



FY23 YEAR-END EDITION

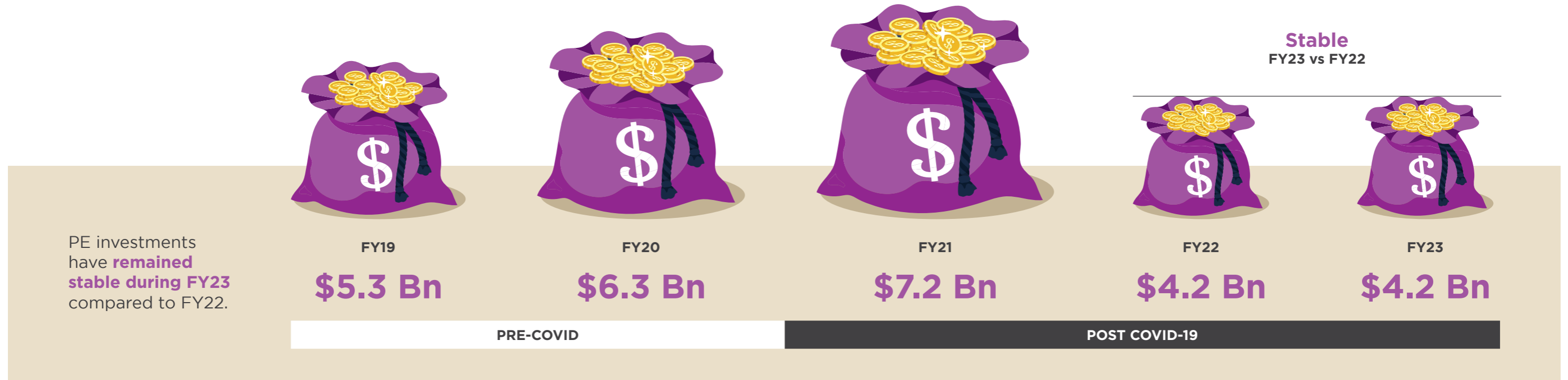


Market Monitor
for Capital Flows
in Indian Real Estate



A RETROSPECTIVE

PE Investments in Indian RE



PLATFORM DEALS

Signed in FY23

Significant numbers of **large RE platform deals** were announced in FY23. We have also tracked those this year. **FY23 saw announcements of \$4.5 Bn worth of RE platforms.**

Commercial RE and **Industrial & Logistics** attracted Pan India platforms with **larger deal values (>\$500 Mn)**, while the **Residential sector** attracted **smaller ticket platform deals (\$50 Mn - \$125 Mn)** and were more regional in nature.

Asset Class
1 Commercial
2 Industrial & Logistics
3 Commercial
4 Industrial & Logistics
5 Residential
6 Residential
7 Residential
8 Residential



Investors
Ivanhoe Cambridge Mapletree
Bain Capital Ivanhoe Cambridge Lodha Group
Canada Pension Plan Investment Board (CPPIB) Tata Realty & Infrastructure Ltd. (TRIL)
GIC ESR
HDFC Capital Emerald Realty (TVS Group)
HDFC Capital Arvind Smartspaces
ASK Property Fund Shriram Properties
HDFC Capital Eldeco

Location	Deal Size
Pan India	\$ 1,880 Mn
Pan India	\$ 950 Mn
Pan India	\$ 700 Mn
Pan India	\$ 600 Mn
South India	\$ 122 Mn
Pan India	\$ 113 Mn
South India	\$ 63 Mn
Tier II Cities	\$ 44 Mn

TOP 10 PE DEALS

FY23

\$ Equity \$ Debt

Rank	Asset Class	Capital Provider	Recipient
1	Commercial	Brookfield	Bharti Enterprises
2	Commercial	GIC	Bhartiya City Developers
3	Commercial	Capitaland Investment	Capitaland Development
4	Commercial	Capitaland Investment	Ebisu Techpark
5	Commercial	Brookfield	IL&FS
Rank	Asset Class	Capital Provider	Recipient
1	Residential	HDFC Capital	Shapoorji Pallonji
2	Mixed Use	PAG	M3M India
3	Residential	HDFC Capital	Kalpataru Group
4	Residential	Bain Capital	TARC (Anant Raj)
5	Residential	PAG	Elan Group

Location	Deal Size
NCR	\$ 660 Mn
Bengaluru	\$ 353 Mn
Chennai	\$ 177 Mn
Bengaluru	\$ 150 Mn
MMR	\$ 137 Mn
Location	Deal Size
Multiple	\$ 194 Mn
Other	\$ 183 Mn
MMR	\$ 177 Mn
NCR	\$ 175 Mn
NCR	\$ 110 Mn



Office assets dominated large ticket **equity investments** in FY23.

