About Anarock

Anarock is an independent real estate advisory and services firm that combines institutional real estate market expertise, proprietary market knowledge and artificial intelligence-powered insights to deliver comprehensive real estate solutions to a diversified range of clients including real estate developers, corporate occupiers, retail brands, Government bodies, financial institutions, private equity funds, sovereign funds and other institutional investors.

Established in 2017, Anarock draws upon a legacy of over three decades of real estate expertise and advises clients across various property sectors including residential, commercial, retail, hospitality, land, industrial and flexible workspaces.

With a team of over 2,200 professionals as of March 31, 2026, Anarock delivers integrated real estate solutions spanning investment banking, bespoke research, strategic advisory and valuations, project management and engineering services and enterprise community management. The Group combines market intelligence, technology and disciplined execution which we believe creates long-term value across the real estate lifecycle.

For more information visit www.anarock.com

About FICCI

Established in 1927, FICCI is the largest and oldest apex business organisation in India. Its history is closely interwoven with India's struggle for independence, its industrialisation, and its emergence as one of the most rapidly growing global economies. A not-for-profit organisation, FICCI is the voice of India's business and industry. From influencing policy to encouraging debate, engaging with policy makers and civil society, FICCI articulates the views and concerns of industry. It serves its members from the Indian private and public corporate sectors and multinational companies, drawing its strength from diverse regional chambers of commerce and industry across states, reaching out to over 250,000 companies. FICCI provides a platform for networking and consensus building within and across sectors and is the first port of call for Indian industry, policy makers and the international business community.

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The Changing Landscape of

Real Estate Investment in India

From economic transformation to the next generation of real estate assets



DOUBLE-ENGINE GROWTH

Tier 1 depth and Tier II breadth, funded by rising foreign and scaling domestic capital

OCTOBER 2026



Table of CONTENTS

Foreword by Raj Menda, Chairman, FICCI 4
Foreword by Anuj Puri, Promoter & Chairman, Anarock 5

1. Economic overview: Shocks, cycles and resurgence 6

1.1 Growth cycles: Headwinds, tailwinds and the real estate rebound
1.2 The structural tailwinds: Income and new-economy jobs

2. Three decades of real estate 8

2.1 Land and residential-led growth: 1990s to 2000s
2.2 Formalisation and institutionalisation: 2010s
2.3 Diversification and scale: 2020s to 2030s 9
2.4 The scale of the market today

3. Where capital is coming from 11

3.1 Private equity: A record pace in 2026
3.2 Recent trends: FY22 to H1 FY27
3.3 Two capital engines: Foreign and domestic
3.4 The most active investors
3.5 Alternative Investment Funds
3.6 Listed markets and REITs

4. Geography: The double engine 17

4.1 Engine 1: Tier 1 depth
4.2 Engine 2: Tier II and peripheral breadth
4.3 Multi-city platforms gaining traction

5. Asset classes: From buildings to platforms 19

5.1 The move toward operator-led formats

6. Capital, credit and construction 21

6.1 Construction finance and structured capital

7. Outlook: Demand across asset classes 22

7.1 Residential: New homes
7.2 Grade A offices
7.3 Retail malls
7.4 Hospitality
7.5 Data centres
7.6 Industrial and warehousing

8. The road ahead 29

8.1 Where will the next INR 10 trillion go?
8.2 Opportunity map
8.3 2030 to 2035: Five calls

About Anarock 32
About FICCI 32

Foreword



Raj Menda
Chairman, FICCI Committee on Urban Development and Real Estate & Chairman of Supervisory Board, RMZ

As FICCI marks a century of building tomorrow, it is fitting to reflect on how far Indian real estate has travelled and where it must go next. The sector has moved from fragmented, promoter funded development to a mature industry that attracts the world's largest pension funds, sovereign investors and a growing community of Indian institutions. Regulation, transparency and professional governance have made this possible, and industry has been a willing partner in that journey.

The next decade will test our ambition in new ways. India's cities must welcome hundreds of millions of new residents, host the global capability centres that are making the country the back office and increasingly the front office of the world, and build the digital and logistics infrastructure that a manufacturing economy demands. Real estate will be the physical platform for this growth: offices that compete with the best in the world, homes that are affordable and well located, warehouses and industrial parks that keep supply chains efficient, and data centres that power the digital economy.

I see three priorities for industry and government. First, we must continue to deepen domestic capital markets. REITs, small and medium REITs and alternative investment funds give Indian savers a direct stake in the nation's growth and give developers a reliable exit for completed assets. Second, we must make it easier to build. Faster approvals, single window clearances, predictable land policies and reliable power connections will lower costs and improve delivery across every asset class. Third, growth must reach beyond the largest metros. Tier II cities and urban peripheries are ready to host new employment hubs, tourism and digital infrastructure if they receive the right investment in connectivity and governance.

Sustainability will sit at the heart of this journey. Investors and occupiers increasingly expect green buildings, efficient use of water and energy and responsible construction practices. Indian developers have an opportunity to lead rather than follow on these standards, and doing so will widen their access to global capital.

This report by FICCI and Anarock offers a clear and evidence based view of how capital, demand and policy are converging. I hope it serves as a useful guide for investors, developers, lenders and policymakers as we build the next generation of Indian real estate together. FICCI remains committed to working with every stakeholder to make India's built environment a lasting engine of inclusive growth.

Foreword



Anuj Puri
Promoter & Chairman, Anarock

Few asset classes mirror the path of an economy as closely as real estate. Over the past two decades India has absorbed six major shocks, from the global financial crisis of 2008 to the rate tightening of 2022 and 2023, and after each one real estate capital returned to a higher base. Private equity investment fell to USD 1.1 Bn in 2009, recovered to USD 7.7 Bn by 2017 and reached USD 6.9 Bn in 2025. In the first nine months of 2026 alone, it has already touched USD 6.1 Bn, the second highest annual total on record.

The fundamentals behind this resilience are structural. Real GDP grew 7.6% in 2025, and per capita income has risen 2.4 times over the last eleven years. Residential sales value in the top seven cities reached a record INR 6,09,621 crore in FY26, and gross office absorption touched a record 80.5 Mn sq ft in 2025, more than double the level of 2021.

What has changed most is the source of capital. Domestic funds invested USD 0.4 Bn in 2020 and USD 2.6 Bn in the first nine months of 2026, a rise of 6.4 times. Alternative Investment Fund commitments reached INR 17,53,070 crore by June 2026, and real estate remains the largest named sector in their portfolios. Foreign capital has not retreated; it grew about 19% a year between 2021 and 2025. India now runs on two capital engines rather than one.

The geography of growth is widening as well. The Mumbai Metropolitan Region took 49% of PE value between 2021 and 2025, yet Tier II deal activity nearly doubled, 45% of branded hotel keys signed in H1 2026 were in Tier 3 and 4 cities, and data centre capacity is spreading to new hubs. Capital is following new demand: data centres alone took 40% of PE in the first nine months of 2026.

This report traces how India's economic transformation has reshaped real estate investment and where the next wave of capital is likely to go. Our assessment is that the coming decade will be defined by institutional depth, larger platforms, a stronger role for domestic savings and a steady shift towards operating assets such as data centres, logistics parks, hotels and senior living.

For investors and policymakers alike, the message is clear. Indian real estate is no longer a cyclical bet on land prices. It is a long term claim on the growth of the world's fastest expanding major economy, and the institutions that understand its cash flows will shape its next chapter.

CHAPTER 1

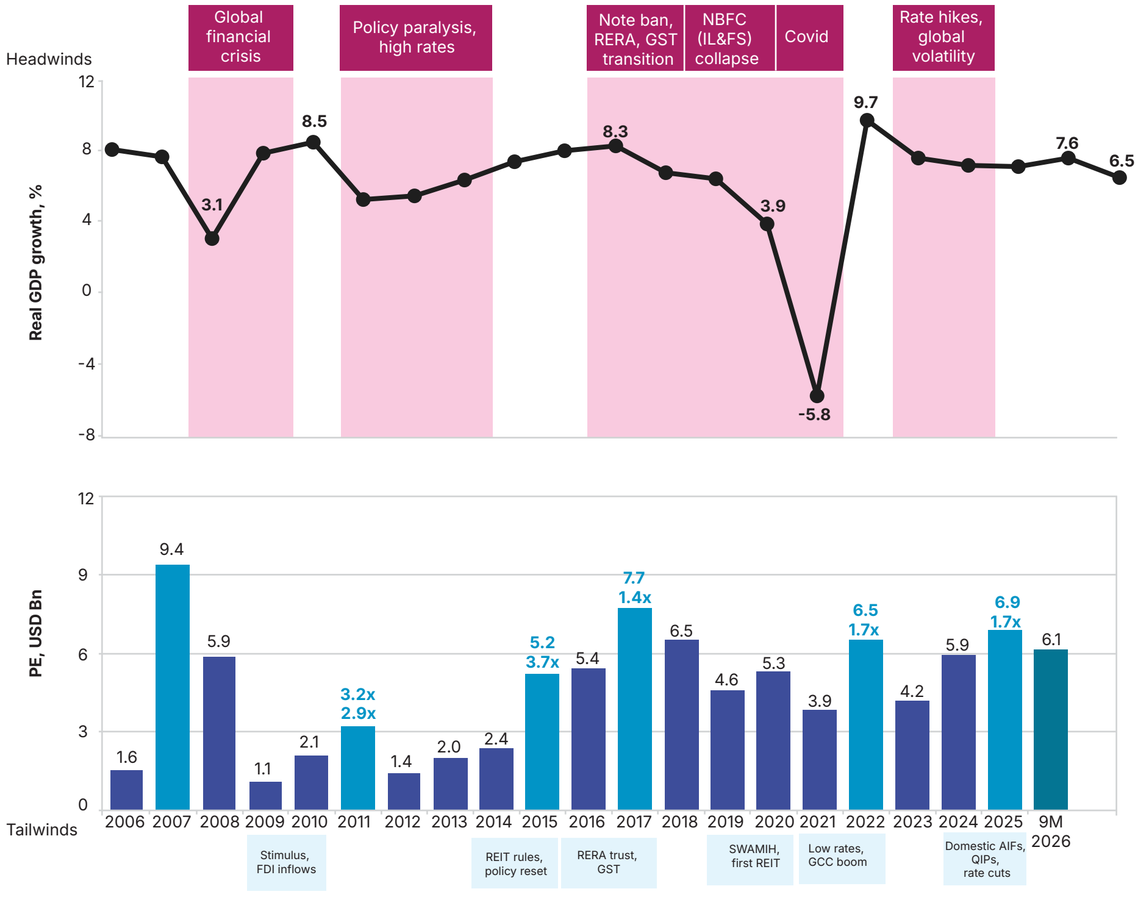
Economic overview: Shocks, cycles and resurgence

