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Executive summary

- In India, the real estate sector is the second-highest employment generator, after the agriculture sector.
- Real estate sector in India is expected to reach US$ 1 trillion by 2030. By 2025, it will contribute 13% to the country’s GDP.
- Rapid urbanisation bodes well for the sector. The number of Indians living in urban areas is expected to reach 525 million by 2025 and 600 million by 2036.
- Construction is the third-largest sector in terms of FDI inflow. FDI in the sector (including construction development & activities) stood at US$ 51.5 billion between April 2000 and June 2021.
- Government of India’s ‘Housing for All’ initiative is expected to bring US$ 1.3 trillion investment in the housing sector by 2025.
- India’s Global Real Estate Transparency Index ranking improved by a notch to 34 in 2019 on the back of regulatory reforms, better market data and green initiatives according to property consultant JLL.
- Home sales volume across eight major cities in India jumped by 2x to 61,593 units from October 2020 to December 2020, compared with 33,403 units in the previous quarter, signifying healthy recovery post the strict lockdown imposed in the second quarter due to the spread of COVID-19 in the country.
- The residential sector is expected to grow significantly, with the central government aiming to build 20 million affordable houses in urban areas across the country by 2022, under the ambitious Pradhan Mantri Awas Yojana (PMAY) scheme of the Union Ministry of Housing and Urban Affairs. Expected growth in the number of housing units in urban areas will increase the demand for commercial and retail office space.

Notes: E - Estimated; F- Forecasted
Advantage India
2. ROBUST DEMAND

- According to Savills India, real estate demand for data centres is expected to increase by 15-18 million sq. ft. by 2025.
- 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.
- Growing economy driving demand for commercial and retail space.

3. ATTRACTIVE OPPORTUNITIES

- Growing requirement of space from sectors such as education, IT, healthcare, e-commerce and logistics.
- In July 2021, the Securities and Exchange Board of India lowered the minimum application value for Real Estate Investment Trusts from Rs. 50,000 (US$ 685.28) to Rs. 10,000-15,000 (US$ 137.06 - US$ 205.59) to make the market more accessible to small and retail investors.
- As per ICRA estimates, Indian firms are expected to raise >Rs. 3.5 trillion (US$ 48 billion) through infrastructure and real estate investment trusts in 2022, as compared with raised funds worth US$ 29 billion to date.

4. POLICY SUPPORT

- The Government has allowed FDI of up to 100% for townships and settlements development projects.
- Under the ‘Housing for All’ scheme, 20 million houses are to be built by 2022, GST rate is brought down to 5%.
- Under Union Budget 2021-22, tax deduction up to Rs. 1.5 lakh (US$ 2069.89) on interest on housing loan, and tax holiday for affordable housing projects have been extended until the end of fiscal 2021-22.

1. INCREASING INVESTMENTS

- Driven by increasing transparency and returns, there’s a surge in private investment in the sector.
- In the first-half of 2021, India registered investments worth US$ 2.4 billion into real estate assets, a growth of 52% YoY.
- FDI in the sector (including construction development & activities) stood at US$ 51.5 billion between April 2000 and June 2021.
Segments in the Indian real estate sector

**Residential space**
- Residential segment contributes ~80% of the real estate sector. According to Anarock, housing sales in seven cities increased by 29% and new launches by 51% in Q4 FY21 over Q4 FY20.
- According to India Ratings and Research (Ind-Ra), the Indian real estate sector may stage a sharp K-shaped recovery in FY22. However, the overall sales in FY22 could still be ~14% lower than FY20 numbers.

**Commercial space**
- Few players with presence across India.
- Most of the activity is in the leasing segment.

**Retail space**
- FDI in multi-brand retail to boost demand.
- Retail real estate and warehousing segment attracted private equity (PE) investments of US$ 220 million and US$ 971 million, respectively, in 2020.
- Retail would add up more 39 million square feet of space by 2022.

