

# Delhi Affordable Housing Investment Opportunity

## PORTFOLIO INVESTMENT THESIS

**“You don’t have to be a millionaire to invest in real estate — but real estate can make you a millionaire.”**

-Grant Cardone

Delhi NCR, the capital city of the country and the largest urban agglomerate in the country is a thriving Real Estate market and the engine of North India’s Urban Growth. Encompassing key hubs like Gurugram, Noida, Greater Noida, Ghaziabad, and Faridabad, the National Capital Region (NCR) forms one of the largest and most active residential markets in the country. Post-pandemic, the region has seen a strong resurgence in housing demand, driven by infrastructure upgrades, improved connectivity, and rising aspirations of a diverse, upwardly mobile population. NCR residential market’s growth is supported by infrastructure development including major projects such as the Delhi-Mumbai Expressway, Regional Rapid Transit System, Dwarka Expressway, Jewar Airport and metro network expansions which have significantly improved connectivity driving interest toward emerging corridors and peripheral locations and are expected to unlock long-term growth prospects across newly developing micro-markets. While NCR has historically been an investor driven market shaped largely by speculative activity, the sentiment is gradually shifting toward an end-user-focused market with a focus on affordable/mid-end housing segments. With an aim to tap the same, a portfolio of affordable, Residential Apartments that potentially delivers long term capital appreciation and rental income shall be curated for you by a team of experts.

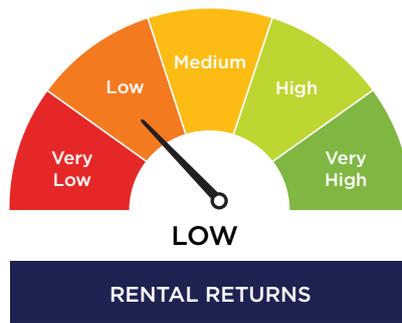
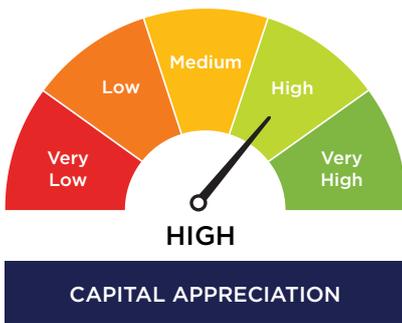
## Why Residential Real Estate is superior to Commercial Real Estate in long run?

- Residential real estate delivers far greater capital appreciation driven by sustained demand for housing in Delhi NCR.
- Residential rentals increase at a faster pace driven by inflation as against Commercial rentals which increase at 3-5% on a contractual basis.
- Residential real estate is easier to sell because there is demand from both investors and end users. Commercial real estate is predominantly owned by investors/ investment platforms.
- The pandemic has triggered a fundamental shift in Commercial real estate occupancy rates due to work from home & flexi-working.
- Commercial real estate demand has seen a significant move towards managed office spaces(Co-working) & Grade A institutional office spaces owned by REITs & Large real estate developers. So, Commercial spaces in small & mid-sized buildings continue to suffer from lower occupancy rates as well as soft rentals with the trend expected to deteriorate further, making them a poor investment alternate to Residential real estate.
- Residential real estate is less likely to get impacted by macro-economic shocks.
- Commercial real estate is more "chunky" than Residential real estate meaning a single Rs.100 cr single commercial asset as against 100 apartments worth Rs. 100cr.
- Property taxes & Maintenance is generally higher in the case of Commercial real estate

## Why Delhi NCR

- Major infrastructure projects like the Delhi Metro Phase IV, Dwarka Expressway, and Delhi-Mumbai Expressway are greatly improving regional connectivity and driving property appreciation.
- Suburban property prices in areas like Noida, Faridabad, Ghaziabad and pockets of Gurugram are more affordable than central Delhi, attracting middle-income buyers and investors.
- A mix of modern apartments, plotted developments, and integrated townships cater to diverse budgets and lifestyle needs.
- Emerging business, industrial and IT hubs across NCR are generating employment and boosting housing demand nearby.
- The rise of co-working spaces/flexible offices and warehousing hubs across NCR reflects the region's adaptation to new-age work and business trends. highlighting the demand for mid-end/affordable housing.
- Government-backed affordable housing initiatives and incentives as well as improved civic amenities make the hubs of NCR attractive for both end-users and investors.

