

# Fueling India's Growth Surge Empowering Economic Transformation & Real Estate Evolution

Modern mystic sneak peak into India's growing economy

# FORWARD

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*The “Fueling India’s Growth Surge Empowering Economic Transformation & Real Estate Evolution” report provides an in-depth analysis of the current market landscape. It outlines the projected trajectory of India’s real estate sector. This report provides an in-depth analysis of the current market landscape and outlines the projected trajectory of India’s real estate sector. By leveraging the latest market data, expert perspectives, and thorough research, we aim to equip our readers with valuable insights to navigate the dynamic economic climate and make well-informed investment decisions. India's robust economic framework, characterized by a narrowing current account deficit, record-high foreign exchange reserves, and strong fiscal management, provides a solid foundation for growth. The government's commitment to fiscal discipline and strategic policies has established a robust platform for sustained expansion in the real estate sector. In 2024, we expect continued momentum in the office, industrial, and logistics sectors, driven by economic growth and a resurgence in occupier sentiment. Additionally, the retail and residential sectors are set to thrive as developers and investors capitalize on evolving consumer behavior and urbanization trends. This report also explores emerging opportunities in sectors like data centers, flexible workspaces, hospitality, and healthcare, offering a comprehensive overview of India’s diverse real estate landscape. The report is prepared by RedeFin Capital in collaboration with Aliens Group.*

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## Key Contributors

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# **GROWTH STORY IN A NUTSHELL**

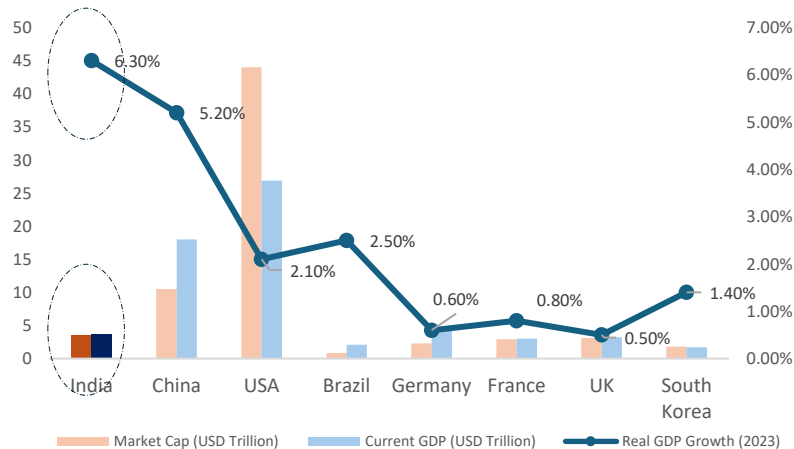
## THE INDIAN ADVANTAGE

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# India's Growth Story: What makes India an attractive investment destination?

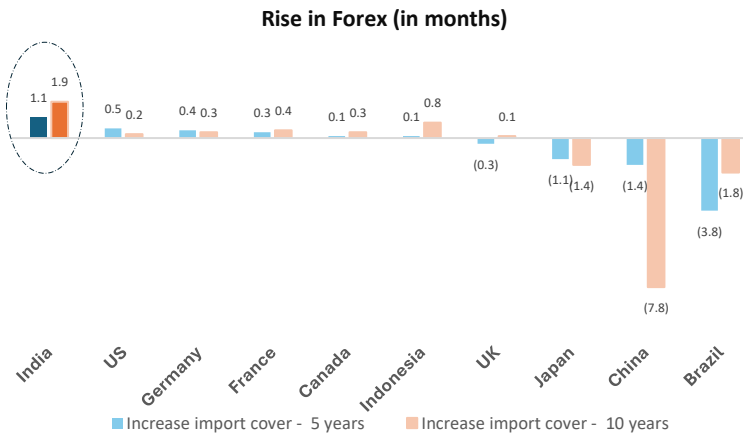
## India – the fastest growing economy with a strong financial base

### Big Mcap, large GDP with leading growth



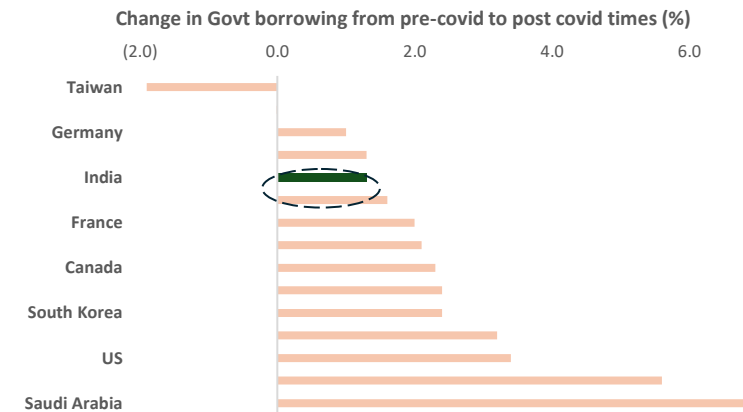
India is the 5<sup>th</sup> largest economy exhibiting the highest growth rate depicting its future growth potential

### Dependable investment vehicle



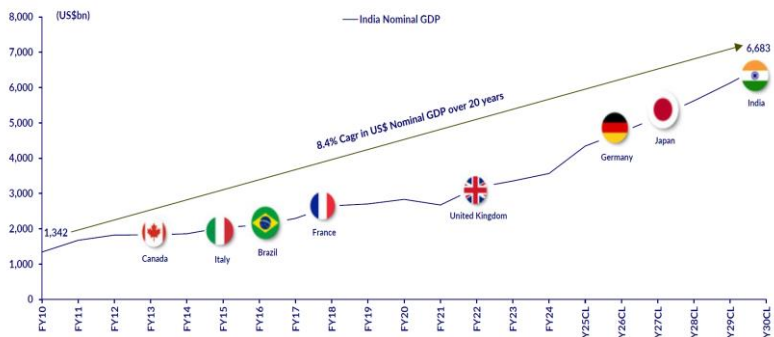
Rise in forex reserves suggests a rise in India's ability to payoff foreign debt & garner foreign investments at reduced costs of capital

### Disciplined borrowing activities



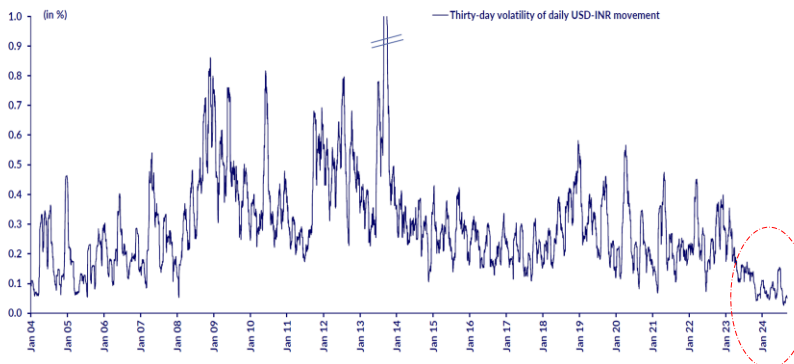
Government borrowings have been kept under check and leverage has increased less in comparison to developed nations

### India set to become the 3<sup>rd</sup> largest economy



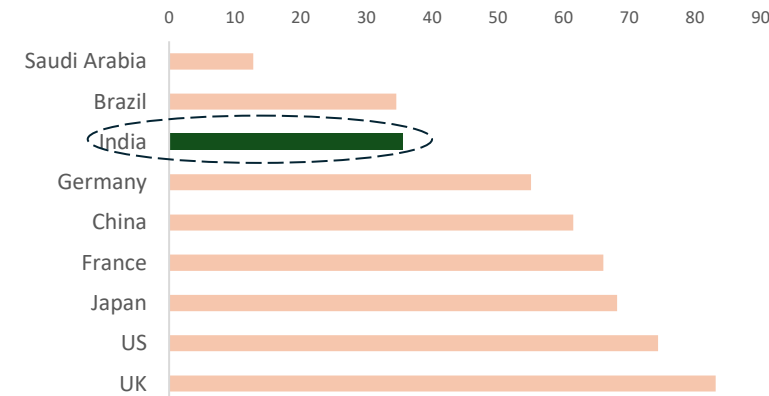
Given the current growth projections, India is all set on a high growth phase

### USD-INR Volatility



USD-INR volatility is currently at its historic low – suggesting a favorable time for investment

### Household leverage (% of GDP)



Household leverage of India remains low in comparison to its peers

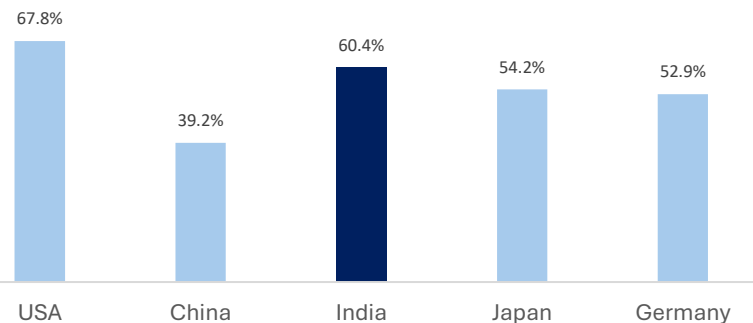
# India's Growth Story: India's demonstrated Fiscal & Monetary Strengths

India demonstrates the characteristics of a strong and steady investment vessel

## India's Demonstrated Economic Strength

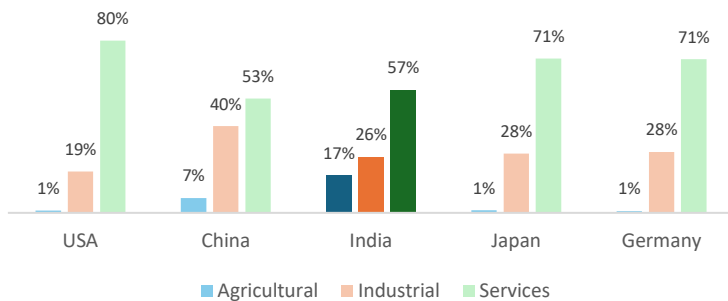
### High consumption component of GDP

Consumption (% of GDP)