**Hospitality space**
- Hotel room supply in the country increased 5.4% y-o-y in FY19, totalling to 133,359 rooms at the end of FY19.
- The sector is likely to attract an annual investment between US$ 0.5-0.6 billion during 2018-2022, with total investment reaching US$ 2.8 billion by 2022.

**SEZs**
- As of June 30, 2021, India formally approved 427 SEZs.
- As of March 31, 2021, 265 SEZs were operational.
- In March 2020, the Government approved proposals from TCS and DLF to set up SEZs for IT sector in Haryana and Uttar Pradesh.

**Notes:** SEZ - Special Economic Zone. IT - Information Technology. BPM - Information Technology Enabled Services
**Source:** KPMG Cushman and Wakefield, CRISIL, JLL India, ANAROCK Property Consultants, Colliers Research, CBRE, SEZ India
Real estate sector in India is expected to reach US$ 1 trillion in market size by 2030, up from US$ 120 billion in 2017. India’s real estate market is estimated to grow at a CAGR of 19.5% during 2017-2028. The market is forecast to reach US$ 650 billion, representing 13% of India’s GDP by 2025.

Increasing share of real estate in the GDP would be supported by increasing industrial activity, improving income level and urbanisation.

The Government launched 10 key policies for the real estate sector:
- Real Estate Regulatory Act (RERA)
- 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 (GST)
- Demonetisation
- PR for foreign investors

Notes: CAGR - Compounded Annual Growth Rate, E - Estimated, F - Forecast, Information is as per latest data available, *average of indices of all cities
Source: KPMG, Report on Real Estate Sector in India - Corporate Catalyst India Pvt Ltd, CBRE, National Housing Bank
A localised and fragmented market presents opportunity for consolidation with only few large pan-India players like DLF.

More foreign players might enter the market as FDI norms have eased.

Furthermore, norms on land acquisitions is expected to be relaxed.

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.

Share of the top listed developers in the Indian residential market is expected to increase to 29% in FY24, from 25% in FY21, driven by a strong pipeline for residential project launch.

In 2021, working remotely is being adopted at a fast pace and demand for affordable houses with ticket size below Rs. 40-50 lakh is expected to rise in Tier 2 and 3 cities, leading to an increase in prices in those geographies. Developers are now focusing on affordable and mid-range categories to meet the huge demand.

In the third quarter of 2021, housing sales stood at ~62,800 units, increased by 113% YoY across the top seven cities, as compared with ~29,520 units in the third quarter of 2020.

Mumbai metropolitan region accounted for 33% of the total sales, followed by NCR at 16% share.

The performance of micro-markets in the Delhi-NCR region, including Noida and Gurgaon, posted a double-digit expansion in property appreciation prices with 11% and 13%, respectively, growth.

Notes: LIG - Low Income Group, MIG - Middle Income Group, HIG - High Income Group
Source: Cushman and Wakefield, Anarock Property Consultants, News Articles
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 lease and maintenance.
- By 2023, commercial space is expected to reach at 50 msf mainly driven by sectors - IT-BPO, pharma, engineering and manufacturing.
- The office space leasing activity is expected to pick up in 2021 and is likely to be at par with the 10-year average, i.e., 30-31 million sq. ft.

**Key drivers**
- Rapid growth in service sectors: IT/BPM, BFSI and Telecom.
- Rising demand from MNCs.
- Demand for office space in tier II cities.

**Notable trends**
- In the third quarter of 2020, the gross leasing volume increased to 14.7 million sq. ft., registering a 138% increase QoQ.
- Business activity is shifting from CBDs to SBDs and tier I to tier II cities.
- In terms of share of sectoral occupiers, Information Technology (IT/ITeS) sector dominated with a 41% share in second half of 2020, followed by BSFI and Manufacturing sectors with 16% each, while Other Services and Co-working sectors recorded 17% and 10%, respectively.

