

YoY Change 12-Month Forecast

INR 91.24 Bn

Investment Volume Q1 2024



56.7%

Domestic investors' share Q1 24



63%

Share of Residential-segment Q1 24



41.2%

Share of Early-Stage Deals Q1 24



57.5%

Share of Equity Investments Q1 2024



ECONOMIC INDICATORS

| 2024 | YoY Change | 12-Month Forecast |
|---|------------|-------------------|
| 7.0% GDP Growth | ▼ | ■ |
| 4.5% CPI Growth | ▼ | ■ |
| 6.1% Consumer Spending | ▲ | ▲ |
| 7.0% Govt. Final Expenditure Growth | ▼ | ■ |

Source: Oxford Economics, RBI

ECONOMIC OVERVIEW: Quarterly GDP growth beats estimates; domestic economy resilient

India's real GDP grew at 8.4% y-o-y as of the quarter ending December 2023, a 5-quarter high value as against 8.1% seen in the previous quarter and 4.4% in the same period last year. The number outperformed market estimates and the annual growth (2023-24) estimates by RBI are now pegged at 7.6%. The rise in manufacturing and construction sectors which rose 11.6% and 9.5% y-o-y respectively, were major drivers of this growth. Private consumption, however, remains muted at 3.6%. Monthly GST collections witnessed a growth of 11.5% y-o-y in February, indicating a robust growth in domestic transaction volume. Moreover, the manufacturing PMI rose from 56.9 in February to 59.1, which is a 16-year high value, driven by strong growth in both new orders and output witnessed since October 2020. The services PMI too showed growth from 60.6 to 61.2 in March 2024.

INVESTMENT OVERVIEW: Residential sector outshines; Debt higher than equity

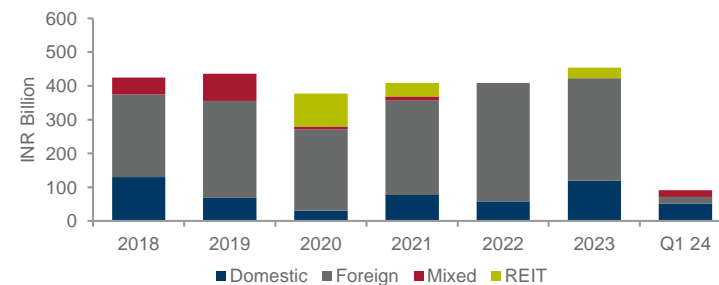
The investment activity recorded in Q1 was INR 91.3bn (USD 1.1bn) which was 39% lower than the previous quarter's volume, although 3% higher on y-o-y basis. Residential sector dominated with 63% of quarterly investment. In absolute terms, it is almost double the quarterly average for residential seen in the past 8 quarters. Almost 48% of investment in residential sector was focused on early stages of development across top-8 cities. The uptick in share of domestic investors witnessed in 2023 continues in Q1-24, with their share accounting for 57% of total quarterly investments, where as foreign investors and collaborative (or mixed) deals comprised of the remaining. Bengaluru emerges as the leading city, commanding a 25.6% share in investments, with majority share (63%) getting allocated to office sector. Pune secured the second position in investment volume, claiming 14% share.

Equity investments' share in total investments stood at 58%, rendering it the lowest share that equity has seen in over eight quarters, largely driven by high interest rate environment and global geopolitical uncertainties. Conversely, debt investments surged to double the quarterly average level of last eight quarters, and almost all of that was directed towards the residential sector. Office sector continued to be the preferred sector among equity investors, accounting for 43%, closely trailed by residential investments at 38%. Early-stage deals, despite of showing a slowdown from last quarter, continued to remain in line with the average in-flows over the past 8 quarters.

Tepid Fund-Raising Activity in Q1, Outlook for 2024 appears promising

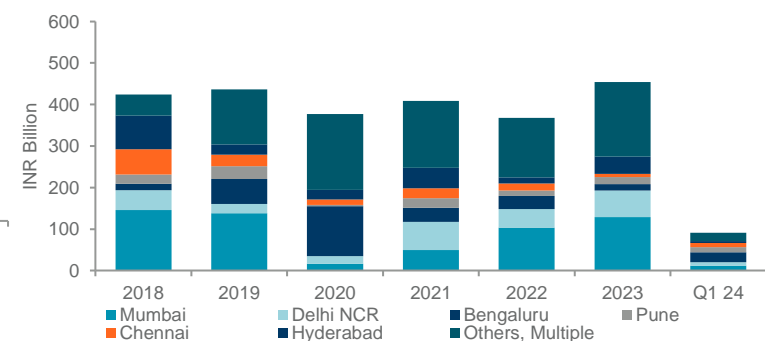
First quarter marked moderate fundraising activity totaling USD 563 million, predominantly driven by the residential segment accounting for 93% of the total. In near term, Embassy REIT has plans a USD 400 million fund raise, earmarked for the strategic land acquisitions in Chennai. The fund raise activity is expected to improve in upcoming quarters given a steady real estate activity witnessed.

