



INDIAN REITs ASSOCIATION

REIT Primer

February 2024



Introduction To REITs

Real Estate Investment Trusts (REITs) are vehicles that own or operate income generating real estate, allowing investors to earn a share of income produced without directly buying the properties



REIT is similar to a **Mutual Fund**
in terms of structure



A "DECADE" Of SUCCESS

2014
Introduced
REIT Regulations

2014

2016
Tax Framework
Revised for
Business Trusts

2016

2019
First REIT Listed
Embassy REIT

2019

2020
Mindspace REIT

2020

2021
Brookfield REIT

2021

Trading Lot
reduced to 1 Unit

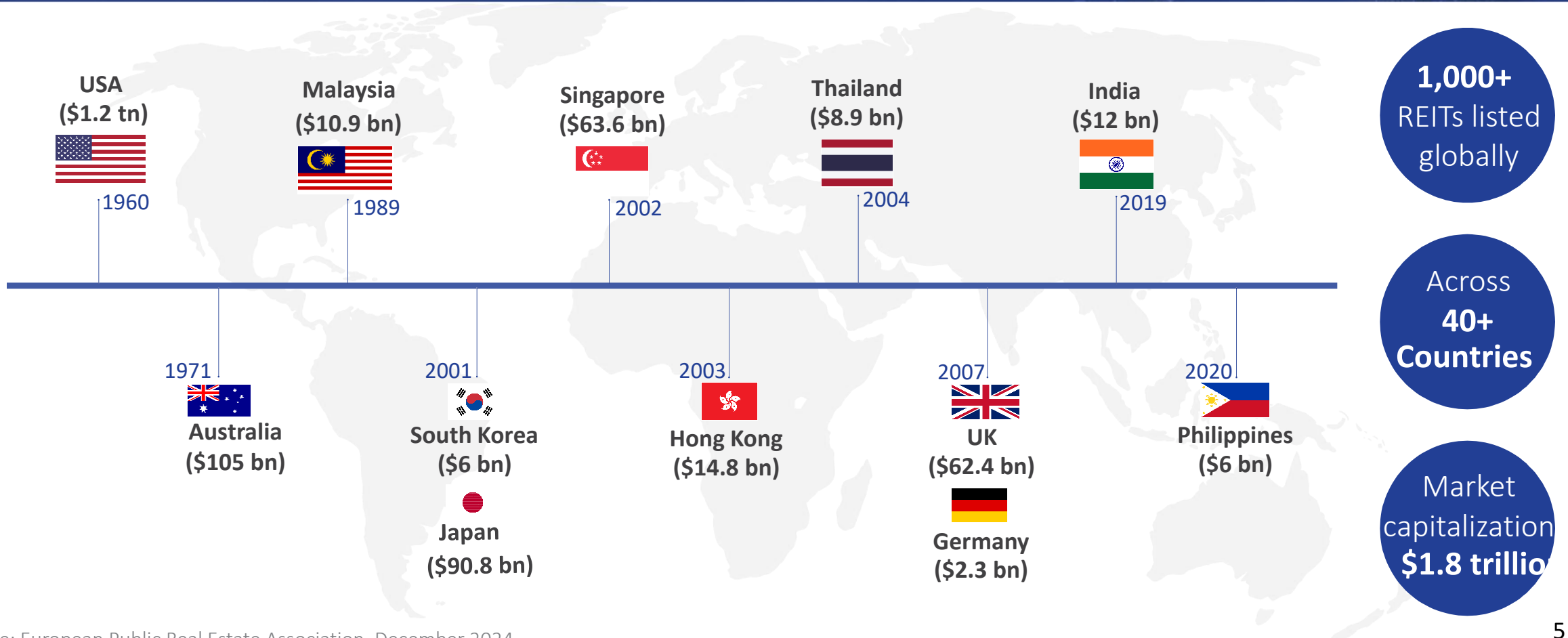
2023

2023
First Mall REIT
Nexus REIT

2024

2024
Introduced
SM REIT Regulations

REITs: Globally Running Successfully For 60+ Years



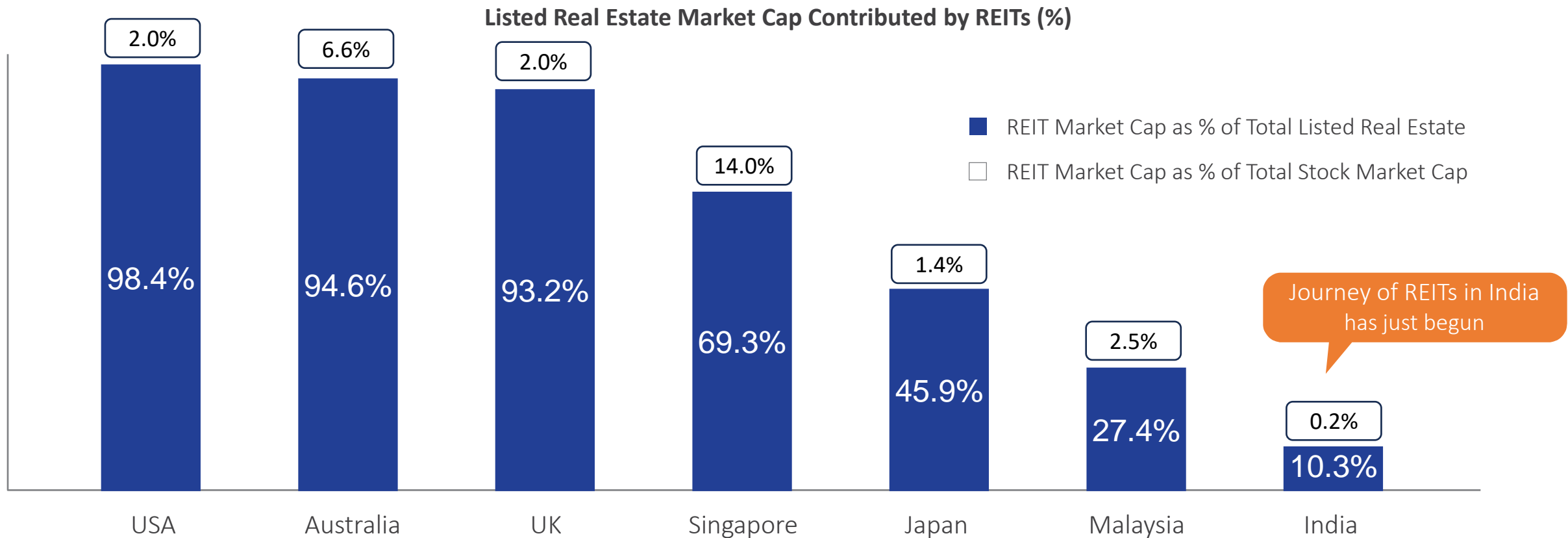
1,000+
REITs listed
globally

Across
40+
Countries

Market
capitalization
\$1.8 trillion

REITs: Significant Contributors to Global Listed Real Estate Market capitalization

Globally, around 58% of the listed real estate value is attributable to REITs vs 10% in India



Source:
European Public Real Estate Association, December 2024

Participation Across Investor Classes

Foreign Portfolio Investors
> INR 20,000 Crore Invested



Insurance companies
> INR 7000 Crore Invested



Retail Participation

2024
~2.5 Lac



2019
~6,000

Pension Funds
> INR 700 Crore Invested



Mutual Funds
> INR 20,000 Crore Invested



Indian REIT Landscape

Grown significantly in a short span since the listing of India's first REIT in April 2019

● ₹1,50,000 Cr+
Gross AUM

● AAA
Credit Ratings

● 4
Listed REITs in India

● ₹30,500 Cr+
Equity Raised since Listing

● ₹95,000 Cr+
Market Capitalization

● 126 msf
Across India's Top Commercial and Retail Markets ⁽¹⁾

● FTSE, MSCI, S&P
Included in Multiple Global Equity Indices

● 2.6 lakh+
Unitholders

● ₹21,000 Cr+
Distributed more than Entire Nifty Realty Index Combined

Source: Market capitalization based on the closing price on NSE as on February 5, 2025. All other data based on the latest available results (Q3 FY2025) and filings on respective REIT websites
Notes: (1) Refers to total area (under construction, development potential and completed area) held by the 4 listed Indian REITs as of Q3 FY2025 disclosures

Why Invest In Indian REITs?



