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**Market Study – Noida  
Expressway**

**FINAL Report for**  
**Brookprop Management  
Services Private Limited**

**Report Date**  
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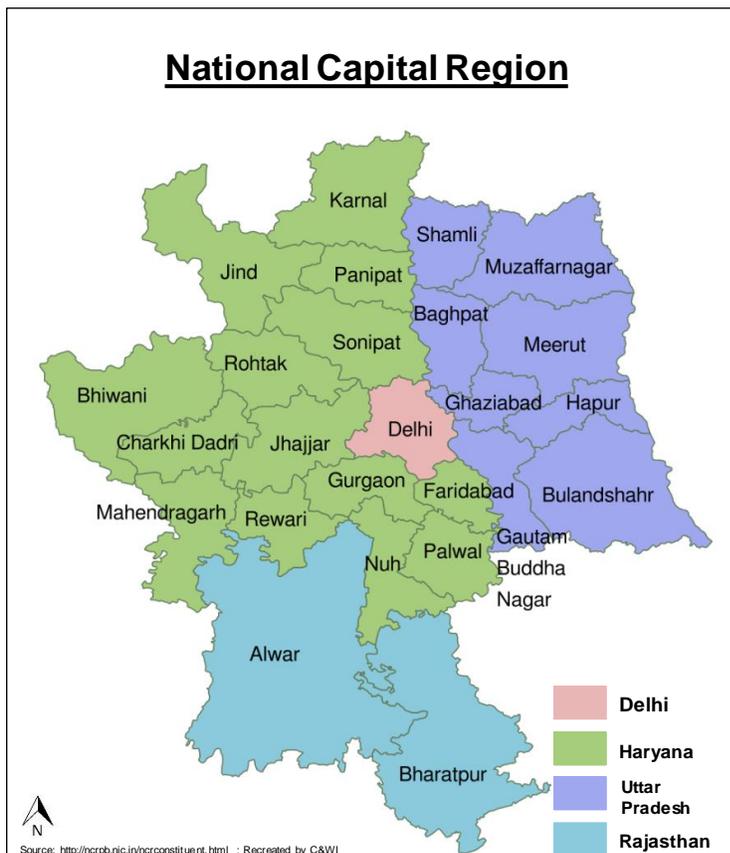


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## 1. NCR City Overview



National Capital Region (NCR) is the world's second largest urban agglomeration by population and the largest by area (Source: [https://www.un.org/en/development/desa/population/publications/pdf/urbanization/the\\_worlds\\_cities\\_in\\_2016\\_data\\_booklet.pdf](https://www.un.org/en/development/desa/population/publications/pdf/urbanization/the_worlds_cities_in_2016_data_booklet.pdf)). It is the metropolitan area which encompasses the entire National Capital Territory (NCT) of Delhi as well as urban areas surrounding it in neighboring states of Haryana, Uttar Pradesh and Rajasthan. The concept of NCR was mooted in first master plan of Delhi notified way back in 1962. The aim of the concept was to develop a metropolitan area around Delhi, to divert increasing pressure of population from the region. NCR covers a total area of approximately

55,098 square kilometer and has a population of approximately 58.1 million as per census 2011 (Source: [http://ncrpb.nic.in/pdf\\_files/annualreport2017-18.pdf](http://ncrpb.nic.in/pdf_files/annualreport2017-18.pdf)).

In the last decade and half, urbanization in Delhi has spread rapidly towards adjoining towns in the neighboring states of Haryana and Uttar Pradesh. The proliferation of service and industrial activities resulted in significant migration of people from Delhi, mainly towards Gurugram, Noida and Ghaziabad.

The following table briefly presents the population estimates and demographic profile of major regions in NCR.

Region	Population Estimates		CAGR (%)	Socio-Economic Profile	Literacy rate (for 7+ age group)
	Census 2001	Census 2011			
Delhi	13,850,507	16,787,941	1.9%	Mid – Very High	86.2%
Gurugram	874,695	1,514,432	5.6%	High	84.7%
Noida					
/Greater Noida	305,058*	739,326	9.3%	Mid	74.8%
Ghaziabad	3,314,070	4,681,645	3.5%	Low-Mid	78.1%

Source: Cushman & Wakefield Research and Census of India, 2011

Note\*: Census 2001 only counts population for Noida



Various real estate hubs within NCR are as follows:

Assets	Micro market
<b>Commercial &amp; IT/ ITeS, SEZ</b>	Delhi, Noida, Gurugram
<b>Retail</b>	Delhi, Noida, Gurugram
<b>Hospitality</b>	Delhi, Noida, Gurugram
<b>Residential</b>	Delhi, Noida, Gurugram, Ghaziabad, Faridabad
<b>Industrial</b>	NH-24 (Ghaziabad), Faridabad, Pataudi Road, NH8, Taru Road, Farukhnagar, Luhari, Bilaspur, Manesar, Sahibabad, Sonipat, Kundli

### City Overview - Noida

Noida, located in the State of Uttar Pradesh, is an integral part of the NCR. It is a planned city located in Gautam Buddha Nagar district. Further, it is located at about 25 km south-east of Central Delhi and can be accessed from the Central Delhi via: Delhi - Noida Direct (DND) Flyway or Toll Bridge; Sarita Vihar or Kalindi Kunj Road; and the Nizamuddin Flyover. It is bound on the west and south-west by the Yamuna River and on the north-east by Ghaziabad.

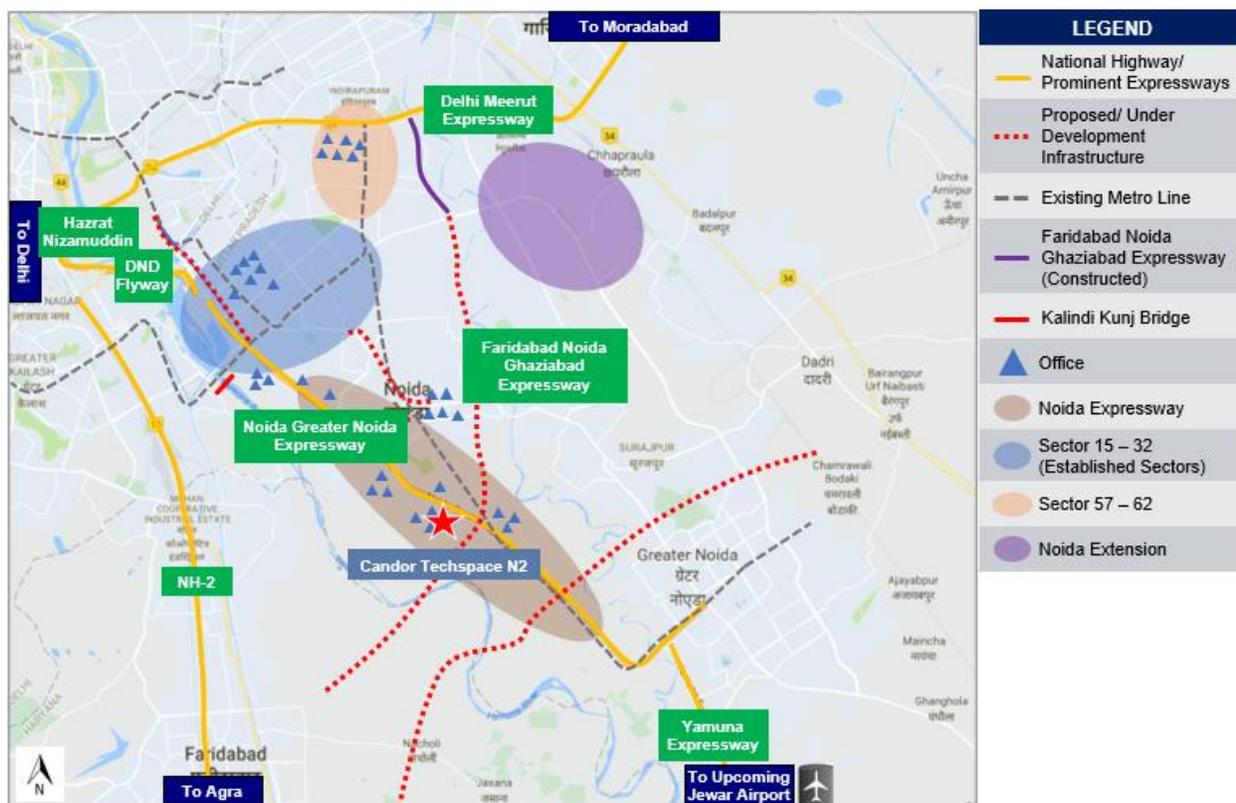
The following table briefly presents the population estimates and demographic profile of Gautam Buddha Nagar District.

Particulars	Details
<b>City Population</b>	0.74 million
<b>Average Literacy Rate</b>	74.80%
<b>Sex Ratio</b>	825 females for every 1000 males
<b>Population Density</b>	1,286 / sq. km.

(Source: Census of India, 2011)



The real estate characterization of Noida could be sketched as follows:



Source: Cushman & Wakefield Research  
 (Map not to scale)

- Primary office clusters in Noida are concentrated towards sector 16, 18, 32 and 57 - 65 and a belt running along Noida Expressway. Office developments in sector 16, 18, 32 and 57-65 constitute a mix of investment grade and sub investment grade developments. Noida Expressway primarily constitute investment grade developments. Sector 16,18, 32 houses commercial developments, however the other two office clusters predominantly offer IT / ITes and SEZ developments. Along with prominent office spaces, Noida Expressway has recently become a hub for International schools as well. Some well know schools operational on Expressway are Lotus Valley International School, Gyanshree School, Mayoor School, Pathways International Amity International etc.
- Residential supply of the city can be divided under established and upcoming sectors. The established sectors of Noida such as 14, 15, 21, 22, 45, 55, 56, etc. constitute plotted developments through government or unorganized players and high-rise developments primarily under cooperative group housing schemes. These are old sectors of the city with very little scope of new developments. These sectors majorly cater to Upper Middle-Income Group and High-Income Group. Central Noida, comprising of sectors 72 – 79, the sectors along the FNG expressway and sectors in Noida Extension are high density sectors. Hence, most of the projects in these micro markets comprises of high-rise group housing projects. These sectors are being developed by

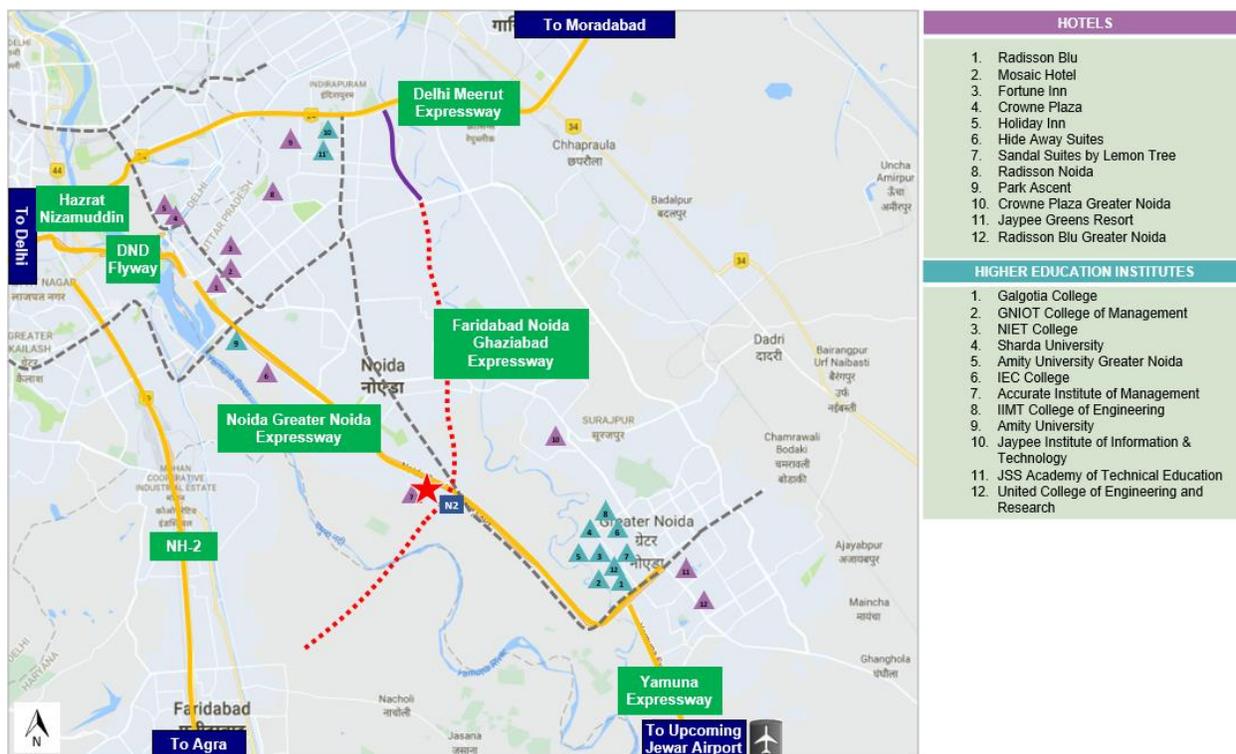


organized players/ developers and primarily cater to Middle Income Group. The sectors along Noida – Greater Noida Expressway have residential projects along both sides. Residential developments in this micro market comprise of both plotted developments and high-rise group housing projects. These sectors are being developed by organized players/ developers and cater to all segments viz. Middle-Income Group, Upper Middle-Income Group and High-Income Group.

- Traditionally retail cluster in Noida had remained confined to sector 18 which is also known as the “Atta Market”. The sector 18 market is also the main high street retail destination of Noida. Gradually, as the development activity in the city progressed a number of malls got developed in sector 16,18 and 32. Few of the prominent retail malls in the city are Great India Place, DLF Mall of India (one of the largest in NCR with leasable area of approximately 2 msf), Centre Stage Mall, Gardens Galleria, Spice Mall, Logix City Center Mall etc. ~ together, all these retail malls contribute to a significant percentage of organized retail supply of the city.



