

India Investment Market Watch

Q3/2026

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MACROECONOMIC UPDATE

- Real GDP grew by 7.8% in Q1 FY27, as compared to 6.8% growth recorded in Q1 FY26. The IMF has further projected a growth rate of 7.0% for FY27.
- The RBI maintained the repo rate at 5.25% while retaining a neutral policy stance during Q3 2026. However, starting Q4, the MPC raised the repo rate by 25 bps to 5.5%, signalling a shift towards calibrated tightening.
- India 10 -Year Bond Yield stood at 7.2% at the end of September 2026, a 50-bps increase quarterly.

PRIVATE EQUITY INFLOWS MODERATE IN Q3, WHILE YTD INVESTMENT TREND REMAINS ROBUST

Private equity (PE) inflows into Indian real estate stood at USD 1.3 billion (INR 129 billion) in Q3 2026, excluding USD 167 million (INR 16 billion) of asset acquisitions by REITs/InvITs during the quarter. PE investments declined 33% QoQ, as investors remained cautious amid heightened geopolitical and macroeconomic uncertainties arising from regional conflicts, tariff-related

PRIVATE EQUITY REAL ESTATE INVESTMENT INDIA (USD BILLION)

Q3 2026	Q2 2026	Q3 2025	QoQ Change	YoY Change
1.3	2.0	1.5	-33%	-9%

Source: Savills India Research

S&P BSE REALTY INDEX

30th September 2026	QoQ Change	YoY Change
6629.46	2.4%	-1.6%

Source: BSE

disruptions and energy supply concerns. YTD (January-September 2026) PE inflows reached USD 4.5 billion (INR 435 billion), 16% higher than the corresponding period in 2025. While macroeconomic uncertainty and cautious capital deployment have moderated deal momentum, strong performance in the hospitality and industrial & logistics segments, underpinned by resilient domestic demand and favourable demographic trends, continue to support long-term investor confidence. Domestic and foreign-based investors accounted for 51% and 49% of total PE investments in Q3 2026, respectively.

HOSPITALITY AND INDUSTRIAL & LOGISTICS SEGMENTS TAKE THE LEAD

In Q3 2026, hospitality emerged as the leading recipient of PE inflows, accounting for 26% of total investments, supported by

rising consumption and continued investor interest in the segment. Industrial & logistics made a strong comeback after a brief investment lull, securing the second-largest share at 22%, driven by sustained demand from e-commerce, manufacturing and supply-chain expansion. The residential segment followed with a 15% share of total inflows. Meanwhile, office and data centre investments, which had led PE activity in recent quarters, took a back seat in Q3, accounting for 14% and 8% share, respectively. The moderation in office investments reflects a more selective approach to large-ticket transactions amid elevated global uncertainties, while data centre investments were relatively subdued following significant capital deployment in earlier quarters.