India entered 2026 as one of the fastest-growing large economies. Real GDP grew 7.6% in 2025 according to World Bank data, and the IMF projects 6.5% for 2026. Official estimates put nominal GDP for 2025-26 at INR 3,46,36,000 crore, with manufacturing growing 10.7% and financial services, real estate and professional services growing 10.4%. The repo rate was cut by 125 basis points in 2025 to 5.25%, where it was held at the August 2026 review.

The more important story for investors is how the economy has absorbed shocks. In two decades India faced six structural headwinds. Each one cut real estate capital sharply, and each time a policy or demand tailwind brought capital back to a higher base than before (Exhibit 1).

1.1 Growth cycles: Headwinds, tailwinds and the real estate rebound

Exhibit 1: Growth cycles: Headwinds, tailwinds and the real estate rebound after each shock, 2006 to 9M 2026



Source: World Bank, IMF (2026 projection) via government portals and industry reports; PE data: Anarock Research and Advisory

The rebounds have been large: PE rose 2.9x in the two years after the financial crisis, 3.7x after the policy paralysis of 2011 to 2013, and 1.7x after both the Covid-19 shock and the 2022 to 2023 rate cycle. In 9M 2026 PE has already reached USD 6.1 Bn. The sector has not just recovered from shocks; it has used each one to become more transparent and more investable.

Exhibit 2: What slowed the market and what revived it

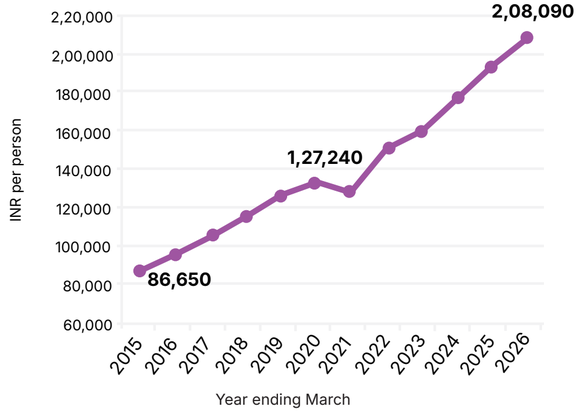
Cycle	Structural headwind	Tailwind	Real estate rebound
Global financial crisis (2008 to 2009)	Global liquidity froze; PE fell from USD 9.4 Bn (2007) to USD 1.1 Bn (2009)	Stimulus, rate cuts, FDI in townships and construction	GDP back to 8.5% in 2010; PE USD 3.2 Bn in 2011
Policy paralysis, high rates (2011 to 2013)	Stalled approvals, high inflation and rates; PE below USD 2.4 Bn a year	REIT regulations (2014) and policy reset	PE more than doubled to USD 5.2 Bn in 2015
Formalisation shock (2016 to 2017)	Note ban, RERA and GST transition squeezed weaker players	Escrow-backed, transparent market	PE hit USD 7.7 Bn in 2017, a decade high
NBFC liquidity crisis (2018 to 2019)	Shadow-bank credit dried up; GDP growth slowed to 3.9% in 2019	SWAMIH fund and first REIT listing (2019)	Platform deals rose to 34% of PE value in 2019
Covid-19 (2020)	GDP fell 5.8%; domestic funds fell to 8% of PE value	Low rates, GCC expansion, digital boom	GDP grew 9.7% in 2021; PE USD 6.5 Bn in 2022
Rate tightening (2022 to 2023)	Repo raised to 6.50%; global capital cautious	Domestic AIFs, QIPs of INR 18,801 crore in 2024, rate cuts in 2025	PE USD 6.9 Bn in 2025 and USD 6.1 Bn in 9M 2026

Source: Anarock Research and Advisory; Government portals and industry reports

1.2 The structural tailwinds: Income and new-economy jobs

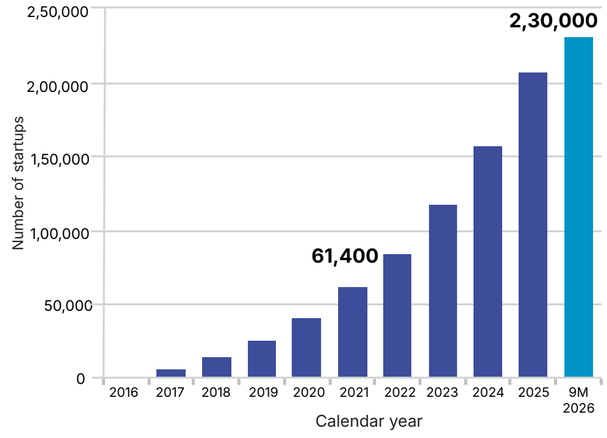
Underneath the cycles, two structural forces keep widening the demand base. Per capita net national income rose 2.4x, from INR 86,650 in 2014-15 to INR 2,08,090 in 2025-26, compounding at about 8.3% a year with 2020-21 the only decline. Recognised startups rose from 471 in 2016 to about 2.3 lakh by September 2026, a direct proxy for new office, co-working and housing demand in the major cities.

Exhibit 3: Per capita net national income, INR



Source: Government portals (MoSPI); years shown by year ending in March

Exhibit 4: Recognised startups, cumulative



Source: Government portals (DPIIT)

CHAPTER 2

Three decades of real estate

Over three decades, Indian real estate has moved through three distinct eras, each defined by a different asset focus and a different source of capital (Exhibit 5).

Exhibit 5: Three eras of Indian real estate

1990s to 2000s
Land and housing-led

- Plots, apartments, land banking
- Funded by promoters and pre-sales
- FDI opened to townships, 2005
- PE peaked at USD 9.4 Bn in 2007

2010s
The institutional turn

- Grade A offices and IT parks
- Global PE and pension funds
- REIT rules 2014; RERA and IBC 2016
- First REIT listed, 2019

2020s to 2030s
Diversification and scale

- Logistics, data centres, hotels
- Senior living, malls, mixed use
- AIFs, REITs, IPOs and QIPs
- SM REIT rules, 2024

Source: Anarock Research and Advisory

2.1 Land and residential-led growth: 1990s to 2000s

Growth came from plotting, apartments and land banking, funded largely by promoter equity and buyer advances. Opening FDI to townships and construction in 2005 brought the first PE wave: USD 24.6 Bn between 2006 and 2012, with 35% in housing and 28% in diversified, land-heavy platforms. The median deal was only USD 24 Mn.

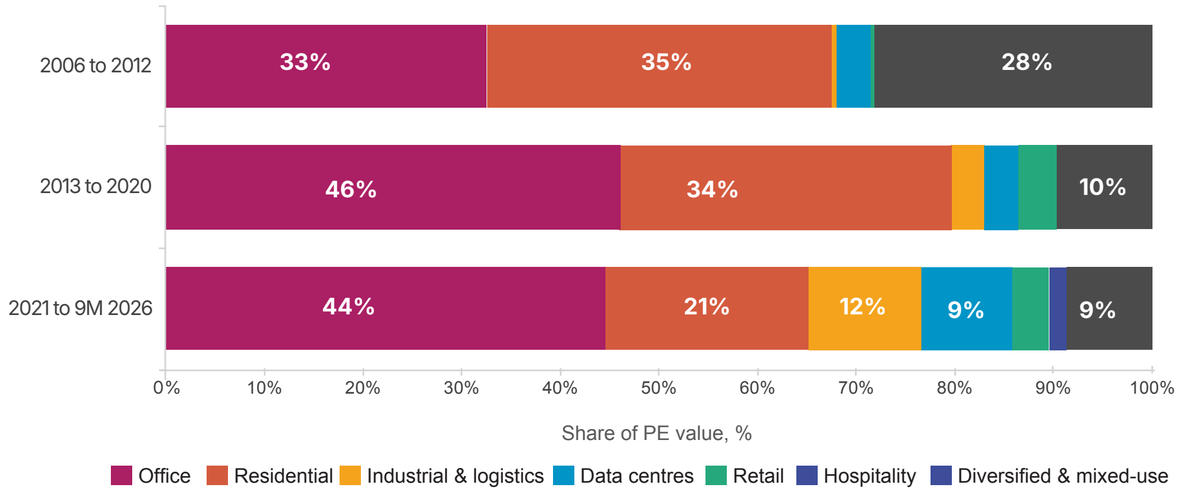
2.2 Formalisation and institutionalisation: 2010s

REIT regulations (2014), RERA and IBC (2016) and GST (2017) removed weaker players and made cash flows easier to underwrite. Grade A offices became the anchor asset, taking 46% of the USD 39.1 Bn of PE in 2013 to 2020, and India's first REIT listed in 2019.

