



India Investment Market Watch

Q2 2023

- Fitch Ratings maintains India's GDP growth forecast for FY 2024 at 6.3%
- Forex reserves at 12-month high of USD 596.1 billion as on 16th June 2023
- Retail Inflation hit 25-month low at 4.25% in May 2023
- Services PMI climbed to 13-year high of 62 in April 2023
- Manufacturing PMI rose to 31-month high of 58.7 in May 2023
- IIP grew 4.2% in April 2023 as compared to 6.7% in April 2022
- Blackstone-backed Nexus Malls REIT was subscribed 5.45 times at its launch on 9th May 2023

Investment Sentiment Remains Positive Despite Uncertainty in Global Environment

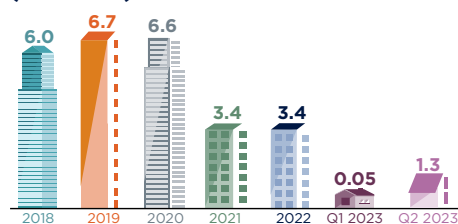
During Q2 2023, private equity investment inflows into the Indian real estate sector amounted to USD 1.3 billion (INR 104 billion), registering a YOY increase of 80%. Despite continuing pressures of global recessionary concerns, institutional investors remained committed and placed long-term bets on the Indian real estate sector. This quarter marked the completion of a few large-scale transactions that were swaying in the pipeline for over a year.

Commercial office assets continued to remain the frontrunner during Q2 2023, garnering about 66% of the

investment pie. The resilience of investible grade office assets supported this dominance. All the quarterly investment came from foreign institutional investors and a majority was concentrated in core office assets across Mumbai, Delhi-NCR and Hyderabad. Industrial and logistics assets across Delhi-NCR and Mumbai also attracted a significant share of 20% in the overall quarterly investment pie.

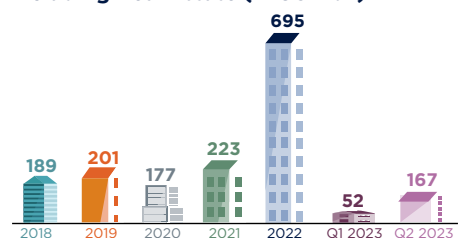
The investible universe in the Indian real estate sector has been expanding with the evolution of new products such as REITs. In May 2023, the market witnessed the launch of India's maiden retail REIT, Blackstone-backed Nexus Select Trust REIT.

India PE Investment in Real Estate (in USD bn)



Source: RCA and Savills India Research

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



Source: RCA

REIT Spotlight

Key Financial Metrics for REITs for quarter ending March 2023			
	Embassy Office Parks REIT	Mindspace Business Parks REIT	Brookfield India REIT
Total Area (mn sq. ft.)	45.0	32.0	18.7
Occupancy	86%	89%	89%
Incremental Leasing (sq. ft.)	712,000	600,000	255,000
In-Place Rents (INR/sq. ft./month)	80	65	65
NOI (INR mn)	6,802	4,364	2,444
EBITDA (INR mn)	6,712	4,092	2,331
Distribution (INR/unit)	5.61	4.81	5.00
Dividend Yield (Annualised)	7.2%	5.9%	7.2%
Price Movement (YOY)	-16%	-5%	-11%
Market Capitalisation (INR mn)	295,980	194,463	93,586
Gearing	39%	22%	47%

Source: REIT Quarterly Filings, BSE

Key Transactions - India

Investor	Investee	Investment Quantum (USD million)
GIC	Brookfield	397
PAG Credit & Markets	M3M	183
GIC	Phoenix Group	128

Source: Savills India Research

Key Transaction - Savills APAC

Solitaire at Cecil, Singapore			
GFA	Transacted Price	Vendor	Purchaser
50,322 sq.ft.	SGD 213 million	TE Capital	Private

Please contact us for further information

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

AUTHORS

Diksha Gulati
General Manager
diksha.gulati@savills.in

Megha Maan
Director
megha.maana@savills.in

RESEARCH & CONSULTING

Arvind Nandan
Managing Director
arvind.nandan@savills.in

MEDIA

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

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