Professional Management

Participation in professionally managed real assets



Liquidity

Easy entry and exit in real estate through buying and selling on stock exchanges



Corporate governance

Strong governance framework & disclosure requirements



Regular Income generation

90% minimum cash flows to be distributed



Growth

Potential for capital appreciation



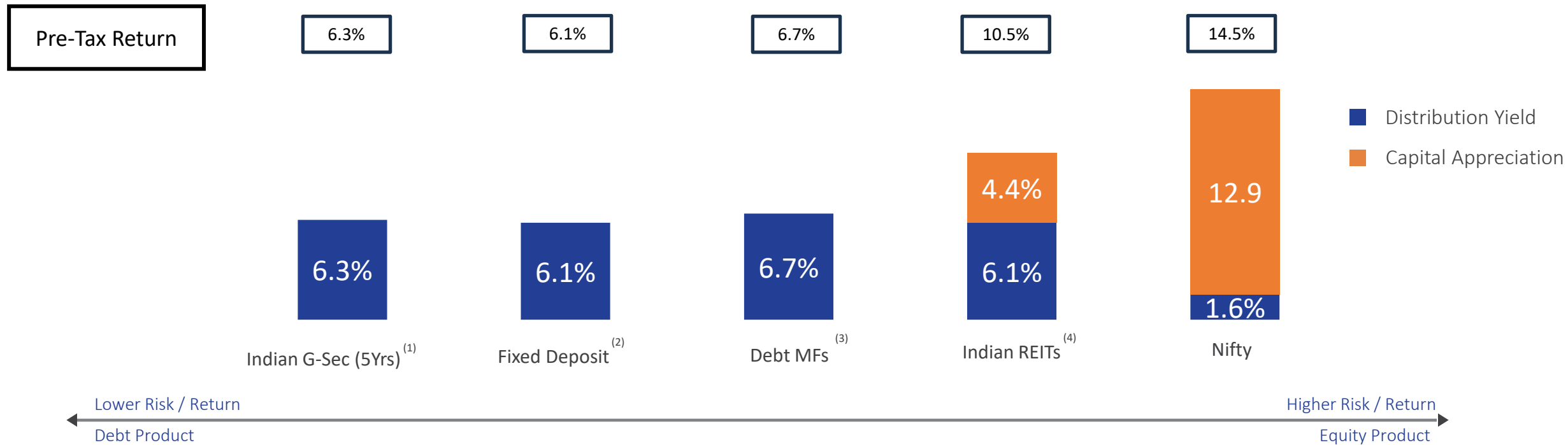
Diversification

Investment in a diversified portfolio across sectors & cities

Attractive Pre-Tax Yield Coupled With Capital Appreciation

REITs are a 'total-return' product; play a crucial role in asset allocation

Last 5 - Years Annualized Pre-Tax Total Returns (%)



Notes: Source: Bloomberg, SBI, AMFI. For period Feb 5, 2020 to Feb 5, 2025

(1) Refers to G-Ind 5-year Index as on Feb 5, 2020

(2) Refers to the SBI bank domestic fixed deposit rate for 5 years and upto 10 years (for amount less than ₹2 crores) as on Feb 5, 2020

(3) Refers to the average 5-year returns of all open-ended long duration debt mutual funds as on Feb 5, 2025

(4) Refers to the median performance of all 4 listed Indian REITs for the last 5 years – annualized considering period of respective listing. Distribution yields and capital appreciation computed basis respective prices of the REITs and the NSE closing price as on Feb 5, 2025.

