<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Summary</td>
<td>3</td>
</tr>
<tr>
<td>Advantage India</td>
<td>4</td>
</tr>
<tr>
<td>Market Overview and Trends</td>
<td>6</td>
</tr>
<tr>
<td>Strategies Adopted</td>
<td>14</td>
</tr>
<tr>
<td>Growth Drivers</td>
<td>16</td>
</tr>
<tr>
<td>Opportunities</td>
<td>24</td>
</tr>
<tr>
<td>Key Industry Organisations</td>
<td>28</td>
</tr>
<tr>
<td>Useful Information</td>
<td>30</td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

- Real estate sector in India is expected to reach a market size of US$ 180 billion by 2020. Housing sector is expected to contribute around 11 per cent to India’s GDP by 2020.
- Rapid urbanisation bodes well for the sector. The number of Indians living in urban areas is expected to reach 543 million by 2025. More than 70 per cent of India’s GDP will be contributed by the urban areas by 2020.
- 4th largest sector in terms of FDI inflows. FDI in the sector stood at US$ 24.67 billion from April 2000 to December 2017. FDI in the sector is estimated to grow to US$ 25 billion by FY22.
- Government of India’s Housing for All initiative is expected to bring US$ 1.3 trillion investments in the housing sector by 2025.

Notes: E – estimated; * from April 2000 to December 2017, 1 Construction development
ADVANTAGE INDIA
Demand for residential properties has surged due to increased urbanisation and rising household income. India is among the top 10 price appreciating housing markets internationally.

About 10 million people migrate to cities every year.

35 per cent of the population is in young age bracket (15-35 years).

Growing economy driving demand for commercial and retail space.

Growing requirements of space from sectors such as education and healthcare, e-commerce and logistics.

Warehousing space is expected to reach 247 million square feet in 2020 from 140 million square feet in 2017. Investments of Rs 50,000 crore (US$ 7.76 billion) are expected in India’s warehousing between 2018-20.

Growing demand of energy efficient and environment friendly architecture.

During April 2000 to December 2017, FDI inflows in construction development in India stood at US$ 24.67 billion and accounted for 6.71 per cent of total FDI inflows into the country.

Private equity investments in Indian real estate increased 15 per cent year-on-year in January-March 2018 to Rs 16,530 crore (US$ 2.56 billion).

The government has allowed FDI of up to 100 per cent for townships and settlements development projects

Under the Housing For All scheme, 60 million houses are to be built which include 40 million in rural areas and 20 million in urban area by 2022

Real Estate Bill was passed in March 2016 to establish a real estate regulatory authority for regulating and promoting the sector

Source: KPMG, Report on Real Estate Sector in India – Corporate Catalyst India Pvt Ltd, Department of Industrial Policy and Promotion, USGBC, JLL India, Cushman & Wakefield
MARKET OVERVIEW AND TRENDS
SEGMENTS IN THE INDIAN REAL ESTATE SECTOR

- Residential segment contributes ~80 per cent of the real estate sector. New housing launches across top seven cities in India increased 27 per cent year-on-year in January-March 2018.

- Few players with presence across India
  - Office space demand in the country increased 23 per cent year-on-year in January-March 2018 with office space absorption at 11.4 million square feet during the quarter.

- FDI in multi brand retail to boost demand
  - In 2017, new retail space of 6.4 million has finished and supply of around 20 mn sq ft is expected in 2019.

- Between 2015 and March 2018, the retail segment in Indian realty attracted private equity investments of around Rs 5,500 crore (US$ $853.4 million) up to March 2018.

- The country has 406 approved hotels with 31,944 rooms.*

- As of December 2017, the government had formally approved 423 SEZs, of which 222 are in operation.
  - Majority of the SEZs are in the IT/ ITeS sector.

