



# India Investment Market Watch

## Q1 2022



- India's core sector growth rose to a four-month high of 5.8% in February 2022.
- India's GST collection for February 2022 rose by 18% YOY at over USD 17 billion (INR 1.3 trillion).
- India's retail inflation rose to an eight-month high of 6.07% in February 2022.
- FDI inflows in India declined by 15% YOY to USD 74 billion (INR 5.7 trillion) in 2021.
- The government approved a proposal to allow up to 20% FDI in Life Insurance Corporation of India (LIC) through the automatic route.
- The government amended the existing definition of the 'Real Estate Business' and clarified that FDI is not permitted in an entity engaged in real estate business, construction of farm-houses and trading of transferable development rights.
- The government accorded dual-use permission to Gujarat's GIFT City, and allowed non-SEZ entities to buy properties.

### Investor Confidence Unperturbed By The Third Wave Of COVID Infections

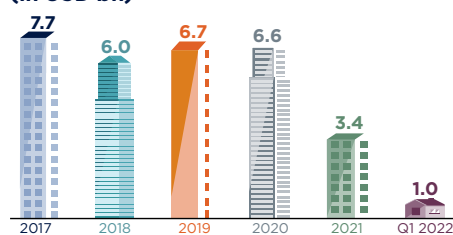
During Q1 2022, private equity investment inflows into the Indian real estate sector amounted to USD 1.0 billion (INR 79 billion), almost 5 times the quantum recorded during Q4 2021. The third wave of the pandemic has not dented business confidence and investors appear mostly unperturbed this time. This is also evident by the fact that the first quarter of 2022 already clocked in nearly one-third of the investment inflows that the sector witnessed in the entire year of 2021.

**Commercial office assets continued to remain the frontrunner during Q1 2022, garnering more than two-third**

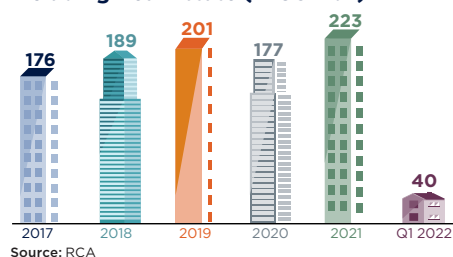
share of the investment pie. All the quarterly investment came from foreign institutional investors and was concentrated in core office assets in Bengaluru.

**Global investors' unabated interest in Indian retail developments coupled with confidence that retail consumption will rebound once the COVID-19 pandemic is over, has marked the largest acquisition of an operational retail asset in India in the last 5 years.** Abu Dhabi Investment Authority-backed Lake Shore India Advisory acquired Viviana Mall in Thane from GIC for USD 248 million (INR 19 billion) during Q1 2022.

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



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



### Key Transactions - India

Investor	Investee/Asset	Investment Quantum (USD million)
GIC	Bharatiya City	366
CPP Investments	Select commercial office assets of RMZ Corp.	346
Abu Dhabi Investment Authority	Viviana Mall	248

Source: Savills India Research

### Key Transaction - Savills APAC

Tanglin Shopping Centre, Singapore			
GFA	Transacted price	Vendor	Purchaser
29,122 sq.mt.	SGD 868 million	Multiple Individual Owners	Royal Golden Eagle (Pacific Eagle Real Estate)

### REIT Spotlight

Key Financial Metrics for REITs for quarter ending December 2021			
	Embassy Office Parks REIT	Mindspace Business Parks REIT	Brookfield India REIT
Total Area (mn sq. ft.)	42.6	31.3	18.6
Occupancy	87%	82%	83%
Incremental Leasing (sq. ft.)	428,000	1,770,000	536,000
In-Place Rents (INR/sq. ft./month)	74	59	62
Revenue from Operations (INR mn)	7,409	4,404	1,951
NOI (INR mn)	6,213	3,715	1,502
EBITDA (INR mn)	6,109	3,443	1,465
Distribution (INR/unit)	5.20	4.64	5.00
Dividend Yield (Annualised)	6.1%	5.7%	6.7%
Market Capitalisation (INR mn)	321,886	194,285	90,156
Gearing	32%	19%	49%

Source: REIT Quarterly Filings, BSE

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