

REAL ESTATE



FEBRUARY 2017

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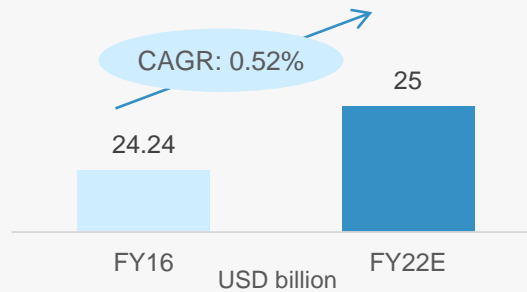
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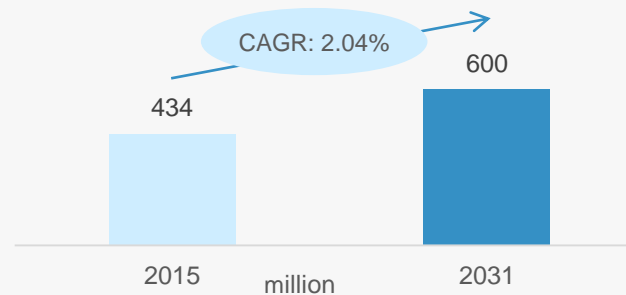
EXECUTIVE SUMMARY

Fourth largest sector in terms of FDI inflows



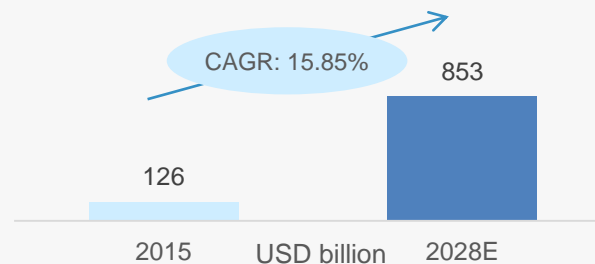
FDI in the sector is estimated to grow to USD25 billion by FY22

Rapid urbanisation bodes well for the sector



The number of Indians living in urban areas will increase from 434 million in 2015 to about 600 million by 2031

By 2028, India's real estate market size is expected to increase by 7 times



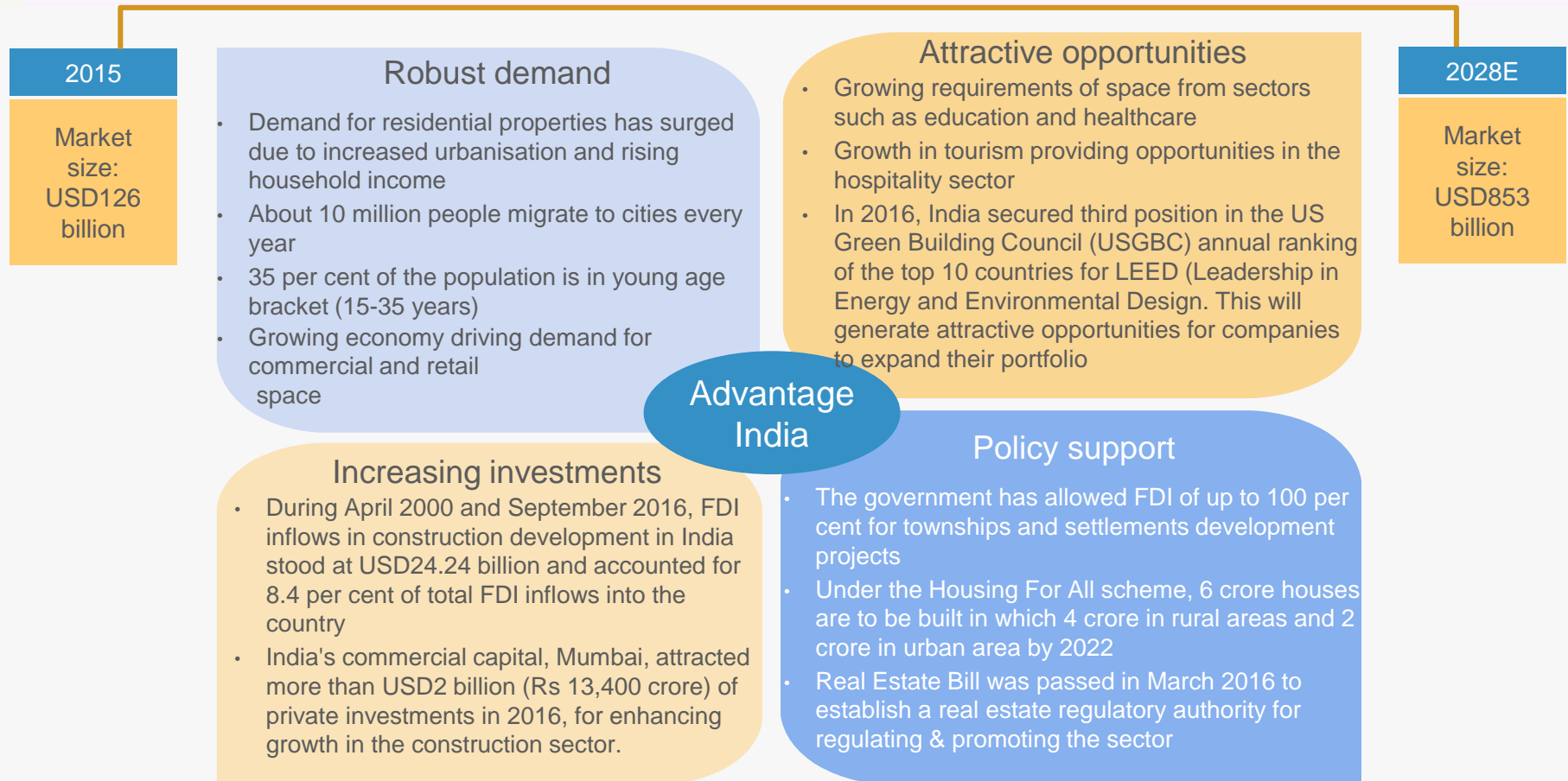
By 2028, India's real estate market size is expected to reach USD853 billion, increasing from USD126 billion in 2015

Source: Ministry of Tourism, KPMG, World Bank, Census 2011, TechSci Research
Note: E- Estimated

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ADVANTAGE INDIA



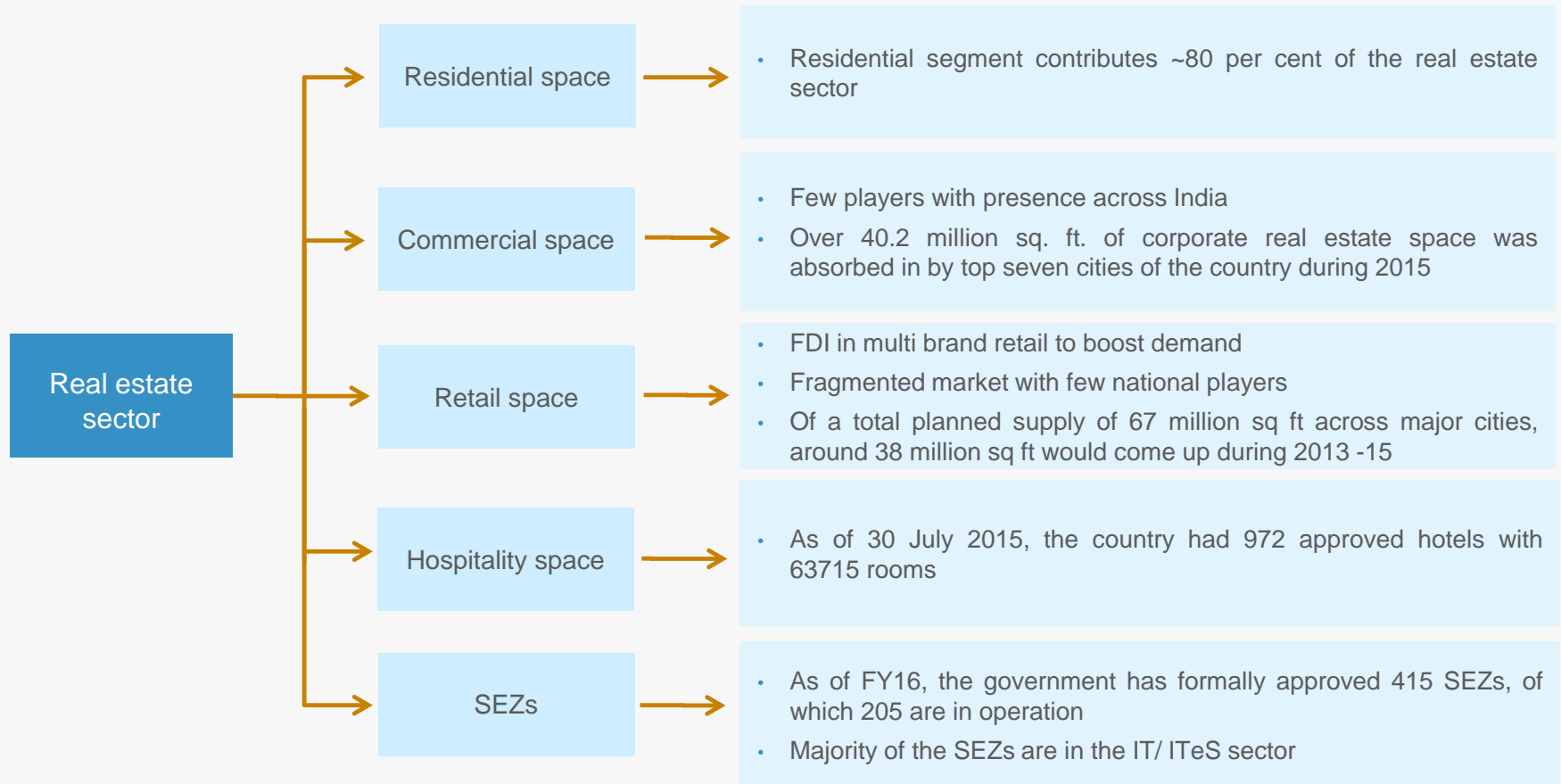
Source: KPMG, Report on Real Estate Sector in India – Corporate Catalyst India Pvt Ltd, Department of Industrial Policy and Promotion, TechSci Research, News articles
Notes: FDI - Foreign Direct Investment, NHB: National Housing Bank, 2028E - Estimates for 2028;
Figures mentioned are as per latest data available