Residential RE continued as an attractive destination for **debt investments** in FY23.

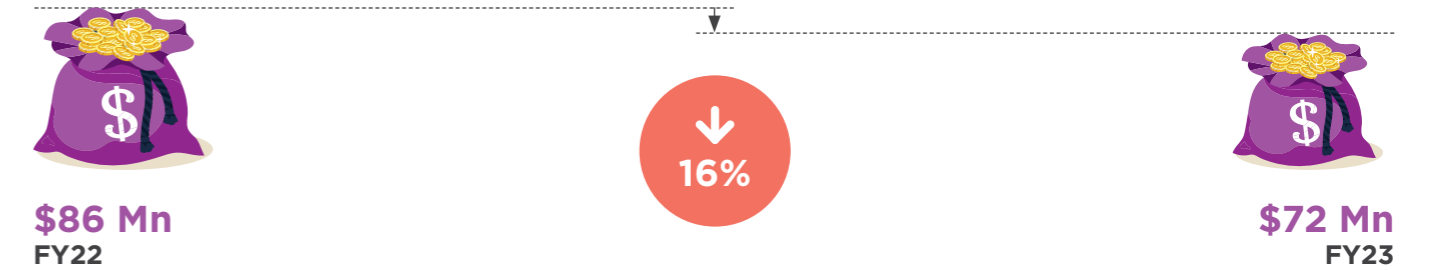
SHARE OF TOP 10 PE DEALS

Top 10 deals accounted for 69% of the total value of PE investments in **FY23** - largely stable compared to 67% in FY22.



AVERAGE TICKET SIZE

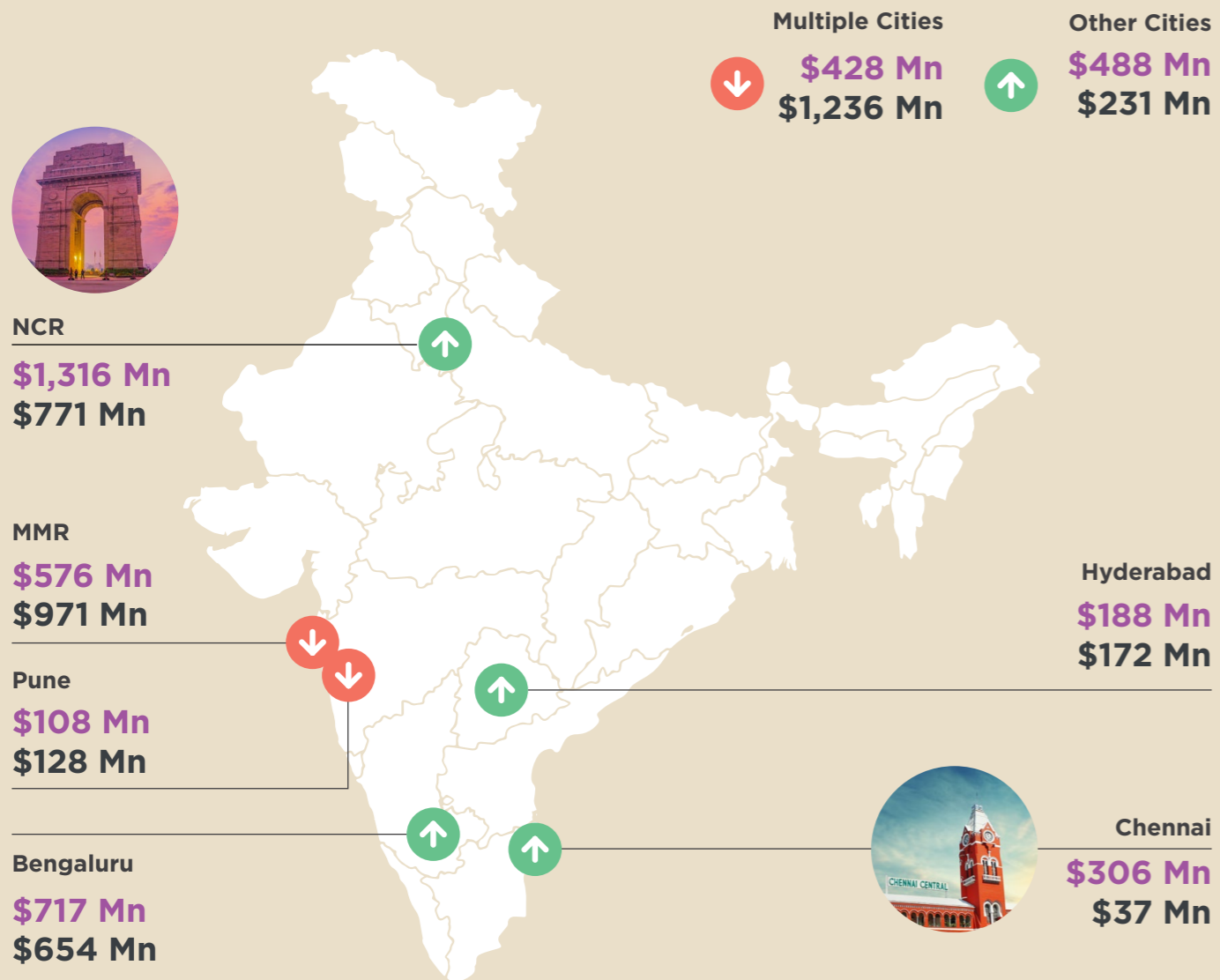
Average ticket size has declined from \$86 Mn in FY22 to **\$72 Mn in FY23**. This is largely driven by increased activity in residential real estate, where deal sizes tend to be smaller.



