

CREATING RESILIENCE

MSMEs Unleashing the Engines of Economic Prosperity

CBRE RESEARCH
JANUARY 2024





Contents

01

MSMEs In India:
A Macro View

02

The Real Estate
Paradigm

03

Outlook

01

MSMEs In India: A Macro View



MSMEs in India: A Macro View



2.1 Crore

MSMEs registered under Udyam*



30%

Contribution of MSMEs to India's GDP**



14 Crore

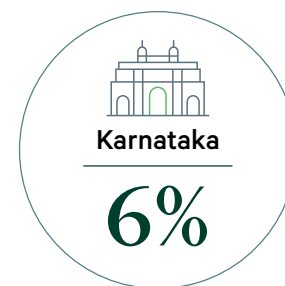
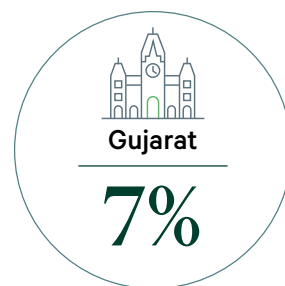
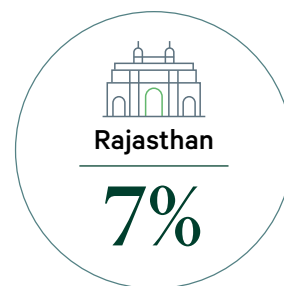
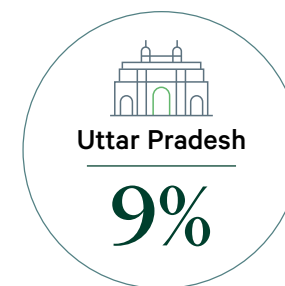
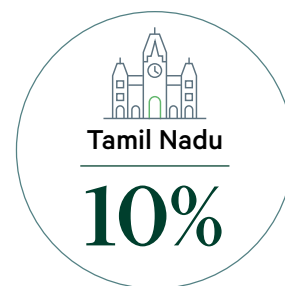
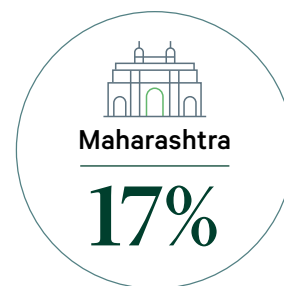
No. of people employed in the sector*



44%

Share of MSMEs in total exports**

Top 6 states by MSME registrations through Udyam^



MSME ambit in real estate

CONSTRUCTION FIRMS

Builders involved in the end-to-end construction of developments especially in the domains of housing, industrial and warehousing

CONTRACTORS

Managing different stages of construction, monitoring work on site, providing specialised services such as masonry, vendor management, hiring and overseeing labour

SUPPLIERS

Suppliers of cement, steel and other building materials

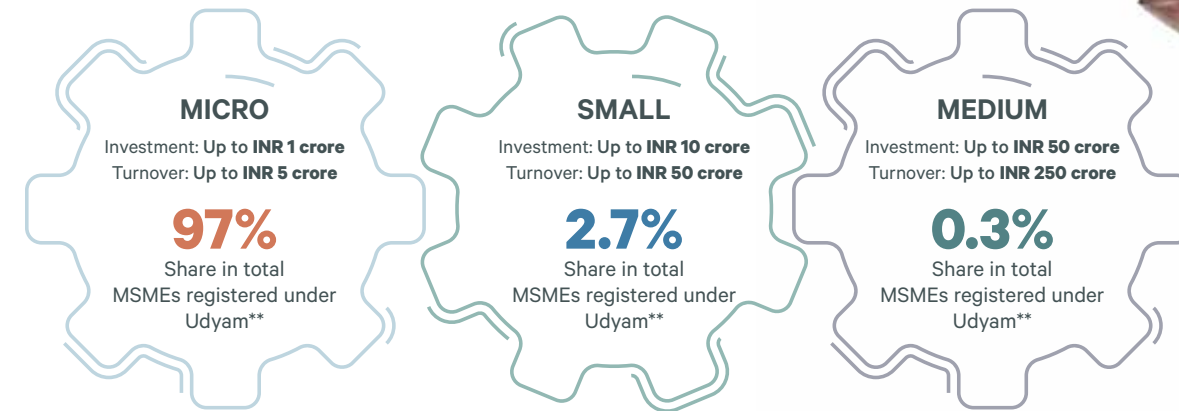
Source: *Under Udyam registration portal as of 28 November 2023, definition as per Udyam Scheme; **Press Information Bureau, Role of MSME in the country, August 2023 (data for 2021-22), exports data for 2022-23; ^MSME Dashboard, Ministry of Micro, Small & Medium Enterprises, GoI, 2023; CBRE Research, Q4 2023

MSMEs underscoring India's economic might

India's economic growth is firmly anchored by robust industrial activity, infrastructure spending, and strong domestic demand. The micro, small, and medium enterprises (MSMEs) sector has always been a steadfast pillar of the Indian economy, providing resilience in the face of global economic shocks. Their development is crucial to achieving national imperatives such as financial inclusion and generating significant employment opportunities across urban and rural areas. Furthermore, MSMEs nurture and foster the growth of new-age entrepreneurs with the potential to establish globally competitive businesses from India. They also contribute to the industrialization of rural and backward regions, reducing regional imbalances and ensuring a more equitable distribution of national income and wealth. Over the last five years, MSMEs in the country have regained significance, owing to a slew of policy initiatives from the central government and state governments.