2.3 Diversification and scale: 2020s to 2030s

Capital is now spreading across asset classes and getting larger per deal. Of the USD 33.5 Bn invested between 2021 and 9M 2026, industrial and logistics took 11.5% and data centres 9.2%, against 3.4% for the two combined in 2013 to 2020. Housing's share fell to 21% from 34%, as its funding moved to domestic AIF credit and to the balance sheets of listed players.

Exhibit 6: PE investment mix by asset class across three eras, % of value

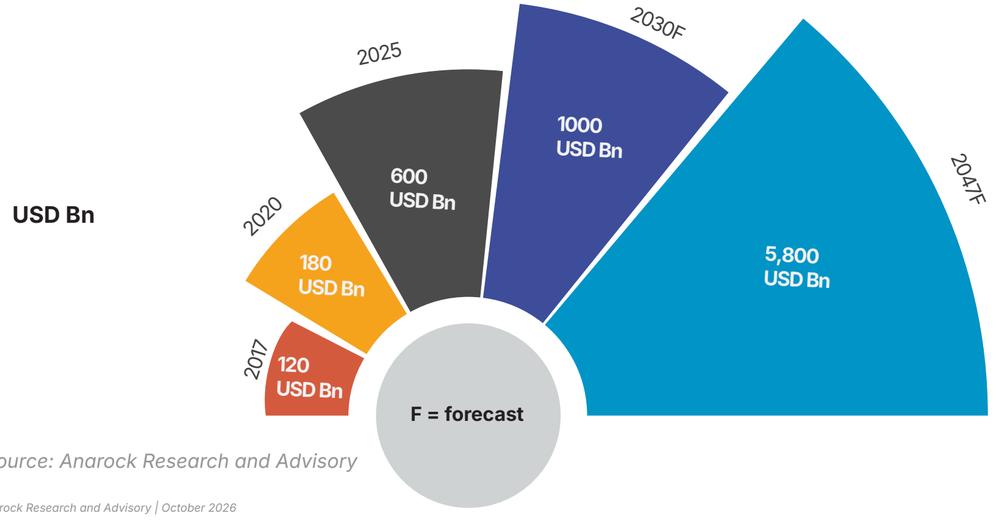


Source: Anarock Research and Advisory

2.4 The scale of the market today

Indian real estate was a USD 600 Bn market in 2025, up from USD 120 Bn in 2017, and is projected to reach USD 1 trillion by 2030 and USD 5.8 trillion by 2047. Its contribution to GDP is expected to rise from about 6% in 2017 to 13% by 2030. The value of real estate under construction nearly doubled between 2019 and 2025, with residential accounting for about 85%.

Exhibit 7: Indian real estate market size, USD Bn



Source: Anarock Research and Advisory

Exhibit 8: Value of real estate under construction, USD Bn (share)

Sector	2009	2019	2025
Residential	45 (48%)	235 (84%)	**430 (85%)**
Commercial	49 (52%)	42 (16%)	**73 (15%)**
of which office	29	36	**51.4**
of which retail	20	5	**11.8**
of which warehousing	0.2	1	**10.2**
Total	**94**	**267**	**503**

Note: dollar values as of 31 December of each year.
Source: Anarock Research and Advisory



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CHAPTER 3

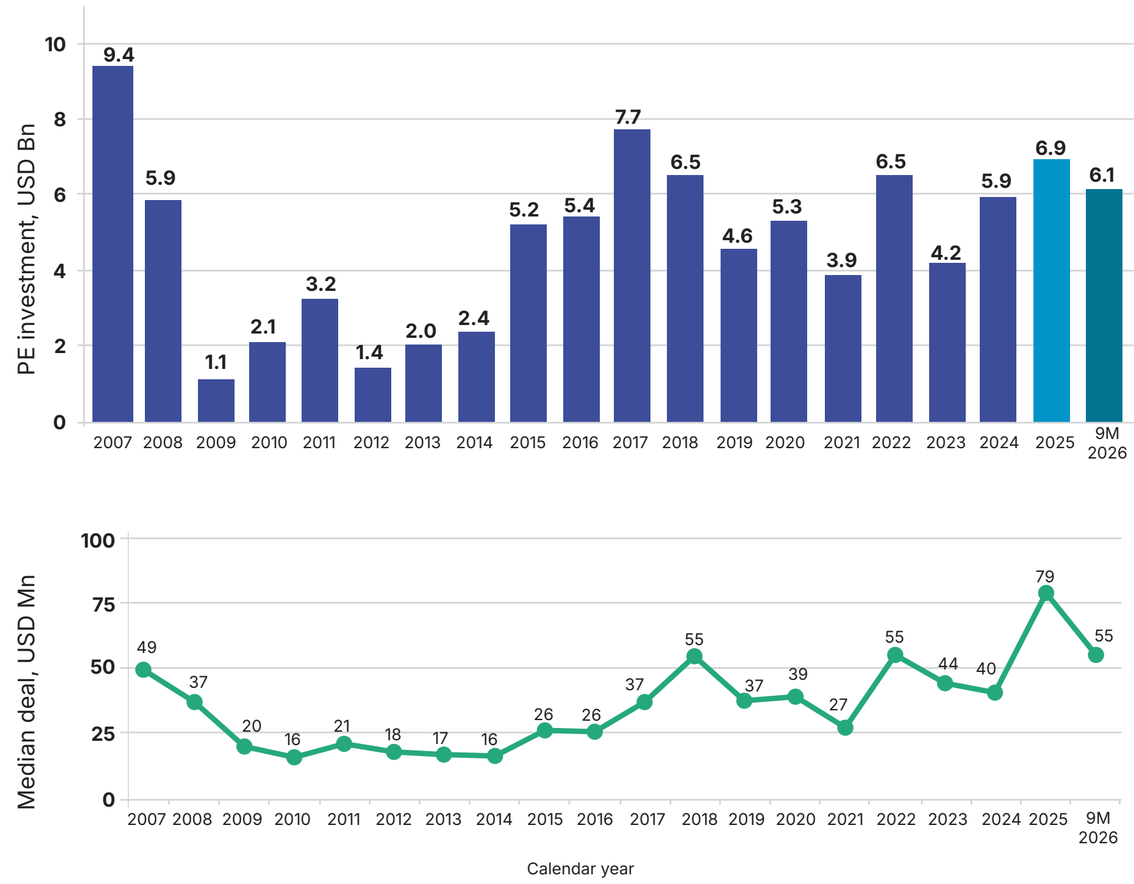
Where capital is coming from

Real estate capital now comes from four pools at once: global PE and sovereign funds, domestic AIFs, listed equity markets and REITs, and a smaller but growing layer of private and digital investors. Foreign capital still provides the larger share, but domestic capital is growing far faster.

