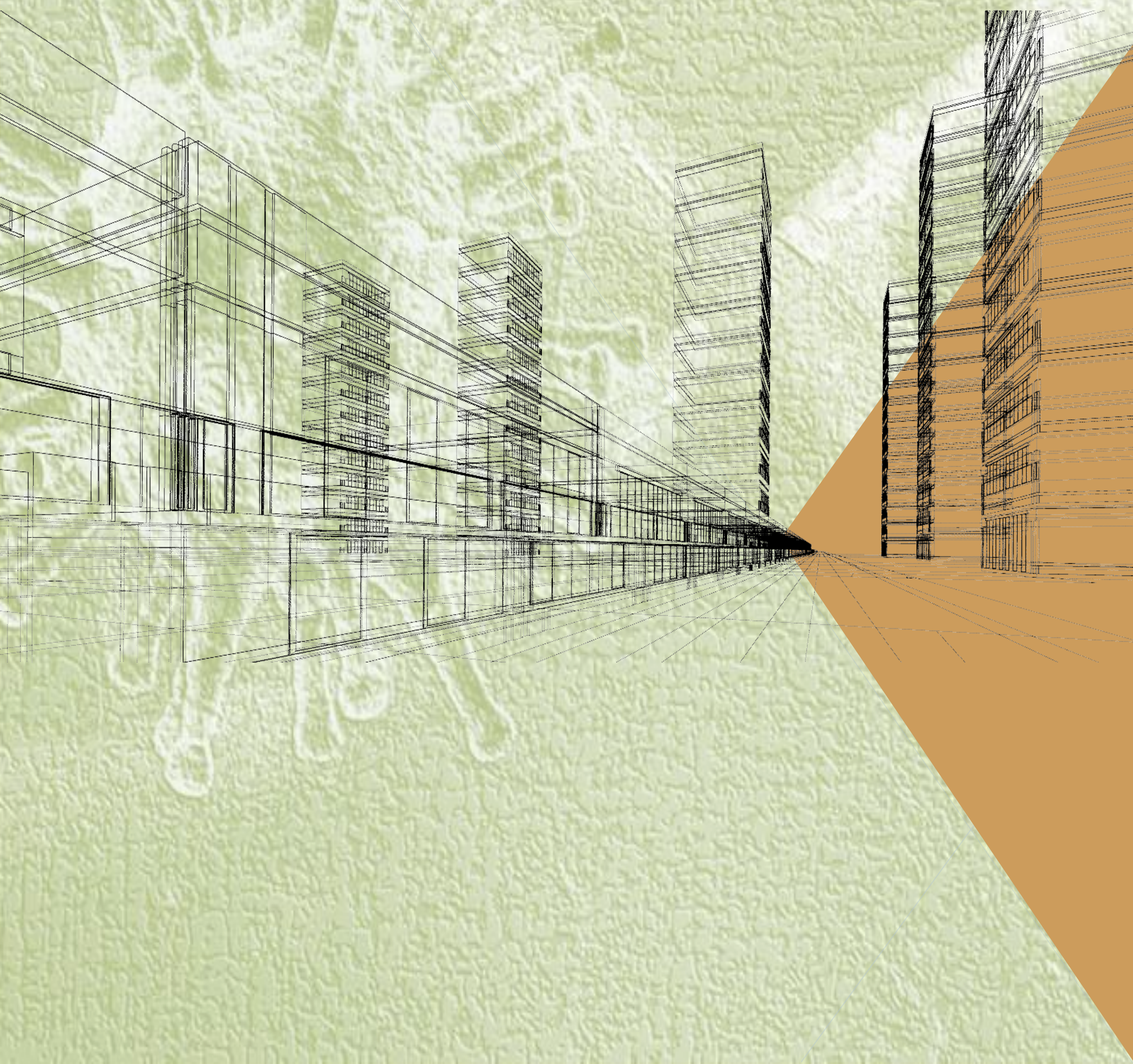
CIRIL

COVID 19 DISRUPTION

INDIAN REAL ESTATE – BRACING FOR CHALLENGING TIMES AHEAD



INDIAN REAL ESTATE
The COVID - 19 Perspective

COVID-19 has affected majority of the countries and this impact will have a cascading effect on all economic activities. All the economic sectors be it automobile, IT & ITeS, textiles, exports, real estate, hospitality and tourism amongst others will have to prepare for a long road to recovery. Challenges posed by COVID – 19 are unprecedented and has brought the world to a grinding halt. It is too early to predict what will happen next, but COVID-19's impact will be the hardest of all times. Never before has a global pandemic put the entire planet on lockdown mode. This crash has consequences for the global economy, socio-economic structures, demographics, livelihoods and global business dynamics. The world as we knew it has changed and possibly will never be the same again.

Real Estate, which was already going through a difficult time, must prepare for upcoming recession phase, with the International Monetary Fund (IMF) warning that the global economy is entering the worst downturn since the Great Depression. The IMF expects the global economy to contract by 3% this year, as the coronavirus pandemic triggers a "crisis like no other". The loss to global GDP over the next two years could reach $9tn (£7.7tn), greater than the economies of Japan and Germany combined. Real estate's ability to withstand the crisis will be put to the test like never before

Every disaster has a silver lining. We anticipate structural reforms in the way Real Estate operates with co-sharing segments becoming preferred investment segment. Real estate investment activity is also predicted to increase as it is traditionally considered as a safe investment. With market open to negotiation and price correction, it is the right time to invest in property market. Warehousing and Industrial segment will see brisk activities with demand generated by e-commerce sector. The revival story post the pandemic would largely be driven by the need-based customers, and the affordable housing segment.

Real Estate industry has to prepare itself for a long road to recovery with uncertainty in the economy. Real estate has shown resilience in past and will bounce back with right policy reforms and stimulation package by GoI.