Notes: SEZ - Special Economic Zone. IT - Information Technology, ITeS - Information Technology Enabled Services, *as of Dec 20, 2017
Source: KPMG Cushman and Wakefield, Knight Frank, CRISIL, Ministry of Tourism, JLL India, ANAROCK Property Consultants, Colliers Research

For updated information, please visit www.ibef.org
INDIAN REAL ESTATE IS A LARGE, GROWING MARKET…

- Real estate sector in India is expected to reach a market size of US$ 180 billion by 2020 from US$ 126 billion in 2015.
- Increasing share of real estate in the GDP would be supported by increasing industrial activity, improving income level and urbanisation.
- Mumbai and 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
  - Demonetisation
  - PR for foreign investors

Notes: CAGR - Compounded Annual Growth Rate; F – Forecast, Information is as per latest data available
Source: KPMG, Report on Real Estate Sector in India – Corporate Catalyst India Pvt Ltd, CBRE
The urban housing shortage in India is estimated at around 10 million units* which is being addressed through Pradhan Mantri Awas Yojana (PMAY), Urban, under which 1,427,486 houses have been sanctioned in 2017-18. In May 2018, construction of additional 150,000 affordable houses was sanctioned under the scheme.

- Significant increase in real estate activity in cities like Indore, Raipur, Ahmedabad, Jaipur and other 2-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.

*Notes: E – Estimates, * As of November 2017 , † till December 08, 2017
Source: Ministry of Housing and Urban Poverty Alleviation, RBI, CRISIL

---

**Urban-rural housing shortage (million)**

- 2001: Urban 15.1, Rural 34
- 2005: Urban 18.4, Rural 30.1
- 2010: Urban 20.5, Rural 26
- 2014: Urban 21.7, Rural 18.78
- 2015: Urban 18.78, Rural 14.8
- 2017: Urban 10, Rural NA
- 2022E: Urban 34.1, Rural NA

---

For updated information, please visit www.ibef.org
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

- 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
- India jumped 13 spots in Knight Frank’s Global House Price Index to reach 9th position in Q2 2017.

Cumulative Housing Demand-Supply in Top 8 Cities (‘000 units) 2016-20

- **HIG**: 717
  - Demand: 351
  - Supply: 351
- **MIG**: 1,457
  - Demand: 647
  - Supply: 810
- **LIG**: 1,982
  - Demand: 25
  - Supply: 1,957

Notes: LIG – Low Income Group, MIG - Middle Income Group, HIG - High Income Group
Source: Cushman and Wakefield
### 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
- Commercial office stock in India is expected to cross 600 million square feet by 2018 end.
- Mumbai, NCR and Bengaluru accounted for 60 per cent of total office space demand in India in 2017.
- Business activity shifting from CBDs to SBDs, Tier 1 to Tier 2 cities
- Co-working space in top eight cities crossed 8 million square feet in April 2018.

### Demand for commercial space in top 8 cities (million sq ft)

<table>
<thead>
<tr>
<th>Year</th>
<th>Pune</th>
<th>NCR</th>
<th>Mumbai</th>
<th>Kolkata</th>
<th>Hyderabad</th>
<th>Chennai</th>
<th>Bengaluru</th>
<th>Ahmedabad</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>16</td>
<td>25</td>
<td>26</td>
<td>8</td>
<td>15</td>
<td>13</td>
<td>32</td>
<td>4</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### City-Wise Commercial Space Demand (million sq ft) 2013-17

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

---

For updated information, please visit www.ibef.org
**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
- Absorption across retail malls in top seven cities increased 69 per cent year-on-year in January-March 2018.
- Private equity investments in Indian retail assets increased 15 per cent in CY 2017 to reach US$ 800 million.
- During January-March 2018, private equity investors invested Rs 950 crore (US$ 147.4 million) into Indian malls.

### Number of New Malls in India

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Malls</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>188</td>
</tr>
<tr>
<td>2013</td>
<td>203</td>
</tr>
<tr>
<td>2014</td>
<td>212</td>
</tr>
<tr>
<td>2015</td>
<td>219</td>
</tr>
<tr>
<td>2016</td>
<td>232</td>
</tr>
<tr>
<td>2017</td>
<td>246</td>
</tr>
</tbody>
</table>

**Source:** Cushman and Wakefield, CBRE, JLL India, Real estate intelligence service (JLL)
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

**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

**Notes:** FSI - Floor Space Index, E - estimates
**Source:** Cushman and Wakefield

---

**Trend analysis (stock - no of rooms) ('000)**
- 2013: 82
- 2014: 100
- 2015: 114
- 2016: 118
- 2017: 120

**Occupancy Vs. Stock (2017E)**
- Stock: 19, 12, 36, 7, 11, 10, 20, 5
- Occupancy: 19%, 12%, 36%, 7%, 11%, 10%, 20%, 5%

For updated information, please visit www.ibef.org
STRATEGIES ADOPTED
### STRATEGIES ADOPTED

**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
- Housing finance companies and private equity companies have started focusing on affordable housing.

