CUSHMAN & WAKEFIELD

YEAR END ROUND UP

WE MAKE AN IMPACT

OUTLOOK 2023

FAST FIVE FACTS

1. Real GDP growth of **6.8%** in 2022, as compared to 8.7% in 2021; expected growth of **6.1%** in 2023

2. At **6.7%** elevated levels of Inflation in FY 2022-23 though it is expected to fall by the end of the fiscal year; inflation projected at around **5.2%** in FY 2023-24

3. RBI's consumer confidence index (current situation index) stood at **83.5** in November 2022, reaching pre-pandemic levels; outlook in 2023 (future expectations index) remained optimistic and stood at **114.9**

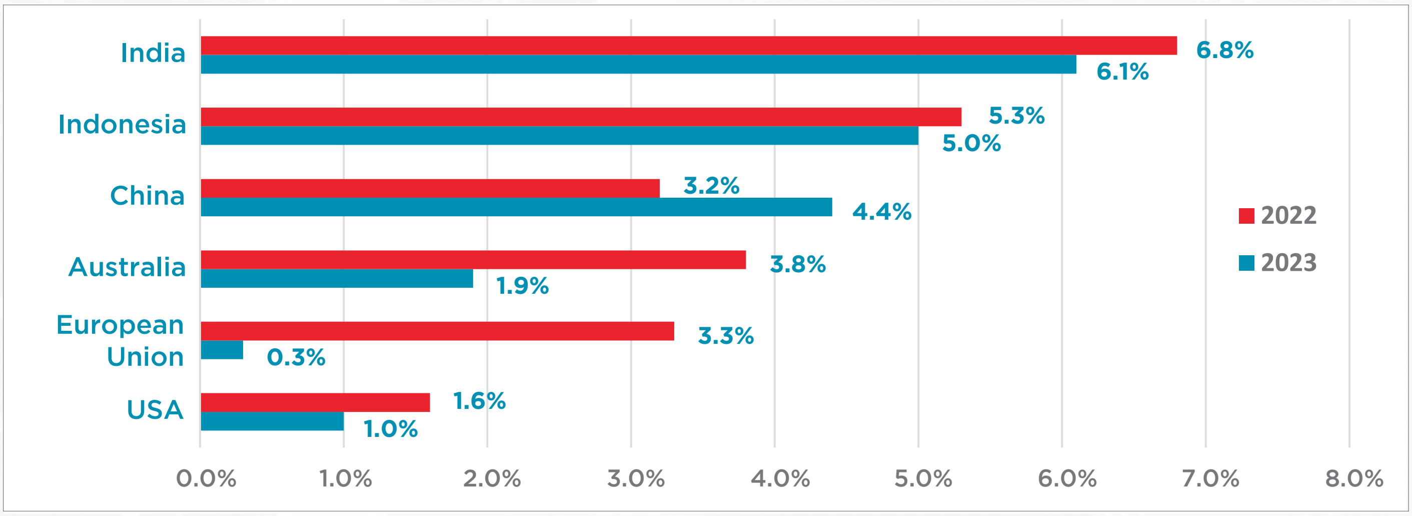
4. Services sector, which contributes around 54% of GDP, is likely to grow at **8.2%** in FY 2022-23; the growth rate is projected at **7.1%** in FY 2023-24

5. GST collections expected to be recorded at around **INR 16 trillion** in FY 2022-23, up from INR 14.8 trillion in FY 2021-22, supported by healthy business activities

Developments in 2022

India is expected to remain the fastest growing economy with real GDP growth projected at ~7.0% as of the current financial year ending Mar-23. Though it has been revised lower through the year 2022, it was largely done considering slowing of external factors such as trade volumes, imported inflation and supply chain issues. India's services exports and domestic consumption story continues to remain strong. Strong private consumption demand, government CAPEX-driven investment demand as well as growing services sector demand, particularly in IT-BPM, professional services, BFSI, transport and real estate, are driving factors for India's real GDP growth. So far we have not seen a slowing of activity as gauged from the high frequency monthly economic indicators such as GST collections, passenger vehicle sales, railway freight revenue, Mfg. PMI etc. Exports, however, has been slowing for a couple of months owing to slow external trade.

