

# India Investment Market Watch

## Q3 2024



- IMF projects India's growth forecast for FY 2024-2025 at 7.0%
- India 10-Year bond yield stood at 6.9% at the end of September 2024, a decline of 0.1 percentage point on quarterly basis
- BSE Sensex registered a historic peak of 85,955.5 on September 27, 2024
- The US Federal Reserve cut rates by 0.5 percentage point on September 18, 2024

### S&P BSE Realty Index

30th September 2024	QOQ Change	YOY Change
8,592.66	-0.5%	21%

Source: BSE

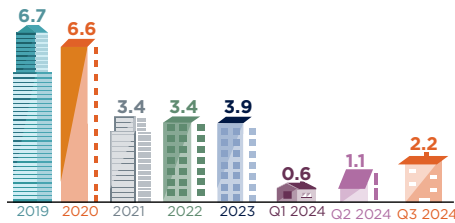
### Sustained economic growth fueling PE investments in Indian real estate

Private equity investment inflows into the Indian real estate sector amounted to USD 2.2 billion (INR 186 billion) during Q3 2024, registering a 93% increase on a sequential basis and more than double the quantum recorded in the corresponding period in the previous year. Further, the YTD (January-September 2024) inflows at USD 3.9 billion (INR 329 billion) have exceeded the investment quantum registered in the entire year of 2023. Despite growing challenges from sluggish global growth, high inflation and geopolitical tensions causing political instability, the Indian economy has demonstrated resilience. As reflected in the high growth rate and increased consumption from strong domestic demand, a robust macro economic environment has aided in enhancing investor confidence in the Indian real estate sector.

### Industrial & logistics sector leads the pack

During Q3 2024, the industrial & logistics segment garnered the maximum share of investments. Standing at USD 1.7 billion (INR 144 billion), this segment garnered a share of 77% in the overall pie. This was driven by a big-ticket deal that attracted foreign investors' interest in ready logistics assets spread across multiple cities including Delhi-NCR, Mumbai, Bengaluru, Chennai, Hyderabad, Ahmedabad and Kolkata. The government's strong push to establish India as a manufacturing hub, along with opportunities arising from growing demand from e-commerce players, has positioned this alternative segment on investors' radar. The commercial office segment ranked second, garnering a 21% share in the overall pie. All quarterly investments in the office segment came from foreign investors and were concentrated in core assets in Chennai, Mumbai and the NCR.

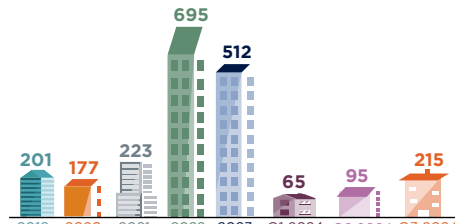
### Institutional Investment in Indian Real Estate (in USD Billion)



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 Billion)



Source: RCA

### Key Transactions - India

Investor	Investee	Investment Quantum (USD million)
Abu Dhabi Investment Authority (ADIA) and KKR	Reliance Retail Ventures Limited	1,537
Keppel Limited	RMZ Corporation and CPP Investments	251
Mitsui Corp.	Abu Dhabi Investment Authority (ADIA)	119

Source: Savills India Research

### Savills Key Transaction - APAC

Tokyo, Japan - Hotel Portfolio (4 Assets)			
GFA	Transacted Price	Vendor	Purchaser
9,864.42 sq. mt.	JPY 20 billion	Domestic real estate company	Domestic

### REIT Spotlight

#### Key Financial Metrics for REITs for quarter ending June 2024

	Embassy Office Parks REIT	Mindspace Business Parks REIT	Brookfield India REIT	Nexus Select Trust
Total Area (mn sq. ft.)	51.1	33.5	24.2	9.9
Occupancy	85%	83%	84%	97%
Incremental Leasing (sq.ft.)	1,300,000	500,000	196,000	230,000
In-Place Rents (INR/sq. ft./month)	87	70	94	157
NOI (INR mn)	7,575	4,964	4,748	4,127
EBITDA (INR mn)	7,697	4,684	4,665	3,959
Distribution (INR/unit)	5.60	5.04	4.50	2.15
Dividend Yield (Annualised)	6.3%	6.0%	6.8%	6.1%
Price Movement (YOY)	22%	8%	-1%	33%
Market Capitalisation (INR mn)	337,289	198,121	127,209	212,888
Gearing	47%	30%	56%	16%

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

Source: REIT Quarterly Filings, BSE

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