All transactions in USD (\$) unless otherwise stated
FY = Financial Year (1st April - 31st March)

Source: ANAROCK Capital Market Research

MOVEMENT OF CAPITAL INFLOW



🇺🇸 FY23 PE Investments
 🇺🇸 FY22 PE Investments
 📈 Increase FY23 > FY22
 📉 Decrease FY23 < FY22

NCR markets were a key attraction for PE players with 32% of total PE inflows in FY23, up from a share of 18% in FY22.

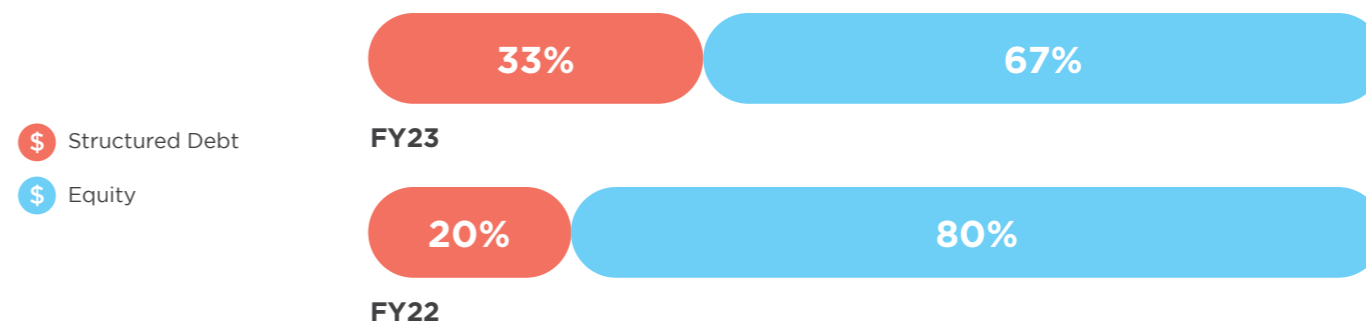
Chennai accounted for 1% of total PE inflows in FY22, which has risen to 8% of total PE inflows in FY23.

NCR, Chennai, Bengaluru & Hyderabad witnessed increased activity levels in FY23, while MMR, multi-city deals and other cities witnessed lower activity levels than in FY22.

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. Map not to scale, for representation only.