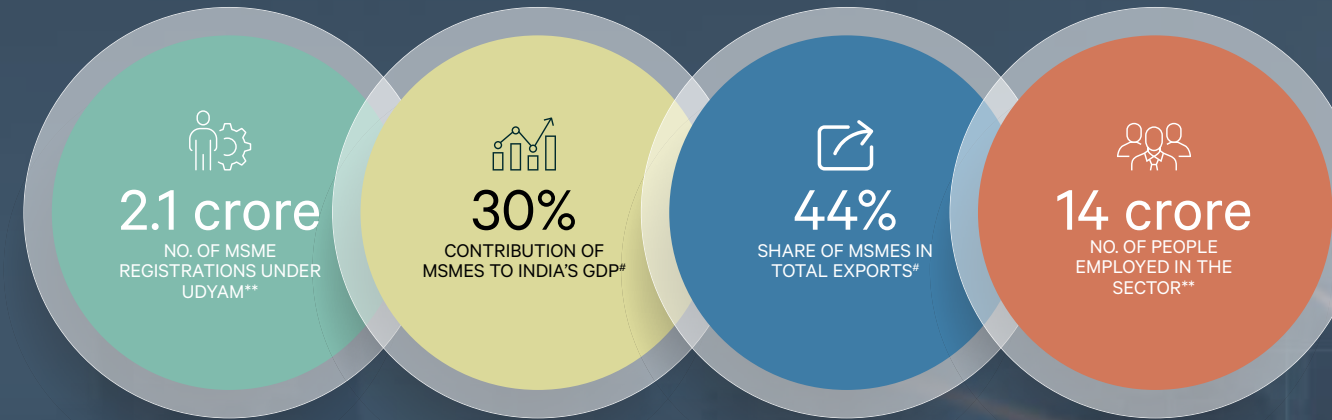
Figure 1.1: MSME definition



The real estate sector plays a vital role in the MSME landscape. A real estate business with a turnover lower than INR 250 crore can register as an MSME entity under the following - (a) real estate activities with own or leased property; (b) real estate activities on a fee or contract basis

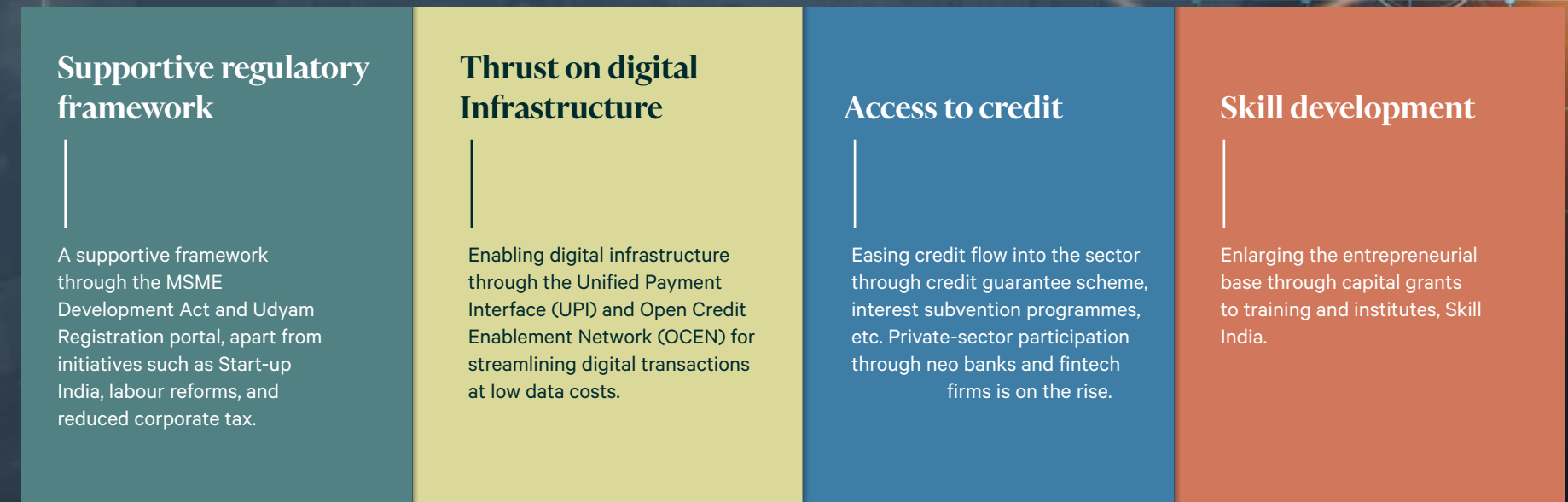
Source: ** Under Udyam registration portal as of 28 November 2023, definition as per Udyam Scheme; CBRE Research Q4 2023,

Figure 1.2: MSMEs In India: A glance



Source: CBRE Research Q4 2023

Figure 1.3: Enablers by the Central Government to provide a thrust to the MSME sector in India



Note: *Press Information Bureau, Role of MSME in the country, August 2023 (data for 2021-22), exports data for 2022-23, ** Under Udyam registration portal as of 28 November 2023

MSMEs as a linchpin for India’s economic prowess

As India strides towards the aim of becoming a USD 5 trillion economy by end of the decade[#], MSMEs are poised to play a catalytic role in economic growth. The expansion of MSMEs would hinge upon the accessibility of credit for both operational sustenance and expansionary activity and digitization across operations.

