



THE **REIT** CHOICE FOR INVESTORS



▶ BACKGROUND

Nexus Select Trust (NST) is India's largest shopping mall company with a total leasable area of **9.2 million** square feet across **17 malls in 14 cities**. Some of its prominent properties include **Select Citywalk in Delhi, Nexus Koramangala in Bengaluru, Nexus Ahmedabad One, and Nexus Elante in Chandigarh**.

Nexus Select Trust announced plans to launch India's first 'retail' **REIT**. Since NST's REIT was the first such float from a company that focused on shopping malls, the moniker, 'retail', was attached to the REIT. NST planned to raise **Rs 3,200 crore** through the REIT IPO (REIT Issue).

A REIT is a pool of real estate assets that generate regular income. Similar to how a mutual fund collects monies from investors and then invests the same in various instruments, a REIT collects money from retail and institutional investors and invests these funds in realty assets.

Typically, these assets comprise commercial real estate, including offices and shopping malls that generate regular rental income. In the Indian stock market context, the first three REITs – of Embassy Office Parks, Mindspace and Brookfield – were all focused on office spaces.



▶ OBJECTIVES



Generic: Create awareness about REIT as an investment instrument and its benefits vis-à-vis other investment options such as fixed deposits and government securities



Specific: Creating affinity towards Nexus Select Trust REIT among investors



RESEARCH

The PR consultancy reached out to **15 media** professionals covering capital markets and real estate sector from **Mumbai, New Delhi, Bengaluru and Ahmedabad** to gauge their understanding about NST's business and the upcoming REIT issue.

Our primary research yielded four principal insights



Respondents were sceptical about the first retail REIT following lacklustre performance by the previous REITs

Also, since the NST REIT was the first retail asset-focused instrument, media/analysts were unsure about yields



There were also concerns about changes in tax implications for REITs, post Union Budget 2023, since it involved possible impact on earnings

Majority of the respondents were unaware that the Securities and Exchange Board of India had reduced the minimum investment amount in REITs to **Rs 15,000** from the earlier **Rs 50,000**



Through secondary research, we found that retail participation in IPOs has increased post-pandemic, adding fresh numbers to existing retail investor strongholds of Maharashtra (Mumbai and Pune), Gujarat (Ahmedabad, Rajkot, Surat, and Vadodara), Rajasthan (Jaipur), Delhi-NCR, Chandigarh, and Kolkata. The Economic Survey 2022 too had reported that **2.21 crore** new DMAT accounts were opened during April 2021-November 2021.

▶ STRATEGY

Our approach had the following six elements:

Assuage concerns about the yields of the first retail REIT: We highlighted better post tax returns of REITs vis-à-vis FDs and Government Securities, and NST REIT's differentiated offering as the first retail asset based REIT

01

Emphasise that NST REIT is the first such IPO of its genre with minimum investment of **Rs 15,000**, which is ideal for small investors

02

Blackstone has backed the Nexus Select Trust REIT and have also backed the first two REITs which were launched in the country. This reaffirmed Blackstone's commitment to India, where they have built a strong presence for more than 15 years - used this to our advantage by involving the management whilst interacting with key stakeholders to articulate the India's Consumption Story

03



▶ STRATEGY

Our approach had the following six elements:

Focus on all key markets that have maximum number of IPO investors. The cities included Mumbai, New Delhi, Ahmedabad, Jaipur, and Rajkot

04

Concentrate on those cities where NST has shopping malls. The cities included **New Delhi, Chandigarh, Mumbai, Ahmedabad, Pune, Udaipur, and Hyderabad**. We planned this towards attracting local resident-investors, who were already familiar with NST and its malls

05

Engage with media/media analysts, independent analysts, and investment advisors to educate potential non-institutional investors, including retail and high networth individuals about NST REIT's potential returns

06



▶ EXECUTION

Created awareness in media about NST's float being India's first retail REIT, and the first REIT with a minimum investment of Rs 15,000 that offered better return on investment vis-à-vis other instruments.

