

# Emerging Opportunities in India



Mr Vipin Kumar Kamboj  
India Commercial

“ On the commercial front, leasing activity has surpassed record levels and rents have improved across cities. This has led to the office sector outperforming expectations, and we hope to tap onto the sector’s upswing, which is expected to continue into the near- and medium-term.



Mr Souvik Mukherjee  
India Logistics

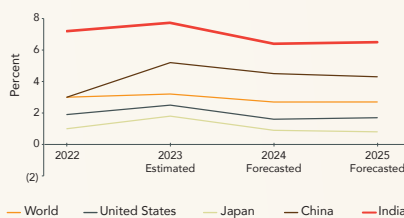
“ The third-party logistics (3PL) sector has contributed significantly to the demand for India logistics, along with increased manufacturing activity and an expanding e-commerce sector. These have driven leasing activities and absorption levels in 2023, which we believe will continue to gain momentum.

### Real Views India's Economic Expansion

With its burgeoning economy, supportive government regulatory reforms and rapid urbanisation, India has positioned itself as a haven for institutional investors looking to scale up their portfolios in the region. Offering stability and scale, India is set apart from other emerging markets, and provides opportunities for organisations looking for an emerging market ex-China strategy.

The tailwinds of India’s real estate sector derived from its economic resilience. The country has seen one of the highest real gross domestic product (GDP) growth forecast among major economies, despite a global market slowdown and rising inflation. Moreover, investors are attracted to India’s demographic dividend, as it is home to a population of 1.4 billion people, where 65% are under the age of 35, and its working population is expected to reach its peak at 68% by 2030 – higher than any other major economy.

#### ■ GDP growth rates of select global economies (%)



Source: International Monetary Fund (IMF)

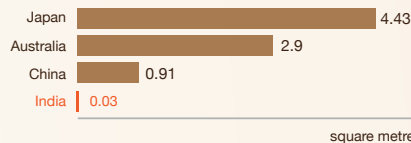
India maintains its position as the fastest expanding major economy, with an estimated GDP growth rate of 7.8% from 2023 - 2024, according to the IMF.

These conditions proved favourable for India’s commercial real estate sector, where transaction volume rose 10% year-on-year (y-o-y) to \$4.4 billion in 2023.

### Macro Monitor Spotlight on Logistics

Mirroring the growth of the Indian’s economy since 2022, demand for logistics space has surpassed record levels. Spurred by government policies such as the ‘Make In India’ initiative, major companies are shifting their supply chain operations to the country, as part of their ‘China Plus One’ strategy. These include Foxconn, Apple’s manufacturer, as well as electronics manufacturers Tata Electronics and Micron.

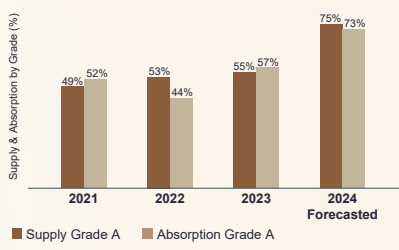
#### ■ Logistics Space per Capita, 2023



Source: Colliers Research

Modern logistics space in India is relatively low and presents significant headroom for development.

#### ■ Supply & Absorption of Grade A stock



Source: Savills India Industrial Research

There has been a consistent rise in the proportion of supply and demand of Grade A space across Tier 1 cities. By 2024, the contribution is projected to increase to over 75% from the 53% levels of 2020 for both supply and absorption. Moreover, demand for Grade A warehousing and ready fitted-out factory space has surged in recent years, likely due to occupiers’ emphasis on quality and compliance, as well as the need to meet ESG standards.



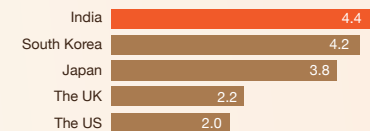
Mapletree (Chakan) Logistics Park

Mapletree aims to enlarge its India logistics portfolio through investment and development, to ensure a robust institutional logistics pipeline in the country.

### Macro Monitor Spotlight on Commercial

Enhanced by robust domestic growth and strong occupier demand, the office sector outperformed expectations.

#### ■ Working from the office: by country (days per week)

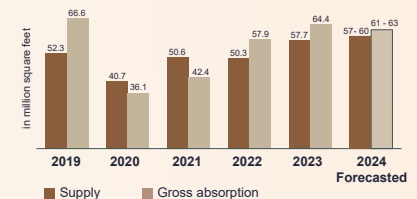


Source: JLL

Demand stemmed largely from Global Capability Centres (GCCs), mainly from the financial services, manufacturing, and technology sectors, spurred by the country’s robust growth. Resurgence in occupier sentiments also contributed to demand, with more occupiers taking a firmer stance on bringing employees back to office.