India will continue to be the fastest growing economy

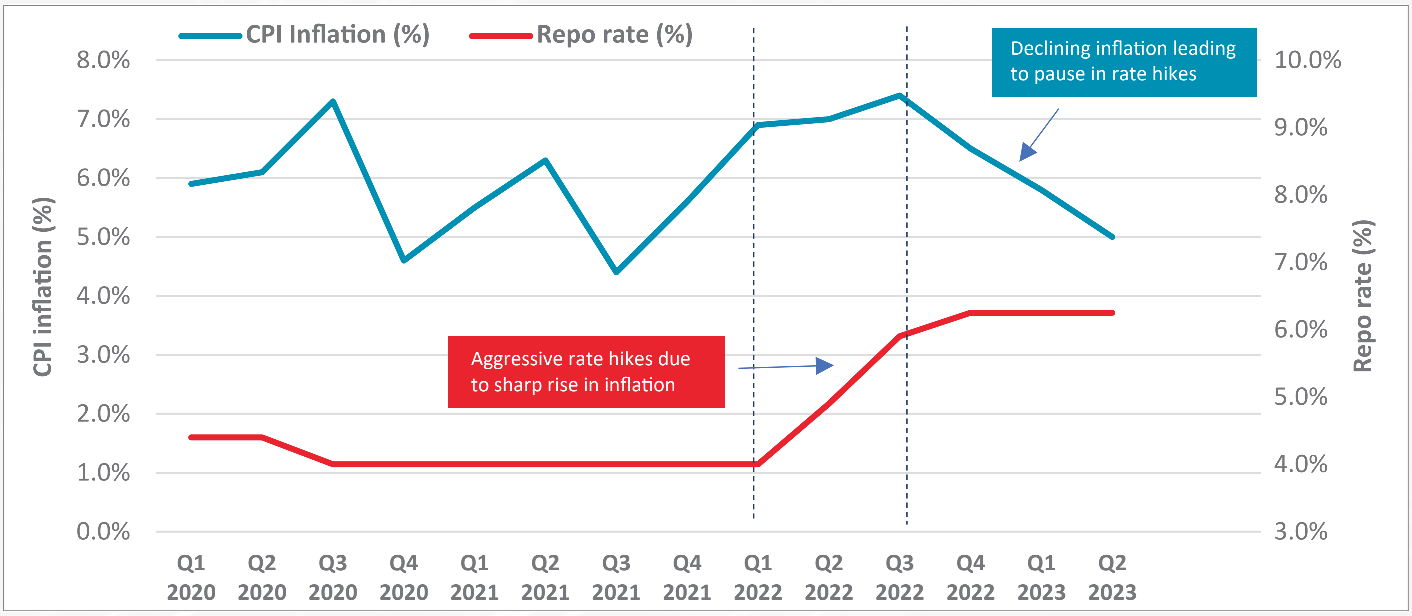


Source: IMF, RBI, Eurostat

Looking ahead to 2023

For 2023 (or FY24), RBI has forecasted a growth rate of 6.1%, which has been revised downwards owing to recessionary scenario elsewhere in the West. However, India would continue to remain fastest growing amongst major economies. A key impediment for growth was the high inflation rate that is appearing to taper down in coming months. As per RBI's projected inflation outlook, inflation is likely to come within the comfort range of 2-6% from the 1Q of the next financial year (beginning April 2023), and this would necessitate the central bank to revert to policy normalisation. Besides the domestic economy growth drivers mentioned earlier, higher adoption of new-age technology, India's recent introduction of 5G networks, government's infrastructure & manufacturing push are likely going to be key growth enablers.

RBI's policy normalization cycle expected to begin in 2023



Source: MOSPI, RBI

OFFICE OVERVIEW

FAST FIVE FACTS

1. Gross leasing volume for the full year 2022 is expected closer to / marginally higher than 2019 historic high levels (~68 MSF). As of Q3-22, GLV had already touched **55** MSF.

2. New supply is expected at close to **60** MSF during the year. As of **Q3-22,** new supply stood at **~44MSF**, higher by 16% compared to the full year 2021 level.

3. Despite high supply this year, vacancy has risen marginally (~5%) across cities as of Q3-22. Overall pre-commitments stood high at **~20%**, with cities such as Bengaluru & Hyderabad leading.

4. Return-to-office (RTO) ratio kept rising through the year, from **~20%** at the start to **55-60%** as per our October survey of large occupiers. This is likely to rise further, acting as a demand driver for quality office space.

5. Yet again, flex space operators remained active, contributing to **~13%** of office leasing volume in 2022 (2021: 9%). Enterprises leased **85,000+ seats** as of first **3 quarters**, surpassing 2021 full year levels.

Sectoral Trends - Year 2022 & Outlook

Office real estate activity rebound in 2022; supply & demand breach 2019 levels

2022 started on a positive note as both occupiers' and developers' confidence remained high owing to strong rebound seen from 2H-2021 onwards. Up until the third quarter 2022, GLV volumes remained high, and by year-end it is likely going to reach or breach the historic high level we saw in 2019 of ~68 MSF. Fresh leasing was high, while pre-commitments and term renewals also contributed to this growth. Despite a lot of new project completions, vacancy numbers have been largely range-bound owing to large pre-commitments by occupiers.

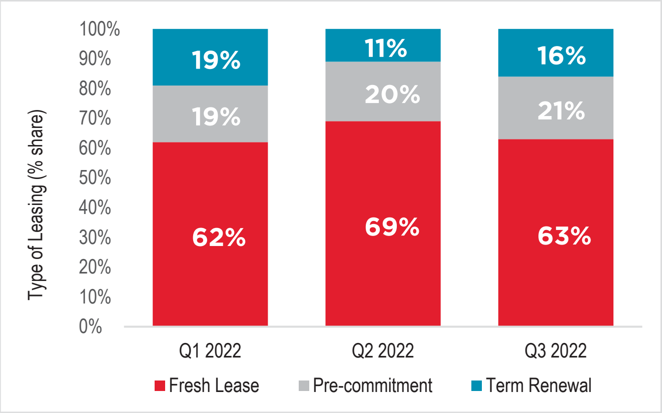
	GLV YTD 22 (MSF)	GLV YTD 22 / YTD 19 (%)	Supply YTD 22 (MSF)	Supply YTD 22 / YTD 19 (%)	Vacancy by end Q4 19	Est. vacancy by end 2022
Pan India	55.0	121%	43.9	107%	14.1%	~19%

OFFICE OVERVIEW

Given India's inherent advantages of being a cost competitive office destination and having an abundance of tech talent, the commercial office sector has not yet observed any impact from uncertainty related to a mild recession fear in the West. We strongly believe that a mild recession will have limited impact on office market in India. Therefore, we foresee only around 7-10% variation in gross lease volume (on the downside) in year 2023, though on the net absorption front, it would still translate into a 37 MSF of absorption (like 2022). Given the rising RTO % across multiple sectors, and fresh hiring of employees immediately post-Covid, requirement of fresh space will be felt in coming months.

Fresh leasing & pre-commitments were strong; return-to-office boosts demand for space

Sharp rebound was largely driven by fresh leases, that contributed to a significant ~65% share in overall leasing volume. Occupiers in the IT-BPM, BFSI, Engineering & Mfg., and Flex Space operators were lead contributors as they executed their pending footprint expansion plans. As RTO % is expected to rise further, this trend could likely continue in the fourth quarter as well



Rental trends: stable with an upward bias in the medium-term

Despite a robust demand and supply activity witnessed during the year, overall rents remained largely stable. Resurgent supply of ~60 MSF expected by this year-end was crucial in keeping rental escalations in check. However, core micromarkets such as BKC in Mumbai, ORR in Bengaluru etc. have witnessed rents bottoming-out owing to a tight vacancy & somewhat limited supply of quality assets. Given a mild recession hitting Western economies, stable rents can be expected in the near-term (4-6 months), post which marginal rent escalations can be expected in core micro-markets.

