

CBRE VALUATION & ADVISORY SERVICES

FINAL REPORT

BENCHMARKING OF FINANCIAL TERMS OF PROPOSED
PROJECT MANAGEMENT AGREEMENT (PMA) FOR
SENIOR LIVING SEGMENT OF PROPOSED GROUP
HOUSING PROJECT LOCATED IN SECTOR – 36A,
GURGAON, HARYANA

CBRE SOUTH ASIA PRIVATE LIMITED

REFERENCE CODE: SF-0001644738

REPORT DATE: NOVEMBER 28TH, 2023

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1 Assumptions, Disclaimers, Limitations & Qualifications

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- CBRE is not required to give testimony or to appear in court by reason of this mandate
- CBRE has not undertaken any legal due diligence, title search, zoning check, development permissions and physical measurements as part of the assignment
- CBRE has not conducted any structural / technical analysis / survey of the property
- No financial due diligence / valuation of the property has been carried out as a part of this exercise
- No environmental due-diligence has been undertaken to check possible contamination, signs of environmental pollution, etc. It has been assumed that the property is / will be free from any environment hazards
- CBRE has adopted the zoning provided by the Client for the property. We have not undertaken any verification/ validation of the zoning regulations/ development controls, etc. provided by the Client

- Please note that CBRE's scope of work under this engagement is limited to providing an independent opinion basis the review of information shared by the Client. Further, CBRE will not be extending any liability to the Client arising from, or in relation to, this report (in contract, tort, negligence or otherwise)
- In this exercise, CBRE would provide the benchmarks of the financial terms of the proposed project management agreement between 'Max Estates Gurgaon Limited' and 'Antara Senior Living Limited' to ascertain alignment of the financial terms with the prevailing market practices by analyzing various PMAs executed/ entered into across various markets in India. Where possible, comparable instances about market terms would be provided.
- **Official Signatories:**

Project Manager & Final Reviewer:

Name: Gourav Taneja

Sign:



Authorised Signatory / RICS Member

Name: Pankaj Tekchandani

MRICS Membership No. 6601406

Sign:



2 Introduction

2.1 Instruction

We understand that **'Max Estates Gurgaon Limited'** (hereafter referred to as the 'Client') has partnered with few landowners through a joint development agreement for development of a group housing project spanning over the land parcel admeasuring approx. 11.80 acres and situated in Sector – 36A, Gurgaon, Haryana. Out of the entire proposed group housing project to be developed on the Project Land, it is proposed that 33% of the available FAR on the Project Land translating to 6,06,658 sq ft shall be allocated by the **'Max Estates Gurgaon Limited'** to **'Antara Senior Living Limited'** for development of senior living and associated facilities/ amenities, including any Club for the said senior living development.

We understand that the Client is desirous of appointing a 'Consultant' to provide benchmarks of the financial terms of the proposed project/development management agreement between **'Max Estates Gurgaon Limited'** and **'Antara Senior Living Limited'**, by analysing various PMAs executed/ entered across various markets in India.

The intent of this exercise is to validate if the financial terms of the transaction are in congruence with prevailing market conditions and practices.

In view of the above requirement, **CBRE South Asia Pvt. Ltd** is pleased to offer its advisory services for undertaking this exercise and accordingly wishes to submit these terms of reference, highlighting the envisaged 'Scope of Work' that is proposed to be undertaken for successful attainment of the desired objectives.

2.2 Extension of Liability & Confidentiality

This report is confidential in nature and is for the sole usage of **MAX Estates Gurgaon Limited (the Client)**, its board of directors, Shareholders, Officers, Employees of itself or its listed holding company, besides any Statutory Authority, Merchant Bankers, Auditors, Stock Exchanges or any other person or entity, as required in course of listing requirements or statutory compliances. The material contained in this document is the copyright of CBRE and may not be reproduced or disseminated in whole or in part without CBRE's written consent. Please note that CBRE's scope of work under this engagement is limited to providing an independent opinion based on the review of information shared by the Client. Further, CBRE will not be extending any liability to the Client arising from, or in relation to, this report (in contract, tort, negligence or otherwise).

3 Macro Overview: Gurgaon

Gurgaon forms a part of the National Capital Region and is an extension of Delhi located towards the south-west side of the National Capital. With a population of approximately 1.5 mn¹, Gurgaon is located at a distance of approx. 25 km from New Delhi's Central Business District (CBD) i.e. Connaught Place and is located in proximity to Indira Gandhi International Airport.

The proximity to the Indira Gandhi International Airport coupled with focused and phased development by government and private players (real estate developers) led to Gurgaon emerging as a preferred residential and commercial destination, with major development happening towards the eastern side of National Highway (NH-8). Growth initiatives were taken by developers such as DLF, Unitech and Ansals, etc. backed by a proactive government support for consolidation of their land banks for development of integrated residential townships, residential group housing and commercial developments. Later, the region witnessed entry of many other private developers leading to rapid real estate development of Gurgaon.

Gurgaon was initially developed as an industrial suburb to Delhi in early 1980s and it currently houses the manufacturing facilities of prominent players like Maruti Udyog, Delphi, Sona Koyo, KLG Systel, Rico, etc. The residential and commercial activity till 1990's existed primarily as a support function to the industrial establishments located in the region. However, with the advent of IT/ITeS activity in 1990s and limited supply of commercial office space in the Central Business District (Connaught Place) and Secondary Business Districts (Nehru Place, Bhikaji Cama, etc.) of Delhi coupled with increasing rentals, Gurgaon emerged as an alternative commercial hub in the NCR. The growth in the commercial office space activity in the region also acted as a residential growth catalyst and helped Gurgaon emerge as a prominent residential hub of the NCR region.

Increasing level of commercial activity in the region has led to an upsurge in the activity levels of residential development along with Grade A retail space and other support infrastructure in Gurgaon, thereby leading to an overall development of the region. The infrastructure initiatives over the past decade

Macro & Demographic Indicators – Gurgaon²

Area (sq km)	1,253
Population	1.5 mn
Population Density (people per sq km)	1,241
Decadal Growth rate	74%
% Urban Population	68.8%
Migrant Population (within India) %	35.8%
Migrant Population (outside India) %	1.4%
No. of Urban Households	0.23 mn
Per Capita Income (INR)	90,960
Literacy Rate	84.4%
Sex Ratio (No. of females per 1,000 males)	853

¹ As per Census 2011

² Source: Indicus City Skyline (2011-12)

such as the completion of NH-48 as an access-controlled expressway, under-construction/ completed expressways such as Northern Periphery Expressway (Dwarka Expressway) & Southern Periphery Road, Rapid Metro, proposed Mass Rapid Transit System (MRTS) and improved connectivity with Delhi through existing metro rail, etc. have further enhanced the real estate activity in this region.