**DELHI AFFORDABLE HOUSING INVESTMENT OPPORTUNITY**



Potential Long Term Alt.SQFT Price	~Rs 25,400.00
Potential Long Term IRR	~11.0%
Potential Long Term Investment Multiplier	~2.57X

## Investment Rationale

- Build a portfolio of residential apartments in Delhi-NCR with strong potential for capital appreciation and steady rental income.
- Focus on reputed developer projects in prime and emerging localities, which historically deliver superior price growth and rental returns
- A mix of completed apartments by reputed developers and under-construction apartments by Grade A developers in gated communities, shall be acquired under this opportunity

## Investment Strategy: “The Sequential Asset Acquisition” Strategy

- Co-invest in a mix of developed and select under-construction residential apartments in Delhi-NCR, shortlisted and analyzed by Colliers from top developers developers, ensuring best-in-class quality, amenities, and specifications.
- Properties will be acquired sequentially through the SPV (LLP) over four years, following pre-defined acquisition parameters detailed in Annexure A, with investor consent via digital voting.
- The SPV will raise capital multiple times from partners to purchase identified properties, following the PO & TradeX processes outlined in the investment documents.
- Any excess capital will be held as an Adjustment Reserve for acquiring additional properties, returned proportionately to investors, or retained as a Contingency Reserve.

## Benefits

- **Reduce risk** - Investing in a diversified portfolio of properties.
- **Convenience** - Easy to buy & sell, 1 SQFT at a time.
- **Hassle free** - Professional property management services by Master Property Manager (MPM).
- **Long-term Investment Profit**
  - Long-term capital appreciation.
  - Periodic rental income.
  - Alt DRX’s unique community Benefits plan.

<sup>1</sup> SPV- Special Purpose Vehicle is an entity into which you invest, which in turn purchases the properties.

## STAGES

Opportunities for investors are in 2 stages, detailed below.

DESCRIPTION	STAGE 1	STAGE 2	
	Private Opportunity (PO)	Bulk Discount (BD)	TradeX
<b>Minimum Investment Size</b>	~Rs 10 Lakh	~Rs 3 Lakh	Less than Rs. 20,000 (1 Alt.SQFT)
<b>Investment Details</b>	<ul style="list-style-type: none"> <li>20% of investment towards Partner's Capital in the SPV</li> <li>80% of investment into Alt.SQFT issued by the SPV</li> </ul>	Alt.SQFT are recorded as loans in the SPV. They are Tradeable Digital Assets on the Alt DRX platform	
<b>Income Distribution Profile</b> <ul style="list-style-type: none"> <li><b>For Partnership rights</b></li> </ul>	<ul style="list-style-type: none"> <li>Periodic Distribution of Profit Share</li> <li>Repayment of Partner's Capital</li> </ul>	NA	
<ul style="list-style-type: none"> <li><b>For Alt.SQFT</b></li> </ul>	<ul style="list-style-type: none"> <li>Periodic Distributions of Interest</li> <li>Repayment of Alt.SQFT's Face Value + applicable Terminal NDCF <sup>2</sup></li> </ul>		

<sup>2</sup> NDCF- Net Distributable Cash Flow

# DELHI AFFORDABLE HOUSING INVESTMENT OPPORTUNITY

Invest in Delhi Affordable Housing 1 Alt.SQFT at

## Investment Size and Price Band

- Minimum Investment Size: 1 Alt.SQFT
- Price Band: Rs 9,700 - 10,100/ Alt.SQFT

## Investment Highlights

- ~ 2.57x Potential Long Term Capital Gain\*
- ~ 11 % Potential IRR\*
- ~ Rs 25,400/- Potential Long Term/Alt.SQFT Price (8-10 years)\*

### Potential Long term Investment Return for Investors Participating in the TradeX Stage

DESCRIPTION	YEAR 0	YEAR 8	YEAR 9	YEAR 10
Alt.SQFT Price Band in TradeX Stage	Rs 9,900			
No. of Alt.SQFT Purchased	10			
Entry Value of the Investment*	Rs 99,000			
No. of Alt.SQFT Sold		3	3	4
Potential Exit Value, assuming investor sells 1/3rd of their holdings in the 8th, 9th & 10th year respectively		Rs 61,722	Rs 68,580	Rs 1,01,600

\*The potential returns of the investment cannot be guaranteed.