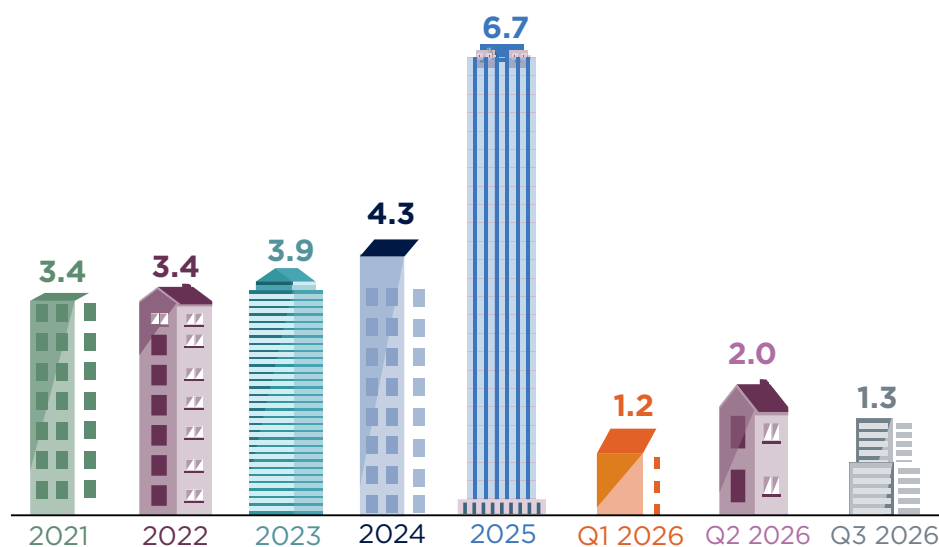
DOMESTIC INVESTORS CONTINUE TO BET ON THE INDIAN REALTY MARKET

Continuing the recent trend, domestic investors remained the dominant contributors, accounting for 51% of total PE inflows in Q3 2026. Industrial & logistics (including warehousing), office and residential assets together accounted for 95% of domestic investments, with industrial & logistics leading at 38%, while office and residential attracted nearly equal shares. Foreign-based investors, primarily from Canada, the USA and

Singapore, accounted for the remaining 49% of PE inflows. Hospitality emerged as the preferred asset class, attracting 49% of foreign investments, followed by data centres with 16%. CPPIB, Fidelity Investments and Gray Matters Capital were among the key foreign-based investors during the quarter. The Western Indian region remained the leading investment destination, accounting for over 30% of overall PE inflows in Q3, with Mumbai and Pune emerging as the key markets. APG DC Infra Private Ltd, EAAA India Alternatives, Lighthouse Canton and

Aranya Real Estate Fund were among the prominent investors in the region, deploying capital across multiple asset classes.

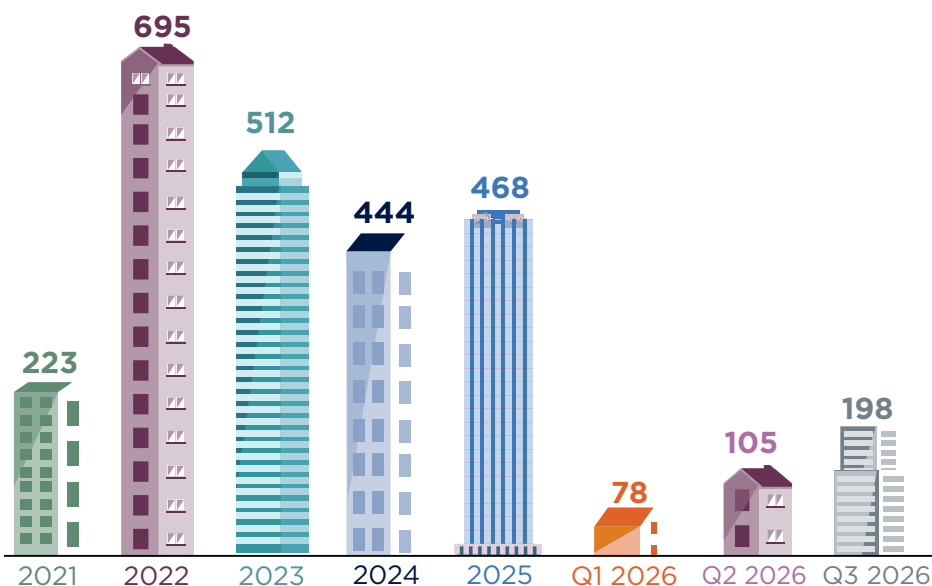
INDIA INSTITUTIONAL INVESTMENT IN REAL ESTATE (IN USD BN)