EQUITY VS DEBT FUNDING

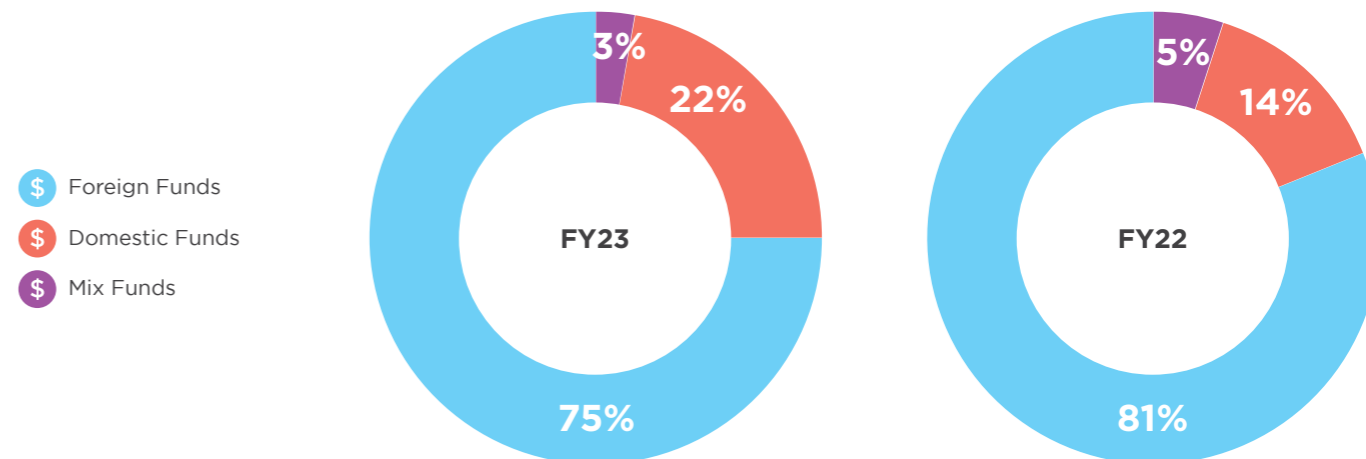
Equity investment is preferred by PE investors, which is visible from the fact that its share continues to be healthy at 67%. Increased activity in residential RE is reflected in higher share of debt at 33% in FY23 compared to 20% in FY22.



DOMESTIC VS FOREIGN FUNDING

Domestic investors have been significantly more active in FY23, with investment value increasing by 50% in FY23 (\$0.9 Bn) over FY22 (\$0.6 Bn).

At the same time, foreign investors have seen their incremental investments decline by 7% to \$3.2 Bn in FY23, from \$3.4 Bn in FY22. Consequently, the share of domestic PE investors in Indian RE increased from 14% in FY22 to 22% in FY23.



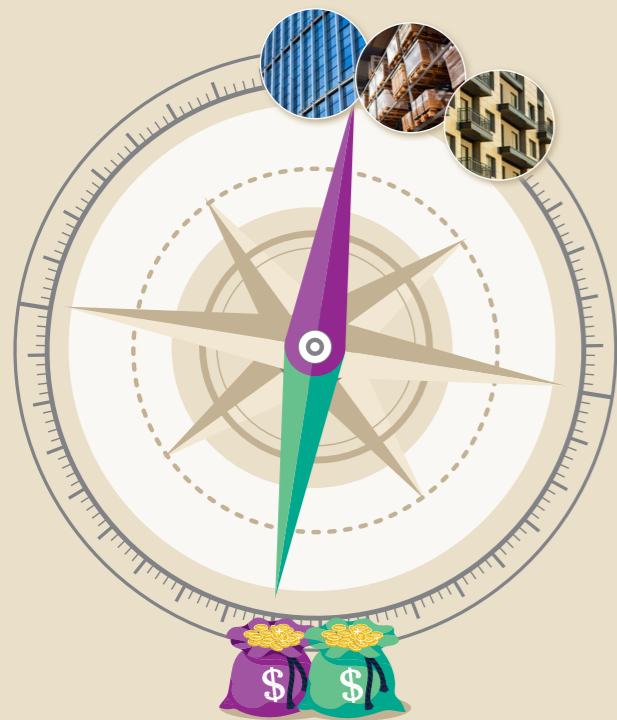
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ASSET CLASS-WISE FUNDING



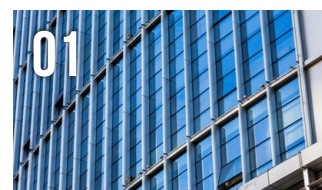
KEY TAKEAWAYS



In FY23, there was a keen interest in platform deals, with a total value of \$4.5 Bn.