Taxation For Investors

Income earned by Unitholder

| Nature of Income | Taxation for REIT | Taxation for Unitholders |
|---|-------------------|---|
| Dividend | Exempt | Exempt ⁽¹⁾ |
| Interest Income | Exempt | Taxable at applicable tax rates Withholding tax to be deducted by the REIT (Non-residents - 5%, others - 10%) |
| Amortization of SPV debt | Exempt | Reduced from Acquisition cost ⁽²⁾ |
| Capital gains on the sale of REIT units | NA | Taxable ⁽³⁾ |

Notes (1) There is no further tax on dividends in the hands of the unitholders provided the SPVs opt for tax under the old tax regime

(2) Not taxable upon receipt, however such proceeds need to be reduced from the cost of acquisition of the units

(3) Assuming on- market sale - LTCG 12.5%, STCG 20% subject to taxability under applicable DTAA for non-residents

How One Can Invest In Indian REIT/InvITs?

Any investor with a demat account can invest in Indian REIT/InvITs* units which are freely traded on the Indian stock exchanges

Listed On



Eligible Investors

Domestic

Foreign

Retail

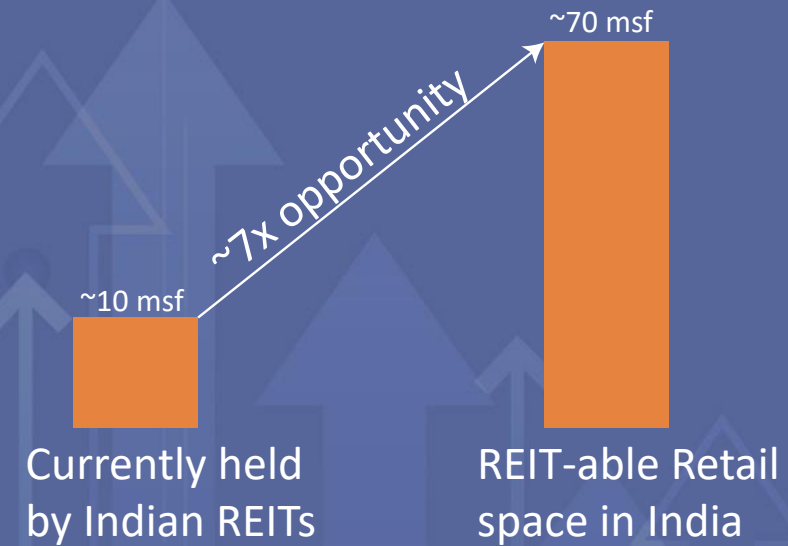
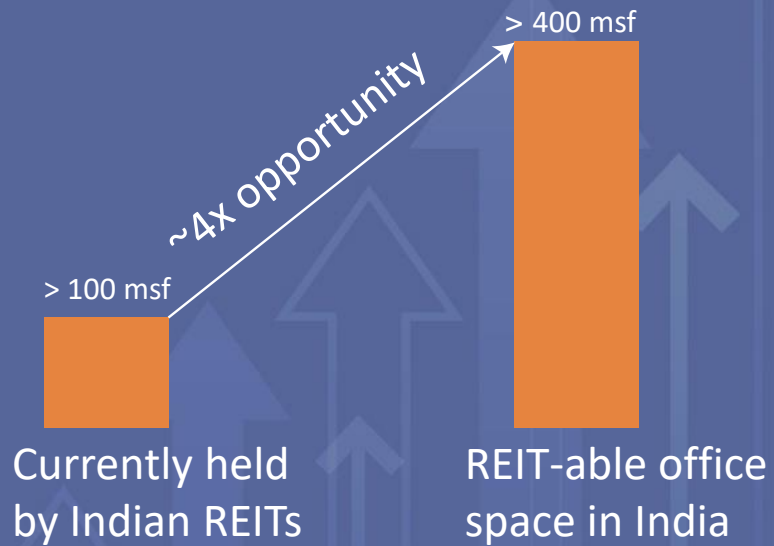
Institutional

Robust Growth Potential

Economic growth to aid growth of REITs in India

Grade A REIT-able
Office Stock in India (msf)

Grade A REIT-able
Retail Stock in India (msf)



Potential asset classes under REITs

Healthcare

Industrial

Datacentres

Hospitality



| | | |
|---|--|-------------------------------|
| 51.1 msf Portfolio ^{(1) (2)} | 263 Blue-chip occupiers | 87% Occupancy |
| 14 Commercial Offices | 1,614 Hotel Keys ⁽²⁾ | 100 MW Solar Park |
| 5% Mark to Market Potential | 44% Gross Rents from Fortune 500 occupiers | 8.2 Years WALE |
| ₹2,391 crs 9M FY2025 Net Operating Income | ₹1,643 crs 9M FY2025 Distributions | 32% Net Debt to GAV |