Chairman, CIRIL

COVID 19 – An Economic Coronary for India

World is on brink of economic crisis brought about by coronavirus pandemic better known as COVID 19. The severe disruption to economic activity caused by COVID-19 is expected to set back recovery in the Indian economy, leading to massive job losses and contraction in demand – supply chain. The extended lockdown to enforce self-distancing to prevent the spread of COVID-19 and flatten its growth curve, has caused contraction of trade, withdrawal of business investment, shrinking consumers and surging unemployment across industries

The International Monetary Fund (IMF) has projected the Indian economy to grow at 1.9% in 2020-21 while Barclays has estimated 0% growth for India in 2020.

Though the situation looks bleak, IMF has put India as one of the fastest growing economies even midst of Corona Virus Pandemic. If the spread of the disease gets restricted in H1 2020, we could see a possible rebound beginning second half of 2020. The multi-lateral companies anticipated India to recuperate in next 12 – 15 months i.e., be mid year 2021-22 (FY22). Different businesses have been conflicted on India's future trajectory. Whereas Nomura predicted the economic system to contract by 0.5 per cent throughout 2020, the Asian Improvement Financial institution anticipated it to develop Four per cent in FY21

According to latest data from CMIE, the contraction in FY20 is 12.9%, worse than the 6% contraction registered in 2008-09, following the global liquidity crisis. From manufacturing to mining, construction to electricity, every major sector reported a contraction in gross value added. The evidence is mounting that March and April marked the start of a global recession, with WTO estimating a large decline in global trade between 13-32%. .

To address the crisis, RBI has unveiled a slew of measures to deal with the adverse impact of novel coronavirus pandemic on Indian economy.

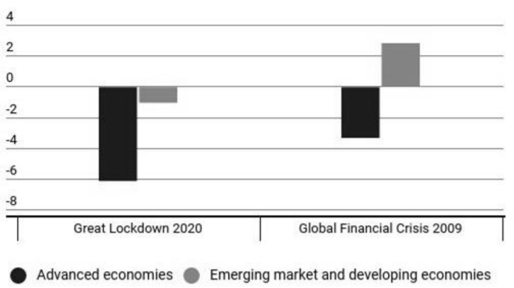
- A 25 basis point reverse repo cut, TLTRO (Targeted Long Term Refinancing Options) of Rs 50,000 targeted at NBFCs;
- Relaxation of asset classification norms
- More funds for states – The RBI has increased the limit under Ways and Means Advances for states to avail short term funds to 60 per cent of the existing limit.
- A special refinance facility of Rs 50,000 crores was announced to meet sectoral credit requirements - this is to specifically boost liquidity of financial institutions like NABARD, SIDBI and National Housing Bank.
- NPA (Non-performing Assets) norms of 90 days have been relaxed. The NBFCs (Non-Banking Financial Companies) have been given flexibility to give such relief to their borrowers.

For the first time since the Great Depression both advanced economies and emerging market and developing economies are in recession. Growth in advanced economies is projected at -6.1% while emerging market and developing economies are projected to have negative growth rates of -1.0% in 2020. Income per capita is projected to shrink for over 170 countries. Both advanced economies and emerging market and developing economies are expected to partially recover in 2021.

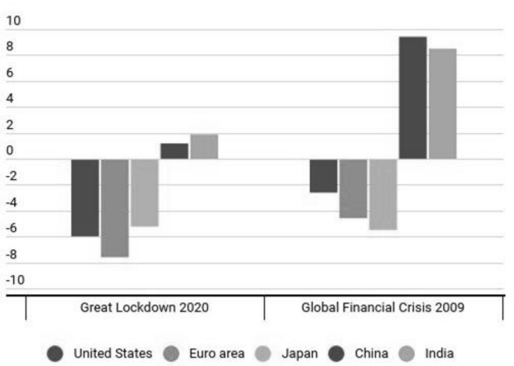
GITA GOPINATH, CHIEF ECONOMIST, IMF

A Global Crisis – Comparative between 2009 and 2020

(real GDP growth, year-on-year percent change)



(real GDP growth, year-on-year percent change)



Source: IMF, *World Economic Outlook.*
Note: For India, data and forecasts are presented on a fiscal year basis, and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.

India GDP Projection by different agencies in %	Earlier projections	Latest projections
Nomura (for 2020)	4.50	-0.50
Fitch Ratings (for 2020-21)	5.10	2.00
Moody's Investors Service (for 2020)	5.30	2.50
Goldman Sachs (for 2020-21)	3.30	1.60
World Bank (for 2020-21)	6.10	1.5-2.8
IMF (For 2020-21)	5.80	2.00
Asian Development Bank (for 2020-21)	6.50	4.00
ICRA for 2020-21	2.00	1.00 to -1.00

Source: Respective agencies

COVID 19 – Disruptive Impact on Indian Real Estate

Though its too early to predict the actual impact of COVID – 19 on Real Estate, the global economic slowdown coupled with coronavirus pandemic is likely to have negative impact on Indian real estate demand till end of year 2021. Indian real estate market which was already going through prolonged pain for various reasons such as economic stress in certain segments, high leverage, tight liquidity and rising non-performing assets (NPAs) in construction finance, is now facing added challenge of dealing with negative market sentiments and Pandemic induced economic slowdown across sectors.

CAUTIOUS MARKET SENTIMENTS

The ongoing Covid19 outbreak and its impact on economy have pushed stakeholder's sentiment in real estate to its all-time low. Both residential and commercial real estate sectors are expected to be hit in term of new launches with investors expected to remain in a wait-and-watch mode. Caution and risk aversion is expected to drive the dominant behavior of institutional real estate investors over next few quarters.

The lockdown will translate into a vicious sequence of stalled construction, delays in project deliveries, delays in loan repayments and debt servicing to banks and an overall slump in demand due to uncertainties in employment and salary cuts. All these factors have marred the future sentiment score of stakeholders.

