Student Housing Market Overview

Summary

Kaizen

$5.2Bn and growing at CAGR of **6%** *(Pre covid)*

Demand supply gap of **4.3 million** beds

Stable cashflows and **Superior Returns**

Differentiated brands will succeed

Safety and hygiene will become a standard undifferentiated offering

PGs offer poor quality and have high bargaining power due to lack of options for students

Limited focus on hygiene and cleanliness

Cramped spaces

Old and aging infrastructure

Poor service and maintenance

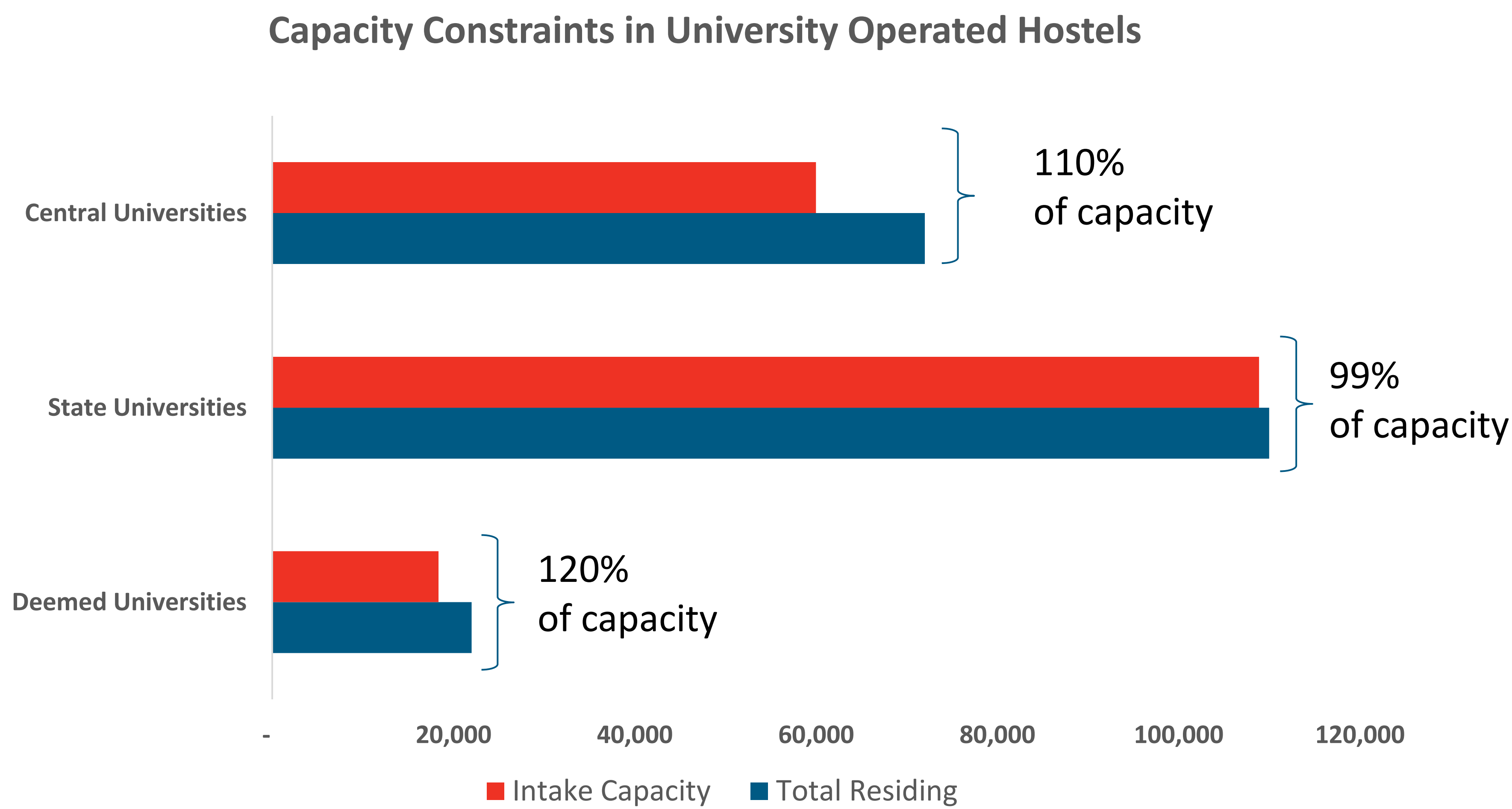
Poor food quality

Large market opportunity estimated a USD 5 billion market growing at 6% CAGR

2020		2025
\$5.2 Bn		\$8.5 Bn
38.5M students 27.1% GER	Students enrolled in HE	44M students 30% GER
11.5M students 30% of Enrolled	Migrate for education	13M students 30% of Enrolled
4.6M students 40% of migrants	Target market (Ages 15 -32)	5.5M students 40% of migrants
INR 85,000/bed/ year (USD 1,130)	Average rents paid	INR 120,000/bed/ year (USD 1,600)

