



ANAROCK
INVESTMENT BANKING

1H FY24 Market Monitor for
Capital Flows in Indian Real Estate

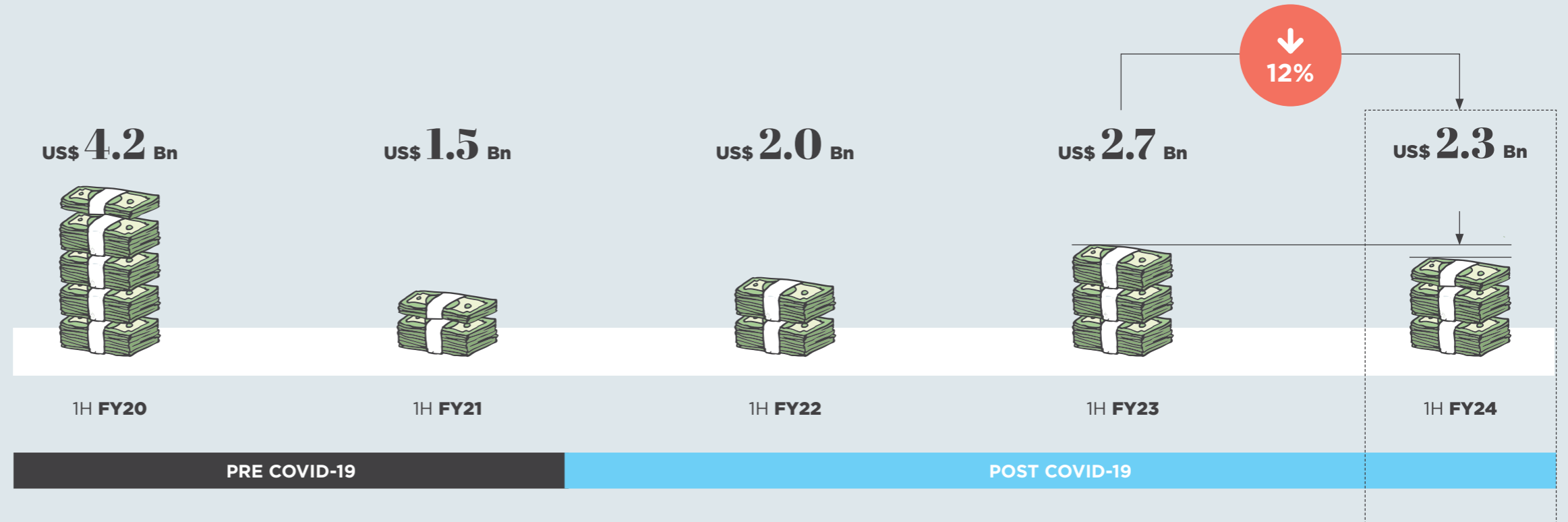
1H

**FY
24**



PE Investments in Indian Real Estate

A 5-year Restropective

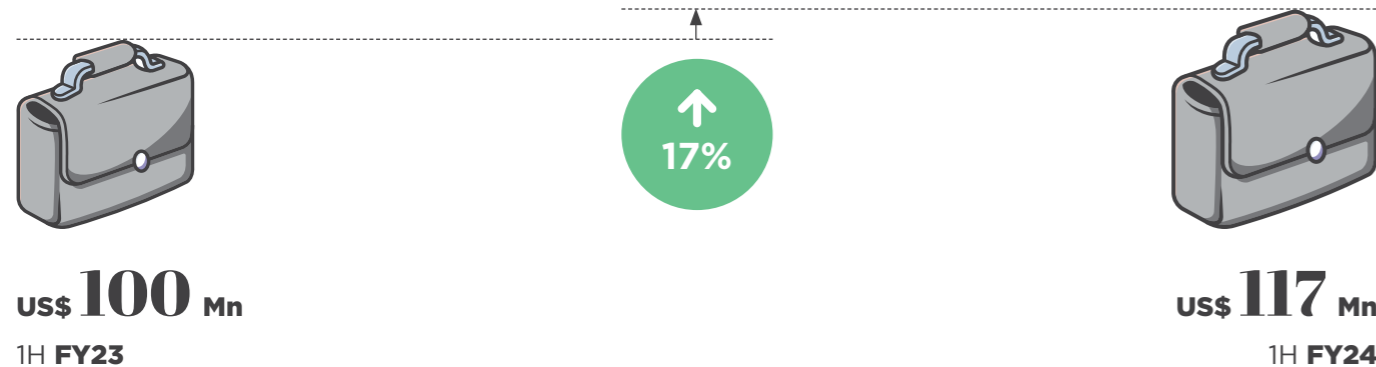


PE Investments registered a decline of ~12% in 1H FY24 due to lower investments in the residential space.