**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>2015</td>
<td>28</td>
<td>28</td>
<td>28</td>
<td>29</td>
<td>33.20</td>
<td>33.00</td>
<td>39.30</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>2017</td>
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<td></td>
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<tr>
<td>2018</td>
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<td></td>
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<tr>
<td>2019</td>
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<td></td>
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<tr>
<td>2020</td>
<td></td>
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</tr>
</tbody>
</table>

**City-wise Commercial Space Demand (million sq. ft.) 2020**

<table>
<thead>
<tr>
<th>City</th>
<th>Space Demand (million sq. ft.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pune</td>
<td>3.7</td>
</tr>
<tr>
<td>NCR</td>
<td>4.6</td>
</tr>
<tr>
<td>Mumbai</td>
<td>5.9</td>
</tr>
<tr>
<td>Kolkata</td>
<td>0.9</td>
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<tr>
<td>Hyderabad</td>
<td>6.0</td>
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<tr>
<td>Chennai</td>
<td>4.5</td>
</tr>
<tr>
<td>Bengaluru</td>
<td>12.3</td>
</tr>
<tr>
<td>Ahmedabad</td>
<td>1.4</td>
</tr>
</tbody>
</table>

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

**Source:** Cushman and Wakefield, Knight Frank Research
Office market overview

- Office market has been driven mostly by growth in BPM/IT, BFSI, consulting and manufacturing industries. Moreover, many new companies are planning a foray into Indian market due to huge potential and relaxed FDI norms.
- Grade-A office space absorption is expected to cross 700 msf by 2022, with Delhi-NCR contributing the most to this demand.
- In 2021, Bengaluru is expected to record huge deals of >100,000 sq. ft. and form a major portion of projected leasing; and is expected to account for a 20-30% increase in absorption, while the supply is expected to gradually increase 20-30% y-o-y.
- According to JLL India, in 2020, the net absorption of office space in the top seven cities was 25.63 million sq. ft.
- According to a JLL Report, Delhi-NCR witnessed a 5% increase in net absorption of office space in the fourth quarter of FY20 on a QoQ basis with 1.07 million sq. ft.
- According to JLL India, in the second quarter of 2021, India’s net office absorption reached 4.39 million sq. ft., up 32% YoY, in key cities.
- COVID-19 pandemic has resulted into work from home (WFH) element, which impacted the new space commitments in the short term. In 2020, new office space in the seven cities was 36.34 million square feet, a decrease of 30% y-o-y. However, recovery of the office leasing market is expected to start in early-2021.
- Absorption of industrial and warehousing space is expected to grow by 83% to 47.7 million square feet in 2021, driven by strong growth in the e-commerce and manufacturing as well as growing demand in emerging Tier I and II cities, according to Savills India.
- Of the total PE investments in real estate in Q4 FY21, the office segment attracted 71% share, followed by retail at 15% and residential and warehousing with 7% each.

Notes: BPM - Information Technology Enabled Service. msf - million square feet
Source: Knight Frank, JLL India, Livemint, Colliers International, CBRE, JLL, Savills
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 is growing 25-30% annually.
- Entry of MNC retailers.
- India’s population below 30 years of age and having exposure to global retail is expected to drive demand for organised retail.

Notable trends
- Retail sector attracted US$ 1 billion in 2019.
- According to Anarock, a property consultant, India is likely to have 100 new malls by 2022. Of this number, 69 malls will be built in the top seven metropolis and the remaining 31 malls will be in Tier 2 & 3 cities.
- In September 2021, Amazon India signed a lease agreement with GMR Logistics Park for warehousing space of 10 lakh sq. ft. in Hyderabad for 20 years.

Source: Cushman and Wakefield, CBRE, JLL India, Real estate intelligence service (JLL), Anarock
Hospitality market to witness large incremental capacity

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

Scenario

Key drivers

- A robust domestic tourism industry.
- The increasingly global nature of Indian businesses is boosting business travel.
- Tax incentives for hotels and higher Floor Space Index (FSI).

Notable trends

- Service apartments appear particularly attractive within the hospitality space.
- Government initiatives to promote tourism in tier II and tier III cities is generating significant demand for hotels in such cities, especially budget hotels.