Sources: Census, Kaizen Estimates

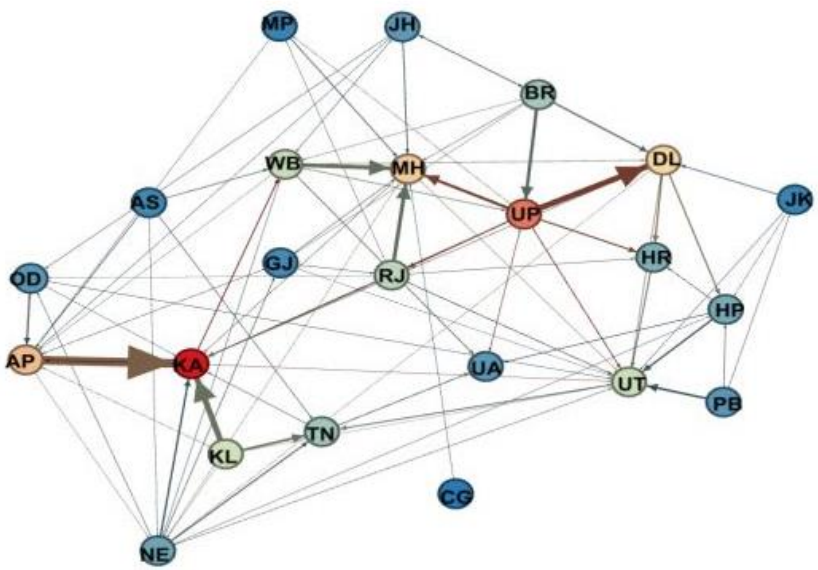
Universities in India have exhausted their existing student housing capacity with no new capacity planned



Sources: MHRD, JLL

8% CAGR rise in migration for education creating additional pressure on housing in education hubs

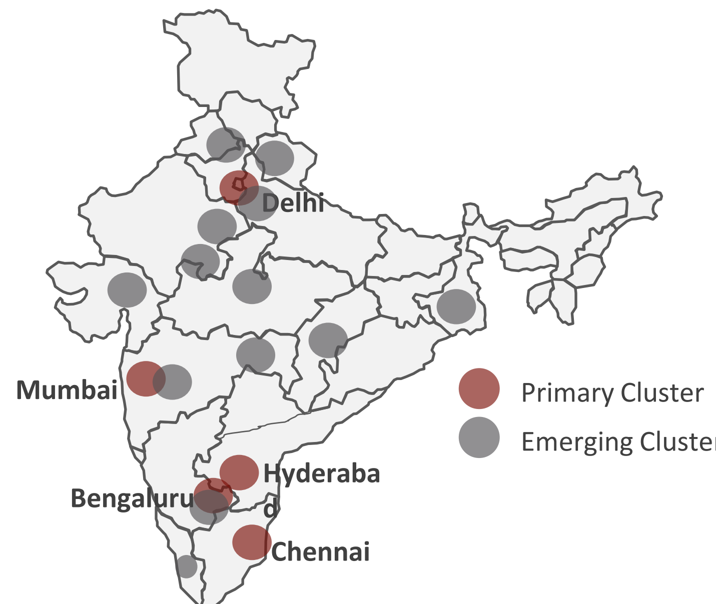
Inter-State Migration for Education



Most attractive states for migrants are:
Karnataka | Delhi | Maharashtra | Uttarakhand

Most migrants come from:
Uttar Pradesh | Kerala | Andhra Pradesh | West Bengal | Rajasthan | Bihar