A high GDP consumption component indicates economic stability

Major GDP Components

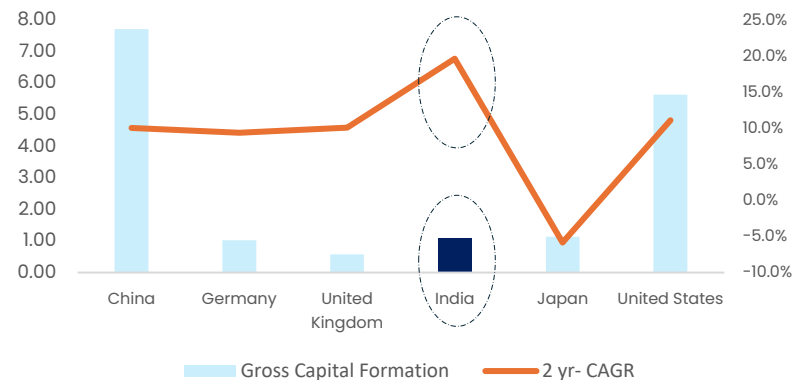


The services component of GDP is 2<sup>nd</sup> lowest, showing headroom for growth in the services sector such as IT & Real Estate

## Favorable Government Initiatives

### Boosting Capital Expenditure

Investments (% of GDP)



### Infrastructure Focus will give a boost

**3.3%**  
Of GDP allocated to infra development

**34,800 km**  
Planned road development

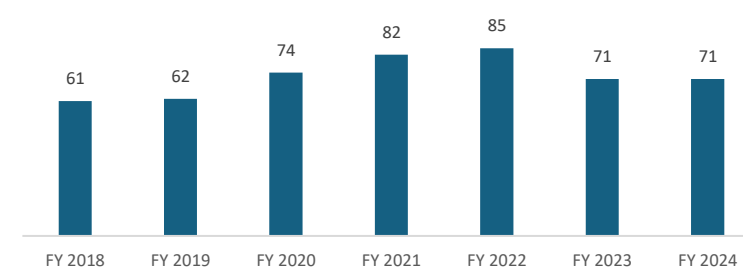
**0.9 days**  
Indian ports TAT (US – 1.5 days)

With the primary focus being infrastructure, India requires a significant push from **public-private partnerships** to achieve the target of **\$ 5 Trn. economy** By 2027

## Steady Cash flow & Monetary Policies

### Steady Capital Inflow

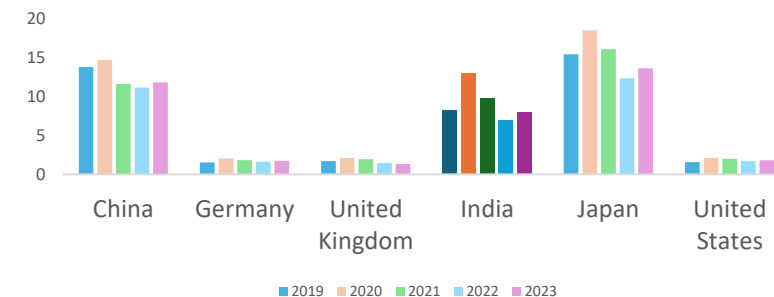
FDI (\$ Bn.)



Despite COVID-19 & the Russia Ukraine crisis, India has remained as one of the top destinations among APAC nations for investments

### Robust Monetary Policies

Strong Import Cover (\$ Bn.)



India's robust monetary policies have been able to keep the inflation forecast down to the ballpark zone between **2% to 6%**

# India's Growth Story: How India's both monetary & fiscal strengths manifests in Real Estate boom

*India's robust economic growth & strategic government initiatives are driving unprecedented opportunities in Real Estate*

## Favorable Government Initiatives

### Policy Augmentations

#### PM Gati Shakti

To improve national connectivity via roads development

#### PLI Schemes

To attract foreign & domestic investments, thus boosting capital formation

#### Ease of Doing Business

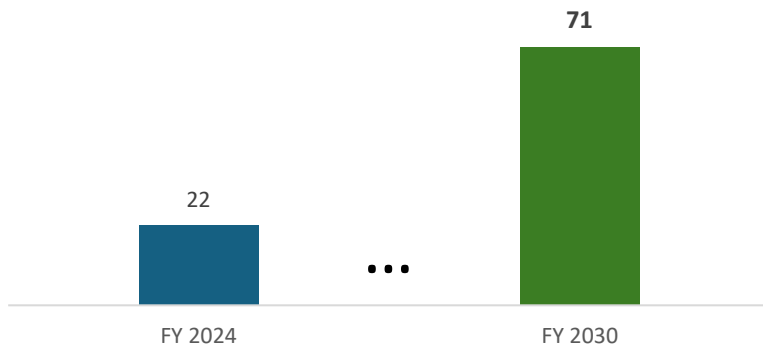
Reduction of economic uncertainty & archaic laws

#### Digital Transformations

Improving overall efficiency of the systems in place

### Economic Liberalization

#### Countries Exported to

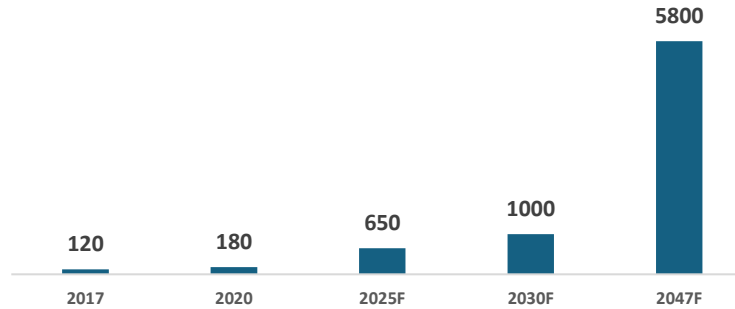


Increase in **Free Trade Agreements**, currently with 22 countries, will expand to 71 countries, covering exports worth **\$ 337 Billion**

## Indian RE: Scaling Indian Economy to new heights

### Booming Real Estate

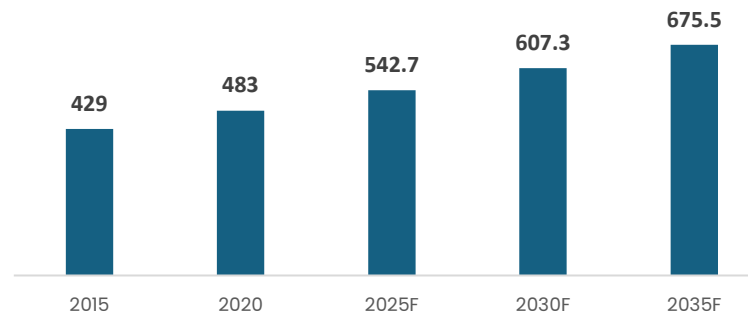
#### India's Real Estate Market (\$Bn)



India's real estate sector is projected to grow to **USD 5.8 trillion** by 2047, contributing **15.5%** to GDP, up from **7.3%**

### Increasing RE demand

#### Urban Population in India (Mn)



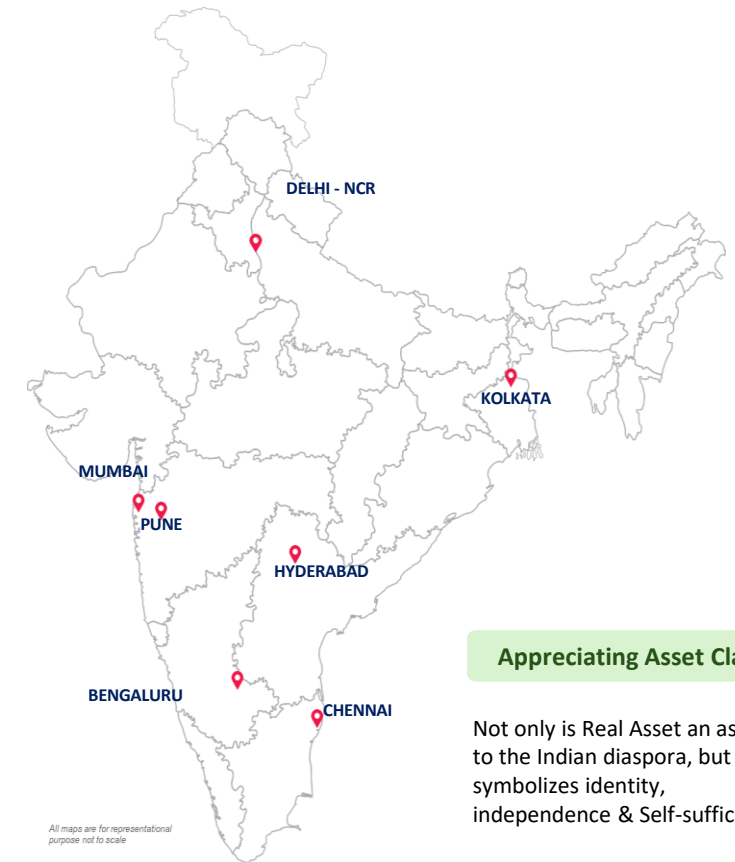
Increase in urbanization is causing an increase in real estate demand – the root cause in the boom in real estate market

## Indian RE: A socio-economic tool

### Major Real Estate hubs in India

#### Employment Generator

Real Estate is the **2<sup>nd</sup> highest employment generator** in the country after agriculture



#### Appreciating Asset Class

Not only is Real Asset an asset to the Indian diaspora, but also symbolizes identity, independence & Self-sufficiency

*With an arsenal of opportunities across several sectors & geographies, India presents an incredible market opportunity*