Initiated and executed more than **40** meetings with key media, analysts and investment advisors. Nexus and Blackstone representatives during the roadshows and multiple interactions, articulated India's consumption story at shopping malls. Media included The Economic Times, ETIG, Mint, Business Standard, The Hindu Business Line, The Times of India, Moneycontrol, Business Today, Fortune India along with new-age media platforms such as 5paisa.com, BQ Prime, Nirmal Bang, Indian News Business and key independent analysts such as AK57.in, Chittorgarh.com, and SP Tulsian Investment Advisors.



▶ EXECUTION



Conducted a media FAM trip to Select Citywalk Mall at Saket in Delhi, which is one of the best performing malls in India. Here, the NST top management and Blackstone representatives briefed the media/analysts from Mumbai and Delhi about the upcoming REIT issue and also assuaged their concerns on expected yield and tax implications. The spokespersons also shared NST's consistent business performance, and the business strategy for future.

Engaged with more than **200** analysts/brokers/wealth managers to maximise outreach to high networth and retail investors.



RESULTS

The PR campaign for NST REIT generated over **1,200 media inserts pan-India; 700-plus were in print and electronic media, while over 500 appeared online.** Prospective investors across 20 key markets, including Mumbai, Pune, Ahmedabad, Rajkot, Surat, New Delhi, Jaipur, Udaipur, Patna, Chandigarh, Lucknow, Kolkata, and Hyderabad, had access to the print and electronic coverage

Over 20 top brokerages and media analysts published reports on the NST REIT issue. Of these, 15 reports were positive with buying recommendations, while others carried factual IPO notes. There wasn't a single report that published a negative outlook

Our engagement with new-age news portals helped us reach out to **13.96 lakh** prospective new-age investors

The NST REIT not only raised **Rs 3,200 crore** but also the float received tremendous demand from investors across categories. While overall subscription was **5.45 times**, the non-Institutional Investors portion (high networth and retail investors) was subscribed **6.22 times** and the Institutional Investor portion was subscribed **4.82 times**

The issue received a record-breaking response – for a REIT issue – with over **1.55 lakh applications** vis-à-vis the first three REITs that saw 7,732 (Embassy), 50,157 (Mindspace) and 44,487 (Brookfield) applications respectively.

MEDIA COVERAGE

Nexus Select Trust to double its mall portfolio in 4-5 yrs

Global investment firm Blackstone-sponsored Nexus Select Trust plans to double its portfolio of shopping malls in next 4-5 years to 20 million square feet through acquisition mode.

Nexus Select Trust has acquired 17 shopping malls since the 2015-16 fiscal year and intends to grow its business inorganically. The company has no plans to develop green-field shopping malls. Nexus Select Trust has bundled all its 17 malls, including the 5 lakh square feet 'Select City Walk' in South Delhi, under REIT (Real estate investment trust) structure and will soon launch initial public offer (IPO).

According to sources, Nexus Select Trust is likely to hit the capital market in early May with India's first retail REIT IPO to raise up to ₹4,000 crore. In November last year, Nexus Select Trust had filed the draft red herring prospectus (DRHP) with market regulator Sebi to launch its retail REIT.

Nexus Select Trust has a portfolio of 17 operational shopping malls across 14 major cities, covering 9.8 million square feet area valued around ₹23,000 crore.

According to sources, Nexus Select Trust would continue its strategy to acquire Grade-A shopping malls to expand its portfolio. It also makes investment, if needed, to upgrade the facilities in malls. There are 100 premium shopping malls in the country, of which 40 are owned by large players.

Therefore, the remaining 60



The company has a portfolio of 17 operational malls. **BLOOMBERG**

malls could be potential acquisition targets for Nexus Select Trust, sources said.

Many mall owners are willing to put their assets under Nexus REIT, they added.

Sources said Nexus Select Trust intends to double its mall portfolio to 20 million square feet in the next 4-5 years.

Blackstone spokesperson declined to comment.

As per the sources, Nexus Select Trust is expected to get Sebi approval for its IPO soon.

The size of the IPO of Nexus Select Trust REIT will be around ₹4,000 crore, of which ₹1,600 crore would be the primary offering of shares.

The part of the proceeds will be utilised to bring down debt, which stood at ₹4,500 crore at the end of June quarter.

This will be the third REIT sponsored by Blackstone.