Source: Cushman and Wakefield, Hotelivate
Recent Trends and Strategies
Strategies adopted

1. 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 (PE) companies have started focusing on affordable housing.

2. Backward integration
   - An architectural, structural and interior studio and a metal and glazing factory.
   - Interiors, wood working factory, and concrete block making plant.

3. Merger & Acquisition (M&A)
   - To establish an investment platform for the Indian retail-led mixed-use assets, in June 2021, GIC announced to acquire a minority stake in Phoenix Mills’s portfolio (worth US$ 733 million).
   - In May 2021, Blackstone Real Estate acquired Embassy Industrial Parks for Rs. 5,250 crore (US$ 716.49 million) to expand its presence in the country.
   - In November 2020, Prestige Estates Projects Ltd. sold a large portfolio of office, retail and hotel properties to Blackstone for Rs. 12,745 crore (US$ 1.7 billion).
   - In October 2020, Australia’s REA Group Ltd. announced its agreement to acquire a controlling interest in Elara Technologies Pte. Ltd., the owner of Housing.com, PropTiger.com and Makaan.com.
   - Iconic RK Studios property, located in suburban Chembur, was acquired by Godrej Properties.
   - Raymond sold its 20 acres Thane land to Xander-backed VRSA for Rs. 700 crore (US$ 98 million).

4. Risk management in land sourcing
   - Joint venture with landowners instead of amassing land banks. For example - Oberoi Realty, a Mumbai based realty firm, adopted this strategy while entering the NCR region.
   - On July 23, 2020, Sunteck Realty entered a joint development agreement with landowners to construct a housing project in the Mumbai Metropolitan Region (MMR), having a revenue potential of Rs. 5,000 crore (US$ 709.32 million) over the next five-seven years.

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

6. Strategic Partnership
   - To expand into the Indian real estate market, SRAM & MRAM Group collaborated with Area CAS Developers and Infrastructure Private Limited (Area Group), and Gupta Builders and Promoters Private Limited (GBP Group) of India. It plans to invest US$ 100 million in the real estate sector.
Growth Drivers
Real estate being driven by policies and growing economy

Growth in tourism

Urbanisation

Growing economy

Policy support

Easier financing

Epidemological changes
Economic growth along with growing urbanisation is boosting real estate demand

- The Indian economy has experienced robust growth in the past decade and is expected to be one of the fastest growing economies in the coming years.
- India’s urban population is expected to reach 525 million by 2025, up from an estimated 463 million in 2020.
- Rising income and employment opportunities have led to more urbanisation and more affordability for real estate in cities.

Notes: E - Estimate, F - Forecast
Source: IMF World Economic Outlook Database, JLL, *United Nations World Urbanization Prospects 2018
Rising tourist numbers boosting the hospitality sector

- During 2019, foreign tourist arrivals (FTAs) in India stood at 10.9 million, achieving a growth rate of 3.20% y-o-y.
- India’s tourism and hospitality industry is anticipated to touch US$ 418.9 billion by 2022.
- During 2019, India earned US$ 30.0 billion in foreign exchange from tourism, recording a y-o-y growth of 4.80%. Foreign exchange earnings (FEEs) from tourism in India grew at a CAGR of 8.96% during 2007-19.
- The growing inflow 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.
- Hilton plans to add 18 hotels pan India by 2021, along with 15 operational hotels under its brands—Hampton, Hilton Garden Inn, Conrad, Hilton Hotels & Resorts and DoubleTree by Hilton. On October 22, 2020, Hilton launched its first DoubleTree by Hilton brand in Jaipur, Rajasthan.
- In November 2020, Taj Group partnered with the real estate company Ambuja Neotia Group to launch three new hotels—two in Kolkata and one in Patna.
- In November 2020, Accor, a leading hospitality group, to launch seven new properties in India by 2022.