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MARKET OVERVIEW AND TRENDS

SEGMENTS IN THE INDIAN REAL ESTATE SECTOR

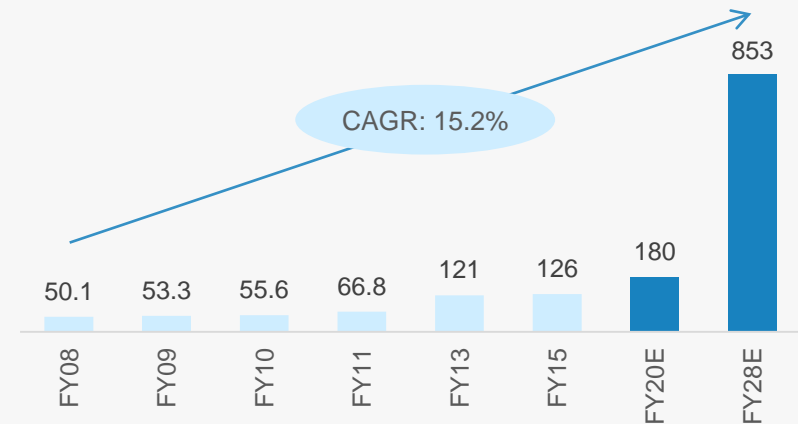


Source: KPMG Cushman & Wakefield, Knight Frank, CRISIL, www.sezindia.com, TechSci Research
Notes: SEZ - Special Economic Zone. IT - Information Technology, ITeS - Information Technology Enabled Services

INDIAN REAL ESTATE IS A LARGE, GROWING MARKET...

- * Real estate contribution to India's GDP is estimated to increase to about 13 per cent by 2028
- * The market size of real estate in India is expected to increase at a CAGR of 15.2 per cent during FY2008 – 2028E and is estimated to be worth USD853 billion by 2028
- * Increasing share of real estate in the GDP would be supported by increasing industrial activity, improving income level & urbanisation
- * Mumbai & Bengaluru have been rated as the top real investment destinations in Asia
- * The government also launched 10 key policies for real estate sector in 2016, namely:
 - * Real Estate Regulatory Act
 - * Benami Transactions Act
 - * Boost to affordable housing construction
 - * Interest subsidy to home buyers
 - * Change in arbitration norms
 - * Service tax exemption
 - * Dividend Distribution Tax (DDT) exemption
 - * Goods and Services Tax
 - * Demonetization
 - * PR for foreign investors

Market size of real estate in India (USD billion)

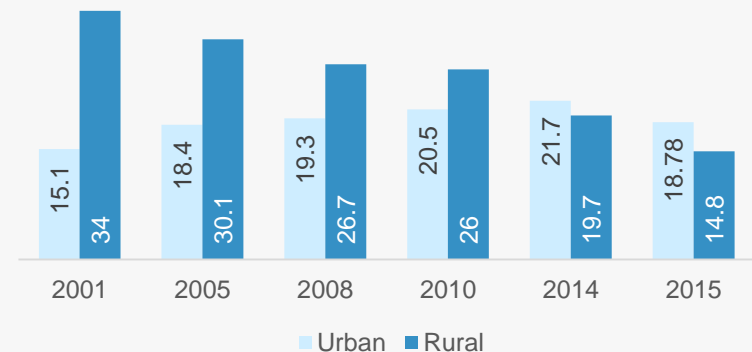


Source: KPMG, Report on Real Estate Sector in India – Corporate Catalyst India Pvt Ltd, CBRE, TechSci Research
Notes: CAGR - Compounded Annual Growth Rate; E-Estimates

... WITH SIGNIFICANT ROOM FOR FURTHER GROWTH

- * The urban housing shortage is estimated at 18.78 million in 2015.
- * Total rural housing shortage in India stood at 14.8 million as of 2015 and is expected to grow to 48.8 million during XII plan period (2012-2017)
- * Significant increase in real estate activity in cities like Indore, Raipur, Ahmedabad, Jaipur and other two-tier cities; this has opened new avenues of growth for the sector
- * Relaxation in the FDI norms for real estate sector has been done to boost the real estate sector
- * Government's plan to build 100 smart cities would reduce the migration of people to metro and other developed cities

Urban-rural housing shortage (million)



Source: Ministry of Housing and Urban Poverty Alleviation, RBI, CRISIL, TechSci Research

Notes: E – Estimates,
EWS - Economically Weaker Section,
LIG - Lower Income Group,
BSUP - Basic Services to the Urban Poor,
IHSDP - Integrated Housing and Slum Development Programme

DEMAND FOR RESIDENTIAL SPACE EXPECTED TO GROW SHARPLY

Scenario

- A localised, fragmented market presents opportunities for consolidation with only few large, pan-India players such as DLF and Unitech
- More foreign players might enter the market as FDI norms have eased
- Furthermore, norms on land acquisitions is expected to be relaxed

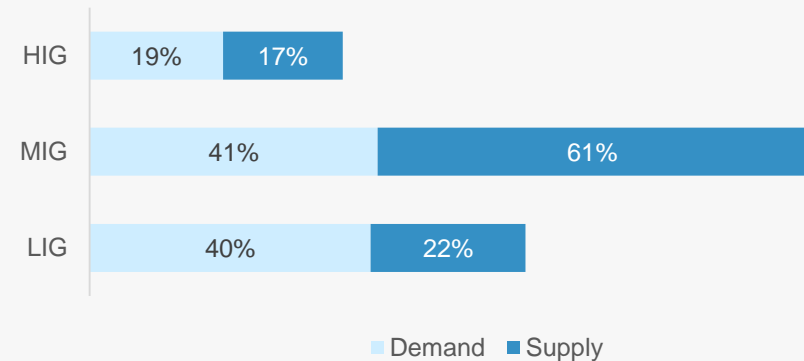
Key drivers

- Rapid urbanisation
- Growth in population
- Rise in the number of nuclear families
- Easy availability of finance
- Repatriation of NRIs and HNIs
- Rise in disposable income

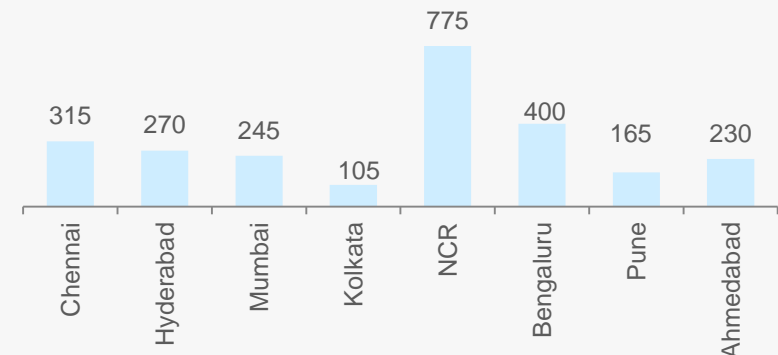
Notable trends

- Demand to grow at a CAGR of 2.0 per cent over the period 2013-17 across top 8 cities in India
- NCR is expected to generate maximum demand in MIG and HIG category followed by Bengaluru
- Developers now focussing on affordable and mid-range categories to meet the huge demand
- During the period January-June 2016, residential sector commanded the largest share of PE investments with a total value of USD 1.29 billion (44 per cent)
- During the third quarter of 2016, cumulative investment in residential assets increased at 9 per cent on q-o-q basis

Demand-Supply Analysis (2015)



Demand analysis of top 8 cities ('000 units) 2013-17 (MIG+HIG)



Source: Cushman & Wakefield, TechSci Research

Notes: LIG – Low Income Group, MIG - Middle Income Group, HIG - High Income Group

METROS DRIVING DEMAND FOR COMMERCIAL SPACE

Scenario

- Few large developers with a pan-India presence dominate the market
- Operating model has shifted from sales to a lease-and-maintenance