Other lifestyle infrastructure present in the city is as follows:

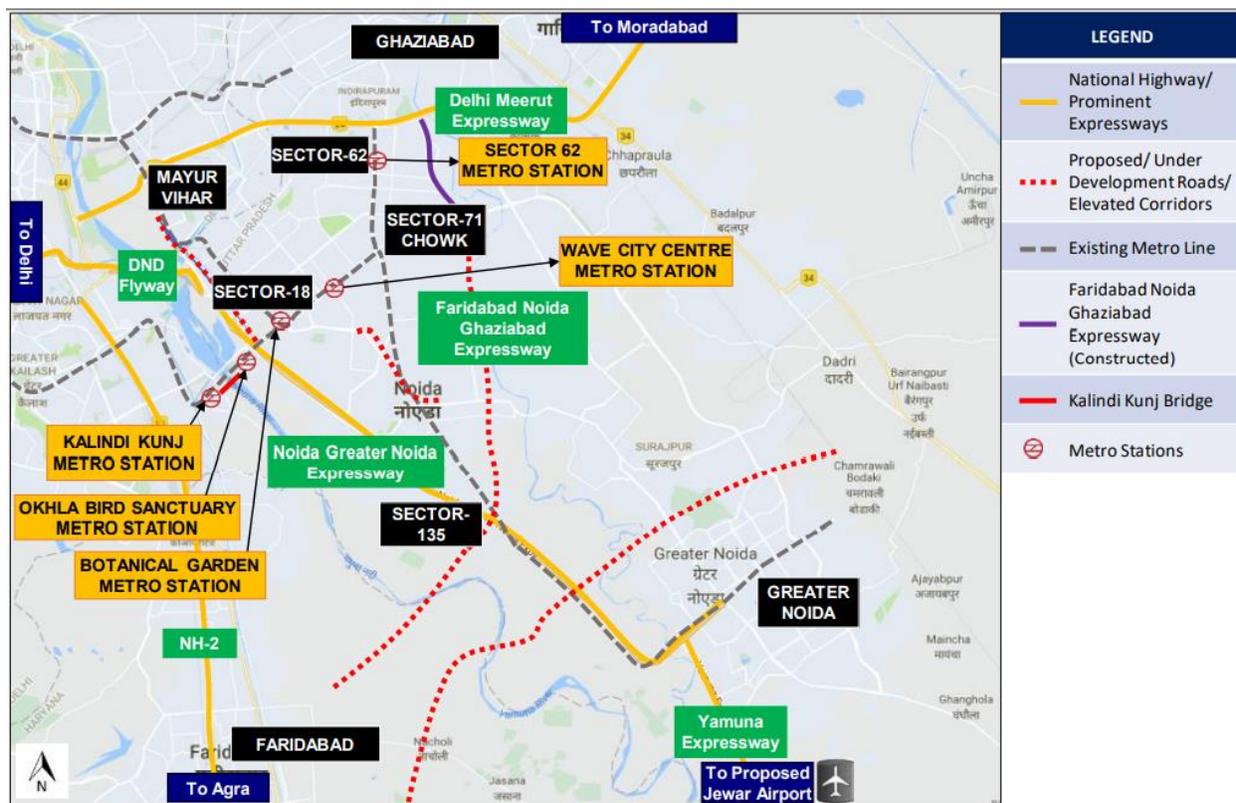


Source: Cushman & Wakefield Research

- With emergence of Noida as an office and IT/ITeS hub, the hospitality sector in the city also grew. Radisson, Crowne Plaza, Mosaic, Holiday Inn and few others are prominent hotel groups present in the city catering to travelers (foreign and domestic) and localities (residents and office occupants) for leisure and business purposes. Currently Noida houses 1,700 keys in 4 & 5 - star category of hospitality segment.
- With approx. 25,000 students graduating every year, Noida has ample talent pool to cater the office occupants present in the city. Amity University, Jaypee Institute of Information & Technology and Sharda University are few of the renowned educational campuses present in Noida.



## 2. Infrastructure Overview



Source: Cushman & Wakefield Research  
(Map not to scale)

Noida is strategically located owing to its proximity to New Delhi. It enjoys good connectivity with rest of NCR and surrounding cities via Delhi Metro, various highways and expressways.

- **Air Connectivity:**

The Indira Gandhi International Airport (IGIA) is located about 36 kms. from Noida. Further, proposed Jewar Airport on Yamuna Expressway will further improve the air connectivity of the city.

- **Rail Connectivity:**

Located close to South Delhi, Noida is connected through all major railway stations in Delhi viz. New Delhi, Old Delhi, Hazrat Nizamuddin, Sarai Rohilla Railway Stations and Anand Vihar Terminal.

- **Road Connectivity:**

Following is a list of major roads connecting Noida to the other parts of Delhi-NCR:

1. DND Flyway (Delhi-Noida Direct Flyway): A 7.5 Km long 8 lanes access-controlled Expressway, directly connects Delhi and Noida.



2. **Gautam Budhh (Greater Noida) Expressway:** It is an extension of DND flyway and connects Noida to Greater Noida. It is also known as Noida-Greater Noida Expressway. It is an 8 lane, 23.5 kms long expressway.

Few of the infrastructure initiatives (in past and currently) which have been undertaken to improve the connectivity are:

- **Metro Rail Link (Delhi – Sector 32, Noida)**

**Status: Operational since 2009**

Completed under phase II of Delhi Metro, the link connects Mayur Vihar/New Ashok Nagar to the Wave City Center Metro Station at Sector 32. The link improved the connectivity and reduced the commutation time of Noida to other parts to NCR.

- **Metro Rail Link (Janakpuri – Botanical Garden, Noida)**

**Status: Operational since 2018**

Completed under phase III of Delhi Metro, the link connects Janakpuri to Botanical Garden via domestic airport. The link provides a direct connectivity between Noida and international/domestic airport and key business hubs of Jasola and Nehru Place.

- **Metro Rail Link (Sector 32 – Sector 62)**

**Status: Operational since 2019**

Completed under phase III/IV of Delhi Metro, the link connected sector 32 (Wave City Centre Metro Station) to sector 62 via sector 71 crossing. The link has improved the connectivity within Noida.

- **Metro Rail Link (Noida – Greater Noida)**

**Status: Operational since 2019**

The 30 km line extends sector 22 metro link onto sectors along expressway and ends at Bodaki, Greater Noida. The link has improved the connectivity between Noida and Greater Noida.

- **Yamuna Expressway (Greater Noida-Agra)**

**Status: Operational since 2012**

A 165 Km long 6 lane (extendable to 8 lanes) access controlled expressway connects Greater Noida to Agra. The point zero of Yamuna expressway starts from Noida-Greater Noida Expressway, nearly one Km before Pari Chowk and ends at NH 2, in Agra. The expressway has significantly reduced the travelling time to Agra to 2-3 hours from an estimated 4-5 hours from Noida/parts of Delhi.

- **FNG Expressway (Faridabad-Noida-Ghaziabad)**

**Status: Under-Development**

**Expected Completion: 2022**



A proposed, 56 Km long expressway begins at Chijarsi village near NH 24 in Ghaziabad and passes through sectors 142, 143B, 167 and 168 along the Noida-Greater Expressway to end near NH 2 in Faridabad. A part of the section between Ghaziabad and Noida is operational. Road section from Noida to Faridabad awaits government approval. Once completed it shall significantly improve the connectivity between Ghaziabad and sectors along the Expressway in Noida, further with Faridabad.

- **Multiple Underpasses, Flyovers and U-turns across the city to decongest traffic**

- **New Kalindi Kunj Bridge** – Operational since 2019
- **Sector 71 Underpass** – Under Development
- **Elevated road from Aghapur petrol pump to Noida SEZ** - Proposed
- **Elevated road from Mayur Vihar Phase-1 to Mahamaya Flyover** - Proposed

- **Jewar Airport (Jewar – Yamuna Expressway)**

**Status: Under Construction**

The Ministry of Civil Aviation granted approval for construction of the 2nd commercial airport of Delhi NCR in Jewar. The upcoming airport at Jewar is likely to increase the economic growth in the region. It would provide a boost to the office sector backed by increased activity in industries such as transportation, tourism, hospitality and construction, among others. Further, investor interests is expected to rise (as happened for Gurugram owing to its proximity to Indira Gandhi International Airport), triggering a spike in demand for office developments followed by housing infrastructure and other real estate segments.

The development project is expected to kick-off soon, by Zurich Airport International as the developer. The project was handed over to Zurich Airport International by the Uttar Pradesh Government after it won the bid. On completion the airport is expected to be the largest in India. According to PwC, The Jewar Airport is expected to handle over 10 crore passengers by 2050, serving 37 domestic and 31 international destinations.

The development would take place in 2,200 acres of land and is expected to be operational by 2024.

The Airport would also be linked to the Aqua line of Noida Metro by 2025. There are also plans to link the airport to Sarai Kale Khan, a major bus station in the National Capital through a dedicated Rapid Rail Transit System.

Once operational, the airport will be a game-changer - not just for Noida and Greater Noida markets, but also in areas across the Yamuna Expressway.

With the new airport coming in, this market would attract more end-users and see steady, genuine capital appreciation. Despite being more affordable than Gurugram and Delhi, Noida, Greater Noida



and the areas along Yamuna Expressway have attracted limited demand and footfall owing to the delayed infrastructure modernization efforts.

The new airport will boost the region's overall infrastructure and make it more liveable and active.

- **Expressway to link Noida with Faridabad via Sector-150, Noida**

**Status: Proposed**

The Noida Authority has approved a proposal to build another expressway between Noida and Faridabad. The 75 meter wide expressway will start from Noida sector 150 on the outskirts of Noida. The completed expressway will offer commuters direct connectivity to Faridabad. The completed expressway will offer commuters direct connectivity to Faridabad and put an end to massive jams seen on the route. The expressway will turn into a four-lane bridge over the Yamuna. The Expressway will have entry/exit points between sector 150 and 152, in Noida, near Greater Noida's Pari chowk. Going through Noida and Greater Noida, the expressway will reach the Yamuna bank and then go to Dalelpur in UP. Also passing through Haryana's Mehatpur, Lalpur, Bhupauni and Khedi villages, the expressway will join NH-2, near Palwal.



### 3. Expansion of City - NCR



Source: Cushman & Wakefield Research  
 (Map not to scale)

Owing to limited developable land in Delhi, over the last decade and a half the urbanization in Delhi has spread rapidly along the adjoining towns of Gurugram, Noida, Ghaziabad, Greater Noida, Faridabad and most recently towards Aerocity. The above map highlights the phases in which National Capital Region (NCR) development progressed from Delhi Central Business District (CBD) to Secondary Business District (SBD) in Delhi and to Gurugram, Noida and Aerocity (DIAL).

Note: Ghaziabad, Faridabad and Greater Noida has not yet seen major office developments and hence have not been covered in our analysis.

Connaught Place (herein referred as “CP”) also known as Central Business District of Delhi has a long and very rich history. During late 90’s, post development of first high rise LIC Building (Jeevan Bharti building) the micro market witnessed an influx of many skyscrapers. Developers like Ansal API, DLF Limited have developed some of the landmark office buildings in the micro market such as Stateman House, Ansal Bhawan, Antriksh Bhawan, Indra Prakash, Ambadeep, Prikrama, Tolstoy Bhawan, DLF Centre etc. Gradually CP became hub for both corporate houses and retail brands.

However, with increasing demand owing to growing population; the city expanded, and the development moved towards other cities as mentioned above.



### 3.1. Emergence of Noida

One of the largest industrial townships in Asia, New Okhla Industrial Development Area “Noida” was constituted under the U.P. Industrial Area Development Act, 1976. Spread across 20,316 hectares, city has fully developed sectors and offers well established infrastructure to support all real estate segments.

The whole idea to bring Noida into existence as a satellite city to Delhi was to develop an Integrated Industrial Township to support industrial growth in non-confirming areas of New Delhi. The expectation was to decentralize the economic activity in Delhi and to reduce in-migration to the city. Further, urbanization of Noida also happened with a viewpoint to provide alternate real estate options at much lower price than Delhi to increasing population of National Capital Region. In its first master plan for the year 1991, Noida was set to provide developed sites for 10,000 small scale industries which would eventually provide employment to around 41,000 workers. Additionally, it was projected that the population of around 3,75,000 would reside in the city by 2011.

Noida since its inception is a very well-planned city. This was something which both Delhi and Gurugram missed during their early years of emergence. The city kept upgrading its master plans as the city grew and it was ensured that the infrastructure development happens parallel to urbanization. Initial development took place near Delhi in the north-western and central part of Noida. Sectors such as 14, 15, 16, 18, 27, 50, 51 etc. falling under these regions got urbanized in early phases and by 2011 almost whole of northern and central Noida and areas along the Noida expressway got urbanized. Noida evolved from an industrial location to much accepted residential and office location.

Proximity of Noida to Delhi worked very well in its favor and promoted its development prospects. With an aim of becoming independent metropolitan city from just a satellite city of Delhi, it created conducive ecosystem for its development. Well planned nature of the city played a very significant role on this front.

Development of Noida could never outpace development in Gurugram; one of the reasons being its marginal differential in occupation cost as compared to Gurugram in initial years viz. 2000 – 2011/12. However, as the cities grew, and one outpaced the other much faster the difference in the occupation cost widened. Taking the clues from the market; development activity in Noida went a bit slower. However, with growing occupier base and city limits merging, low occupation cost in Noida soon turned into its advantage. Further, the city observed the development pattern in Gurugram and tried to replicate similar development patterns to meet demand expectations.

Another reason for Noida to lag Gurugram is its proximity to airport. This has been one of most important reasons for drifting multinationals to Gurugram. Cities closer to airport witnesses much faster growth has been established by cities like Gurugram and DIAL (Aerocity).

However, with recently announced Noida International Airport at Jewar, the real estate dynamics of Noida are expected to experience the positive change. The letter of award for Jewar airport development has

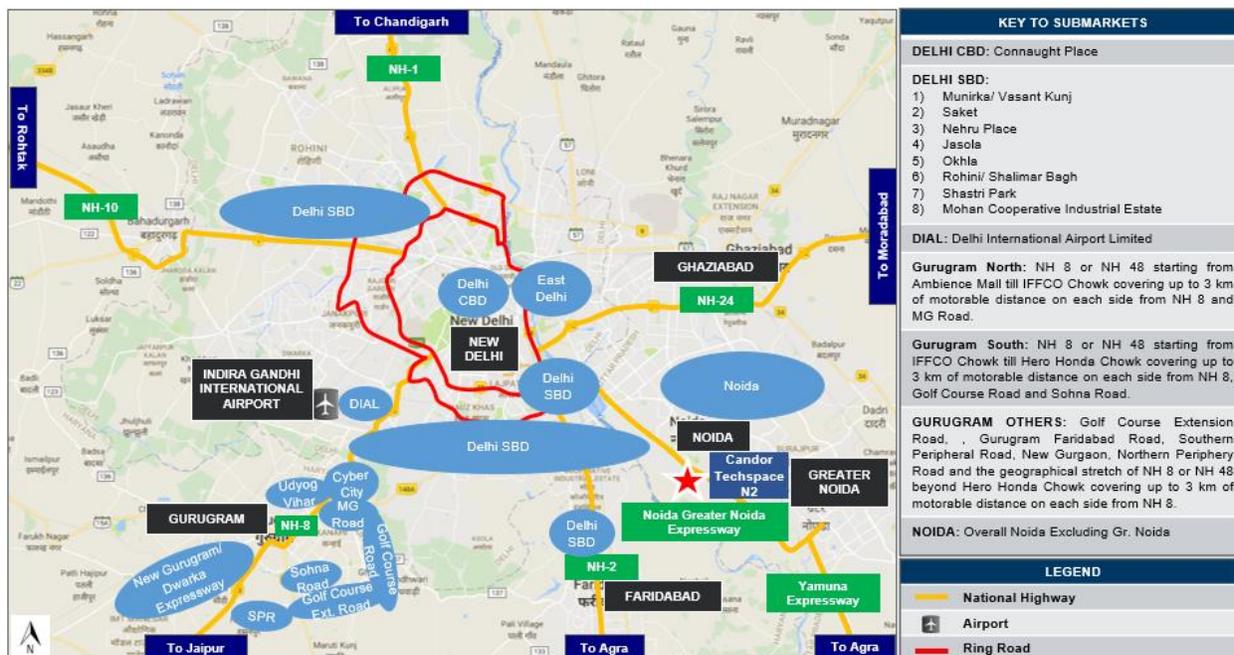


been handed to Zurich Airport International. The first phase of the airport will be spread over 1,334 hectares, shall cost approximately INR 4,588 crore and is expected to be completed by 2024. It can be inferred that much awaited growth in Noida which was anticipated much before is likely to be witnessed now. The growth shall also be fueled due to saturation witnessed by Delhi and other established micro markets of Gurugram such as Gurugram North and South. Thus, the city is likely to follow the growth pattern as followed by Gurugram.



#### 4. Office Market Overview – NCR

The map below highlights the key office micro markets of National Capital Region (“NCR”) illustrating the geographical expanse of office market in NCR. The micro markets covered for the analysis are the prime contributors to the office supply in NCR.



