

India Investment Market Watch

Q1 2024



- IMF raised India's growth forecast for FY 2024-2025 to 6.5%.
- India 10-Year bond yield stood at 7.1% at the end of March 2024, registering a decline of 0.1 percentage point on a quarterly basis.
- On 8 March 2024, The Securities

and Exchange Board of India introduced regulatory framework for facilitation of Small and Medium Real Estate Investment Trusts (SM REITs) by amending the REIT Regulations 2014, thereby, paving the way to make real estate investment more accessible to wider set of investors and to regulate and foster growth in Fractional Ownership investment.

S&P BSE Realty Index

28th Mar. 2024	QOQ Change	YOY Change
7108.37	15%	129%

Source: BSE

Investor confidence in Indian real estate remains intact

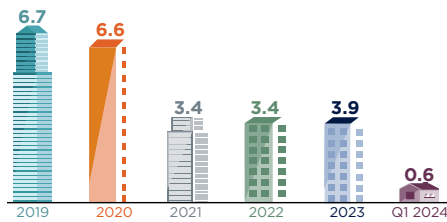
Private equity investment inflows into the Indian real estate sector amounted to USD 554 million (INR 46 billion) during Q1 2024, thereby registering a 12x increase in investment quantum as compared to that witnessed a year ago. However, on a sequential basis, private equity investments registered a decline of 69%. This could be explained as investors being on 'wait and watch' mode as they likely deferred investment decisions ahead of the elections.

Diversification strategy plays out with the industrial & logistics segment taking the lead

Investors looked at diversification strategies to include the industrial & logistics segment in their portfolio. For the first time, this segment received

the maximum share of investments during Q1 2024. Standing at USD 260 million (INR 21 billion), this segment garnered a share of 47% in the overall pie. All the investment came from Asian institutional investors and was spread across core and under-construction assets in Pune, Chennai and the NCR. The commercial office segment that was maintaining the pivotal position until now stood second and garnered a 35% share. All the quarterly investment in this segment came from domestic investors and was concentrated in core office assets in Bengaluru. This trend could be partly attributed to limited availability of investible grade office assets and concurrent strengthening of the manufacturing sector, along with growing demand from e-commerce players that is leading to consistent investments in the industrial & logistics segment.

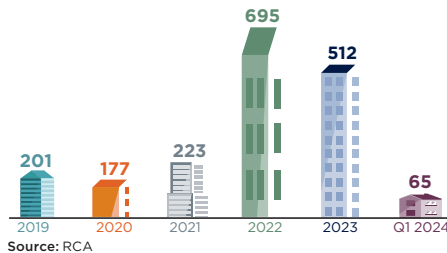
India Institutional Investment in Real Estate



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



Source: RCA

Key Transactions - India

Investor	Investee/Asset	Investment Quantum (USD million)
Edelweiss Alternatives	Mfar Constructions	178
Ivanhoé Cambridge and LOGOS	LOGOS Chakan Logistics Estate	132
Everstone	100 acres of land in Chakan (Pune)	84

Source: Savills India Research

Savills Key Transaction - APAC

Hong Kong - Retail Podium in Kwai Fong			
GFA	Transacted Price	Vendor	Purchaser
21,664 sq. ft.	HKD 310 million	Toyo Mall	China Resources Longdation Co.

REIT Spotlight

Key Financial Metrics for REITs for quarter ending December 2023

	Embassy Office Parks REIT	Mindspace Business Parks REIT	Brookfield India REIT	Nexus Select Trust
Total Area (mn sq. ft.)	45.4	33.1	25.3	9.9
Occupancy	84%	86%	80%	97%
Incremental Leasing (sq.ft.)	1,100,000	450,000	509,000	250,000
In-Place Rents (INR/sq. ft./month)	85	68	83	155
NOI (INR mn)	7,599	4,731	4,534	4,185
EBITDA (INR mn)	7,612	4,475	4,585	4,038
Distribution (INR/unit)	5.20	4.80	4.75	2.00
Dividend Yield (Annualised)	6.4%	5.9%	8.1%	5.9%
Price Movement (YOY)	-3%	-3%	-19%	NA
Market Capitalisation (INR mn)	308,122	191,717	103,071	206,116
Gearing	43%	28%	52%	16%

Note: In-place rents for Nexus Select Trust is reflective of average rent for retail portfolio.

Source: REIT Quarterly Filings, BSE

Please contact us for further information

Kaustuv Roy
Managing Director
Business Solutions
kaustuv.roy@savills.in

AUTHORS

Diksha Gulati
General Manager
diksha.gulati@savills.in

Shashwat Srivastava
Assistant Manager
shashwat.srivastava@savills.in

Megha Maan
Director
megha.maans@savills.in

RESEARCH & CONSULTING

Arvind Nandan
Managing Director
arvind.nandan@savills.in

MEDIA

Chinmoyee Kalita
Corporate Communications Lead
chinmoyee.kalita@savills.in

Savills

Savills PLC is a global real estate services provider listed on the London Stock Exchange. We have an international network of more than 700 offices and 40,000 associates throughout the Americas, the UK, continental Europe, Asia Pacific, Africa and the Middle East, offering a broad range of specialist advisory, management and transactional services to clients all over the world.

Savills India

Savills India is a group company of Savills PLC, and is a premier professional international property consulting firm. With full-service offices in Bengaluru, Mumbai, Delhi NCR, Chennai, Pune, Hyderabad and Ahmedabad, the firm serves occupiers, investors, and developers of real estate. Savills India provides services across office leasing, project management, capital markets, valuations, research, consulting, industrial and logistics and residential services. Started in India in 2016, the company employs over 600 professionals.