\*The above illustration depicts specific Investment scenario where investor sells 1/3rd of Alt.SQFT in the 8th, 9th & 10th year respectively. Returns may vary with different exit scenarios.

## Master Property Manager- MPM

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The Buying SPV shall pay the Master Property Manager (MPM) fees, as mentioned in the investment documents. The Upfront fees payable by the SPV to the MPM for the first ten years of management, shall be utilized by the MPM to invest in the SPV's Alt.SQFT

## Alt Platform Fees

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For every Alt.SQFT bought & sold on the platform, a transaction fee (plus applicable taxes) will be charged to the user and the same will be displayed on the platform "Alt DRX".

## Buying & Selling of Alt.SQFT

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Buying & Selling of Alt.SQFT: The Users are free to sell the Alt.SQFT bought by them in PO (Stage1) to other users in TradeX or BD (Stage 2), once it opens on the Platform, at a price & timing of their choice.

The platform shall periodically intimate the Users of the potential & indicative Daily Market Price (DMP) of their Alt.SQFT. The Users are however free to buy and sell their Alt.SQFT at a price different from DMP announced on the platform, subject to prudential restrictions. The speed of order execution and price realized by the Seller of Alt.SQFT is subject to a willing counterparty being available on the platform and is not guaranteed by the platform. The platform is merely a digital marketplace for prospective buyers and sellers of Alt.SQFT to find each other.

## Community Benefit Program

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Upon the Alt DRX Community reaching a critical mass of users, social commerce & community Benefit Program will commence.

## SPV's INDICATIVE CAPITAL STRUCTURE FOR THE FIRST 1000 Alt.SQFT\*

<b>Partner's Capital</b> (Contribution from Investors)	<b>Rs 20,99,999.25</b>	Against 90% of SPV Rights
<b>Loan from Partners'</b> (Contribution from Investors)	<b>Rs 83,99,997.00</b>	Against issuance of 900 Alt.SQFT
<b>Economic Value Prior to Property Purchase</b>	<b>Rs 1,04,99,996.25</b>	
<b>Investment Tokens</b> (i.e. Alt.SQFT) reserved for Master Property Manager's (MPM) Investment	<b>Rs 9,33,333</b>	100 Alt.SQFT
<b>Economic Value Post Property Purchase &amp; appointment of MPM</b>	<b>Rs 1,14,33,329.25</b>	