Developed economies exhibit a higher proportion of MSMEs contributing to their national GDP, as illustrated. To enhance the productivity of Indian MSMEs, it's crucial to augment their cost competitiveness and expand their reach across domestic and global markets.

India’s Foreign Trade Policy, passed in March 2023, aims to strengthen India’s overall exports to USD 2 trillion by 2030^{##}. Under the policy, incentives such as lower compliance costs, shorter timelines for clearances, and credit insurance would enhance the competitiveness of export-oriented MSMEs. This increased competitiveness of the Indian MSME sector would support the country’s manufacturing capability and its export potential.

On the domestic front too, MSMEs are likely to face surging demand, led by a growing middle class and rising purchasing power. MSMEs would benefit from India’s private consumption growth, which is likely to more than double from USD 2 trillion in 2022 to USD 5 trillion by 2030^{###}.

Figure 1.4: MSMEs’ contribution to country’s GDP

Developing Economies	
Country	Contribution to GDP
Brazil	~30%^
China	~60%^
Russia	~22%^
South Africa	~40^

Developed Economies	
Country	Contribution to GDP
Germany	~48%^^^
Japan	~50%**
Singapore	~44%*
United States of America	~44^^

[#]Niti Aayog, Strategy for New India @75, November 2018, ^{##}Press Information Bureau, October 2022, ^{###}Morgan Stanley, Why This Is India’s Decade, October 2022 [^]OECD, Financing SMEs and Entrepreneurs 2022: An OECD Scoreboard, ^{^^}US Chamber of Commerce, April 2023, ^{^^^}OECD SME and Entrepreneurship Outlook 2021, ^{*}Singapore Department of Statistics, Feb 2023, ^{**}OECD, Japan Policy Brief

Central Schemes Supporting the MSME Ecosystem

Since 2020, the government has introduced a range of economic incentives to support the revival of MSMEs in the country. In the Union Budget 2023-24, the central government announced an infusion INR 9,000 crore into the Credit Guarantee Fund Trust for Micro and Small Enterprises. Also, the Union Cabinet approved an additional allocation of INR 2,500 crore for continuation of Interest Equalisation Scheme till June 30, 2024. A few key central initiatives are outlined in figure 1.5.

Figure 1.5: Select central government initiatives for MSMEs

Jun-2020

Credit Guarantee Scheme for Subordinate Debt (CGSSD)

- Under this scheme, funds are infused to revive operational MSMEs facing financial strain (SMA-2 / NPA)*.
- The government of India allocated INR 4,000 crore to provide requisite financing to MSME units where an outright loan is difficult.
- Promoter(s) given credit equal to 15% of their stake (equity plus debt) or INR 75 lakh, whichever is lower.
- The central government implemented a revamped scheme from April 2023.
- In the Union Budget 2023-24, INR 2 lakh crore additional credit for Micro and Small Enterprises was facilitated under CGTMSE, and the cost of credit was reduced by 1%.

Jul-2020

Udyam Registration

- The registration aims to enhance the ease of doing business for MSMEs. A mandatory certification from the Ministry of Micro, Small and Medium Enterprises that MSMEs receive upon signing up on the official portal.
- To be eligible for the Udyam Aadhaar, the enterprises should fit into the classification as provided by the ministry (given in figure 1)
- The government of India launched the Udyam Assist Platform (UAP) in January 2023 to bring the Informal Micro Enterprises (IMEs) under the formal ambit for availing of the benefit under Priority Sector Lending (PSL).

Apr-2022

Zero Defect Zero Effect (ZED) Certification Scheme

- The scheme aims at enabling MSMEs towards manufacturing quality products by inculcating Zero Defect & Zero Effect practices.
- ZED certification would be attained on three levels (bronze, silver, and gold) after taking the ZED pledge.
- 80-60-50% subsidy on cost of ZED certification is provided for Micro, Small & Medium Enterprises.
- Financial assistance of up to 75% of the total cost of testing / certification, with the maximum subsidy of INR 50,000, is provided.

Jun-2022

Raising and Accelerating MSME Performance (RAMP)

- This scheme aims to strengthen India’s MSME sector by enhancing centre-state collaboration in MSME promotion and development.
- RAMP is a World Bank-assisted central government programme announced in the Union Budget of 2022-23 with an outlay of around INR 6,000 crore.
- INR 3,750 crore would be loaned by the World Bank and the remaining INR 2,250 crore would be contributed by the government of India.
- It is a five-year plan which targets improvement in the performance of 5.5 lakh MSMEs in the country.

Source: National Investment Promotion and Facilitation Agency, 2023; Ministry of Micro, Small and Medium Enterprises, Government of India (GoI), 2020, 2022; Union Budget 2023-24, GoI, 2023; CBRE India Research, Q4 2023

Note: *SMA-2 - Special Mention Account whose principal or interest payment or any other amount wholly or partly overdue for more than 60 days and upto 90 days; NPA - Non-Performing Asset

Uttar Pradesh amongst the top three states in terms of MSME registrations

The government's Udyam portal, operational since July 2020, has seen considerable uptake. As the government endeavours to support MSMEs through various incentives, a few states have witnessed greater sectoral thrust than others in the recent past.