It launched India's first REIT named Embassy Office Parks REIT and then Mindspace Business Parks REIT. The REIT, a popular instrument globally, was introduced in India a few years ago to attract investment in the real estate sector by monetising rent-yielding assets.

Nexus Select Trust REIT IPO: India's first rental yielding retail REIT opens. Should you subscribe?

By Akash Podishetti, ETMarkets.com • Last Updated: May 09, 2023, 10:34 AM IST

Synopsis

Nexus Select Trust plans to raise Rs 3,200 crore through a 3-day IPO opening on 9 May. The firm is the owner of India's largest mall platform consisting of 17 assets. The trust will become India's first REIT with rent-yielding retail estate assets, with the IPO comprising a fresh offering and OFS portion worth up to Rs 1,800 crore.



Blackstone-backed Nexus Select Trust, owner of India's largest mall assets, is coming up with a real estate investment trust issue to raise Rs 3,200 crore.



Nexus Select Trust raises Rs 1,440 crore via fully subscribed anchor book

By Kailash Babar, ETMarkets.com • Last Updated: May 08, 2023, 08:52 PM IST

Synopsis

The anchor book represents over 45% of the Rs 3,200-crore Initial Public Offering (IPO) that is scheduled to open on Tuesday and close on Thursday. The price band for the offer has been fixed at Rs 95-Rs 100 per unit.



The Blackstone Group-backed Nexus Select Trust, India's maiden retail assets-led Real Estate Investment Trust (REIT), has raised over Rs 1,440 crore through its anchor book that is fully-subscribed by a total 16 institutional investors.

The anchor book represents over 45% of the Rs 3,200-crore Initial Public Offering (IPO) that is scheduled to open on Tuesday and close on Thursday. The price band for the offer has been fixed at Rs 95-Rs 100 per unit.



Market Dashboard

TOP GAINERS TOP

Nexus Select Trust REIT IPO opens for subscription today; should you subscribe to Rs 3200-crore public issue?

The Blackstone-backed Nexus Select Trust REIT IPO opened for subscription on 9 May. Should you subscribe to the Rs 3,200 crore issue? Here's what analysts say.

Written by **Zoya Siddiqui**
May 9, 2023 10:08:51



Blackstone-sponsored Nexus Select Trust has raised Rs 1,440 crore from anchor investors on 8 May.

Nexus Select Trust REIT IPO: Blackstone-backed Nexus Select Trust REIT's Rs 3,200 crore IPO opened for subscription on 9 May. The issue's price band has been set at Rs 95-100 per unit. The public offering comprises a fresh issue of units up to Rs 1,400 crore and an offer for sale (OFS) component with unitholders offloading units up to Rs 1,800 crore. The issue size was earlier proposed to be Rs 4,000 crore.

Not more than 75% of the offer is allocated for institutional investors and 25% of the IPO is reserved for non-institutional investors. Additionally, the manager may allocate up to 60% of the institutional investor portion to anchor investors on a discretionary basis. For REIT IPOs, NIs are those who purchase units.

Nexus Select Trust REIT eyes ₹3,200-cr IPO mop-up

Janaki Krishnan
Mumbai

The offer size of Blackstone-sponsored real estate investment trust, Nexus Select Trust's initial public offer of units, has been fixed at ₹3,200 crore, according to the final offer document filed with the stock exchanges. The offer size consists of a fresh issue of ₹1,400 crore and an offer for sale by its sponsors worth ₹1,800 crore.

STRONG DEMAND Earlier the issue size had been estimated at ₹4,000 crore, with a higher amount being offered under the OFS portion. Sources indicated that the selling shareholders Blackstone and Select CityWalk promoter had decided to withhold and sell fewer units under OFS due to the strong demand in the malls and they see good value in holding on as consumption is surging across urban centres.

There will also be a placement to anchor investors, sources indicated. The offer will be open for subscription from May 9 to 11, the timeline of events showed. The listing is expected to be

around May 19. It had been reported by *businessline* last week that the REIT had obtained approval from Securities and Exchange Board of India to file the final document.