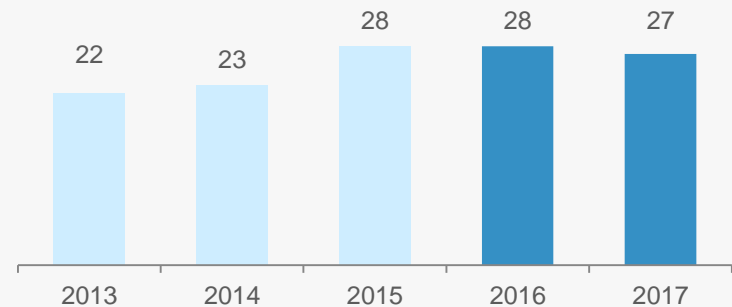
Key drivers

- Rapid growth in services sectors: IT/ITeS, BFSI and Telecom
- Rising demand from MNCs
- Demand for office space in Tier 2 cities

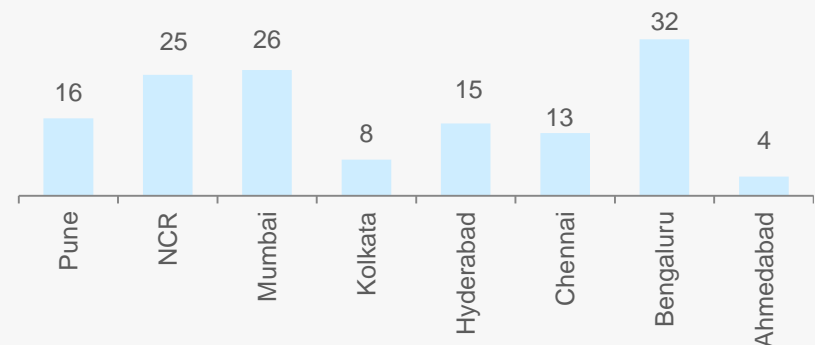
Notable trends

- Mumbai, NCR and Bengaluru account for 60 per cent of total office space demand in India by 2017
- Bengaluru is likely to experience highest demand over 2013-17 followed by Mumbai and NCR
- Business activity shifting from CBDs to SBDs, Tier 1 to Tier 2 cities
- As on September 2016, the total prime office space absorption across seven leading cities in the country was about 28 million sq. ft.

Demand projections across top 8 cities (million sq ft)



Demand analysis of top 8 cities (million sq ft) 2013-17



Source: Cushman & Wakefield, TechSci Research

Notes: MNC - Multinational Corporation, BFSI - Banking, Financial and Insurance Services, CBD - Central Business District, SBD - Special Business District, NCR - National Capital Region

RETAIL SPACE LIKELY TO SEE STRONG GROWTH

Scenario

- Currently, retail accounts for a small portion of the Indian real estate market
- Organised retailers are few, and the organised retail space is mostly developed by residential/office space developers

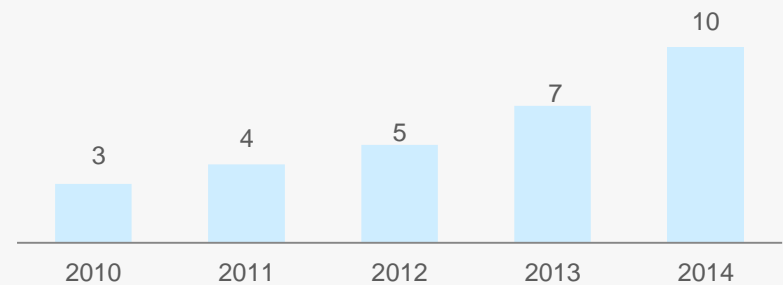
Key drivers

- Booming consumerism in India
- Organised retail sector growing 25-30 per cent annually
- Entry of MNC retailers
- India's population below 30 years of age having exposure to global retail are expected to drive demand for organised retail

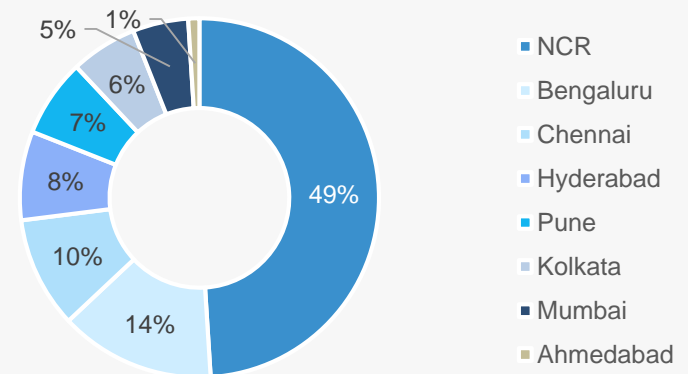
Notable trends

- NCR accounts for about 49 per cent of the total upcoming mall supply
- Total mall vacancy is 14.1 per cent across 8 cities
- Total 213 malls are operational in India
- Demand for retail space on high streets is quite high, as well as increase in FDI limit for multi-brand retail will lead to significantly higher demand for retail space

Demand projections across top 7 cities (million sq ft)



Upcoming mall supply across top 8 cities (2015)



Source: Cushman & Wakefield, TechSci Research

HOSPITALITY MARKET TO WITNESS LARGE INCREMENTAL CAPACITY

Scenario

- NCR and Mumbai are by far the biggest hospitality markets in India, followed by Bengaluru, Hyderabad and Chennai
- Besides hotels, the hospitality market comprises serviced apartments and convention centres

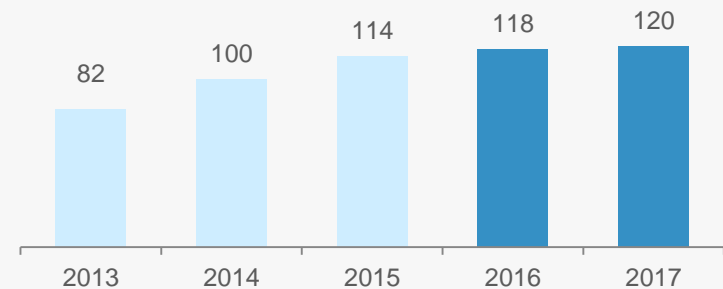
Key drivers

- A robust domestic tourism industry
- The increasingly global nature of Indian businesses boosting business travel
- Tax incentives for hotels and higher FSI
- Expansion of physical infrastructure during the 12th Five Year Plan

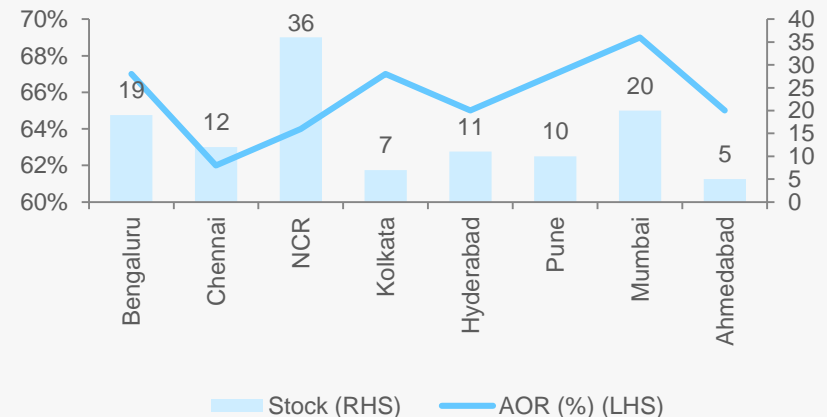
Notable trends

- Serviced apartments appear particularly attractive within the hospitality space
- Government initiatives to promote tourism in Tier 2 and Tier 3 cities is generating significant demand for hotels in such cities, especially for budget hotels

Trend analysis (stock - no of rooms) ('000)



Occupancy Vs. Stock (Est. 2017)



Source: Cushman & Wakefield, TechSci Research
Note: FSI - Floor Space Index



PORTER FIVE FORCES ANALYSIS

PORTERS FIVE FORCES ANALYSIS

Competitive Rivalry

- Strong rivalry due to large number of players operating in India
- Limits a seller's ability to set the prices for goods and services
- An absence of competitive neutrality due to unequal provisioning of policy concessions

Threat of New Entrants

- Uncertain investment timeline due to long gestation period
- High cost of land and land use restrictions act as a natural barrier
- Brand value of the incumbent player for the consumers

Substitute Products

- No specific substitutes available
- Substitutes are mainly government-provided housing, mostly limited to the economically backward class

Bargaining Power of Suppliers

- Large real estate firms have good bargaining power against customers
- Unregulated and badly managed land banks make land acquisition difficult for realty companies

Bargaining Power of Customers

- Due to a large variety of quality players, the customers have many options to choose from
- They are also becoming more discerning and demanding better quality



Source: PricewaterhouseCoopers, Techopak, TechSci Research

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STRATEGIES ADOPTED

STRATEGIES ADOPTED

Superior execution

- Outsourced support functions
- Focus on delivery capability
- Development of world class infrastructure
- Rationalising costs