Source: Cushman & Wakefield Research  
 (Map not to scale)

NCR is presented as a consolidated office market comprising of four independent micro markets:

1. Delhi
  2. Gurugram
  3. Noida
  4. DIAL
1. Gurugram is divided into three micro markets:
    - Gurugram North – NH-48 starting from Ambience Mall till IFFCO Chowk covering up to 3 km of motorable distance on each side from NH-48 and MG Road.
    - Gurugram South – NH-48 starting from IFFCO Chowk till Hero Honda Chowk covering up to 3 km of motorable distance on each side from NH-48, Golf Course Road and Sohna Road.
    - Rest of Gurugram –Golf Course Extension Road, Gurugram Faridabad Road, Southern Peripheral Road, New Gurgaon, Northern Periphery Road and the geographical stretch of NH-48 beyond Hero Honda Chowk covering up to 3 km of motorable distance on each side from NH-48.
  2. Delhi has been divided into two micro markets:
    - Delhi CBD – refers to Connaught Place



- Delhi SBD – refers to the office clusters in South East Delhi and North West Delhi. Areas covered in South East Delhi are Jasola, Munirka, Nehru Place, New Friends Colony, Vasant Kunj, Shastri Park, Saket and Okhla. North West Delhi refers to Shalimar Bagh, Rohini and Pitampura.
3. DIAL – refers to the Aerocity area in the proximity of Delhi International Airport.
4. Noida has been divided into three micro markets:
- Sector 62, Noida – refers to the Northern part of Noida, abutting NH – 24 and covering the surrounding sectors of 57, 58, 59 and 60 towards south and sectors 63 and 64 towards east
  - Noida–Greater Noida (NGN) Expressway – refers to the geographical expanse of NGN expressway
  - Rest of Noida – refers to office clusters in sectors 16-18, sectors 32-34 and Greater Noida West

The table below highlight the key statistics of NCR's office markets:

Particulars	NCR Overall	Delhi	DIAL	Gurugram	Noida*	Noida Non-Strata Owned
<b>Total Completed Stock till 9M 2021 (million sq. ft.)</b>	81.24	3.29	1.37	56.10	20.49	15.46
<b>Current Occupied Stock till 9M 2021 (million sq. ft.)</b>	61.27	2.30	1.22	42.57	15.17	12.62
<b>Current Vacancy 9M 2021 (%)</b>	24.59%	30.05%	10.43%	24.11%	25.96%	18.34%
<b>Avg. Annual Absorption - 2015 – 9M 2021 (million sq. ft.)</b>	3.41	0.17	0.17	2.13	0.95	0.73
<b>Future Supply – Q4 2021 E – 2023 E (million sq. ft.)</b>	13.77	0.00	0.00	10.24	3.53	3.23

Source: Cushman & Wakefield Research

\*Brookfield REIT's property N2 is in Noida.

Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above table.
2. Ghaziabad, Greater Noida and Faridabad have minimal office supply and have not been captured in the analysis.
3. \*Brookfield REIT city markets.
4. Stock ("stock" and / or "relevant stock") and Supply ("supply" and / or "relevant supply") numbers are computed by excluding the buildings less than 1 lakh square feet and applying certain other criteria . Additionally, for Noida, non-IT buildings are also excluded from the analysis.
5. Non strata owned office stock constitutes office developments which have controlled ownership and are conducive for institutional level participation.
6. Vacancy and Net Absorption numbers are computed on the relevant stock.
7. The future supply estimates are based on analysis of proposed and under construction buildings.
8. Non strata owned office stock constitutes office developments which have controlled ownership and are conducive for institutional level participation.



#### 4.1 Office Market Overview – Noida

The table given below summarizes the major characteristics of Noida’s office market:

Micro market	Description*
Noida – Sector 62 & Noida Expressway	<ol style="list-style-type: none"> <li><b>Development profile:</b> The office supply in Noida is interspersed between investment grade and sub investment grade office developments. Further, the supply is concentrated towards IT/ITeS and SEZ office space.</li> <li><b>Occupier profile:</b> Majority of the occupiers are IT/ITeS companies followed by BFSI, professional services firms, flexible workspaces and engineering &amp; manufacturing companies. Few of the prominent occupiers include TCS, Global Logic, EXL, GE, NEC Barclays, Metlife etc.</li> <li><b>Key Developers:</b> Brookfield is the leading player in the micro market contributing about 5.4 msf to the office supply. Other prominent players are Blackstone, The 3C Company, Logix Group and Advant with existing leasable areas of 3.7 msf, 1.3 msf, 2.4 msf, and 1.1 msf respectively.</li> <li><b>Supply/Absorption/Vacancy:</b> Noida was being positioned as an alternate IT/ITeS destination in lieu of favorable norms and attractive rentals laid down for IT/SEZ Parks. Major supply came up from 2006 onwards; the supply was planned keeping in mind the benefits provisioned for IT parks. However, withdrawal of these benefits and delay by certain developers (which created supply spikes in the city) in meeting their timelines resulted in high vacancy levels for the micro markets which are today less than 14.1% for Sector 62 and 31.5% for Expressway. The same is resultant of uptick in office demand and newer development offering world class amenities. The micro markets of Noida are likely to follow same growth trajectory going forward.</li> </ol>

Notes:

- Rest of Noida is not a prominent office market and hence does not exhibit any characteristic.
- \*The above analysis is done on the relevant stock, explained in notes on the following page

The major growth drivers for office market in Noida are:

- Connectivity and linkages:** Noida is well connected to other nodes of NCR via. robust road and metro network. Hence, efficient management of commuting by public and private mode of communication makes it a conducive location for workforce travelling for work. Noida is the only city in NCR where the physical infrastructure was planned ahead of real estate development. Hence, the Noida enjoys superior physical infrastructure and planned architectural layout.
- Lower occupation cost:** Noida has availability of residential and office spaces with rentals and capital values significantly lower than Gurugram and Delhi. Hence, the Noida stands out as it offers quality living at much lower occupation cost.
- Access to educated talent pool from Delhi, Haryana, Punjab, Rajasthan and Uttar Pradesh:** As Noida is accessible through multiple modes of transportation and it offers residential spaces across various price categories; it attracts talent pool from all adjoining locations.

The table below highlight the key statistics of Noida’s office markets:



Particulars	Noida Overall	Noida Non-Strata Owned	Sector 62, Noida	NGN		Rest of Noida
				Expressway*	Expressway Non-Strata Owned	
<b>Total Completed Stock till 9M 2021 (million sq. ft.)</b>	20.49	15.46	6.91	12.61	7.58	0.96
<b>Current Occupied Stock till 9M 2021 (million sq. ft.)</b>	15.17	12.62	5.94	8.64	6.09	0.60
<b>Current Vacancy 9M 2021 (%)</b>	25.96%	18.34%	14.13%	31.50%	19.6%	38.27%
<b>Avg. Annual Absorption - 2015 – 9M 2021 (million sq. ft.)</b>	0.95	0.73	0.23	0.67	0.45	0.05
<b>Future Supply – Q4 2021 E – 2023 E (million sq. ft.)</b>	3.53	3.23	0.00	3.53	3.23	0.00

Source: Cushman & Wakefield Research

\*Brookfield REIT's property N2 is in NGN Expressway micro market.

Notes:

1. Only Grade A office spaces have been considered for the analysis presented in the above table.
2. Stock ("stock" and / or "relevant stock") and Supply ("supply" and / or "relevant supply") numbers are computed by excluding the non-IT buildings, the IT buildings less than 1 lakh square feet and applying certain other criteria .
3. Non strata owned office stock constitutes office developments which have controlled ownership and are conducive for institutional level participation.
4. Vacancy and Net Absorption numbers are computed on the relevant stock.
5. The future supply estimates are based on analysis of proposed and under construction buildings.

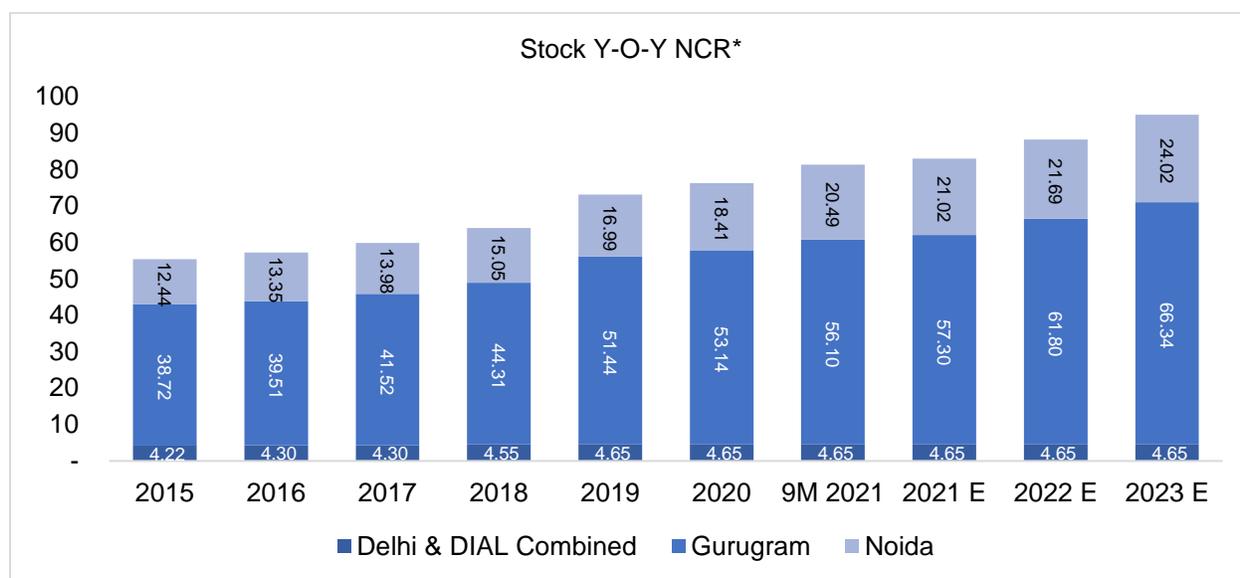


## 5. Supply, Demand & Rental Analysis – NCR

### 5.1. Supply Analysis - NCR

As of 9M 2021, approximately 81.24 msf of relevant office stock is present in NCR of which approximately 3.29 msf is present in Delhi, approximately 1.37 msf is present in Aerocity (DIAL), approximately 56.10 msf is present in Gurugram and approximately 20.48 msf is present in Noida. In addition to the mentioned relevant office stock the built to suit supply further illustrates the depth of market in terms of occupier's confidence in the micro market and potential demand in case of expansions etc.

Graph below illustrates the office stock across NCR Y-o-Y.



Source: Cushman & Wakefield Research

\*The above analysis is done on the relevant stock

CAGR for Office Stock in Delhi & DIAL combined (2015 – 9M 2021) is 1.72%

CAGR for Office Stock in Gurugram (2015 – 9M 2021) is 6.66%

CAGR for Office Stock in Noida (2015 – 9M 2021) is 9.07%

**Post 2<sup>nd</sup> COVID wave, office market is witnessing significant signs of recovery both in demand and supply.**

CAGR for Office Stock in Delhi & DIAL combined (Q4 2021 – 2023E) is 0.00%

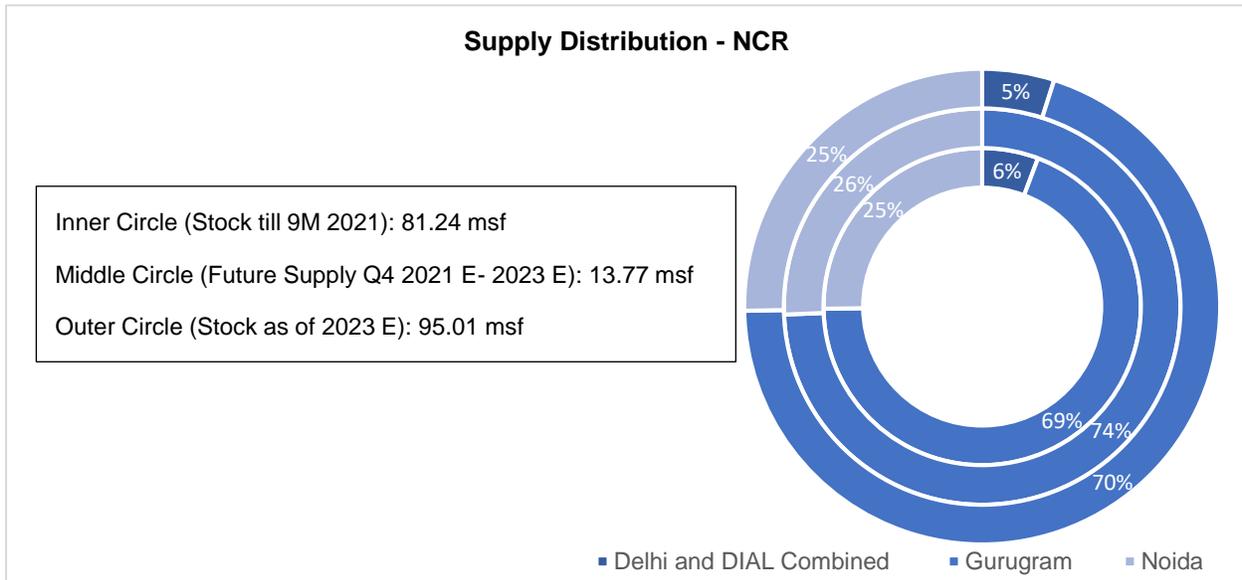
CAGR for Office Stock in Gurugram (Q4 2021 – 2023E) is 7.73%

CAGR for Office Stock in Noida (Q4 2021 – 2023E) is 7.32%

Due to saturation in established regions and limited availability of commercial zoned land parcels, Delhi has seen a limited growth over the last 5 years in terms of new office supply and the trend is expected to



continue. DIAL has seen supply addition of 0.93 msf in last 6.75 years and does not expect any relevant supply from Q4 2021 E to 2023 E. Gurugram is the market leader for current office stock in NCR with its share being approximately 69% followed by 25% in Noida; and the similar trend of percentage shares is expected to continue.