Moreover, the industry is expected to face an acute working capital crisis which is essential to restart the business and keep it moving due to credit crunch and overall economic slowdown across the industry post COVID-19 crisis.

Consumer Confidence in India decreased to 83.70 points in the first quarter of 2020 from 85.70 points in the fourth quarter of 2019. Consumer Confidence in India is expected to be 69.00 points by the end of this quarter due to ongoing Pandemic disruption. In the long-term, the India Consumer Confidence is projected to trend around 79.00 points in 2021 and 85.00 points in 2022

DECLINE IN INSTITUTIONAL INVESTMENTS

Financial markets have become highly volatile from January 2020 onwards due to the outbreak of COVID-19. Panic sell-offs have resulted in wealth destruction in equity markets across advanced and emerging economies alike.

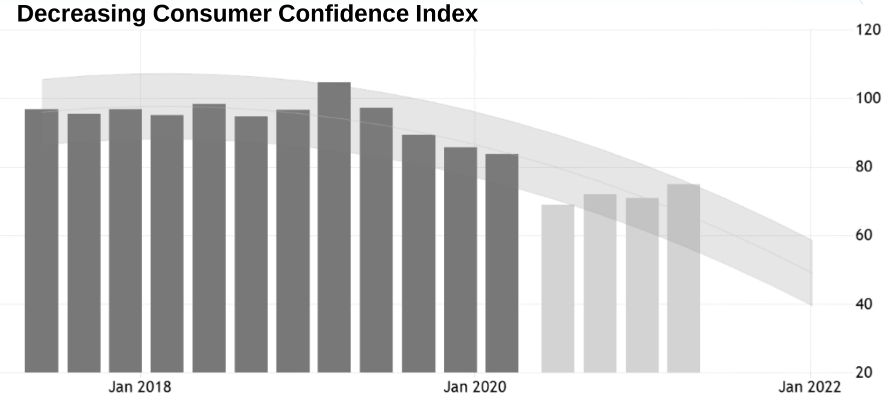
Institutional investment into Indian real estate sector has declined 58% from a year ago to $712 million during the quarter ended March. Total investments in financial year 2019-20 witnessed a decrease of 13% at $4.26 billion--the lowest for four year. The decline was influenced by several events, including the COVID-19 outbreak and several high-profile issues in the domestic banking and finance sectors in late 2019 and early 2020.

The impact of change in the investment climate was reflected in the asset allocation, as investors parked more funds in more secure and stable office spaces. Investments in the office sector rose to $2.9 billion during the year from $1.8 billion a year ago. Going forward, there will be more decline in Institutional investment.

Foreign Institutional Investors: Pandemic Sell – off in March

Around $15 billion foreign money was taken out of Indian markets in equity and debt in March, making it the highest-ever sell off by foreign institutional investors in a month. Investors rushed to dump equities typically considered risky assets as Covid-19 spread across geographies, while the 21-day nationwide lockdown in India added to the concerns of economic disruption. The panic sell-off by foreign institutional investors (FIIs) led to massive liquidity outflow from domestic markets, dragging benchmark indices down by more than 25% in March. FIIs sold Indian shares worth $7.54 billion, while another $7.36 billion was sold in debt instruments in March. In 2020 so far, FIIs are net sellers of $14.69 billion, the highest annual outflow, both in equity and debt.

Decreasing Consumer Confidence Index



SOURCE: TRADINGECONOMICS.COM | RESERVE BANK OF INDIA

COVID 19 – Disruptive Impact on Indian Real Estate

FOREIGN DIRECT INVESTMENTS

Construction has been an attractive sector for Foreign Direct Investment (FDI). Construction sector including townships, housing, built-up infrastructure currently accounts for only 6% of the total inflows from April 2000 to December 2019. Amidst the COVID-19 uncertainty, FDI inflows are expected to decline in coming months as most investors would take a wait and watch stance before investing.

Recently, the fall in the valuation of listed Indian companies because of COVID-19 pandemic has put companies in a very vulnerable situation and have become targets opportunistic trade taking advantage of the crashing stock prices. With a view to protect Indian companies against opportunistic takeovers/acquisitions during the COVID – 19 pandemic, Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India (DIPP), the Government agency responsible for FDI policy has amended the FDI policy to safeguard Indian Companies.

Driven by end user demand, the Indian real estate sector has previously shown resilience towards uncertain economic conditions. Structural reforms in last few years such as REIT, RERA, Ease of Doing Business, Housing for all and hoards of other policy reforms have created the transparency that started giving required results with increase in FDI investment in Real Estate. But, the COVID-19 pandemic has brought in a new set of challenges that will have a rippling affect across all real estate value chain. In short term, ***FDI inflow to construction sector is expected to decline by 20% - 30% and may recover by end of 2021***

In a note dated April 17, 2020, The industry department notified changes in its FDI policy by mandating government clearance for all FDI inflows from countries with whom it shares land borders. As per the note, para 3.1.1 of the extant FDI policy as contained in the Consolidated FDI Policy, 2017 has been amended.

The amended para 3.1.1

(a) states that an entity of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country can invest only under the government route. The additional prohibitions for Pakistan still hold.

(b) Additionally, the amendment also states that the transfer of ownership of an existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the restriction/purview of the para 3.1.1 (a), the change will also require government approval.

The UN's trade and development arm (UNCTAD) recently revised its forecasts about the effects of COVID-19 on global FDI flows from a conservative -5% to -15% drop, to a decisive -30% to -40% contraction. Even without further downward revisions, those losses are potentially more dramatic than at any time in modern history.

PRIVATE EQUITY INVESTMENTS

Till last year, the Indian real estate was a preferred destination for global institutional investors in the backdrop of robust office space take-up, falling vacancy levels and rising rentals. The sector attracted more than $5 billion private equity (PE) inflows in 2019 with over 66%, or $3.3 billion, going to commercial real estate.

