

India Investment Market Watch

Q1 2021



- Fitch upgrades India's GDP growth to 12.8% for FY22
- Government approves product linked incentive scheme for hardware & pharmaceuticals
- India moves up to global fourth in terms of Forex reserves, overtaking Russia
- India unemployment rate recovers to pre-COVID level of 6.9% in February 2021

Union Budget 2021-22 Highlights for RE Sector



Debt financing route open for REITs and InvITs to attract Institutional and foreign investment



Exemption of dividend Income from TDS on REITs and InvITs



Affordable housing project (including rental) to avail tax holiday till 31st March 2022



INR 1.5 lakh deduction on payment of interest for affordable housing extended by 1 year till 31st March 2022

Investors' Confidence Gains Momentum

During Q1 2021, private equity investment inflows into the Indian real estate sector amounted to USD 1.9 billion (INR 135 billion). The first quarter of 2021 already clocking in about nearly a third of the investment inflows that the sector witnessed in the entire year 2020, is a sign of investors' regaining confidence after the pandemic-struck slowdown period.

Despite the remote-working culture sweeping in, commercial office assets remained the frontrunner during Q1 2021, garnering more than half (58%) share of the investment pie. All the quarterly investment came from foreign institutional investors and was mostly concentrated in the two southern cities of Bengaluru and Hyderabad. Investors were also noted to undertake development risk as investible ready grade core assets are becoming scarce.

The increased demand for warehousing facilities, especially from e-commerce and third-party logistics players, has steered private equity institutional investments into the sector. During Q1 2020, investors such as Blackstone and Ascendas Firstspace formed platforms to develop and invest to the tune of USD730 million (INR53 billion) in industrial facilities in the cities of Pune, Bengaluru, Hyderabad and Chennai.

India PE Investment in Real Estate



Source: RCA and Savills India Research

Asia Pacific Investment Volume



Source: RCA

Key Transactions - India

Investor	Investee	Investment Quantum (US\$ million)
Blackstone	Warburg Pincus & Embassy Group	700
Ivanhoe Cambridge	Embassy Group	500
GIC	Phoenix Group	145

Source: RCA and Savills India Research

Savills Key Transaction - APAC



Yew Tee Point, 21 Choa Chu Kang North 6, Singapore

GFA:
73,669 sq. ft.

Transacted Price:
SGD 220 Million

Seller:
Fraser's Centrepoint Trust

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