Average Ticket Size

YoY

Average ticket size has increased to **USD 117 Mn in 1H FY24** from **USD 100 Mn in 1H FY23**. This is largely due to a large deal in which Brookfield India Real Estate Trust REIT and Singapore's sovereign wealth fund GIC together acquired 2 commercial assets - one in Mumbai and other at Gurugram (NCR), from Brookfield Asset Management with an enterprise value of USD 1.4 Bn.



Top PE Deal

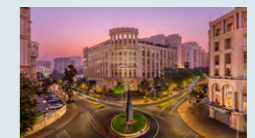
1H FY24



Share of top PE deal is ~60% of the total PE deals in 1H FY24.

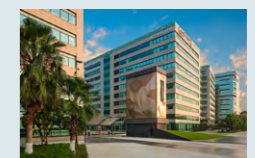
Buyers

Brookfield India Real Estate Trust REIT
GIC (Singapore sovereign wealth fund)



Seller

Brookfield Asset Management's PE funds



Commercial Assets

Downtown Powai | Mumbai | 2.7 Mn sf
Candor TechSpace | Gurugram | 3.7 Mn sf

Deal Size

US\$ 1.4 Bn










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Top 10 PE Deals

1H FY24

Overall activity remained muted with headline numbers boosted by a large single deal, with assets across locations.




 Equity  Debt

	Asset Class	Capital Provider	Recipient	Location	Deal Size*
1	Commercial	Brookfield RE Trust REIT & GIC	Brookfield AMC	Multiple	 1,400 Mn
2	Commercial	CPP Investments	RMZ Corp	MMR	 325 Mn
3	Warehousing	Morgan Stanley	Prakhhyat Group	MMR	 85 Mn
4	Warehousing	Blackstone	Allcargo	Jhajjar	 76 Mn
5	Data Center	Kotak Data Center Fund	Sify Infinit Spaces Ltd.	Multiple	 73 Mn
6	Warehousing	Investcorp	NDR Warehousing	Multiple	 61 Mn
7	Residential	ASK Property Fund	Sriram Properties	Chennai	 25 Mn



Office assets dominated large ticket equity investments in 1H FY24.

Data Centers is emerging as a new asset class for investment with a value of USD 73 Mn.

	Asset Class	Capital Provider	Recipient	Location	Deal Size
1	Commercial	Varde Partners	Phoenix Group	Hyderabad	 91 Mn
2	Residential	HDFC Capital	CCI Projects	MMR	 68 Mn
3	Residential	ASK Property Fund	Kumar Properties	Pune	 27 Mn





Residential RE continued as an attractive destination for debt investments in 1H FY24.

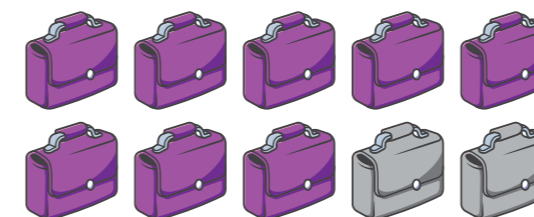
Share of Top 10 PE Deals

YoY

Top 10 deals accounted for 95% of the total value of PE investments in 1H FY24 as compared to 81% in 1H FY23.

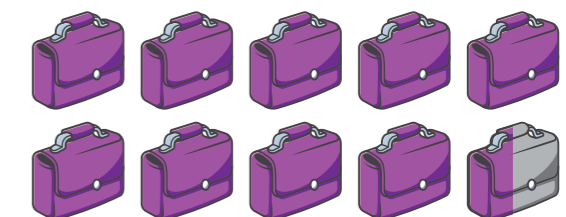
 Top 10 PE Deals
 Total PE Investment

1H FY23



81%
SHARE OF TOP 10 PE DEALS

1H FY24










95%
SHARE OF TOP 10 PE DEALS

*Numbers rounded off to the nearest integer; All transactions in USD (\$) unless otherwise stated
 FY = Financial Year (1st April - 31st March)

Movement of Capital Flow

Multi-city transactions have increased sharply during 1H FY24, dominated by the Brookfield India REIT & GIC. MMR led the transaction league tables in city-specific transactions with it reporting investments of USD 543 Mn in 1H FY24, compared to USD 307 Mn in 1H FY23.