Unlike the bleak economic prediction for most sectors, Pandemic is seen as a new moneymaking opportunity for hedge funds and private equity firms.. Leading real estate investment firms are viewing the current economic slowdown due to coronavirus as an opportunity to buy grade A commercial assets at cheaper rates and are exploring better deals for future, which would provide them with an immediate cash infusion.

Many industry leaders are predicting that 2020 is going to be another big year for infrastructure and real estate sectors if the anticipated price correction happens in Real Estate Markets. These large pools of private equity are predicted to be sitting on more than $1.5 trillion of dry powder – money that had been raised in large rounds of fund raising but not yet invested. If governments can hold societies and economies together for now, central banks protect financial systems and their portfolio companies survive, then these private cash buyers will be big drivers of whatever happens post pandemic investment scenario.

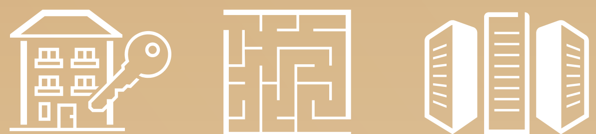
Investors poised to take advantage of declining prices include firms like Blackstone Group, Brookfield Asset Management and Starwood Capital Group, which have raised billions of dollars from institutions like pensions and sovereign-wealth funds.

There are risks to investing in distressed assets. It will be difficult to realize profits if prices remain low for a long time, and investors also risk buying before the market has fully bottomed out. Investors also say that their actions will help the market bounce back in the long run. Nevertheless, Pandemic is seen as a good opportunity for PE Investment in Real Estate Markets.

Indian Commercial Real Estate

Before COVID – 19 Pandemic, Indian commercial real estate market has been growing at a steady rate across all segments. Snippet of the market performance is given below:

- 2019-20FY was the best phase for the market with absorption touching 52 mn sft.
- The flexible office and co-working space segment consolidated its market position to grow and touched approximately 8+ million sq ft in 2019
- Co-working has emerged as a major driver in most micro-markets with 15% share in space absorption.
- Rents show appreciation in most major markets with growth of 5% Y-o-Y
- At a pan-India level, total office stock across the seven major cities is forecast to reach around 600 mn square feet by the end of 2019
- Vacancy witnessed a marginal improvement in the last year, settling at approximately 15% at the end of 2019



TOTAL ABSORPTION

52 msf

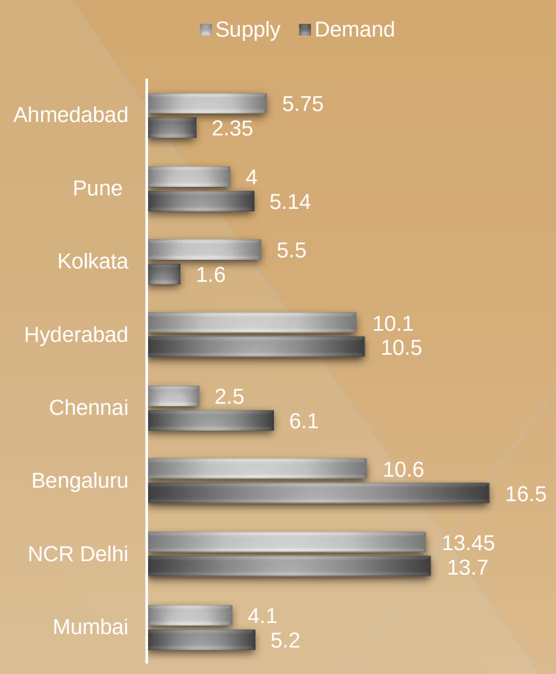
TOTAL SUPPLY

45 msf

VACANCY

15%

Indian Commercial Real Estate Trend in 2019: Demand & Supply in msf



COVID – 19 Impact: Putting breaks on growth curve of Indian Commercial Real Estate

Year 2019 was a spectacular year for Indian Commercial Real estate sector clocking in total transaction of around 52 mn sft space. All the major markets saw sustained commercial office space transaction with expansion of corporate sector and IT & ITES. Indian commercial real estate market was riding high on global investments.

COVID 19 pandemic is certain to put breaks on the growth trajectory. Though in office sector transactions, most use long-term contracts with an escalation clause that shields commercial assets from COVID-19's impact, still there could be scenarios where the tenants request to renegotiate. The enforced lockdowns will leave many property tenants with delayed rent fees.

Co-working spaces may gain momentum post lockdown era due to affordability under uncertain conditions. Many believe that there will be a rise in flexible working culture, with it increasing the demand for more co-working spaces. Remote office model and work from home option may emerge as new corporate culture with many large corporates maximizing the use of technology to better manage employee to seat ratios, along with rental costs.

IT Parks is expected to recover faster post COVID 19 scenario since India has less price sensitivities as compared to the west which should hedge the risks likely to impact the business. IT sector is also accustomed to work from home practices, this asset class is reasonably shielded from the impact.

DEMAND

There would be a definite decline in space demand in large format office segment which could also lead to an increase in lease renegotiations with sale and lease back options. From the tenant side, massive consolidation is expected. Small and medium format office space may see rise in coworking demand. Demand in Commercial Real Estate market is expected to recover by end of 2021 in all major markets.

Demand in IT, ITeS and flexi working spaces is expected to recover faster in Tier I cities. Going forward, if hygiene and cleanliness concerns are properly addressed, the co-working will emerge as a major demand segment.

SUPPLY

Due to economic uncertainty, most major markets will see deferment in completion of project. Around 40 msf of office space is in different phases of construction and was expected to be available by H1 2021. Pre leased projects may get delayed by but are likely to be completed by this year end. Supply wherein developer is yet to secure leases and commitments from occupiers may find it had to get tenants. Delay in construction owning to scarcity of labour and material will result in a significant decline in supply. Supply will be in range of 35 msf for 2020, 15% to 30% lower over Pre-Covid estimate.