Figure 1.6: Select policy initiatives

Uttar Pradesh	<ul style="list-style-type: none"> 50% interest subsidy for micro units capped at INR 25 lakh Approved projects with 10 acres or more eligible for annual infrastructure interest subsidy of up to 50%, capped at INR 2 crore annually 100% stamp duty exemption in select regions; also, women entrepreneurs and MSME industrial park developers are eligible for the same[^]
Maharashtra	<ul style="list-style-type: none"> Industrial Promotion subsidy for new units depending on taluk categorisation Interest subsidy to new units capped at 5% Exemption from electricity duty Stamp duty waiver on new or expansionary units[#]
Tamil Nadu	<ul style="list-style-type: none"> Capital subsidy of 25% on eligible plant and machinery, subject to a capped amount of INR 1.5 crore for micro units Interest subsidy of 5% for small and micro manufacturing units capped as per term loans Power subsidy of 20% for 36 months from the date of commencement of production or from the date of obtaining power connection, whichever is later^{##}

Note: For detailed policy initiatives, please refer to respective state policies

Source: CBRE Research, Q4 2023, MSME Dashboard, Ministry of Micro, Small and Medium Enterprises,

[#]Maharashtra Industrial Policy, 2019, ^{##}Tamil Nadu MSME Department, [^]UP MSME Policy 2022

Figure 1.7: Top 10 states by MSME registrations through Udyam



Figure 1.8: Top 10 states by MSME registrations through Udyam

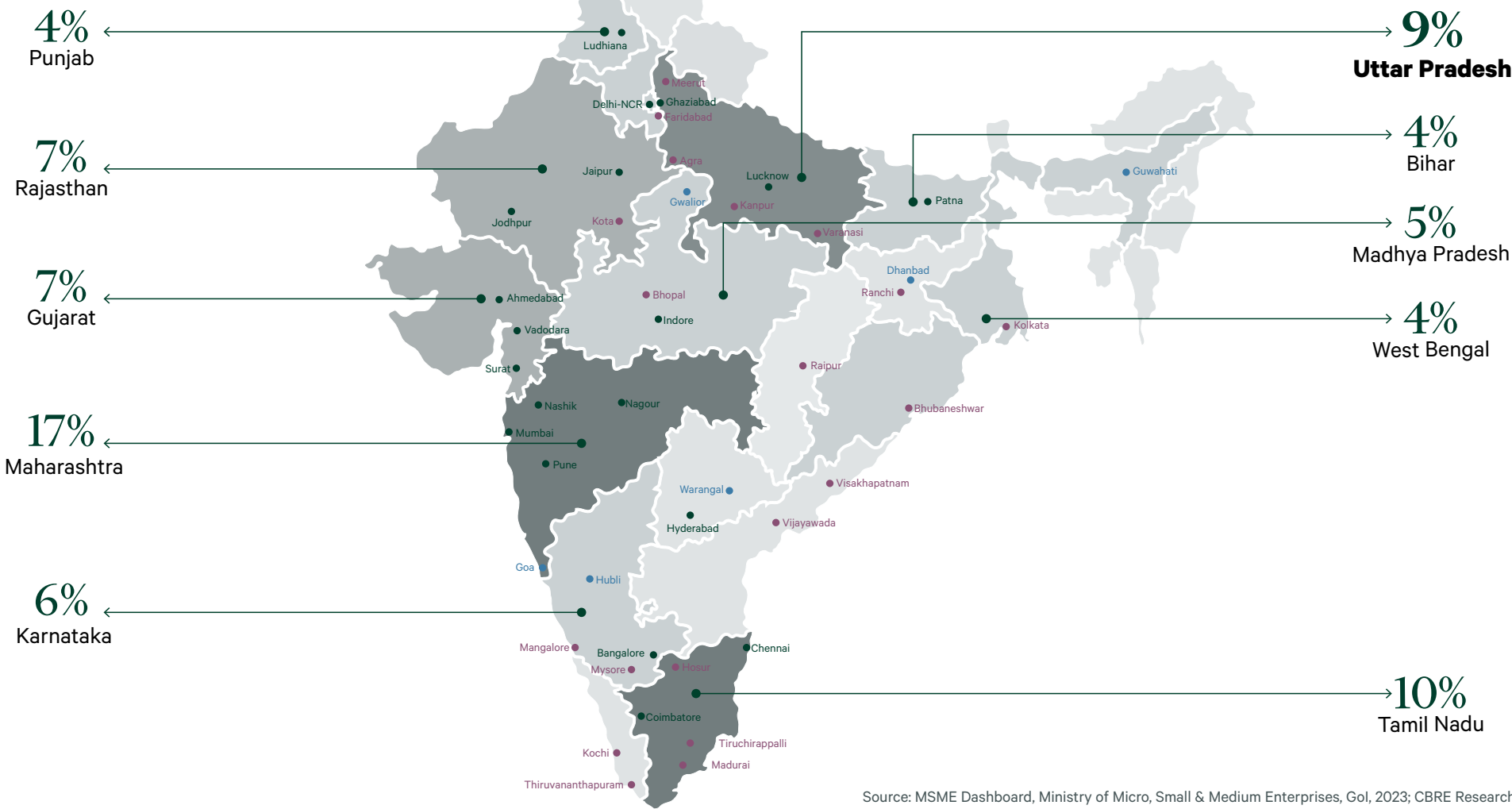
The top ten states account for about **71%** of the total number of MSMEs registered under Udyam registrations in the country.