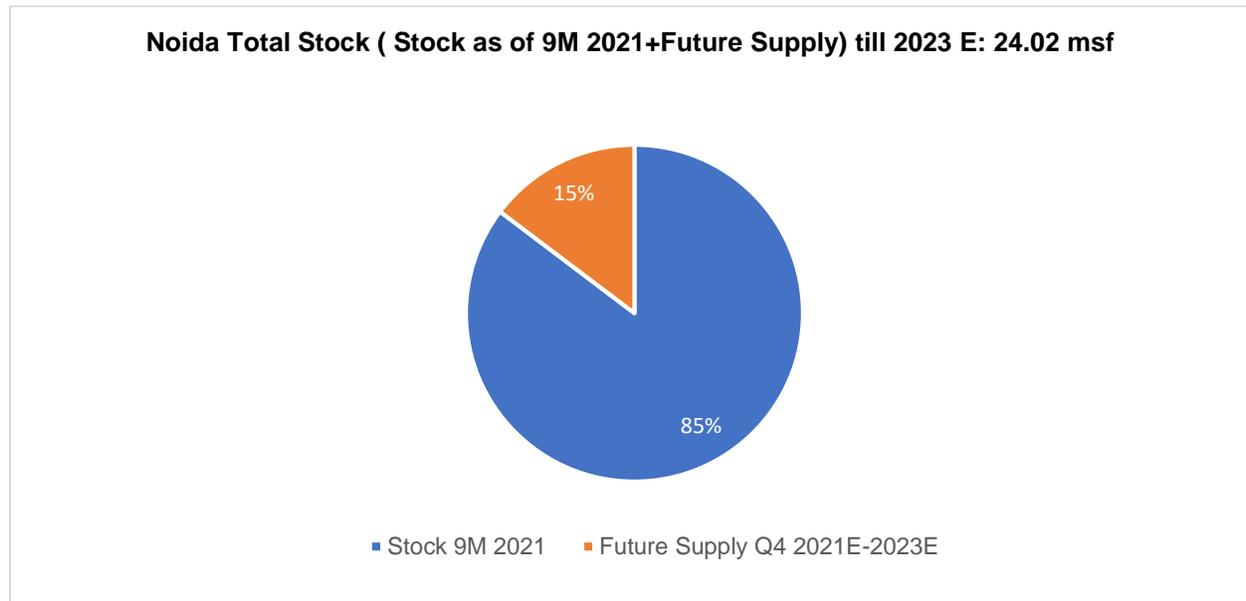
*Source: Cushman & Wakefield Research*

**Notes:**

1. Inner Circle denotes Stock as in 9M' 2021, Middle Circle denotes Future Supply as in Q4'2021 & Outer Circle denotes Total Stock expected by the end of 2023E.
2. Stock = Stock (as of 9M 2021) + Future Supply
3. The above analysis is done on the relevant stock



### 5.1.1. Supply Analysis by Developer Profile – Noida



*Source: Cushman & Wakefield Research*

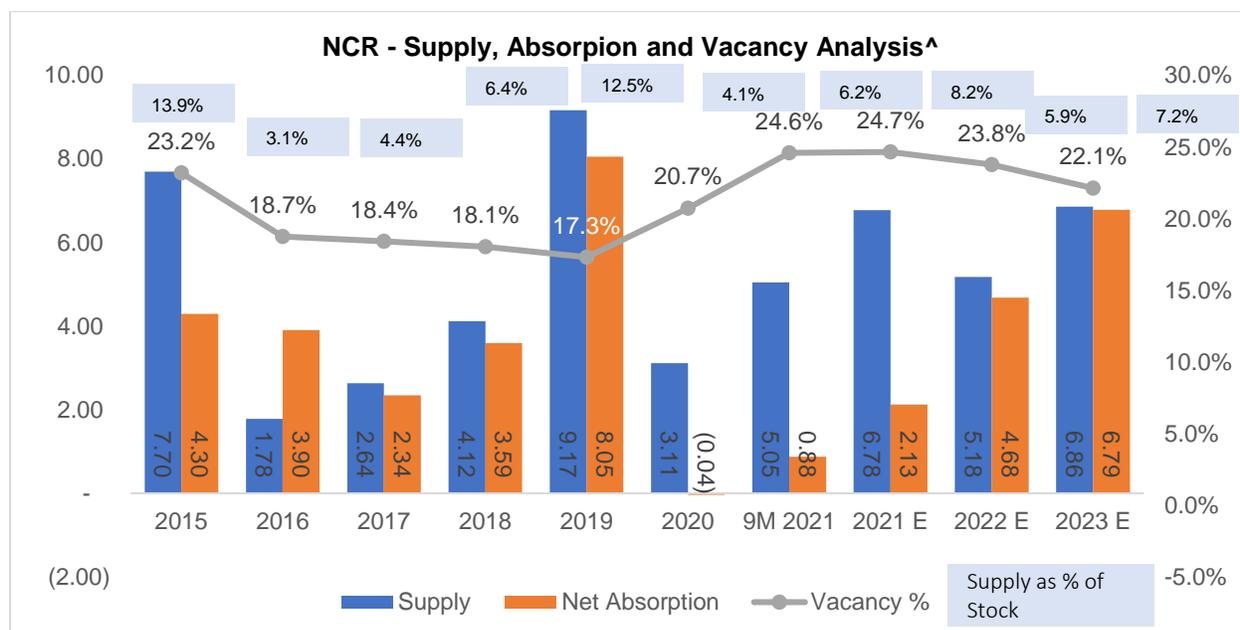
The micro market has 2<sup>nd</sup> largest share in office supply of NCR and houses few of the prominent national and local players. The largest contributors to the supply are institutional players like Brookfield and Blackstone, contributing almost half of the overall relevant stock as well as future supply. The strong institutional backing signifies the acceptance of Noida as a key office location.



## 5.2. Demand Analysis - NCR

### 5.2.1. Supply, Absorption and Vacancy Trend Analysis – NCR

Approximately 5.05 msf of new office supply was completed across NCR in 9M 2021. The major contributor to this supply was Gurugram followed by Noida. Below graph represents historical supply, absorption & vacancy along with upcoming supply across NCR



Source: Cushman & Wakefield Research

Notes <sup>^</sup>:

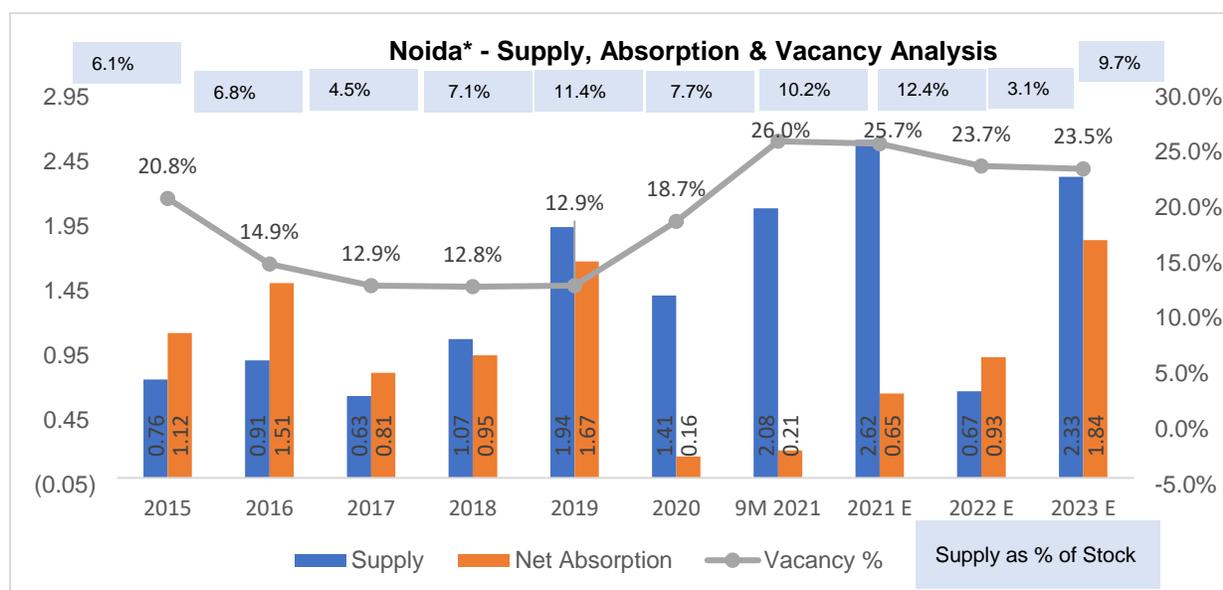
1. Only the relevant stock has been considered for this analysis excluding the buildings less than 1 lakh square feet across NCR and applying certain other criteria. Additionally, for Noida non-IT buildings have been eliminated from stock and supply.
2. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply.
3. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

NCR witnessed above average supply for the years 2014 and 2015 which led to higher vacancy numbers for the region. However, as markets took the clue the supply moderated and started chasing the demand. The developers became careful and the market cues were carefully observed and accordingly the supply was introduced in the market. The office space offerings also matured with intervention of larger institution players and uptick in office demand. NCR being the hub of office supply in North India; benefited and hence witnessed increased demand for the region. Year 2019 has been the expectational year for past five years, wherein demand numbers for the year has outperformed the demand numbers for past years significantly. The demand for 2019 stood at a record high number of 8.05 msf. Due to the sudden outbreak of Covid-19, office sector is facing short-term challenges. However, with successful nationwide vaccination drive the



economy is showcasing excellent signs of rebound across the sectors. NCR being third largest office market in India is also showing the resilience and same is visible from expected increase in both net absorption and supply numbers from 9M 2021 till 2023E. Riding on continuous demand and traction from occupiers we expect NCR's vacancy to reduce to 22.1% by 2023 E which currently stands at 24.6%.

### 5.2.2. Supply, Absorption and Vacancy Trend Analysis – Noida



Source: Cushman & Wakefield Research

Notes ^:

1. Only the relevant stock has been considered for this analysis excluding the buildings less than 1 lakh square feet, excluding non-IT buildings and applying certain other criteria
2. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply.
3. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

Noida has emerged as a preferred IT / ITes destination over the years due to excellent physical infrastructure, affordable rentals and availability of large office spaces. The growth is backed by availability of large talent pool and residential spaces across all price points. The overall perception of Noida has also evolved as an office destination.

Noida over past 6.75 years has seen an average additional supply of approximately 1.31 msf and an annual average net absorption of approximately 0.95 msf. However, 2019 has been the exceptional period with supply and demand outperforming its historical benchmarks. The increase in supply was matched by commensurate increased demand, demonstrating higher confidence levels for the office market of Noida.



Noida has always benefited from the presence of superior infrastructure as compared to other cities of NCR. Competitive rentals supported by good infrastructure shall keep Noida as preferred office destination

The shift in development status of the city from being dominated by sub investment grade structures to good campus / large integrated park-based development has resulted the city to grow exponentially in office segment. City has emerged as a preferred IT / ITes destination over the years due to excellent physical infrastructure, affordable rentals and availability of large office spaces. Some of the prominent developments in the city are Embassy Oxygen Boulevard, Candor Techspace, Assotech Cresterra, NSL Techzone, ATS Bouquet, Advant Navis Business Park etc. The city is likely to grow further with increasing occupier base in Noida and new major infrastructure developments getting developed viz Jewar Airport in Noida.

Covid-19 outbreak has posed short term challenges for the office real estate sector. The net absorption witnessed a dip and the 9M 2021 vacancy stands at 26% vs.12.9% in 2019.

However, with strong demand expected to come from IT occupiers, the absorptions levels are likely to pick up and the vacancy is expected to be around 23.5% in 2023E.

As per NASSCOM report, Indian IT revenue is expected to grow from USD194 billion in FY2021 to USD300-350 billion by FY2025E. Amidst the Covid-19 outbreak, majority of IT companies have resumed hiring at the same pace as pre COVID 19 period and have added net head counts in FY21 and kept adding further headcounts in recent quarters for emerging IT sectors like Cloud Management, Storage Networks, Security & Back-up services etc. Hence, increasing head count and effective vaccination roll out is expected to lead to higher leasing activity in the market.

Some of the major recent leasing activity also highlights the inclination of global occupiers towards the city. The growth is backed by the availability of large talent pool and residential spaces across all price points. The overall perception of Noida has also evolved as an office destination.

Name of Project	Timelines	Lease Area (Sqft)	Tenant Industry	Location	Type of lease
DLF Cyber Park	Q2 2020	3,70,000	Technology	NGN Expressway	Pre-commitment
Logix Cyber Park	Q4 2020	3,26,162	Engineering & Manufacturing	Sector 62, Noida	Term Renewal
Candor TechSpace Tower 4	Q3 2021	2,90,100	Technology	NGN Expressway	Renewal
Advant Navis Business Park Tower C	Q1 2021	1,80,000	Professional services	NGN Expressway	Relocation
Candor TechSpace	Q3 2021	1,23,124	Technology	NGN Expressway	Renewal

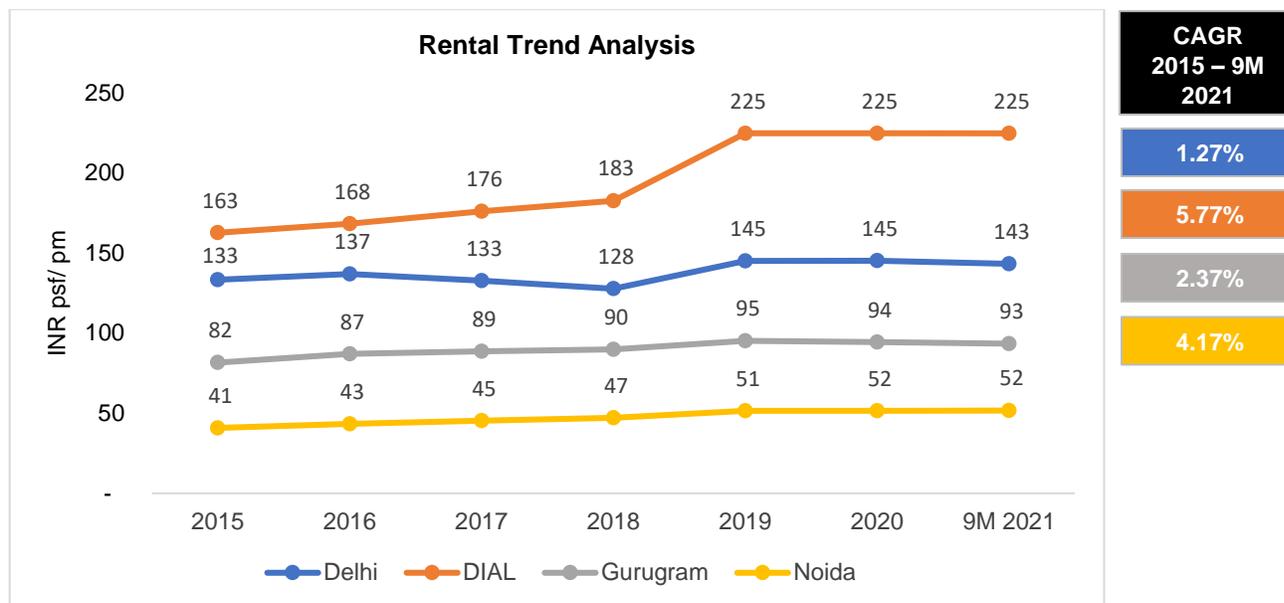


Candor TechSpace SEZ Tower 11	Q1 2020	1,20,000	Technology	NGN Expressway	Pre-commitment
Assotech Business Cresterra	Q1 2020	1,00,000	Technology	NGN Expressway	Pre-commitment
Embassy Oxygen Tower A	Q3 2021	63,287	Technology	NGN Expressway	Relocation
Embassy Oxygen Tower E	Q1 2020	50,000	Technology	NGN Expressway	Relocation
Candor TechSpace Tower 5	Q3 2021	32,945	Professional Services	Sector 62, Noida	Relocation
Advant Navis Business Park Tower A	Q3 2021	30,020	Professional Services	NGN Expressway	Relocation
Advant Navis Business Park Tower B	Q1 2021	30,000	Professional services	NGN Expressway	Expansion
Advant Navis Business Park Tower A	Q1 2021	26,500	Professional services	NGN Expressway	New Lease

In spite of the outbreak of Covid-19, resulting in short term challenges for the office real estate sector, the vacancy which increased to 26.0% in 9M 2021 is expected to stand at 25.7% for entire 2021. With continuous occupier interest in this market, it is expected that the vacancy shall reduce to 23.5% by 2023 E.



### 5.2.3. Rent Analysis - NCR



Source: Cushman & Wakefield Research

**Notes:**

1. Only the relevant stock has been considered for this analysis excluding the buildings less than 1 lakh square feet across NCR and applying certain other criteria. Additionally, for Noida non-IT buildings have been eliminated from stock and supply.
2. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters. The rental for Candor Techspace N2 is sourced from Brookprop Management Services Private Limited. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants. Rentals presented above are weighted average values on completed stock.