	1H FY23	1H FY24	
 NCR	36%	3%	↓
 MMR	12%	23%	↑
 PUNE	0%	2%	↑
 BENGALURU	20%	0%	↓
 CHENNAI	11%	2%	↓
 HYDERABAD	7%	4%	↓
 KOLKATA	0%	0%	—
PORTFOLIO DEALS Multiple Cities	9%	60%	↑
OTHER CITIES	5%	6%	↑

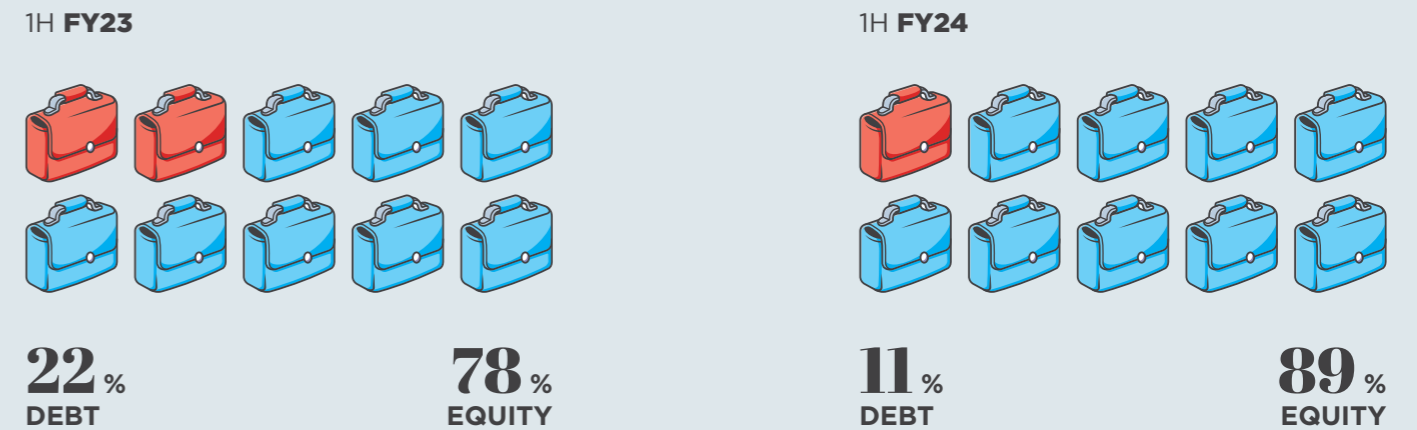
↑ Increase 1H FY24 > 1H FY23
↓ Decrease 1H FY24 < 1H FY23
— Stable 1H FY24 = 1H FY23

Note: City specific PE investments are higher than the number suggests. However, they are part of the portfolio deals (multiple cities) where the bifurcation amongst the cities is not available.

Equity vs Debt Funding

Equity investments are preferred by PE investors which is visible from the fact that its share continues to be healthy at 89%.