Risk management in land sourcing

- Joint Venture with land owners instead of amassing land banks. For e.g.: Oberoi Realty, Mumbai based realty firm adopted this strategy while entering the NCR region
- Revenue, area and profit sharing agreement with the land owner

Diversified portfolio

- Having a diverse portfolio of residential, commercial and township developments
- Companies have projects in various strategic geographic locations in order to diversify risks
- Focus on the growth of lease business

Backward integration

- An architectural, structural and interior studio and a metal and glazing factory
- Interiors and wood working factory and a concrete block making plant
- To maintain quality all across projects

Merger and Acquisitions

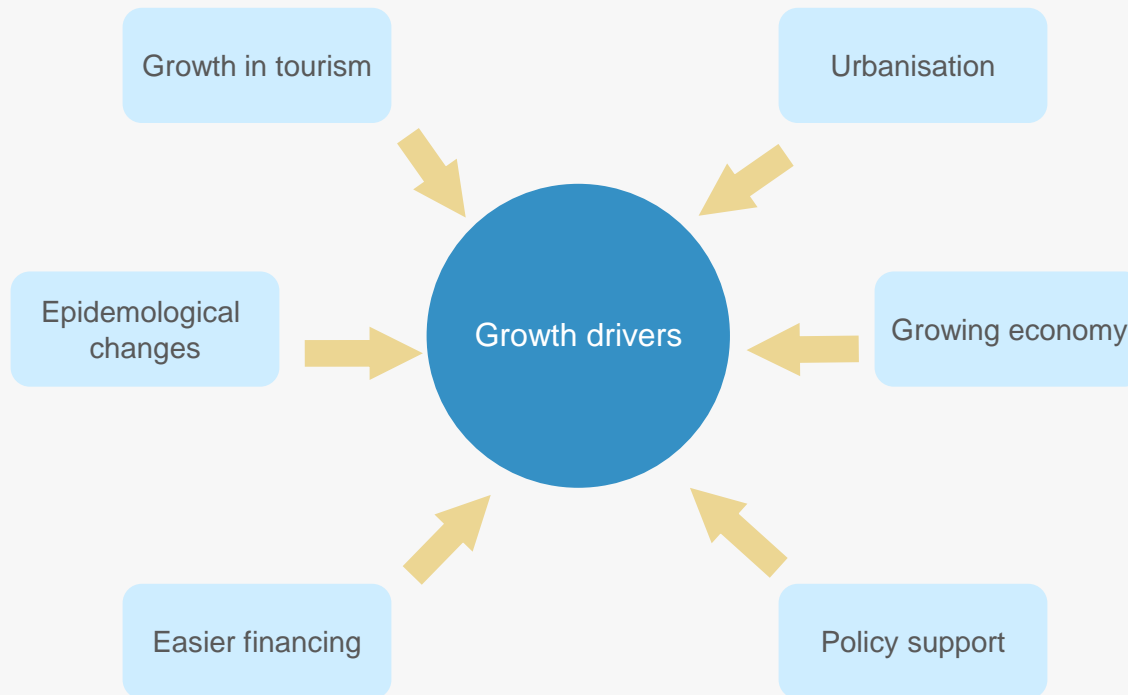
- In 2015, real estate advisory Square Yards signed an agreement to merge with online property search portal Realizing.in
- Mergers and acquisition activities would help the real estate players to serve the market in a better manner
- In 2016, Quickr India Pvt Ltd acquired rental start-up – Grabhouse, at an estimated value of USD10 million

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GROWTH DRIVERS

REAL ESTATE BEING DRIVEN BY POLICIES AND GROWING ECONOMY

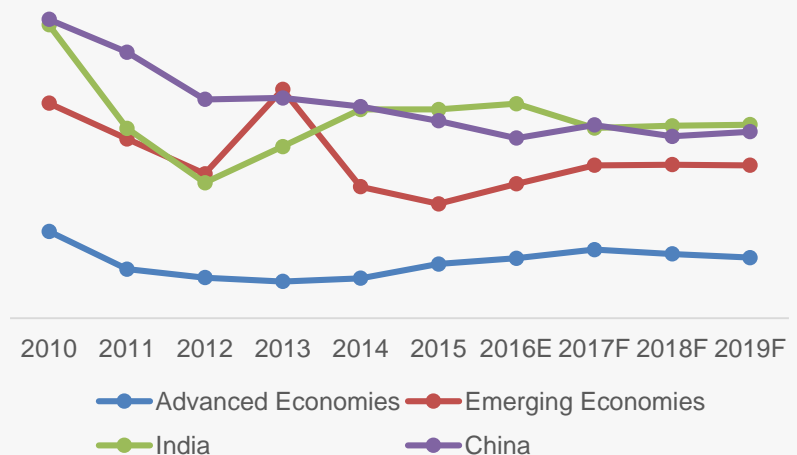


Source: Corporate Catalyst India

ECONOMIC GROWTH IS BOOSTING REAL ESTATE DEMAND

- * The Indian economy experienced robust growth in the past decade and is expected to be one of the fastest growing economies in the coming years
- * Demand for commercial property is being driven by the country's economic growth
- * India's real GDP grew to 7.3 per cent in 2015 and would rise to 6.6 per cent in 2016 compared with emerging economies' average of 4.00 per cent and 4.7 per cent, respectively. India's real GDP is estimated to be 6.8 per cent in 2019
- * By 2022, real estate and construction sector in India is expected to generate 75 million jobs and emerge as the largest employer in the country.

Real GDP growth rates of major economies

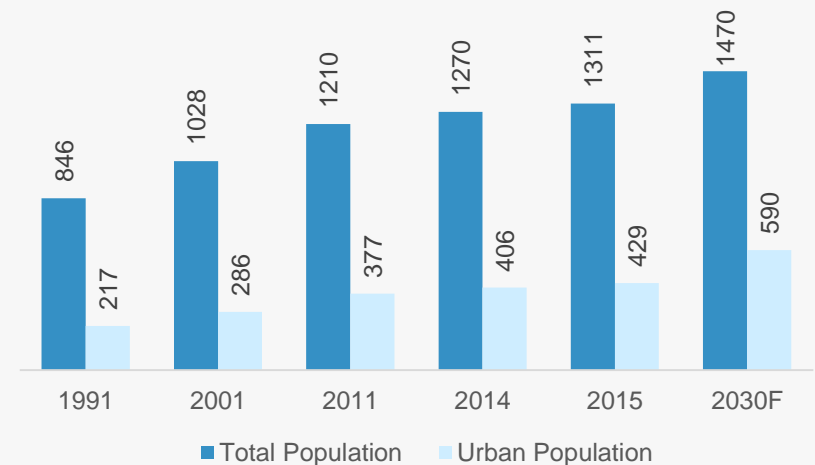


Source: IMF World Economic Outlook Database, TechSci Research
Notes: E – Estimate, F – Forecast

... ALONG WITH GROWING URBANISATION

- * India's urban population as a percentage of total population is around 32.7 per cent in 2015 and is expected to rise to 40 per cent by 2030
- * Better wages and better standard of living is expected to result in an increase in urban population in India to above 600 million by 2031 from 429 million in 2015
- * Government initiatives such as various urban development policies and programmes (e.g., JNNURM) are expected to contribute to enhanced urbanisation.
- * Urbanisation and growing household incomes are driving demand for residential real estate and growth in the retail sector

Population breakdown of India (million)



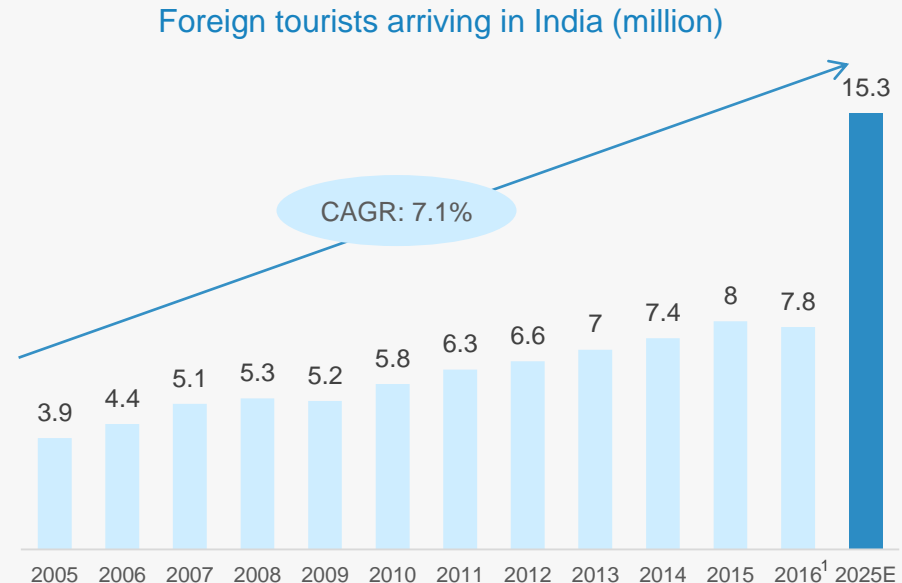
Source: Indian Census, World Bank, Mckinsey estimates, Cushman & Wakefield, TechSci Research