Future of Work - Re-imagining the role of office

2022 has been a year of re-assessment of the role of physical office space in building corporate ethos, employee productivity, foster collaboration & innovation etc., and it continues to remain integral to organisations. During the year, corporates have invested heavily in office infrastructure to upgrade on health & wellness, technology integration, de-densification, collaboration, etc., with the intention to attract & retain best talent. In an era of "war for talent", office space is likely to contribute a great deal in the coming years. We strongly recommend landlords to build an ecosystem of quality project development, design & build, facility management and robust building lifecycle management.

Flight to quality – rising focus on Sustainability & ESG

In a report by the US Green Building Council in early 2022, India was ranked third in the world having LEED (Leadership in Energy and Environment Design) green buildings. Focus on greater deployment of technologies that enhance sustainability is high among occupiers & landlords as demand for quality space continues to surge. Close to 25% of India's existing grade-A office space is currently LEED certified. In the coming years, as greater number of occupiers commit to net-zero carbon, the pace of transitioning towards sustainability is likely to be higher.

Rise of the Managed Space era

Covid has completely changed the way occupiers look at managed spaces (renewed form of co-working) in India and around the world. Enterprise seat take-up in the various co-working spaces has shot up with each passing year since 2020. Year 2021 saw enterprises lease more than 85,000 seats, a growth of over 100% from the previous year. Year 2022 turned out even more aggressive as enterprises leased around the same number as in 2021 full year, but merely in the first three quarters. For the full year, enterprise demand for co-working seats is likely to surge way beyond 100,000 mark given the recent demand trends. This has given confidence to the flex space providers, who in-turn were amongst the top 3/4 largest contributor to office leasing volume, taking-up over 12% of the overall leasing volume across top-8 cities.

Interactions with global occupiers reveal that hybrid working has necessitated a pro-active management of office spaces, which is where lies the significance & expertise of managed space providers. Large occupiers in the IT-BPM, BFSI and E&M spaces were amongst biggest contributor in enterprise seat take-up, in cities such as Bengaluru, Hyderabad and Pune where the demand has been highest. As the acceptance level of global and domestic enterprises for managed space services grow, the quest for grabbing market share has resulted in flex space industry consolidation. As of 2022, top-10 operators account for more than 2/3rd share of available inventory, thereby offering depth and breadth of services to their clients.

Highlights of Managed Space

1. In 2022, first 3 quarters leasing activity in flex space segment has reached ~95% of full year 2019 level
2. Total space (6.6 MSF) leased by Flex operators during the first 3 quarters of 2022
3. Flex space operators accounted for 12% in office GLV in first 3 quarters of 2022
4. Quarterly avg. (~28,500 seats) enter-prise deals recorded by flex operators as of YTD 22
5. Bengaluru, Hyderabad, and Pune accounted for < 75% share of enterprise demand in coworking space

FAST FIVE FACTS

1. India recorded an average **15-16% growth in retail sales** in the months of 2022 as compared to same months in 2019 (pre-Covid)

2. Listed mall developers have been recording 100-120% recovery in mall footfalls, where revenues have surpassed pre-Covid levels. Listed retail chains too echo similar trends on the revenue front.

3. Rents in prime main streets have surpassed 2019 pre-pandemic levels; rents in Bengaluru and Delhi NCR have **increased by more than 15% on average in 2022**

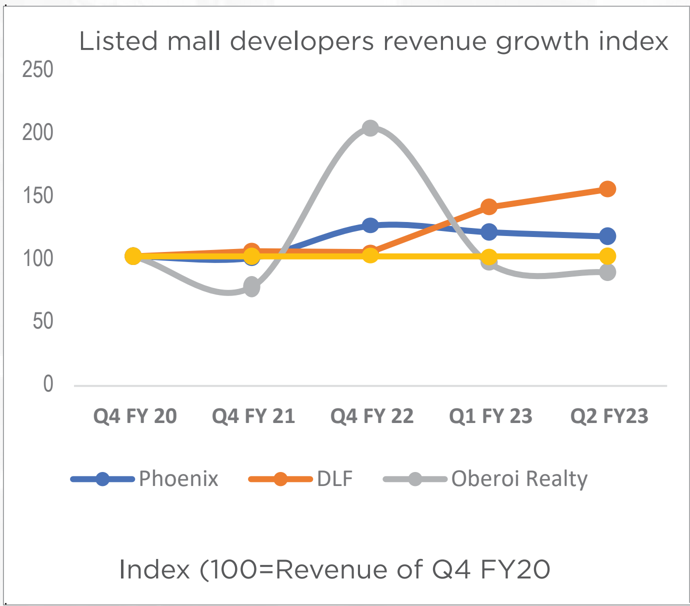
4. Dearth in mall supply has resulted in very **low levels of vacancy** in prominent Grade-A malls across cities

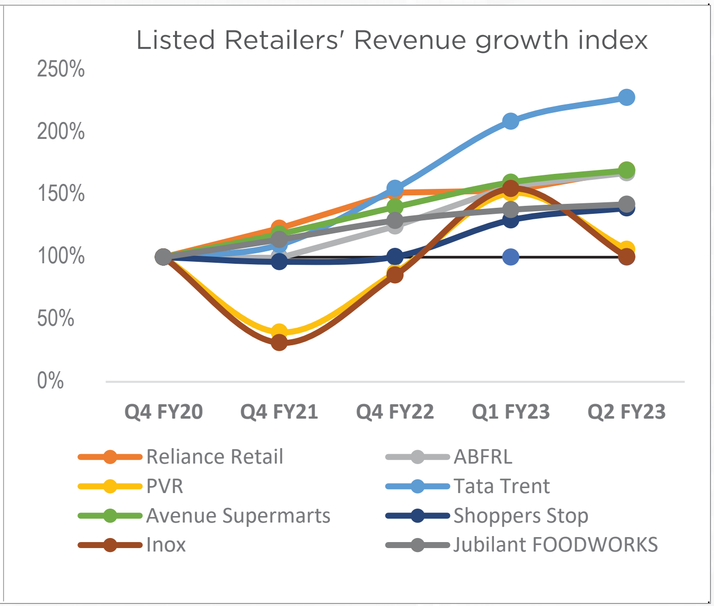
5. Physical retail transitions from a place for buying goods to a place for experiential retail & therapy.