Notes: CAGR is up to 2019, CY - Calendar Year
Source: Ministry of Tourism, News Articles
Government policies are helping the real estate sector prosper… (1/3)

1. **Ease in housing finance**
   - 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 2019. Loans under priority sector lending are relatively cheaper. Housing loans account for more than half of retail loans.

2. **Housing for economically weaker section**
   - On July 09, 2020, Union Cabinet approved the development of Affordable Rental Housing Complexes (AHRCs) for urban migrants and poor as a sub-scheme under Pradhan Mantri Awas Yojana - Urban (PMAY-U).
   - Since 2019, 41,75,214 houses have been sanctioned and 20,39,571 houses have been delivered to urban poor under the Pradhan Mantri Awas Yojana-Urban (PMAY-U).

3. **FDI**
   - The Government has allowed 100% FDI for townships and settlements development projects.
   - Provision for reduction in minimum capitalisation for FDI investment from US$ 10 million to US$ 5 million to boost urbanisation.
   - In January 2018, the Government allowed 100% FDI in single-brand retail trading and construction development without Government approvals.
   - Indian real estate is expected to attract a substantial amount of FDI over the next two years, with US$ 8 billion capital infusion by FY22.

4. **Land Acquisition Bill**
   - In December 2014, the Government passed an ordinance amending the Land Acquisition Bill.
   - This ordinance is intended to speed up the process for industrial corridors, social infra, rural infra, housing for the poor and defence capabilities.

*Source: Government of India, News Articles*
Government policies are helping the real estate sector prosper… (2/3)

REITs
• Real Estate Investment Trusts (REITs) in non-residential segment will open channels for both commercial and infrastructure sector. In March 2019, Embassy Office Parks, India’s first REIT, went public.
• First REIT raised Rs. 4,750 crore (US$ 679.64 million) and was launched in early 2019 by global investment firm, Blackstone, and realty firm, Embassy group.
• In July 2021, the Securities and Exchange Board of India lowered the minimum application value for Real Estate Investment Trusts from Rs. 50,000 (US$ 685.28) to Rs. 10,000-15,000 (US$ 137.06 - US$ 205.59) to make the market more accessible to small and retail investors.
• According to EY, > US$ 9.7 billion has been raised in India via real estate investment trusts (REITs) and infrastructure investment trusts (InvITs).

Govt-backed Stress Fund
• The Special Window for Completion of Construction of Affordable and Mid-Income Housing (SWAMIH I) supported housing projects have started witnessing fresh sales and collection of dues from existing homebuyers, In November 2020, SBICAP Ventures Ltd. managed fund cleared investments worth >Rs. 13,200 crore (US$ 1.78 billion) for 136 projects and has started deploying funds across 36 projects

Stamp Duty
• The Ministry of Housing and Urban Affairs has recommended all the states to consider reducing stamp duty of property transactions in a bid to push real estate activity, generate more revenue and aid economic growth.
• National Real Estate Development Council – Maharashtra announced zero stamp duty on housing sales until December 31, 2020.

Source: Government of India, News Articles
Government policies are helping the real estate sector prosper… (3/3)

8 Tax Relief

- The Atmanirbhar Bharat 3.0 package announced by Finance Minister Mrs. Nirmala Sitharaman in November 2020 included income tax relief measures for real estate developers and homebuyers for primary purchase/sale of residential units of value (up to Rs. 2 crore (US$ 271,450.60) from November 12, 2020, to June 30, 2021.
- Buyers have been allowed to purchase homes at 20% below the circle rate without attracting any tax penalties.

9 Construction Premiums

- Construction premiums and levies in Maharashtra account for >30% of the total project cost.
- In a bid to boost the real estate sector amid the pandemic, construction premiums and levies payable by builders in Maharashtra are set to be halved for one year until December 31, 2021.

10 J&K's New Land Law

- On October 27, 2020, the government announced the application of Real Estate (Regulation & Development) Act, 2016 in the union territory of Jammu & Kashmir. This has paved the way for any Indian citizen to buy non-agricultural land and property, as opposed to the eligibility of only local residents earlier.

