

Brookfield India Real Estate Trust (BIRET-REIT), will become India's 3rd publicly listed REIT and India's only institutionally managed public commercial real estate vehicle. It aims to raise Rs 3800 crore through a fresh issue of shares.

Key Highlights

- The BIRET-REIT is sponsored by Brookfield Asset Management ("BAM"), one of the world's largest alternative asset managers with approximately US\$575 billion in assets under management, as of Sept 30, 2020. BAM is listed on the NYSE and TSX.
- BIRET-REIT initial portfolio comprises of 4 large campus format office parks located in Mumbai, Gurugram, Noida and Kolkata with an embedded call option to acquire an additional 8.3msf of office space in Noida & Gurugram.
- BIRET-REIT's initial portfolio comprises of:

Particulars	Msf
Completed Area	10.3
Under Construction	0.1
Future Development Area	3.7
Total	14.0

- The Initial Portfolio's Completed Area has a Same Store Committed Occupancy of 92% (and a 87% Committed Occupancy, which includes the recently completed 0.5 msf at Candor Techspace N1) and is leased to marquee tenants with 75% of Gross Contracted Rentals contracted with multi-national corporations such as Barclays, Bank of America Continuum, RBS, Accenture, Tata Consultancy Services and Cognizant
- While a 7.1 year WALE provides stability to the cash flows of their initial Portfolio, they are positioned to achieve further organic growth through a combination of contractual lease escalations, 36% mark-to-market headroom to in-place rents, lease-up of vacant space and near-term completion of Under Construction Area to meet tenants' expansion needs.
- The BIRET-REIT intends to leverage Brookfield Group's real estate holdings in India by entering into agreements that provide rights to acquire their existing properties in their markets. They have the exclusive right, at their discretion, to acquire the Identified Assets, one office park in each of Gurugram and Noida, similar to the office parks in the Initial Portfolio that are near-stabilization and currently owned by members of the Brookfield Group. The Identified Assets encompass 8.3 msf of office space. The Initial Portfolio, Identified Assets and ROFO Properties combined, creates the potential for them to almost double their Initial Portfolio's Leasable Area to 28.9 msf.

BIRET-REIT Initial Portfolio Snapshot

	Kensington	Candor Techspace G2 ^(1,2)	Candor Techspace N1	Candor Techspace K1 ⁽²⁾	CIOP	Initial Portfolio
Type of Asset	SEZ	SEZ	IT Park	SEZ & Mixed Use	-	-
Completed Area (msf)	1.5	3.9	1.9	3.1	-	10.3
Under Construction Area (msf)	-	-	0.1	-	-	0.1
Future Development Potential (msf)	-	0.1	0.9	2.7	-	3.7
Total Area (msf)	1.5	4.0	2.8	5.7	-	14.0
Committed Occupancy (%)	86%	91%	72%	92%	-	87%
Same Store Committed Occupancy ⁽³⁾	Not Applicable	Not Applicable	97%	Not Applicable	-	92%
WALE (years)	3.0	8.0	7.6	7.6	-	7.1
Average in-place rent ₹/psf/month)	90	78	45	42	-	62
FY20 Revenue from operations (₹ in millions)	1,616.43	4,084.30	1,317.53	2,246.71	302.09 ⁽⁴⁾	9,567.06
H1FY2021 Revenue from operations (₹ in millions)	795.89	1,947.00	629.22	1,083.42	95.90 ⁽⁴⁾	4,551.43
FY23 NOI (₹ in millions)	1,580	3,213	1,342	1,673	378	8,186
Market Value (₹ in millions)	25,374	43,582	19,736	25,382	-	114,074
% of Initial Portfolio Market Value	22.2%	38.2%	17.3%	22.3%	-	100.0%

(1) Pursuant to the G2 Co-Development Agreement, the BIRET-REIT are entitled to receive 72% of the gross rentals and deposits from tenants arising out of the lease of area in Candor Techspace G2, while GIL is entitled to receive the remaining 28% and tenants are billed as per such agreed arrangement.

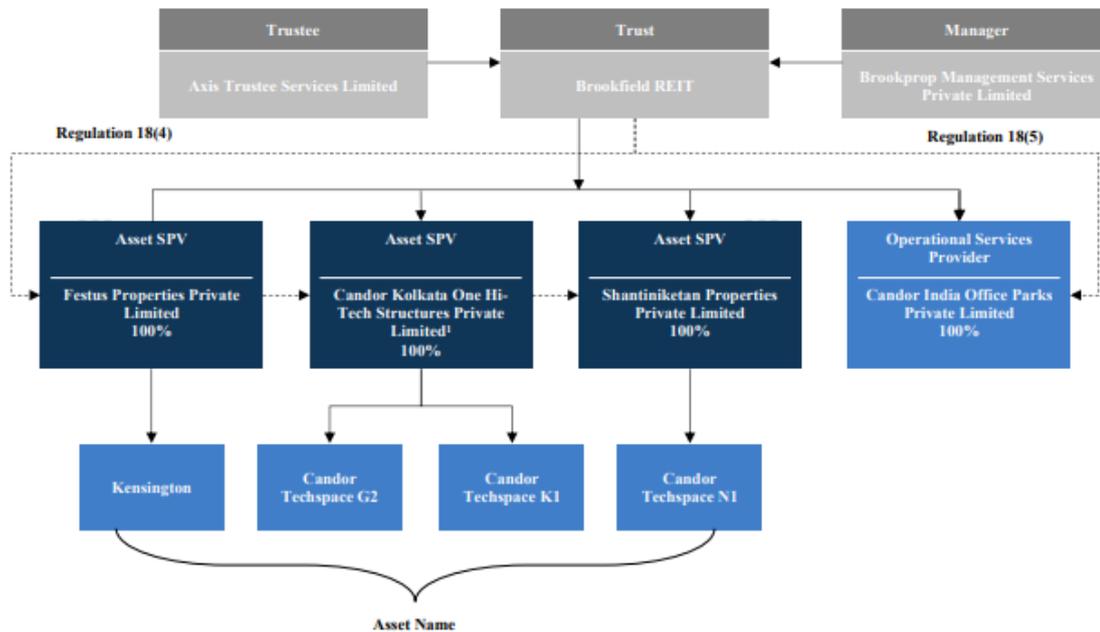
(2) Candor Gurgaon 2 was merged into Candor Kolkata with effect from May 4, 2020 with an appointed date of January 9, 2019.