Maharashtra accounted for the highest number of enterprises under Udyam registrations at **17%**

Tamil Nadu and Uttar Pradesh followed Maharashtra in MSME registrations

City-wise Distribution of Udyam Registrations

% share of states & UTs in pan-India Udyam registrations (as of 12-Dec-23)



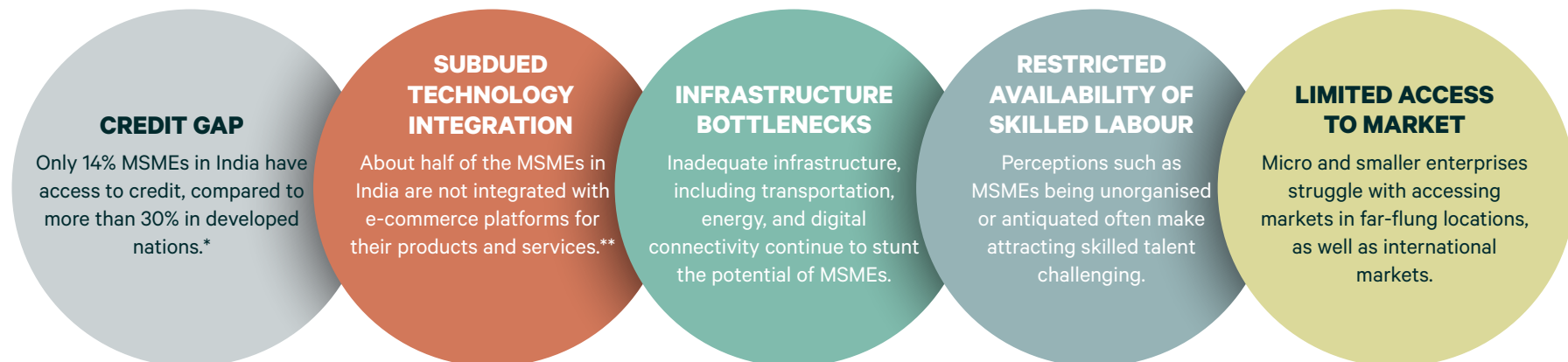
Source: MSME Dashboard, Ministry of Micro, Small & Medium Enterprises, GoI, 2023; CBRE Research, Q4 2023.

What Hinders the True Power of MSMEs?

MSMEs in India grapple with lack of formalisation, impairing their long-term potential for growth. One of the key obstacles faced by small enterprises is the lack of foresight and a roadmap to the future. Resource planning and utilisation, business optimization, managing cash flows and financials are often hindrances that they face internally. However, these operational challenges can be overcome by addressing the broader issues that MSMEs face.

On the wider range, aspects such as access to financing, and limited availability of skilled talent are seen as considerable bottlenecks in the growth of MSMEs.

Key Challenges faced by MSMEs



Source: CBRE Research Q4 2023, * Avendus Capital, MSME Lending, April 2023 ** ICRIER, Leveraging E-commerce for the Growth of MSMEs, September 2023

02

The Real Estate Paradigm

Construction and Allied Sectors to See Benefits from MSME Registration

The construction sector, accounting for about 8% of India's GDP, is slated to become the third largest globally over the next two years^{**}. Several firms in the construction and allied sectors can be considered as largely unorganised; however, this also creates an opportunity for them to register as MSMEs.

This could be immensely beneficial for building construction firms, contractors across the construction spectrum, and raw material suppliers. These firms are already entrenched in the sector by supplying their goods and services to large-scale companies involved in construction development across sectors. Firms aiding large construction companies engaged in developing public infrastructure are also likely to witness increased demand, aided by the government's thrust on infrastructure development. In the Union Budget 2023-24, the government raised its infrastructure budget by 33%, recognising infrastructure as a key contributor to sustainable growth^{**}.

To sustain the volume of growth coming their way, these firms would need to enhance the quality and speed of their services. However, smaller operators in the construction and allied spaces often face challenges in the form of lack of qualified talent, concerns around safety, delayed / unpaid invoices, and their inability to invest in employees' training among other factors. Registering as an MSME under the Udyam scheme could help these firms avail the benefits of credit guarantee schemes, public procurement policies, and protection against delayed payments. Additionally, this could aid these firms becoming eligible for priority sector lending, thus enabling swifter growth.

Besides, swifter registrations could also translate to firms from the construction and allied sectors securing a greater share within the MSME space, while allaying some concerns that the sector faces on a regular basis.

Figure 2.1: MSME ambit in construction and allied sector



Source: [#]MOSPI, May 2023 ^{*}Union Ministry of Commerce and Industry, April 2023, ^{**} Union Budget 2023-24



Smaller Construction firms facing headwinds

Smaller development firms are pivotal to the growth of Tier II, III, IV cities in the country. They fuel local economies by strengthening a city's real estate fabric and its overall infrastructure. Smaller developers cater to the diverse needs of buyers, including budget and mid-segment homebuyers in the residential segment. However, despite their vital contributions, smaller developers often face concerns ranging from the lack of access to credit to policy disruptions that impact their operational dynamics and restrict them from reaching their true potential.