## Major Sectors

## Upcoming Sectors

Key Sectoral opportunities

<b>Residential</b>	Increasing urbanization leading to a high demand for household units, currently having a <b>31%</b> increase from 2023 to 4.76 lakh household unit sales in 2024
<b>Commercial</b>	Ramping up of corporate developments in India is indicated by an <b>11%</b> increase from 2023 to 64.4 Mn sq ft. in FY 24 in leasing office spaces
<b>Industrials &amp; Warehousing</b>	I&L market momentum to continue and is expected to reach <b>1.2 billion sq. ft.</b> by 2027 spanning grade A, B & C facilities across major Indian cities
<b>Consumer Retail</b>	With a <b>3x</b> surge in the number of malls & a <b>47%</b> rise in retail activity from <b>4.8 Mn. Sq. ft.</b> in FY 23 to <b>7.1 Mn. Sq. ft.</b> in FY 24
<b>Hotels</b>	Foreign tourist arrivals (FTAs) in India will reach <b>15.3 million</b> by 2025 Increasing FTAs will drive greater demand for hotel accommodations

<b>Senior Citizen Housing</b>	India's elderly care segment may reach <b>\$ 7.7 billion</b> by 2030. Urbanization and nuclear families fuel demand for elderly-focused townships
<b>Co-working</b>	Businesses increasingly prefer flexible workspaces, driving annual <b>10-15%</b> growth. Flexible space stock will add <b>10-16 million sq. ft.</b> over three years
<b>Student Living</b>	Influx of students for jobs causing a rise in demand for student living. <b>NCR(24%) &amp; Bangalore(23%)</b> lead the charts with demand for accommodation.
<b>Co-living</b>	Service apartment demand is expected to increase further in the coming years. Growing tourist numbers are driving demand for service apartments
<b>Data Centers</b>	Demand for Data Centers in India have grown exponentially since the advent of AI & blockchain. Data Center Capacity expected to reach <b>1,950 MW</b> by 2030

Top Cities Contributing Growth

MMR	Delhi NCR	Hyderabad	Bengaluru	Pune	Chennai	Kolkata
<b>Residential</b> Premium housing sees high demand	<b>Residential</b> Rising demand for premium & luxury housing	<b>Commercial</b> Steadily rising demand for IT sector	<b>Residential</b> Premium housing with a focus on young buyers	<b>Co-living</b> High demand for young professionals	<b>Commercial</b> Demand for IT & manufacturing office	<b>Residential</b> Growing demand for mid-segment housing
<b>Commercial</b> Financial sector drives expansion of office spaces	<b>Co-working</b> Diverse sector driving flexible spaces leasing	<b>Student Living</b> Rising demand near universities	<b>Co-working</b> Popular among individuals particularly in the tech sector	<b>Commercial</b> Expanding IT/ITES and BFSI sectors	<b>Warehousing</b> Logistics & port proximity support	<b>Consumer Retail</b> Expanding Mall & retail spaces
<b>Senior Citizen Housing</b> Increasing interest in lifestyle communities	<b>Warehousing</b> Logistics growth augmented by boost in e-commerce	<b>Warehousing</b> Growth aligned with a push in the manufacturing sector	<b>Data Centers</b> Rising with tech infrastructure needs	<b>Warehousing</b> Driven by auto & e-commerce needs	<b>Data Centers</b> Growing digital infrastructure hub	<b>Senior Living</b> Having the highest share of 30-59 yrs old, senior living is poised to rise

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# THE REAL ESTATE INVESTMENTS

## A BRIEF OVERVIEW

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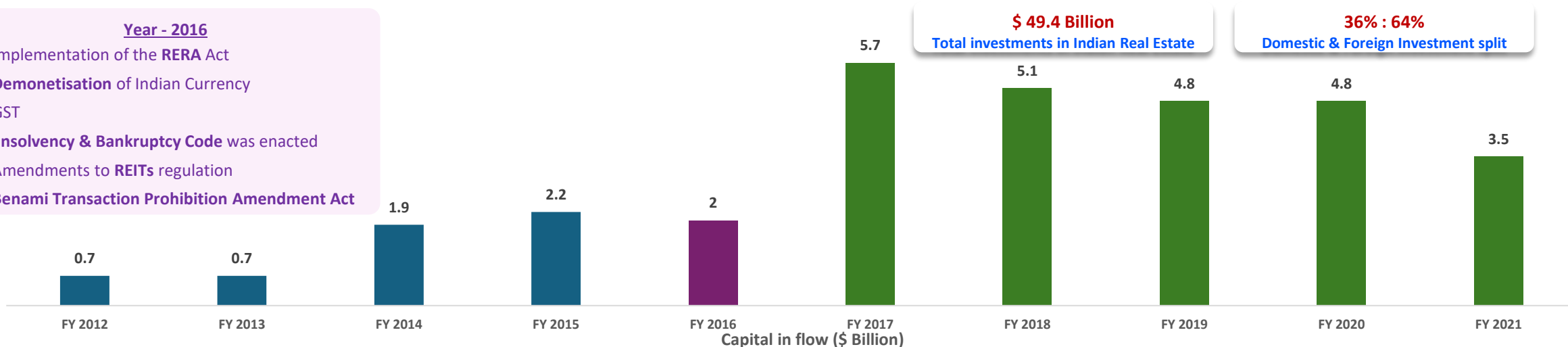
# India's Growth Story: The Real Estate Investment landscape

In 2022, the investment landscape in the APAC region continued to hold up despite the pandemic

Policy Implications on Investments

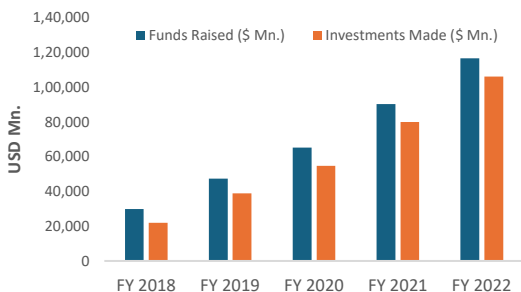
Year - 2016

- Implementation of the RERA Act
- Demonetisation of Indian Currency
- GST
- Insolvency & Bankruptcy Code was enacted
- Amendments to REITs regulation
- Benami Transaction Prohibition Amendment Act

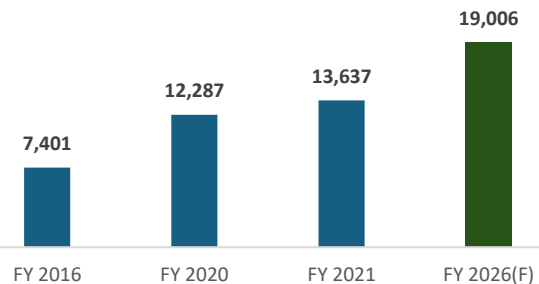


## Rise of Domestic Capital

### AIF-II Category Fund Growth



### UHNWI Population



With the rise of domestic capital providers particularly the AIF & UHNWI family offices categories can provide successful exits to existing investors facilitating a smooth flow of capital

Since 2010, 73% of exits have been facilitated by domestic investors while the remaining by foreign institutions

## Top investors facilitating in Global Investment flows



**Blackstone**

Office, Industrial & logistics, Retail

**Morgan Stanley**

Office, Residential



**Brookfield**

Office, Residential, Hospitality



Office, Industrial & Logistics, Retail



**CapitaLand**

Office, Logistics, Data Centres



Office, Residential, Retail, Logistics

# India's Growth Story: Debt Financing Opportunities

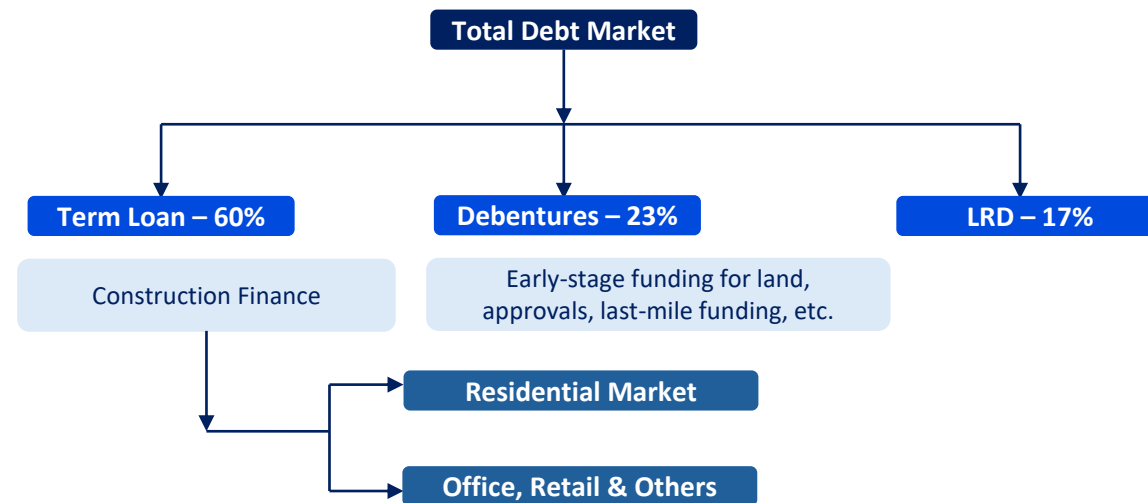
Expanding horizons of Indian real estate fuel rising demand for debt financing

## AIFs – a Risk specialist for high-risk project funding

<b>Risk Profile</b>	18-24%	14-18%	10-14%	16-18%	9-11%
<b>Project Status</b>	Land Acquisition	Approvals	Construction Stage	Mid-Late Stage	Completed
<b>Funding Required</b>	Acquisition + pre-approval	Approval	Cash Flow	Last Mile Funding (Stressed Assets)	LAP
<b>Key Risks</b>	Approval	Approval/Construction	Construction	Sale	Sale
<b>Participants</b>	AIF	AIF	NBFC, HFC & Banks	AIF + NBFC	NBFC, HFC & Banks

AIFs are the key for value unlocking at some of the most high-risk points in the Real Estate project journey

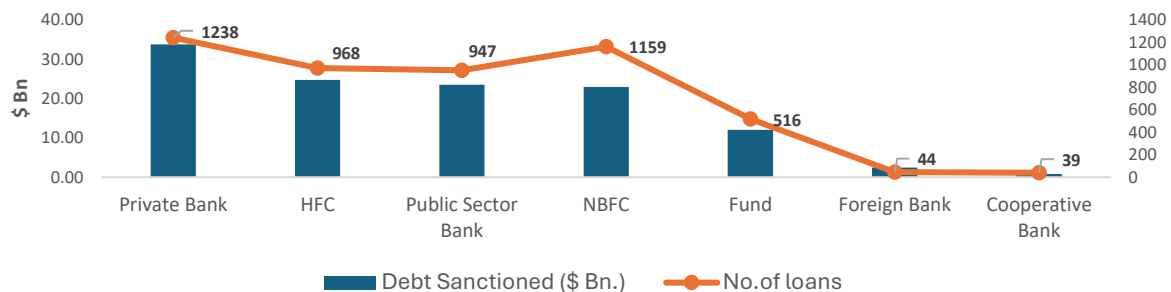
## Debt Market Component for the period FY 18-23