## ANNEXURE A

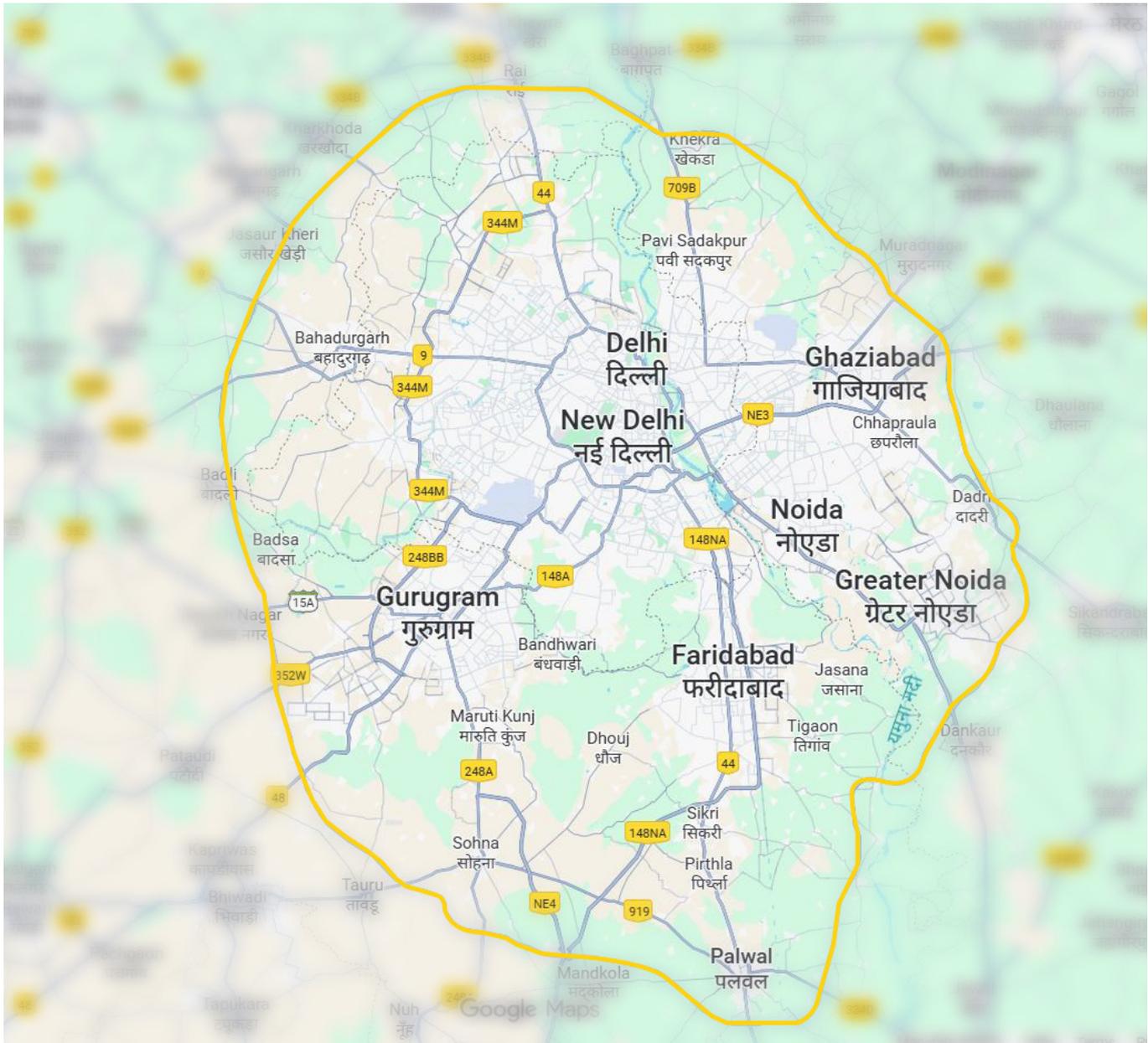
### Portfolio Purchase Parameters that are Pre-notified and consented to by all the Partners & Alt.SQFT Holders

PARAMETER	RESTRICTIONS
<b>Buying Special Purpose Vehicle ( SPV )</b>	AREIP SERIES A0017 LLP All properties to be purchased as per the parameters mentioned herein shall be done so in the above mentioned SPV. This SPV shall also propagate Social Commerce between the Partners, Vendors, Lenders and Affiliates of the buying SPV
<b>Property Type</b>	<ol style="list-style-type: none"> <li>Mix of ready to occupy and under construction residential properties. (At any given point of time, number of under-construction properties owned by SPV shall not be more than 50% of total number of properties owned)</li> <li>Residential apartments (Studio, 1BHK to 3BHK)</li> </ol>
<b>Targeted locations in which properties shall be acquired</b>	<ol style="list-style-type: none"> <li>Located in Delhi NCR including surrounding hubs like Gurugram, Noida, Greater Noida, Ghaziabad and Faridabad</li> <li>Within an aerial distance of 75km from Connaught Place.</li> <li>Within 25 kms of Eastern or Western Peripheral Expressways in NCR</li> </ol>
<b>Maximum Properties per Project</b>	Not more than 15 (Fifteen) independent Properties per project. A project is defined as one gated community with one or more towers
<b>Maximum value of properties &amp; capital raise in the SPV</b>	Not more than 50 (Fifty) Properties subject to an overall cap on the capital raise by the LLP not exceeding INR 50 crs. This Cap of INR 50 crs may be reduced/ increased by LLP based on relevant regulatory/statutory guidelines/advice
<b>Maximum tenor for SPV to sequentially purchase assets</b>	<p>Not more than 4 years from the date of first purchase of properties (Date of registration of Sale Deed/Agreement executed between SPV and Seller). Hence towards this, the SPV shall sequentially raise capital (Partners Capital &amp; Loan from Partners) from existing and new partners, in order to fund such property purchase</p> <p>Post 4 years and subject to all other conditions / limitations mentioned in this Portfolio Purchase Parameters, the Partners may choose to buy additional properties only under the following 2 conditions</p> <ol style="list-style-type: none"> <li>If the new property to be acquired is located within the same residential project in which the SPV already owns a property (or).</li> <li>If the new property is brought in by its current owner as their capital contribution into the SPV. Meaning the seller of the property contributes Capital (Partners Capital &amp; Loan from the Partner) as required by the SPV, so as to facilitate the SPV to purchase their property</li> </ol>
<b>Maximum Purchase Value of a Single Property</b>	Purchase consideration is to be not more than INR 3,00,00,000 (Indian Rupees Three Crores) per property (excluding taxes, stamp duty and registration, furniture and adjustment reserve, contingency reserves for repairs and maintenance, advance maintenance charges and corpus charges payable to seller and such other miscellaneous charges payable). This limit shall be revised every month at an annualized rate of 10% (Ten percent) to factor in for inflation, during the 4 (Four) years tenor where this SPV shall purchase Properties sequentially. In the absence of Saleable area of the Property being mentioned in the Property Title docs (such as and including Sale Deed, Agreement to Sell, Architect Statement, Property Cost Sheet), the Saleable area will be considered as 175% of Carpet Area