Notes: F - Forecasted

JNNURM: Jawaharlal Nehru National Urban Renewal Mission

RISING TOURIST NUMBERS BOOSTING THE HOSPITALITY SECTOR ... (1/2)

- * In 2015, 8 million foreign tourists arrived in India, whereas, from January 2016 to November 2016, foreign tourists in India reached to 7.8 million¹
- * The number of foreign tourists arriving in India is expected to increase at a CAGR of 7.1 per cent during 2007–25E
- * India's tourism & hospitality industry is anticipated to touch USD418.9 billion by 2022
- * As per the Union Budget 2016-17:
 - * Government allocated USD14.5 billion for investment in road sector, focusing on PMGSY during 2016 – 17
 - * GOI is planning to approve around 10,000 kilometres of National Highways in 2016 – 17
 - * Around USD2.2 billion would be raised by National Highway Authority of India (NHAI) through bonds
- * As per the Union Budget 2017-18:
 - * Government allocated USD 58.92 billion for infrastructure sector.
 - * By 2019, the government plans to construct 1 crore houses in rural areas
 - * USD 3.42 billion were allocated for Pradhan Mantri Awas Yojana

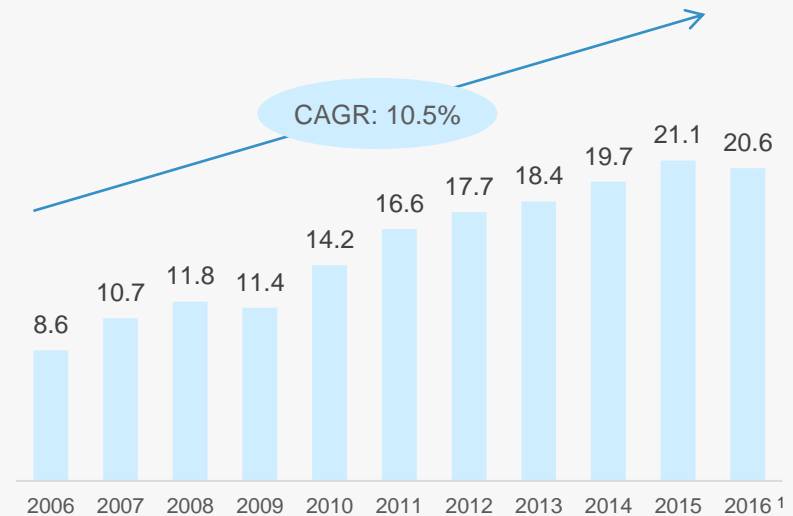


Source: Ministry of Tourism, World Travel & Tourism Council's Economic Impact 2015, TechSci Research
 Notes: PMGSY – Pradhan Mantri Gram Sadak Yojana, GOI – Government of India, 2016¹ – Data available till November 2016

RISING TOURIST NUMBERS BOOSTING THE HOSPITALITY SECTOR ... (2/2)

- * India earned foreign exchange of about USD21.1 billion from tourism sector in 2015
- * During 2006-15, India's foreign exchange earnings from tourism grew at a CAGR of 10.5 per cent
- * During January to November 2016, India earned USD20.6 billion from the tourism sector
- * The growing inflows from tourists is expected to provide a fillip to the hospitality sector
- * Booming Indian medical tourism industry is expected to grow with a CAGR of over 27 per cent during 2012–15
- * Medical tourism sector in India is gaining momentum, with a target of attracting 8 million medical tourists into the country by 2020.

India's foreign exchange earnings from tourism (USD billion)

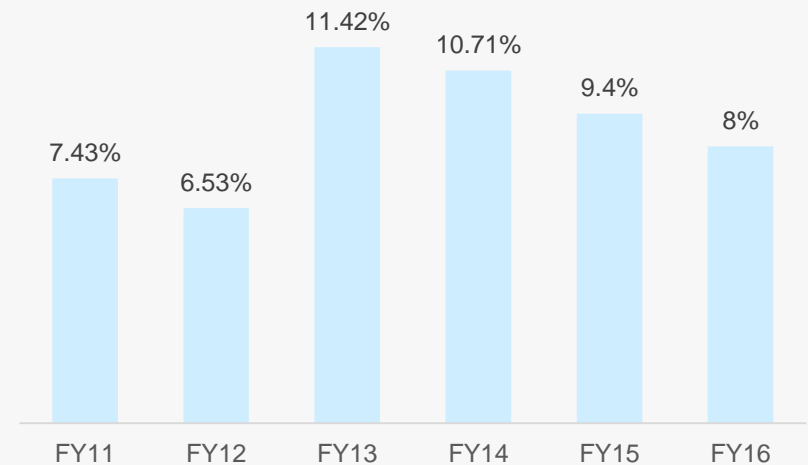


Source: Ministry of Tourism, TechSci Research
Notes: CAGR: Compound Annual Growth Rate, 2016¹ – Data available till November 2016

CUMULATIVE FDI IN REAL ESTATE ON A UPWARD TREND

- * Total FDI in construction development sector, during April 2000–September 2016, stood at around USD24.25 billion
- * During April 2000–September 2016, total cumulative inflows in the construction development sector accounted for 8 per cent of total inflows into the country
- * Emaar Properties, which entered India in 2005 with largest FDI in the realty sector, has invested about USD126.96 billion (Rs 8,500 crore) in Indian real estate market, through its JV firm Emaar MGF.

FDI in construction development sector as a per cent of India's total FDI



Source: Dept of Industrial Policy & Promotion
Notes: Construction development sector includes townships, housing, built-up infrastructure and construction development projects

MAJOR ACQUISITIONS IN REAL ESTATE

- * As of February 2017, Maruti Suzuki is planning to acquire land for dealership expansion plans at key strategic locations across the country
- * A Singapore based wealth fund named GIC and Ascendas has set up a growth fund with an initial corpus of USD600 million. The main objective of the program is to invest in business space in major cities
- * In June 2015, online real estate platform Housing.com had acquired 100 per cent equity of a risk assessment firm Realty Business Intelligence for USD1.7 million. This acquisition would empower Housing.com customers with risk assessment and credible real estate market intelligence in taking informed decision making while investing in new projects
- * In April 2016, Blackstone Group announced its plans to acquire a majority stake in Mphasis Limited. The deal would be the largest acquisition by Blackstone in the country.
- * As a sign of its increasing interest in Indian real estate market, In December 2016, Canadian Pension Plan Investment Board (CPPIB) has agreed to buy up to 49 per cent stake in Phoenix MarketCity, Bangalore—a retail asset owned by Mumbai-based developer, The Phoenix Mills Ltd., over a period of 3 years.

Major acquisitions in real estate sector in India

Target	Acquirer	Value (USD million)	Year
Cowtown Land Dvlp Pvt Ltd	Lodha Group	513.6	2011
Compact Disc Film City	Jeff Morgan	320	2011
Oceanus Real Estate	Warburg Pincus	318	2011
Indiabulls Properties Pvt Ltd	Indiabulls Property Invest Trust	223.1	2012
Embassy Property	Blackstone	200	2012
Farallon Capital	Indiabulls Real Estate Ltd	187	2013
Candor Investments Inc	Brookfield Asset Management Inc	337.4	2014
GIC and Ascendas	Ascendas India Growth Program	600	2014
Realty Business Intelligence	Housing.com	1.7	2015
Quickr India Pvt Ltd	Indian Realty Exchange	-	2015
Grabhouse	Quickr India Pvt Ltd	10	2016

Source: Corporate Catalyst India , Business Standard, The Economic Times

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PE INVESTMENTS ON THE RISE

- * In 2015, Mumbai reported maximum PE investments in real estate sector, followed by NCR, Chennai and Bangalore
- * In March 2016, Piramal Enterprises Ltd. jointly with APG Asset Management company invested USD 132 million in Essel Infrastructure Ltd.
- * In July 2016, PE firm Apollo Global Management invested in Logix Group to fast track existing commercial and residential projects of the company
- * For the period January-September 2016, total PE investments in the real estate sector were recorded at USD 4.24 billion, showing a 22 per cent increase compared to the same period last year
- * As of October 2016, Cerestra Advisors Ltd, a real estate-focused PE firm, bought Alexandria Knowledge Park at Genome Valley in Hyderabad, for USD 61.10 million. The company plans to build an office portfolio focused on R&D clients.
- * On the back of Parliament's clearance of two significant legislations -- Real Estate (Regulation and Development) Bill and GST, private equity inflows into the country's real estate sector surged 62 per cent reaching USD 5.80 billion, during 2016.