Sectoral Trends -Year 2022 & Outlook

Consumers have started looking at retail as a therapy and not just place for buying goods

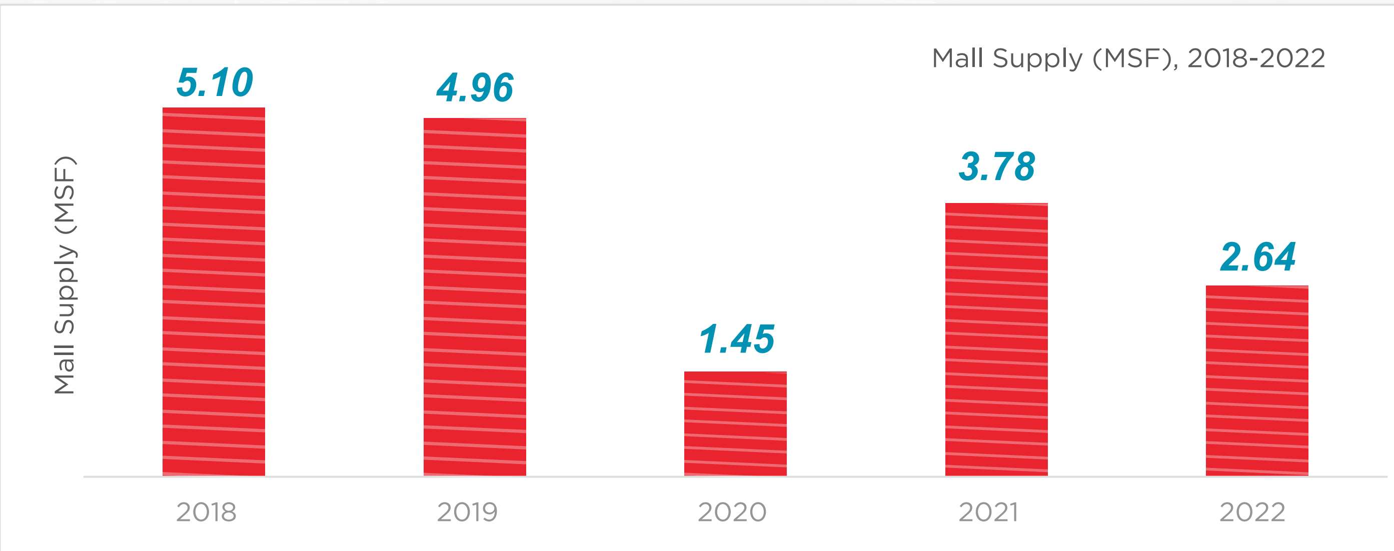
Post-Covid, the beginning of 2022 saw for the first-time unrestricted access to retail across categories in India. Until then, some or the other states had restrictions either on mall footfalls or cinemas or restaurants. As a result, retail sales grew significantly and leasing activity across malls & highstreets had surged. For instance, the monthly retail sales during 2022 recorded 15-16% growth over the same period pre-Covid (2019) on average. Most mall developers have reported surge in rental income from retail, which is a combination of minimum guarantee as well as revenue share. Consumers have thronged malls across the country to shop for luxury, fashion and food, which is similar to the revenge shopping trends we observed in many other countries. Even listed retailers' revenues confirm of a strong recovery in consumption demand. We are likely to see this consumption growth trend continue in the near-term.





Amidst high demand, there was limited mall supply

Organised physical retail suffered the most during pandemic due to which many mall developers and investors were delaying new supply. As a result, total mall supply since 2020 until this year, has been lower than the average supply witnessed during last 3-4 years pre-Covid. By end-2022, annual supply of malls would stand at 2.6 MSF. This dearth of supply is resulting in low vacancies across quality malls, and it further adds fuel to the existing demand-supply gap. Mall penetration in India is lowest amongst comparable economies with an RSPC (retail space per capita) of 0.5-1.0 across the top retail markets. While advanced countries are much higher, even the neighbouring Southeast Asian / ASEAN nations have RSPC of 3.0 or above. With India's first retail REIT IPO been announced in late 2022 and given the strong response to commercial real estate REITs in the recent past in India, we believe this new funding vehicle will herald quality mall supply in the coming years.



Low vacancy levels in Grade A+ malls could push rental growth in near future

The prominent Grade-A malls across top-8 cities have been highly preferred by retail tenants to upgrade overall experience quotient for their patrons. As a result, portfolio of existing malls of prominent developers have been recording single digit vacancies since last 2-3 quarters. This is likely to translate into mall rentals appreciating soon. However, prominent highstreets has already seen rents rise since the start of 2022

Prominent Main Streets shine during 2022; significant rental appreciation recorded

Rentals across most of prime main streets have rebounded sharply compared to pandemic lows. Many reputed retail chains saw merit in having stores on the main streets as well, diversifying their risk of approachability from customers point of view. Markets such as DLF Galleria, Khan Market, Fort-Mumbai, Brigade Road, Banjara Hills, etc. have witnessed rents appreciate anywhere between 7% to 20% from pandemic low levels.

Revenue recovery witnessed across listed retailer portfolios, rise in portfolio expansions

With 80-100% recovery in store footfalls of these listed retailers and rise in consumption levels, the revenue levels for some even surpassed 100% of their pre-pandemic numbers. This has paved way for some retailer portfolio expansions during 2022 with additional store openings planned during 2023.

FAST FIVE FACTS

1. Residential market launches surpass pre-Covid level; strong sales boost developer sentiment

2. Rise in share of premium-luxury launches in last five years from merely **15%** to **~25% in 2022** (up to Q3) suggests change of consumer preference towards better lifestyle & amenities

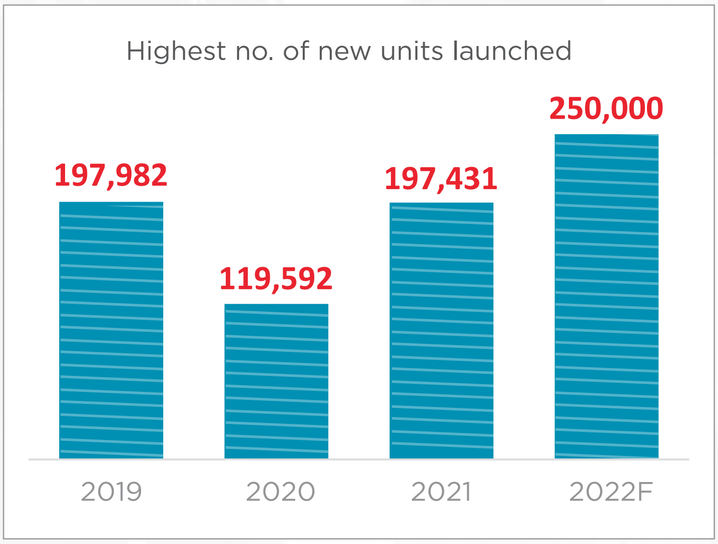
3. Rise in share of listed & reputed developers over last five years from **17%** to **35%** in **2022** (up to Q3) suggests growing preference for quality & trust.