**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

**Merger and Acquisitions**
- In May 2018, Blackstone Group acquired One Indiabulls in Chennai from Indiabulls Real Estate for around Rs 900 crore (US$ 136.9 million).
- In 2017, 62 M&A deals worth US$ 1.46 billion were witnessed in India’s real estate sector.

**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

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

*Source: Aranca Research, Livemint, Economic Times*
GROWTH DRIVERS
REAL ESTATE BEING DRIVEN BY POLICIES AND GROWING ECONOMY

Growth in tourism

Urbanisation

Epidemological changes

Growing economy

Easier financing

Policy support

Growth drivers
ECONOMIC GROWTH ALONG WITH GROWING URBANISATION IS BOOSTING REAL ESTATE DEMAND

Real GDP growth rates of major economies

- 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.
- 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.

Population breakdown of India (million)

- India's urban population is expected to reach 543 million by 2025 from 461 million estimated in 2018*.
- Government initiatives such as various urban development policies and programmes (e.g., JNNURM) are expected to contribute to enhanced urbanisation.

Notes: E – Estimate, F – Forecast, JNNURM: Jawaharlal Nehru National Urban Renewal Mission
Source: IMF World Economic Outlook Database, Cushman and Wakefield, *United Nations World Urbanization Prospects 2018
RISING TOURIST NUMBERS BOOSTING THE HOSPITALITY SECTOR

- The number of Foreign Tourist Arrivals (FTAs) to India increased 15.6 per cent in CY 2017 to reach 10.177 million and reached 3.88 million in January-April 2018, showing a growth rate of 10.8 per cent year-on-year.

- The Government of India has set a target of 20 million foreign tourist arrivals (FTAs) by 2020 and double the foreign exchange earnings as well.

- India’s tourism and hospitality industry is anticipated to touch US$ 418.9 billion by 2022.

- India’s foreign exchange earnings (FEEs) from tourism increased by 20.8 per cent during CY 2017 to reach US$ 27.693 billion and reached US$ 10.62 billion during January-April 2018, showing a year-on-year growth rate of 17.4 per cent.

- The growing inflows from tourists is expected to provide a fillip to the hospitality sector.

- Medical tourism sector in India is gaining momentum, with a target of attracting 8 million medical tourists into the country by 2020.

Notes: CAGR: Compound Annual Growth Rate; CY – Calendar Year, * up to April 2018
Source: Ministry of Tourism, World Travel and Tourism Council’s Economic Impact 2015, Aranca Research
## GOVERNMENT POLICIES ARE HELPING THE REAL ESTATE SECTOR PROSPER

| Ease in housing finances | ▪ In order to boost affordable real estate, housing loans up to Rs 3.5 million (US$ 54,306) in metro cities were included in priority sector lending by the RBI in June 2018. Loans under priority sector lending are relatively cheaper.  
▪ Home loans in India are expected to grow 17-19 per cent in FY19, according to ICRA. |
| Housing for economically weaker sections | ▪ Under Union Budget 2018-19, Pradhan Mantri Awas Yojana (PMAY) (Gramin) was allocated Rs 33,000 crore (US$ 5.10 billion) while the urban programme of the scheme was allocated Rs 31,500 crore (US$ 4.87 billion). The scheme is expected to push affordable housing and construction in the country and give a boost to the real estate sector.  
▪ In February 2018, the National Urban Housing Fund (NUHF) was approved with an outlay of Rs 60,000 crore (US$ 9.27 billion). |
| 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 US$ 10 million to US$ 5 million which would help in boosting urbanisation  
▪ In January 2018, Government of India allowed 100 per cent FDI in single-brand retail trading and construction development without any government approvals. |
| REITs | ▪ 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 |
**MAJOR DEALS IN REAL ESTATE**

- A joint venture between Dutch asset manager APG Asset Management and real estate asset platform Virtuous Retail, has acquired a portfolio of three shopping malls for US$ 300 million, and has committed an additional US$ 150 million as equity capital to expand the portfolio.
- Emaar Properties, with largest FDI in the realty sector, has invested about US$ 126.96 billion in Indian real estate market, through its JV firm Emaar MGF.
- Maruti Suzuki is planning to acquire land for dealership expansion plans at key strategic locations across the country.