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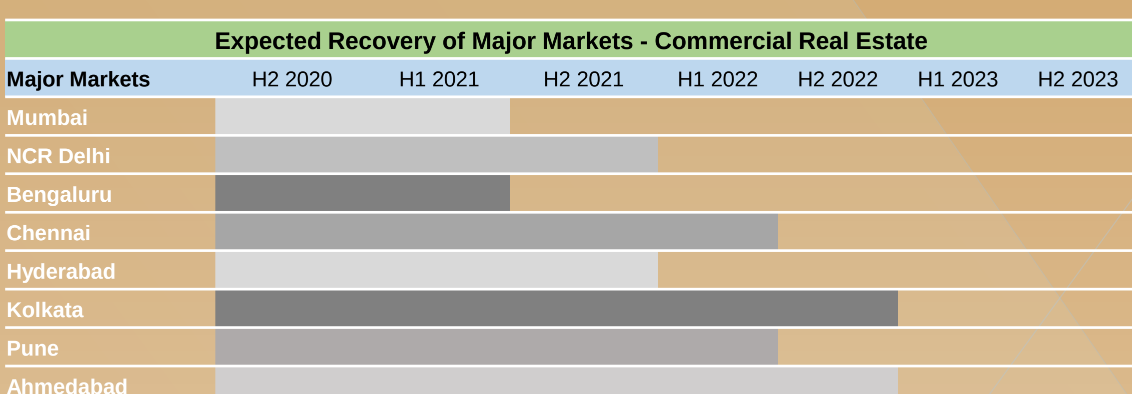
RENTALS AND VACANCY

Going forward, all major markets are expected to see price correction and rental consolidation in range of 15% - 20% due to decline in demand. Vacancy may reach figure of 15% - 35% in few major markets. Major Markets such as Mumbai and NCR Delhi are expected to recover from the pandemic impact by H1 2021 while other tier I cities will recover by H2 2022.

WAY FORWARD

- Investors may look for buyout and acquisition option given the price correction expected in all major markets
- Coworking and flexi-working space may emerge as new demand driver riding on affordability factor
- Comprehensive stimulus from the government may help in revival of markets in long term.



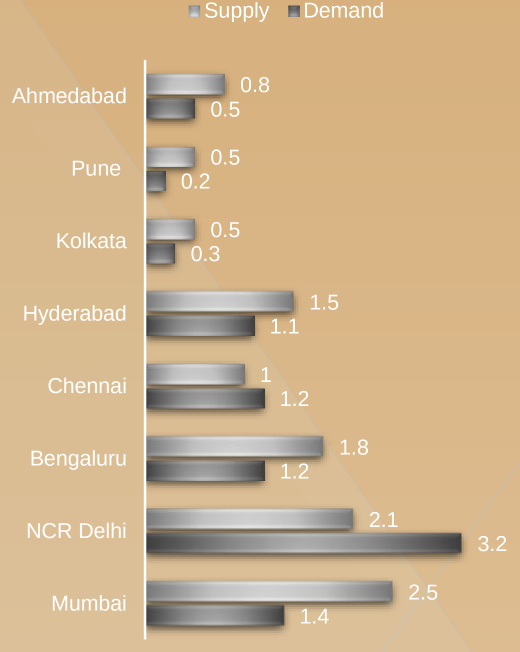
Indian Retail Real Estate

Before COVID – 19 Pandemic, Indian retail real estate market has been on path of recovery in few major markets after a sluggish movement between 2015 - 2018. Snippet of the market performance is given below:

- The top 8 cities saw retail leasing activity of around 10.6 mn sq. ft. in 2019.
- The share of organized retail gained ground in 2019. While it currently still accounts for only a 8% share of the overall Indian retail market, it is set to reach 13% by 2020 end on the back of government interventions.
- Average vacancy levels have come down to almost 14% in 2019 as against nearly 15% a year ago.
- Total PE inflows in retail touched nearly USD 260 mn between January to September 2019, compared to USD 355 mn in 2018 - an annual reduction of 27%.

TOTAL ABSORPTION	TOTAL SUPPLY	VACANCY
9.1 msf	**10.6 msf**	**14%**

Indian Retail Real Estate Trend in 2019: Demand & Supply in msf



COVID 19 impact: Long road to recovery for Indian Retail Real Estate

The Indian retail realty sector will be one of the sectors which will take a long time to recover. This sector was already fighting multiple challenges such falling space demand, high vacancy space at malls, over supply in few micro-markets and dropping sales for the retailers. In last few quarters, the industry was on path of recovery with global retailers beginning to take keen interest in the burgeoning Indian retail market and as per pre-COVID-19 estimates, net absorptions were looking northwards and vacancies declining. COVID 19 has brought this industry to a grinding halt. India's retail industry that is currently dealing with prolonged store closures could take months to revive as subdued discretionary spends, and a longer than expected need for consumers to stay indoors impacts business for clothing companies, and restaurants.

Estimates put together by RAI, the industry body that represents 13,667 member establishments with 500,000 stores, employing 43 million people, 20-25% of jobs in the sector could be under threat. In a separate report by brokerage firm Edelweiss—analysts estimate that revenues at retailers could be disrupted for another six months. The impact will be felt across all spectrum of retail industry in coming months affecting Demand-Supply, Vacancy and Rentals across all markets.

DEMAND

With consumer spending taking a hit due to extended lockdown, demand for retail space will remain subdued across all major markets. Seasonal retail spending will be impacted due to prohibited to congregate, eating out, recreation and entertainment. Most of the brick mortar retailers will shift to e-retailing segment to revive sales and generate revenue.

There would be a definite decline in space demand in retail segment which could also lead to an increase in lease renegotiations with sale and lease back options. From the tenant side, massive consolidation is expected.