## Domestic Debt Demographics

**Key geographical areas** Mumbai, Delhi NCR & Bangalore account for **80%** of the debt sanctioned in the last 6 years with approx. **\$ 118.86 Bn.** sanctioned in the last 6 years

**Major Debt Capital Provider** The banking sector dominated the debt activity with a **70%** share of the total sanctions with AIFs raising nearly **\$ 15.79 Bn.**



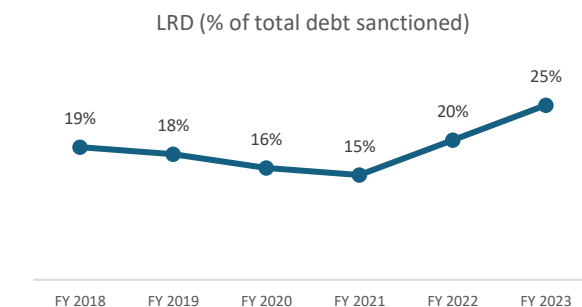
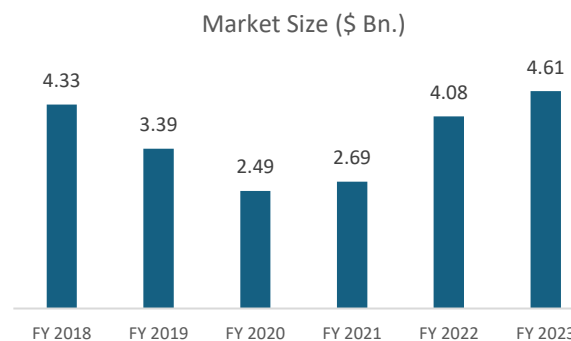
## Lease Rent Discounting Potential

**\$ 51.11 Bn.**  
Long-term debt potential by 2026

**~ \$ 65.37 Bn.**  
Construction debt requirement by 2026

**60%**  
Term loans of total debt sanctioned b/w FY 18-23

**30%**  
LRD Potential to grow between FY 24-26



Rising LRD potential in India, resulting in a rise in both volume and the % of total debt sanctioned

# India's Growth Story: PE Investments in Real Estate

*Although capital inflow has been relatively subdued in FY 24, there were overall positive signals for the sub-sectors to expand*

## Capital Movements

- Multi-city transactions have increased sharply during FY 24, dominated by Brookfield REIT & GIC
- MMR led the transactions chart in city-specific transactions registering nearly a 2X increase since FY 23
- Investments by foreign investors increased to 86% (in comparison to 79% in 2023), 84% being Equity

### Sector-wise split of Investments FY 24

**70%**  
Commercial

**15%**  
Industry & Logistics

**3%**  
Land

**12%**  
Residential

Asset Class	Capital Provider	Recipient	Location	Deal Size (\$)
Commercial	Brookfield RE Trust REIT & GIC	Brookfield AMC	Multiple	1,400 Mn
Commercial	CPP Investments	RMZ Corp	MMR	325 Mn
Warehousing	Morgan Stanley	Prakhhyat Group	MMR	85 Mn
Warehousing	Blackstone	Allcargo	NCR	76 Mn
Data Center	Kotak Data Center Fund	Sify Infnit Spaces Ltd.	Multiple	73 Mn
Land	Brookfield	K Raheja Corp	Hyderabad	72 Mn
Warehousing	Investcorp	NDR Warehousing	Multiple	61 Mn
Commercial	Varde Partners	Phoenix Group	Hyderabad	91 Mn.
Residential	HDFC Capital	CCI Projects	MMR	68 Mn.
Residential	PAG	Kalpataru Group	MMR	63 Mn.

## Sector Specific outlook

### Residential

Residential real estate thrives **despite rising interest rates**, driven by demand and favorable industry sentiments

### Commercial

Commercial office space thrives in top cities; **demand diversifies beyond IT**

### Retail

Indian retail real estate thrives; **key mall developers** drive expansion growth

### Industrial & Logistics

Warehousing sector resilient; demand driven by **PLI, China +1 strategy**



**Office Assets** dominated the large ticket size investments equity investments as of FY 24



**Residential Real Estate** continued to be an attractive destination for debt investments in FY 24



**Data Centers** is emerging as a new asset class for investment valued at \$ 73 Mn in FY 24

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# INDIAN REAL ESTATE BOOM

## A SECTOR-WISE BREAKDOWN

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# India's Growth Story: Commercial Real Estate

Indian Commercial Real Estate is set to blossom with the rising employment opportunities & subsequent high requirement of co-working spaces

## Illustrating unhinged growth potential...

**\$ 241.8 Bn.**  
Market Size  
by 2032

**11%**  
YoY growth in  
Leasing Activity

**64.4 Mn. Sq. ft.**  
Leasing Activity  
in FY 24

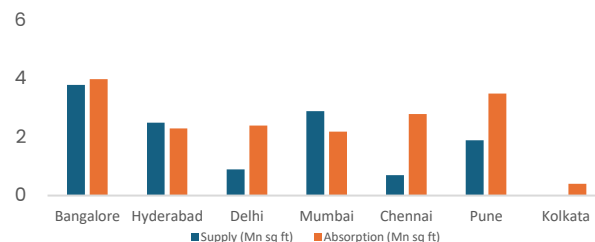
**37%**  
Leasing Activity  
in top 6 cities

**7%**  
Rise in office  
rental values

Office supply and gross absorption

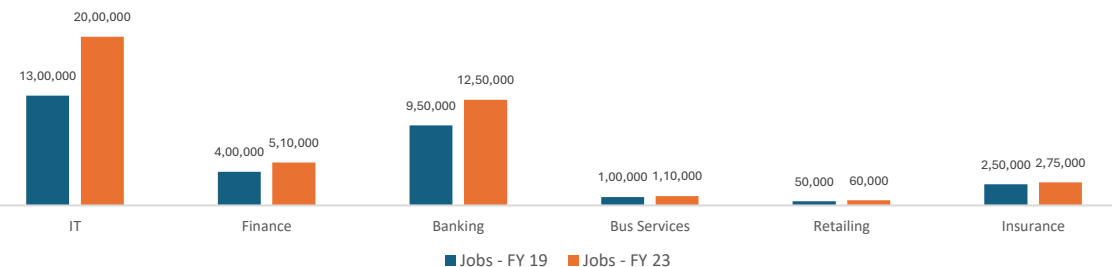


Office Market in Q2 2024



## Employment: A key driver of growth...

### Increasing in leasing of office spaces



IT & ITeS and the BFSI sectors are growing at a fast rate – thereby causing a high demand for office spaces

India ranks **2<sup>nd</sup>** in the global coworking space race as of the year 2023, showing an increased working populace

## A highly competitive market with room for growth...

### KEY INVESTORS



### Latest Developments

- Morgan Stanley inked a reality deal of **\$ 35.6-41.6 Mn.** in India with a JV with the Prakhyat Group
- SBI recently raised **\$ 1.19 Bn.** via infrastructure bonds @**7.36%** coupon, **oversubscribed 4 times**

### KEY PLAYERS



## Retail Investors' Expanding Role...

### Diversification

Spread investments across various assets, reducing risks and creating a balanced portfolio

### Access to Prime Properties

Open doors to Grade A commercial properties, previously limited to institutional investors

### Benefits to NRI Investors

NRIs can invest in high-quality Indian assets while leveraging management companies' expertise, particularly appealing to those seeking stable, income-generating assets in their home country

# India's Growth Story: Real Estate Investment Trusts (REITs)

**Real Estate Investment Trusts (REITs) are a convenient investment option allowing investors to access real estate assets through publicly traded units**

## India's REIT Opportunity...

- **Impact on REITs because of SEZ de-notification rule:** In India, SEZ demand fell from **50% to 10%** due to expired tax benefits and non-SEZ leasing. Recent government de-notification policy is expected to enhance occupancy rates for REITs
- **Latent potential:** India's REIT growth driven by **400M sq. ft commercial office spaces** and **70M sq. ft retail assets** through shopping malls making it **7x current size**
- **Occupancy recovered post Covid:** REITs' occupancy is improving, led by BFSI and Manufacturing in Mumbai and Pune while the demand from the BPO and IT sectors has been low

## Governance imposed by the SEBI...

**Income Generating Assets** 80% of the value of REITs must be in completed and income generating assets, thus limiting risk emanating from acquiring land and construction

**Limit on Leverage** The debt of a REIT cannot exceed **49%** of the asset value and a majority unit holder's approval is required to exceed **25%**

**Cashflow Distribution** **At least 90%** of the cash flow must be distributed at least **semi-annually**, the frequency has been quarterly in practice

**Independent Directors** **50%** of the directors on the board of the REIT Manager must be independent directors ensuing regulatory oversight

**Related Party Transactions** Sponsors are **not allowed to vote** on any related party transactions

**Asset Acquiring/ Retirement** Unit holder approvals are also required for the acquisition or disposal of assets exceeding **10% of the REIT's value**

## An Evolving Landscape...

In the past, the Indian Real Estate has been characterized by **low liquidity** and a **predominant focus on residential properties**

However, the **4 Indian REITs** listed on exchange comprise of 3 office spaces and 1 retail mall – marking a shift in the market

**> \$ 9.51 Bn.**  
Total Market Cap  
of REITs in India

**115 Million Sq. ft.**  
Total area  
under development

**> \$ 15.45 Bn.**  
Total Assets Under Management  
(AUM)

Indian REITs feature in global indices such as **FTSE, MSCI** and **S&P** underscoring their significance in the global investment space