Education Hubs



Higher Education Primary cluster regions

New Delhi | Bangalore | Hyderabad | Mumbai | Chennai

Higher Education Emerging cluster regions

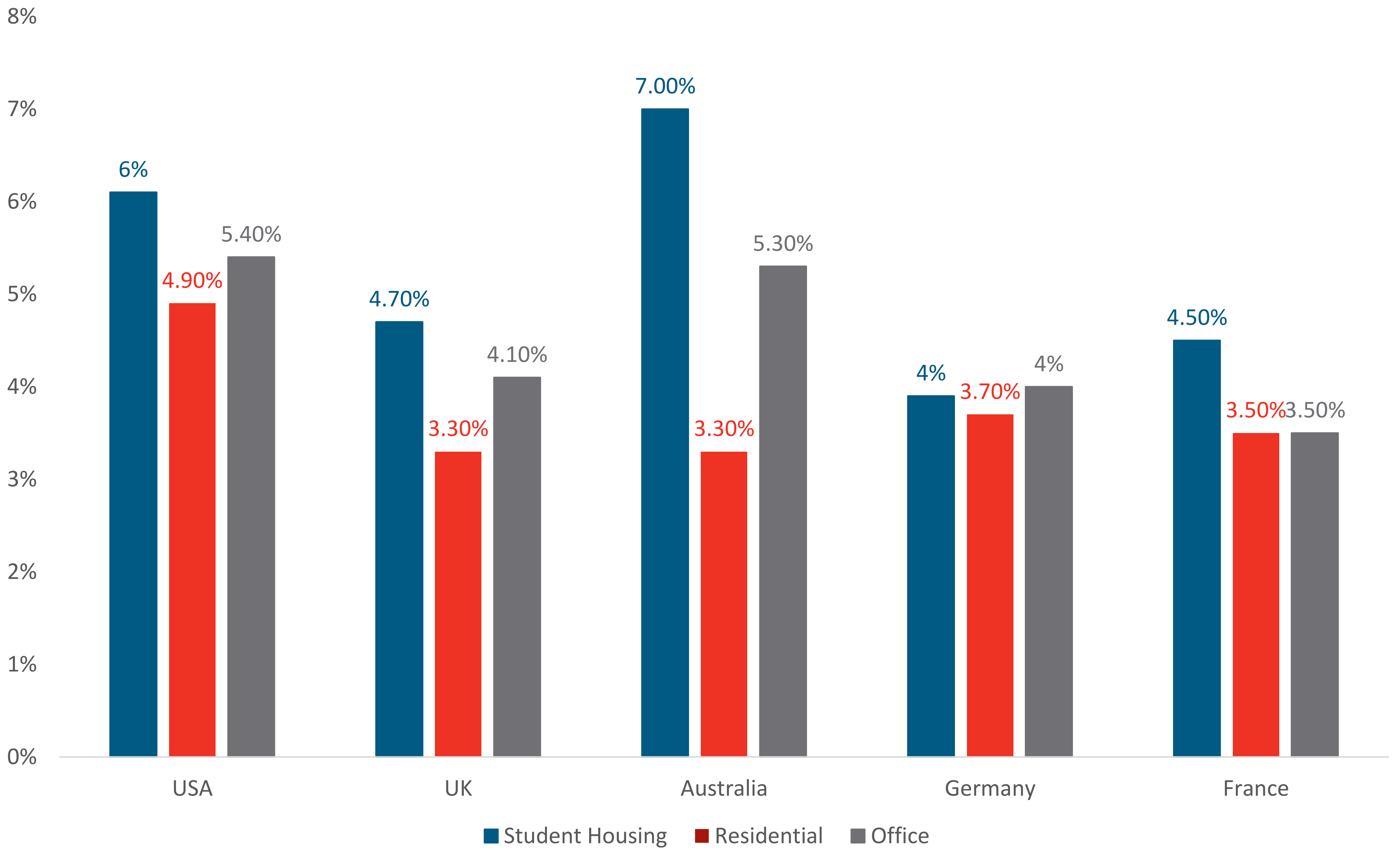
Pune | Indore | Chandigarh | Calcutta | Jaipur | Lucknow | Cochin | Noida | Vishakhapatnam | Coimbatore | Kota | Vizag | Guwahati | Ahmedabad | Kochi