Notes: All figures refer to Q3 FY25 unless specified otherwise. City wise split by % of Gross Asset Value (GAV). Gross Asset Value (GAV) considered per Sep'24, Gross Asset Value (GAV) considered per Sep'24 valuation undertaken by Ms. L Anuradha, in conjunction with Independent property consultant review services undertaken by C&W. Valuation exercise undertaken semi-annually
 (1) Comprises 38.9 msf completed, 7.4 msf under construction and 4.8 msf future development
 (2) Includes completed, under construction and proposed future development



| | | |
|---|---|--|
| 34.8 msf Portfolio ⁽¹⁾ | 67.7% Share of foreign MNCs in rentals ⁽²⁾ | 91.7% Committed Occupancy ⁽³⁾ |
| 5 Independent Office Assets | 5 Integrated Business Parks | 31,348 crs Gross Asset Value |
| 90% Market Value of Completed Assets ⁽⁴⁾ | 31% Gross Rents from Fortune 500 occupiers ^{(2) (5)} | 7.2 Years WALE |
| ₹522 crs Q3 FY 2025 Net operating Income | ₹316 crs Q3 FY 2025 Distributions | 22.6% Net Debt to GAV |

Source: Market capitalization based on the closing price on NSE as on February 5, 2025. All other data based on the latest available results (Q3FY2025) and filings on respective REIT websites

Notes: (1) Refers to total area (under construction, development potential and completed area) held by the 4 listed Indian REITs as of Q3 FY2025 disclosures

(2) Represents % of Gross Contracted Rentals as on 31-Dec-24

(3) Excluding Pocharam

(4) Includes Real Estate & Facility Management Division

(5) Fortune 500 Global List of 2023

Brookfield

India Real Estate Trust

28.9 msf

Portfolio

24.3 msf

Operational Area

87%

Committed
Occupancy

96

In-place Rent

5 - Star

GRESB Rating

36,847 crs

Gross Asset Value⁽¹⁾

344

NAV per Unit⁽²⁾

24.7%

LTV excluding Shareholder
Instruments⁽²⁾

7.1 Years

WALE

1,770 crs

Current OLR Run Rate⁽⁴⁾

2,015 crs

Current Adj.
NOI Run Rate⁽³⁾⁽⁴⁾

₹298 crs

Q3 FY2025
Distributions

Ludhiana (1%)

Delhi (11%)

Gurugram (32%)

Noida (19%)

Kolkata (8%)

Mumbai (28%)

Notes:

(1) Basis GAV as on September 30, 2024

(2) Basis GAV as on September 30, 2024 for Portfolio Assets and 50% of the GAV for the North Commercial Portfolio. Including the liability component of CCDS of Rs 3.7 B and NCDs of Rs 7.9 B held by Reco entities, the consolidated LTV is 28.1%.

(3) Adjusted NOI is the aggregate of reported NOI and the Income Support on G1 in Q3 FY2025.

(4) Annualized figure for Q3 FY2025

(5) Geographical spread is basis GAV



Nexus Select Trust



| | | |
|-----------------------------|--------------------|----------------------------|
| 17 | 9.9 msf | 97.6% |
| Consumption Centres | Retail Portfolio | Retail Portfolio Occupancy |
| 1.3 msf | 354 | 14 |
| Office Portfolio | Hotel Keys | Cities |
| ~3,000 | 1,000+ | ~130 M |
| Retail Stores | Brands | LTM Footfalls |
| 147 | 14% | ~11% |
| NAV per Unit ⁽¹⁾ | LTV ⁽²⁾ | Q3 FY25 Rent to Sales |

Notes: All data as of December 31, 2024

(1) As of Sep '24

(2) Computed basis GAV as per Sep '24 independent valuation and cash and bank balances (excluding restricted cash) as on December 31, 2024



Thank You!



Brookfield
India Real Estate Trust

