



# India Investment Market Watch

## Q2 2021



- India's GDP grew 1.6% in Q4 FY2021, contracted 7.3% in FY2021.
- India attracted the highest ever FDI of USD 81.7 billion (INR 5.9 trillion) during FY2021.
- Union Cabinet approves Production Linked Incentive Schemes for white goods and battery manufacturing.
- Union Cabinet approves the Model Tenancy Act, that is likely to overhaul the legal framework concerning rental housing in India.
- The Union Government announces an additional stimulus package of USD 86.5 billion (INR 6.3 trillion) to support Indian economy in its fight against the effects of COVID-19 pandemic.
- SEBI reduces the minimum application value of REITs and InvITs and revises the trading lot to one unit.

### Investors' Confidence Remains Intact

Private equity investment inflows into the Indian real estate sector amounted to USD 2.7 billion (INR 143 billion) during H1 2021. Equivalent to 41% of the investment inflows that the sector witnessed in the entire year 2020, this indicates that investors' confidence remains intact despite the pandemic-struck slowdown period. However, with USD 865 million (INR 63 billion) of inflows during Q2 2021, we witnessed a decline of 54% QOQ.

**Despite the prevalence of remote-working culture, commercial office assets remained the frontrunner during Q2 2021, garnering about**

**40% share of the investment pie.** This is backed by resilience displayed by the investable grade office assets in these difficult times, as reflected in the successful listing and operations of the three REITs in India. While occupancy levels in Embassy Office Parks REIT and Mindspace Business Parks REIT declined marginally by 1-2 percentage points at the end of March 2021, as compared to December 2020, the rents remained stable during this period. Brookfield India REIT executed a successful IPO with an 8X subscription and witnessed strong participation from a diverse mix of marquee investors.

During Q1 2021, the consumption pattern across investable grade retail assets improved and recovered swiftly to pre-COVID levels of Q1 2020.

**We witnessed renewed interest in retail segment by private equity institutional investors as the segment accounted for the second highest share (33%) of investment inflows during Q2 2021.** Foreign investors such as CPPIB and GIC formed platforms to invest to the tune of USD 285 million (INR 21 billion) in retail assets in the cities of Kolkata, Mumbai and Pune.

Please contact us for further information

**Diwakar Rana**  
Managing Director  
Capital Markets  
diwakar.rana@savills.in

#### RESEARCH & CONSULTING

**Arvind Nandan**  
Managing Director  
arvind.nandan@savills.in

#### MEDIA

**Nitin Bahl**  
Director  
Marketing, Sales  
and Strategy  
nitin.bahl@savills.in

#### AUTHORS

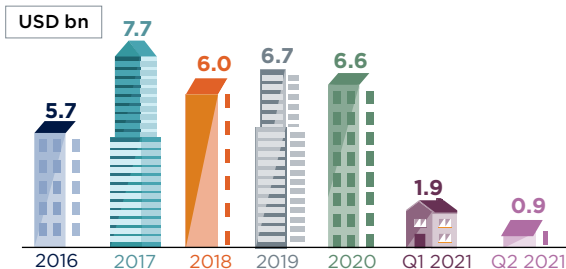
**Megha Maan**  
Director  
megha.maans@savills.in

**Diksha Gulati**  
Senior Manager  
diksha.gulati@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 600 offices and 39,000 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.

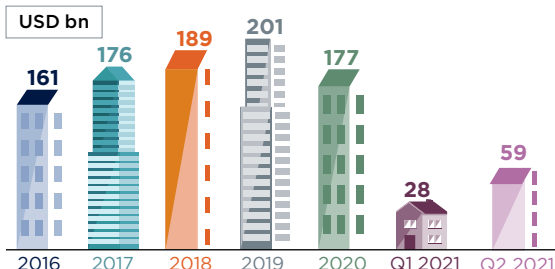
**Savills India**  
Savills India is a group company of Savills Plc, and is a premier professional international property consulting firm. With full-service offices in Bengaluru, Mumbai, Delhi-NCR, Chennai, Pune and Hyderabad, the firm serves Occupiers, Investors and Developers of Real Estate. Savills India provides services across office leasing, project management, capital markets, valuations, research, consulting, industrial and logistics, and residential services. Starting in India in 2016, the company employs over 350 professionals.

#### India PE Investment in Real Estate



Source: RCA and Savills India Research

#### Asia Pacific Investment Volume



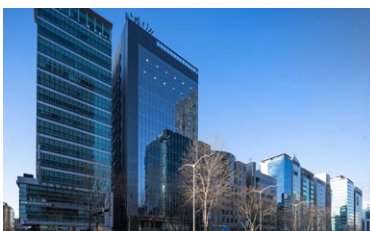
Source: RCA

#### Key Transactions - India

Investor	Investee	Investment Quantum (USD million)
GIC	Phoenix Mills	208
CPPIB	RMZ Corp.	207
Godrej Fund	Puravankara	96

Source: Savills India Research

#### Savills Key Transaction - APAC



Yeoksam Pinnacle, 218  
Teheran-ro, Yeoksam-dong,  
Gangnam-gu, Seoul

GFA:  
**14,459 sq. mt.**

Transacted price:  
**KRW 174.8 billion**

Vendor:  
**Pebblestone AMC (OBO PAG)**

Purchase:  
**IGIS**