

Business Standard

HDFC Capital raises \$376 million for affordable housing fund H-Care 3

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Press Trust of India | Mumbai January 09, 2023 Last Updated at 18:08 IST



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HDFC Capital, the real estate private equity arm of HDFC Group, on Monday achieved the initial close for second scheme of its third fund, raising USD 376 million.

The latest fund raising is the third by HDFC Capital's affordable real estate fund (H-Care 3) and the primary investor in the H-Care schemes is a wholly-owned subsidiary of the Abu Dhabi Investment Authority (ADIA), HDFC said in a statement.

Since the launch in 2016, the fund, across its schemes, has created a USD 3.1 billion funding platform, making it one of the largest private finance platforms in the world focused on development of affordable housing.

The fund will provide long-term, flexible funding across the life cycle of affordable and mid-income housing projects including early-stage funding. In addition, it will also invest in companies in the construction technology, fintech, sustainability-tech etc. engaged in the affordable housing ecosystem.

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While HDFC is the sponsor of the fund, HDFC Capital is investment manager of the schemes, HDFC Capital managing director Vipul Roongta said.

HDFC Capital has been one of the pioneers of investing in affordable and mid-income housing projects. With the support of leading global investors like ADIA and partnerships with trusted developers, HDFC Capital is well on its way to achieve its medium-term goal of funding 1 million affordable homes in the country, said HDFC chairman Deepak Parekh.

"Our latest investment in the H-Care platform aims to support its growth as it continues to meet the growing demand for early-stage financing of housing projects in India," said Mohamed Al Qubaisi, executive director, real estate department at ADIA.