Most of the large ticket platform deals were in rent-generating assets (offices & warehouses) for pan India developments, while the smaller ticket items were largely for residential developments in southern cities of India.

Offices continued to dominate the large ticket equity transactions, while residential projects continued to dominate debt instruments in FY23.



01

COMMERCIAL

Office space saw a mixed bag with IT sector, the largest driver of occupancy, facing uncertainty amidst global headwinds, impacting their expansion plans. The need to control costs and a yet-evolving hybrid workplace accentuated the uncertainty in near-term demand faced by the office landlords.

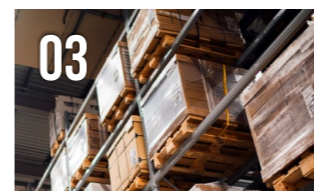
Bengaluru continued to dominate the India office market in supply & absorptions and average rentals remained flat-to-negative during FY23. An uptick in completions in FY24 amidst demand uncertainty is expected to keep rentals under pressure in FY24.



02

RESIDENTIAL

This sector continued its robust performance despite concerns of demand slowdown due to rate hikes. Sales & new launches continued to improve and developers took modest price hikes to cover cost inflation.



03

INDUSTRIAL & LOGISTICS (I&L)

The I&L sector is at an inflection point and has seen tremendous growth over the years from being unorganized go-down structures to getting recognized as a prominent asset class. **This sector is witnessing increased demand from 3PL**, which we expect to sustain going forward into FY24.

However, **the demand driver for FY22, e-commerce dragged in FY23** with players in the space not renewing their leases on expiry. The retail sector, which is being driven by a consumption boom amid rising disposable incomes and **increased consumerism is expected to post steady performance in FY24.** In terms of supply, new additions are likely to remain flat as lenders are wary of giving CF on speculative buildings.



04

DATA CENTERS

FY23 witnessed major direct investments by hyper-scalers as India is expected to be a large data consumption and generation market in the next decade, making it strategically important in global operators' APAC strategy. There is action on ground with some large investments in land and the commitments are being deployed with the industry being focused on execution to ensure delivery to the large hyper-scalers.



05

RETAIL

Indian retail is in a sweet spot with consumptions at malls well above pre-COVID levels. This is driving up demand for well managed retail spaces, especially in tier I cities.

Given the robust consumer sentiment, **investors are interested in acquiring quality retail assets which provide steady incomes and capital appreciation.**



06

ALTERNATIVES

Investor interest is slowly rising into alternative asset classes like health-care and life-sciences centers, co-living spaces, flexible office spaces, senior housing, etc.

RESEARCH PUBLICATIONS

FY23

KHAITAN & CO ADVOCATES SINCE 1911

ANAROCK INVESTMENT BANKING

IBC - Fresh Hope for India's Real Estate Stakeholders

The illustration features a central maze with a path highlighted in green. At the top, a judge sits on a bench with a gavel. To the left, a man sits at a desk with a laptop, looking stressed, with a large 'DEBT' weight on his back. To the right, a construction crane stands near a warning sign. At the bottom left, a group of people holds signs with 'HELP' and '3%'.

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CREDAI Knowledge Partner

ANAROCK VALUES OVER VALUE

INDIA WAREHOUSING: A SUNRISE SECTOR

The photograph shows a man in a white hard hat and blue shirt sitting on a pallet jack, looking at a tablet. A woman in a yellow safety vest and hard hat stands next to him, also looking at the tablet. The background is a vast warehouse with high ceilings and many boxes on pallets.

Tilt your device to landscape mode for a better viewing experience

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BINSWANGER Established 1931 | **ANAROCK**

UNDER THE LENS: INDIA'S DATA CENTER EXPLOSION

The illustration shows a large circular lens focusing on the text 'INDIA'S DATA CENTER EXPLOSION'. Below the lens, three people are working with server racks. One person is holding a bundle of cables. A speech bubble contains binary code: '10110010101 11000101010'. The background is dark blue with white clouds and arrows.