Over the last few years, Gurgaon has emerged as one of the prominent suburban destinations in the NCR and has witnessed significant development activity across various real estate segments. This coupled with the limited availability of licensed land in the established areas of Gurgaon had resulted in multifold increase in land prices during the period 2004-2007. Rising land costs in the established regions of Gurgaon coupled with enhanced demand for residential and commercial developments has driven the real estate activity to new corridors such as Golf Course Extension Road, Dwarka Expressway, Southern Periphery Road and peripheral sectors in proximity to Manesar. These vectors are the growth vectors of the city and have been witnessing significant real estate activity over the past few years.

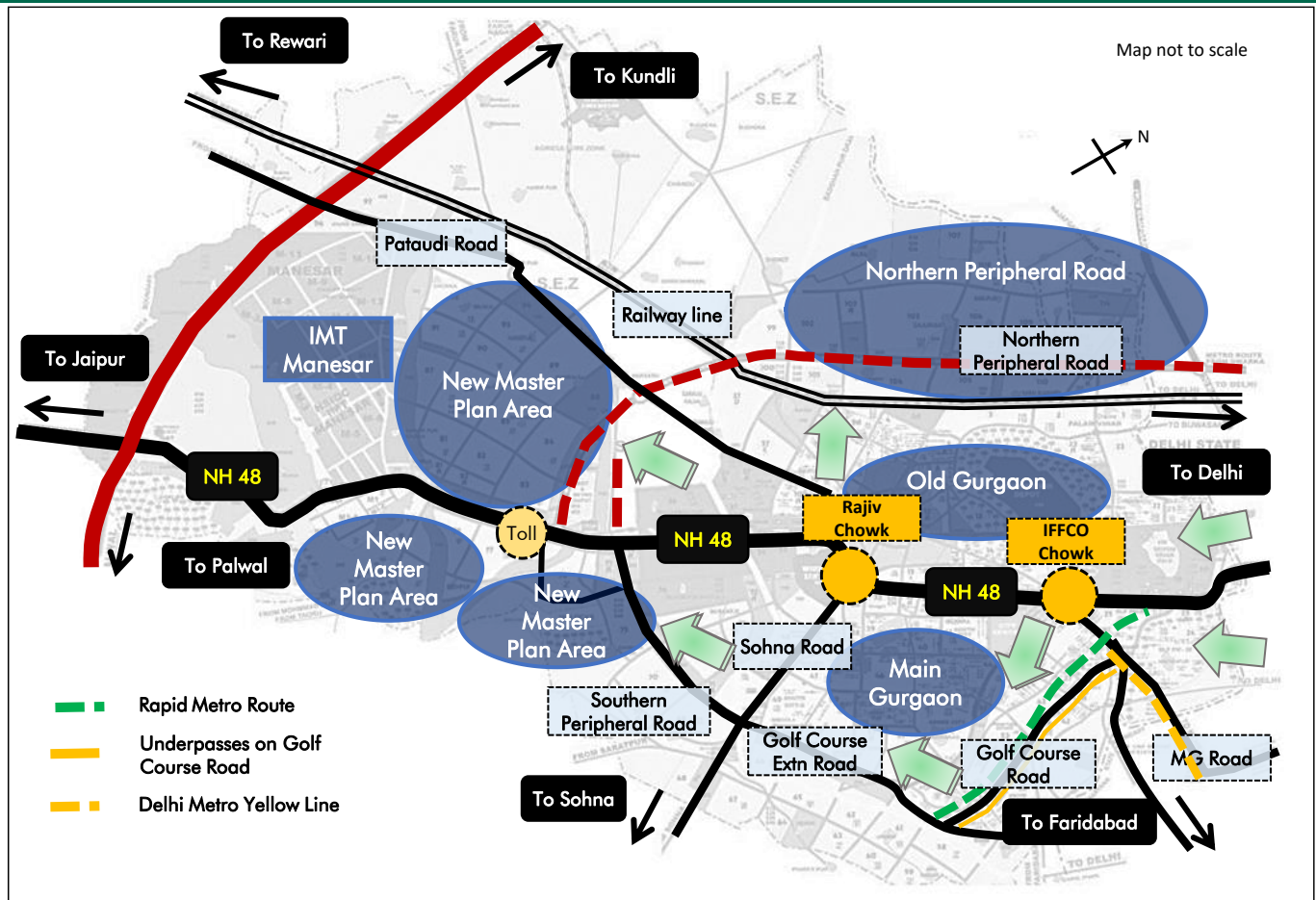
3.1 Gurgaon Real Estate Market Evolution and Overview

<i>Micro-markets and Evolution of Gurgaon</i>	
Old Gurgaon	<ul style="list-style-type: none"> ■ <u>Divided by NH - 48 into two distinctly separate halves with divergent dynamics</u> ■ <u>The said region possesses small to mid-scale industrial activity (with the exception of Maruti manufacturing unit) along with limited housing options and low scale commercial development</u>
MG Road, Golf Course Road & Main Gurgaon	<ul style="list-style-type: none"> ■ <u>The eastern side of the highway witnessed has significant private developer activity from eminent players such as DLF, Unitech, Ansal, etc.</u> ■ <u>Growth momentum in this region commenced with the primary initiative of DLF in the late-80's with the 3,000 acres 'DLF City' comprising of plots, villas, apartments, commercial and retail spaces</u> ■ <u>Situated within this region, DLF Cybercity is regarded as the 'commercial business district' of the city comprising more than 12 Mn sft of office space (IT, Non-IT & SEZ), while, MG Road is known as the 'mall mile' housing multiple operational malls</u>
Sohna Road	<ul style="list-style-type: none"> ■ <u>Sohna Road began witnessing organized private developer activity in early 2000's ~ Vatika Group was amongst the first few developers to commence residential development as part of the 'Vatika City' township</u> ■ <u>Spurt in residential development in this region was observed in 2003, while the vector witnessed an increase in commercial project launches in 2006-07</u> ■ <u>Sohna Road has now emerged as a prominent commercial hub as various IT corporates have taken up relatively large office spaces along the vector</u>
Golf Course Extension Road	<ul style="list-style-type: none"> ■ <u>Golf Course Extension Road comprising of sectors 58-67A is strategically located and enjoys good connectivity with NH-48 via Sohna Road & prime commercial hubs via Golf Course Road</u> ■ <u>This vector began witnessing residential activity in 2007 by prominent developers such as M3M, Emaar MGF, IREO, etc. and has been witnessing development in mostly premium / high end</u>

Micro-markets and Evolution of Gurgaon	
	<u>residential developments</u>
Areas Beyond Manesar Toll	<ul style="list-style-type: none"> Proposed infrastructure initiatives coupled with limited land availability in other regions of Gurgaon have played a major role in transforming this region into an active real estate market Prominent national level developers such as Sobha Developers, Tata Housing, Adani Realty, Godrej Properties, Shapoorji Pallonji etc. are currently developing multiple projects in the region
Northern Peripheral Road	<ul style="list-style-type: none"> This vector of sectors located beyond the Manesar toll such as Sector 76, 77, 78, 82, 83, 84, 85, etc. Infrastructure initiatives such as construction of the Northern Peripheral Road have played a major role in transforming this vector into an active real estate market Prominent national level developers such as Sobha Developers, Tata Housing, Adani Realty, Godrej Properties, Shapoorji Pallonji etc. are currently developing multiple projects in the region
Southern Peripheral Road	<ul style="list-style-type: none"> Southern Peripheral Road is perceived as an extension of Golf Course Extension Road Development activity along the region initiated as a result of spillover effect from other established/ emerging regions of Gurgaon Currently, the majority of real estate activity in this vector is concentrated in sectors 70, 70A, 71, 73, 74 etc.