SUPPLY

Most major markets will see deferment in completion of project due to ongoing economic uncertainty. Around 8 msf of retail space is in different phases of construction and was expected to be available by H1 2021. Conscious consumer spending and social distancing will cause possible delays in new leasing activity. Project completion will be a big challenge for most retailers with scarcity of labour and with stricter construction norms.

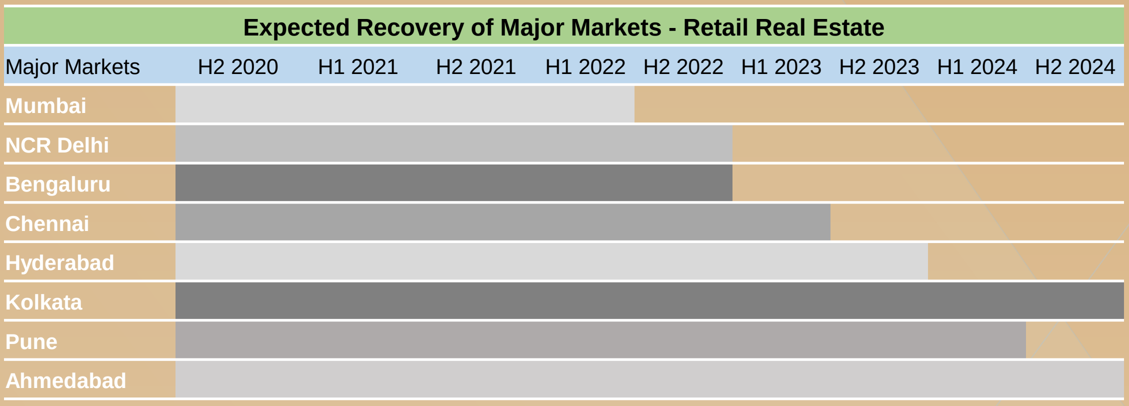
Retailers have to explored new retail formats and on-line shopping formats. Developers and Investors may explore Investment opportunities in terms of acquisition and buyout options as price correction in range of 15% - 20% is expected across all major markets.

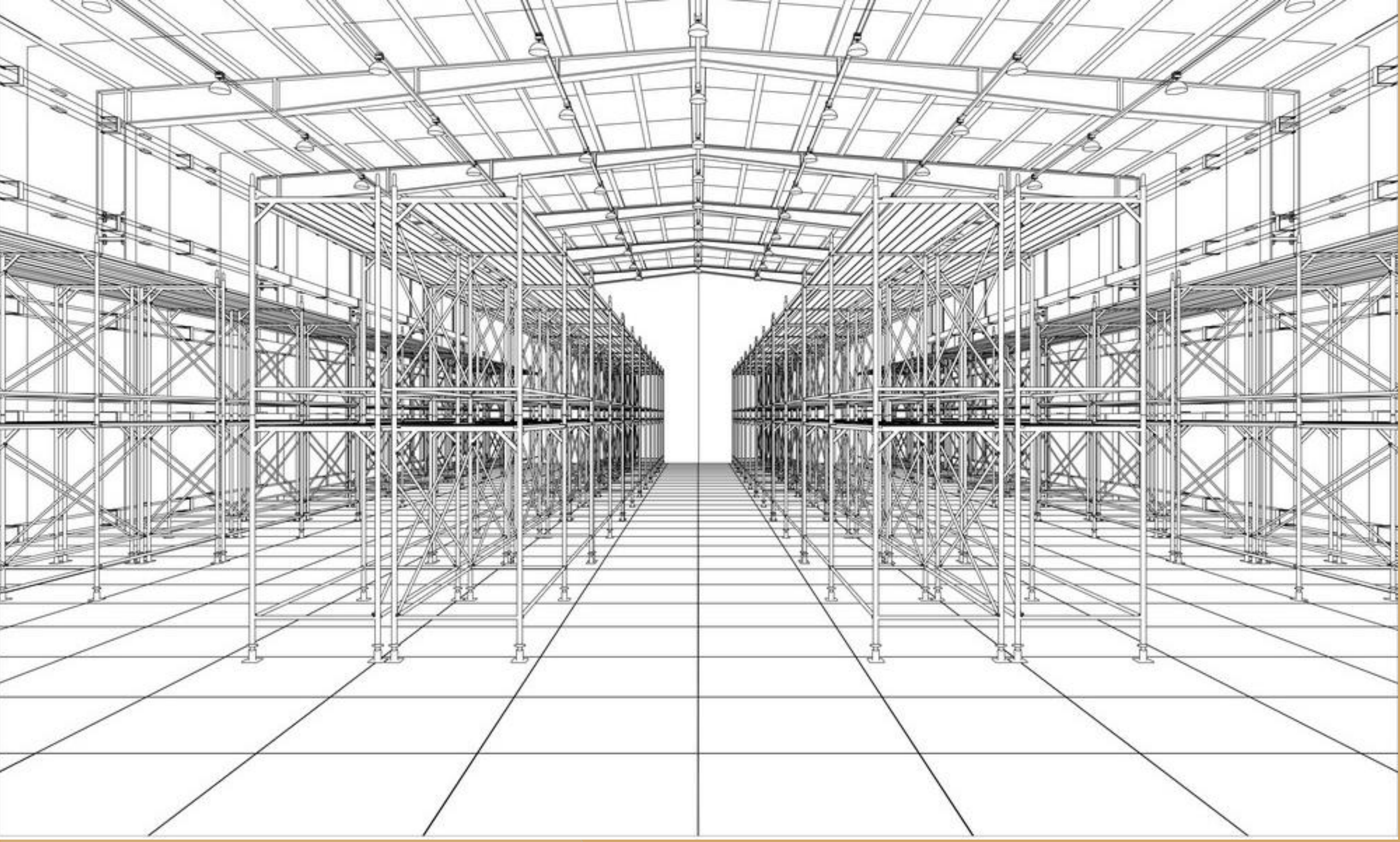
RENTALS AND VACANCY

Rental correction and price consolidation in range of 15% - 20% is expected in all major markets due to decline in demand going forward. Vacancy may reach figure of 30% - 40% in few major markets. Major Markets such as Mumbai and NCR Delhi are expected to recover from the pandemic impact in year 2022 while other tier I cities will take longer.

