

# India Investment Market Watch

## Q2 2022



- With 4.1% growth in Q4 FY 2022, India's overall GDP growth stood at 8.7% in FY 2022 against the contraction of 6.6% in FY 2021.
- India recorded a highest-ever Foreign Direct Investment (FDI) of USD 83.57 billion in FY 2022. FDI equity inflow in the manufacturing sector increased by 76% YOY.
- The Indian Rupee breached the 79 mark against the US Dollar for the first time on 28th June 2022.
- Retail inflation, as measured by the Consumer Price Index (CPI), was recorded as 7.79% in April 2022, the highest value since the 7.87% reading in April 2014.
- Manufacturing PMI weakened to 53.9 in June 2022 from 54.6 in May 2022 due to rising input costs.
- The Current Account Deficit narrowed to USD 13.4 billion in Q4 FY 2022 from USD 22.2 billion in Q3 FY 2022.

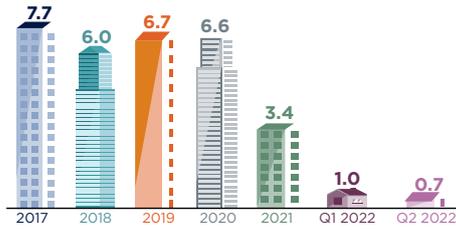
### Investor Confidence Remains Muted Amidst Uncertainty in the Global Environment

During Q2 2022, private equity investment inflows into the Indian real estate sector amounted to USD 704 million (INR 56 billion), registering a sequential decline of 32%. The perturbations from repeated waves of the COVID-19 pandemic have come in the way of sustained growth recovery in India. The supply constraints pushed up commodity prices, thereby intensifying inflationary pressures and threatening the nascent economic recovery across the world.

**Commercial office assets continued to remain the frontrunner during Q2 2022**, garnering about two-thirds share of the investment pie. All the quarterly investment came from foreign institutional investors and was concentrated in core office assets across Mumbai, Chennai and the NCR.

**India's life sciences sector holds huge potential for growth in the current decade**, with a large talent pool at a significantly competitive cost, making it a compelling destination for global research & development (R&D) and manufacturing. Actis invested USD 200 million (INR 16 billion) in Rx Propellant which is involved in the development and marketing of life sciences real estate projects across Hyderabad and Bengaluru.

### India PE Investment in Real Estate (in USD bn)



### Key Transactions - India

Investor	Investee/Asset	Investment Quantum (USD million)
CPP Investments	Tata Realty and Infrastructure Limited	329
Actis	Rx Propellant	200
Brookfield	IL&FS' Headquarters	137

Source: Savills India Research

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



### Key Transaction - Savills APAC

Heritage Shophouses on Club Street, Singapore			
GFA	Transacted price	Vendor	Purchaser
7,225 sq. ft.	SGD 25.88 million	Citystate Group	ABR Holdings

### REIT Spotlight

Key Financial Metrics for REITs for quarter ending March 2022			
	Embassy Office Parks REIT	Mindspace Business Parks REIT	Brookfield India REIT
Total Area (mn sq. ft.)	42.8	31.8	18.6
Occupancy	87%	84%	83%
Incremental Leasing (sq. ft.)	555,000	720,000	283,433
In-Place Rents (INR/sq. ft./month)	75	62	63
Revenue from Operations (INR mn)	7,488	4,666	2,509
NOI (INR mn)	6,250	3,960	1,904
EBITDA (INR mn)	6,411	3,641	2,114
Distribution (INR/unit)	5.26	4.61	5.10
Dividend Yield (Annualised)	5.7%	5.3%	6.5%
Market Capitalisation (INR mn)	352,351	205,487	94,656
Gearing	32%	19%	47%

Source: REIT Quarterly Filings, BSE

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