DIAL continues to fetch the highest rental amongst all prominent office micro markets of NCR. Within Delhi, CBD, which is primarily Connaught Place fetches the highest rentals. The micro markets of Delhi including Delhi CBD got stabilized and almost saturated since 2015 and before. Hence, the rental trend line is exhibiting similar pattern for the period 2015 – 9M 2021. The rentals in absolute terms appear to be same, however, in actual terms have increased from previous levels. These micro markets predominantly constitute strata sold buildings and trade at a vacancy level of sub 20%, the vacant spaces are not true replica of the micro market and give a perception of no rent increase for the micro markets.

DIAL has emerged as one of the premium office locations of NCR after Delhi CBD. The micro market enjoys superior infrastructure owing to proximity to Delhi airport. The micro market has also witnessed above average rental growth over past five years.

Gurugram has witnessed a rental CAGR of 2.4% since 2015 till 9M 2021. The development activity in Gurugram happened in phases and the new clusters kept getting added to the supply as the demand grew. This led to expansion of city limits and emergence of new micro markets. Hence, the office micro markets of Gurugram are at various stages of development and offers a healthy mix of commercial, IT/ITes and SEZ

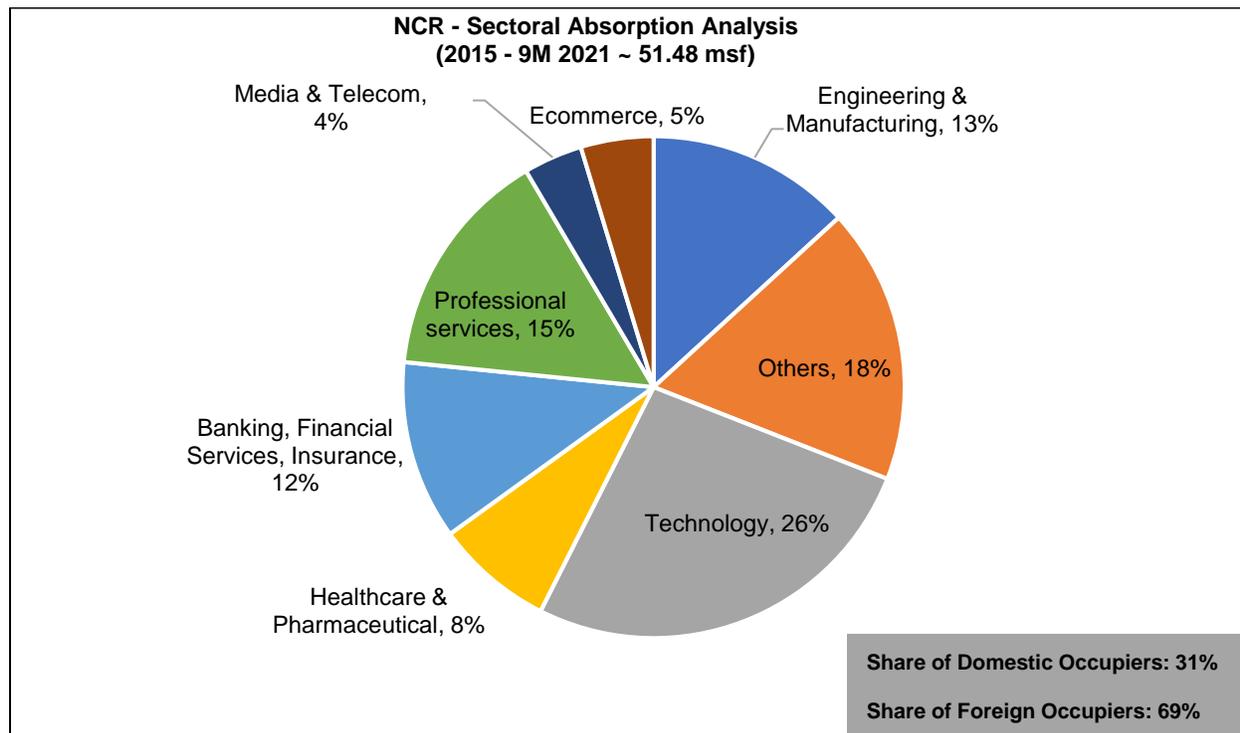


developments. With consistent addition of new micro markets in the office supply and overall rental growth of approximately 2.4% illustrates high occupier interest in the city.

Noida has witnessed a rental CAGR of 4.2% since 2015 till 9M 2021. Increase in office demand and expansion of IT/ ITeS occupier base has led to above average rental growth for the city. Established micro markets of Gurugram reaching saturation; benefited Noida owing to quality workspaces available at competitive rentals. The city also benefits due to availability of superior infrastructure required to travel to a workplace. The trend is likely to continue with new under construction infrastructure development viz. Airport at Jewar creating more demand drivers.



### 5.2.4. Sectoral Demand Analysis – NCR

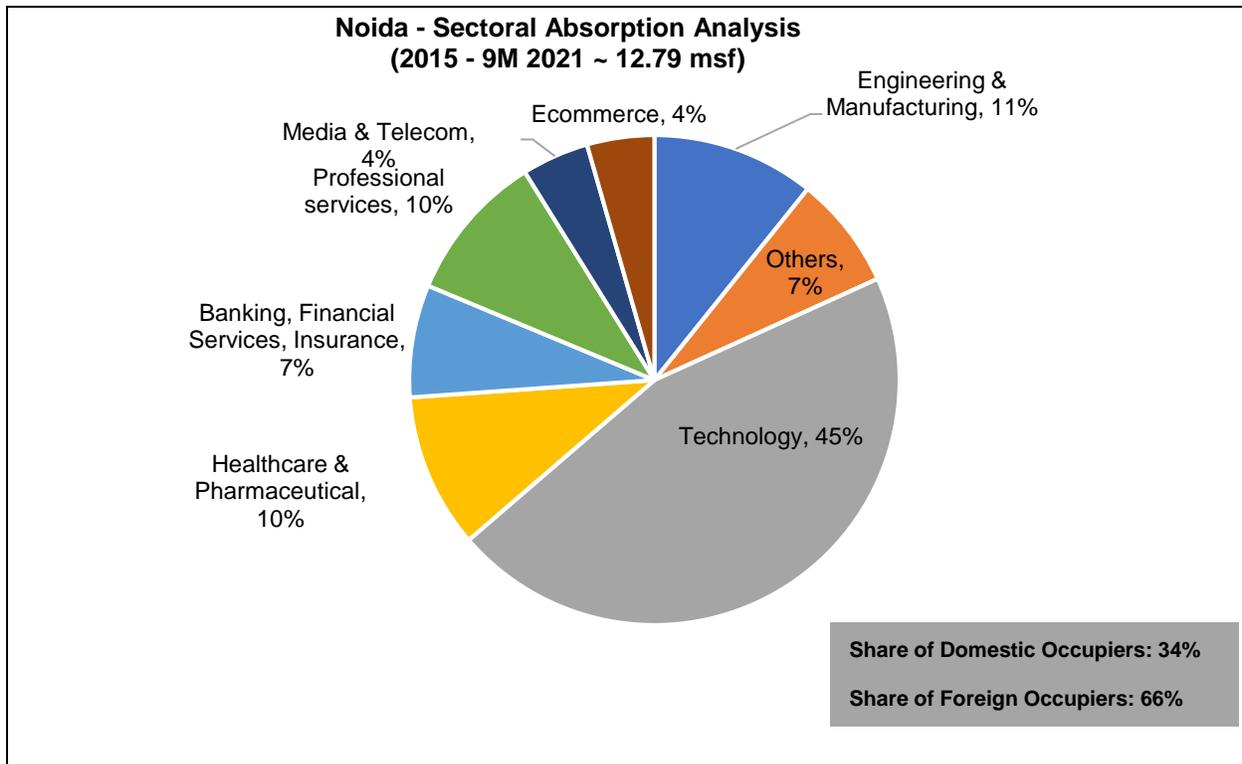


Source: Cushman & Wakefield Research

**Notes:**

1. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic & Foreign occupier bifurcation
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc.
3. The sectoral absorption analysis is based on gross absorption activity of NCR's relevant stock i.e. including any relocations, consolidations etc. All pre-commitments & sale/purchase transactions are excluded from this analysis.

Technology is the dominant sector in NCR which generated a demand of 26% since 2015. The other prominent industries contributing 40% to the demand are engineering and manufacturing (13%), professional services (15%) and BFSI (12%). Emergence of new requirements viz. startups, individual set ups, change in consumer behavior has led to the increase in demand from industries like flexi workspace, E-commerce etc. in the recent years. The mix of foreign vs. domestic occupants in NCR is 69: 31.



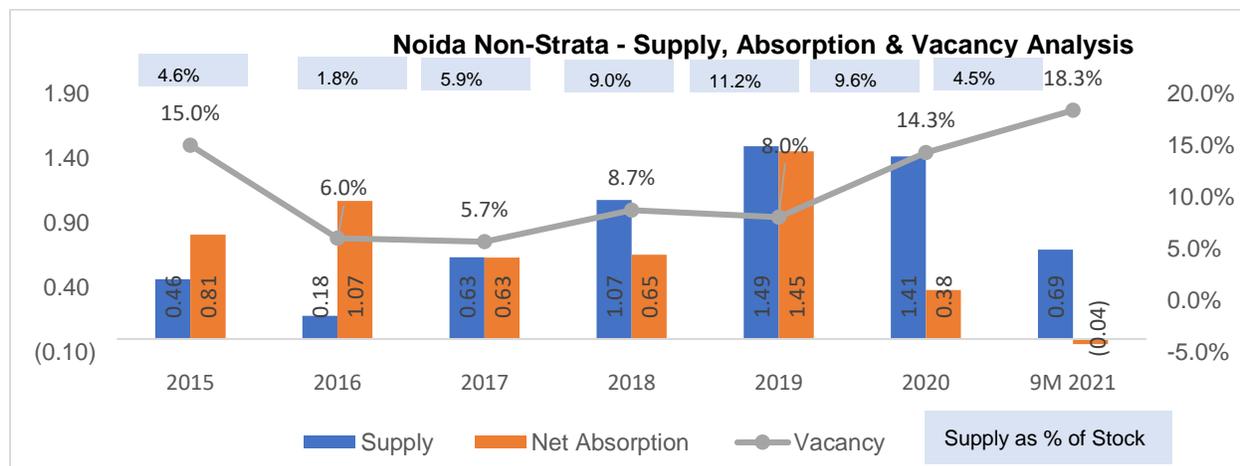
Noida's office supply which is predominantly IT/ITes & SEZ in nature is dominated by Technology occupiers contributing almost half of the overall demand viz. contributing 45% to the overall demand. The other prominent industries contributing 38% to the demand are Healthcare & pharmaceuticals (10%), professional services (10%), BFSI (7%) and Engineering & Manufacturing (11%). Emergence of new requirements viz. startups, individual set ups, change in consumer behavior has led to the increase in demand from industries like flexi workspace, E-commerce etc. in the recent years. The mix of foreign vs. domestic occupants in Noida is 66:34.



### 5.2.5. Noida Non-Strata Owned Analysis

As of 9M 2021, non-strata office stock for Noida stands at 15.46 msf of which 12.62 msf is occupied. Current vacancy levels for non-strata owned stock are at 18.3% as compared to 25.9% for overall Noida. The difference in vacancy levels suggests occupier's willingness to set up the office spaces in non-strata owned buildings.

#### 5.2.4.1. Supply, Absorption and Vacancy Trend Analysis – Noida

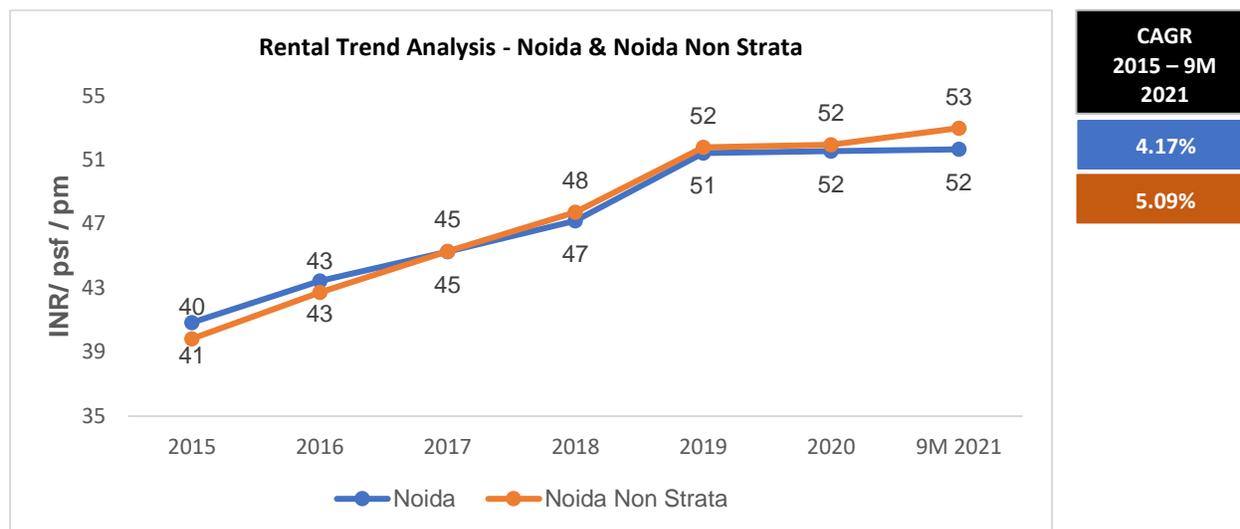


**Notes.**

1. Only the relevant stock has been considered for this analysis which means excluding the buildings less than 100,000 square feet, non-IT buildings and applying certain other criteria. The relevant stock does not consist any strata owned building.
2. Only Grade-A office spaces has been considered for the analysis presented in the above table.
3. The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments or renewals. The pre-commitments are recorded as absorption in the year in which the tenant moves in.
4. Non strata owned office stock constitutes office developments which have controlled ownership and are conducive for institutional level participation.