Growth Drivers for Gurgaon	
■	<u>Proximity to Delhi ~ makes Gurgaon an organic growth centre, with the city witnessing sustained migration (driven by the presence of substantial residential options); approx. 25 km from New Delhi's Central Business District (CBD) i.e., Connaught Place</u>
■	Proximity to Airport ~ One of the prominent reasons which has enhanced the connectivity of Gurgaon with other parts of the region and country
■	<u>Infrastructure developments (proposed/ ongoing/ completed) such as Northern Periphery Road, underpasses connecting Golf Course Road to NH-48, Rapid Metro, widening of NH-48, extension of metro, etc. aimed towards improving connectivity which have acted as catalysts for growth in the region</u>
■	<u>Sustained IT/ITeS demand coupled with large integrated IT/ITeS developments in the region are expected to catalyse growth for both commercial as well as residential segments in the city</u>
■	<u>Heightened real estate activity in the emerging vectors to further enhance the real estate profile of the city</u>

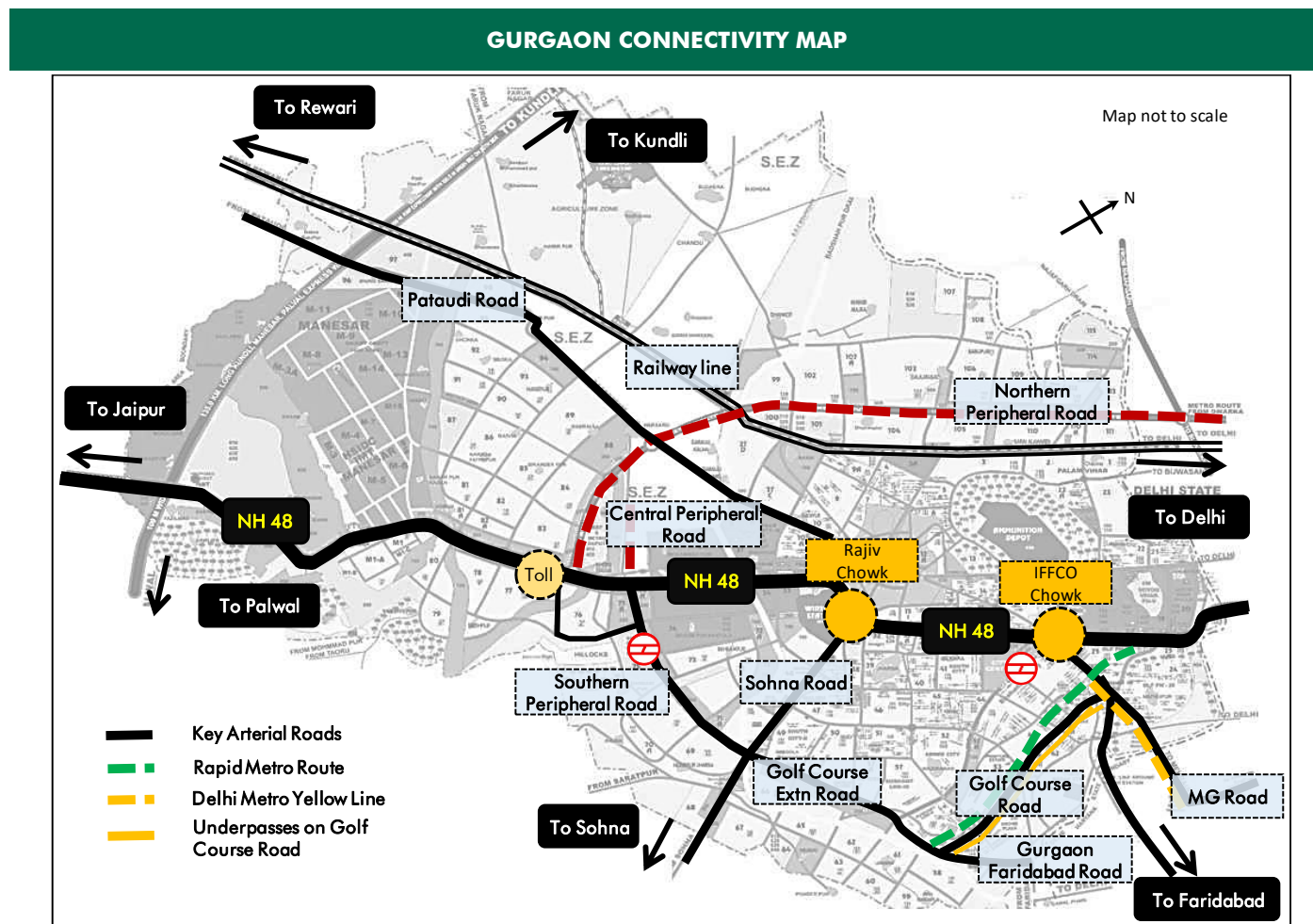
LOCATION MAP



Source: CBRE Research

3.2 Infrastructure Overview

3.2.1 Gurgaon Key Connectivity Led Initiatives



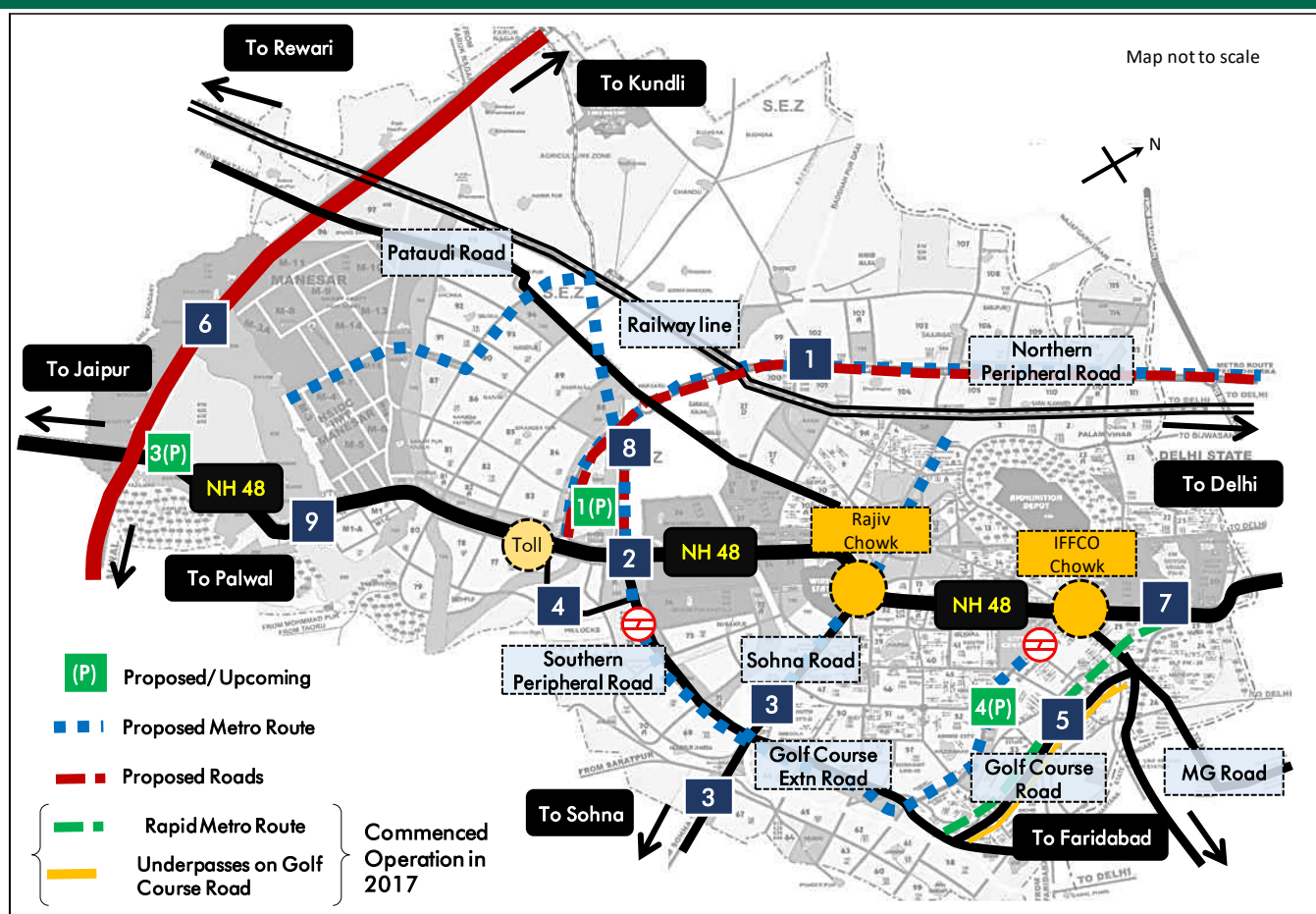
Source: CBRE Research

Details	
Inter-city connectivity	<ul style="list-style-type: none"> NH-48 (earlier NH-8) & NH-236 (MG Road) serve as key highways connecting Gurgaon with other parts of NCR / Airport; Gurgaon – Faridabad Expressway provides fast connectivity from / to Faridabad
Intra-city connectivity	<ul style="list-style-type: none"> MG Road, Golf Course Road, Golf Course Extension Road, Sohna Road, Southern Peripheral Road, etc. are the key arterial roads; An array of road initiatives such as underpass at Rajiv Chowk, Signature Chowk & IFFCO Chowk and flyover at Hero Honda Chowk have helped reduce traffic congestion significantly; further, the underpasses from Ambience Mall to Sector 55-56 provide non-stop connectivity from Cybercity to Golf Course Extension Road
DMRC Yellow Line	<ul style="list-style-type: none"> Extending from Samaypur Badli (North Delhi) passing through Central & South Delhi

Details	
	<u>to HUDA City Centre in Gurgaon</u>
Rapid Rail	<ul style="list-style-type: none"> <u>Provides interchange with the Delhi Metro's Yellow Line at Sikanderpur Metro Station; connects NH-48 (DLF Cybercity) to Golf Course Road Sector 55-56</u>

3.2.2 Impact of Existing Infrastructure Initiatives

EXISTING INFRASTRUCTURE INITIATIVES



Source: CBRE Research

Details			
S. N	Infrastructure Initiative	Current Status	Details and Impact of the Infrastructure Initiative
1	Northern Peripheral Road (Dwarka - Expressway)	Partly under construction	<ul style="list-style-type: none"> <u>Approximately 28 km long, 8-lane, access-controlled highway connecting Dwarka & Shiv Murti in Delhi with Kherki Daula Toll in Gurgaon, on NH 48. Of the total stretch, 18.9 km is in Gurgaon and 9.5 km is in Delhi. It is expected to reduce travel time and ease the traffic congestion along NH-48</u>