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ANAROCK CAPITAL'S KEY DEALS in FY23

JV PLATFORM



FY23 ANNOUNCEMENT

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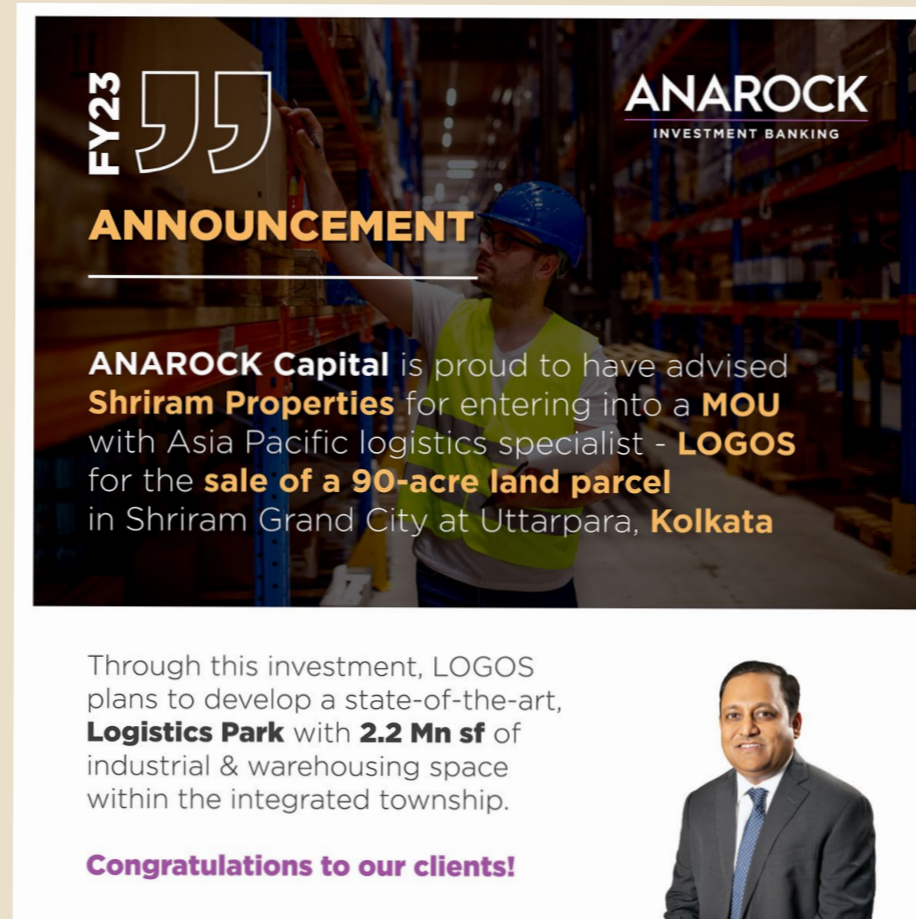
ANAROCK Capital advised **TATA Realty & Infrastructure Ltd. (TRIL)** on its joint venture (JV) with **Canada Pension Plan Investment Board (CPPIB)**

Congratulations to our clients for creating potentially **one of India's largest JV platforms in commercial office space**, with an aggregate equity value of **~USD 700 Mn.**



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LAND SALE (MOU)




FY23 ANNOUNCEMENT

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ANAROCK Capital is proud to have advised **Shriram Properties** for entering into a **MOU** with Asia Pacific logistics specialist - **LOGOS** for the **sale of a 90-acre land parcel** in **Shriram Grand City** at **Uttarpara, Kolkata**