### 5.2.4.2. Rental Analysis – Noida Non-Strata Owned



**Notes.**

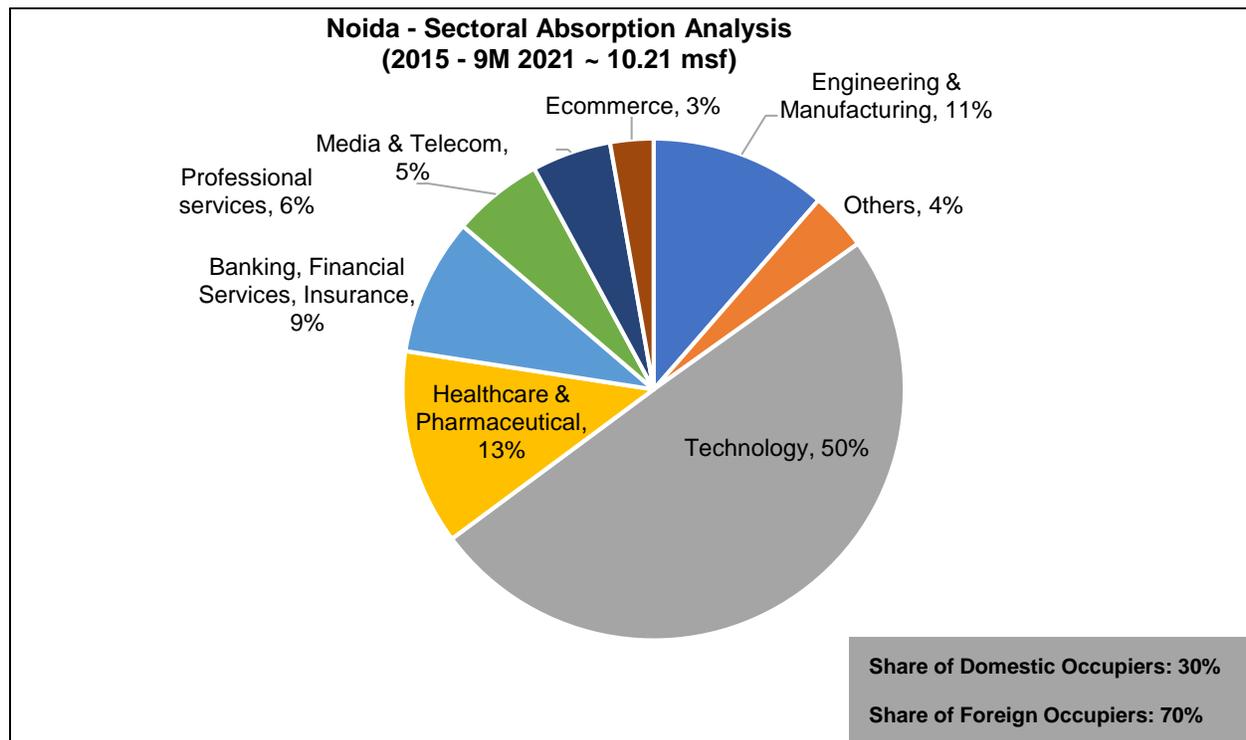
1. Only the relevant stock has been considered for this analysis which means excluding the buildings less than 100,000 square feet, non-IT buildings and applying certain other criteria. The relevant stock does not consist any strata owned building.
2. Only Grade-A office spaces has been considered for the analysis presented in the above table.
3. The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments or renewals. The pre-commitments are recorded as absorption in the year in which the tenant moves in.
4. Non strata owned office stock constitutes office developments which have controlled ownership and are conducive for institutional level participation.

Noida has witnessed a rental CAGR of 4.17% since 2015 till 9M 2021, whereas Noida non-strata owned stock has witnessed a rental CAGR of 5.09% over the same period.

Consistent office demand and expansion of IT/ ITeS occupier base has led to above average rental growth for Noida. Established micro markets of Gurugram reaching saturation, benefited Noida due to availability of quality workspaces at competitive rentals. The city also benefits from availability of superior infrastructure required to travel to a workplace. The Airport at Jewar is expected to further create positive impact on Noida’s office market.



### 5.2.4.3. Sectoral Demand Analysis – Noida Non-Strata Owned



Source: Cushman & Wakefield Research

**Notes:**

1. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic & Foreign occupier bifurcation
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc.
3. The sectoral absorption analysis is based on gross absorption activity of NCR's relevant stock i.e. including any relocations, consolidations etc. All pre-commitments & sale/purchase transactions are excluded from this analysis.
4. Non strata owned office stock constitutes office developments which have controlled ownership and are conducive for institutional level participation.



## 6. Brookfield REIT's Micro Market

Brookfield REIT has the following asset in Noida Expressway:

- Candor TechSpace, Noida-Greater Noida Expressway, Sector 135, Noida (herein after referred to as 'N2' and / or 'subject property').

N2 hereinafter shall be referred to as 'subject property'.

N2 is an IT/ITeS SEZ office space located at Sector 135, Noida. It is part of Noida-Greater Noida Expressway micro-market which is one of the established IT /ITeS and SEZ office destinations of Noida. N2 constitutes 15 buildings and can be segregated under three components viz. completed, under-construction and future development buildings. There are 13 operational buildings comprising 11 office towers occupied by multiple tenants and two amenity blocks. The current operational retail area caters to all basic requirement of occupiers viz. F&B (in form of multi cuisine food courts), creche, bank branches and ATM, indoor sports, 24X7 Paramedics, convenience store, etc. In addition, under construction tower (11A) and 12 (future development) are being developed with modern age aesthetics, which intend to create differential experience for the occupiers.

Candor Techspace N2 is a multi-tenanted office SEZ and the largest office campus in Noida. The office park is located in the Noida-Greater Noida Expressway micro-market, the fastest growing office cluster of Noida, and has received strong occupier interest due to its strategic location on an 8-lane expressway, a large residential catchment and limited institutional competition.

Subject property is developed in campus format offering large floor plates with significant open / green areas. The campuses are designed with modern infrastructure using environment friendly techniques. The entry / exist points across the campuses are planned as per the vehicle movement management (viz. traffic movement within and outside campus). Since the client has taken over the campus from Unitech in year 2015, a continuous effort is being deployed in improvising and sustainability of these campuses viz. regular upgradation of infrastructure within campus, 100% water treatment plants, roof top solar panels, improved air quality within office towers, in campus substations etc. Currently, there are ongoing developments to make the campus friendly for physically disabled employees by building ramps, hand-rests in staircases, grills for support etc. Campus offers high parking ratios viz. 1:600, has dedicated vehicles running to and from metro stations and has established partnership with Shuttle for resident employees. The subject property has secured multiple accreditations for sustainability, such as IGBC Platinum Rating for Sustainability and 5 Star Rating by the Bureau of Energy Efficiency (BEE) in addition to the group wide ISO 9001,14001 and OHSAS 18001 Certification. The campus offers a significant retail area (approximately 0.10 msf) catering to all basic requirement of occupiers viz. F&B (in form of food courts and in-house kitchens managed by client), pharmacy, convenience store, dental care (in few campuses) etc. In addition,



there is continuous effort to plan significant employee engagement activities, CSR initiatives and social events in the campuses.

## **6.1 Noida-Greater Noida (NGN) Expressway (N2)**

### **6.1.1 Overview**

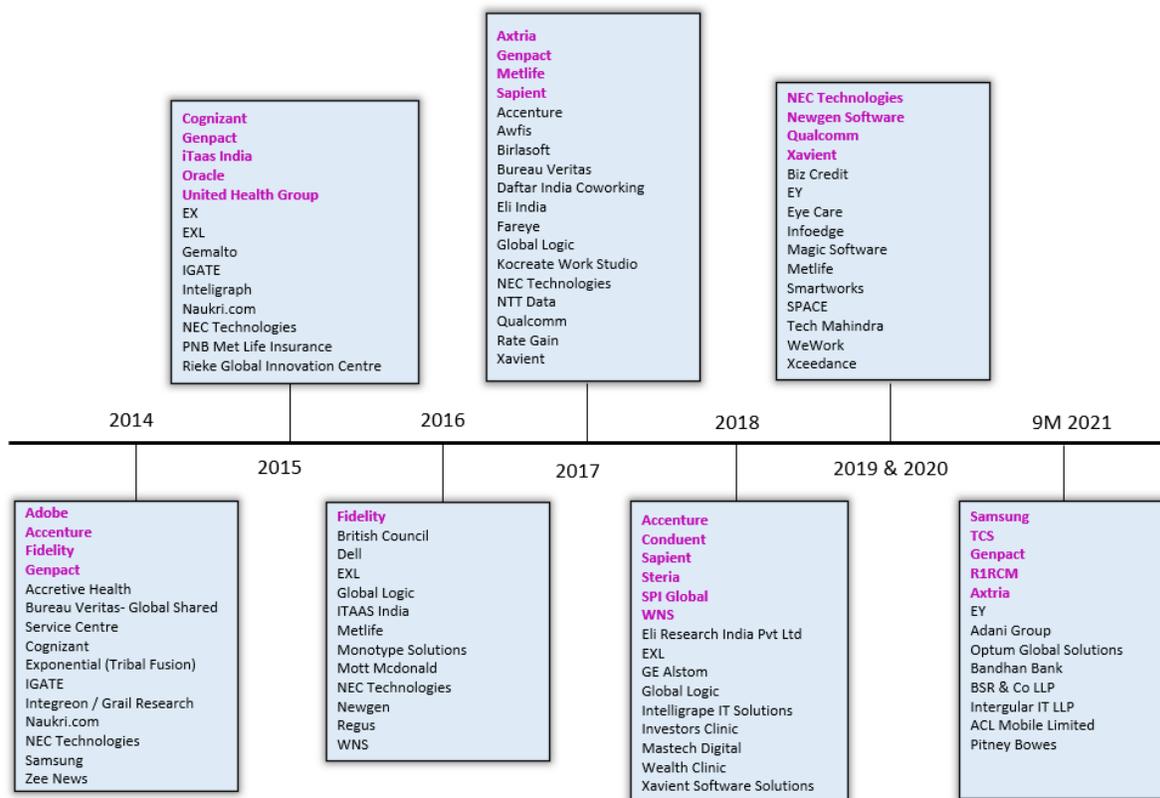
The Noida-Greater Noida Expressway is one of the fastest growing office clusters of Noida. The Brookfield REIT micro market is located in south eastern part of Noida and is being developed as an integrated vector with presence of residential, institutional, commercial, IT/ITeS, and SEZ developments along both side of Expressway. Brookfield REIT micro market possesses excellent physical infrastructure and is one of the established IT /ITeS and SEZ destinations of Noida. It is dotted with presence of both nationalized and local developers. The office supply in the Brookfield REIT micro market primarily constitutes investment grade structures.

Some of the prominent SEZ and IT/ITeS developments in this Brookfield REIT micro market include Candor Techspace SEZ, Logix Technology Park, Oxygen Boulevard SEZ, NSL Techzone SEZ, Express Trade Tower – II, Advant Business Park, Stellar IT Park, Assotech Business Cresterra etc. It also houses the office of various corporates such as Axis Bank, Adobe, ATS etc. N2 is within close proximity to some of the renowned hotels like sandal suite by lemon Tree etc.

As stated in the earlier section, N2 is developed in form of a campus development offering large floor plates and significant green area within the development. Further, the under construction and proposed towers at subject property are being developed with modern age aesthetics and are intended to create differential experience for the occupiers viz. walk through along waterbodies, larger lobby area, improved amenity area.



Few of the prominent occupiers present in Brookfield REIT micro market are:



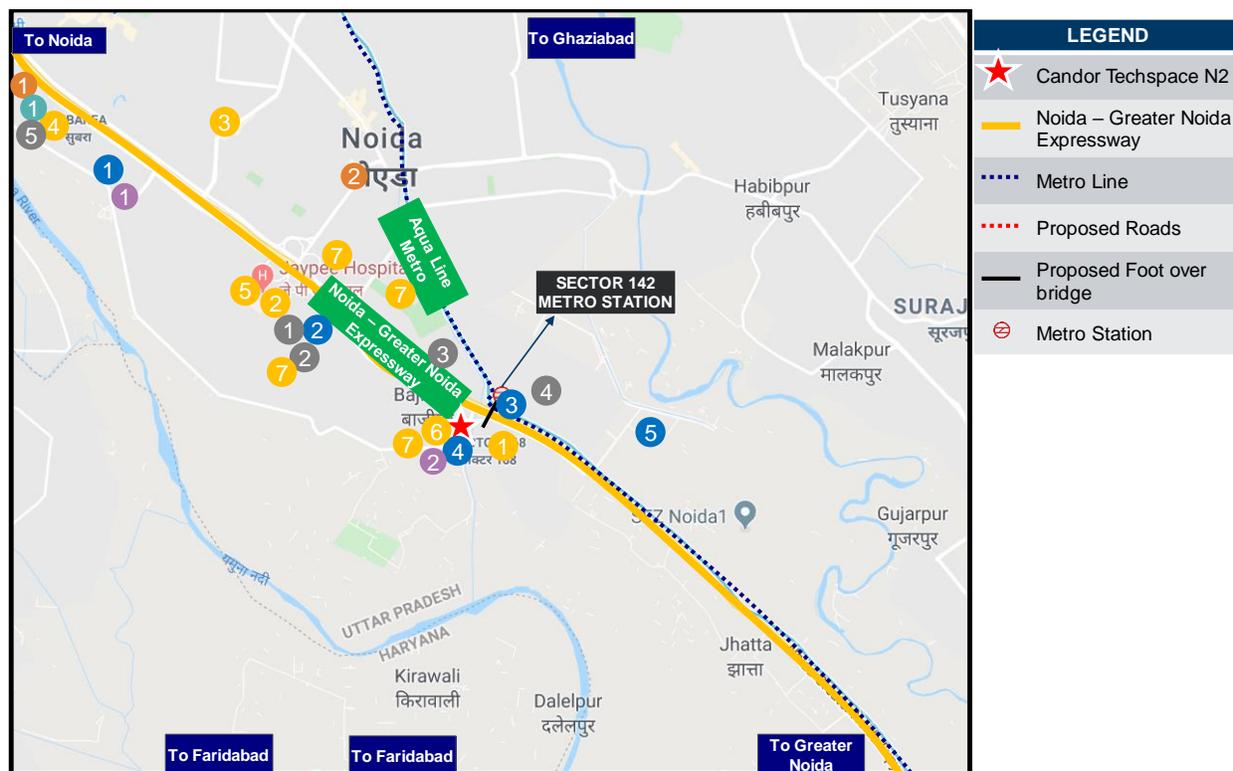
Source: Cushman & Wakefield Research

Note: The occupiers highlighted with different color are occupying space in subject property.

The increasing base of occupiers reflects strong positioning of the subject micro market as preferred office micro market. N2 houses significant number of the stated occupiers in the campus. Analysis of demand data further suggests that micro market has witnessed increase in occupier's footprint in the micro market in terms of occupied area. The expansion of existing occupiers is a trend which has been witnessed by N2 as well.