Details			
S. N	Infrastructure Initiative	Current Status	Details and Impact of the Infrastructure Initiative
2	Cloverleaf Interchange	Partially Operational	<ul style="list-style-type: none"> Interchange will connect the Southern, Central and Northern Peripheral roads and the Delhi-Gurgaon Expressway. It is expected to significantly reduce the traffic movement along with ensuring smooth connectivity to the new sectors of Gurgaon
3	Sohna Elevated Road Project	Completed	<ul style="list-style-type: none"> Project comprises of road widening, construction of flyovers and underpasses in order to facilitate seamless traffic flow between Sohna and Rajiv Chowk (NH – 48)
4	Bypass road (NH8 to SPR)	Operational	<ul style="list-style-type: none"> Connecting Southern Peripheral Road (SPR) with NH 48 and bypassing Kherki Daula Toll resulting in considerable reduction in travel time for commuters in and around the region
5	Underpasses from Golf Course Road to NH – 48	Operational	<ul style="list-style-type: none"> 6 lane signal free 8.3 km road is developed which connects Delhi-Gurgaon toll plaza and Golf Course Road. It provides enhanced linkages (beneficial to residents & corporate workforce) and overall improved accessibility dynamics in the region
6	Kundli Manesar Palwal (KMP) Expressway	Operational	<ul style="list-style-type: none"> Provides a high-speed link between northern and southern districts of Haryana along with enhanced linkages with other regions and reduced travel time ~ catalyst to decongest the National Capital Region from heavy vehicular traffic
7	Elevated U-turn at Shankar Chowk and underpass near Ambience mall	Operational	<ul style="list-style-type: none"> The 377-metre four-lane underpass near Ambience Mall will facilitate U-turn for traffic coming from direction of Jaipur towards Ambience Mall Currently one has to drive to Rajokri flyover in Delhi to take a U-turn to Ambience mall as well as the gated condominiums near it. Another initiative by NHAI, is the 455 meter-long three-lane elevated U-turn flyover near Shankar Chowk, which will facilitate traffic coming from the direction of Ambience Mall and Cyber City to take U-turn towards Delhi, instead of going to IFFCO Chowk. It will also reduce traffic at IFFCO Chowk, one of the busiest intersections on NH-48. Both projects are completed and expected to reduce the travelling time and ease congestion near the Delhi-Gurgaon border
8	Central Peripheral Road	Partially Operational	<ul style="list-style-type: none"> Central Peripheral road (CPR), shall originate at NH-48 on the junction of Southern Peripheral road (SPR) and run along the western periphery of Sector 36-A to finally terminate at Northern Peripheral Road (NPR), also known as Dwarka Expressway at Sector 84 and Sector 88.

