

OLD FIR ADVISORS (I) (P) LTD
REAL ESTATE CONSULTING
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OFA is an India focused investment execution platform structured as a family investment office. We achieve the core objective of preservation & enhancement of family wealth for our clients through Multi-Asset Class Investing and by carefully creating a robust financial architecture to enable it. Being independent and not being aligned to a single institution, allows us to identify & partner with the best-in-class institutions most suitable for each of the diverse aspects of the family wealth.

Diversification and Long-term orientation is the Key

The central aspect of wealth management across asset classes is diversification and long-term orientation to investing, which our team keeps as their primary focus. Thus, we will help you in integrating a robust financial architecture that needs to be created around this core.

Client is a Partner

Successful investing is achieved through a two-way partnership with you built on trust, communication, transparency and finally consistency.

Independence

Being independent allows us to sit on your side of the table and identify & partner with the best-in-class institutions & managers across asset classes most suitable for each of the diverse aspects of the family wealth.

Simplicity

We aspire to be not only simple in our attitudes but also simple in the way we invest and the structures we create. For us, everything is black and white rather than grey. Experience has taught us the value of Simplicity at the very core of our philosophy for Investing Success. If it does not make sense, we simply don't do it. It just makes good old-fashioned sense to us to contemplate & operate like that.

Consistency

We enable our clients to navigate through market cycles, investment trends & market noise by sticking with an investment philosophy that is consistent and

predictable in nature yet simple to implement consistently. For us taking risk is only essential if there is a mitigant and reward commensurate with the risk being taken.

We balance our team's experience, and skills in creating assets across asset classes from simple bonds to complex Commercial Real Estate Solutions. Hence, Keeping a razor-sharp focus on outcomes, simplicity and longevity.

Each deal is unique and should align to the portfolio objectives using a combination of core underlying asset classes of debt, equity and real estate. The deals are managed through professional third-party funds, direct financial market investments in stocks, bonds, alternatives through respective best-in-class external specialists and commercial real estate. Natural hedges can be created by the families in their unique core portfolio construct basis the varying correlation of returns of each asset class in relation to each other & periodically to the changing market dynamics.

Most families are oriented towards "Absolute Return". We bring a unique perspective to yield by adding commercial real estate to the portfolio. This adds to our defensive basket when return opportunities are scarce & not commensurate with the risk & assuming such risk only when the potential return achievable is asymmetric to the level of perceived risk. The endeavor is to make those determinations consistently to achieve the family's wealth objectives.

Seamless Investment and RE execution

Key to achieving investment success is the architecture of OFA as the family's investment office enabling the execution of investment decisions and commercial RE with speed, accuracy and consistency. The time lag between an investment decision and investment execution should be a variable that we define & control to optimize the investment outcome.

Our family office uses our partners, Blue Edge Associates (www.blueedge.in) to execute any investment idea seamlessly, while focusing on CRE to add to returns. This involves carefully cultivated partnerships with global IPC like Knight Frank, CBRE, JLL and others.

Our ability to execute CRE deals also mean using leverage from time to time, for the benefit of getting the best tax-adjusted returns, partnerships with your CAs to structure the transaction to keep it simple, yet minimize taxes and withstand the test of time is one of the key abilities. We use HDFC bank, Bajaj Finance as partners for our CRE leverage, both of which are predominant institutions.

Business Wealth

Often client's wealth and income is substantially invested in their primary businesses. There could be a time when you might, for instance, consider divesting from the business to unlock value or for personal family reasons or to raise growth capital for the business. This requires careful planning and identifying the right institutions to deliver the solution to you. With our networks of referral associate corporate finance outfits, we are able to identify & work with the most suitable service providers based on parameters such as your specific industry sector, size, type of capital requirement, etc.

Key Terms and Disclosures

OFA as a Multi-Family Investment Office is not a RIA and acts as a bridge for its clients by aggregating the best-in-class financial market service providers across verticals on a single platform via distribution and referral tie-ups. For clients, we use Blue Edge Associates aggregation platform as a Mutual Fund Distributor (MFD) for which OFA receives referral fees.

OFA does not receive any compensation from builders or IPCs without full disclosure to the clients in writing. It makes fees solely by charging clients, to avoid conflict of interest.

OFA : Multi Family Real Estate Investment Office

- OFA is an India focused independent, primarily real estate investment management firm structured as a real estate family investment office.
- We achieve the core objective of preservation & enhancement of family wealth for our clients through diversified real estate investing and by carefully creating a robust financial architecture to enable it.
- Being independent and not being aligned to a single IPC, Builder, allows us to identify & partner with the best-in-class institutions most suitable for each of the diverse aspects of the family RE wealth. We have no conflicts as we make fee only from our clients.

Some of Most Notable Investment Allocations Since 2008

TAX FREE BONDS

2011 to 2015

- Taper tantrum led to a spike in Indian yields
- Clients invested 40-50% of their portfolio into tax free bonds at levels of 8.30-8.40%
- Tax free bonds were issued by AAA PSU entities - NTPC, NHAI, PFC, REC, IRFC, IIFCL etc.