(3) Same Store Committed Occupancy represents Committed Occupancy for areas where the occupancy certificate was received on or before March 31, 2020. Subsequent to such date, Candor Techspace N1 received an occupancy certificate for 0.5 msf on September 22, 2020.

(4) Represents property management fee from Candor Gurgaon 1 and SDPL Noida.

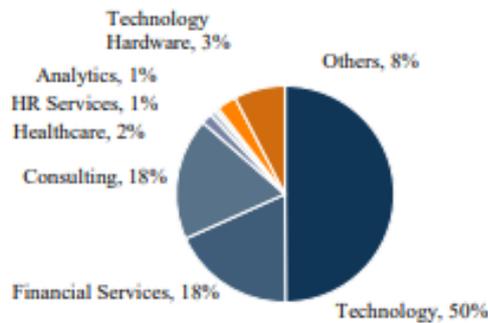
Source: Offer Document filed with SEBI

Proposed Structure of BIRET-REIT



Source: Offer Document filed with SEBI

Split of Initial Portfolio across sectors based on Area Leased



Source: Offer Document filed with SEBI

Top 10 Tenants of the Initial Portfolio

Particulars	% of leased area	% of Gross Contracted Rentals
Accenture	17%	19%
Tata Consultancy Services	17%	17%
Cognizant	14%	10%
Sapient	6%	7%
RBS	5%	6%
Bank of America Continuum	3%	5%
A Big 4 Accounting Firm	2%	3%
Barclays	4%	3%
Amdocs	2%	3%
Wipro	1%	2%
Total	73%	75%

Indicative Valuations Scenarios

	At Floor Price ₹ 274	At Cap Price ₹ 275
Equity Value (INR Cr) (A)	8,296.8	8,327.0
Net Distributable Cash Flow projected by the BIRET-REIT for FY 2022 (INR Cr) (B)	662.0	662.0
Indicative Yield – FY22E – Pre Tax based on above (B/A)	7.98%	7.95%
Indicative Yield – FY22E – Post Tax** @ 42.74% i.e. peak rate of tax applicable for Individuals	5.25%	5.23%
Indicative Yield – FY22E – Post Tax** @ 25.17% i.e. rate of tax applicable for corporates u/s 115BAA	6.37%	6.35%

****Note:** It is assumed that 80% of the yield will be distributed in the form of Interest and 20% will be distributed in the form of Dividend and applying rate of tax on interest portion only.

Source: ASKWA research

About the Offer size and Opening / closing dates

Issue Size	Rs 3,800 cr
- Fresh Issue	Rs 3,800 cr
Price band	₹ 274 – 275
Bid Lot	200 Units & in multiple thereafter
Minimum Bid Amount	₹ 54,800~ – ₹ 55,000^ (~ Lower Price Band and ^Upper Price Band)
Issue opening date	03-Feb-2021
Issue closing date	05-Feb-2021

Comparison with existing listed REIT's

	Brookfield REIT Initial Portfolio	Mindspace Business Park REIT	Embassy Office Park REIT
Leasable area (msf)	14.0	29.5	33.3
Completed area (msf)	10.3	23.9	26.2
Committed occupancy	87%	88.9%	91.7%
WALE (years)	7.1	5.6	6.5
Cities present	Noida, Gurugram, Kolkata and Mumbai	Mumbai Metropolitan, Hyderabad, Pune and Chennai	Bengaluru, Mumbai Metropolitan, Pune and Delhi NCR
Share of Top 10 tenants in Gross Rentals	75%	40.7%	42.0%
Share of largest tenant in Gross Rentals	19%	7.4%	12.0%
Mark to market potential	36.0%	16.9%	28.0%
Average In place Rent	Rs 62 psf / month	Rs 54.4 psf / month	Rs 70 psf / month
ROFO on sponsor assets	Yes	Yes	Yes
Ancillary assets / business	NA	Facility management, Power distribution	Hotels (1096 keys), Solar power (100 MW)
NAV per Unit	Rs 311	Rs 338.41	Rs 375.02

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