<b>Property Usage</b>	Long stay or short stay rentals or family rentals or co-living or serviced apartments or retirement homes for completed properties.
<b>Property Valuation by accredited IBBI Valuer</b>	The purchase price of every property to be bought by the SPV shall be not more than 5% (Five percent) of its valuation by an accredited IBBI valuer
<b>SVP Partners' Contribution</b>	The SPV's Partners, not exceeding 200 in number, vide their contribution to the Partners' capital, shall at all times hold not less than 15% of the total capital raised by the SPV as Partners. Total Capital Raised by the SPV in this context shall be mean the total value of Partners' Capital and Loans recorded in the Books of Accounts of the SPV. SPV's Partners' shall not be permitted to transfer their Partnership rights, until 3 months after the completion of Maximum tenor for SPV to sequential purchase assets from the date of their investment as mentioned above.
<b>Maximum Capital Raise per sq.ft Saleable Area (MCR/Sq.ft)</b>	<p>The MCR/SQFT shall be INR 10,500/Sq.ft. (Indian Rupees Ten thousand and five hundred per square foot) of saleable area in order to enable the SPV to purchase the intended Property and to meet related property expenses such as taxes, stamp duty and registration, furniture and adjustment reserve, contingency reserves for repairs and maintenance, advance maintenance charges and corpus charges payable to real estate developer and such other miscellaneous charges. This limit shall be revised every month at an annualized rate of 12% (Twelve percent) to factor in for inflation, during the 4 (four) years tenor where this SPV shall purchase properties or sequentially.</p> <p>Since the SPV shall purchase properties sequentially, the price and area of one may vary from that of the other. To eliminate nuance arising from this, the capital to be raised for every property purchase shall be standardized to specific amount of amount per square feet of saleable area of the said Property that is intended to be purchased (MCR/SQFT). Any excess capital raised / unutilized cash / bank balances, held by the LLP and duly identified by the MPM from time to time, shall be retained as reserves and be utilized by the LLP towards purchase of Properties and for such other expenses of the business of the LLP. The Partners agree and understand that any amount retained as reserves may also be invested in short term bank deposits or Liquid Mutual funds or other liquid assets of higher quality such as treasury bills, commercial papers, certificates of deposits, etc. till deployment of such capital towards purchase of Properties and the business of the LLP. The adjustment reserve that is not utilized towards the above shall be returned proportionately to all the LLP's investors in proportion to their contribution</p>
<b>Push Voting Rights and the corresponding restrictions one row up and push Deviations row down to the end</b>	Any deviations while purchasing a property, shall be executed only with the prior consent through the voting methodology listed in the reserved matters section of the LLP Deed & Loan agreement
<b>Voting Rights</b>	Any property purchase, even in accordance with the Portfolio Purchase Parameters, shall be executed only if 76% of the Partners and Alt.SQFT holders do not vote against the purchase, through the voting methodology listed in the reserved matters section of the LLP Deed & Loan Agreement

## ANNEXURE B

### TARGETED LOCATIONS IN WHICH PROPERTIES SHALL BE ACQUIRED



The properties shall be located within 75km aerial distance from Connaught Place, New Delhi and within 25km from the Eastern or Western Peripheral Expressways

\*Map is NOT as per scale. It is included here merely for the purpose of giving the readers an indicative/ approximate visual imagination for the areas within in NCR where properties shall be identified for purchase

