

RED RIBBON INDIA REAL ESTATE FUND

INDUSTRY INSIGHTS

AUGUST 2023

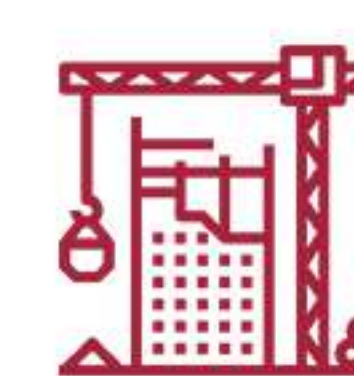


SNAPSHOT OF INDIAN MARKET



- ▶ Blackrock has joined forces with Jio Financial Services, each planning to invest up to €135 million in the 50-50 venture.
- ▶ Meta has signed an initial pact with the Indian government to partner on artificial intelligence and other emerging technologies. India's official AI programme and Meta may also consider establishing a Centre of Excellence to nurture the AI startup ecosystem in the country.
- ▶ A Foxconn subsidiary is in talks with India's Tamil Nadu state to invest up to €180 million to build a new plant for electronic components in the southern region.
- ▶ According to CareEdge Ratings, India's Renewable Energy installations to reach 45 GW in next two years. Annual renewable energy installations in FY24 are to be around 20 GW, led by the solar sub-segment.
- ▶ US-based chipmaker AMD to invest €365 million in Bengaluru to set up its largest design centre, create 3,000 engineering roles.

REAL ESTATE SECTOR IN INDIA



- ▶ The central government has announced a financial incentive of €1.6 billion for states and Union Territories (UTs) for proper planning and management of urban areas in the current financial year 2023-24. It will play a pivotal role in transforming urban development and providing a substantial boost to the realty sector in the country.
- ▶ Union Minister Hardeep Singh Puri announced that the Government has sanctioned ca. 12 million houses under the PMAY¹ (Urban) and 7.5 million houses have already been delivered to the beneficiaries.
- ▶ The market share of large developers, both listed and unlisted, has nearly doubled from 17% in FY17 to 36% in FY23. The net debt of top eight realty firms fell 43% to €2.5 billion last fiscal, from around €4.4 billion in 2019-20, as their cash flow improved due to strong housing sales.
- ▶ The U.S. Green Building Council (USGBC) has announced that the '2023 LEED Project of the Year' has been awarded to India's DLF for its project 'The Crest', a residential development designed for urban living in Gurugram.
- ▶ Prestige Group has purchased 100,190 sq. ft. of land in Bhuleshwar, Mumbai, from Marine Drive Hospitality and Realty Pvt Ltd, for €77 million.

HOT NEWS

- ▶ JLL- SMARTWORKS REPORT: FLEX SPACE TO HIT 106 MILLION SQ. FT. IN TOP 7 CITIES OVER NEXT FIVE YEARS.
- ▶ TATA REALTY EYES €1.2 BILLION TOPLINE IN RESIDENTIAL REAL ESTATE IN NEXT FOUR YEARS.
- ▶ SAVILLS INDIA: PE INVESTMENT IN REAL ESTATE CLIMBS TO €1.2 BILLION IN Q2 2023.
- ▶ CBRE: LEASING OF RETAIL SPACES CLIMBS 24% IN H1 2023.

REGIONAL FOCUS



REGION

DELHI-NCR²

RESIDENTIAL

- ▶ H1 2023's residential sales volume represents a 3% YoY growth over H1 2022 with total sold units at 30,114.

COMMERCIAL

- ▶ In H1 2023, NCR witnessed a 14 year high in office spaces leased in its various business districts, reaching 5.1 million sq. ft.



MUMBAI-MMR³

- ▶ Mumbai continues to maintain its position as the largest market in terms of real estate sales with sale of 40,798 units in H1 2023.

- ▶ Transaction volumes in H1 2023 increased by 9% compared to the previous year, reaching 3.2 million sq. ft.



PUNE

- ▶ In H1 2023, the residential market in Pune remained stable as it recorded total sales of 21,670 units.

- ▶ Pune is one of the prominent IT hubs of India. The leasing activity in H1 2023 reached at 2.3 million sq. ft.

DEMYSTIFYING INDIAN REAL ESTATE

AI AND INDIAN REAL ESTATE SECTOR

AI is already revolutionising the Indian real estate sector by enabling hassle-free property buying and selling. It is also being used extensively to empower and streamline the user journey by curating a list of homes to match the user's exact needs. AI, in India, is also gearing up to change the way that real estate players- from property developers to financiers- function by helping them optimise backend operations.

AI can help real estate companies make sense of the massive quantity of consumer data that they have access to, allowing them to make more informed decisions across the board, from project development and planning to sales and marketing.

LISTED EQUITIES OF RETTTAL ESTATE COMPANIES

- ▶ Real estate player Suraj Estate Developers has filed fresh preliminary papers with SEBI⁴ to raise €44 million through IPO.
- ▶ Blackstone plans to launch Asia's largest REIT IPO in India of up to €900 million.
- ▶ Shares of Likhitha Infra gained 5.2% after receiving an order worth €26 million from GAIL⁵.

PMAY¹: A flagship mission of Government of India which addresses urban housing shortage
NCR²: National Capital Region
MMR³: Mumbai Metropolitan Region
SEBI⁴: Securities and Exchange Board of India
GAIL⁵: Gas Authority of India Limited

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