Details			
S. N	Infrastructure Initiative	Current Status	Details and Impact of the Infrastructure Initiative
9	Road Widening of NH – 48	Completed	<ul style="list-style-type: none"> The expressway totaling approx. 226 km in length is a four lane stretch, proposed to be augmented to a six-lane signal free road between Gurgaon and Jaipur. The stretch of this corridor falling in Gurgaon and other parts of Haryana has already been completed.
10	Southern Peripheral Road	Completed	<ul style="list-style-type: none"> The approx. 90 m wide Southern Peripheral Road (SPR) has been developed under the PPP model. It is an approx. 17 km long stretch which connects Faridabad-Gurgaon road with NH-48. The same has significantly improved connectivity and reduced traffic congestion within Gurgaon.

3.2.3 Impact of Upcoming Infrastructure Initiatives

Details			
S. No	Infrastructure Initiative	Current Status	Details and Impact of the Infrastructure Initiative
1 (P)	Inter State Bus Terminus (near Kherki Dhoola village)	Proposed	<ul style="list-style-type: none"> Expected to considerably improve the situation of public transport in Gurgaon along the New Master Plan and Dwarka Expressway region
2 (P)	Regional Rapid Transit System (RTS)	Proposed	<ul style="list-style-type: none"> As part of India's first RTS, one of the prominent corridors planned is the Delhi-Gurgaon-Alwar corridor. It is expected to provide excellent connectivity to parts of Delhi as well as neighbouring cities of UP, Haryana and Rajasthan such as Meerut, Ghaziabad, Neemrana, Sonapat, etc.
3 (P)	Relocation of Kherki Dhoola Toll	Proposed	<ul style="list-style-type: none"> To decongest NH-48, Gurugram Metropolitan Development Authority (GMDA) has proposed shifting of Kherki Dhoola toll from its current site. The new location will 15 km further along the Jaipur Highway
4 (P)	Gurgaon Metro Route	Proposed	<ul style="list-style-type: none"> Proposed extension from Gurgaon section of Delhi Metro to the rapid metro without any interchange. It is expected to serve as an efficient mode of public transport for the employee base, potential catchment, etc. Additionally, a metro from Faridabad to Gurgaon is also being sanctioned.
5 (P)	Widening of Golf course Extension Road (SPR)	Approved	<ul style="list-style-type: none"> The project includes widening of the road and construction of two underpasses and three flyovers at each junction between Sector 55-56 chowk and Vatika Chowk. While the NHAI will be developing the underpass at Vatika Chowk, the rest of the project will be undertaken by GMDA.

4 Micro-Market Overview

As highlighted earlier, the subject property is located in Sector 36 - A, Gurgaon, Haryana. The said sector is currently one of the emerging vectors of Gurgaon in Sector 36A on Dwarka Expressway in proximity to NH-8 in Gurgaon, Haryana. The subject property forms a part of the new master plan areas as per Gurgaon-Manesar Urban Complex Development Plan - 2031 which is commonly known as 'New Gurgaon'. The micro-market for this appraisal exercise has been defined as the areas located along/off the Dwarka Expressway in proximity to the subject property.

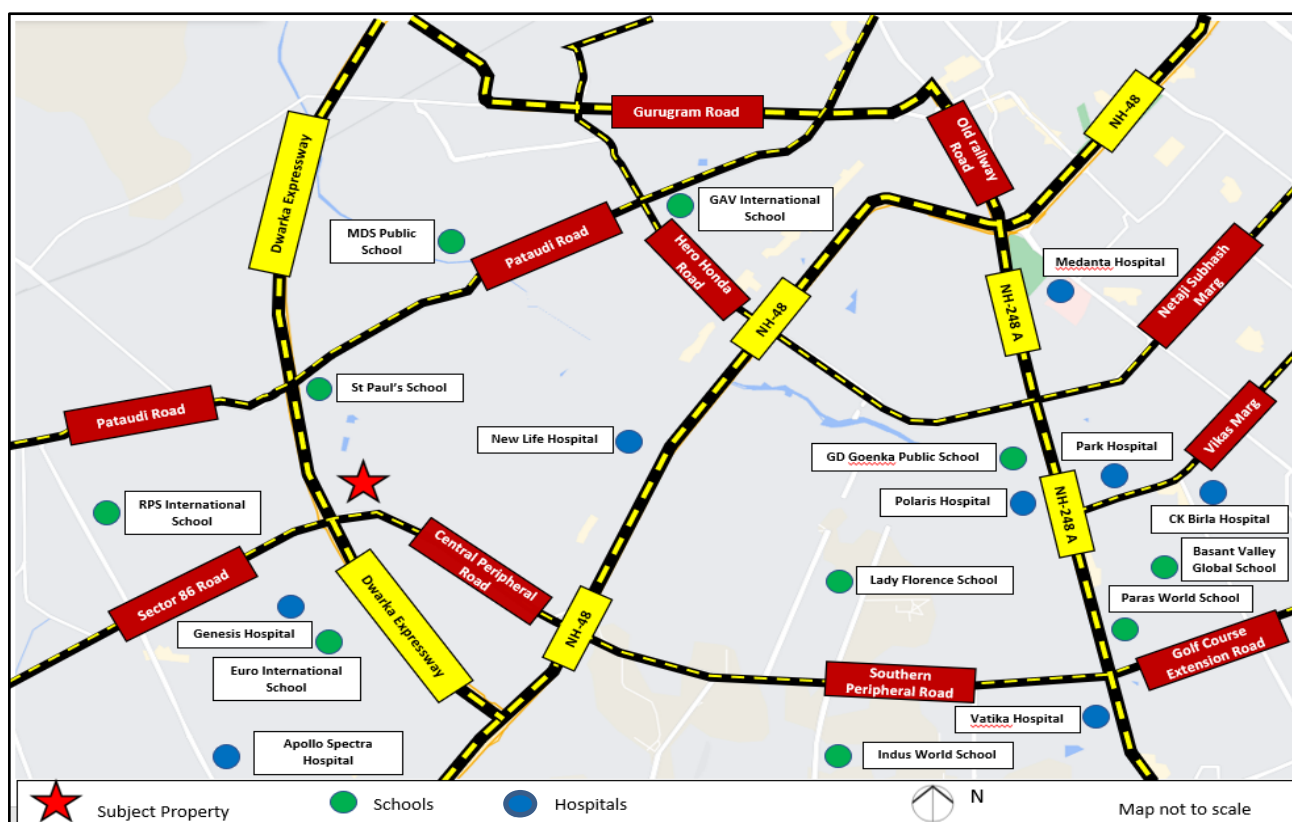
Over the past few years, increasing capital values and shortage of developable land parcels in the established areas of Gurgaon has resulted in a spill over of real estate development activity to the new master plan areas of Gurgaon. The spill over of activity towards the north led to the emergence of subject micro-market as an alternate commercial, retail and residential hub. Post the announcement of Dwarka Expressway, the region has caught the interest of several regional as well as national developers who are coming up with commercial and residential projects in the subject region.