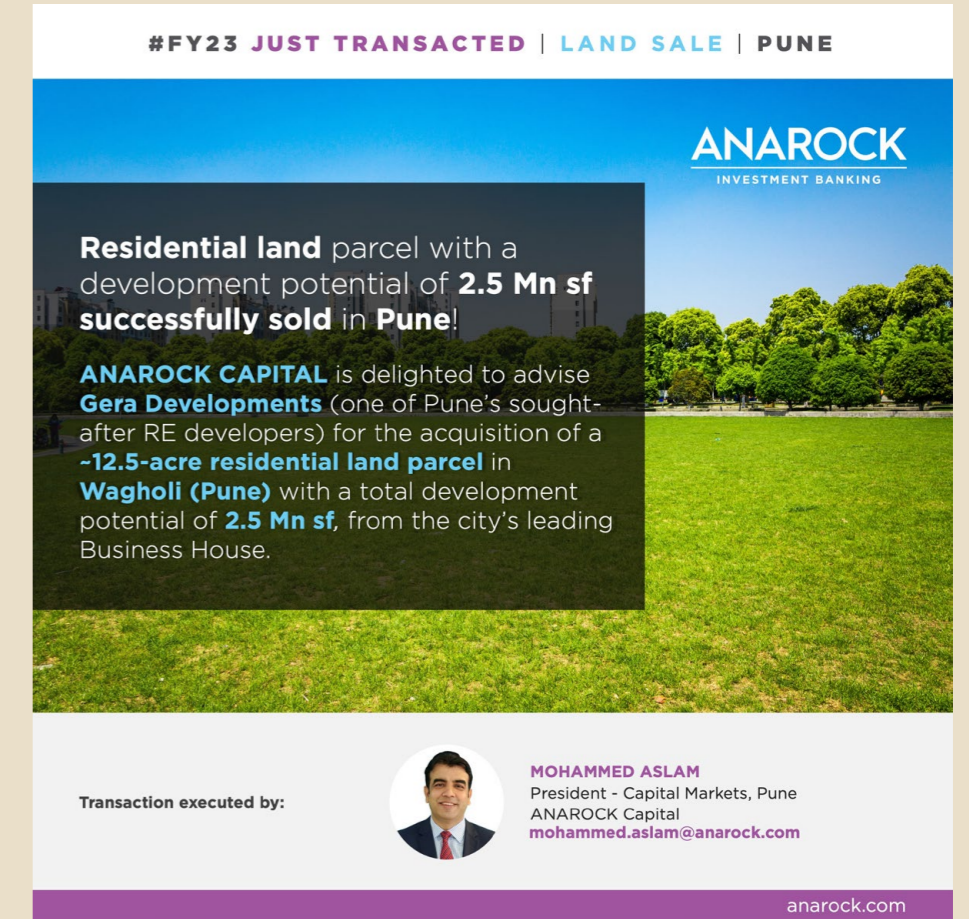
Through this investment, LOGOS plans to develop a state-of-the-art, **Logistics Park** with **2.2 Mn sf** of industrial & warehousing space within the integrated township.

Congratulations to our clients!



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LAND SALE




#FY23 JUST TRANSACTED | LAND SALE | PUNE

ANAROCK
INVESTMENT BANKING

Residential land parcel with a development potential of **2.5 Mn sf** **successfully sold in Pune!**

ANAROCK CAPITAL is delighted to advise **Gera Developments** (one of Pune's sought-after RE developers) for the acquisition of a **~12.5-acre residential land parcel** in **Wagholi (Pune)** with a total development potential of **2.5 Mn sf**, from the city's leading Business House.

Transaction executed by:



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ANAROCK CAPITAL'S KEY DEALS in FY23

LAND & BUNGALOW SALE

FY23
ANNOUNCEMENT





We've successfully concluded
Sale of a Land & Bungalow

1.5 acres circa | Shivajinagar Pune | ₹ 150 Cr circa



Private family office
Seller

Leading developer in Pune
Buyer

Transaction executed by:



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Monik Gangar
Sr. Vice President
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PRIVATE WEALTH

#FY23 | JUST TRANACTED | FUND RAISING | MMR

We're pleased to have solicited interest for **INR 100 Cr** (circa), for a prominent real estate AIF from investors

Transaction executed by:



AMIT PANDE
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INDUSTRIAL PRE-LEASED ASSET SALE

#FY23 JUST TRANACTED | BHIWANDI, MMR

We Understand the **Value of a Maiden Entry**

South Korea's **Mirae Asset Global Investments Co. Ltd.** marks its maiden outright acquisition in **Grade A Industrial Yielding Asset** in **Bhiwandi, MMR** for **INR 130 Cr** (circa) from **Prakhhyat Infraprojects**.

Strategically situated within the 160-acre K-Square Integrated Industrial Park, the asset has a total leasable area of **~300,000 sf** and spreads **across 9 acres**. It houses an **Incumbent tenant, Rhenus Logistics** (a global logistics services provider headquartered in Germany).

Happy to announce that **ANAROCK acted as the transaction advisor** for this prestigious deal.





