

India Investment Market Watch

Q3 2023



- IMF raised India's growth forecast for FY 2023-2024 to 6.3%
- India 10-Year bond yield increased by 1.4% QOQ to stand at 7.2% at the end of September 2023

S&P BSE Realty Index

29th Sept. 2023	QOQ Change	YOY Change
4,605.93	11%	36%

Source: BSE

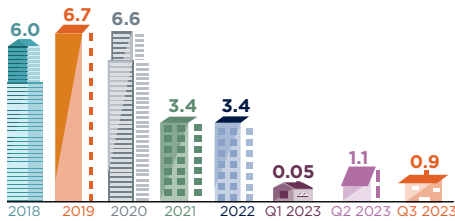
Investor confidence remains intact, despite uncertainty in global environment

During Q3 2023, private equity investment inflows into the Indian real estate sector amounted to USD 934 million (INR 78 billion), almost 3 times the investments recorded during Q3 2022. Further, the investment inflows during January-September 2023 are noted as USD 2.1 billion (INR 173 billion), registering a marginal increase of 2% YOY compared to the quantum recorded in the corresponding period previous year. Despite intensifying global economic recessionary concerns and geo-political situation posing challenges, PE investments in the Indian real estate sustained the momentum as the sector provided favourable avenues for foreign and domestic institutional investors.

Commercial office assets continued to remain the frontrunner

The commercial office segment maintained the pivotal position during Q3 2023, garnering 81% share in the overall investment pie. All the quarterly investment in the commercial segment came from foreign institutional investors and was spread across development assets in Mumbai as well as core assets in Delhi-NCR and Chennai. Other investments were concentrated in the industrial and warehousing assets in Mumbai, Cuttack, Aurangabad, Hosur and Goa as well as residential assets in Pune and the NCR.

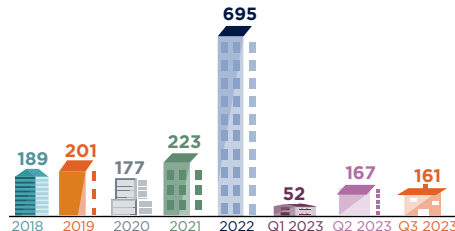
India Institutional Investment in Real Estate (in USD bn)



Source: RCA and Savills India Research

Note: India institutional investments exclude fund raises and new platform formations

Asia Pacific Investment: All Sectors including Real Estate (in USD bn)



Source: RCA

Key Transactions - India

Investor	Investee/Asset	Investment Quantum (USD million)
Sumitomo	Bombay Dyeing	627
ESR Group	57 acres land parcel in Cuttack (Odisha)	43
Mirae Asset Global Investments	BGR Constructions LLP	21

Source: Savills India Research

Key Transaction - Savills APAC

Commercial & Residential Re-Development Site 33 King's Road, Tin Hau, Hong Kong			
GFA	Transacted Price	Vendor	Purchaser
4,105 sq. ft.	HKD 468 million	Domestic Investor	K. Wah International

REIT Spotlight

Key Financial Metrics for REITs for quarter ending June 2023			
	Embassy Office Parks REIT	Mindspace Business Parks REIT	Brookfield India REIT
Total Area (mn sq. ft.)	45.0	32.1	18.7
Occupancy	85%	89%	89%
Incremental Leasing (sq. ft.)	407,000	380,000	300,000
In-Place Rents (INR/sq. ft./month)	82	66	65
NOI (INR mn)	7,376	4,570	2,453
EBITDA (INR mn)	7,336	4,343	2,374
Distribution (INR/unit)	5.38	4.80	3.85
Dividend Yield (Annualised)	7.4%	6.2%	5.8%
Price Movement (YOY)	-22%	-12%	-19%
Market Capitalisation (INR mn)	276,387	183,480	89,331
Gearing	41%	23%	61%

Source: REIT Quarterly Filings, BSE

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