### Major acquisitions in real estate sector in India

<table>
<thead>
<tr>
<th>Target</th>
<th>Acquirer</th>
<th>Value (US$ million)</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>DLF Cyber City Developers (33.34% stake)</td>
<td>GIC</td>
<td>1,399.9</td>
<td>2017</td>
</tr>
<tr>
<td>Phoenix MarketCity, Bangalore (49 per cent stake)</td>
<td>Canadian Pension Plan Investment Board (CPPIB)</td>
<td>-</td>
<td>2016</td>
</tr>
<tr>
<td>Grabhouse</td>
<td>Quickr India Pvt Ltd</td>
<td>10</td>
<td>2016</td>
</tr>
<tr>
<td>Realty Business Intelligence</td>
<td>Housing.com</td>
<td>1.7</td>
<td>2015</td>
</tr>
<tr>
<td>Quickr India Pvt Ltd</td>
<td>Indian Realty Exchange</td>
<td>-</td>
<td>2015</td>
</tr>
<tr>
<td>Candor Investments Inc</td>
<td>Brookfield Asset Management Inc</td>
<td>337.4</td>
<td>2014</td>
</tr>
<tr>
<td>GIC and Ascendas</td>
<td>Ascendas India Growth Programme</td>
<td>600</td>
<td>2014</td>
</tr>
<tr>
<td>Farallon Capital</td>
<td>Indiabulls Real Estate Ltd</td>
<td>187</td>
<td>2013</td>
</tr>
<tr>
<td>Indiabulls Properties Pvt Ltd</td>
<td>Indiabulls Property Invest Trust</td>
<td>223.1</td>
<td>2012</td>
</tr>
</tbody>
</table>

*Source: Corporate Catalyst India, Business Standard, The Economic Times*
PE INVESTMENTS ON THE RISE

- RBI proposed to allow banks to invest in real estate investment trusts and infrastructure investment trusts, attracting more institutional investors to such assets. Indian Banks, which are allowed to invest about 20 per cent of their net-owned funds in equity-linked mutual funds, venture capital funds and stocks, could invest in these trusts within this limit.

- During January-March 2018, private equity investments in Indian real estate increased 15 per cent year-on-year to Rs 16,530 crore (US$ 2.6 billion). In May 2018, the sector received 25 per cent of overall PE investments in India.

- KKR India Asset Finance invested over US$ 500 million in residential projects in India in 2017.

### Top PE deals in Indian real estate sector in 2017

<table>
<thead>
<tr>
<th>Investor</th>
<th>Investee</th>
<th>Investment (US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>KKR and Co. L.P.</td>
<td>Sunteck Realty Ltd</td>
<td>22.4</td>
</tr>
<tr>
<td>Apollo Global Management</td>
<td>Logix Group</td>
<td>59.5</td>
</tr>
<tr>
<td>Piramal Fund Management Pvt. Ltd</td>
<td>Lodha Group</td>
<td>63.2</td>
</tr>
<tr>
<td>KKR and Co. L.P.</td>
<td>Mantri Developers Pvt Ltd</td>
<td>21.5</td>
</tr>
<tr>
<td>Goldman Sachs</td>
<td>Piramal Enterprises Ltd</td>
<td>150</td>
</tr>
<tr>
<td>Government of Singapore Investment Corporation (GIC)</td>
<td>Nirlon</td>
<td>328.3</td>
</tr>
<tr>
<td>The Blackstone Group</td>
<td>3C Company</td>
<td>104.2</td>
</tr>
<tr>
<td>Clearwater Capital Partners and SSG Capital Management</td>
<td>Lotus Greens Developers Pvt Ltd</td>
<td>75.0</td>
</tr>
<tr>
<td>KKR and Co. LP</td>
<td>Bhartiya City Developers Pvt Ltd; Signature Global; Prince Foundations Ltd</td>
<td>148.73</td>
</tr>
<tr>
<td>Cerestra Advisors Ltd</td>
<td>Alexandria Knowledge Park at Genome Valley in Hyderabad</td>
<td>61.1</td>
</tr>
</tbody>
</table>

*Note: * Calendar Year  
*Source: * Grant Thornton, Cushman and Wakefield, Thomson Banker OneVenture Intelligence
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.
- Exports from SEZs reached Rs 5.51 trillion (US$ 85.54 billion) in FY18.
- 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.