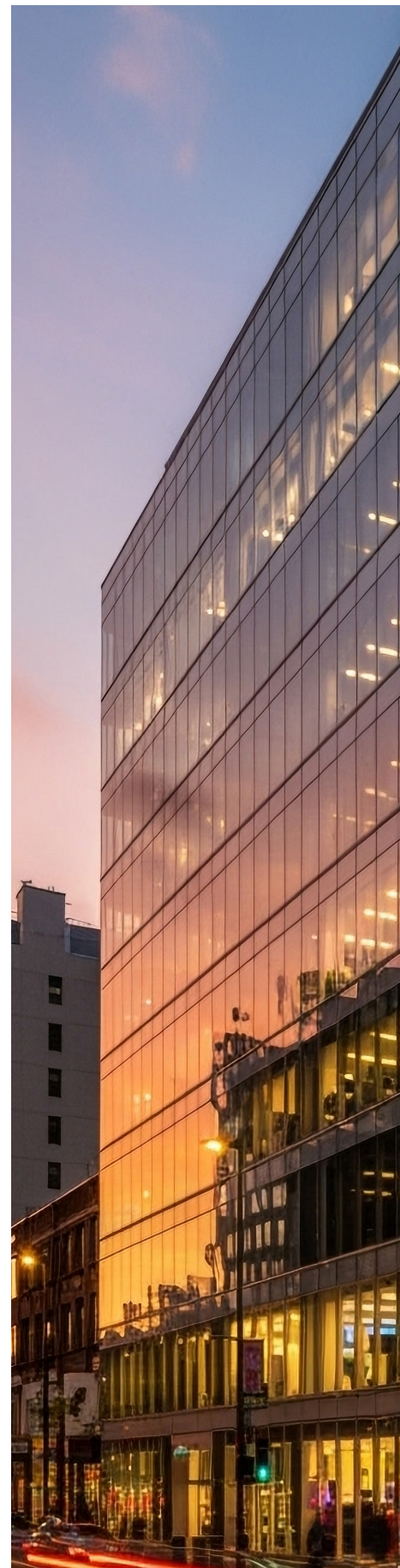
Source: RCA and Savills India Research

Note: Private equity institutional investments include equity deals executed through private route, exclude plain debt deals executed via fund raises, QIPs, public market deals and platform formations.

ASIA PACIFIC INVESTMENT: ALL SECTORS INCLUDING REAL ESTATE (IN USD BN)



Source: RCA



KEY TRANSACTIONS - INDIA

Investor	Investee /Asset	Investment Quantum (USD million)
CPPIB	Prestige Hospitality Ventures Ltd.	314
Logicap	Warehouses in Chennai, Kolkata and Bhiwandi (near Mumbai)	208
Fidelity Investments	Lodha Developers	194

Source: Savills India Research

SAVILLS KEY TRANSACTION - APAC



Circles Plus Shinbashi, Japan

Site Area:
709 sq. m.Transacted price:
JPY ~13 billionSeller:
Westbrook PartnersPurchaser:
Keihan Holdings

REIT SPOTLIGHT

KEY FINANCIAL METRICS FOR REITS FOR QUARTER ENDING JUNE 2026

Company	Embassy Office Parks REIT	Mindspace Business Parks REIT	Brookfield India REIT	Nexus Select Trust	Knowledge Realty Trust	Bagmane REIT
Total Area (mn sq. ft.)	52.5	46.2	37.2	10.7	46.5	17.6
Occupancy	90.0%	90.7%	93.0%	96.9%	93.0%	98.7%
Incremental Leasing (sq. ft.)	700,000	200,000	709,000	NA	650,000	144,000
In-Place Rents (INR/sq. ft./month)	96	81	104	182	99	111
NOI (INR mn)	10,200	7,880	7,566	5,100	11,117	6,605
EBITDA (INR mn)	9,780	7,429	7,485	4,910	10,721	3,777
Distribution (INR/unit)	6.3	6.7	5.6	2.4	1.7	1.5
Dividend Yield (Annualised)	5.8%	5.6%	6.8%	6.0%	5.9%	5.8%
Price Movement (YoY)	13%	17%	6%	17%	NA	NA
Market Capitalisation (INR mn)	415,377	313,878	274,724	247,248	512,173	350,880
Gearing	45%	42%	35%	22%	22%	4%

Note:

1. In-place rents for Nexus Select Trust is reflective of the average rent for the retail portfolio.
2. Nexus Select Trust did not disclose incremental leasing volumes for Q1 FY27 across its earnings materials or exchange filings.

Source: REIT Quarterly Filings, BSE

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