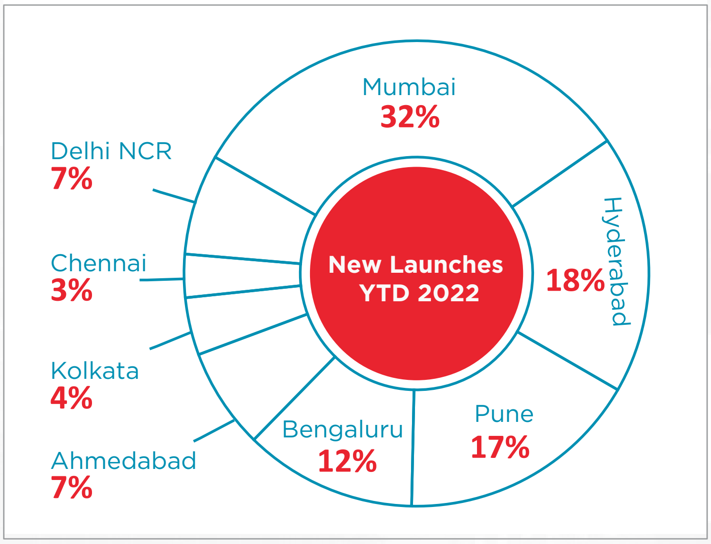
4. A mild recession is likely to have limited impact on demand from investors or premium homebuyers, although a small portion of demand from mid-segment homebuyers could get affected.

5. The current high inflation rate is likely to impose an upside push of **5-10%** on residential pricing owing to rising input costs.

Continuing from 2H-21, demand supply remains strong throughout 2022

Launches of residential units is likely to touch 250,000 by end-2022, thereby continuing the strong momentum witnessed in the current year so far. Cities such as Mumbai, Hyderabad and Pune dominated the market activity, followed by Bengaluru and Delhi-NCR. It started off as a momentum kickstarted by the state government through stamp duty & circle rate reductions in 2020-21. Buyers later realised the opportunity of buying at a time when affordability was at its multi-year peak, as interest rates were lowest too. Despite markets witnessing an unprecedented rise in mortgage rates (by 225 basis points) over the last 7-8 months, the momentum in launches and sales have not been affected so far.





Reputed & listed developers continue to witness growth during the year

Post-Covid, the market is seen transitioning away from the unorganised to more organised form of development. Homebuyers have shown greater preference for homes launched by reputed & listed developers, with such developers now having ~30% share in total launches. If the on-going trend continues, this is expected to rise and encourage more & more developers to start developing trust amongst homebuyers by offering quality product. We foresee a beeline of developers either going for listing on the stock market or joining hands with reputed developers to launch projects. Similarly, buyer preference is seen transitioning from small and moderately priced houses to larger homes with more amenities. Also, organised residential market is seen percolating to prominent tier-II cities as hybrid working culture has driven demand for homes in such cities.

2022 saw price hike owing to rising construction costs; 2023 might see a repeat

Inflation continues to remain high, particularly in the non-food and non-fuel category, that had an adverse effect on cost of construction across cities. As of early 2022, the industry body CREDAI had announced ~5-8% hike in prices across top-8 cities in order to pass-on the higher cost to consumers. Given that a higher core inflation continues, market could witness another round of price hike of a similar kind. We believe that a small price hike could impact the lower - mid segment buyers to some extent, although luxury-premium and upper - mid market segment will continue to witness traction.

2023 Outlook

We have witnessed great traction in the residential market during 2021 and 2022 with launches and sales surpass pre-Covid levels. While market conditions have become slightly tighter on the back of high inflation and mortgage rates, buyers in the mid-segment category (who could be the most affected by mortgage rates) would be looking at this as a temporary hiccup. The projection for inflation cooling-off in another 3-5 months will essentially force the central bank to revise benchmark interest rates lower, thereby helping the current momentum to remain intact. Moreso, there is ample market activity coming from investors and premium segment buyers, whose appetite for diversifying investments away from volatile stock markets continues to remain high. There is another set of buyers whose participation in the market is driving sales in the upper-mid and premium category homes – non-resident Indians (NRIs). The USD-INR exchange rate has turned favourable for these buyers, and they are likely to make use of this opportunity as the India economic growth story gains momentum. Thus, given a mild recession foreseen during the next 2 quarters, we don't see residential demand having significant impact.

FAST FIVE FACTS

1. Logistics & Industrial leasing activity is expected to record around **43-46** MSF for 2022 full year.
2. 3PL, Retail, and Engineering & Mfg. sectors drove maximum demand (approx. 2/3rd of the total demand) during the year 2022.
3. For **2023,** the momentum is expected to remain as demand for in-city warehousing by e-commerce as well as displacement demand by tenants remains high
4. Emerging sectors like EV, Renewable Energy, E-groceries is also expected to continue to near-term demand.
5. Rental premium for Grade A facilities (over Grade B) would likely widen with certain markets already exhibiting the gap at **35-40%.**