The subject micro-market has gained prominence post the announcement of Northern Periphery Road and the Southern Peripheral Road. The launch of several residential group housing projects catering to the mid-high segment has led to the emergence of the said vectors as alternate residential hubs of Gurgaon. In addition, it was observed that the average price (capital value) quoted for the residential developments in the said location is relatively lower as compared to the other established locations of Gurgaon such as Golf Course Road, Extended Golf Course road, Sohna road, etc. which has led to a paradigm shift in investor interest in the subject micro-market.

The prominent developers operating in the subject micro-market include DLF, Emaar, Godrej, Vatika Group, Ramprastha Developers, BPTP, Sobha Developers, Puri Constructions, Tata Housing, etc. Based on the market research, it is also understood that the demand in the subject micro-market has primarily been driven by investors with limited end-user activity. Thus, the capital price movement in the subject micro-market is speculative in nature. Additionally, we understand that several prominent developers such as Ramprastha, Vatika Group, BPTP, M3M developers, etc. have significant land banks in the subject region for future development in line with the developing infrastructure in the region.

4.1 Social Infrastructure at the Subject Cluster

In terms of social infrastructure, we observed that the immediate subject micro-market comprises of various schools and operational hospitals. Kindly note that there are numerous schools and operational hospitals in the neighbouring micro markets as well. The map below highlights the school and hospitals located in the immediate and neighbouring micro-markets:



Source: CBRE Research

4.2 Real Estate Overview: Residential

As highlighted earlier, the subject micro-market has gained prominence post the announcement of Northern Periphery Road (also known as Dwarka Expressway) which is currently under-construction. The launch of several residential group housing projects catering to the mid-high segment has led to the emergence of the said micro-market as an alternate residential hub of Gurgaon. The prevalent capital values across these developments are in the range of INR 8,000 – 16,000 per sft on depending upon factors such as location, accessibility, amenities and specifications offered, project positioning, construction status, quantum of stock available, developer brand, etc. Some of the prominent residential developments located in the subject micro-market are Godrej Meridien, SS The Leaf, SS The Coralwood, Tata Primanti, DLF Ultima, M3M Capital, Experion Windchants, Elan The Presidential etc.

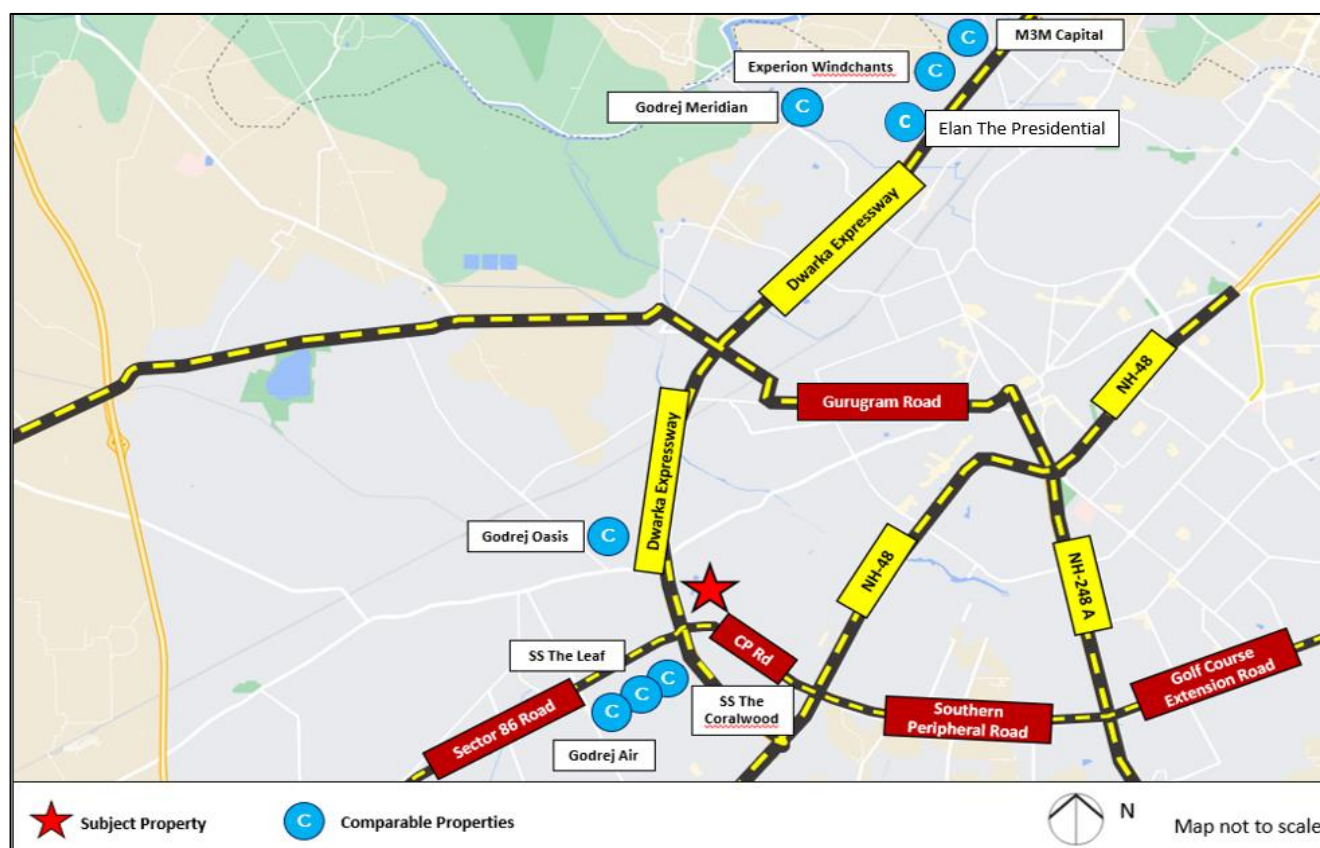
In addition, it was observed that the average quoted price (capital value) for retail and commercial developments in the said location is relatively lower as compared to the other locations of Gurgaon such as Golf Course Road, Extended Golf Course Road, Sohna Road, etc. which has led to a paradigm shift in investor interest in the subject micro market.