3.1 Private equity: A record pace in 2026

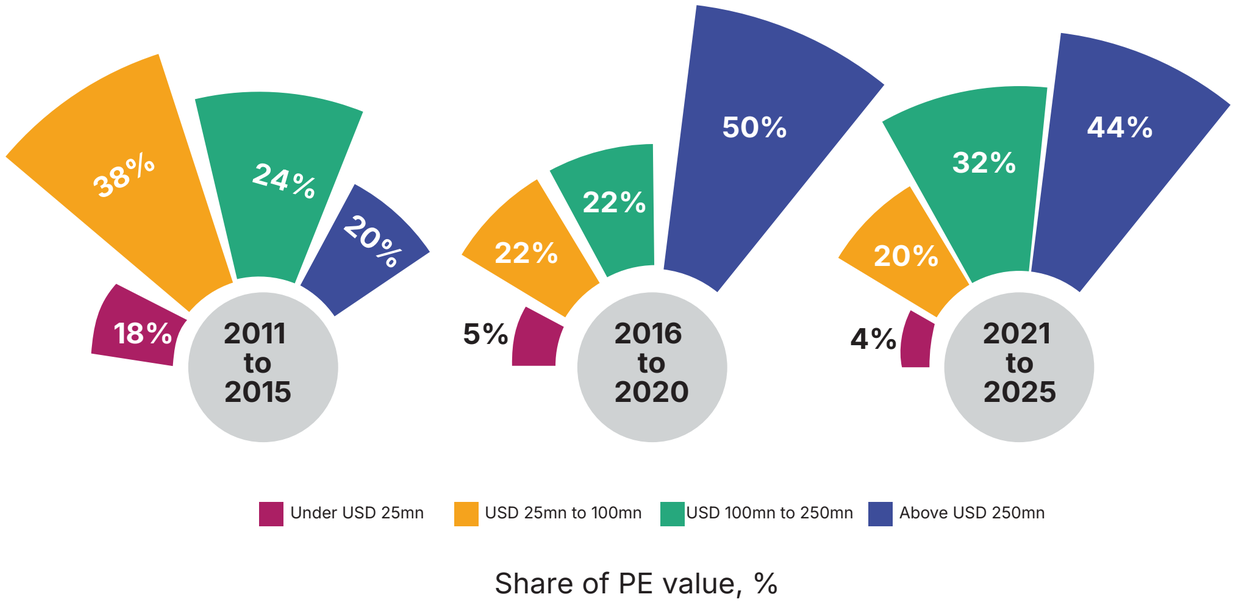
PE absorbed between USD 3.9 Bn and USD 7.7 Bn a year between 2015 and 2025. In 9M 2026, PE has already reached USD 6.1 Bn across 55 disclosed deals, led by data centres (USD 2.5 Bn) and offices (USD 1.7 Bn). Deals have become larger: those above USD 100 Mn carried 76% of value in 2021 to 2025, against 44% in 2011 to 2015, and entity-level deals rose from 15% to 27% of value over the same periods.

Exhibit 9: PE investment in Indian real estate and median deal size, 2007 to 9M 2026



Source: Anarock Research and Advisory; deals with disclosed value
Note: PE deal counts include IPO deals and platform deals. All deals are on a calendar year basis.

Exhibit 10: Share of PE value by deal size

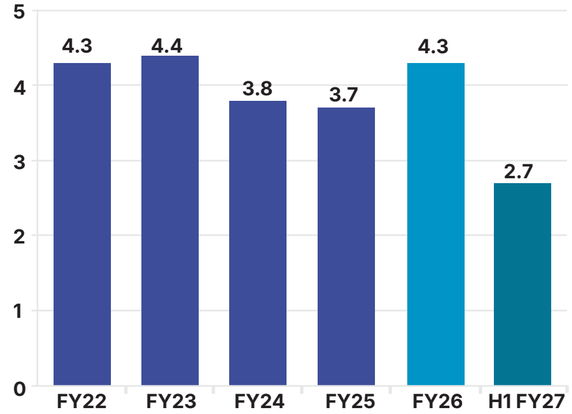


Source: Anarock Research and Advisory

3.2 Recent trends: FY22 to H1 FY27

PE inflows held between USD 3.7 Bn and USD 4.4 Bn a year from FY22 to FY26, and rose 23% year on year to USD 2.7 Bn in H1 FY27, the strongest first half since H1 FY23. Deal activity broadened: H2 FY26 recorded 38 deals and H1 FY27 30, above the earlier range of 20 to 28 per half, while the average deal size rose 18% to USD 91 Mn in H1 FY27.

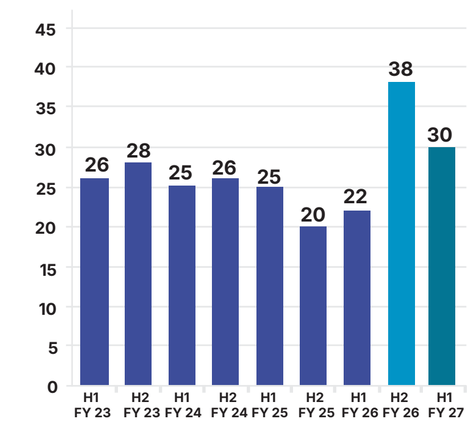
Exhibit 11: PE inflows, USD Bn, FY22 to H1 FY27



Financial year (April to March); H1 = April to September

Source: Anarock Research and Advisory

Exhibit 12: Number of PE deals per half-year

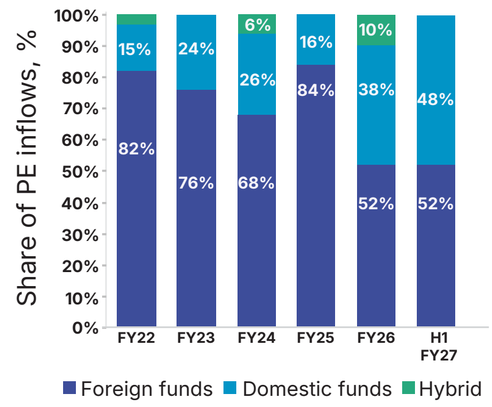


Source: Anarock Research and Advisory

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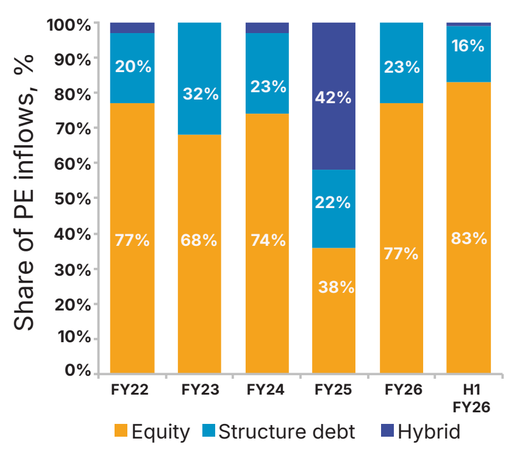
Two shifts stand out. Domestic investors took 48% of inflows in H1 FY27, triple their 16% share in FY25. Equity rose to 83% of inflows, the highest share in the period, while structured debt halved from 32% in FY23 to 16%, a sign that investors are again willing to take ownership risk.

Exhibit 13: Foreign vs domestic share of PE inflows



Source: Anarock Research and Advisory

Exhibit 14: Equity, structured debt and hybrid share of PE inflows

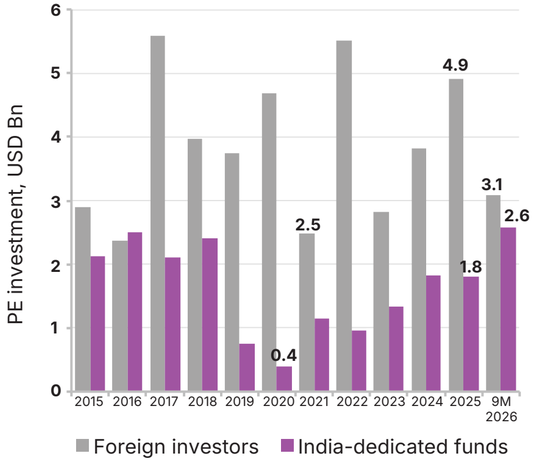


Source: Anarock Research and Advisory

3.3 Two capital engines: Foreign and domestic

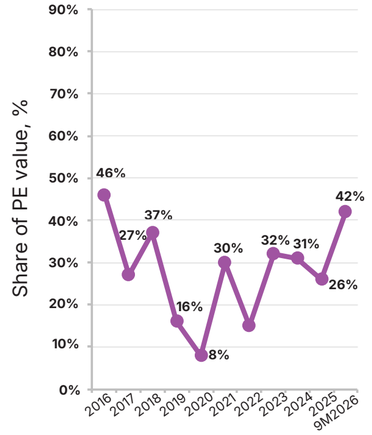
On a calendar year basis, foreign PE grew about 19% a year between 2021 and 2025, from USD 2.5 Bn to USD 4.9 Bn, and reached USD 3.1 Bn in 9M 2026. Domestic funds grew much faster: from USD 0.4 Bn in 2020 to USD 1.8 Bn in 2025 and USD 2.6 Bn in 9M 2026, a 6.4x rise. Their share of PE value rose from 8% in 2020 to 42% in 9M 2026. FLUX confirms the pattern for H1 FY27: domestic inflows rose about 6x year on year to USD 1,296 Mn, while foreign inflows grew 19% to USD 1,428 Mn.

Exhibit 15: PE by investor type, USD Bn



Source: Anarock Research and Advisory; excludes co-investment

Exhibit 16: Domestic funds share of PE value, %



Source: Anarock Research and Advisory

3.4 The most active investors

Nine investors meet both of our thresholds for 2016 to 9M 2026. Seven are global asset managers, sovereign funds or pension funds whose core holding is offices, though logistics, hotels and data centres are rising in their mix. Two are domestic funds, both housing-led.