Rising Grade-A assets and leasing volume

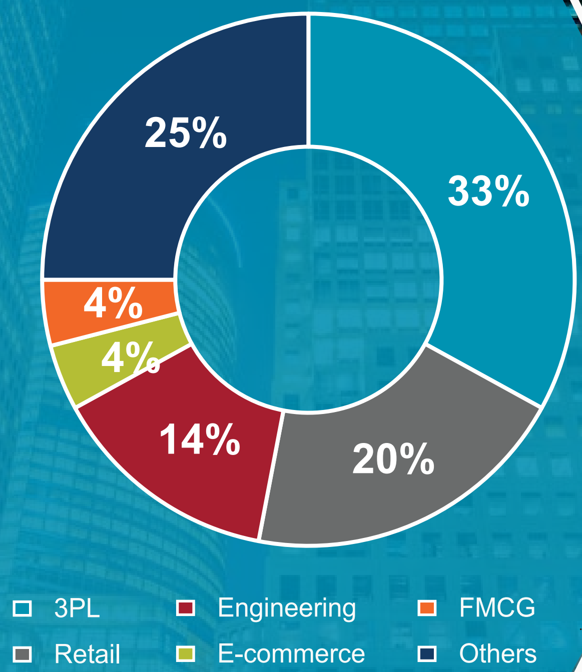
As of H1 2022, warehousing inventory, across 8 cities, is close to 350 million sqft, with about 40-45% of the total qualifying as Grade A stock. In the first half of the year, leasing volumes in warehousing space stood at 24-25 MSF, and this is likely to go up to 43-46 MSF by the end of this year.

~158 MSF
Grade A warehousing space (8 cities)

~40-45 MSF
Estimated Annual Leasing Activity

Current momentum in leasing activity to continue:

3PL players continued to maintain the largest share in leasing volume, followed by the retail and engineering-mfg. sectors. While demand from e-commerce has been strong post-Covid, that market is likely to witness some moderation, although new sectors such as renewables (Solar manufacturers) & allied products, electric vehicle manufacturers, e-groceries and pharma have been stepping-up leasing, along with the rise in leasing from retail and FMCG sectors. Therefore, the on-going momentum in leasing is likely to continue.



Growth of in-city warehouse facilities

There is a rising demand for in-city warehouses that could cater to demand for shorter delivery timelines (last mile delivery) from e-commerce players. These are facilities that range anywhere between 3,000 to 10,000 SF of industrial storage spaces. This trend is expected to revive demand for industrial units within tier-I cities that could become redundant as manufacturers continue to move away from cities to remote locations. Lately organised players and institutional investments have started investing to create large multi-storey in-city warehousing centres to leverage this growing demand.

Displacement demand on the rise

Given the large unorganised warehousing market across tier-I cities, occupiers have limited choice for using Grade-A facilities. However, many of these occupiers are expressing interest to move into Grade-A spaces, even if it involves moving to alternate locations or emerging warehousing locations. Facilities having stricter compliances (regulatory or sustainability) and globalised construction norms have increasingly been sought after, thereby creating opportunities for landlords through displacement demand.

Widening rental premium for Grade-A spaces:

Due to high demand for quality spaces, rental premiums for Grade A space (over Grade B) has widened over the years, and in some cases this gap is as high as 35-40%. Limited availability of premium supply is also a driving factor for rental premiums, and we see this gap sustain or widen further in coming years. A lot of this modern warehouses are being built in emerging sub-markets where availability of land is not an issue.

Warehousing Market Rentals (2022) across Core and Emerging Submarkets

City	Core Submarket	Rent (INR/sf/month)	Emerging Submarket	Rent (INR/sf/month)
Chennai	Oragadam	24 - 27	Sriperumbudur	21-24
Mumbai	Bhiwandi	18 - 20	Taloja	25-30
Delhi NCR	Gurugram (Bilaspur & Luhari)	18 – 23	Farukh Nagar	18-20
Bengaluru	Southeast (Bommasandra)	24-32	West (Nelamangaala & Dabaspete)	18-25
Hyderabad	Medchal	18-22	Bandamilaram	16-18
Pune	Chakan	24-28	Wagholi	17-19
Kolkata	Dankuni	23-27	Uluberia	21-24
Ahmedabad	Changodar	19-21	Bareja-Kheda	15-17

FAST FIVE FACTS

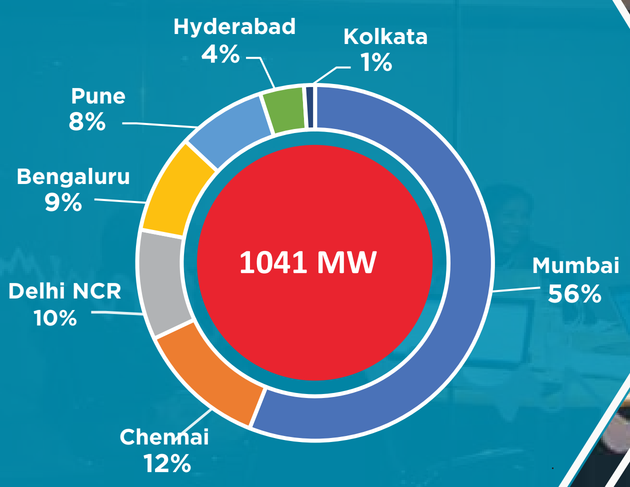
1. Total colocation capacity across top 7 cities at **1.04 GW**; IT load at **681 MW** as of end-2022; total stock of colocation data centres stood at 10.5 MSF as of 2022
2. 220 MW of total colocation capacity added in 2022, a **27%** growth over 2021; IT load of 151 MW added in 2022, a **29%** growth over 2021
3. Mumbai accounted for **68%** of colocation capacity addition in 2022, followed by Delhi NCR and Chennai
4. **256 MW** of total colocation capacity expected to be added in 2023 across top 7 cities; IT load of around **160 MW** with total data centre stock increasing by 2.3 MSF
5. Power Usage Efficiency, water usage efficiency, renewable sources of power etc. will be key focus area as the data center industry grows from been emerging towards maturity.

2022: a milestone year as industry acquires infra status and capacity addition ramps up:

In the data center space, India has a total colo capacity of 1.04 GW as of, end-2022 which is a healthy 27% growth over that in 2021. In absolute terms, 2022 would end with an addition of 220 MW colocation capacity, which is a 2.2X jump over the capacity addition seen last year. This capacity addition would translate to ~1.8 MSF of colo data center stock addition in 2022, taking the total colo stock across top-7 cities to 10.5 MSF. In the top-7 cities, Mumbai continues to dominate as it accounted for 68% of the new capacity addition in 2022 in the colo space. Delhi-NCR and Chennai followed with 20% and 12% share, respectively. Looking ahead, large colo operators as well as hyperscalers have continued building land banks for future expansion across key cities.