Source: * includes exports from SEZs and Export Oriented Units (EOUs)
Source: Ministry of Commerce and Industry, SEZ website
## NICHE SECTORS EXPECTED TO PROVIDE GROWTH OPPORTUNITIES

<table>
<thead>
<tr>
<th>Sector</th>
<th>Details</th>
</tr>
</thead>
</table>
| Education       | - 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                                                                                                                                 |
| Healthcare      | - The healthcare market is expected to reach US$ 372 billion by 2022.  
                  - India requires additional 1.1 million beds  
                  - 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  
                        - The segment in India can reach US$ 7.7 billion in size by 2030, according to a study by the Ministry of Commerce and Industry.         |
| Service Apartments | - Growth in the number of tourists has resulted in demand for service apartments.  
                        - In 2017, number of foreign tourist arrivals in India was recorded 10.177 million  
                        - This demand is likely to be on uptrend and presents opportunities for the unorganised sector                                                                                                   |
| Hotels          | - FTAs in India is expected to reach 15.3 million by 2025, which is expected to lead to an increase in demand for hotels.                                                                                      |

**Notes:** NCR – National Capital Region  
**Source:** Cushman and Wakefield, Fitch Ratings, Report on Healthcare, Telemedicine and Medical Tourism In India – ASA and Associates LLP, Ministry of Tourism
## TOURISM MARKET SET TO SURGE; HOTELS TO INCREASE CAPACITY

### Ahmedabad
- Upcoming office space likely to boost hospitality segment

### Bengaluru
- Corporate clients expected to provide steady growth to room demand

### Chennai
- Emerging as promising commercial destination with Chennai Bengaluru Industrial Corridor, likely to witness strong demand

### Hyderabad
- Room demand is expected to be driven by commercial and office space projects in the city

### Kolkata
- 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
- Government of West Bengal announced its plans to spend US$ 96.68 million to conserve rivers, develop parks and vast green spaces, on installing LED lights, safe transport system in the state along with increasing the green cover under the Green City Mission 2017.

### Mumbai
- Improved infrastructure, new airport terminal and upcoming airport in Navi Mumbai expected to provide growth to hotel industry

### NCR
- Higher Floor Space index, inclusion of hotel projects in infra lending lists provide a positive outlook to hotel market in NCR

### Pune
- 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 and Wakefield
OFFICE MARKET OVERVIEW – RENTS SET TO GROW

- 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.

- Commercial office stock in India is expected to cross 600 million square feet by 2018 end while office space leasing in the top eight cities is expected to cross 100 million square feet between 2018-20.

- Office space demand in the country increased 23 per cent year-on-year in January-March 2018 with office space absorption at 11.4 million square feet during the quarter. Office leasing in top eight cities increased by 60 per cent between 2013-17.

- The first real estate investment trust (REIT) in India is expected to be launched by 2018 end.

Notes: ITeS - Information Technology Enabled Service, F-forecast
Source: Cushman and Wakefield, JLL India, Livemint, Colliers International
KEY INDUSTRY ORGANISATIONS
## INDUSTRY ORGANISATIONS

<table>
<thead>
<tr>
<th>The Confederation of Real Estate Developers’ Associations of India (CREDAI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Secretariat, 703, Ansal Bhawan,</td>
</tr>
<tr>
<td>16, Kasturba Gandhi Marg, New Delhi – 110 001</td>
</tr>
<tr>
<td>Tel: (011) 43126262/43126200</td>
</tr>
<tr>
<td>Fax: 91 11 43126211</td>
</tr>
<tr>
<td>E-mail: <a href="mailto:info@credai.org">info@credai.org</a></td>
</tr>
<tr>
<td>Website: <a href="http://www.credai.org">www.credai.org</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Builders’ Association of India (BAI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>G-1/G-20, Commerce Centre, J. Dadajee Road,</td>
</tr>
<tr>
<td>Tardeo, Mumbai – 400034</td>
</tr>
<tr>
<td>Tel: 91 22 23514134, 23514802, 23520507</td>
</tr>
<tr>
<td>Fax: 91 22 23521328</td>
</tr>
<tr>
<td>E-mail: <a href="mailto:bai@vsnl.com">bai@vsnl.com</a>, <a href="mailto:baihq.mumbai@gmail.com">baihq.mumbai@gmail.com</a></td>
</tr>
<tr>
<td>Website: <a href="http://www.baionline.in">www.baionline.in</a></td>
</tr>
</tbody>
</table>
USEFUL INFORMATION
GLOSSARY