Figure 2.2: Key Challenges faced by smaller real estate development firms



Source: CBRE Research Q4 2023

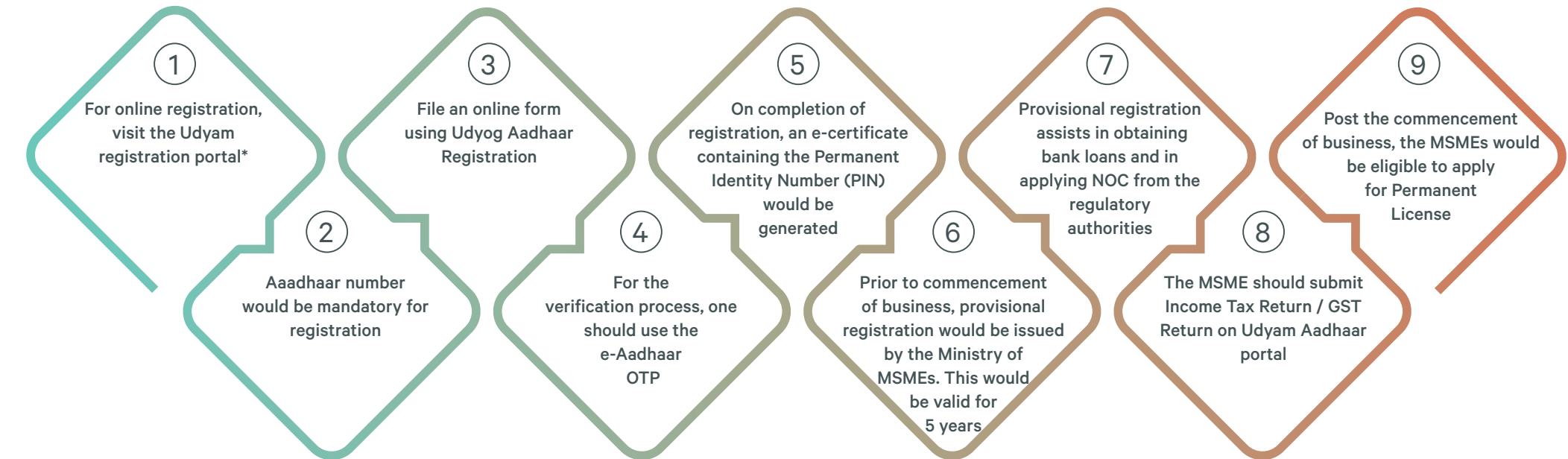
Benefits of Registering as MSMEs for real estate players

<p>Zero-collateral bank loans</p> <p>With MSME registration, banks and financial institutions would offer credit to developers without requiring to pledge assets as security. This would enable developers to access credit at lower risk.</p>	<p>Reduced interest rates</p> <p>Registered developers can benefit from interest subvention or reduced interest rates facility; upto 1.5% lower interest rates on regular business loans</p>	<p>Concession on electricity consumption</p> <p>Udyam registered real estate MSMEs would benefit through concession in electricity bills, attained by providing an application to the state electricity board along with Udyam Registration Certificate</p>
<p>Protection against delayed payments</p> <p>MSME Samadhaan portal enables registered MSMEs including real estate firms to directly register their cases about delayed payments against the buyer of goods / services before the Micro and Small Enterprise Facilitation Council (MSEFC)</p>	<p>Free ISO Certification</p> <p>The benefit of free ISO certification, which provides the Udyam registered MSMEs with financial assistance for obtaining the certification</p>	<p>Subsidy on patent registration</p> <p>50% subsidy on the total cost of patent registration, which makes it more affordable for registered MSMEs to protect their inventions and innovations</p>

Source: Ministry of Micro, Small and Medium Enterprises, GoI, 2023; CBRE Research, Q4 2023

Process of Registration for MSMEs

Registering MSMEs under the Udyam scheme would offer several benefits to real estate developers that would help them grow and become more competitive. The process of registration is highlighted in the figure below.



Source: Ministry of Micro, Small and Medium Enterprises, GoI, 2023; CBRE Research, Q4 2023

Basic documents required

Aadhaar | PAN | Bank Account Number and IFSC Code | NIC Code | Data on number of employees and expected date of commencement of business
 Address proof of business | Copy of industrial license | Bills and receipts of purchase of machinery