WAY FORWARD

- Retailers will have to change business models, focus more on online delivery of goods and liquidate stocks once they tide over the lockdown
- Retailers will have to prepare for decline demand, space consolidation and Price correction
- Comprehensive stimulus from the government may help in revival of markets in long term.





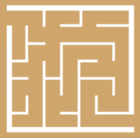
Indian Industrial and Warehousing Sector

Before COVID – 19 Pandemic, Indian Industrial and Warehousing has been seeing sustained activities in terms of demand and supply driven by e-commerce players and FMCGs. Snippet of the market performance is given below:

- In 2019, the total absorption in Industrial and Warehousing segment was 35 mn sq.ft of space across 8 major markets of India.
- Total supply in 2019 touched the figure of 45 mn sq.ft across India. Major markets contributed around 80% of the total supply
- The warehouse industry in India is worth INR 560 billion and is growing at a rate of 10- 12 percent every year.
- E-commerce sector continues to be the major demand drive in this segment followed by FMCG, 3PL (third-party logistics), cold storage, pharma, Engineering & manufacturing and electronics
- With the implementation of the GST reputed developers are entering warehousing sector.

TOTAL ABSORPTION

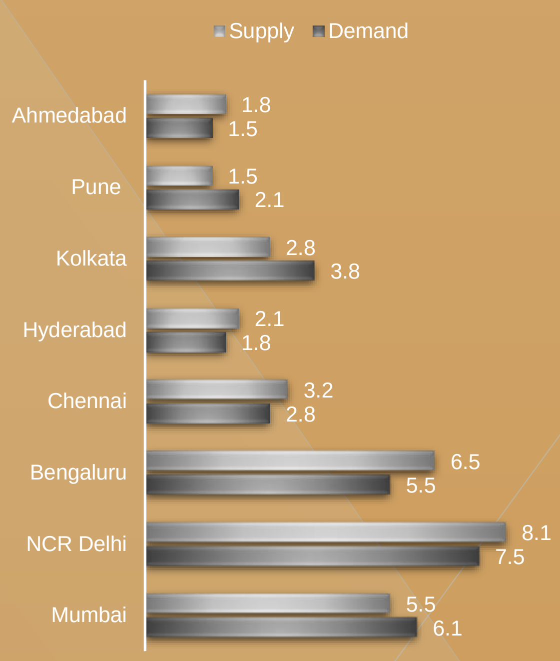
35 msf



TOTAL SUPPLY

45 msf

Indian Industrial and Warehousing Trend in 2019: Demand & Supply in msf



COVID 19 Impact: Indian Industrial and Warehousing Sector is set to gain in long term

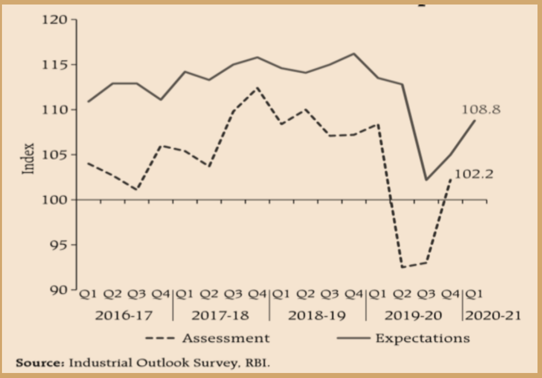
Indian Industrial and warehousing is one of the most critical sectors forming the essential link in the chain that connects the manufacturer to the consumer. Before Pandemic, optimism was witnessed in Industrial manufacturing sector for the quarter January-March 2020 in the Reserve Bank's industrial outlook survey, reflecting expectations of higher production, order books, capacity utilization, employment conditions, exports and overall business situation.

With intensification of COVID-19, a considerable worsening of the key demand indicators is seen in the outlook. According to the purchasing managers' surveys for March 2020, one year ahead business expectations of firms in manufacturing slumped to its weakest level, driven by fears of prolonged disruption from COVID-19. Business expectations of firms in the services sector also fell.

The space demand for Industrial sector is mostly driven by large multinationals and MSMEs. There would be a definite decline in space demand in Industrial segment which could also lead to an increase in lease renegotiations with sale and lease back options. From the tenant side, massive consolidation is expected as a consequence of the pandemic.

The **logistics sector** is one of the few that can take a more aggressive stance, as well as evaluate more acquisition opportunities, according to Industry leaders. The sector has focused on managing the impact of the pandemic on their current asset portfolios and explore new opportunities in the next three to four months. The logistics sector is currently in a growth phase and that the current scenario will just be a bump in the road.

Business Assessment and Expectation



Source: Industrial Outlook Survey, RBI.

Indian warehousing sector is one of the few segments which is set to gain from ongoing Pandemic slutter. As consumer shift to online shopping options for all essential goods, e-retailing, e- commerce and FMCG segment will drive the space demand in warehousing segment.

3PL (third-party logistics), cold storage, pharma, Engineering & manufacturing and electronics sectors are expecting stimulus package from Govt. for overall revival, of these essential segments Going forward, Govt. is expected to focus on manufacturing and industrial segments with policy incentives and huge stimulus package to attract investment. This would create huge space demand in both industrial and warehousing sectors. Most of the major markets in this segment is expected to recover by H1 2022.

Expected Recovery of Major Markets - Industrial and warehousing Sector

Major Markets	H2 2020	H1 2021	H2 2021	H1 2022	H2 2022
Mumbai					
NCR Delhi					
Bengaluru					
Chennai					
Hyderabad					
Kolkata					
Pune					
Ahmedabad					

COVID 19 – Bringing in Paradigm Shift and New Investment Opportunities

Going forward, COVID 19 will bring in a paradigm shift in economy and can be a blessing in disguise if India can convert this pandemic into an economic opportunity through fast policy and strategic approach towards investment.