## A brief description of the REITs listed in the Indian market...

Description	Embassy REIT	Mindspace REIT	Brookfield REIT	Nexus REIT
IPO Listing Date	April'19	April'20	April'21	April'23
Primary Assets	Office	Office	Office	Retail Malls
Mcap (\$ Bn.)	<b>4.28</b>	<b>2.40</b>	<b>1.31</b>	<b>2.26</b>
Geographic Focus	Bangalore, Mumbai, Pune, Noida	Hyderabad, Mumbai, Pune, Chennai	Gurugram, Noida, Mumbai, Kolkata	Presence across 14 cities
Total Portfolio Area	<b>45.4 Msf</b>	<b>33.1 Msf</b>	<b>25.4 Msf</b>	<b>11.2 Msf</b>
Completed Area	Office – 35.8 Msf <sup>1</sup> , 4 hotels, 1 solar park	26.2 Msf	20.7 Msf	Retail – 9.9 Msf, Office – 1.3 Msf
Sponsor Ownership	<b>7.7%</b>	<b>63.5%</b>	<b>44%</b>	<b>43%</b>
Sponsor Name	Embassy Group	K Raheja Corp	Brookfield	Blackstone

# India's Growth Story: The Residential Sector – Pan India

The residential market is experiencing strong growth, especially in premium and luxury segments

## Soaring housing demand across the entire household spectrum...

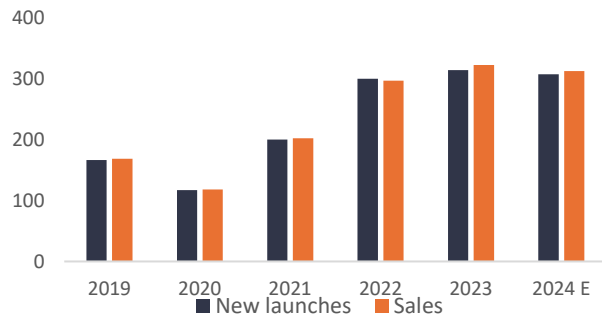
**\$ 33 Billion**  
Record sales in 2023

**37% increase**  
In home-loans dispersed 2023

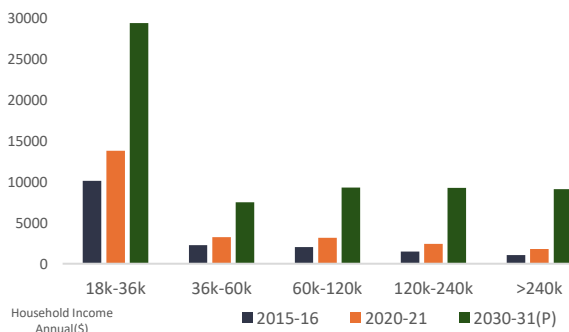
**4.76 lakh units**  
sold in residential real estate

**31% growth**  
YoY increase in housing sales

Demand & Supply (Units in thousands)

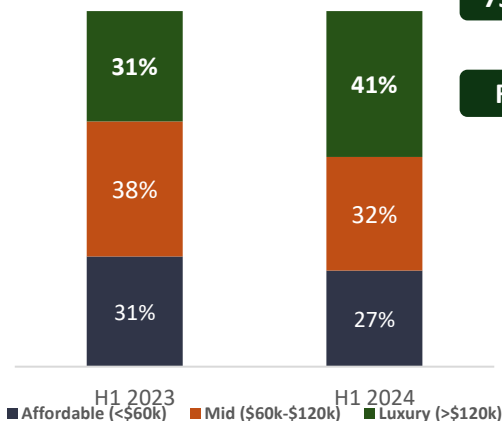


No of households ('000)



## Luxury Housing driving demand...

Segment wise Sales Split



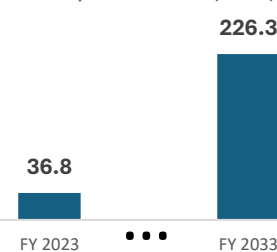
**75% Y-o-Y Growth**

Indian premium & luxury housing market growth in 2023

**Role of the HNIs**

HNIs & NRIs actively seeking investment opportunities in properties with >\$ 120k value

Luxury Market Size (\$ Bn.)

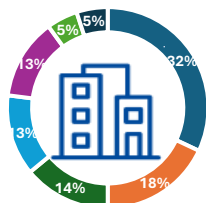


**~7x growth**  
estimated in 10 years

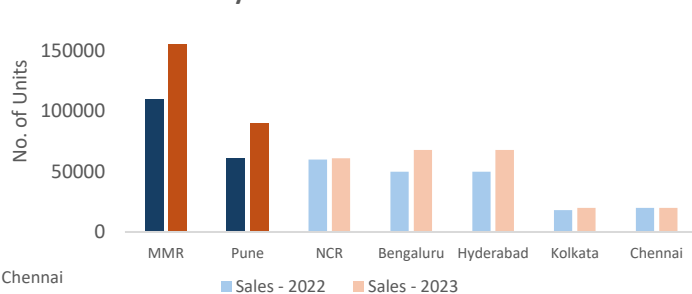
## A city-wise split...

MMR & Pune remained the front-runners of sales among the top 7 cities

% of Sales



City-wise sales FY 22-23



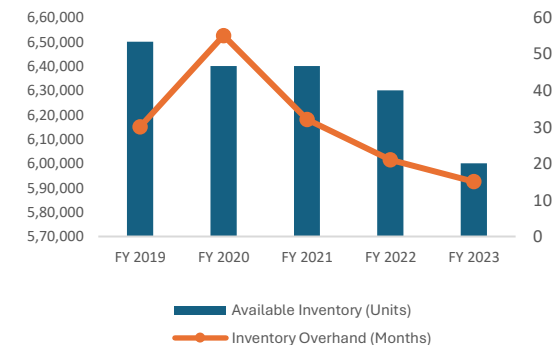
## Capital Value & Inventory trends...

Average Capital (USD/sq. ft.)



**Appreciating Price – signifying demand surge**

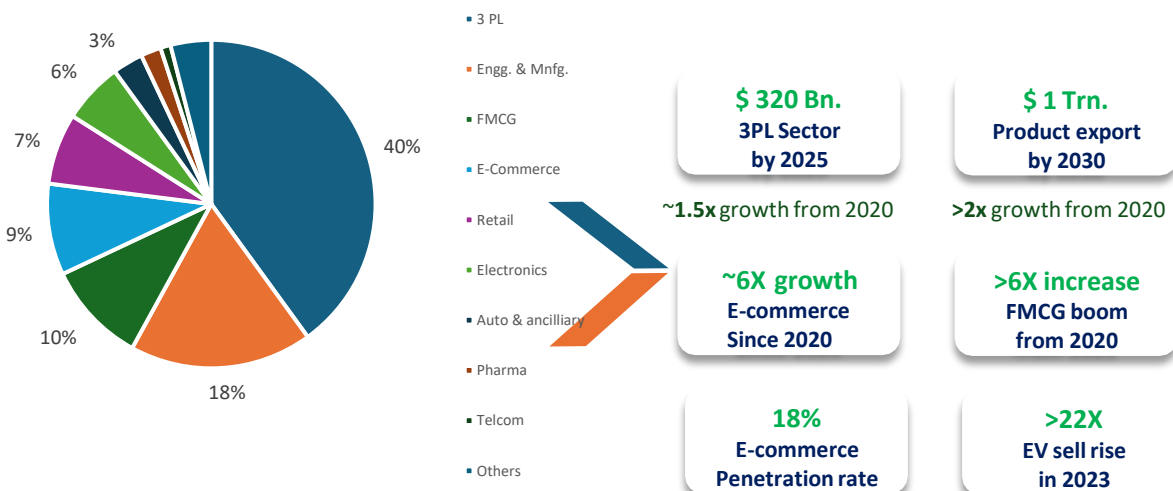
Increasing inventory turnover



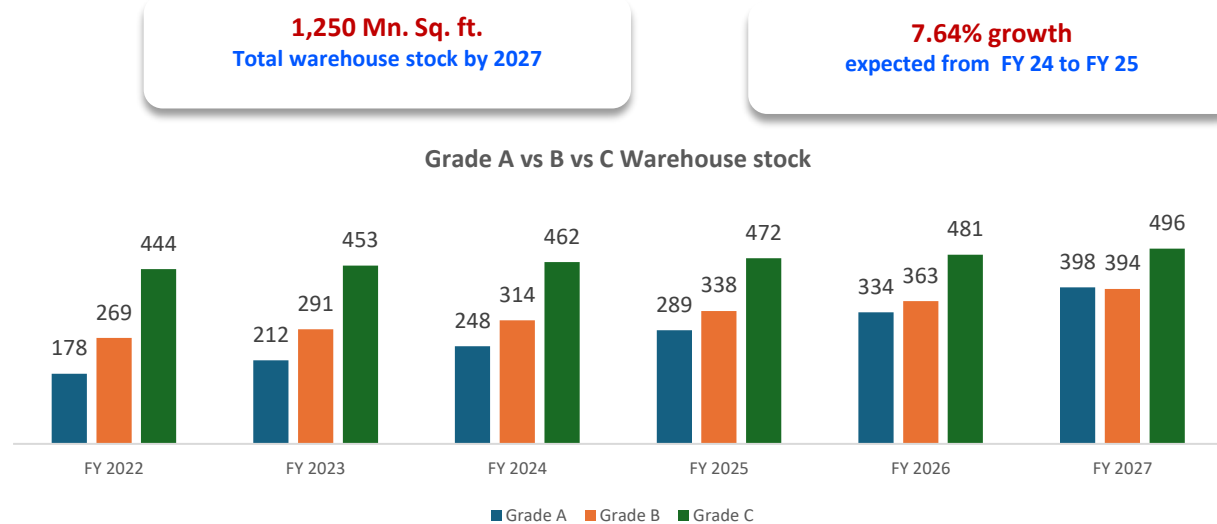
# India's Growth Story: Industrial Warehousing boom

Indian Warehousing to be a pillar for Indian RE with overwhelming demand

Demand for quick delivery → 3<sup>rd</sup> party logistics growth...