03

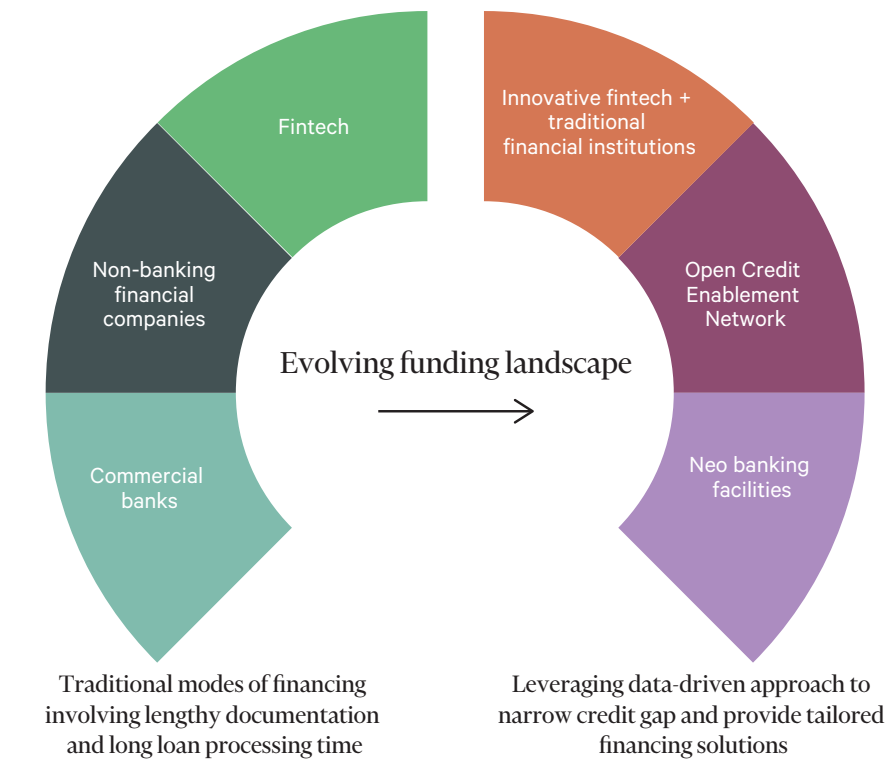
Outlook



Unlocking MSMEs' Potential Through Financing

The country's rapid strides into digitization hold immense promise for democratizing the financing avenues for MSMEs that form the backbone of India's economy and drive employment, innovation, and inclusive growth. However, access to formal modes of financing has long been a major challenge for these enterprises. In the real estate sector, while established developers with a proven track record continue to seek financing from avenues such as commercial banks, private-equity firms, pension funds; smaller developers often face challenges in attaining project-level funding (especially from public-sector banks). Several challenges such as lack of documentation, inability to offer collaterals, and a perceived higher risk profile hinder their attempts to secure long-term funding at lower interest rates. Overall, as the financial landscape evolves, the following are some practices seen in the Indian market.

Figure 3.1: Changing landscape of MSME financing



Source; *MSME Ministry, Rajya Sabha, July 2023; CBRE Research, Q4 2023

Figure 3.2: Evolving financing practices

	MSMEs	REAL ESTATE
	The convergence of digitization, traditional banking systems, and open protocol infrastructure such as the Open Credit Enablement Network (OCEN), are paving the way for a more inclusive and accessible financing ecosystem for India's MSMEs.	For real estate MSMEs, maintaining a proven track record of executing projects in a timely manner, formal documentation processes and efficient cash flow management would infuse confidence amongst lenders.
	Digital lending platforms are leveraging technology to automate tasks such as credit worthiness assessment, risk evaluation, and documentation, streamlining the financing process for MSMEs. This data-driven approach enables fintech firms to provide tailored financing solutions to MSMEs that may not have access to traditional banking channels.	Funding options for real estate developers are evolving with entities such as non-banking financial companies, alternate investment funds, financial services firms actively deploying credit for construction finance.
	Partnerships between traditional banks and fintech companies are likely to accelerate the growth of digital lending in India, combining the expertise of banks with the agility and data-driven capabilities of fintech firms.	Funds such as the Special Window for Affordable and Mid-Income Housing (SWAMIH) Investment Fund can also provide last-mile funding for stalled and stressed residential projects.

Source: CBRE Research, Q4 2023

Empowering MSMEs For a Thriving Future



Tech-enabled lending

Over the next few years, lending to MSMEs in the real estate sector would broaden with private firms increasing their exposure to the sector. Financial firms using data-driven solutions for loans such as predictive analysis, AI-powered credit scoring would modernise the lending landscape. Well-run construction companies would be benefitted by the enhanced financing, helping them scale up their projects and enable swifter completion of projects.



Upgrading MSME infrastructure

Providing industry-specific technology and knowledge infrastructure, apart from the development of incubation hubs would help provide a strong foundation for smaller enterprises. From a physical infrastructure standpoint, project-specific incentives such as rebate on land cost, power consumption for specific project type such as affordable and mid segment housing, would provide strong incentives for developers. The government's INR 75,000 crore proposal for 100 critical transport infrastructure projects for first and last-mile connectivity would help MSMEs in the manufacturing space.*



Digital economy

Data costs in India are third-lowest globally, at about USD 0.04 for 1 GB.** This has accelerated digital adoption amongst smaller developers, boosting their sales through e-commerce and social media. In the next phase of growth, using enterprise resource planning, cloud services, analytics, etc. would boost their reach and efficiencies.



Developing skills and talent

Incentives for setting up skill development centres, business mentoring services for experienced employees for aspects such as complying with the RERA norms, exchange of best practices in the real estate sector are some of the recommendations that would enhance skilled talent and promote professionalism amongst smaller developers.

Overall, real estate MSMEs would reap benefits from a host of policy initiatives announced by the central and state governments.

The consideration of the real estate sector as a cohesive industry would further increase their competitiveness, fuelling investments in productive assets, job creation, and propelling economic growth.

Source: * Union Budget 2023-24, February 2023, **, Cable UK, September 2023

About CBRE

CBRE Group, Inc. (NYSE: CBRE), a Fortune 500 and S&P 500 company headquartered in Dallas, is the world's largest commercial real estate services and investment firm (based on 2022 revenue). The company has approximately 115,000 employees (excluding Turner & Townsend employees) serving clients in more than 100 countries.