### 6.2.1. Social Infrastructure



Source: Cushman & Wakefield Research  
(Map not to scale)

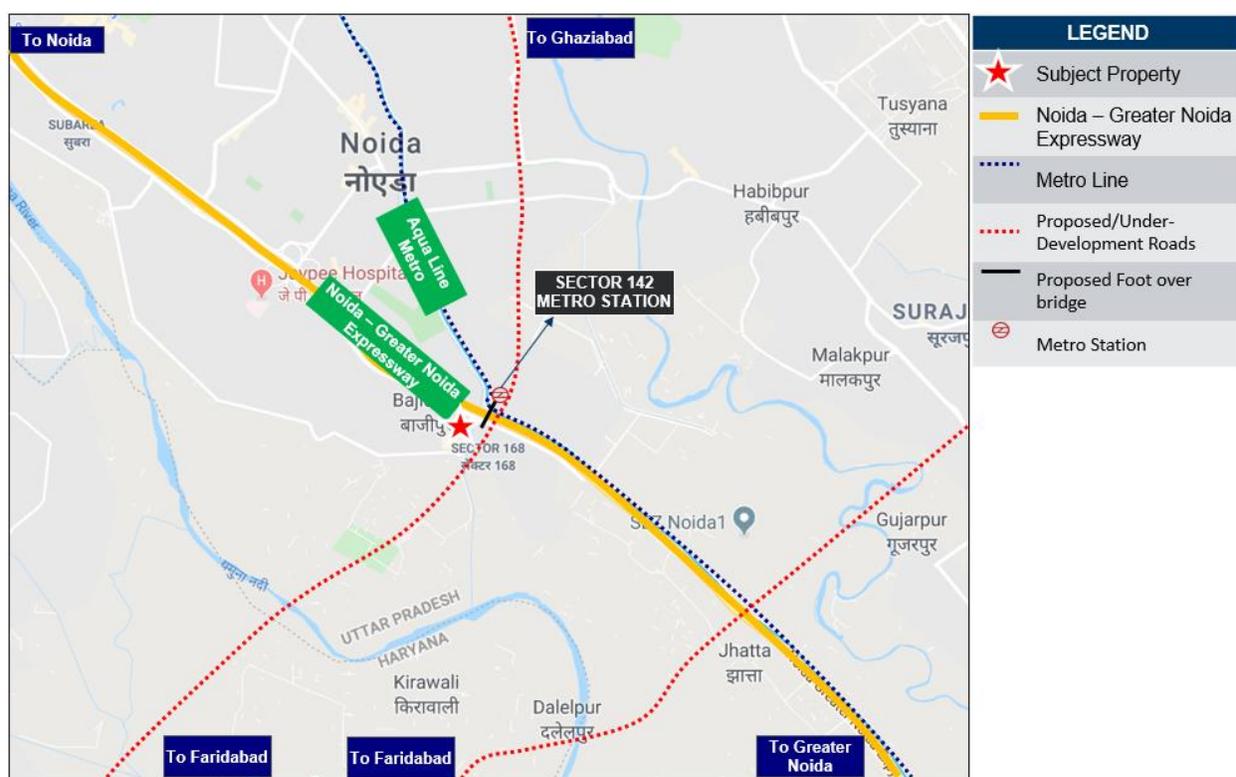
- Key Commercial Developments
- Social Infrastructure
- Lifestyle Infrastructure
- Proposed/Under Construction Office Developments
- Hospitality Developments
- Higher Education Institutions

Key Office Developments	Social Infrastructure	Lifestyle Infrastructure	Proposed/Under Construction Office Developments	Hospitality Developments	Higher Education Institutions
1. Logix Techno Park (9.6 km)	1. Shiv Nadar School (1.2 km)	1. Hypernova Mall (12.6 km)	1. World Trade Center (3.8 km)	1. Hide Away Suites (5.3 km)	1. Amity University (11.3 km)
2. Express Trade Tower 2 (4.7 km)	2. DPS, Sector 132 (7.1 km)	2. Market, Sector 110 (6.6 km)	2. ATS Bouquet (4.1 km)	2. Sandal Suites by Lemon Tree (1.6 km)	
3. Advant Navis Business Park (3.5 km)	3. Pathways School Noida (8.6 km)		3. Sovereign Corporate Tower (3.6 km)		
4. Assotech Business	4. Genesis Global School (4.2 km)		4. Stellar 1423/1425 (4.6 km)		



Cresterra (1.5 km)					
5. Oxygen Business Park (6.9 km)	5. Jaypee Hospital (7.1 km)		5. Windsor Grande (8.4 km)		
	6. Police Station, Sector 135 (1.5 km)				
	7. Day Cares (2 km)				

### 6.2.2. Physical Infrastructure



Source: Cushman & Wakefield Research  
 (Map not to Scale)

Noida-Greater Noida Expressway, which is a 23.5 kms. long 8-lane expressway connects the micro market to rest of the city and other parts of Delhi NCR. Brookfield REIT micro market is also connected to other parts of the city through Aqua line of metro rail with nearest metro station located at sector 142 on expressway. A foot over bridge from the said metro station has been proposed for development by the client to enhance the connectivity of subject property with the metro station.

Further, the under construction Faridabad Noida Ghaziabad (FNG) Expressway and a proposed 75-meter-wide expressway starting from Noida sector 150 up till Faridabad will enhance the connectivity of micro market with Ghaziabad and Faridabad.



The subject property is well connected to major locations in the city and NCR via road and metro network. The distance of the subject property from major landmarks in NCR is as follows:

- Approximately 14 km from Sector-18, Noida
- Approximately 14 km from DND Flyway
- Approximately 27 km from New Delhi Railway Station
- Approximately 28 km from Connaught Place
- Approximately 36 km from Indira Gandhi International Airport

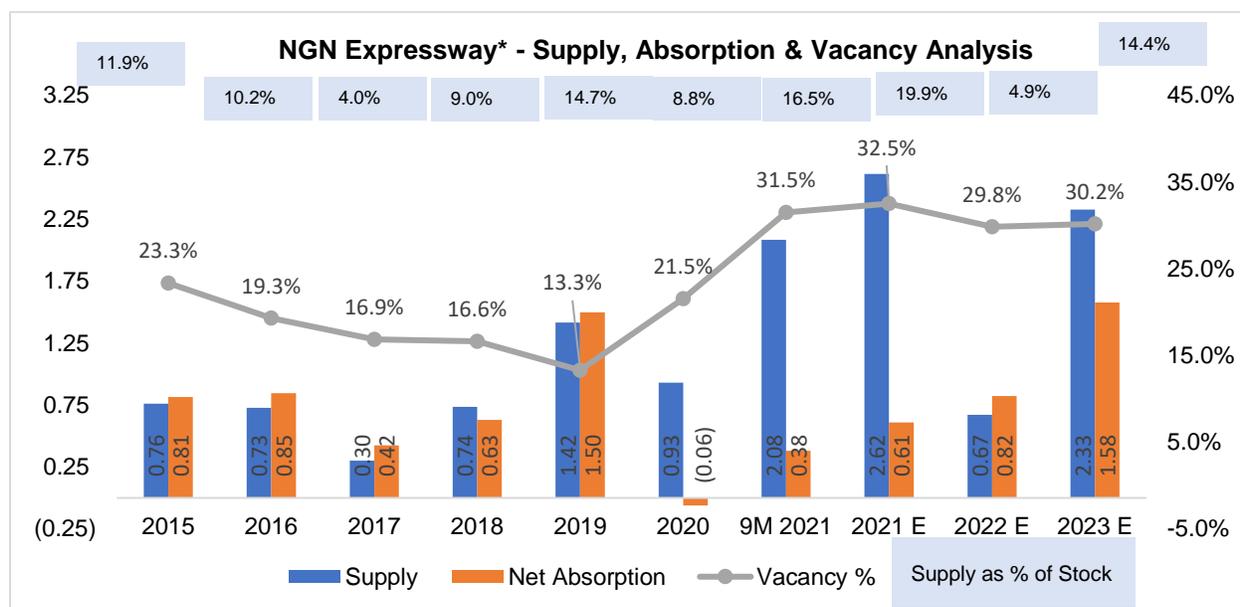
### 8.3.1 Key Office Statistics

Particulars	Details
<b>Total Completed Stock till 9M 2021 (msf)</b>	Approximately 12.61 msf
<b>Current Occupied Stock till 9M 2021 (msf)</b>	Approximately 8.64 msf
<b>Current Vacancy 9M 2021 (%)</b>	Approximately 31.5%
<b>Avg. Annual Net Absorption – (2015 – 9M 2021) (msf)</b>	Approximately 0.67 msf
<b>Future Supply – Q4 2021 E – 2023 E (msf)</b>	Q4 2021: Approximately 0.53 msf 2022: Approximately 0.67 msf 2023: Approximately 2.33 msf



### 8.3.1.1 Supply, Absorption & Vacancy

The supply, absorption vacancy trend analysis for NGN Expressway are as follows.



Source: Cushman & Wakefield Research

Notes:

1. Only the relevant stock has been considered for this analysis excluding the buildings less than 1 lakh square feet, excluding non-IT buildings and applying certain other criteria
2. Future supply estimates are based on analysis of proposed and under construction buildings, however future absorption estimates are derived basis past trends, current vacancy and estimated supply.
3. The net absorption value refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments, renewals etc. The pre-commitments are recorded as absorption in the year in which the tenant moves in.

The Noida-Greater Noida Expressway is one of the fastest growing office clusters of Noida. The Brookfield REIT micro market enjoys superior connectivity with Delhi and other parts of Noida. The micro market has witnessed favourable supply – demand dynamics from year 2015-2019. The average net absorption numbers have remained aligned to average supply numbers. With occupiers willing to expand across the cities the micro market has witnessed entry of many such occupiers over the same period. With significant differential in rentals as compared to micro markets of Gurugram, the subject micro market offers investment grade developments with superior amenities. As the office stock in Brookfield micro market is almost equally bifurcated into IT SEZ and IT/ITeS developments, the demand is dominated by technology occupiers and therefore, large space take-ups constituting space consolidation/expansion is a norm for the micro market. Thus, a single tenant activity at any time period creates substantial impact on micro market's vacancy levels. Impact of COVID-19 was visible on Brookfield REIT micro market's net absorption. For the first time since 2015, in year 2020, Brookfield REIT micro market reported negative net absorption of 0.06 msf. However, situation improved in 2021 and the 9M 2021 net absorption for the Brookfield REIT micro market stands at 0.38 msf



The average net absorption for Brookfield REIT micro market from 2015 till 9M 2021 is 0.67 msf with year 2019 reporting the highest number of 1.49 msf. Currently, the vacancy levels in Brookfield REIT micro market are at 31.5% and subject property at 19.0% for office space.

Subject property has seen increase in vacancy levels in year 2018 due to addition in supply viz. 0.73 msf in 2018.

An analysis of vacancy trend at subject property is as follows:

Parameter	2015	2016	2017	2018	2019	2020	9M 2021
Vacancy (%) - N2	0.0%	0.0%	1.9%	16.0%	2.6%	9.8%	19.0%

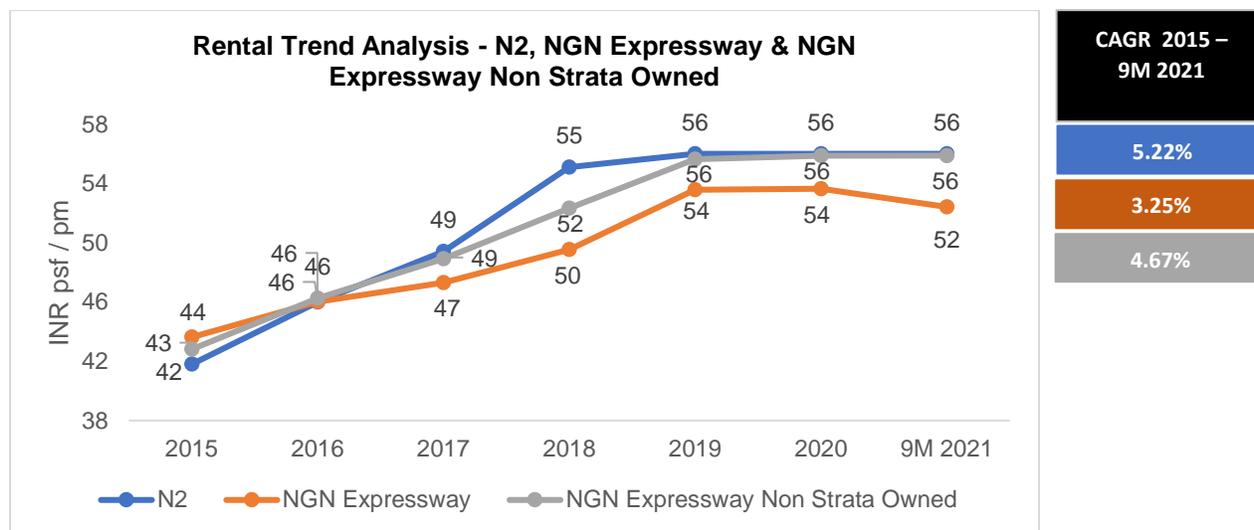
*Source: Information from Client*

Note: Post September 30 2021, Letter of Intent (LOI) of ~77,197 sf have been signed in the subject property. The same would result in a decline in current vacancy from 19.0% to 16.9% in the subject property, and from 31.5% to 30.9% in the Brookfield REIT micro market.



### 8.3.1.2 Rental Trend Analysis

The rental trend analysis for N2, NGN Expressway, NGN Expressway Non Strata Owned are as follows.



Source: Information from Client and Cushman & Wakefield Research

Notes:

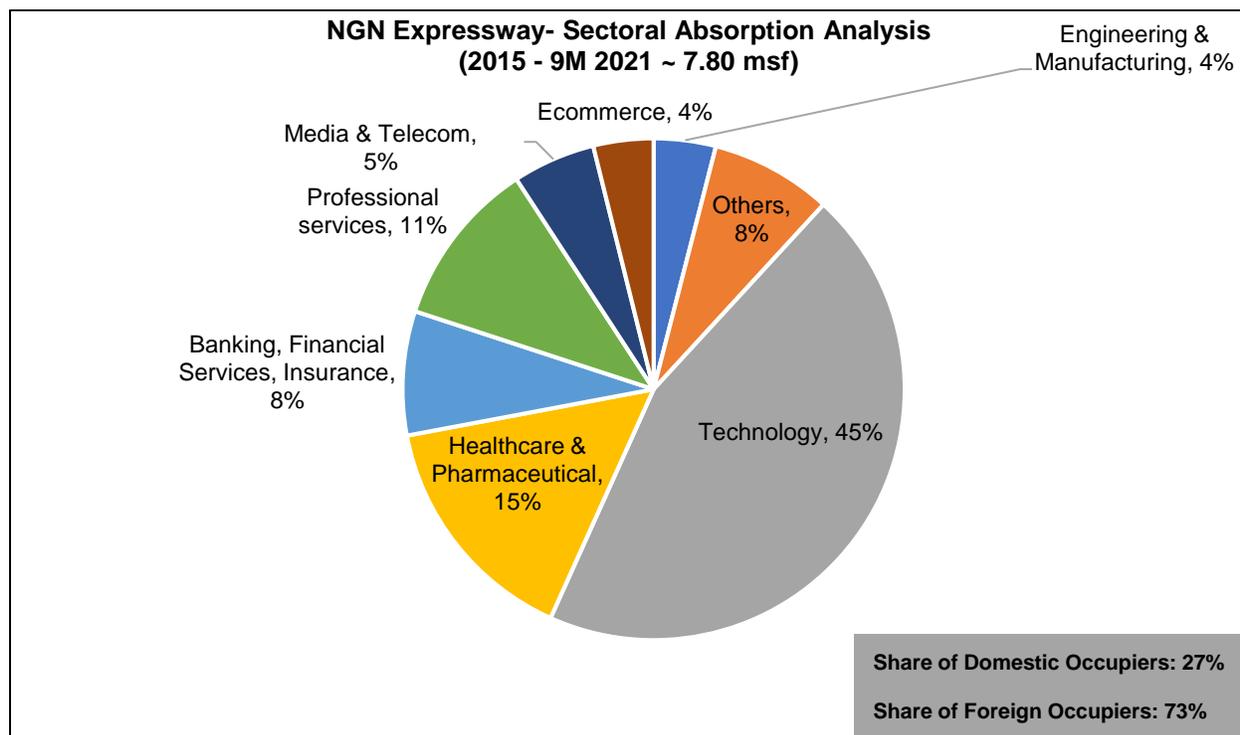
1. Only the relevant stock has been considered for this analysis excluding the buildings less than 1 lakh square feet, the non-IT buildings and applying certain other criteria.
2. The rentals shown above denote likely achievable values. Actual achievable rent may vary +/- 10% depending upon negotiations, final structuring of the lease agreement and other parameters. The rentals for Candor Techspace N2 are sourced from Brookprop Management Services Private Limited. These are actual transacted rentals which include Fresh leases, Term renewals and space extension by existing tenants.
3. Rentals presented above are weighted average values on completed stock.
4. Non strata owned office stock constitutes office developments which have controlled ownership and are conducive for institutional level participation.

The Brookfield India REIT micro market is a preferred destination for IT / ITes occupier base. It is one of the largest office micro markets of Noida offering superior infrastructure and office developments offering world class amenities.