Transaction executed by:



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ANAROCK CAPITAL'S KEY DEALS in FY23

DC LAND SALE

JUST TRANACTED | DC LAND SALE | NAVI MUMBAI



Starting the Year on a **Positive Note!**

Happy to announce that our DC team has successfully concluded the **sale of a land parcel** situated in **Navi Mumbai** for **India's leading Data Center operator** (a Fortune India 500 company).

Transaction execution team:



Devi Shankar
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Ankita Sahu
Sr. Manager – Data Centre Industrial & Logistics
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anarock.com

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DC COLOCATION

FY23 JUST TRANACTED



ANAROCK INDUSTRIAL & LOGISTICS


Our DC Advisory **success story** travels overseas

ANAROCK's DC team has successfully facilitated a **DC COLOCATION** requirement for an **Indian fintech enterprise** in **INDONESIA** ...

Transaction execution team:



Devi Shankar
President – Data Centre Industrial & Logistics
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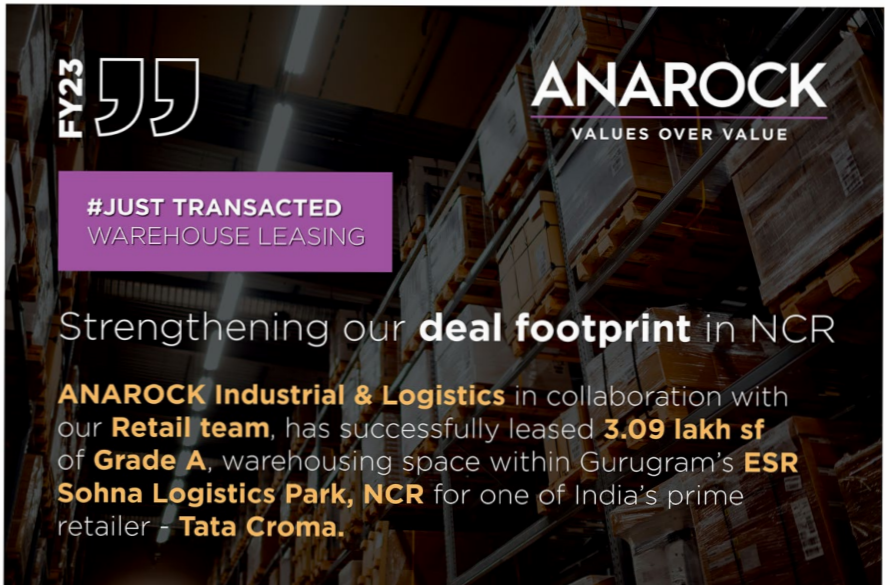
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WAREHOUSE LEASING


FY23 JUST TRANACTED WAREHOUSE LEASING



ANAROCK VALUES OVER VALUE

Strengthening our **deal footprint** in NCR

ANAROCK Industrial & Logistics in collaboration with our **Retail team**, has successfully leased **3.09 lakh sf** of **Grade A**, warehousing space within Gurugram's **ESR Sohna Logistics Park, NCR** for one of India's prime retailer – **Tata Croma**.



This space within ESR Logistics Park will be **Tata Croma's biggest distribution center in North India**.

Congratulations to both our clients on this flagship transaction.

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ANAROCK CAPITAL'S KEY DEALS in FY23

WAREHOUSE LEASING

FY23
JUST TRANACTED

ANAROCK
INDUSTRIAL & LOGISTICS

Our 'success story' vaapsi in

SOUTH GUJARAT

We're happy to announce that our Industrial & Logistics team has successfully **LEASED 65,000* sf** of **GRADE-A WAREHOUSING** space in **Vapi, South Gujarat** to **one of India's leading 3PL client**

Transaction Execution Team:

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Stronger Coverage in Hyderabad!

We've successfully leased **30,500 sf** of **Grade A** warehousing space to one of **Asia's largest 3PL** client in **North Hyderabad**

Transaction executed by:

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JUST TRANACTED

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INDUSTRIAL & LOGISTICS

HINJEWADI

We are happy to announce that our Industrial & Logistics team has successfully **LEASED 20,000 sf (circa)** of **in-city warehousing** in **Hinjewadi, Pune** to **one of India's leading e-commerce** client

Transaction Execution Team:

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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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Connect with our team of industry experts!



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