The table below highlights the few developments part of the subject region:

Name of Development	Name of Developer	Location	Unit Configuration	Total No. of Units (Approx.)	Launch Year	Capital Value* (INR/sft)	Approx. Absorption (%)	Positioning
Godrej Meridien	Godrej	Sector 106	3, 4 BHK	754	Q2 2018	12,000-12,500	100.00%	High-end
Godrej Air	Godrej	Sector 85	2, 3, 4 BHK	511	Q4 2018	11,000-12,000	100.00%	High-end
SS The Leaf	SS Group	Sector 85	2, 2.5, 3, 3.5, 4, 5 BHK	560	Q2 2014	9,500-10,500	100.00%	Mid-end
SS The Coralwood	SS Group	Sector 84	2, 3 BHK	639	Q1 2012	8,000-9,000	100.00%	Mid-end
Godrej Oasis	Godrej	Sector 88A	2.5, 3 BHK	306	Q1 2014	8,500-9,500	100.00%	Mid-end
M3M Capital	M3M	Sector 113	2.5, 3.5, 4.5	1,400	Q1 2022	14,000-15,000	90.00%	High-end
Experion Windchants	Experion	Sector 112	2, 3 BHK	171	Q2 2017	12,500-13,500	95.00%	High-end
The Presidential	Elan	Sector 106	3, 4 BHK	728	Q4 2022	15,000-16,000	95.00%	High-end

*The above-mentioned capital values are inclusive of EDC, IDC, PLC and exclusive of GST and IFMS charges on saleable area and have been adjusted for preliminary negotiations

The above developments are further highlighted in the map below:



Source: CBRE Research

Based on the interactions with developers as well as other market intermediaries, we understand that majority of the projects in the subject vector were launched between 2014-2020. As highlighted in the table above, the prevailing capital values for residential group housing developments in the subject micro-market range from INR 8,000 to INR 16,000 per sft depending upon various attributes like location, accessibility, specifications, quality of construction, developer brand, status of construction, amenities offered, etc.

Further, based on our market research, we understand that the subject region is expected to witness moderate appreciation in the medium to long-term owing to its excellent connectivity with Delhi and other parts of Gurgaon and establishment of social infrastructure amenities such as schools, colleges, hospitals, etc.

4.3 Conclusion on Micro Market

Based on the above points, it can be concluded that the subject micro-market would enjoy good connectivity to other regions of Gurgaon via roadways once the Central Peripheral Road and Dwarka Expressway are fully operational. The region is one of the fastest growing micro market of Gurgaon.

At present, there have been limited presence of investment grade real estate opportunities and Grade A developers in the region, along with limited presence of social infrastructure in the vicinity. Over the next few years, fuelled by the spill-over demand from main Gurgaon, the region is expected to benefit especially in the residential and retail space.

4.4 Senior Living

Senior housing basically refers to a kind of housing which is suitable for the needs of an aging population. It ranges from independent living to 24-hour care. In senior housing there is an emphasis on safety, accessibility, adaptability, and longevity that many conventional housing options might lack.

The demand for senior housing has indeed surged due to an increase in the aging population. This increased demand has drawn attention from developers and investors seeking to cater to this demographic. The emphasis on safety, accessibility, adaptability, and longevity within senior housing caters to the specific needs of the elderly population, providing a comfortable and supportive environment for their varying levels of independence and care requirements.

Investors and developers recognizing this trend and showing interest in investing in senior housing is a positive development. It not only meets a societal need but also presents the investment opportunities that align with the various needs of aging individuals. This increased interest from investors could potentially lead to more diverse and specialized senior housing options, offering various levels of care and amenities to accommodate the different needs of older adults. Creating spaces that support longevity and well-being is a valuable aspect of modern real estate development.

The vital players and projects launched/developed by them in the senior living segments are as follows.

<i>Name of Development</i>	<i>Name of Developer</i>	<i>Location</i>	<i>Launch Year</i>	<i>Capital Value* (INR/sft)</i>
Priya Living Flower Valley	Priya Living	Sector 32, Gurgaon	Proposed development	N.A.
Pioneer Advait	Pioneer Urban Land & Infrastructure Ltd	Sector 50, Gurgaon	2022	16000 – 17000
Antara Senior Living	Antara Senior Living Ltd	Sector 150, Noida	2020	14000 – 15000
Ashiana Nirmay	Ashiana Housing	Sector 39, Bhiwadi	2022	5000 – 6000

5 CBRE Recommendations on Project Management Agreement (PMA)

Based on the review of the Term Sheet provided by the Client, we understand that the proposed project management agreement would be executed based on the terms & conditions described in the table below:

S. No.	Particular	CBRE Recommendation
1	Developer	Max Estates Gurgaon Ltd.
2	Project Manager	Antara Senior Living Limited
3	Proposed Usage	Residential Use
4	Senior Living Project	<p>Out of the total group housing project proposed to be developed on the Project Land it is proposed that 33% of the available FAR on the Project Land translating to 6,06,658 sq. ft. shall be allocated by the Developer to the project manager for the development of Senior living segment.</p>
		<p>The Project Manager shall be providing the following Project Management Services in the Senior Living Project in lieu of the Project Management Fees. The Parties shall mutually discuss and elaborate on the Project Management Services in the PMA.</p> <p>Design:</p> <ul style="list-style-type: none"> To give expert advice in designing of the Senior Living Project; To give suggestions on the plan, design concept and specification provided by the Developer/ its architects for development of the Senior Living Project; To provide the suggestion on the design of the experience center <p>Construction and Development:</p> <ul style="list-style-type: none"> To help frame the construction schedule of the Senior Living Project; <p>Promotion (including branding):</p>
4	Project Manager Scope of Work	<ul style="list-style-type: none"> To prepare plans and strategies for promotion and branding of the Senior Living Project; To provide monitoring services for promotion and sales of the Senior Living Project. Project Manager shall provide their personnel for the purposes of training and development to the direct marketing team; Project Manager shall use its brand name 'Antara', which resonates with Senior Living, as per the terms to be agreed in the PMA, which shall be displayed in an appropriate manner, along with the brand name of the Developer, at the site of the Senior Living Project; and in all promotion material in relation thereto, including but not limited to signboards, billboards, letterheads, fee receipts, deposit receipts, brochures and other promotional materials; All promotion collaterals including the finalization of hoardings, brochures, pamphlets, website content, etc. to be used for the promotion of the Senior Living Project shall be decided by Project Manager and communicated to Developer for its implementation; Project Manager shall recommend the consultants as may be necessary for execution of various parts/ sale of the Senior Living Project; Project Manager will monitor all sales and Project Manager will provide full assistance to direct marketing team to enable such sales;