COMMERCIAL RE ALLOCATIONS

- Added approx. 1500Cr of commercial RE between the period of 2010 till 2020, keeping in mind the falling interest rates, and asset class diversification
- Exited 300cr of assets with an average IRR of > 20%

EQUITY ALLOCATION

2014

- Expectation of reforms and development led to a clear majority for the NDA in India
- Client allocation levels taken to 10% higher than strategic points as tactical allocation with 3 to 5-year view
- Nifty was viewed fairly valued and small and mid-cap was expected to do very well due to a past underperformance overhang

Commercial Real Estate: Few examples

Chemtex House- Powai

2011

- Deal size INR 100 Cr
- Initial yield @ 9%
- Tenants: Chemtex Global, FEDEX, Hershey, Slumberger etc
- Exit made at 140Cr in 2018
- IRR was greater than 27% (leveraged)
- Sold to Schindler India Ltd.

ARENA SPACES – Jogeshwari Vikhroli

2012

- Distress sale by a manufacturing company for their JVLR property
- Deal size INR 75 Cr, for 3 floors
- Deal rate at INR 8,500/psf
- Deal rental yield @ 9.75%
- Leased to an MNC (Firmenich)

Today

- Current market price is INR 16,500/psf
- Yield on capital works out to 28%+
- Beside the capital value, rental yield of 12.5%

BKC ONE – Bandra Kurla COMplex

2014

- Deal size INR 160 Cr
- Initial yield @ 10.5% with a 60:40 sharing on upside
- Base rental at INR 230/psf
- Resultant deal rate at INR 28,100/psf (at 70% efficiency) including car parks
- Initial investments 65%, serviced at 15.5% paid by developer till leases were executed

Today

- Current market price is INR 34,000/psf at 66% efficiency
- Yield on capital of 20%+

LEELA Business PARK – Andheri Kurla

2016

- Deal size INR 120 Cr
- Deal rate at INR 12500/psf
- Deal yield is presently 8.50%
- Deal rental rates are INR 85/sqft
- Tenants: Grindwell Norton, Victorinox , Anglo Eastern Shipping

Today

- Location is a key center for commercial
- Next to 5 star hotels, metro with extra FSI
- Current rates in area is 16,000psf
- Current rental 115-120/sqft

Raheja Titanium- Goregaon

2018

- Deal size INR 100 Cr
- Deal rate at INR 15200/psf
- Deal yield 9%
- Tenants: Cigna TTK, BDO

Today

- Area is developing as a HUB for IT/ITES
- Current rates in area is INR 16000+/psf
- Current rental rates are INR 110/psf
- Upcoming metro connectivity

Times Square- Andheri Kurla

2018

- Deal size INR 125 Cr, for 5 floors
- Deal rate at INR 13100/psf
- Deal rental yield @ 9%
- Tenants: Amex, Interactive Brokers, Adrosonic, CS Robinson

Today

- Grade A, Next to the Metro, Five star hotels, International airport
- Green Gold.
- Current price 16000+

Kalpataru Prime -Thane

2019

- Deal size INR 150 Cr
- Deal rate at INR 6900/psf
- Deal yield 8.50%
- Tenants : CMA CGM, Siro Pharma, FSS

Today

- Area is developing as a HUB for IT/ITES
- Current rates in area is INR 7500+/psf
- Current rental rates are INR 60/65/psf
- Upcoming metro connectivity

Kalpatharu Square – Andheri Kurla

2019

- Deal size INR 130 Cr, for 3 floors
- Deal rate at INR 19500/psf
- Deal rental yield @ 8%
- Tenants: Reckitt, Lloyds, Mitsui, Varian, Legrand

Today

- Grade A+, Next to the Metro, Five star hotels, International airport
- Green Platinum core shell.

Real Wealth Creation!

Actual realized wealth through tax free bonds

- Total exposure taken: over INR 500 Cr across client portfolios

- 8.3 to 8.5% tax free coupons paid annually by AAA rated quasi government bonds
- In addition to the coupon an absolute capital gain of over INR 100 Cr generated on the tax free bonds across investors, beside the yield paid on the bonds

Actual realized wealth through commercial real estate

- Transactions structured through leverage on tax free bonds and lease rental discounting
- Investor's own capital investment kept at minimal
- Average rental yield 9 to 10%
- Over INR 100 Cr of capital gains generated across clients' investments other than rentals, there are over 300cr of capital gains which remain unrealized
- Exits of more than 300Cr on a base of 1500 CR, with IRR of 20%+

We have been buying NSE in the Unlisted space from 2008/09.

Inclusive of dividends, we have made IRRs close to 40% plus on our investments.

We hold upwards of 10 lakh shares for our clients and over 20 lakh shares with our associate company, Blue Edge associates.

The Team



SAMRAT BANNERJEE

- 22 years of overall experience
- Current : Running successful business in commercial RE management and consultancy and Investment Distribution businesses.
- Prior experiences: HSBC Private bank, Societe Generale, ABN AMRO Private Banking and Standard Chartered Bank



MAMTA SHARMA

- 22 years of overall experience
- Current : Running successful business in commercial RE management and consultancy and Investment Distribution businesses.
- Prior experiences: Deutsche Bank, HSBC Private bank, ANZ Grindlays and Standard Chartered Bank