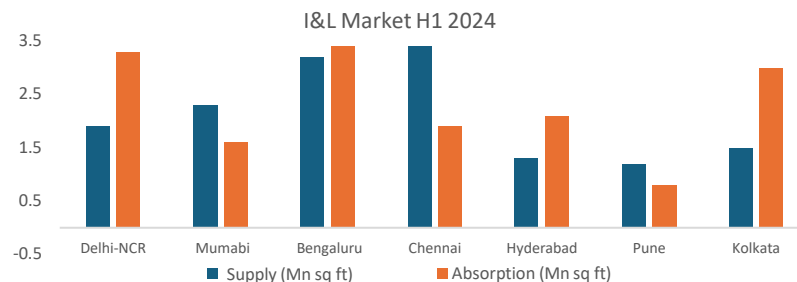
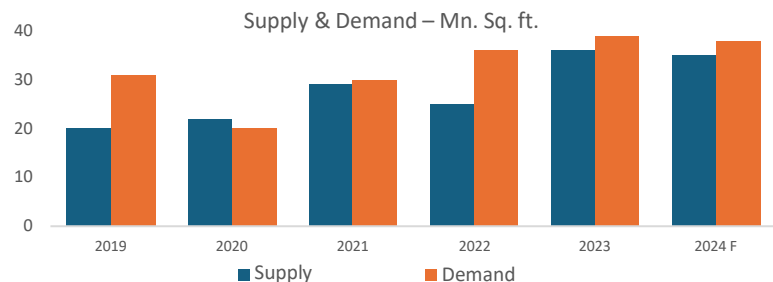
Booming Warehousing market...



3PL firms leading the I&L Demand...

A few salient points

- India's 3PL and eCommerce sectors have rapidly grown due to digitalization and widespread internet access
- Demand for quick delivery has driven the industry to expand its real estate needs for localized inventory
- Manufacturers are increasing production due to Production Linked Incentive and are turning to 3PL for storage needs



Some key highlights

**38.8 Million sq. ft.**

Logistics leasing demand in 2023 in manufacturing, retail & e-commerce

**36 Million sq. ft.**

Supply in 2023, reaching a record high, becoming operational, largely from Delhi-NCR, Chennai & Kolkata

**9.7 Million sq. ft.**

Accounted for by **Delhi, Bangalore & Kolkata** out of the **15.4 million sq. ft.** I&L market demand in H1 2024

**40% by 3PL firms**

The sectoral absorption followed a historical trend with 3<sup>rd</sup> party logistics lending at **40%**

# India's Growth Story: The Consumer Retail Sector

*The retail market is evolving with strong growth in new formats and expansion into emerging cities*

## Evolving Consumer Behavior with the rise of Shopping Malls...

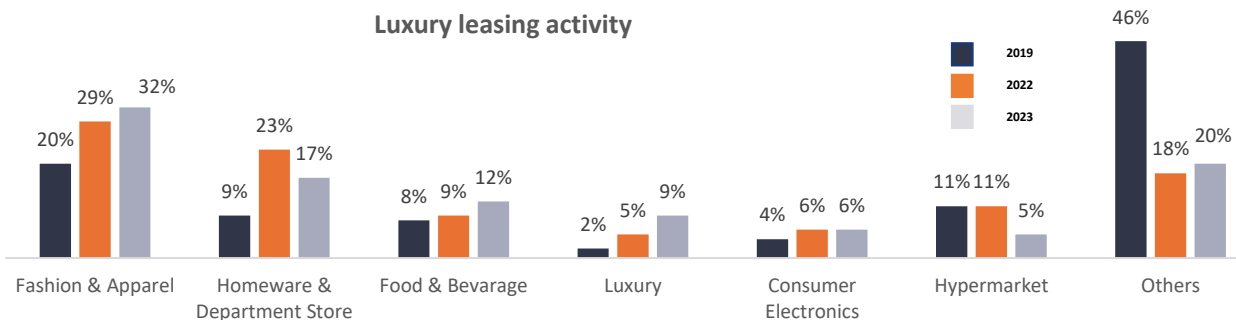
### Optimistic Outlook

Despite persistent inflation, Indian consumers maintained an optimistic outlook toward spending on non-essential luxury items

### Shopping Malls

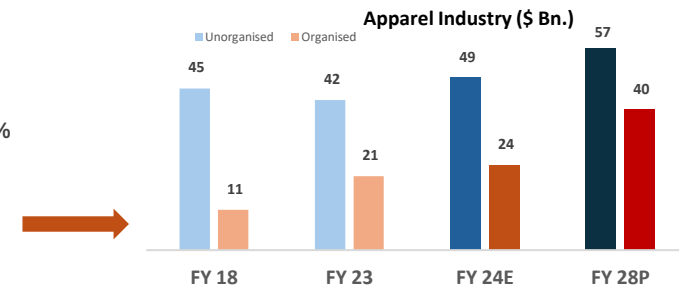
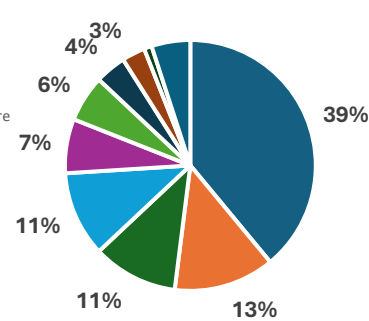
Shopping malls are evolving into experiential hubs, providing diverse entertainment, dining, and shopping options

### Luxury leasing activity



## Fashion, Apparel & Entertainment leading consumer spending...

- Fashion & Apparel
- Entertainment
- Homeware & Department Store
- Food & Beverage
- Luxury
- Consumer Electronics
- Hypermarket
- Health & Personal Care
- Bank, Finance & Insurance
- Others

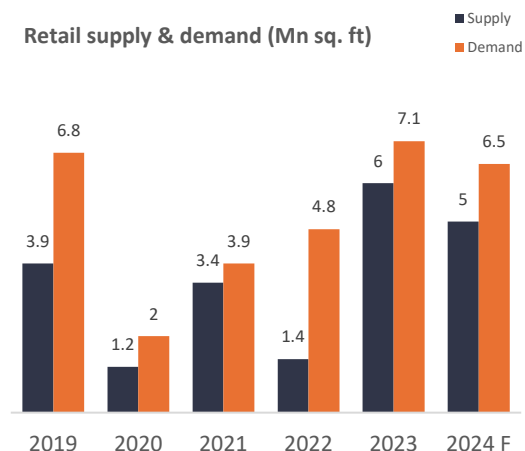


### A few salient points...

- Movement from the unorganized to the organized sector calls for more retail space to set up shops
- Surge of development in Tier II & III cities increases consumer spending, especially in fashion & apparel
- Increase in penetration in fashion trends, increases demand for more apparel

## Supply-starved retail real estate market...

### Retail supply & demand (Mn sq. ft)



**7.1 Million Sq. ft.**  
Retail performance in 2023

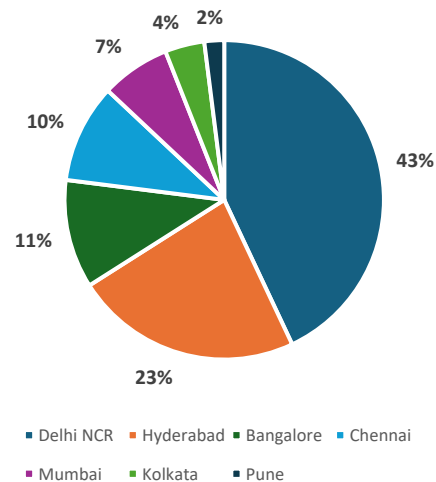
**47% growth**  
Retail performance in Tier I & II cities

**3x year-on-year**  
surge in supply with ~13 malls

**6 Million Sq. ft.**  
Total supply becoming operational in 2023

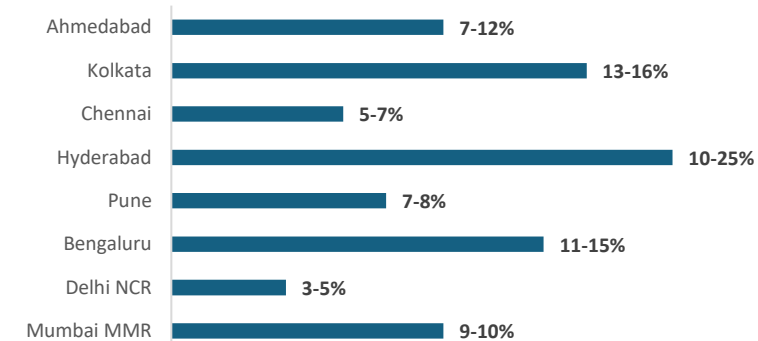
- India's retail sector saw significant growth in 2023, fueled by strong demand and new shopping mall completions.
- While tier-I cities continue to expand, tier-II markets are emerging as attractive destinations for retail development

## Metro Cities driving consumer & retail consumption...



### Top 5 cities driving rental income growth due to rising demand

#### YoY Growth - Q2 2024

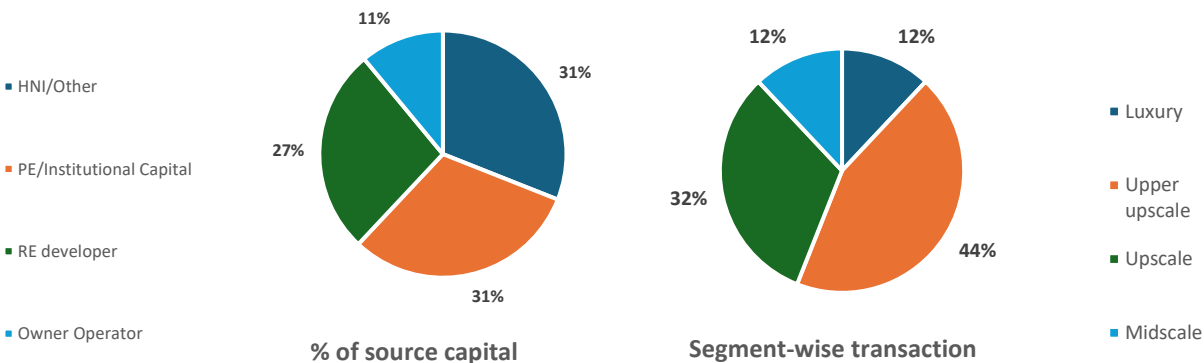


# India's Growth Story: The Hotel Sector

*Surging demand in rise in the hotel sector led by robust demand in the major Indian cities*