11 Green Building Movement

- With 6,548 registered green building projects, India is among one of the three countries that have a green building footprint.
- Indian Institute of Architects (IIA) and CII-Indian Green Building Council (IGBC) signed a MoU to boost green building movement in the area of architectural design and planning.

Source: Government of India, News Articles
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% of their net-owned funds in equity-linked mutual funds, venture capital (VC) funds and stocks, could invest in these trusts within this limit.

Foreign portfolio investment in the Indian real estate sector stood at Rs. 3,671 crore (US$ 497 million) in March 2021.

According to a recent report by Colliers India, private equity investments in Indian real estate reached US$ 2.9 billion in the first half of 2021, which was a >2x increase from the first half in 2020.

As per Savills India’s report, foreign institutional investors accounted for most investments in the Indian real estate in the first quarter of 2021. Of the total, 58% (Rs. 78.3 billion (US$ 1.07 billion) was invested in commercial office assets, while 42% (Rs. 56.7 billion; US$ 773.81 million) was invested in residential real estate.

In 2022, India is projected to get cross-border real estate investment of US$ 2.5 billion.

The Godrej Group has forayed into the financial services industry with Godrej Housing Finance (GHF), through which it hopes to build a long-term and sustainable retail financial services business in India, aiming for a balance sheet of Rs. 10,000 crore (US$ 1.35 billion) in the next three years.

Blackstone is one of the largest private market investors in India, managing about Rs. 3,694 crore (US$ 50 billion) of market value in the real estate sector. The company anticipates investing >Rs. 1,625 crore (US$ 22 billion) in the next 10 years.

Note: PE - Private Equity, VC - Venture Capital
Source: EY, JLL India, News Articles
SEZs emerging as an extension of real estate business

- 100% FDI permitted for developing townships within SEZs with residential areas, markets, playgrounds, clubs, recreation centres, etc.
- Exports from SEZs reached Rs. 7.96 lakh crore (US$ 113.0 billion) in FY20 and grew ~13.6% from Rs. 7.1 lakh crore (US$ 100.3 billion) in FY19.
- In March 2020, proposals from TCS and DLF to set up SEZs for IT sector in Haryana and Uttar Pradesh was approved by the Government.
- Industry players, including realtors and property analysts, are rooting for the creation of "Special Residential Zones" (SRZs) along the lines of SEZs.

Source: Ministry of Commerce and Industry, SEZ website
Opportunities
1. Flex Space Segment
   - India's flexible space stock is likely to expand by 10-15% YoY, from the current 36 million sq. ft., in the next three years, according to a report by CBRE.

2. Healthcare
   - The healthcare market is expected to reach US$ 372 billion by 2022.
   - India needs to add 2 million hospital beds to meet the global average of 2.6 for every 1,000 people.

3. 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.
   - The segment in India can reach US$ 7.7 billion in market size by 2030 according to a study by the Ministry of Commerce and Industry.

4. Smaller office spaces
   - As work from home and office has become the new normal, many companies are now shifting to smaller workspaces.
   - This transition is now helping revive the real estate economy that has come to a standstill in the last six months due to COVID-19.

5. Service apartments
   - Growth in the number of tourists has resulted in demand for service apartments.
   - This demand is likely to grow and presents opportunity for the unorganised sector.

6. 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.
   - Spiritual tourism is one of the biggest untapped markets for domestic travel; nearly 60% of domestic tourism in India is religion-based.
## Top cities to contribute to growth