Exhibit 17: Most active investors in Indian real estate, 2016 to 9M 2026

Investor	Investor type	Focus asset classes
Blackstone	Global asset manager	Office, mixed use, logistics
Brookfield	Global asset manager	Office, hospitality
GIC	Sovereign wealth fund	Office, hospitality, logistics
HDFC Capital	Domestic fund	Residential
CPPIB	Pension fund	Office, retail, logistics
Ascendas	Strategic investor	Office, data centres
KKR	Global asset manager	Residential, logistics
ADIA	Sovereign wealth fund	Logistics, office, retail
Piramal Fund	Domestic fund	Residential, office

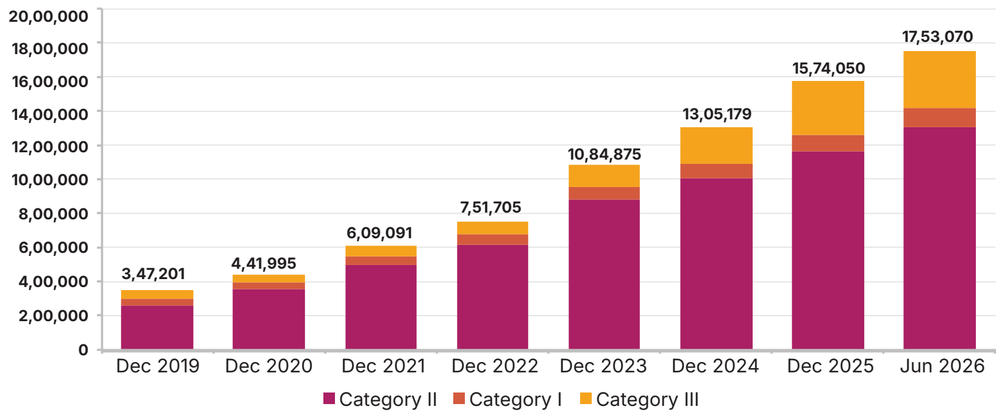
Note: investors listed have each deployed more than USD 1.5 Bn across a minimum of 3 deals between 2016 and 9M 2026. Investors are listed in order of capital deployed; joint deals are split as per % sharing

Source: Anarock Research and Advisory

3.5 Alternative Investment Funds

AIFs have become the domestic counterpart to global PE. Commitments grew from INR 3,47,802 crore in December 2019 to INR 17,53,070 crore in June 2026, and investments made crossed INR 7,10,000 crore. Category II funds, which include real estate and private credit funds, hold about three quarters of commitments. Real estate remains the largest sector in AIF portfolios: it reached about INR 1,28,000 crore and 19% of investments in March 2026 (13% a year earlier), and stood at INR 87,969 crore in June 2026, its first quarterly decline.

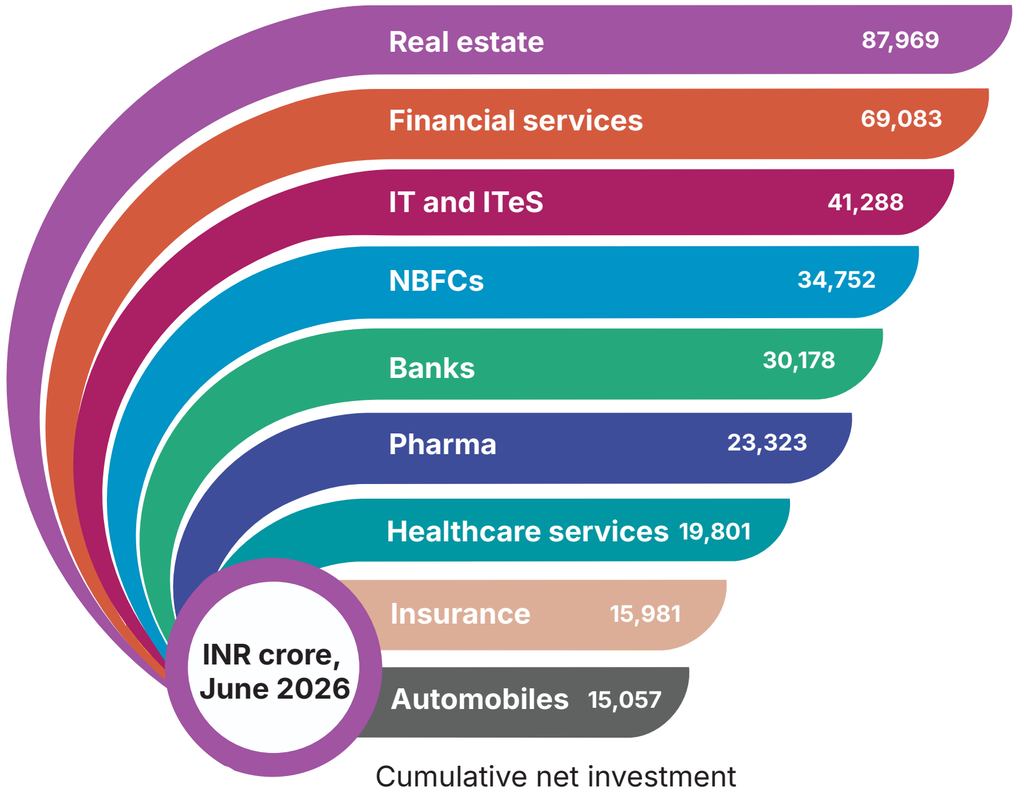
Exhibit 18: AIF commitments raised by category, INR crore



Source: Anarock Research and Advisory, Government portals; this is cumulative data.

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Exhibit 19: AIF investment by sector, INR crore, June 2026



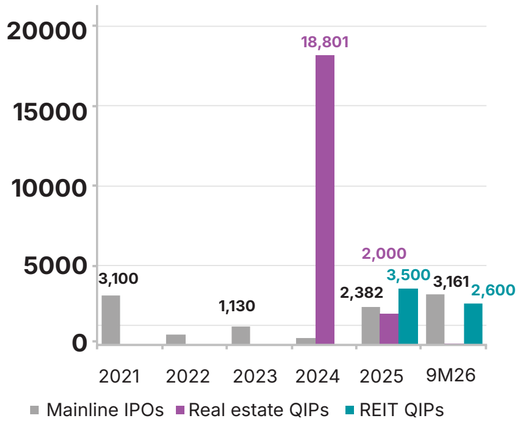
Source: Anarock Research and Advisory, Government portals, industry reports.



3.6 Listed markets and REITs

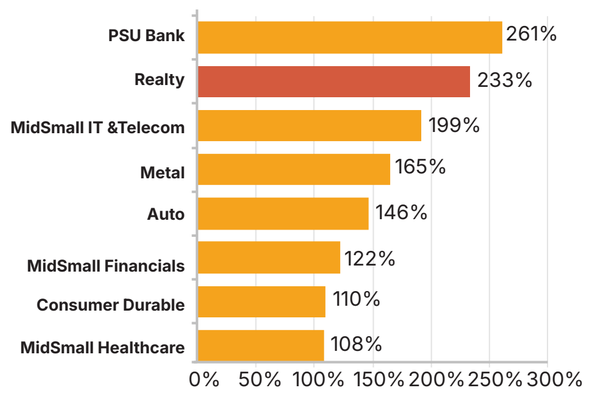
Listed players have used strong valuations to cut debt and buy land. Eleven mainline IPOs raised INR 10,818 crore from 2021 to 9M 2026; real estate QIPs raised INR 20,876 crore and REIT QIPs a further INR 6,100 crore, a total of INR 37,794 crore. The Nifty Realty index rose 233% in the consistent bull run phase of January 2021 to December 2024, second only to PSU banks. REITs are deepening the market: the listing of a sixth REIT took the listed portfolio past 210 Mn sq ft of Grade A office and retail space, with gross assets of about USD 33 Bn as of H1 FY27.

Exhibit 20: Equity raised by listed players and REITs, INR crore



Source: Anarock Research and Advisory, Government portals

Exhibit 21: Nifty sector index gains: consistent bull run phase, 2021 to 2024



Source: Anarock Research and Advisory, Government portals and industry reports (NSE)



CHAPTER 4

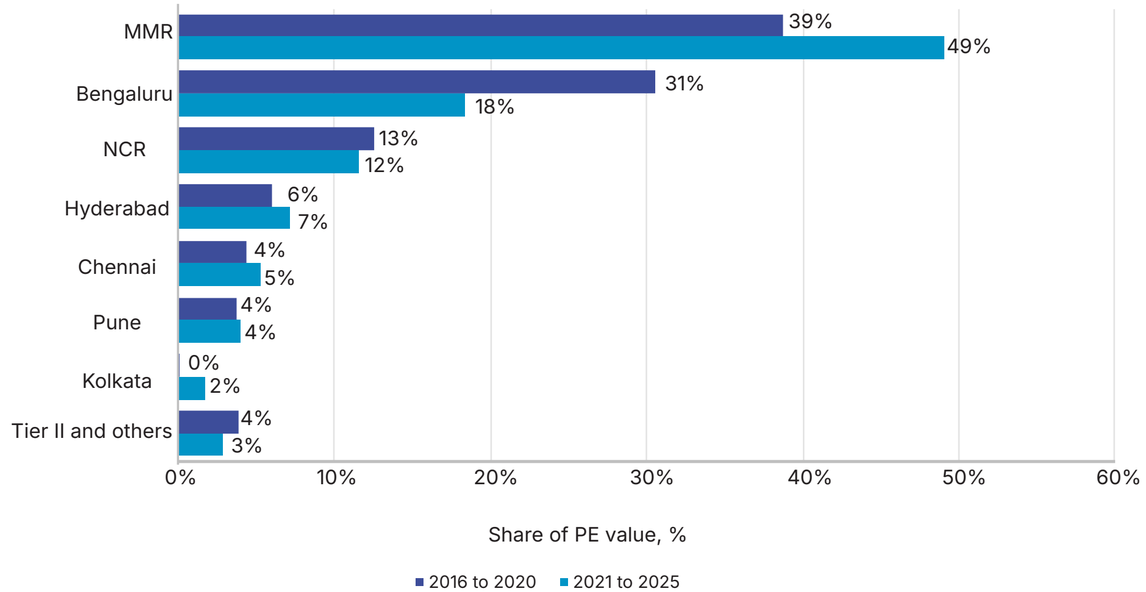
Geography: The double engine

Capital is concentrating in the largest cities and spreading beyond them at the same time. These are not contradictory trends: they are the two engines of the next cycle.

