



India Investment Market Watch

Q1 2025



- IMF projects India's growth forecast for FY 2025-2026 at 6.5%.
- India 10-Year bond yield stands at 6.6% at the end of March 2025, registering a decline of 0.2 percentage point on a quarterly basis.

S&P BSE Realty Index

28 th March 2025	QOQ Change	YOY Change
6601.58	-20%	-7%

Source: BSE

Investors maintain optimism in Indian real estate market

Private equity investment inflows into the Indian real estate sector were recorded as USD 748 million (INR 64 billion) during Q1 2025, registering a 35% YOY increase in investment volume. Sequentially, private equity investments witnessed a substantial rise of 2.3X in Q1 2025, underscoring investor confidence in the Indian economy, supported by strong economic fundamentals and promising future growth.

Residential segment takes lead; Office segment follows

The residential segment attracted the highest share of investments during Q1 2025. With USD 380 million (INR 33 billion), the segment accounted for 51% of total private equity inflows. The attractiveness of this segment can be partly attributed to the significant growth it has witnessed recently, which is likely to continue with increasing home loan deployments, declining interest rates and infrastructure advancements.

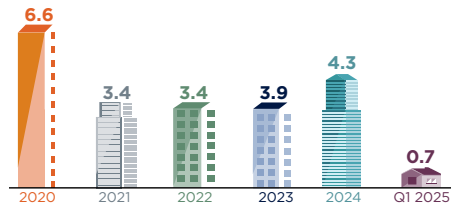
Investment activity was primarily concentrated in land and development assets in Bengaluru, Mumbai, Pune and the NCR. The commercial office segment followed, securing a 32% share of total investments. This segment witnessed inflows exclusively from foreign investors, with investments focused on development assets in Bengaluru as well as land in Mumbai.

Expanding Investible Universe

The investible universe in the Indian real estate sector is expanding with the evolution of REITs. Blackstone and Sattva Developers, the sponsors of Knowledge Realty Trust, filed the draft red herring prospectus with the SEBI on March 6, 2025, which is expected to be listed in June 2025. This REIT has a portfolio that includes 48 million sq. ft. across 30 Grade A office assets in six cities¹ (95% concentrated in Bengaluru, Hyderabad and Mumbai).

1. Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, and Mumbai

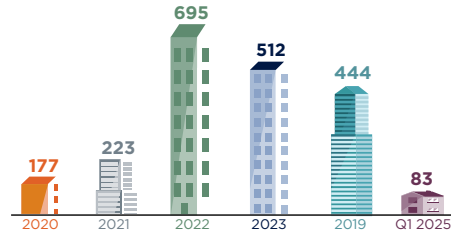
India Institutional Investment in Real Estate (USD bn)



Source: RCA and Savills India Research

Note: India institutional investments exclude fund raises and new platform formations

Asia Pacific Investment: All Sectors including Real Estate (USD bn)



Source: RCA

Key Transactions - India

Investor	Investee/Asset	Investment Quantum (USD million)
CapitaLand India Trust	MAIA Estates Offices	171
HDFC Capital	Total Environment	151
Blackstone	Kolte Patil Developers	135

Source: Savills India Research

Savills Key Transaction - APAC

Japan - ibis Styles Tokyo Ginza			
GFA	Transacted Price	Vendor	Purchaser
4,923 sq. m.	JPY 16 billion	GKK GK (Mitsubishi HC Capital) JV Kenedix	CapitaLand Ascott Trust

REIT Spotlight

Key Financial Metrics for REITs for quarter ending December 2024				
	Embassy Office Parks REIT	Mindspace Business Parks REIT	Brookfield India REIT	Nexus Select Trust
Total Area (mn sq. ft.)	51.1	34.8	28.9	9.9
Occupancy	87%	86%	87%	98%
Incremental Leasing (sq.ft.)	600,000	500,000	929,000	310,000
In-Place Rents (INR/sq. ft./month)	90	71.4	96	160
NOI (INR mn)	8,290	5,218	5,037	4,416
EBITDA (INR mn)	8,246	4,955	4,942	4,420
Distribution (INR/unit)	5.90	5.32	4.90	2.19
Dividend Yield (Annualised)	6.4%	5.9%	7.1%	6.4%
Price Movement (YOY)	14%	12%	17%	0.5%
Market Capitalisation (INR mn)	350,332	214,275	166,956	206,994
Gearing	47%	29%	33%	16%

Note: In-place rents for Nexus Select Trust is reflective of average rent for retail portfolio.

Source: REIT Quarterly Filings, BSE

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