DOMESTIC VS FOREIGN INVESTMENTS



Source: Economic Times, Cushman & Wakefield Research

INVESTMENT VOLUME – CITY-WISE



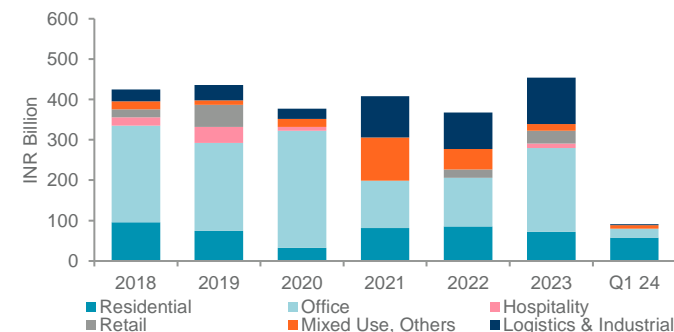
InvTs & REITS

NDR's INVT trust has achieved a fully subscribed listing on the NSE, amassing a total of USD 98 million. Looking ahead, the Blackstone Group, alongside Panchshil and Salarpuria Sattva, is poised to unveil its REIT in FY 2025, with projected size of approximately 40 msf, thereby potentially making it as the second-largest commercial REIT in South Asia whenever it comes.

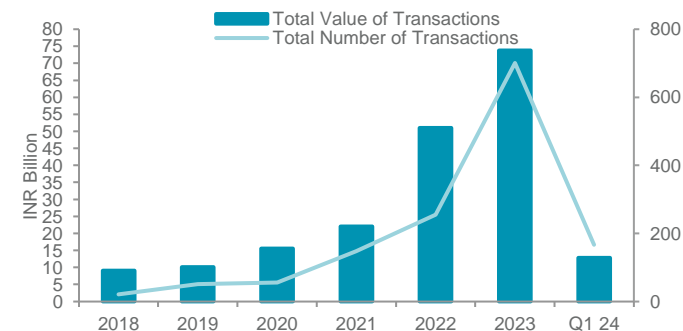
Corporate Transactions in Real Estate

The quarter recorded corporate transaction volumes of INR 12.78 bn (USD 0.15 mn), a 62% drop q-o-q but a 65% jump on y-o-y basis. Mumbai continued to drive transaction value with 57% share in total, followed by Pune at 33% share.

INVESTMENT VOLUME – ASSET-WISE



CORPORATE TRANSACTIONS VOLUME



Outlook

India's economy is projected to grow close to 7% according to the latest RBI forecast, and inflation is likely to come down to RBI's comfort band. While the global macroeconomic conditions continue to be subdued, India's economy continues to show resilience. While a mild slowdown in PE inflows and fundraise was observed during the first quarter of the year, the outlook for India RE sector remains positive with steady office activity, increasing high end luxury segment sales in residential and strong L&I activity growth.

SIGNIFICANT INVESTMENT TRANSACTIONS – Q1 2024

| INVESTOR | INVESTEES | TRANSACTION ASSET | CITY | INVESTMENT (INR BILLION) |
|------------------|---------------------------------|-------------------|-----------|--------------------------|
| ADIA & Kotak AIF | Prestige Group | Residential | Multiple | 20 |
| Edelweiss | MFAR Developers | Office | Bengaluru | 14.8 |
| CAPITALAND | Nalanda Shelter Private Limited | Office | Pune | 7.73 |

SIGNIFICANT CORPORATE TRANSACTIONS – Q1 2024

| BUYER | BUYER'S SECTOR | TRANSACTION TYPE | CITY | INVESTMENT (INR MILLION) |
|------------------------------|----------------|------------------|-----------|--------------------------|
| Bandhan Bank Limited | BFSI | Office | Mumbai | 825.6 |
| Wisetechno Private Limited | IT-BPM | Office | Pune | 605 |
| ANSHRA REALTY PRIVATE LIMITD | Real Estate | Office | Hyderabad | 412 |

PLATFORMS FORMED – Q1 2024

| INVESTORS | TRANSACTION TYPE | INVESTMENT (USD MILLION) |
|--------------------------|------------------|--------------------------|
| NDR InVIT | Industrial | 98 |
| TORO Investment Fund | Office | 193 |
| Shivalik Investment Fund | Office | 36.2 |

Sources: Economic Times, Cushman & Wakefield Research

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