4.1 Engine 1: Tier 1 depth

MMR's share of PE value rose to 49% in 2021 to 2025 from 39% in 2016 to 2020, while Bengaluru's fell to 18% from 31%, partly because large platform deals are recorded at the head office of the target company. The top cities also lead every demand indicator: record office absorption, record mall leasing, and Mumbai alone holds 53% of operational data centre capacity.

Exhibit 22: Share of PE value by city, %



Source: Anarock Research and Advisory; this excludes multi-city transactions.

4.2 Engine 2: Tier II and peripheral breadth

Tier II cities still account for only 3% to 4% of PE value, but the direction is clear. Tier II PE deals rose from 11 in 2016 to 2020 to 20 in 2021 to 2025, across 12 cities rather than 8, and 9M 2026 has added deals in Udaipur, Lucknow, Goa, Jaipur and Vadodara. Hospitality and data centres are leading the move: 45% of branded hotel keys signed in H1 2026 were in Tier 3 and 4 cities, up from 40%, and Tier II data centre capacity is set to cross 100 MW by end-2026, with a further 1.4 to 1.6 GW planned outside the top six cities.

Exhibit 23: Engine 2 indicators

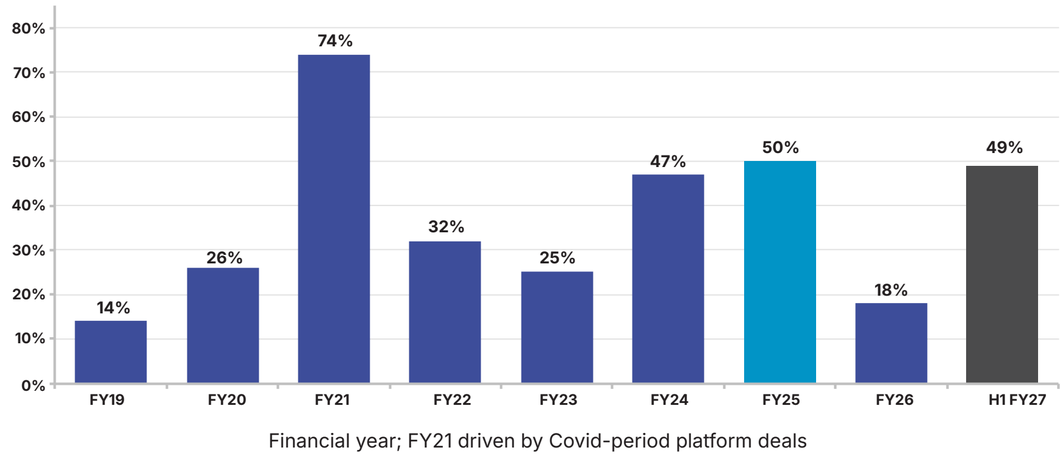
11 → 20	**45%**	**100+ MW**	**1.4 to 1.6 GW**
Tier II PE deals, 2016 to 2020 vs 2021 to 2025	Hotel keys signed in Tier 3 and 4 cities, H1 2026	Tier II data centre capacity by end-2026	Data centre pipeline outside the top six cities

Source: Anarock Research and Advisory; HVS Anarock

4.3 Multi-city platforms gaining traction

The vehicle that connects the two engines is the multi-city platform. Barring the Covid period, pan-India and multi-city deals have risen from 14% of PE value in FY19 to about half of inflows in FY25 and H1 FY27. The share dipped to 18% in FY26, when activity was spread across many single-city deals, and rebounded to 49% in H1 FY27 on large platform investments in data centres and hospitality. Among single cities in H1 FY27, Bengaluru led with 17% and Pune nearly doubled its share to 11%.

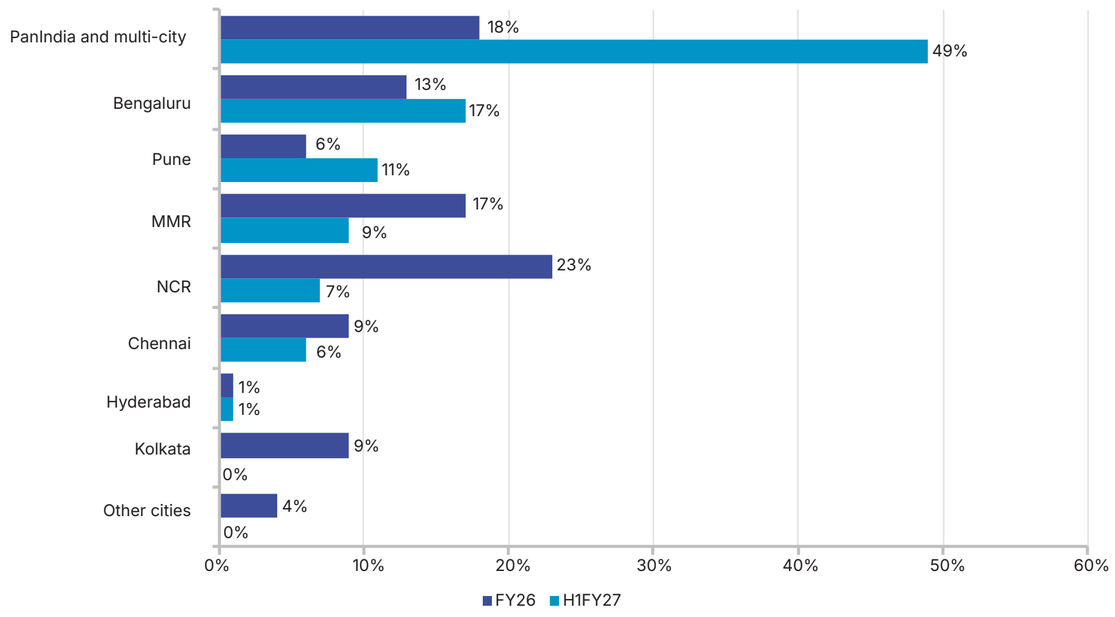
Exhibit 24: Pan-India and multi-city deals, % of PE value, FY19 to H1 FY27



Financial year; FY21 driven by Covid-period platform deals

Source: Anarock Research and Advisory; FY25 as revised in the FY26 edition

Exhibit 25: City-wise share of PE inflows, FY26 vs H1 FY27



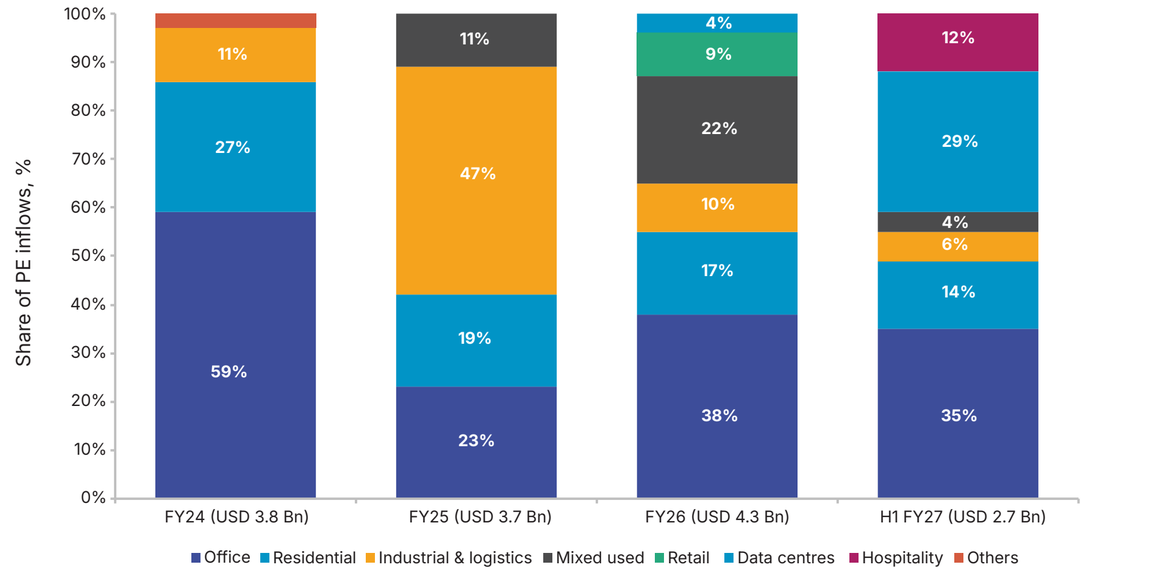
Source: Anarock Research and Advisory; city shares exclude portfolio deals where the city split is not available

CHAPTER 5

Asset classes: From buildings to platforms

The PE trend shows how quickly the asset mix of PE inflows now moves. Offices took 59% of inflows in FY24, industrial and logistics 47% in FY25 on a single large platform deal, and offices again 38% in FY26 with mixed use at 22%. In H1 FY27, data centres jumped to 29% from 4% and hospitality returned with 12% after a year with no deals, while offices held the lead at 35%.