Top PE deals in Indian real estate sector till July 2016

Investor	Investee	Investment (USD million)
KKR & Co. L.P.	Sunteck Realty Ltd	22.4
Apollo Global Management	Logix Group	59.5
Piramal Fund Management Pvt. Ltd	Lodha Group	63.2
KKR & Co. L.P.	Mantri Developers Pvt Ltd	21.5
Goldman Sachs	Piramal Enterprises Ltd	150

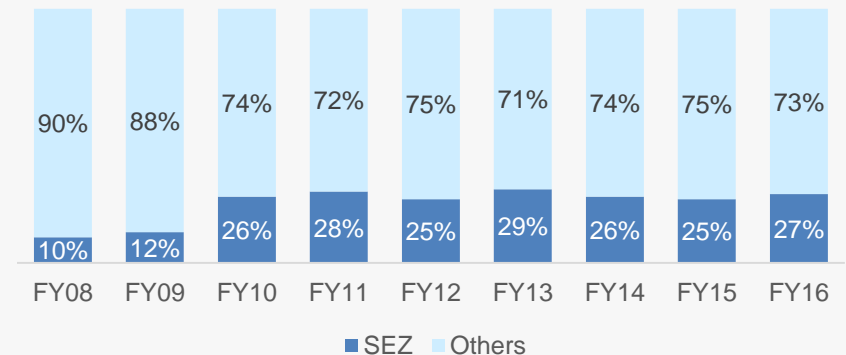
Investor	Seller	Investment (USD million)
Government of Singapore Investment Corporation (GIC)	Nirlon	328.3
The Blackstone Group	3C Company	104.2
Clearwater Capital Partners & SSG Capital Management	Lotus Greens Developers Pvt Ltd	75.0

Source: Grant Thornton, Cushman & Wakefield, Thomson Banker One Venture Intelligence, TechSci Research

SEZs EMERGING AS AN EXTENSION OF REAL ESTATE BUSINESS

- * 100 per cent FDI permitted in real estate projects within Special Economic Zone (SEZ)
- * 100 per cent FDI permitted for developing townships within SEZs with residential areas, markets, playgrounds, clubs, recreation centres, etc.
- * In FY16, exports from SEZs accounted for 27 per cent of total exports
- * Industry players, including realtors and property analysts, are rooting for the creation of "Special Residential Zones" (SRZs), along the lines of SEZs
- * Minimum land requirement has been brought down from 1000 hectares to 500 hectares for multi-product SEZ and for sector-specific SEZs to 50 hectares
- * In 2016, the government has approved six proposals from four developers to set up new special economic zones (SEZs) across three states in areas such as IT and biotechnology.

Share of SEZ exports in total exports of India



Source: Ministry of Commerce and Industry, SEZ website, TechSci Research

GOVERNMENT POLICIES ARE HELPING THE REAL ESTATE SECTOR PROSPER

Ease in housing finances

- A deduction for additional interest of USD746.8 per annum for loans upto USD0.05 million was sanctioned during 2016-17, in case of first time home buyers, where the cost of house is less than USD0.07 million
- Increase in exemption limit from USD3317 to USD4147 will help in household savings

Housing for economically weaker sections

- During June 2016 to March 2019, 100 per cent deduction for profits would be approved for undertaking housing project of flats upto 30 sq. metres in four metro cities and 60 sq. metres in other cities
- As per section 80GG, increase the limit of deduction of rent paid from USD358 to USD896 per annum, was allowed for the people living on rent

FDI

- The government has allowed 100 per cent FDI for townships and settlements development projects
- Provision for reduction in minimum capitalisation for FDI investment from USD10 million to USD5 million which would help in boosting urbanisation

Widening the scope of real estate market

- SEBI released draft guidelines for investments by Real Estate Investment Trusts (REITs) in non-residential segment and Infrastructure Investment Trusts. REIT will open channels for both commercial and infrastructure sector

Land Acquisition Bill

- In December 2014, the government passed an ordinance amending the Land Acquisition Bill
- This ordinance would help speeding up the process for industrial corridors, social infra, rural infra, housing for the poor and defence capabilities

Source: Union Budget 2016 – 17, TechSci Research

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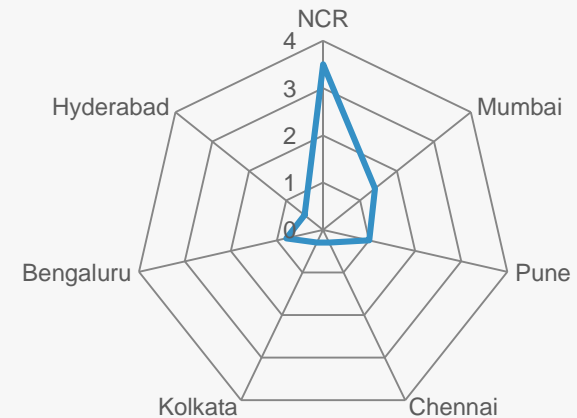


OPPORTUNITIES

EDUCATION SECTOR PRESENTS OPPORTUNITIES FOR REAL ESTATE FIRMS

- * NCR is expected to have the highest incremental demand from the education sector amidst the period of 2015-19
- * The rising young population of India is expected to drive this space

Incremental demand across seven major cities
(million sq ft)



Source: Cushman & Wakefield, TechSci Research
Note: NCR - National Capital Region, Figures mentioned are as per latest data available

NICHE SECTORS EXPECTED TO PROVIDE GROWTH OPPORTUNITIES

Healthcare

- The healthcare market reached USD100 billion in 2015
- India requires additional 1.1 million beds by 2015
- India needs to add 2 million hospital beds to meet the global average of 2.6 for every 1,000 people

Senior Citizen Housing

- Emergence of nuclear families and growing urbanisation have given rise to several townships that are developed to take care of the elderly
- A number of senior citizen housing projects have been planned; the segment is expected to grow significantly in future

Service Apartments

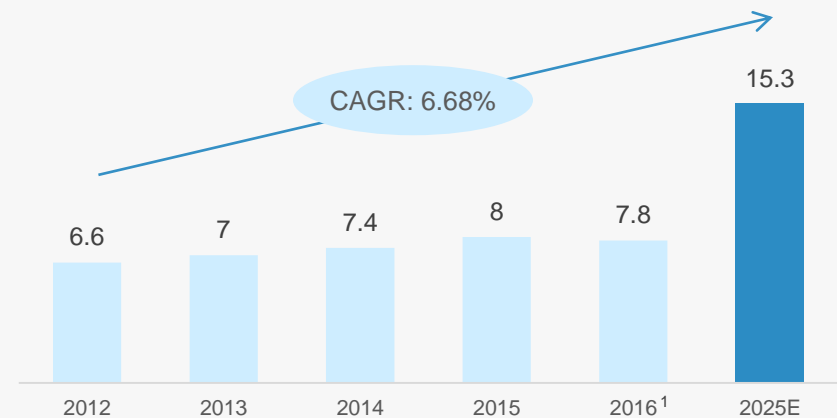
- Growth in the number of tourists has resulted in demand for service apartments.
- In 2015, number of foreign tourist arrivals in India was recorded at 8 million
- This demand is likely to be on uptrend and presents opportunities for the unorganised sector

Source: Fitch Ratings, Report on Healthcare, Telemedicine & Medical Tourism In India – ASA & Associates LLP, TechSci Research

TOURISM MARKET SET TO SURGE; HOTELS TO INCREASE CAPACITY ... (1/2)

- * Foreign tourist arrivals are expected to increase at a CAGR of 6.68 per cent during 2012–25E
- * The number of foreign tourists arriving in India in 2016¹ reached 7.8 million

Forecasts of foreign tourists arriving in India (million)



Source: Ministry of Tourism, BMI, TechSci Research
Note: E – Estimates
Notes: 2016¹ – Till November 2016

TOURISM MARKET SET TO SURGE; HOTELS TO INCREASE CAPACITY ... (2/2)

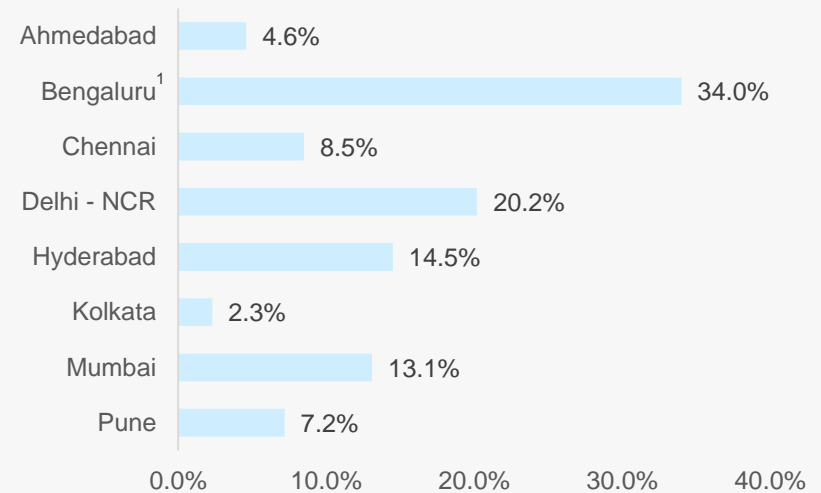
Ahmedabad	<ul style="list-style-type: none">• Upcoming office space likely to boost hospitality segment
Bengaluru	<ul style="list-style-type: none">• Corporate clients expected to provide steady growth to room demand
Chennai	<ul style="list-style-type: none">• Emerging as promising commercial destination with Chennai Bengaluru Industrial Corridor, likely to witness strong demand
Hyderabad	<ul style="list-style-type: none">• Room demand is expected to be driven by commercial and office space projects in the city
Kolkata	<ul style="list-style-type: none">• Projects like Light Rail Transport System, Mono Rail, Eco-Park, Airport expansion etc. are likely to boost travel which would result in increase in demand for hotel industry
Mumbai	<ul style="list-style-type: none">• Improved infrastructure, new airport terminal and upcoming airport in Navi Mumbai expected to provide growth to hotel industry
NCR	<ul style="list-style-type: none">• Higher Floor Space index, inclusion of hotel projects in infra lending lists provide a positive outlook to hotel market in NCR
Pune	<ul style="list-style-type: none">• IT parks are attracting global players and increasing traffic. New business units are likely to increase business conferences, events which in turn would boost hotel demand