S. No.	Particular	CBRE Recommendation
		<ul style="list-style-type: none"> Project Manager shall carry out all administrative work and maintain MIS as may be required for the promotion of the Senior Living Project; Project Manager shall advise on the Customer Documents that the same are in a form agreeable and satisfactory to the Developer; and Project Manager shall not make any changes or amendments in the Customer Documents without prior written consent of the Developer. The responsibility for preparation and finalization of the Customer Documents pertaining to the Project shall be with the Developer. Other services as more particularly detailed in the PMA. <p>The list of Project Management Services and scope of expenses in relation to sales and promotion as stated here is an indicative list and the same shall be more particularly detailed in the PMA.</p>
5	Developer's Scope of Work	<ul style="list-style-type: none"> The Developer shall co-operate and, assist Project Manager in execution of necessary agreements between the apartment owners of Senior Living Project Project Manager to confirm operation and management of Senior Living Project and its entitlements in the Senior Living Project in accordance with and applicable laws, execute such further writings as may be necessary to enable Project Manager to operate and manage the Senior Living Project.
6	Business Plan	<ul style="list-style-type: none"> The parties shall formulate & prepare a business plan before application for RERA approval of the Senior Living project is filed.
7	Project Management Fee	<ul style="list-style-type: none"> Project Manager shall, from the date of execution of the agreement, be entitled to 9.5% of the Net Sales Revenue³ plus taxes as applicable on such payment. In addition to the Project Management Fees, Project Manager shall also be entitled to an additional fee equivalent to 50% of the net profit arising out of the Developer's entitlement in the Senior Living Project. In the event the Developer incurs any loss, 50% of such loss shall be deducted from the Refundable Performance Deposit at the time of refund of the same to Project Manager. Further, in such event, if 50% of the loss is higher than the Refundable Performance Deposit, the difference in the said amounts shall be recovered from the Project Manager by the Developer. The same shall be calculated and paid to or recovered from Project Manager at the time of refund of the Refundable Performance Deposit to Project Manager. It is clarified that the additional fee payable to Project Manager or the deduction on account of loss recoverable from Project Manager as stated above shall be up to a maximum of Fee paid/payable by the Developer to the Project Manager.
8	Refundable Performance Deposit	<ul style="list-style-type: none"> The Project Manager shall pay an amount of INR 330 Mn to the Developer, as a refundable performance deposit for the Project Management Services.

³ Based on the review of term sheet provided by the client, we understand that "Net Sales Revenue" means the amount equal to Gross Sales Proceeds minus the following: (i) Pass Through Charges (as defined hereinafter); (ii) any amounts refundable to the purchasers including but not limited to on account of cancellation of their allotments of the units in the Senior Living Project that were paid by the purchasers; (iii) brokerage cost (including GST) as per actuals; and (iv) Any proceeds from sale/ transfer of EWS units.

5.1 Development/Project Management Agreements

A few DM/PM agreements benchmarked to opine on the management fee have been presented in the table below:

S. No.	Location	Project	DM Partner/ Project Manager	Usage	Management Fee
1	Sector 59, Gurgaon	Elevate by Conscient & Hines	Hines & Conscient	Residential	6.5% of Net Revenue ~ (4% to Hines & 2.5% to Conscient)
2	Sector 71, Gurgaon	Residential development	Tribeca Developers LLP	Residential	11% of Net Revenue
3	Sector 150, Noida	Godrej Nest	Godrej Group	Residential	11% of Net Revenue
4	Vikhroli, Mumbai	Godrej Platinum	Godrej Group	Residential	10% of Net Revenue
5	Vikhroli, Mumbai	Godrej Platinum	Godrej Group	Residential	10% of Net Revenue
6	Mulund, Mumbai	Godrej Alive	Godrej Group	Residential	10% of Net Revenue
7	Whitefield, Bangalore	Godrej United	Godrej Group	Residential	11% of Net Revenue
8	Vikhroli, Mumbai	Proposed mixed use development	Godrej Group	Mixed Use	10% of Net Revenue
9	Mumbai	Godrej Vihaa	Godrej Group	Residential	10% of Net Revenue
10	Mumbai	Godrej Tranquil	Godrej Group	Residential	11% of Net Revenue
11	Bangalore	Godrej E-city	Godrej Group	Residential	11% of Net Revenue
12	Sarajpur, Bangalore	Godrej 24	Godrej Group	Residential	11% of Net Revenue

Source: CBRE Research

5.2 Refundable Performance Deposit

Based on the review of the term sheet provided by the client, we understand that the Project Manager shall pay an amount of INR 330 Mn to the Developer, as a refundable deposit for the Project Management Services. Further the project manager shall also be entitled to an additional fee based on the net profit arising out of the Developer's entitlement in the Senior Living Project. In the event, the net profit is in surplus, the additional fee shall be paid to the PM, and in the event, the Developer incurs any loss, the same shall be deducted proportionately from the Refundable Performance Deposit. Thus, the adjustment in refundable deposit is based on profit share calculation and not rate at which sales made.

The table below illustrates the calculation of net present value of the refundable performance deposit:

<i>Particulars</i>	<i>Units</i>	<i>Amount</i>
Discount Rate	(%)	16%
Cash Inflow	Year	2024
Cash Outflow	Year	2028
Net Present Value	(INR Mn)	148

The net present value of the refundable performance deposit amounts to approx. 1% of the net sales proceeds to be generated from the senior living component of the subject development. Therefore, the proposed project management fee post adjusting net impact of approx. 1% would be 8.5%.

5.3 Project Management Fee

Based on the benchmarked DM/PM agreements as highlighted in section 5.1 and interactions with various market participants, we understand that Tier 1 developers such as Godrej, Hines, etc. charge a project management fee/ DM fee as a % of net sales revenue that varies from 6.5% to 11%. Further, this fee can be negotiated based on factors such as scope of services, brand, scale, size, location, positioning, etc.

Therefore, considering the benchmarked DM/PM agreements as highlighted in section 5.1 and further offsetting the net impact of refundable performance deposit, CBRE is of the opinion that the adjusted project management fee in an arm's length transaction shall range from **8% to 11%** of the net sales revenue for the senior living segment of the proposed subject development which is further in line with the benchmarked DM/PM agreements.

However, please note that the fee % is extremely subjective and would depend on scope of services to be provided by the DM partner/Project Manager, no. of personnel to be deployed, period of deployment, skill set/ expertise of each personnel and their overall involvement, project complexity, cost of utilization of common / shared resources of the head office and regional office of the DM Partner/Project Manager, overall quality of service, branding/ past experience, etc.

Official Signatories:

Project Manager & Final Reviewer:

Name: Gourav Taneja

Sign:



Authorised Signatory / RICS Member

Name: Pankaj Tekchandani

MRICS Membership No. 6601406

Sign:



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