Exhibit 26: Asset class share of PE inflows, FY24 to H1 FY27



Source: Anarock Research and Advisory; asset class split is not published for FY22 and FY23

Exhibit 27: Asset class scorecard, 2021 to 2025

Asset class	Foreign share of PE value	Lead markets by PE value
Office	83%	MMR 56%, Bengaluru 18%
Residential	31%	MMR 38%, Bengaluru 21%
Industrial & logistics	97%	MMR 64%, Bengaluru 20%
Diversified & mixed-use	62%	NCR 47%, Bengaluru 19%
Retail	100%	MMR 60%, Kolkata 40%
Data centres	65%	MMR 42%, Chennai 35%
Hospitality	71%	Bengaluru 57%, NCR 43%

Source: Anarock Research and Advisory

Three investor preferences stand out. Income-producing assets (offices, malls and logistics) draw 80% to 100% foreign capital. Development risk is increasingly funded at home: Indian funds supply 61% of residential PE value, or 69% including co-investments. And investors prefer platforms to projects.

5.1 The move toward operator-led formats

Every asset class is moving from plain buildings toward specialised products that need an operator. In housing, an INR 1,000 crore institutional rental platform for co-living, student and worker housing and an INR 2,000 crore senior living platform were both set up in 2026. In commercial real estate, GCC campuses, data centres and logistics parks are the growth formats. In experience-led real estate, mixed-use platforms drew USD 0.68 Bn in 9M 2026.

Exhibit 28: Evolution path of real estate asset classes, with evidence

Residential	Commercial and alternative	Experience-led
Stage 1 **Apartments** Record INR 6,09,621 crore sales value, FY26	Stage 1 **Grade A offices** 80.5 Mn sq ft gross absorption, 2025	Stage 1 **Retail and malls** Record 13 Mn sq ft leasing; vacancy 6.7%
Stage 2 **Luxury and second homes** 45% of new supply was high-end or above, FY26	Stage 2 **GCC-led campuses** Coworking and BFSI now 41% of leasing	Stage 2 **Hospitality** 12% of PE inflows in H1 FY27
Stage 3 **Plotted development** Low capex, faster cash cycle	Stage 3 **Warehousing and logistics** Grade A stock to reach 480 Mn sq ft by 2028	Stage 3 **Lifestyle townships** Integrated homes, offices and retail
Stage 4 **Rental, co-living and student housing** INR 1,000 crore institutional rental platform, 2026	Stage 4 **Data centres** 40% of PE in 9M 2026 (USD 2.5 Bn)	Stage 4 **Mixed-use destinations** USD 0.68 Bn of PE in 9M 2026
Stage 5 **Senior housing** INR 2,000 crore senior living platform, 2026		

Shaded cells mark the newest stage in each asset class.
Source: Anarock Research and Advisory; Anarock FLUX



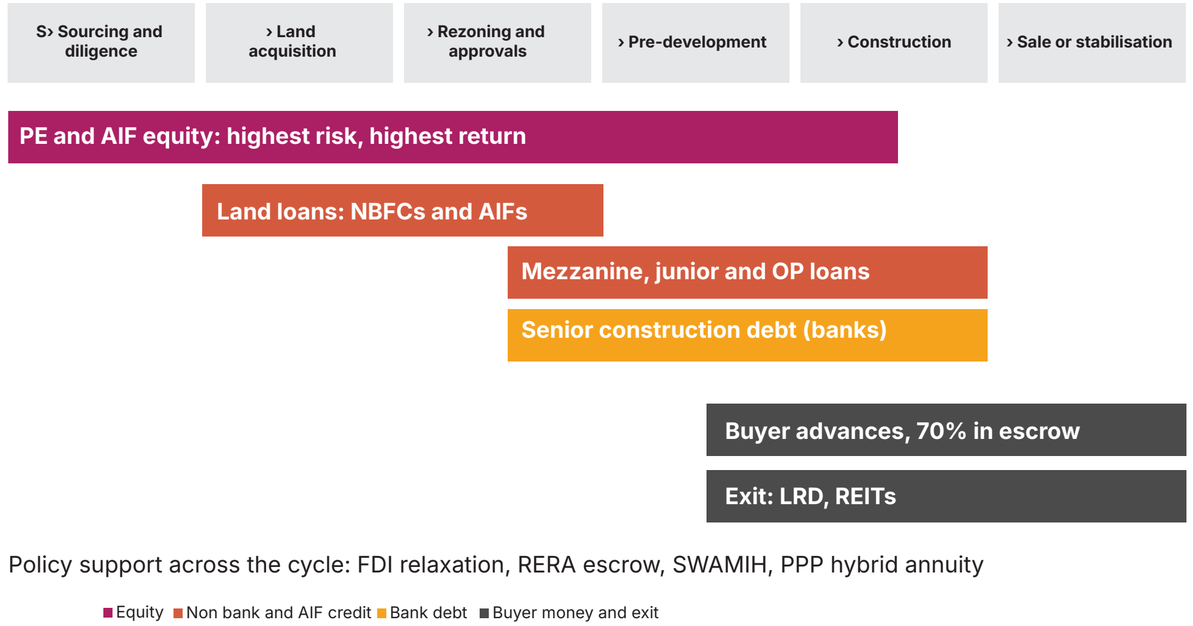
CHAPTER 6

Capital, credit and construction

6.1 Construction finance and structured capital

The hardest money to find is the earliest. Banks lend mainly against approved, under-construction projects, so land purchase and approvals are funded by promoter equity, PE and AIF or NBFC credit at a higher cost. RERA requires 70% of buyer collections to sit in a project escrow account, which protects buyers but prevents that cash from funding the next land deal. This structural gap explains why Category II AIF commitments grew 5x between December 2019 and June 2026.

Exhibit 29: Who funds each stage of a real estate project



Source: Anarock Research and Advisory

We expect three financing models to grow: **platform equity,** where an institution funds a pipeline of projects with one listed player; **structured private credit** for land, approvals and last-mile completion, priced between bank debt and equity; and **lease-backed exits** through lease rental discounting, REITs and SM REITs that release capital from completed assets. In H1 FY27, nearly 90% of residential PE came as structured debt, mostly small-ticket funding for project completion.

CHAPTER 7

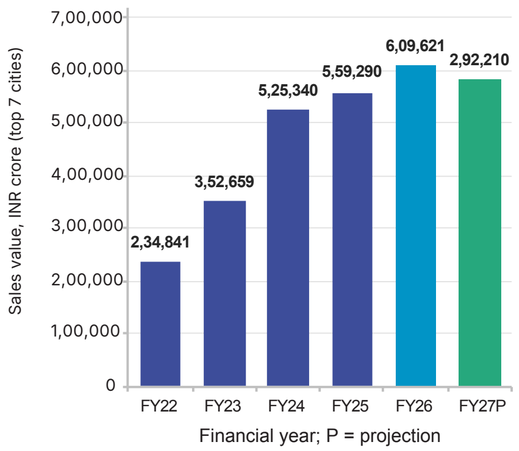
Outlook: Demand across asset classes

Demand indicators across asset classes remain firm, and in several segments demand is running ahead of quality supply. This chapter reviews the outlook for each major asset class.

7.1 Residential: New homes

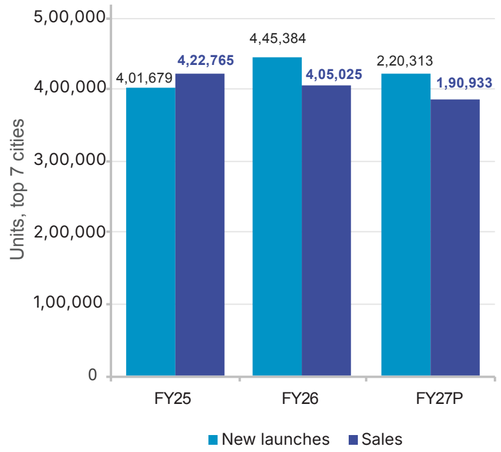
Residential sales value in the top seven cities reached a record INR 6,09,621 crore in FY26, more than double the INR 2,34,841 crore of FY22. H1 FY27 sales value of INR 2,92,210 crore is already about half of the FY27 projection of INR 5,82,368 crore. Volumes are softer: 2,20,313 units were launched and 1,90,933 sold in H1 FY27, with launches running about 15% ahead of sales. Sales value rebounded 12.4% quarter on quarter to about INR 1,54,000 crore in Q2 FY27.