Source: Cushman & Wakefield, TechSci Research

OFFICE MARKET OVERVIEW – RENTS SET TO GROW ... (1/2)

- * In 2015, the top 8 cities recorded a net office absorption of 32.45 MSF, displaying strong growth potential
- * Office market has been driven mostly by growth in ITeS/IT, BFSI, consulting and manufacturing
- * Moreover, many new companies are planning a foray into Indian markets due to huge potential and recently relaxed FDI norms
- * Demand for prime office space was recorded at 11 million sq. ft. for the period July – September 2016, showing a growth of 14 per cent on a year-on-year basis

New supply as percentage of inventory (2013-2015)



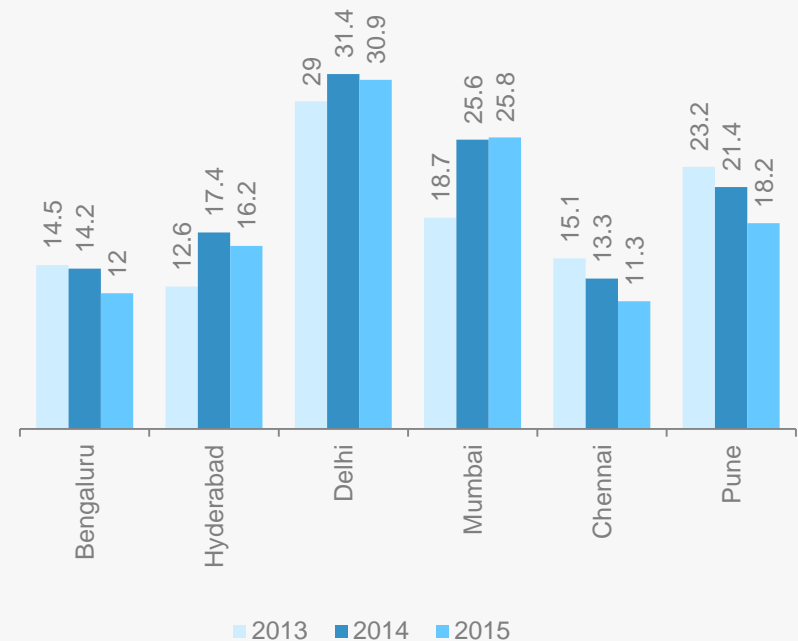
1

Source: Cushman & Wakefield
Notes: MSF - Million Square Feet,
ITeS - Information Technology Enabled Service,
¹ - Data for 2015

OFFICE MARKET OVERVIEW – RENTS SET TO GROW ... (2/2)

- * Rental rates likely to see a gradual upward trend in Bengaluru
- * Supply will exceed demand and hence increase vacancies In Hyderabad
- * In 2015, with a share of more than 83 per cent, majority of transactions in Mumbai was driven by commercial office sector
- * Moderate demand, high vacancy and an increased preference for suburban market with low rentals could pressure the core areas in Pune
- * As of November 2016, Singapore’s DBS Bank announced its plans to secure 100 thousand sq. ft. of prime office at Mumbai’s Nariman Point, on lease basis. With a total tenure of nine years, the deal will be the largest transaction in the history of the area

Percentage vacancy levels

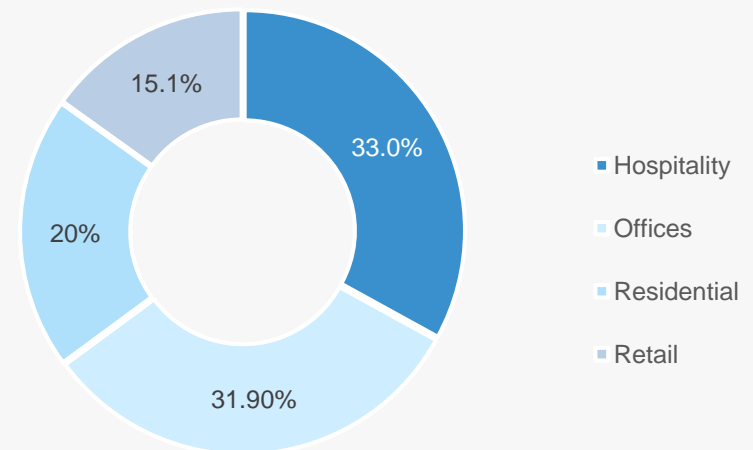


Source: Cushman & Wakefield

OFFICE SECTOR HAS THE SECOND HIGHEST SHARE OF INVESTMENTS

- * Commercial office sector garnered the second largest share of investments which stood at USD0.3 billion; hospitality sector has the highest share with investments around USD0.34 billion during January-September 2015
- * Residential sector attracted a total investments of USD0.26 billion representing nearly 20 per cent of the total investments
- * Primal Fund Management has expanded its portfolio to offer Flexi - Lease Rental Discounting (LRD). By 2018, the fund aims at securing lease rental discount deals worth USD 1.49 billion

Sector-wise share of investments (2015¹)



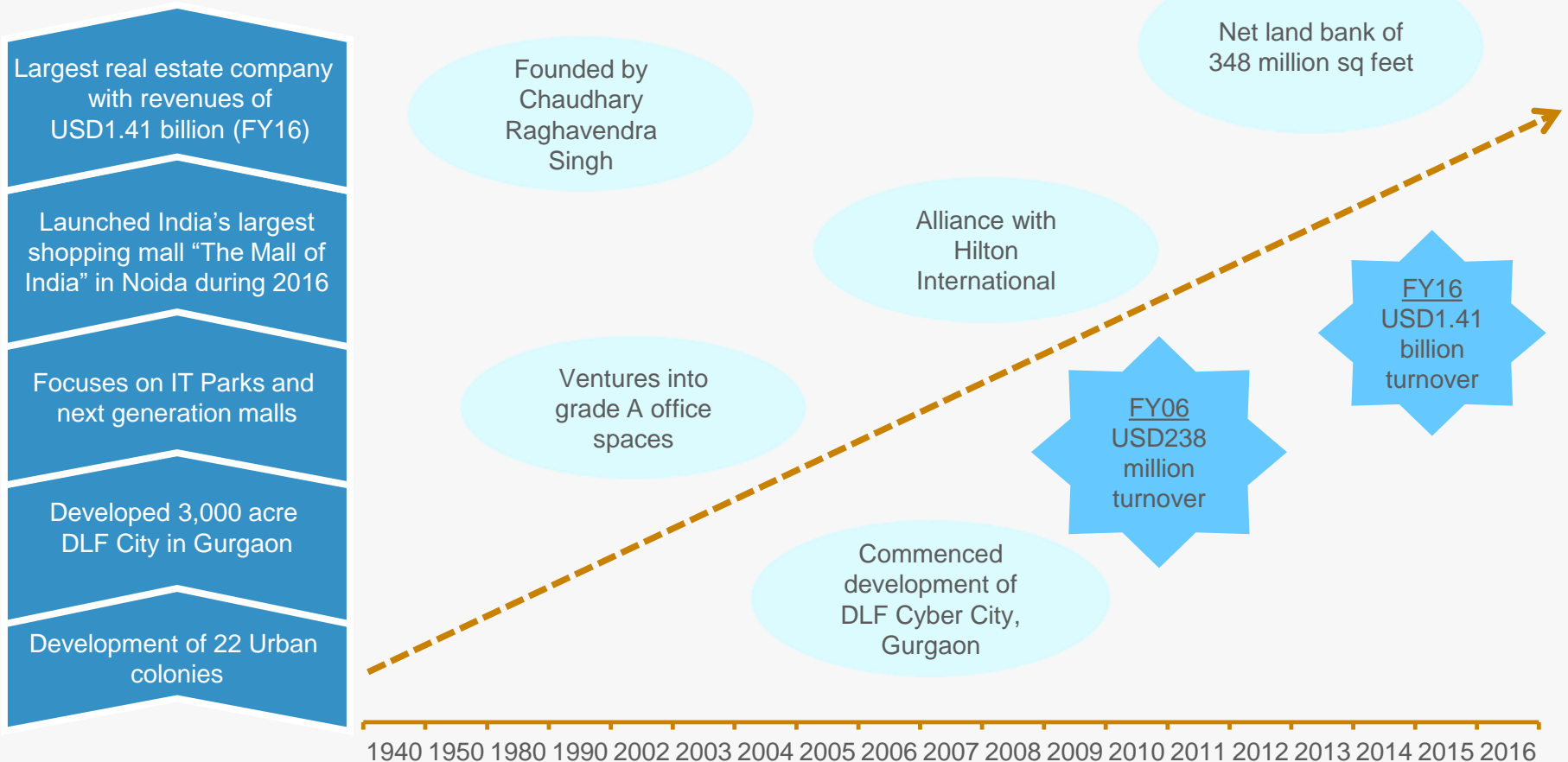
Source: Cushman and Wakefield, TechSci Research
Note: F – Forecast, ¹- Data is from January-September 2015