👛 Structured Debt
👛 Equity

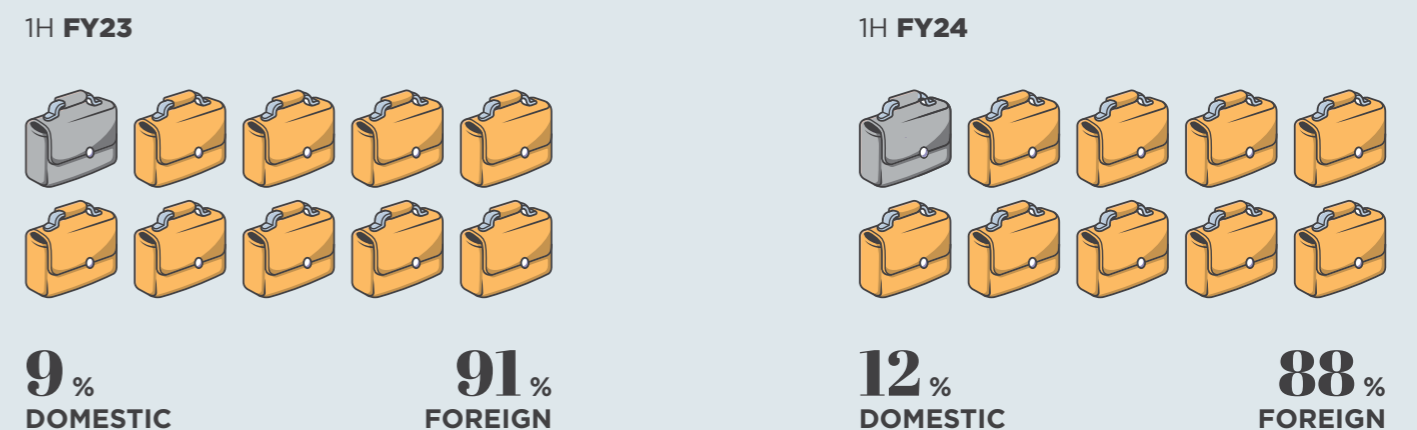


Domestic vs Foreign Funding

Domestic investments increased by 9% of the total PE capital inflows in Indian RE in 1H FY24 at USD 274 Mn compared to USD 252 Mn in 1H FY23, indicating higher confidence by domestic funds.

👛 Foreign Funds
👛 Domestic Funds

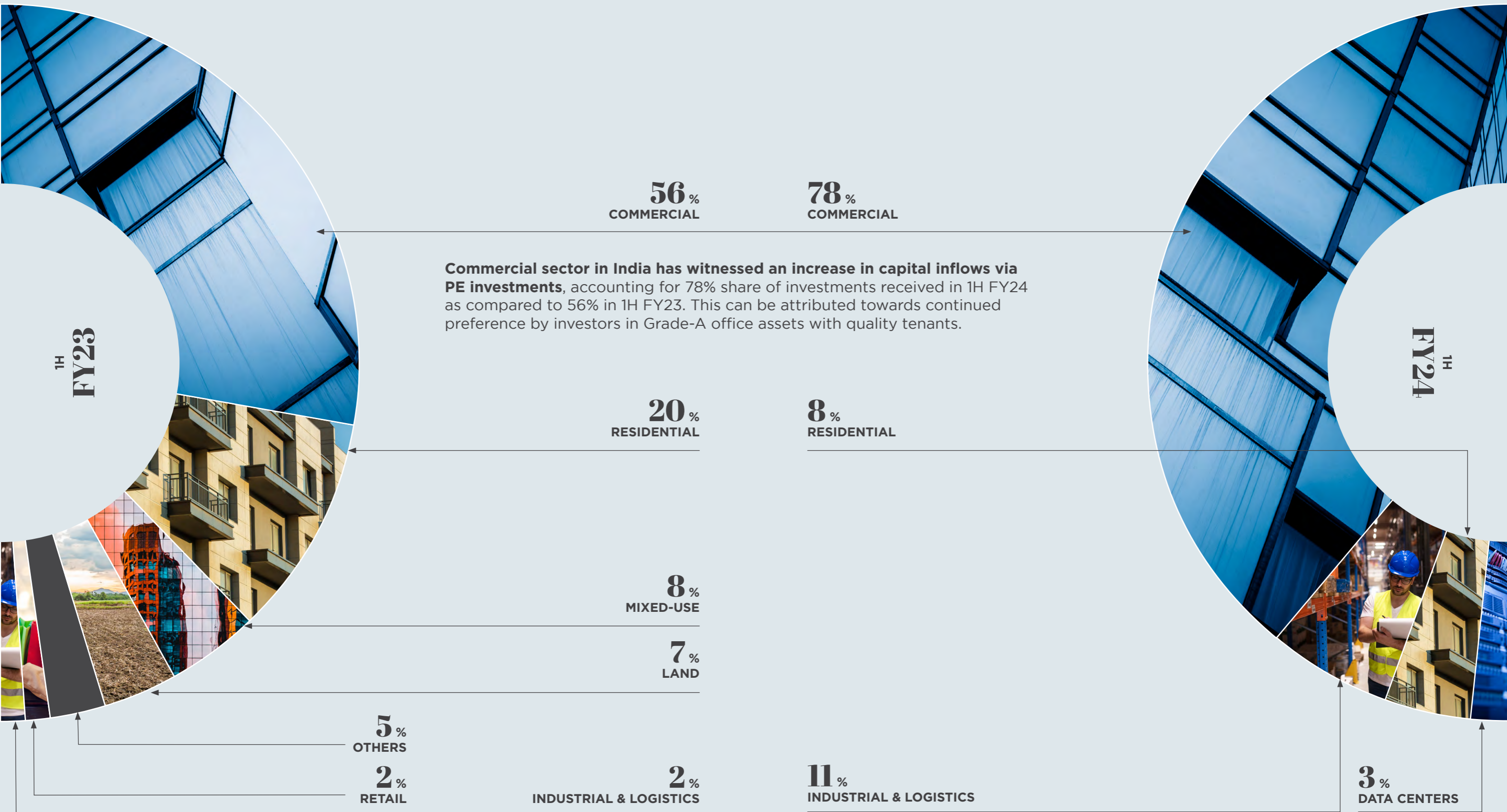
The share of foreign investments in 1H FY24 have dropped to 88% as compared to 91% in 1H FY23.



