghai Tower), is providing the master planning. Gensler has created several landmark properties globally such as JFK Airport New York; Facebook Inc, London; and Gate Building, Dubai. The architectural firm has also done the master planning of the Dubai International Financial Centre.

Yabu Pushelberg of New York, an award-winning international design firm (which designed Four Seasons Hotel, New York, and Toronto, as also The Opus, Hong Kong and Waldorf Astoria, Beijing) is designing the interiors with impressive private amenity

Four Seasons Hotel, Mumbai



The Jatia trail

The Jatias were traditionally not in the hospitality business. In fact, R.K. joined his family's (father and grandfather) business of trading in the 1970s. In the 1980s, his family moved out of Myanmar as the local government initiated nationalisation of private businesses. His family established a textile mill (Annapurna) in Nepal and grew their business to India, Japan and Hong Kong. Jatia lived more than 15 years in Japan and Hong Kong. In 1980, his family and two other NRI families – the Guptas and Sarafs – promoted Asian Hotels, looking at the opportunities arising out of the Asian Games.

On returning to India, the family acquired India's largest safety match company, WIMCO from the Swedish matchmaker, Match AB, and turned it around, before selling it back to the Swedish company in the late 1990s. The Jatias also diversified their businesses into ceramics with the incorporation of Bell Ceramics in 1985 and later, in 2010, they moved out of the venture completely. Jatia signed up to build India's first Four Seasons Hotel in Mumbai in 2003, which commenced operations in 2008. ♦

spaces. P Landscape, Bangkok, a landscape architecture studio, is nurturing serene private gardens around the tower.

Magnusson Klemencic Associates (MKA), the structural and civil engineering firm from Seattle, has worked closely with Gensler to develop the building's structural system and sculpt its iconic massing. Significant MKA projects include the Doha Convention Center Tower, Qatar, and the Olympic Sculpture Park, Seattle. Capacit'e Infraprojects Ltd (CIL), a fast-emerging construction company in Mumbai, has been roped in to undertake the civil construction for the project.

J Roger Preston, a leading mechanical, electrical and building services engineering firm from Hong Kong, has overseen the environmentally friendly systems and state-of-the-art home intelligence for the project. "Four Seasons Private Residences is a meticulously crafted project," says Adarsh. "Apart from modern amenities, these apartments will be known for their exclusivity and privacy, something that these select buyers always look for. Our linking up with Four Seasons Hotels is a strategic move to explore this niche market. In fact, the global hotel chain has a proven track record of being part of several such properties globally. This particular project is a part of our larger strategy of exploring this niche market with mix-use development." Provenance Land is also looking to replicate such development in Delhi/NCR region (possibly other metros in future). The company has, however, decided to focus on niche developments at selective locations as per its strategy.

"Provenance Land is undertaking an integrated real estate project which includes the Four Seasons Hotel, the Four Seasons branded residences which is under construction and a proposed commercial development. The project is viable and we have seen good demand for branded residences given its proximity to the hotel as also access to hospitality facilities," says Deepak Parekh, chairman, HDFC Ltd, which, along with Axis Bank, is the banker for the ongoing project.

"We know that the trust associated with buying into a well respected and recognised brand is often the

most important factor when someone is considering a branded residential investment. There is no better brand than Four Seasons to define luxury residential ownership in India. We believe we know what our customers want better than anyone else, and we are focussed – company wide – on continually evolving our products and services," says James Price, vice-president, residential, Four Seasons Hotels & Resorts, headquartered in Toronto, which has decided to lend the name and services to this residential project, after completing over a decade of successful association with Provenance Land in managing Four Seasons Hotels, Mumbai.

Making homes

The Four Seasons Hotels has developed an additional vertical for managing high-end residential projects. Globally, the hospitality chain that manages over 94 hotels in over 39 countries, is also managing 32 exclusive residential properties in 14 countries, with 50 slated to open in the next few years. Four Seasons, which started its first hospitality property (Toronto) way back in 1961, began its journey in the luxury residential arena in 1981, with a contract to manage the famous luxury New York hotel – The Pierre. The establishment was owned by a co-operative of dozens of individuals, 30 of whom lived in apartments interspersed among the hotel rooms. Thus, The Pierre was Four Seasons' first experience of providing hotel-styled services to owners – among them the elite of New York's business and entertainment worlds. The Pierre has now been a part of the Taj Hotels since 2005.

A year later, the Four Seasons residential programme began formally with the construction of eight floors of luxurious condominiums (a total of 100 rooms) atop the new Four Seasons Hotel in Boston. The opportunity to enjoy a residence along with services appealed to buyers and the homes sold well. Today, the property remains one of the Boston's most desirable residential locations, displaying remarkable investment retention rates.

Over the years, the hospitality major has emerged as a major player in managing luxury residences globally. More than two-thirds of the 60-odd



projects in the company's long-term development pipeline contain a residential component – a clear indication of the strong demand for finely executed properties. Currently, Four Seasons-branded residential projects are at various stages of development in cities including Mumbai, New York, Miami, Los Angeles, Orlando (at Walt Disney World), Madrid, Shanghai, Beijing, Kuala Lumpur, Jakarta and Sao Paulo.