Sources: NSSO, IGDR, Eduvisors, Kaizen Estimates

Market drivers

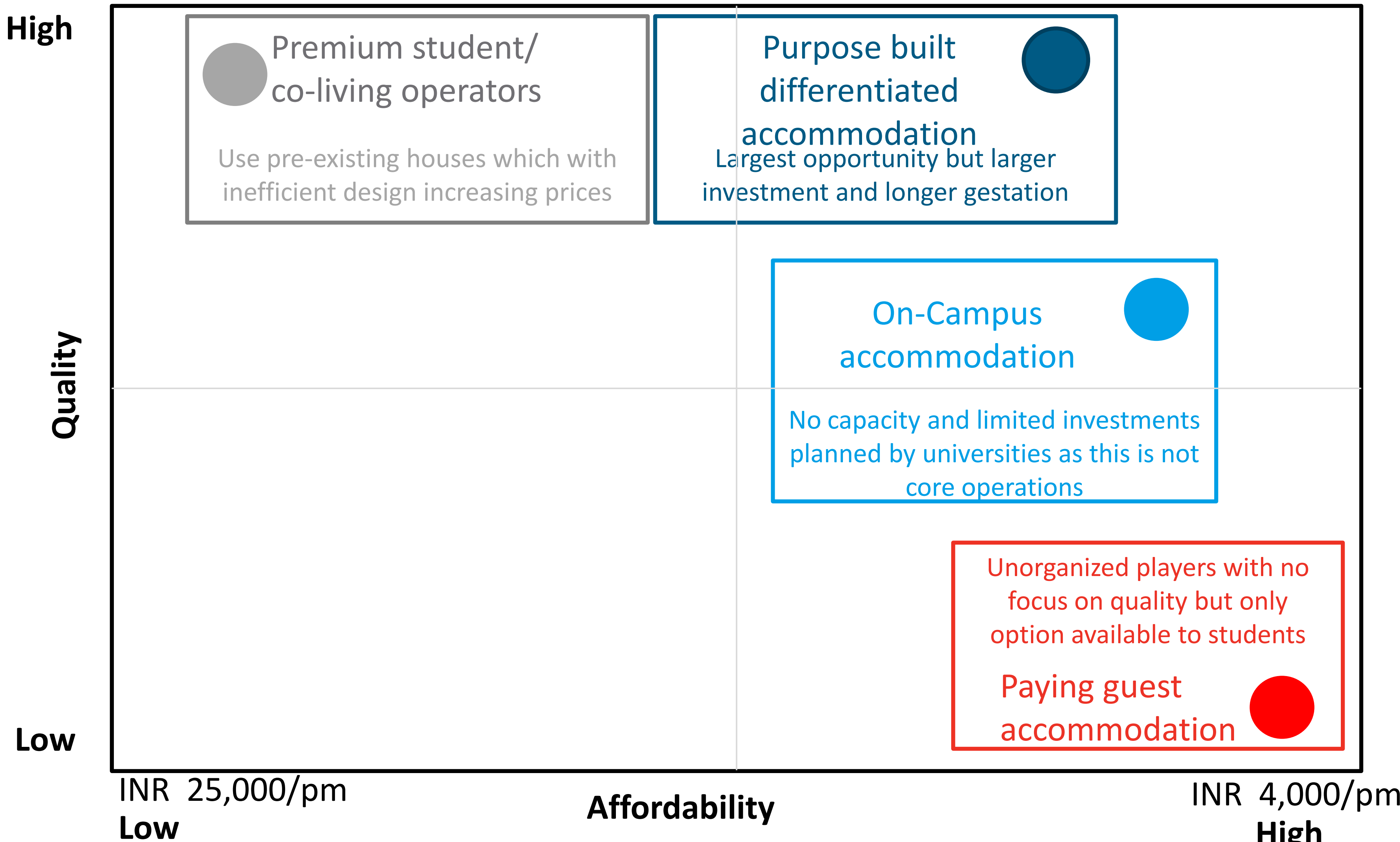
- Increasing demand supply gap in higher education
- Domestic migration of students to education hubs to pursue higher education
- Increasing women literacy and migration of women to pursue higher education is increasing importance of safe housing
- High level of dissatisfaction with unorganised paying guest operators (PGs) due to poor service levels

Student housing yields outpace residential, offices across developed markets



 Sources: Savills World Research

Opportunity Matrix



Student Housing – Competition Mapping

Kaizen

UNIVERSITY LIVING

NEST AWAY

UniAcco

Discovery & Aggregation

IndeCampus

new door

Your Spaces

stanza living

Operators

THE YOUTHVILLE SERVICED ACCOMMODATIONS

Owners& Operators

Asset Light | **Asset Heavy**

Efficient design to bring quality and affordability is currently missing in the market

Student Housing Operating Companies

- Shy away from large capex in building custom solutions
- Generally operate in tier 1 cities where land is not available to build such solutions
- Retrofitting existing houses leads to inefficient space utilization and increases cost as well as price

Real Estate Investment companies/HNIs

- Prefer to build and sell and not hold onto real estate
- Each property is generally small in ticket (Sub INR 300M) hence prefer focusing on larger projects
- Investments made are generally by HNIs for rental income
- Lack expertise or focus in operations