FY = Financial Year (1st April - 31st March)

Source: ANAROCK Capital Market Research

Asset Class-wise Funding



Key Takeaways

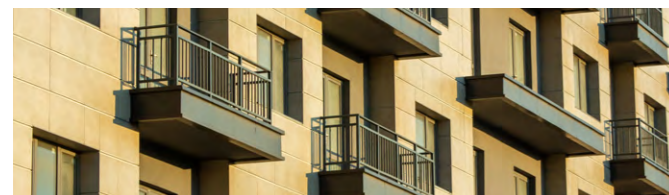
Residential

Led by luxury housing sales, demand for residential real estate continued to post robust volumes.

The momentum in residential sales has sustained even as an inflationary environment forced the RBI to push up the Repo Rate to 6.5% earlier this year, a level not exceeded since 2016.

The underlying fabric of the market remains skewed towards the **mid and premium segments constituting the bulk of sales while affordable segment witnessing a decline in volume.**

Supply continued to ramp up during the period, and prices continued to rise despite inflation and elevated interest rates.



OUTLOOK

The underlying demand remains strong in the backdrop of a robust economy. We expect the current demand trends to sustain in the foreseeable future with volumes expected to hit a new decadal high in CY23. However, we expect the larger, organised players to continue to account for an increasing share in line with the prevailing consolidation underway in the sector.

Commercial Office

While 1H FY24 has seen an overall decline, the second half of the period saw some stability with good traction in Bengaluru, Hyderabad & Chennai. The revival was led chiefly by the technology & manufacturing sectors.

Owing to weak demand in preceding quarters, landlords have deferred completions, negatively impacting fresh supplies.

Rentals have firmed up for Bengaluru & Hyderabad, while remaining stable for other cities.

Vacancies remained elevated for Gurugram, Noida & Hyderabad, while it remained low for Bengaluru & Pune. Vacancies remain elevated as companies optimize for hybrid model strategy and consolidate space requirements.



OUTLOOK

Outlook for second half is stable to strong backed by demand from return to office.

Retail

Many international brands like Roberto Cavalli, Foot Locker, Lavazza, Armani Caffè, Jamba and The Coffee Club among many others **have announced plans to set up outlets in India.**

Domestic retail operator's sales have also been strong with healthy growth in demand coming from Tier II & Tier III cities.

Mall operators are also looking to grow their asset base, looking to cash in on the industry growth.

The deal street in retail sector likewise remains buoyant with several marquee transactions like Qatar Investment Authority and KKR's investments in Reliance Retail, ChrysCapital's investment in Lenskart among others reported in the media.



OUTLOOK

The overall outlook for the retail industry is buoyant as consumer spending continues to rise.

Industrial & Logistics

Demand for warehousing continues to be strong as tenants are seen leaving non-compliant facilities and migrating to facilities which are compliant in all respects. Tenants are also looking to improve utilization of cubic space instead of just the floor space.

Major sectors driving demand are 3PL, retail, FMCG and automobiles even as demand from e-commerce remains muted.

A steady rise in demand has led to steady supply creation. There are cyclical spurts where the supply surpasses the demand leading to double digit vacancies, but as the balance is restored the vacancy comes to a normally acceptable tolerance level.

Rising input costs have also led to a rise in rentals. Some vacancy is healthy for developers as very often they get a rental premium when catering to an immediate demand.



OUTLOOK

Developer funds are actively looking at Tier II cities and state capitals e.g.: Ludhiana, Rajpura, Lucknow, Bhubaneswar, Patna, Nagpur, Coimbatore, Cochin.