“MAKE IN INDIA’ – FOCUS ON MANUFACTURING AND INDUSTRIAL DEVELOPMENT

India has potential to emerge as a global leader in Manufacturing Hub, Many counties will be shifting their manufacturing base from China after the “Pandemic” situation. Japan has already initiated the process. USA and other counties may floow the suit.

India with its cheap labour and qualified technical manpower has potential to become an investment destination if proper policy framework, tax incentives and administrative hurdles are addressed. Streamlining Ease of Doing Business processes and right FDI Regulation will certainly provide these shifting businesses the right incentive to shift base to India. Going forward, under the ‘Make in India’ umbrella, Manufacturing and Industrial development should become the focus of Govt. of India. The space demand particularly land and warehousing are set to rise with focus on Manufacturing and Industrial development.

FOCUS ON HEALTH INFRASTRUCTURE

Pandemic has brought the need for Healthcare infrastructure to foreground all over the world. Investment in Health and Hygiene is seen as next big opportunity. Demand for drugs and medicine has spiked up and India may play a leadership role in providing affordable medicine as well as alternate medicine such as AYUSH. With right policy intervention, that momentum can be built upon.

Another reason is that no modern economy can be built with the ragtag healthcare infrastructure India has. The 2019 Global Health Security Index measures countries’ pandemic preparedness on a score of 1-100 based on their ability to prevent, detect, mitigate and cure diseases. The index ranks India at 57 out of 195 countries, indicating that we may be more vulnerable than China (at 51) and Italy (at 31), which have seen the highest number of Covid-19 related deaths till now. India needs to address the existing infrastructure gap.

Promotion of Public investment in healthcare infrastructure will enhance the whole supply chain as well as generate employment for creating a robust ecosystem to address next wave of Pandemics.

India may emerge as alternative Manufacturing base for companies interested to shift base from China

With world reeling under the Pandemic, many world leader are opening putting forth their dissatisfaction and suspicion on the way China dealt with the virus. Businesses across the globe could be looking at India as an alternative to buy finished goods.

Indian companies are now seeing interest from across the globe in purchasing goods. These include products like electronic goods, pharmaceutical products, consumer products, home furnishing and automobiles. This would mean that China, which was known as the world's factory, could be replaced by nations like India.

Experts said that if the infrastructure bottleneck and slow approval process if dealt with efficiency, India could replace China over the next one to three years.

COVID 19 – Bringing in Paradigm Shift and New Investment Opportunities

CHANGING WORK FORCE – WORK SPACE DYNAMICS

As organizations the world over fight to continue business and growth amidst the Coronavirus pandemic, work from home and fexi office times are emerging as new normal. Flexibility in terms of office timing and remote work is already taking center stage. Organizations across the world are encouraging employees to work from home, including startups and corporates in India.

Technology driven platforms will emerge as new collaborative remote work options with Video conference saving a lot of time, transport cost ultimately reducing burden on environment. With thousands of people working from home or quarantined, demand for video conferencing software like Zoom and Google Hangouts Meet has significantly increased. Similarly, a lot of teams might start adopting project collaboration tools like Trello and Asana.

On the other hand, this is the first of its kind situation for employees too. Many of them might be working from home for a prolonged period for the first time. Some of the things they can do at their end are:

- Ensure they have a designated work spot at their house
- Conduct more online meetings and 1:1s
- Set timers
- Find out what works best for both employee and employers
- Shift in perception w.r.t efficiency and effectiveness when working from home

INCREASED USE OF TEMPORARY & PART-TIME WORKERS AND FEWER MIDDLE MANAGERS AND CONSULTANTS

Going forward, there is going to be increase in demand for temporary and part-time workers as companies shift to more on-demand jobs rather than permanent jobs . Recently, thousands are being hired by large firms like Walmart, Amazon, Target, Domino's Pizza, FedEx, and UPS into temporary and part-time jobs due to increased demand as people shift to shopping online and ordering food delivery. While these jobs will lack stability and benefits, they will nevertheless become more common even after the virus is contained. Companies scarred by the response to the pandemic will be reluctant to add full-time roles when they could add flexible roles instead.

In the past two decades, focus on systems and processes to reduce costs of frontline workers has led to more layers of middle managers, analysts, and consultants. With their digital transformation, companies will need far fewer middle managers, project managers, and executive assistants. Managers' jobs should be changed into team leadership roles where the managers produce and coach, as sales managers become sales leaders managing key accounts. With easy-to-use calendar tools and video conferencing systems, there is less need for administrative support. Going forward, Instead of consultants that do management's work, companies will prefer to build capacity of their own employees who know the business far better than any consultant.

ADDRESSING THE CHANGING WORK PLACE DYNAMICS THROUGH REAL ESTATE FORMATS

Real Estate formats, particularly, office space requirement are set to change with social distancing and work place hygiene becoming essential principles for workers

- Bigger office space having individual cabins and toilets will become preferred type of interior setting for investors. Better work environment and spacious offices requirement will push office demand
- Development of suburbs with more affordable office spaces and bigger work space ratio will become investor's preference.
- Real estate buying will increase as a safe and secured investment.

- With digital transformation, work from home options is expected to become preferred mode for offices. This will change the residential space dynamics wherein dedicated space for corner office have to be setup. Requirement for high speed connectivity will become essential requirement while finalizing residential deals

- Brick mortar retail formats would essentially shift to digital platform. More people will be hired on temporary basis to address the on-line shopping value chain. Zero contact ordering and delivery of goods will become essential requirement for e-commerce portals

- Demand for Industrial and warehousing space are set to increase with increase in manufacturing and storage requirements

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