The graph above represents the rental growth rate of N2 versus the entire office stock of Brookfield India REIT micro market and non-strata office stock of Brookfield India REIT micro market. Analysis of data points suggests attainment of above average rental growth rate for the period 2015 till 9M 2021. This signifies positive positioning of the Brookfield India REIT micro market amongst the occupiers. N2 has witnessed a rental growth of 5.22%, as compared to a growth of 3.25% in the entire stock of Brookfield India REIT micro market and 4.67% in the non-strata stock of Brookfield India REIT micro market over the same period.



### 8.3.1.3 Sectoral Demand Analysis



Source: Cushman & Wakefield Research

**Notes:**

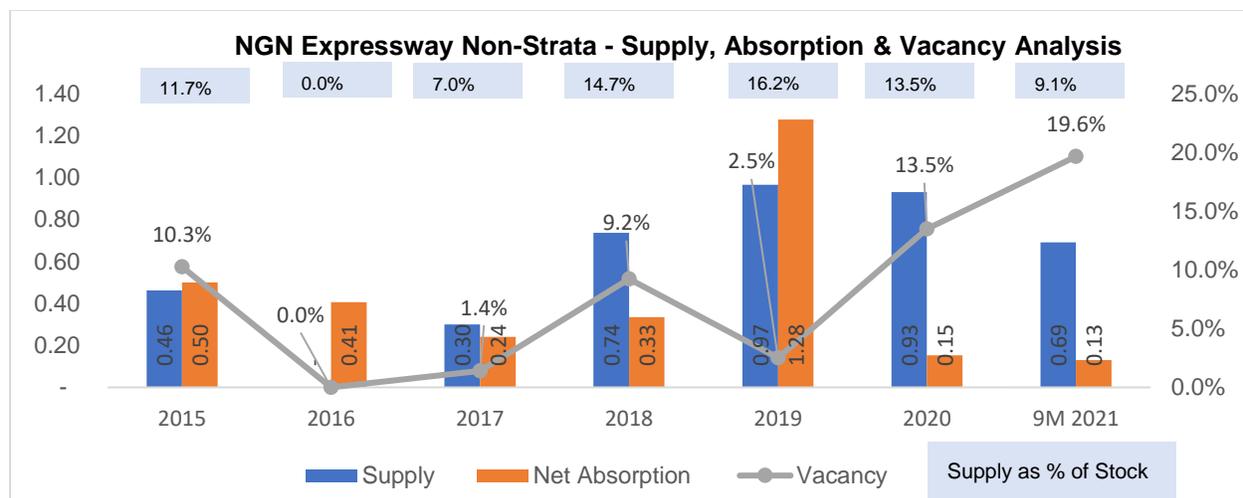
1. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic & Foreign occupier bifurcation
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc.
3. The sectoral absorption analysis is based on gross absorption activity of NGN Expressway's relevant stock i.e. including any relocations, consolidations etc. All pre-commitments & sale/purchase transactions are excluded from this analysis.

Noida Greater Noida Expressway micro market is predominantly dominated by technology sector which contributed 45% to the leasing activity for the years 2015 – 9M 2021. The tenants are attracted to this micro market due to availability of larger floor plates, affordable rentals and enhanced connectivity. The technology occupiers in this micro market are involved in the activities of software development, research and development etc. The other prime contributors to the demand are BFSI (8%), Professional Services (11%), Healthcare & Pharmaceutical (15%) together contributing 34%. The mix of foreign vs. domestic occupants in NGN Expressway, Noida is 73: 27.



## 6.4.1. NGN Expressway Non-Strata Owned Analysis

### 6.4.1.1. Supply, Absorption & Vacancy



**Notes.**

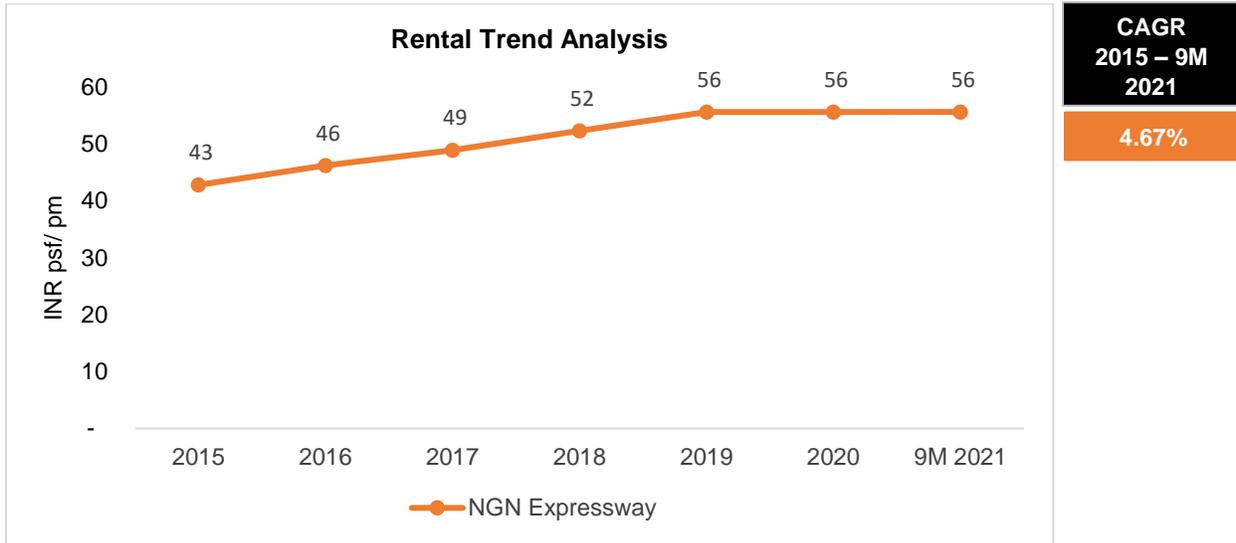
1. Only the relevant stock has been considered for this analysis which means excluding the buildings less than 100,000 square feet, non-IT buildings and applying certain other criteria. The relevant stock does not consist any strata owned building.
2. Only Grade-A office spaces has been considered for the analysis presented in the above table.
3. The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments or renewals. The pre-commitments are recorded as absorption in the year in which the tenant moves in.
4. Non strata owned office stock constitutes office developments which have controlled ownership and are conducive for institutional level participation.

Non-strata owned stock in Brookfield REIT micro market have grown at a CAGR of 12% from year 2015 till 9M 2021 i.e. 3.95 msf in 2015 to 7.58 msf in 9M 2021.

As at 9M 2021, of the total non-strata office stock for Brookfield REIT micro market 6.09 msf is occupied. Current vacancy levels for non-strata owned stock are at 19.6% as compared to 31.5% for overall Brookfield REIT micro market. The difference in vacancy levels suggests occupier's willingness to set up the office spaces in non-strata owned buildings.



### 6.4.1.2. Rental Trend Analysis – NGN Expressway Non-Strata Owned

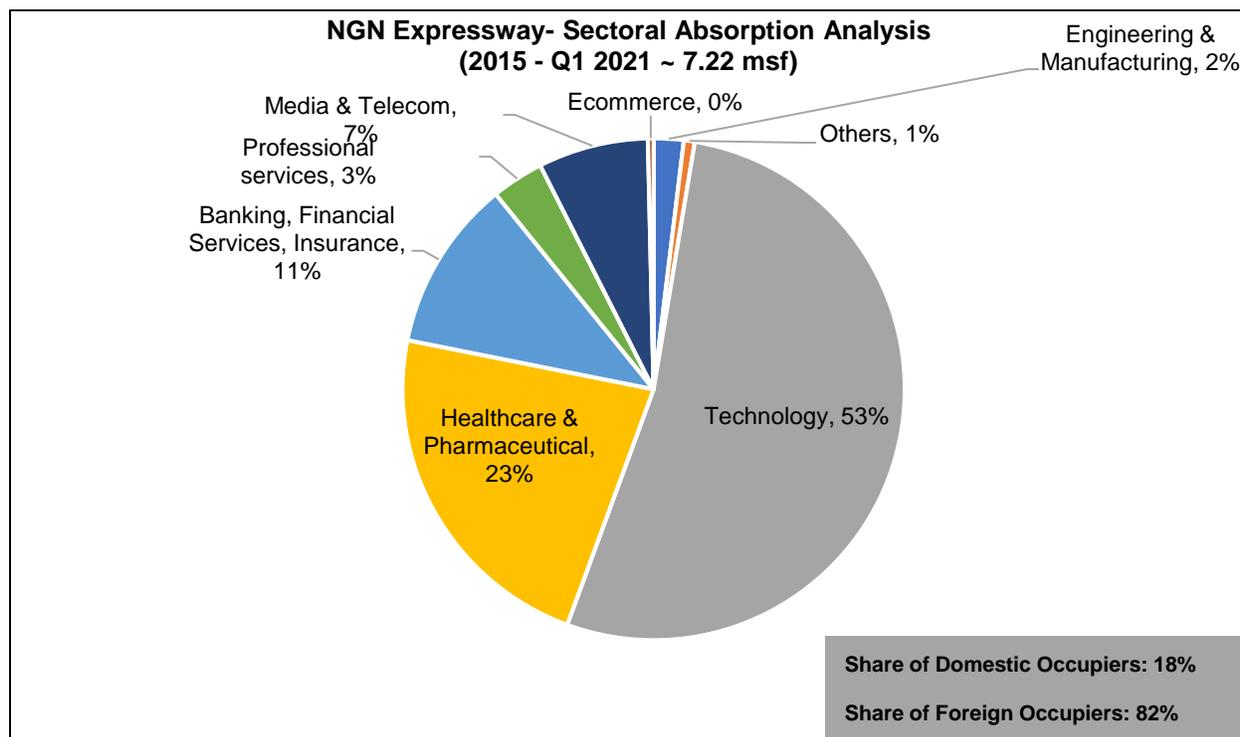


**Notes.**

1. Only the relevant stock has been considered for this analysis which means excluding the buildings less than 100,000 square feet, non-IT buildings and applying certain other criteria. The relevant stock does not consist any strata owned building.
2. Only Grade-A office spaces has been considered for the analysis presented in the above table.
3. The net absorption refers to the net additional leasing activity which has occurred in the year. This does not include any pre-commitments or renewals. The pre-commitments are recorded as absorption in the year in which the tenant moves in.
4. Non strata owned office stock constitutes office developments which have controlled ownership and are conducive for institutional level participation.



### 6.4.1.3 Sectoral Demand Analysis – Non-Strata Owned



Source: Cushman & Wakefield Research

**Notes:**

1. The lease transactions of less than 10,000 sq. ft. were ignored for Domestic & Foreign occupier bifurcation
2. Others include Automobile, Education, FMCG, Logistics & Shipping, Aviation, Diversified, Real Estate & Related Services, etc.
3. The sectoral absorption analysis is based on gross absorption activity of NCR's relevant stock i.e. including any relocations, consolidations etc. All pre-commitments & sale/purchase transactions are excluded from this analysis.
4. Non strata owned office stock constitutes office developments which have controlled ownership and are conducive for institutional level participation.

In NGN Expressway, under non-strata owned office developments Technology sector contributes to maximum space absorption (53%) followed by Healthcare & Pharmaceutical segment.

Demand momentum continued to be supported by IT-BPM, BFSI and Engineering & Manufacturing segments.



## 9. Abbreviation and Definitions

S. No.	Abbreviation	Meaning
1	NCR	National Capital Region
2	REIT	Real Estate Investment Trust
3	NOIDA	New Okhla Industrial Development Authority
4	IT/ITeS	Information Technology / Information Enabled Services
5	SEZ	Special Economic Zone
6	CBD	Central Business District
7	SBD	Secondary Business District
8	Km	Kilometres
9	IGI Airport	Indira Gandhi International Airport
10	NH	National Highway
11	NGN Expressway	Noida – Greater Noida Expressway
12	DND Flyway	Delhi Noida Direct Flyway
13	CAGR	Compound Annual Growth Rate
14	Msf	Million Square Feet
15	Gross Absorption	Gross absorption activity includes any relocations, consolidations etc.
16	psf / pm	Per square feet per month



## Appendix 1: Instructions (Caveats & Limitations)

1. The Market Study Report (hereafter referred to as the “Report”) will not be based on comprehensive market research of the overall market for all possible situations. Cushman & Wakefield India (hereafter referred to as “C&WI”) will cover specific markets and situations, which will be highlighted in the Report. C&WI will not be carrying out comprehensive field research-based analysis of the market and the industry given the limited nature of the scope of the assignment. In this connection, C&WI will rely solely on the information supplied to C&WI and update it by reworking the crucial assumptions underlying such information as well as incorporating published or otherwise available information.
2. In conducting this assignment, C&WI will carry out analysis and assessments of the level of interest envisaged for the property(ies) under consideration and the demand-supply for the commercial / retail / hospitality / residential sector(s) in general. C&WI will also obtain other available information and documents that are additionally considered relevant for carrying out the exercise. The opinions expressed in the Report will be subject to the limitations expressed below.
  - a. C&WI endeavors to develop forecasts on demand, supply and pricing on assumptions that would be considered relevant and reasonable at that point of time. All of these forecasts will be in the nature of likely or possible events/occurrences and the Report will not constitute a recommendation to **Brookprop Management Services Private Limited** (hereafter referred to as the “Client”) or its affiliates and subsidiaries or its customers or any other party to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and bases on which forecasts have been generated and is not recommended as an input to a financial decision.
  - b. Changes in socio-economic and political conditions could result in a substantially different situation than those presented at the stated effective date. C&WI assumes no responsibility for changes in such external conditions.
  - c. In the absence of a detailed field survey of the market and industry (as and where applicable), C&WI will rely upon secondary sources of information for a macro-level analysis. Hence, no direct link is sought to be established between the macro-level understandings on the market with the assumptions estimated for the analysis.
  - d. The services provided will be limited to market study and will not constitute an audit, a due diligence, tax related services or an independent validation of the projections. Accordingly, C&WI will not express any opinion on the financial information of the business of any party, including the Client and its affiliates and subsidiaries. The Report will be prepared solely for the purpose stated and should not be used for any other purpose.
  - e. While the information included in the Report will be believed to be accurate and reliable, no representations or warranties, expressed or implied, as to the accuracy or completeness of



- such information is being made. C&WI will not undertake any obligation to update, correct or supplement any information contained in the Report.
- f. In the preparation of the Report, C&WI will rely on the following information:
- i. Information provided to us by the Client and its affiliates and subsidiaries and third parties;
  - ii. Recent data on the industry segments and market projections;
  - iii. Other relevant information provided to us by the Client and its affiliates and subsidiaries at C&WI's request;
  - iv. Other relevant information available to C&WI; and
  - v. Other publicly available information and reports.
3. The Report will reflect matters as they currently exist. Changes may materially affect the information contained in the Report.
4. All assumptions made in the market study will be based on information or opinions as current. In the course of the analysis, C&WI would be relying on information or opinions, both written and verbal, as current obtained from the Clients as well as from third parties provided with, including limited information on the market, financial and operating data, which would be accepted as accurate in bona-fide belief. No responsibility is assumed for technical information furnished by the third-party organizations and this is bona-fidely believed to be reliable.
5. No investigation of the title of the assets will be made and owners' claims to the assets will be assumed to be valid. No consideration will be given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.
6. The Client including its agents, affiliates and employees, must not use, reproduce or divulge to any third party any information it receives from C&WI for any purpose without prior consent from C&WI and should take all reasonable precautions to protect such information from any sort of disclosure. The information or data, whether oral or in written form (including any negotiations, discussion, information or data) forwarded by C&WI to the Client may comprise confidential information and the Client undertakes to keep such information strictly confidential at all times.



Signed for and on behalf of Cushman & Wakefield India Pvt. Ltd.

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