<table>
<thead>
<tr>
<th>City</th>
<th>Contribution</th>
</tr>
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<tbody>
<tr>
<td>Ahmedabad</td>
<td>Upcoming office space likely to boost hospitality segment.</td>
</tr>
<tr>
<td>Bengaluru</td>
<td>Corporate clients expected to provide steady growth to room demand.</td>
</tr>
<tr>
<td>Chennai</td>
<td>Emerging as promising commercial destination with Chennai-Bengaluru Industrial Corridor - likely to witness strong demand.</td>
</tr>
<tr>
<td>Hyderabad</td>
<td>Room demand is expected to be driven by commercial and office space projects in the city.</td>
</tr>
<tr>
<td>Kolkata</td>
<td>Projects like Light Rail Transport System, Monorail, Eco-Park, and Airport expansion are likely to boost travel, which will result in increase in demand for the hotel industry.</td>
</tr>
<tr>
<td>Mumbai</td>
<td>Improved infrastructure, new airport terminal and upcoming airport in Navi Mumbai is expected to drive hotel industry’s growth.</td>
</tr>
<tr>
<td>NCR</td>
<td>As per the ANAROCK report, between July 2020 and March 2021, housing sales in the NCR stood at 21,750 units, of which 85% were first-time homebuyers. This indicates positive outlook for rising demand in the real estate market.</td>
</tr>
<tr>
<td>Pune</td>
<td>IT parks are attracting global players and increasing traffic. New business units are likely to increase business conferences and events, which in turn will boost the demand for hotels.</td>
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</table>

- According to Knight Frank report, Delhi was ranked 27th, while Mumbai and Bengaluru were placed at the 33rd and 34th positions, respectively, in a global index that measures annual price appreciation of luxury residential properties from July 2020 to September 2020 (the third quarter).

*Source: Cushman and Wakefield, Knight Frank*
## Key industry contacts

<table>
<thead>
<tr>
<th>Agency</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Confederation of Real Estate Developers’ Associations of India (CREDAI)</td>
<td>National Secretariat, 703, Ansal Bhawan, 16, Kasturba Gandhi Marg, New Delhi - 110 001 Tel: (011) 43126262/43126200 Fax: 91 11 43126211 E-mail: <a href="mailto:info@credaincr.org">info@credaincr.org</a> Website: <a href="http://www.credaincr.org/">http://www.credaincr.org/</a></td>
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<tr>
<td>Builders' Association of India (BAI)</td>
<td>G-1/G-20, Commerce Centre, J. Dadajee Road, Tardeo, Mumbai - 400034 Tel: 91 22 23514134, 23514802, 23520507 Fax: 91 22 23521328 E-mail: <a href="mailto:bai@vsnl.com">bai@vsnl.com</a>, <a href="mailto:baihq.mumbai@gmail.com">baihq.mumbai@gmail.com</a> Website: <a href="http://www.baionline.in">www.baionline.in</a></td>
</tr>
<tr>
<td>Association of Real Estate Agents</td>
<td>C/102, Krishna Nagari, Opp. Sony Mony, S.V. Road, Borivali (West), Mumbai - 400 092 Tel: 91 22 28013434 Email: <a href="mailto:info@area.in">info@area.in</a> Website: <a href="http://www.area.in">www.area.in</a></td>
</tr>
<tr>
<td>All India Real Estate Agents Association</td>
<td>The Delhi State Newspaper Employees Federation, Plot No 1, Sector 19, Dwarka, New Delhi – 110 075 Tel: 91 9971774144, 91 9873772065 Email: <a href="mailto:info@aireaa.com">info@aireaa.com</a> Website: <a href="http://www.aireaa.com">www.aireaa.com</a></td>
</tr>
<tr>
<td>Federation of All India Real Estate Association</td>
<td>No. 23/12, Asian apartments (Basement floor), Trustpuram 1st cross street, Kodambakkam, Chennai - 600 024 Tel: 91 44 48573232 Email: <a href="mailto:info@faira.in">info@faira.in</a> Website: <a href="http://www.faira.in">www.faira.in</a></td>
</tr>
</tbody>
</table>
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
- Rs.: Indian Rupee
- IT/BPM: 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
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Note: As of September 2021
Source: Reserve Bank of India, Average for the year
India Brand Equity Foundation (IBEF) engaged Sutherland Global Services Private Limited to prepare/update this presentation.

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