Nexus Select Trust is the first retail-focused REIT in the country and the portfolio of assets consist of 17 malls spread across 14 cities and 9.2 million square feet. There are also three offices and two hotels.

As on December 31, 2022, the malls had a committed occupancy of 96.2 percent and a total market value of ₹21,146.6 crore.

For the nine months to December 31, 2022, Nexus Select Trust reported a net profit of ₹257 crore on revenue of ₹1,463 crore of which mall rentals accounted for the bulk at ₹1,259 crore.

Nexus Select Trust REIT IPO subscribed 28% on Day 1

PRESS TRUST OF INDIA
New Delhi, May 9

THE INITIAL PUBLIC offering (IPO) of Nexus Select Trust, the first REIT backed by rent yielding retail real estate assets, was subscribed 28% on the first day of subscription on Tuesday. The ₹3,200 crore-share sale received bids for 5,00,49,000 units against 17,60,00,100 units on offer. The REIT is sponsored by Blackstone.

The non-institutional investors category got subscribed 42% while qualified institutional buyers (QIBs) portion received 17% subscription, as per an update.

On Monday, Nexus Select Trust raised ₹1,440 crore from anchor investors. The offer includes fresh issue of units worth up to ₹1,400 crore and an offer for sale (OFS) of up to ₹1,800 crore.

The company has fixed the price band at ₹95 per unit to ₹100 per unit for the issue scheduled to close on May 11.

Nexus Select Trust has a portfolio of 17 operational shopping malls, including Delhi's premium Select City Walk, across 14 major cities covering a 9.8 million sq ft area. It operates two hotels with 354 keys, and also office spaces as part of mixed use development.

Aditya Birla Money Ltd.

ADITYA BIRLA CAPITAL

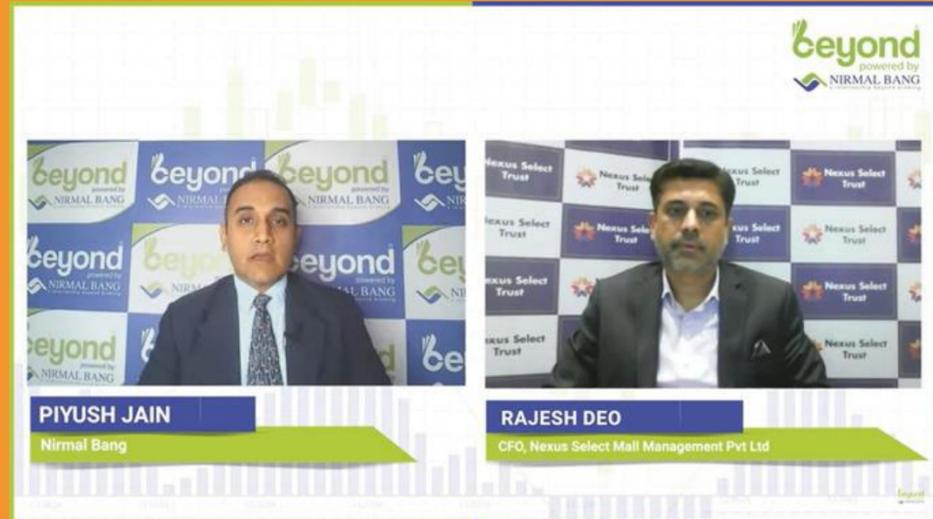
IPO Note- Nexus Select Trust REIT

08 May 2023

Nexus Select Trust REIT (Nexus REIT) was registered with SEBI on September 15, 2022, as a real estate investment trust (REIT). They are the owner of India's leading consumption centre platform of high-quality assets that serve as essential consumption infrastructure for India's growing middle class (Source: CBRE Report, by Completed Area). Nexus REIT is expected to be the first publicly listed consumption centre REIT in India upon the listing of their units on the stock exchanges. Their portfolio comprises 17 best-in-class Grade A urban consumption centres with a total Leasable Area of 9.2 msf, two complementary hotel assets (354 keys) and three office assets (1.3 msf) as of 9MFY23.

Rating	SUBSCRIBE
Issue Details	
Issue Opens	09-May-23
Issue Closes	11-May-23

MEDIA COVERAGE





THANK YOU!