Data Centre Total Colocation Capacity as of 2022

Being an emerging asset class, data centers market received a major boost in the Union Budget (announced in Feb-22) where the sector was granted infrastructure status, paving way for attractive terms of lending from banks and financial institutions. Besides, 2022 also witnessed roll-out of 5G network across multiple cities in India, giving boost to the sector on the demand front. Therefore, year 2022 would be seen as a milestone year for the Indian data center industry.

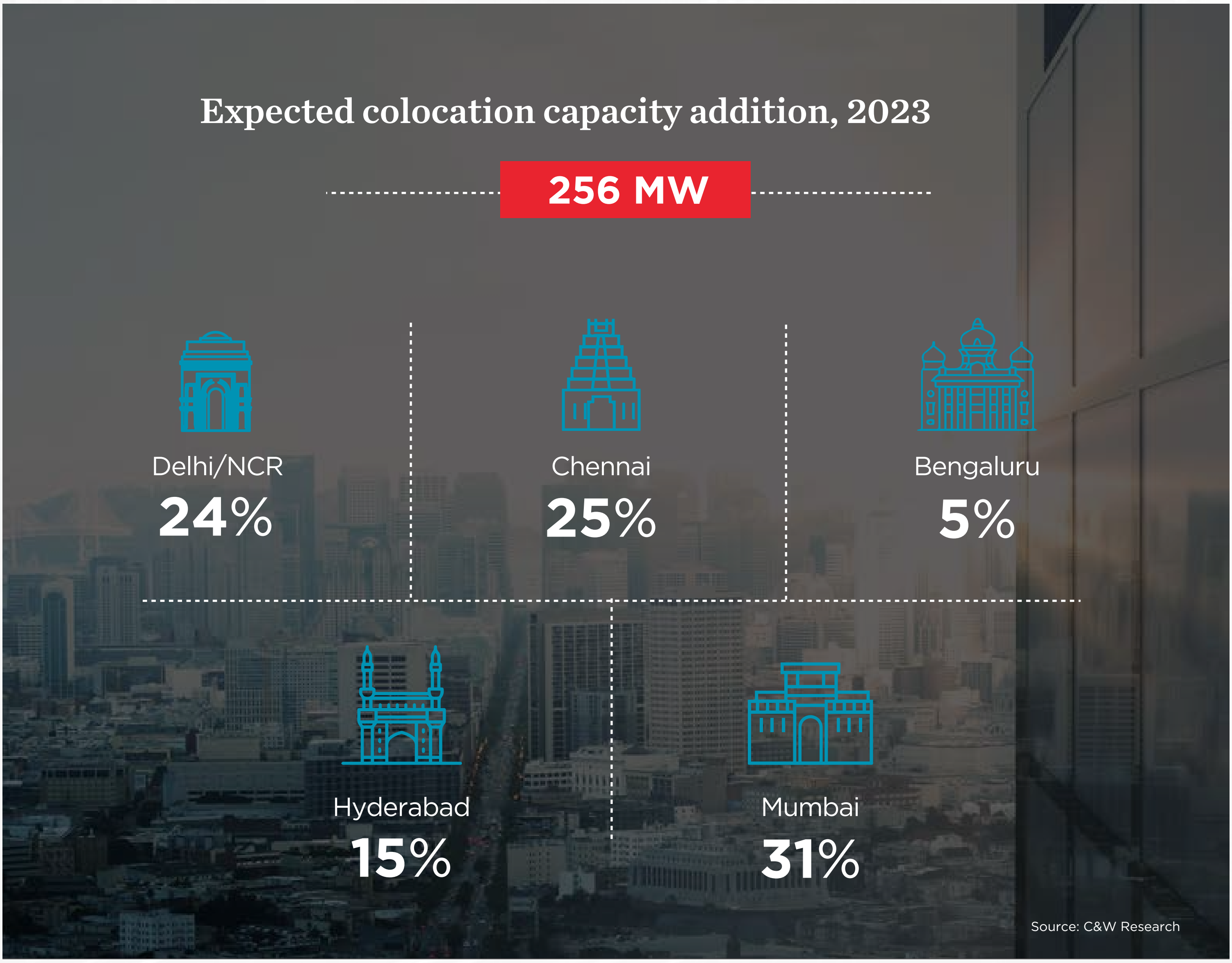


Source: C&W Research

For 2023: Sustainability and data localisation policy will be key focus area

Looking ahead, in 2023, the expected colo capacity addition is for 256 MW (160 MW IT load) across the top-7 cities, that would translate to ~2.3 MSF of new colo data center stock. Mumbai is likely to lead the colo capacity addition for 2023, followed by Chennai and Delhi-NCR.

Even as the industry is emerging in India, there is high focus on sustainability as we observe in across other parts of the world. Energy efficiency, water conservation and renewable sources of power are been pursued by large players in their quest for sustainability across new project development. India's leading operators will continue to look for ways to lower Power Usage Efficiency (PUE) levels from the existing ~1.6 levels, trying to match the initiatives in many advanced countries. The industry will look forward to implementation of the Digital Personal Data Protection Bill that will help facilitate growth of data centers in India in the coming years.



INVESTMENTS

FAST FIVE FACTS

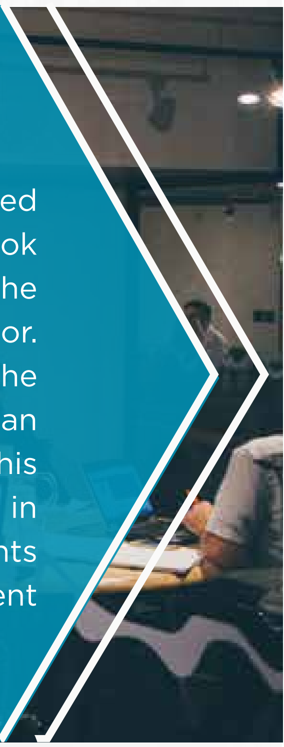
1. PE inflows could likely to remain at similar levels as seen in 2021 **- ~USD 5.0-5.5 billion**
2. Office sector draws maximum inflows as of **YTD-22 with ~36%** share, followed by the Logistics & Industrial sector
3. Retail sector makes a comeback after **2 years** hiatus as the sector records strong demand recovery since last **4-6 quarters**
4. Diversified investment opportunities is likely to continue alongside emerging CRE themes such as sustainability, experiential retail, premium housing, industrial & logistics parks and digital infrastructure (data centers).
5. Despite economic headwinds foreseen in 2023, PE inflows to remain resilient.Volatility in Rupee is likely to stabilize soon, which will be comforting for global investors.