"A cultural match and shared vision with our development partners are key to enduring relationships," remarks Isadore Sharp, founder & chairman, Four Seasons Hotels & Resorts. "The partnership between Four Seasons and the Jatias family has emerged from a mutual vision of delivering an unparalleled guest experience, and the shared belief in respect, quality, and trust." After scouting for over decade and a half, Sharp found the perfect partner in the Jatias in 2003, when his hotel chain decided to enter into a management contract for Four Seasons Hotels Mumbai (which had started operations in 2008).

The marriage between the Jatias and Four Seasons started after his talks and negotiations failed with Krishnan Nair of the Leela Group, the Suri family of the Morepen pharmaceuticals group and Biki Oberoi of the Oberoi group. Just as Four Seasons was about to be bypassed, they were approached by the Jatias who owned a successful Hyatt in Delhi and wanted to build another one in Mumbai. On being apprised of the difference between the two hotel chains by the Four Seasons team, the



Jatias decided to change their plans (despite the fact that it would be costly to build Four Seasons property) and make it a Four Seasons Hotel. "On 24 October 2003, with Canadian Prime Minister Jean Chretien standing by, I signed an agreement with the Jatias in New Delhi to manage Mumbai's finest hotel," says Sharp.

"We were happy to be a part of this association with Four Seasons and becoming the reason for their entry into India," adds Adarsh. "Our partnership has moved in a satisfactory manner and the ongoing residential project is a testimony to our growing trust. Going forward, we want to be known as a complete developer with a well diversified portfolio. However, we would like to position ourselves in the niche market."

After his degree in business and economics from Sheffield, and working with Arthur Anderson and later Ernst & Young within their business risk consulting practices, Adarsh returned to India in 2004 to join his family business and lead the planning and execution of the Four Seasons Hotels Mumbai, and the Hyatt Regency in Pune. The Pune property, with 222 rooms and 102 fully-serviced luxury apartments (opened in 2012), was sold to hotel development and investment firm SAMHI Hotels last year for an estimated consideration of about ₹350 crore. The Hyatt property was owned by Ascent Hotels Pvt Ltd, a joint venture between the Jatia group, with 81 per cent holding, and Pune-based Vascon Engineers, with 19 per cent holding.

"Our relationship with the Four

Seasons goes back more than a decade now. We have a great amount of mutual respect for each other and are looking to grow this relationship with future investments. Four Seasons Private Residences, Mumbai, was conceived to address the gap in the luxury serviced residences market. I have enjoyed the experience of bringing the world of hospitality and residential together," says Raj Kumar Jatia. He was born in Rangoon, Burma (now Myanmar), where his family was in the trading business.

With the Indian real estate sector undergoing a transformation, developers are targeting various segments of the value chain and towards this end the niche market for such high-end exclusive developments is also drawing attention. Joining hands with major hospitality and lifestyle brands is also gaining momentum. Buyers have become brand conscious and are reposing their trust on such projects which are built by developers with track records.

Premium associations

"Where developers are new entrants, they attempt to associate themselves with reputed names to provide their project with the appeal and trust factor that buyers are nowadays looking for," observes A.S. Sivaramakrishnan, head, residential services, India, CBRE South Asia. "In fact, an association with global names like Four Seasons could also fetch them a certain degree of premium. But, at the end, it is pricing, quality and location that play a role."

"Present in some of the most sought after city and resort destinations, the Four Seasons stays true to its concept of customised luxury, even at our Embassy ONE, which is strategically located at the city's fastest growing location and is a stunning convergence of design and architecture of international standards. The project offers a vibrant and sophisticated lifestyle that's infused with serenity, privacy and bespoke service," says Reza Sebastian, senior vice-president, residential business, Embassy group.

"Within the niche market also there is need for mixed development since it offers homogenous habitat and lifestyle; these high net worth buyers

want to be a part of a certain ecosystem for their privacy and comfort," says Amit Oberoi, national director, knowledge systems at Colliers International (India).

While banks have reposed their faith in this high-end mix-use project, PE funds are also keen to be part of such developments. Government of Singapore's sovereign wealth fund GIC is reportedly (though promoters have denied such move) in advanced talks to buy stakes in Provenance Land. The deal is estimated to value the company at about ₹2,000 crore.

With all these factors in place, Provenance Land appears to have come up with the right strategy. It is a conscious move on the part of the company to enter the property development market with niche products, where cluttering is less. Moreover, this will also help the company use its past experience in the high-end hospitality segment. Mixed-use development will provide the company with a much-diversified portfolio and thus also ensure risk hedging mechanism.

Experts are also of the view that the real estate sector, which is under transition following a series of reforms led by RERA, is likely to see major consolidation going ahead. The market will attain more maturity and depth and that will also see emergence of specialised players targeting specific segments across the value chain. Besides, with growing awareness, buyers will be more brand-conscious and will be more willing to pay a premium for the right kind of products and services. And this is where even newer player like Provenance Land will make its way into the market.

The company already has a track record in the development field (though restricted only to hospitality) and, hence, it should not be that difficult for it to replicate its performance in case of integrated project – more so, since the company is confining itself to a specialised and niche segment, where more than volume, it is the quality and services that counts. However, it remains to be seen how well it executes its plans in a market which is witnessing rapid changes in dynamics and structure.

♦ ARBIND GUPTA

feedback@businessindiagroup.com