## Surging hotel sector...

- \$ 401 Mn.** Hotel Investments in 2023
- 22** Deals in Hotel RE in CY 2023
- 25,176** Hotel signings in CY 2023
- 13,600** New projects in CY 2023
- 54%** Signings in Tier II cities



## Hotel industry gaining momentum...

Q2 2024 vs Q2 2023 change			
City	RevPAR Change (%)	OCC Change (%)	ADR Change (%)
Mumbai	↑2.9	↔-0.6	↑3.7
Hyderabad	↑11.9	↓-1.7	↑15.0
Delhi	↑11.8	↑3.4	↑6.0
Bengaluru	↑10.4	↑2.1	↑6.8
Chennai	↑10.2	↑1.0	↑8.6
Goa	↓-6.0	↑1.6	↓-8.3

- Key Markets except for Goa, continued to witness a rise in average daily rate & revenue per room in Q2 2024 from 2023
- 15 hotels were signed because of conversions of other hotels. This constituted 11% of the inventory signed in 2024
- Mumbai continued to be the RevPAR leader in absolute terms while maintaining stable occupancy levels in Q2 2024

## Major growth drivers...

### Robust Demand

### Attractive Opportunities

### Policy Support

### Diverse Attractions

- Medical tourism attracts **21%** of international travelers with healthcare and traditional healing practices.
- India's travel market is projected to grow from **\$75 billion (FY20)** to **\$125 billion (FY27)**
- International tourist arrivals in India are expected to reach **\$30.5 million** by 2028

- India's **diverse geography** and **cultures** make it a top destination in international tourism spending
- Travel and tourism contribute **\$199.6 billion** to India's GDP, emphasizing their economic significance
- The government supports **spiritual tourism**, with states enhancing circuits and infrastructure for pilgrims

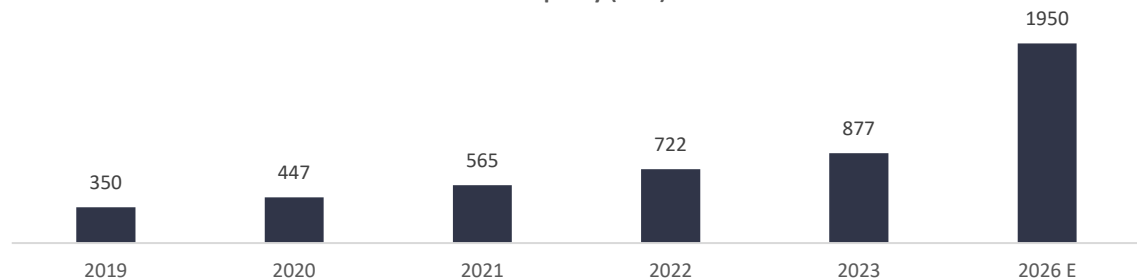
- In 2024, the tourism sector received ~\$ **300 Mn.**, a **44.7%** budget increase
- Swadesh Darshan Scheme launched 76 theme-based tourist circuits, now enhanced as Swadesh Darshan 2.0
- Destination-Based Skill Development trained **12,187 locals** across **145 destinations** near tourist sites

- India's diverse geography and cultures make it a top destination in global tourism spending
- Enhanced and regional airports boost business opportunities and attract more tourist visits
- India's extensive coastline features many attractive beaches

## Auxiliary sectors on the rise providing Indian Real Estate a significant upward thrust

### Ever-evolving data centres...

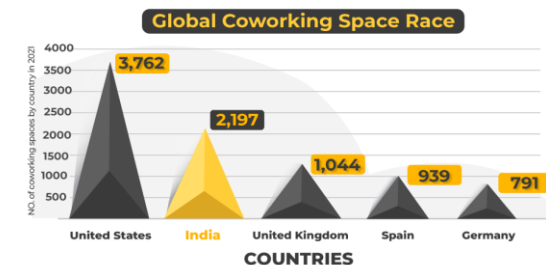
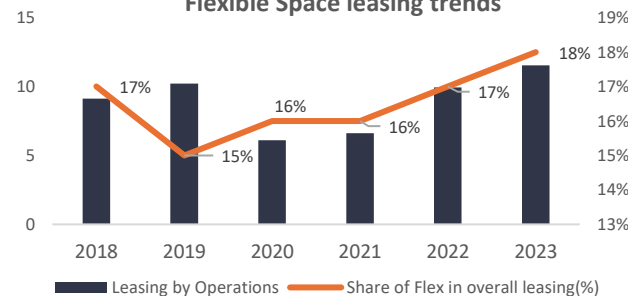
DC Capacity (MW)



- India's data center market is booming due to digital transformation, 5G, AI adoption.
- Supportive policies like the 2023 Digital Personal Data Protection Act and the Draft Data Centre Policy have strengthened cross-border trade, data processing, and digital innovation.

### Post COVID surge of flexible leasing spaces...

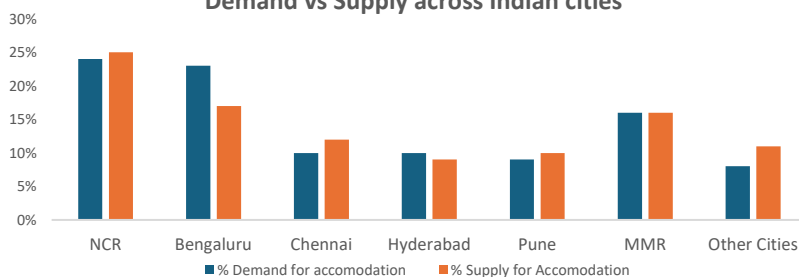
Flexible Space leasing trends



- Flexible workspaces are reshaping work culture with hybrid models, flexible leases, and 'Core + Flex' strategies for greater financial efficiency and adaptability.
- Modern offices are evolving into tech-enabled collaborative hubs, balancing dedicated and open spaces to support diverse needs in hybrid work environments.

### Student living (hostels/PGs)...

Demand vs Supply across Indian cities



#### Key Growth Drivers

- High Rates of Rental Accommodation
- Increasing workforce and student population
- Access to quality accommodation at lower price

### Senior living...

- Independent living units dominate existing supply with **84%** market share
- 2 BHK Units account for **~43%** of senior living supply

2023 Indian Population	2050 Indian Seniors
<b>1.4 Bn</b> Total Population	<b>1.7 Bn</b> Total Population
<b>10%</b> Percentage of seniors	<b>20%</b> Percentage of seniors
<b>0.1 Bn+</b> No. of Seniors	<b>0.3 Bn+</b> No. of Seniors
<b>66.8 years</b> Life Expectancy	<b>74.2 years</b> Life Expectancy

### Co-living...

Drivers	Restraints	Opportunities
Increasing Urbanization	Increasing regulatory challenges	Increasing demand for flexible housing solutions
Growing demand from millennials and Generation Z	Growing concerns over privacy and securities	Growing interest in sustainable living

Increasing demand for flexible housing solutions is expected to present a significant opportunity in the market

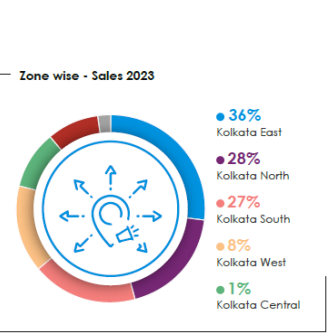
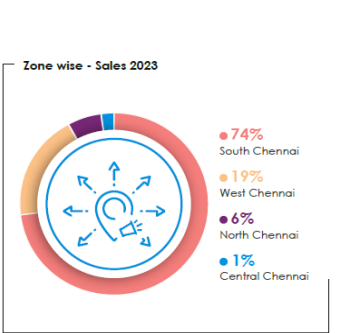
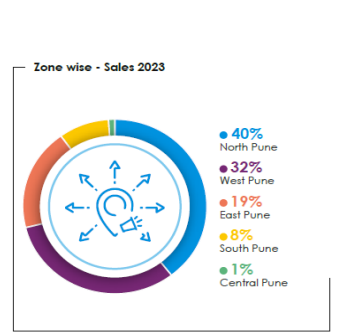
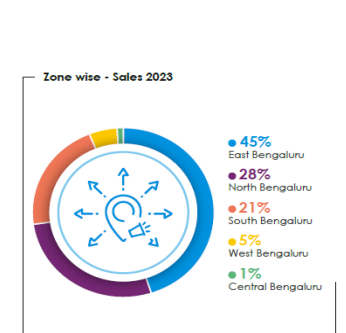
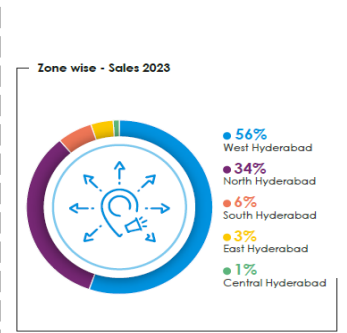
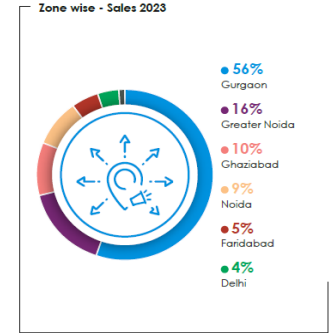
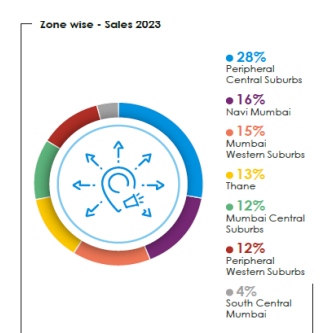
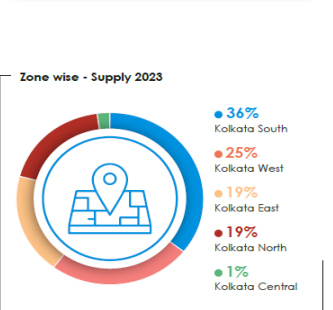
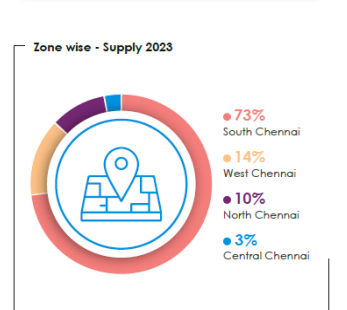
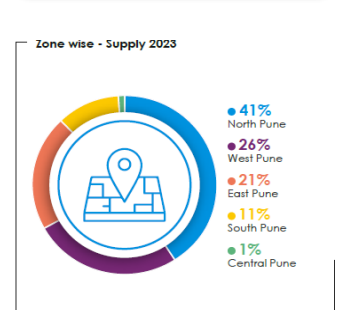
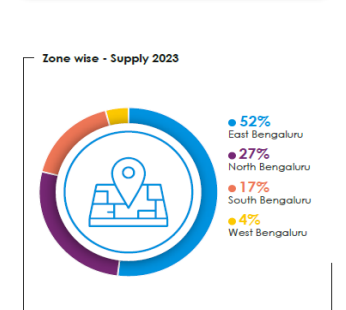
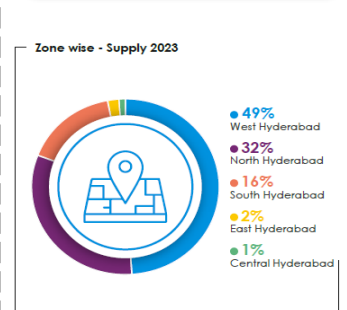
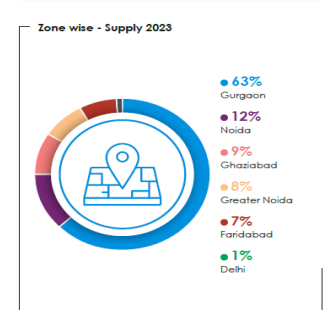
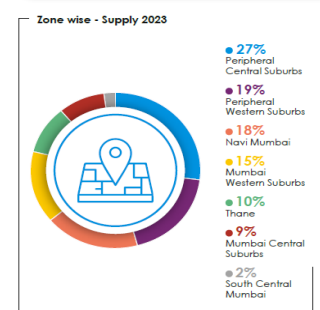
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# APPENDIX