- 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
- US$: US Dollar
- Wherever applicable, numbers have been rounded off to the nearest whole number
## Exchange Rates

### Exchange Rates (Fiscal Year)

<table>
<thead>
<tr>
<th>Year</th>
<th>INR Equivalent of one US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004–05</td>
<td>44.95</td>
</tr>
<tr>
<td>2005–06</td>
<td>44.28</td>
</tr>
<tr>
<td>2006–07</td>
<td>45.29</td>
</tr>
<tr>
<td>2007–08</td>
<td>40.24</td>
</tr>
<tr>
<td>2008–09</td>
<td>45.91</td>
</tr>
<tr>
<td>2009–10</td>
<td>47.42</td>
</tr>
<tr>
<td>2010–11</td>
<td>45.58</td>
</tr>
<tr>
<td>2011–12</td>
<td>47.95</td>
</tr>
<tr>
<td>2012–13</td>
<td>54.45</td>
</tr>
<tr>
<td>2013–14</td>
<td>60.50</td>
</tr>
<tr>
<td>2014–15</td>
<td>61.15</td>
</tr>
<tr>
<td>2015–16</td>
<td>65.46</td>
</tr>
<tr>
<td>2016–17</td>
<td>67.09</td>
</tr>
<tr>
<td>2017–18</td>
<td>64.45</td>
</tr>
</tbody>
</table>

### Exchange Rates (Calendar Year)

<table>
<thead>
<tr>
<th>Year</th>
<th>INR Equivalent of one US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>44.11</td>
</tr>
<tr>
<td>2006</td>
<td>45.33</td>
</tr>
<tr>
<td>2007</td>
<td>41.29</td>
</tr>
<tr>
<td>2008</td>
<td>43.42</td>
</tr>
<tr>
<td>2009</td>
<td>48.35</td>
</tr>
<tr>
<td>2010</td>
<td>45.74</td>
</tr>
<tr>
<td>2011</td>
<td>46.67</td>
</tr>
<tr>
<td>2012</td>
<td>53.49</td>
</tr>
<tr>
<td>2013</td>
<td>58.63</td>
</tr>
<tr>
<td>2014</td>
<td>61.03</td>
</tr>
<tr>
<td>2015</td>
<td>64.15</td>
</tr>
<tr>
<td>2016</td>
<td>67.21</td>
</tr>
<tr>
<td>2017</td>
<td>65.12</td>
</tr>
</tbody>
</table>

*Source: Reserve Bank of India, Average for the year*
India Brand Equity Foundation (IBEF) engaged Aranca to prepare this presentation and the same has been prepared by Aranca in consultation with IBEF.

All rights reserved. All copyright in this presentation and related works is solely and exclusively owned by IBEF. The same may not be reproduced, wholly or in part in any material form (including photocopying or storing it in any medium by electronic means and whether or not transiently or incidentally to some other use of this presentation), modified or in any manner communicated to any third party except with the written approval of IBEF.

This presentation is for information purposes only. While due care has been taken during the compilation of this presentation to ensure that the information is accurate to the best of Aranca and IBEF’s knowledge and belief, the content is not to be construed in any manner whatsoever as a substitute for professional advice.

Aranca and IBEF neither recommend nor endorse any specific products or services that may have been mentioned in this presentation and nor do they assume any liability or responsibility for the outcome of decisions taken as a result of any reliance placed on this presentation.

Neither Aranca nor IBEF shall be liable for any direct or indirect damages that may arise due to any act or omission on the part of the user due to any reliance placed or guidance taken from any portion of this presentation.