Strong PE inflows in 2022 despite a slow start

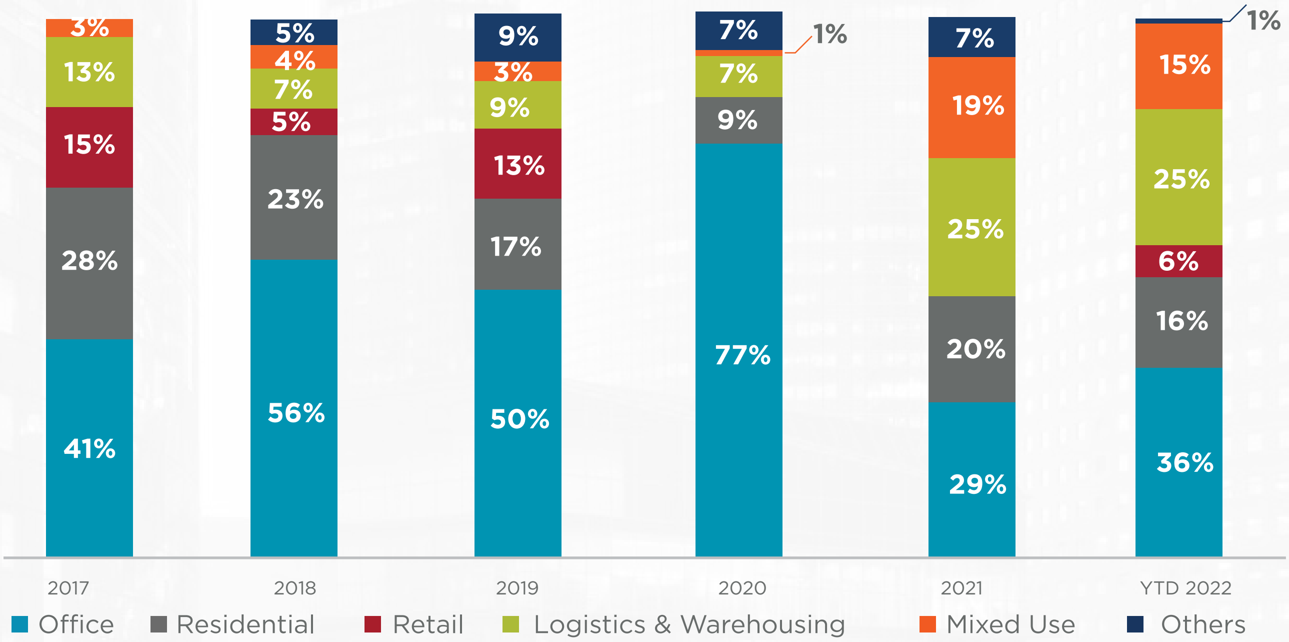
Year 2022 did see a slow start to private equity inflows, especially in the first two quarters, although in the third quarter, investment volumes picked-up again. As of Q3-22, PE inflows into the Indian real estate sector were at USD 4.15 billion. The likelihood of it reaching USD 5.0-5.5 billion, a level similar to that witnessed in previous year, is high given certain deals that were either announced or in discussion in recent months. Thus, despite the initial slow traction, private equity flows continue to remain strong as of this year.

Office sector makes a comeback, while L&I sector remains attractive

Of the overall investment inflows seen until the third quarter, office sector accounted for the largest share at 36%, followed by the Logistics & Industrial sector that took 25% share. The strong rebound witnessed in leasing activity of office spaces over the last 4-6 quarters gave investors the confidence in sustainable recovery of this sector. Likewise, continued demand for Grade-A warehouses and industrial parks, and the dearth of quality supply in this market, is a major attraction for investors in the Indian real estate space. Retail sector made a comeback after 2 years of hiatus as this market has recovered strongly since last 4-5 quarters. Not only are vacancies in prominent Grade-A supply at record low levels, but in due course we could see rents rising as both international and domestic tenants upgrade the experience quotient for their customers by leasing space in quality spaces.



Sector wise split of Real Estate investments



Source: C&W Research

There is "optimism with some caution" in India for the near future

Nearly 80% of private equity flows are from foreign investors, and we are aware of the mild recession fears in the USA, Europe and elsewhere. Therefore, we believe that there would be some caution exercised by West-based funds while deployment of assets. Having said that, India's domestic economy resilience & consumption growth story continues to attract conviction from many global investors. Besides, PE firms based out of Asia Pacific continue to remain active as restrictions on deployment is relatively lower than their Western peers. India's thrust on manufacturing sector has spilled-over the high demand for quality industrial & logistics parks. Experiential retail spaces, green buildings, data centers etc. are promising asset classes where the demand-supply gap is evident, and market has turned favorable. There is a probability that 2023 will see close to 95 MSF of Commercial (Retail and office) REITs could be introduced in the market, of which close to 10 MSF of pure retail REIT has already been filed for DRHP with SEBI. Given the success of all three REITs in India (both at launch as well as their growth since launch) in the recent history, we have every reason to believe that the upcoming REITs will also create a lot of excitement amongst real estate investors. Given the lack of financing options available for acquiring land, private equity might look at this as a potential opportunity to partake at development stages. Therefore, despite the global headwinds, we believe that private equity flows will continue to find opportunities in India, and a level similar to 2022 could be achieved in 2023 as well.

Indian rupee has finally observed stability at current levels (INR 82-83 per dollar), after having fell sharply in the recent past. A foreseeable fall in crude oil prices, projections of CPI inflation fall in coming months, and government's effort to foster bilateral trade deals in local currency are indications that the rupee will remain stable, or rather, improve from current levels, thereby creating a favourable macroeconomic environment for investors in the near-to-medium term.

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