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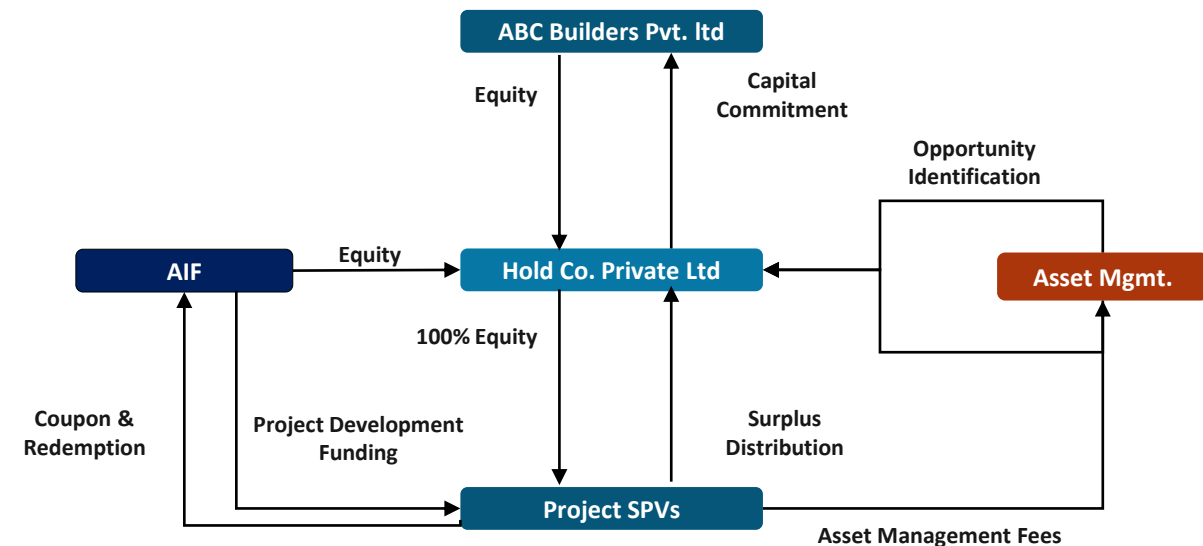
## City-wise Residential Real Estate summary

MMR	Delhi NCR	Hyderabad	Bengaluru	Pune	Chennai	Kolkata
1,57,000 units Supply	36,740 units Supply	76,340 units Supply	54,440 units Supply	83,630 units Supply	20,140 units Supply	16,790 units Supply
1,53,870 units Sales	65,620 units Sales	61,710 units Sales	63,980 units Sales	86,680 units Sales	21,630 units Sales	23,030 units Sales
2,01,800 units Available Inventory	94,800 units Available Inventory	97,970 units Available Inventory	47,070 units Available Inventory	1,01,220 units Available Inventory	26,700 units Available Inventory	30,630 units Available Inventory
\$ 1,650 per sq. ft. Average Price	\$ 699 per sq. ft. Average Price	\$ 693 per sq. ft. Average Price	\$ 789 per sq. ft. Average Price	\$ 813 per sq. ft. Average Price	\$ 717 per sq. ft. Average Price	\$ 620 per sq. ft. Average Price



## A Real Estate focussed financial institution focussed on early-stage & last-mile funding

### Indicative fund structure...

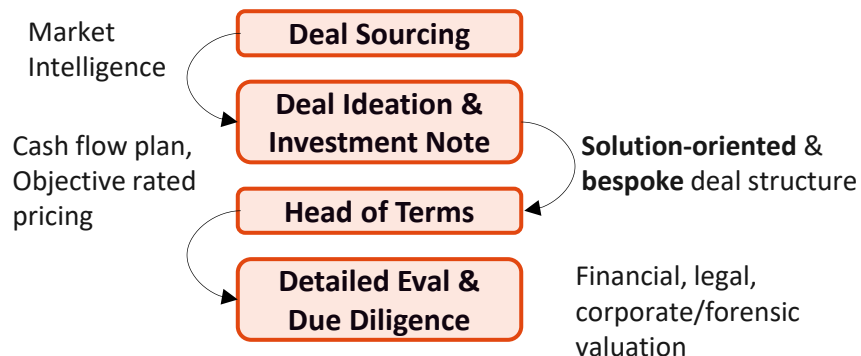


### What's in it for developers...

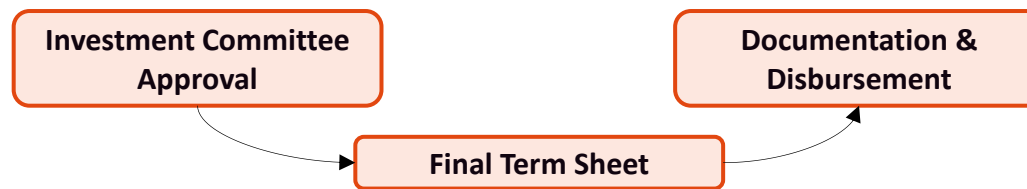
- **Access to Capital:** Funding in the stages of land acquisition & land development
- **High geographical Coverage:** Prominent presence in multiple Indian cities
- **Lower cost of capital:** Achieved through adequate downside protection
- **Last Mile Funding:** Stressed portfolio of lenders – inventory, WC & bridge capital
- **Proven track record:** Past deal sizes range between \$ 6 to 90 Mn. across 9 years
- **Risk Assessment:** Underwriting capabilities, co-lending & active asset mgmt.

### Stages of Evaluation & Investment...

#### Sourcing & Due Diligence



#### Final Approval & Investment



- Combined **200 yrs.** of experience in the approval committee
- **Detailed terms**, all reps & warranties, agreed business plan
- Milestone-based disbursement

#### Asset Management

##### Active Asset Management

- Active progress monitoring
- Control of the fund's end-use
- Asset value enhancement through constant prioritization of fund
- Predictive risk management

Step-in capability

# Appendix III: Direct Fundraising – A snapshot of developers seeking funding

## Ongoing/Completed Transactions highlighting the high demand of Real Estate funding underscoring surging consumer demand

	City	Location	Product	Product Category	Type of Proposal	Land Area (Sq. ft.)	Current Stage	Project Cost (\$ Mn.)	Project Revenue (\$ Mn.)	Cash Profit (\$ Mn.)	Total Investment Requirement (\$ Mn.)	Expected Cash Cover
Client 1	Mumbai	Wadala	Apartments	SRA	Inventory Financing	-	Ongoing Construction	0	6.6	6.6	6	2.1x
Client 2	Hyderabad	TSPA	Residential Villas	Luxury	Inventory Financing	5,87,575	Ongoing Construction	52	79	27	7.2	2.5x
Client 3	Hyderabad		Residential Villas	Ultra Luxury	Land & Construction	18,98,460	Land Acquisition	78	110	32	18	1.8x
Client 4	Bangalore	Sarjapur	Apartments	Luxury	Unsold Inventory	3,78,336	Completed	32	40	8	3.6	2.2x
Client 5	Hyderabad	Cheriyal	Plotted Development	-	Construction Financing	7,78,159	Ongoing Development	5.4	9.9	4.5	2.4	2.2x
Client 6	Bangalore	Nandi Hills	Residential Villas	Mid-segment	Construction Financing	3,44,110	Ongoing Construction	3.9	6.6	2.8	3.9	1.7x
Client 7	Trichy	Panjapur	Plotted Development	-	Land & Construction	4,55,638	Pre-RERA	9.3	20.2	10.9	7.2	2.3x
Client 8	Hyderabad	Mohamadapur	Residential Villas	Mid-Luxury	Construction Financing	12,24,036	Ongoing Construction	27.2	41.0	13.7	4.8	3.3x
Client 9	Mumbai	Ville Parle	Apartments	-	Construction Financing	7,44,008	Pre-RERA	88.3	161	73	12	2.2x