Flight to quality leasing continues to gain prominence, as occupiers are drawn to well-connected and modern spaces with quality amenities.

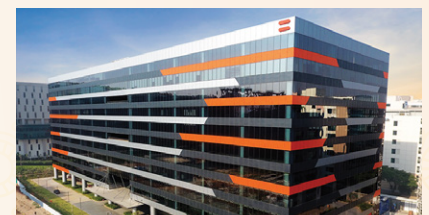
#### ■ Office supply and gross absorption in India (2019-2024F)



Source: CBRE Research, Q1 2024

In 2023, office absorption witnessed a 11% y-o-y growth at 64.4 million sq ft - the second-highest annual leasing activity since 2019.

There is a healthy supply of investment grade assets entering 2024, with an expected 3-5% increase in completions mainly within the cities of Bengaluru, Hyderabad and Delhi-NCR.



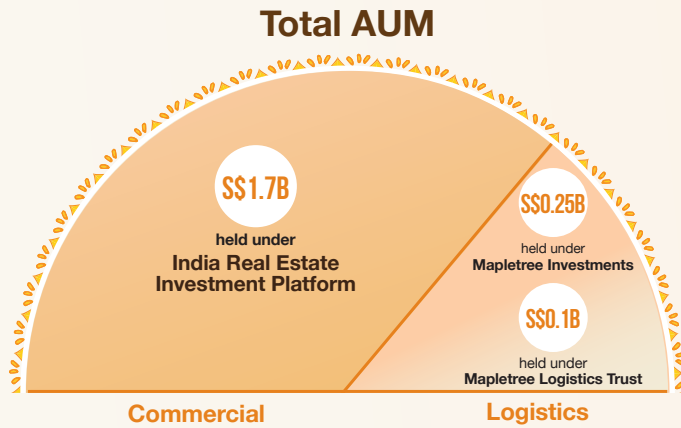
Mapletree's Global Technology Park

Mapletree's India commercial AUM currently stands at \$S1.7 billion as at 31 March 2024.



### Sector Spotlight: India

#### What We Have



~70 personnel on the ground



6\* development projects since inception



>16 years in India



3 funds focused on India\*\*

\*including projects currently in development  
\*\*includes upcoming Emerging Asia logistics development fund comprising India

#### Overview

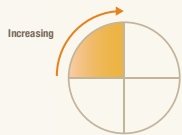
##### Country Outlook

**7.2%**

India GDP growth

Source: World Bank

India remains the fastest growing large economy, underpinned by strong domestic demand and surge in investment. This momentum is expected to sustain through to the near-term.



India Economic Growth

##### Sector Outlook

Cap rates



Logistics

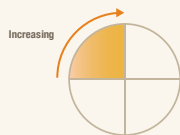
7% - 7.25% for completed



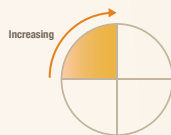
Commercial

7.5% - 9% for completed

With healthy demand from occupiers within the commercial and logistics space and limited supply, India real estate is poised for further growth, as reflected in the upward trajectory of rentals across cities. Favourable performance across these two sectors also contribute to the upswing in capital values.



Capital Value



Rent

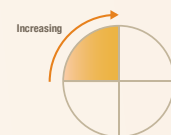
##### Mapletree's Portfolio

SS\$0.8b/40% Development

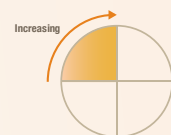


SS\$1.2b/60% Investment

India remains the brightest spot amid a global economic downturn, and Mapletree aims to expand its footprint in this growing economy with an emphasis on development opportunities to achieve higher yields and deliver quality assets to meet occupier demand.



Deployment into development projects



Deployment into completed projects

<sup>1</sup>Includes current valuation of investment properties and total development cost of the development projects.



Mr Ajay Kumar Singh  
India Commercial

There is growing demand for high quality office space in India from occupiers looking to enhance employee experience through modern amenities and green spaces. Leveraging the Group's full real estate capabilities and extensive experience of our teams on the ground, we aim to provide quality assets that meet occupiers' evolving demands.



Mr Quek Kwang Meng  
Regional Chief Executive Officer, India

India's robust economy and significant potential for growth promises opportunities for investors looking to scale up their portfolios for greater returns. With India's stability and scale, the Group aims to deepen its footprint in the commercial and logistics sectors, with a focus on development.

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