## PORTFOLIO DETAILS

Sr. No	Property Details	Weightage	Real Estate Entry Benefit	Expected Rental Income Per Month
1	<b>Coming Soon...</b>			

## Investment Risks & Possible Mitigants

Risks		Multiple Mitigants
<b>Investment Returns are NOT Guaranteed</b>	No investment made by You on the Alt DRX Platform ensures You a return in any form or ensures to fully preserve the amount invested by You. With any Property related investment, there is a risk that You may not earn any return as it depends on the performance of the Properties held by the SPV LLP. The projections and the forward-looking statements made by the Company on a particular Property, only indicates projected and expected returns on any Properties which may vary depending on the performance of the Properties.	Investment Opportunities listed on Alt DRX attempt to prioritise "Safety" over "Returns" in the following manner  # Most SPVs purchase only Ready to Occupy properties
<b>Market Risk</b>	Any adverse movement in market sentiments or economic parameters may affect the value of Your investments or reduce the income generated by it.	# SPVs purchase properties post a title due diligence from a reputed law firm and after it is independently valued by an accredited agency
<b>Price Risk</b>	Any upward or downward movement in the value of the Property/ Properties held by the SPV or any upward or downward movement in the Alt.SQFT value and/ or Partnership Rights held by You shall affect Your investment. The price of Alt.SQFT & Partnership Rights may or may not always be directly co-related to the fair market value or net asset value or Property value and this too may affect Your investment.	# Most SPVs strive to diversify their investments into multiple properties so as to spread the risk over a wider portfolio of assets
<b>Performance Risk</b>	The Property/ Properties held by the SPV LLP in which You have invested may perform below its optimum performance or perceived potential, earning lesser rents or profits every year, thereby affecting Your investment.	# Investors in the SPV have a right to vote in various operational matters of the SPV, thereby having an ability play an active role in the quality of investments it makes
<b>Illiquidity Risk</b>	The SPV may not be able to sell the Property/ Properties held by it, thereby affecting its ability to make the repayment of the principal value of the Alt.SQFT on its maturity. Further there may not be enough buyers or sellers for specific Alt.SQFT, thereby affecting Your ability to either sell Your Alt.SQFT or buy more of them.	# You can invest / divest from an Alt.SQFT at a time, quantity and price can be of Your choice as per Your independent assessment (however subject to liquidity risk)
<b>Ecosystem Risk</b>	Real estate investments, in India is subject to change in laws, regulations & rules, including acquisition of property by the government for public utilities, changes in tax laws etc. Such actions may adversely affect the Property as well as the investment You made.	# Each SPV's day to day affairs are managed by its Designated Partners/ Master Property Manager who have prior knowledge & experience of Real Estate in India
<b>Legal Risk</b>	Real estate in India suffers from lack of title insurance, opening the Investment Opportunity that You have participated in to legal disputes after its purchase by the SPV LLP. The Investment Opportunity in which You have participated in, may also be adversely affected by legal disputes with its occupiers, service providers, statutory bodies etc., affecting Your investment.	
<b>Acts of God</b>	Destruction of Property or disruption in its utility due to acts of God may affect the investment made by You.	

## Disclaimer

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Participation in this opportunity is subject to the Platform [ [Terms of use](#) ] and [ [Privacy Policy](#) ]. Nothing contained herein shall be construed to mean an offer or an invitation to make an offer to SPV for investing in the project. An offer shall only be considered to be made to such persons to whom a private placement memorandum has been provided on a private interaction basis. This document is merely informative and not meant as an offer to, or invitation to any person to make an offer to, make an investment in the project or the property or as a solicitation for investments. The Buying SPV and Alt DRX Private Limited expressly disclaims any obligation to release publicly any updates or revisions to any statement contained in this Information Memorandum.

The investment outcome forecasts are for information purposes only and are only indicative in nature. The numbers are determined based on certain assumptions, hypothetical calculations, financial estimates and estimated returns which may fluctuate from time to time depending on business strategies adopted by the SPV, changes to the Indian economy, market volatility, force majeure events, and any other factors that may be beyond the control of the SPV. The above statements should not be construed as a statement of assurance of secure investments or guaranteed returns. The investments may vary subject to market volatility and all investments remain subject to market risk. The participant must carefully evaluate the investment opportunity, including the complete set of risk factors before investing in the same.