ANAROCK Capital's Key Deals

1H FY24

For more updates,
follow us on LinkedIn



Capital Markets

**Creating Impact,
One Milestone At A Time!**

ANAROCK Capital
exclusively advised **NeoLiv**
on its strategic partnership with **360 ONE**

anarock.com

Exclusively advised on
Pan India Residential RE Platform worth
INR 1,250⁺ Cr

Corporate Finance

Q2 FY24
Just Transacted

A 25-acre Prime Land Sale
IN EAST BENGALURU

ANAROCK Capital is proud to have acted as an **exclusive advisor** to **Graphite India** for the **sale** of a **25-acre prime land parcel** earmarked for commercial use, near Whitefield in **Bengaluru** for **over ₹ 986 Cr.**

Congratulations to our esteemed client on this landmark deal!

anarock.com

Successfully concluded **2 transactions** in Bengaluru summing up to
INR 1,000⁺ Cr

Q2 FY24
Just Transacted

Successfully Raised ₹60 Cr

Client Bengaluru-based Developer	Asset Residential Project (5-acre)	Location KR Puram Bengaluru
--	---	--

Lenders | Transaction Type
A Domestic AIF | Structured Finance
India's Leading Housing Finance Company | Construction Finance

To understand more about this & how we can help you, please connect with

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Director - Bengaluru
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Private Wealth

Q2 FY24
Just Transacted

We are happy to have **collaborated** with **Welspun One** to **successfully raise**

INR 70 Cr

as investments for their **Welspun One Logistics Park (WOLP) Fund 2.**

Our partnership has further cemented towards building **Welspun One** as India's premier domestic Warehousing, Industrial & Logistics platform.

To understand more about this & how we can help you, please connect with

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Executive Director - Private Wealth
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Successfully raised
INR 70 Cr
for WOLP Fund 2 - Industrial, Logistics & Warehousing RE Platform from a leading MMR-based family office

ANAROCK Capital's Key Deals

1H FY24

For more updates, follow us on LinkedIn



Warehouse Leasing

Industrial Sale

Q2 FY24
Just Transacted

Happy to announce that our Industrial & Logistics team has

SUCCESSFULLY LEASED
765,000+ sf
of Grade-A warehousing spaces across
Gurugram | Lucknow | MMR
to a leading consumer durables client

To know more about this transaction & how we can help you, please connect with:

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Industrial & Logistics
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anarock.com

Q2 FY24
Just Transacted

Happy to announce that our Industrial & Logistics team has

SUCCESSFULLY LEASED
95,000 SF
of Grade-A warehousing space in
CHENNAI
to one of India's leading 3PL client

Transaction Executed By:

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Q2 FY24
Just Transacted

Our Industrial & Logistics team has

SUCCESSFULLY LEASED
75,000 SF
of Grade-A warehousing space in
HYDERABAD
to a leading Consumer Durables client

Transaction Executed By:

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Q2 FY24
Just Transacted

Happy to announce that our Industrial & Logistics team has

SUCCESSFULLY
SOLD
an Industrial Factory Unit in
BHIWANDI MMR

To understand more about this & how we can help you, please connect with

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Q2 FY24
Just Transacted

Happy to announce that our Industrial & Logistics team has

SUCCESSFULLY LEASED
30,000+ SF
of Grade-A warehousing space in
SURAT
to one of India's leading 3PL client

Transaction Execution Team:

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FY24
JUST TRANSACTED

Happy to announce that our Industrial & Logistics team marks its official entry in Goa, with the successful closure of 10,000 sf of warehouse leasing transaction for one of India's leading 3PL clients


GOA

Transaction Execution Team:

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Successfully leased

9.7+ Lakh sf
of total Grade-A warehousing space
across **7 cities - Gurugram, Lucknow, MMR, Surat, Goa, Hyderabad & Chennai**

Successfully sold a industrial factory unit in **Bhiwandi, MMR**

About ANAROCK

ANAROCK is India's leading independent real estate services company with a presence across India and the Middle East. The Company has diversified interests across the real estate lifecycle and deploys its proprietary technology platform to accelerate marketing and sales.

The ANAROCK services suite includes Residential Broking & Technology, Retail (in partnership with Vindico), Commercial, Investment Banking, Hospitality (in partnership with HVS), Land Services, Industrial and Logistics (in partnership with Binswanger), Investment Management, Research, Strategic Advisory & Valuations and Project Management Services (in partnership with Mace), Flexi Spaces (in partnership with myHQ & Upflex) and Society Management Services (acquisition of ApnaComplex, India / ANACITY, EMEA).

ANAROCK has a team of over 2,200 certified and experienced real estate professionals who operate across all major Indian and Middle East markets. ANAROCK also manages over 80,000 established channel partners to ensure global business coverage. Our assurance of consistent ethical dealing with clients and partners reflects our motto - Values Over Value.

For more information, please visit www.anarock.com



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