REAL ESTATE



SUCCESS STORIES

DLF: INDIA'S LARGEST REAL ESTATE COMPANY BY VALUE



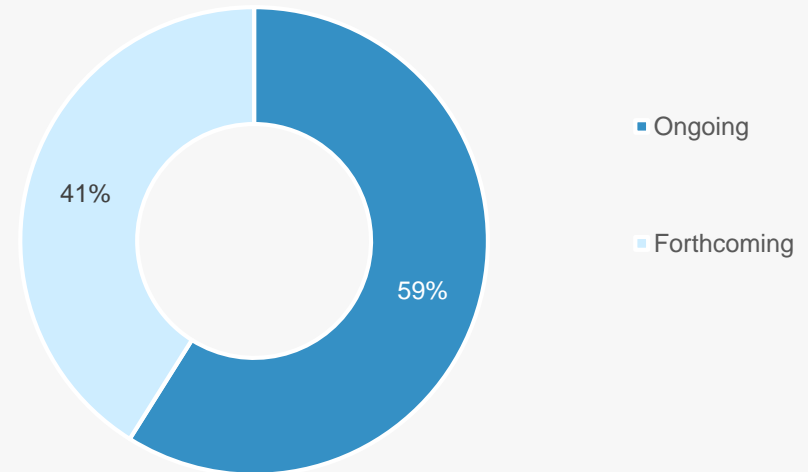
Source: Company website, TechSci Research,
Note: sq ft - Square Feet

GODREJ PROPERTIES – UNIQUE ASSET-LIGHT BUSINESS MODEL ... (1/2)

* Key Facts

- * Started its first project in Mumbai in 1990
- * National real estate developer with presence across 12 cities
- * Differentiated joint development business model resulted in a debt-equity ratio of less than one
- * The current potential developable area stands at 108.0 million sq. ft.
- * In 2015, Godrej Properties has signed a deal for developing housing projects in Whitefield, Bangalore
- * During 2012-16, real estate worth USD2.1 billion have been sold

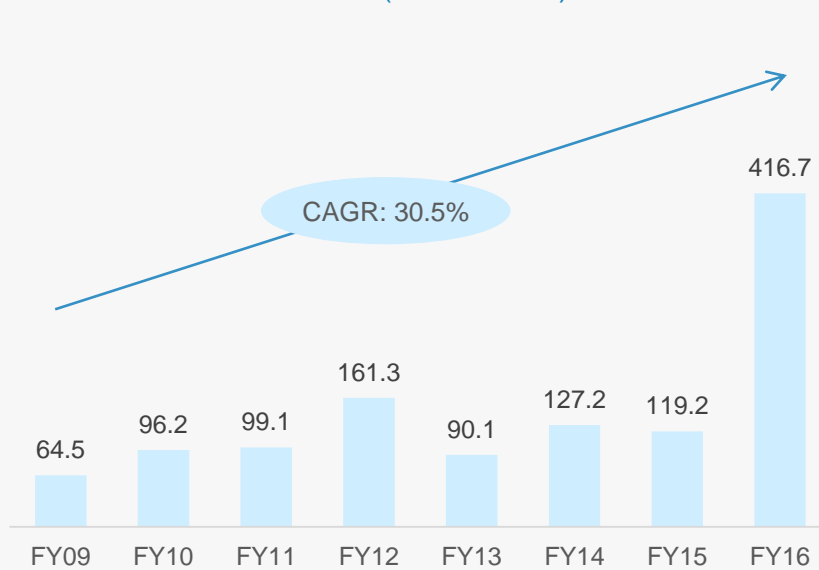
Distribution of ongoing and forthcoming projects by area (FY16)



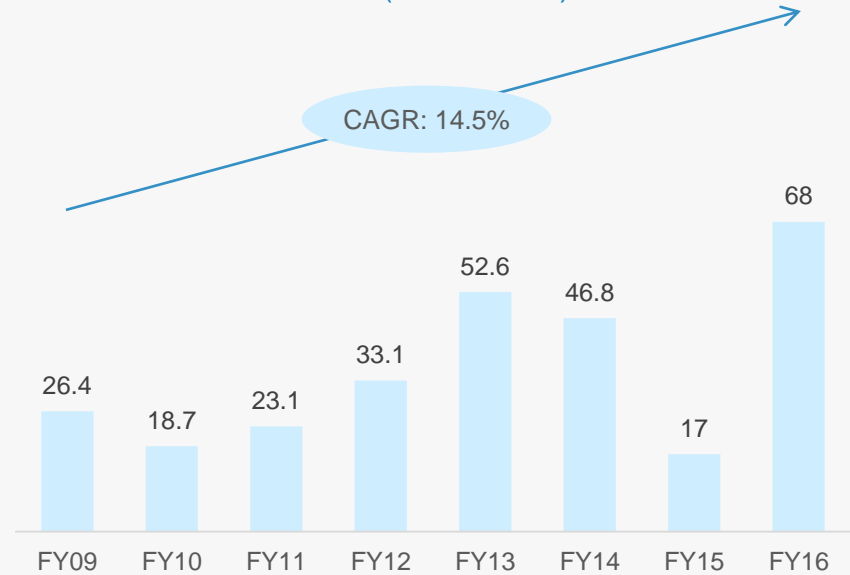
Source: Company website, Corporate Presentation

GODREJ PROPERTIES – UNIQUE ASSET-LIGHT BUSINESS MODEL ... (2/2)

Total revenues (USD million)



EBITDA (USD million)



Source: Company Annual Report
EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation

OTHER MAJOR PLAYERS

UNITECH

- * Established in 1972 by a group of technocrats
- * So far Unitech has built more than 100 residential projects
- * Recently launched Gardens Galleria in Bengaluru, Mohali & Noida, Great India Place in Bhopal & Dehradun as well as Downtown in Mohali

ANSAL API

- * Established in 1967 as a family business
- * Developed and delivered more than 190 million sq ft
- * Hold 8,803 acres of land reserve in the major states of Haryana, Uttar Pradesh, Punjab and Rajasthan

SOBHA DEVELOPERS

- * The company was founded in 1994
- * It has completed 278 contractual projects as well as 111 real estate projects covering almost 81.64 million square feet
- * Currently has a land reserve of 2,500 acres

Source: Company website, TechSci Research,
Note: sq ft - Square Feet

REAL ESTATE



USEFUL INFORMATION

INDUSTRY ASSOCIATIONS

The Confederation of Real Estate Developers' Associations of India (CREDAI)

National Secretariat, 703, Ansal Bhawan,
16, Kasturba Gandhi Marg, New Delhi – 110 001
Tel: (011) 43126262/43126200
Fax: 91 11 43126211
E-mail: info@credai.org
Website: www.credai.org

Builders' Association of India (BAI)

G-1/G-20, Commerce Centre, J. Dadajee Road,
Tardeo, Mumbai – 400034
Tel: 91 22 23514134, 23514802, 23520507
Fax: 91 22 23521328
E-mail: bai@vsnl.com, baihq.mumbai@gmail.com
Website: www.baionline.in

- * **BFSI:** Banking, Financial Services and Insurance
- * **CAGR:** Compound Annual Growth Rate
- * **CBD:** Central Business District
- * **FDI:** Foreign Direct Investment
- * **FSI:** Floor Space Index
- * **HNI:** High Net-worth Individual
- * **GOI:** Government of India
- * **INR:** Indian Rupee
- * **IT/ITeS:** Information Technology/Information Technology enabled Services
- * **MNC:** Multinational Corporation
- * **NRI:** Non Resident Indian
- * **SBD:** Special Business District
- * **SEZ:** Special Economic Zone
- * **USD:** US Dollar
- * Wherever applicable, numbers have been rounded off to the nearest whole number

EXCHANGE RATES

Exchange rates (Fiscal Year)

Year	INR equivalent of one USD
2004–05	44.81
2005–06	44.14
2006–07	45.14
2007–08	40.27
2008–09	46.14
2009–10	47.42
2010–11	45.62
2011–12	46.88
2012–13	54.31
2013–14	60.28
2014-15	61.06
2015-16	65.46
2016-17 (E)	66.95

Exchange rates (Calendar Year)

Year	INR equivalent of one USD
2005	43.98
2006	45.18
2007	41.34
2008	43.62
2009	48.42
2010	45.72
2011	46.85
2012	53.46
2013	58.44
2014	61.03
2015	64.15
2016 (Expected)	67.22

Source: Reserve bank of India,
Average for the year

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