CBRE was the first International Property Consultancy to set up an office in India in 1994. Since then, the operations have grown to include more than 11,000 professionals across 15 offices with a presence in over 80 cities in India. As a leading international property consultancy, CBRE provides clients with a wide range of real estate solutions, including Strategic Consulting, Valuations/Appraisals, Capital Markets, Advisory & Transactions, Global Workplace Solutions & Property Management and Project Management. The guiding principle at CBRE is to provide strategic solutions that make real estate holdings more productive and economically efficient for its clients across all service lines. Please visit our website at

<https://www.cbre.co.in/>

About CREDAI

The Confederation of Real Estate Developers' Associations of India (CREDAI) is the apex body of private Real Estate developers in India, established in 1999, with a vision of transforming the landscape of Indian Real Estate industry and a mandate to pursue the cause of Housing and Habitat. Today, CREDAI represents 13000+ Developers across 230 city chapters in 21 states and plays an important role in policy formulation by representing the views of its members to various Ministries at regular intervals.

CREDAI strives to make the Real Estate industry organized and progressive by working closely with all stakeholders: Government representatives, policy makers, investors, finance companies, consumers, and real estate professionals. CREDAI is a recognized partner for the Government and is represented on several committees working in policy formulation. CREDAI engages in policy advocacy with the Government including Ministry of Housing and Urban Affairs, Ministry of Environment, Forests and Climate Change, Ministry of Finance, Ministry of Civil Aviation, Ministry of Skill Development & Entrepreneurship, Ministry of Labour & Employment and with agencies like Bureau of Indian Standards (BIS), Bureau of Energy Efficiency (BEE), Niti Aayog and others.

CREDAI's code of conduct promotes ethical practices, and is adopted proactively by all its members.

We at CREDAI, continue to make a conscious effort to bring transparency and protect the interest of homebuyers. CREDAI has established a Consumer Grievance Redressal Forum (CGRF), where aggrieved buyers can register a complaint against member developers and get their issues resolved at the earliest.

CREDAI also works on a social development agenda focused on welfare of construction workers through its skill development initiative and encourages its members to take up environment friendly construction practices.

CREDAI has successfully imprinted the contribution of Real Estate to the GDP of India to Government, Policy Makers and the public at large and has become the backbone of the Indian Realty

<http://www.credai.org/>

Contacts

Research

Abhinav Joshi

Head of Research - India, Middle East & North Africa
 abhinavjoshi@cbre.co.in

Vaishnavi Bala

Senior General Manager
 vaishnavi.bala@cbre.com

Jenifer Ruban

Senior Associate
 jenifer.ruban@cbre.com

Global Research

Richard Barkham, Ph.D., MRICS

Global Chief Economist & Head of Research
 richard.barkham@cbre.com

Henry Chin

Global Head of Investor Thought Leadership & Head of Research, APAC
 henry.chin@cbre.com.hk

Julie Whelan

Global Head of Occupier Thought Leadership
 julie.whelan@cbre.com

Follow Us

CBREalty



CBRE Research

This report was prepared by the CBRE India Research Team, which forms part of CBRE Research—a network of preeminent researchers who collaborate to provide real estate market research and econometric forecasting to real estate.

All materials presented in this report, unless specifically indicated otherwise, is under copyright and proprietary to CBRE. Information contained herein, including projections, has been obtained from materials and sources believed to be reliable at the date of publication. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. Readers are responsible for independently assessing the relevance, accuracy, completeness and currency of the information of this publication. This report is presented for information purposes only exclusively for CBRE clients and professionals, and is not to be used or considered as an offer or the solicitation of an offer to sell or buy or subscribe for securities or other financial instruments. All rights to the material are reserved and none of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party without prior express written permission of CBRE. Any unauthorized publication or redistribution of CBRE research reports is prohibited. CBRE will not be liable for any loss, damage, cost or expense incurred or arising by reason of any person using or relying on information in this publication.

To learn more about CBRE Research, or to access additional research reports, please visit the Global Research Gateway at www.cbre.com/research-and-reports
 CIN - U74140DL1999PTC100244

Business Line Contacts

Advisory & Transactions

Ram Chandnani

Managing Director,
Advisory & Transactions Services
ram.chandnani@cbre.co.in

Consulting & Valuations

Rami Kaushal

Managing Director,
Consulting & Valuations, India,
Middle East & Africa
rami.kaushal@cbre.co.in

Global Workplace Solutions

Rajesh Pandit

Managing Director,
Global Workplace Solutions, India & Property
Management, India, SE Asia, Middle East & North Africa
rajesh.pandit@cbre.co.in

Project Management

Gurjot Bhatia

Managing Director,
Project Management,
India, SE Asia, Middle East & Africa
gurjot.bhatia@cbre.co.in

Capital Markets

Gaurav Kumar

Managing Director & Co-Head,
Capital Markets, India
gaurav.kumar@cbre.co.in

Capital Markets

Nikhil Bhatia

Managing Director & Co-Head,
Capital Markets, India
nikhil.bhatia@cbre.co.in

Operations

Rajat Gupta

Managing Director,
Operations, India
rajat.gupta@cbre.com

Marketing & Communications

Raka Khashu

Head Marketing, Communications & CSR,
India, South East Asia, Middle East & Africa, CBRE
Raka.Khashu@cbre.co.in

CREDAI MSME Committee

Mr. V K Jagadish Babu

Chairman

Mr. Tamal Ghosal

Co-Chairman

Mr. K V Haseeb Ahamed

Co-Chairman

© Copyright 2023. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.