Exhibit 30: Residential sales value, top 7 cities, INR crore



Source: Anarock Research and Advisory

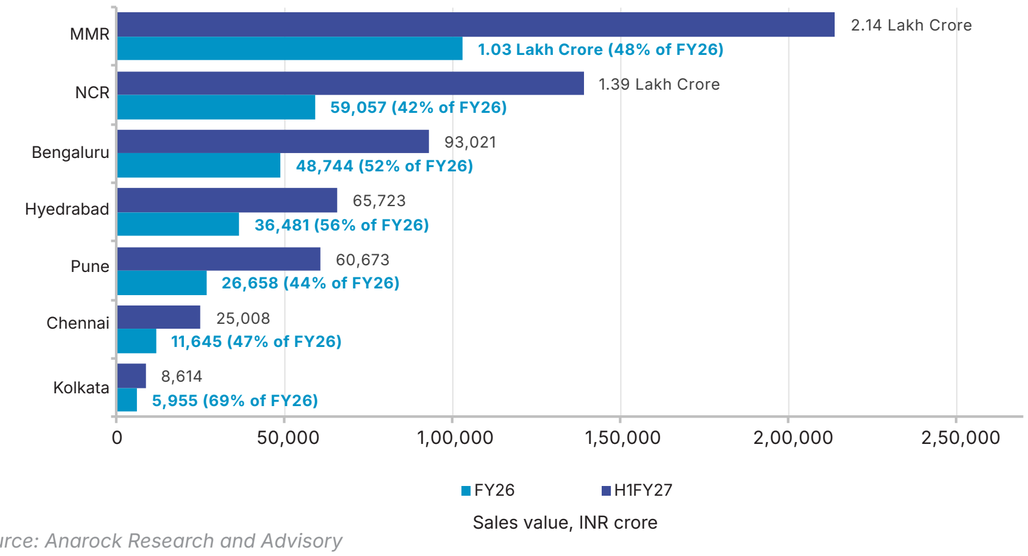
Exhibit 31: New launches and sales, top 7 cities, units



Source: Anarock Research and Advisory

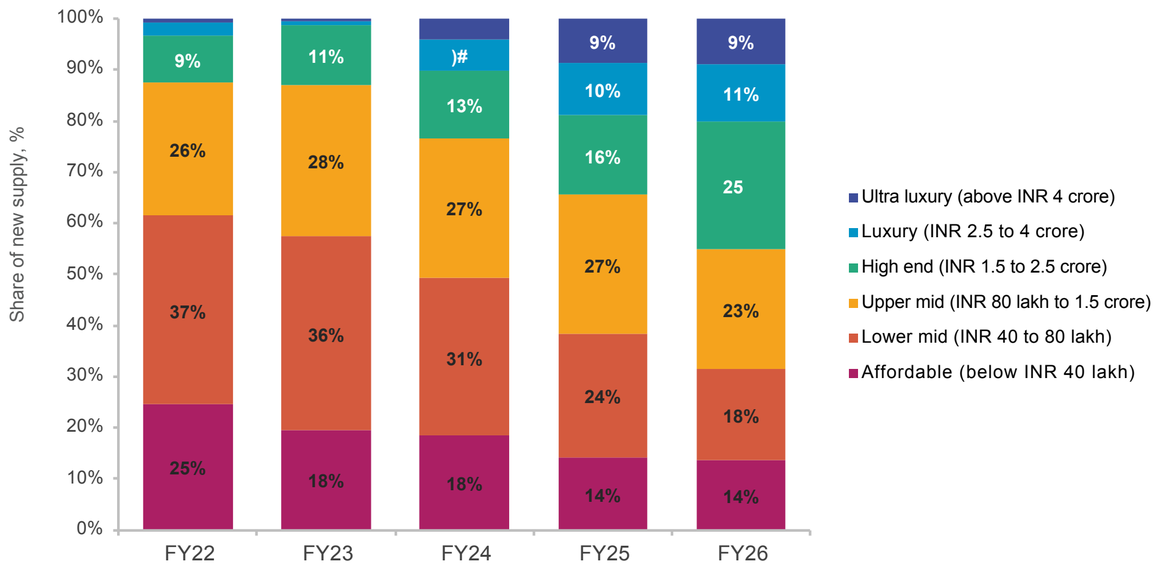
Supply is moving up the price curve. High-end, luxury and ultra-luxury homes made up 45% of new supply in FY26, up from 13% in FY22, while the affordable share fell to 14% from 25%. MMR remains the largest market with about 35% of sales value, and Hyderabad has already reached 56% of its FY26 sales value in the first half of FY27.

Exhibit 32: Residential sales value by city, FY26 vs H1 FY27, INR crore



Source: Anarock Research and Advisory

Exhibit 33: New supply by budget segment, % of units

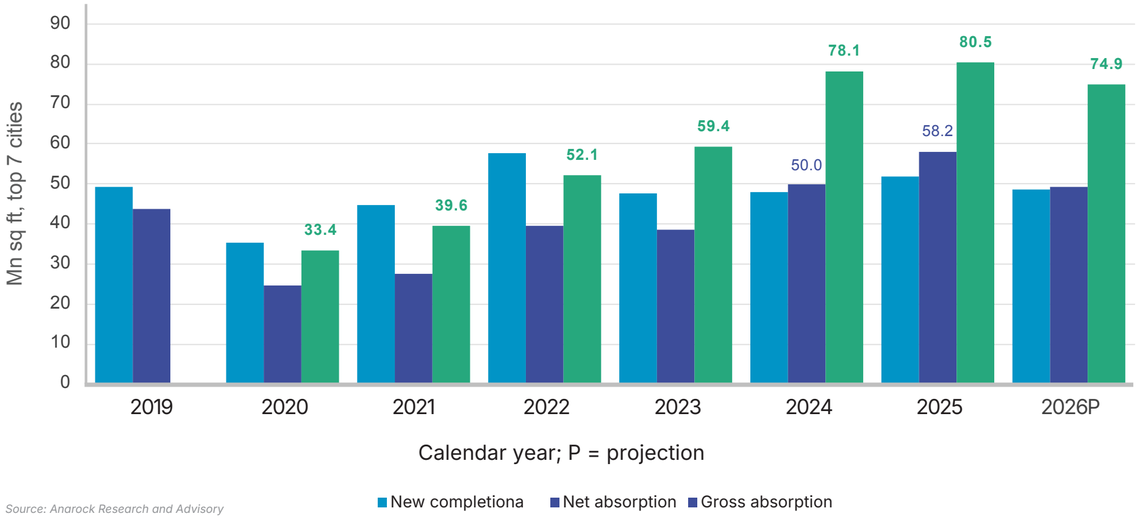


Source: Anarock Research and Advisory

7.2 Grade A offices

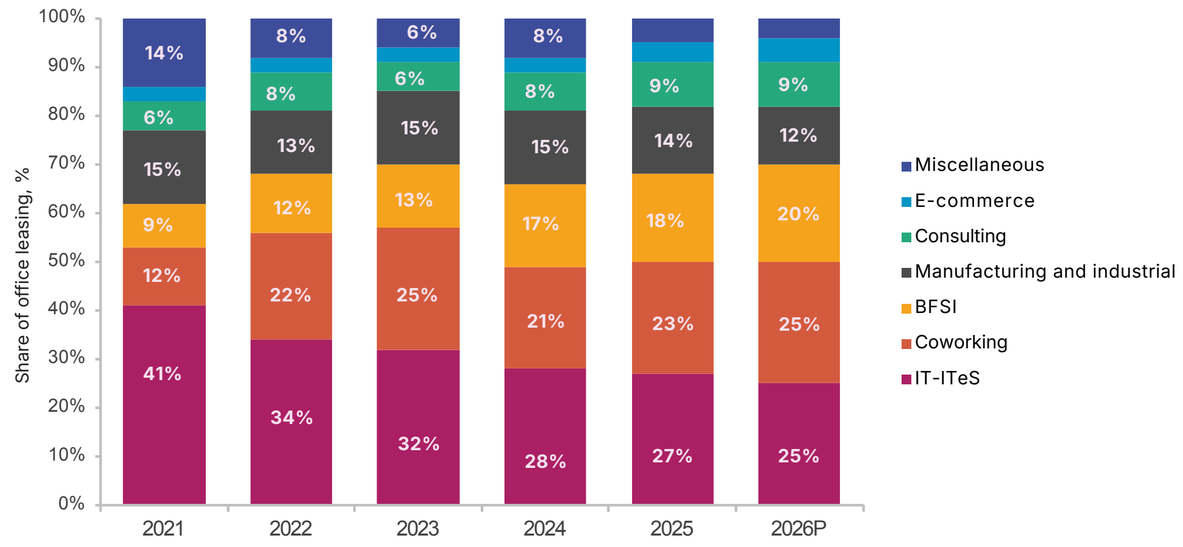
Gross office absorption in the top seven cities reached a record 80.5 Mn sq ft in 2025, 103% above the 39.6 Mn sq ft of 2021. Net absorption of 58.2 Mn sq ft has exceeded new completions since 2024, which keeps vacancy in check. For 2026, gross absorption is projected at 74.9 Mn sq ft. Occupier demand continues to diversify: IT-ITeS fell to 27% of leasing in 2025 from 41% in 2021, while coworking (23%) and BFSI (18%) filled the gap. In H1 FY27, offices took 35% of PE inflows, mostly as equity from domestic AIFs and REITs buying leased Grade A assets.

Exhibit 34: Grade A office supply and absorption, top 7 cities, Mn sq ft



Source: Anarock Research and Advisory

Exhibit 35: Office leasing by occupier sector, %

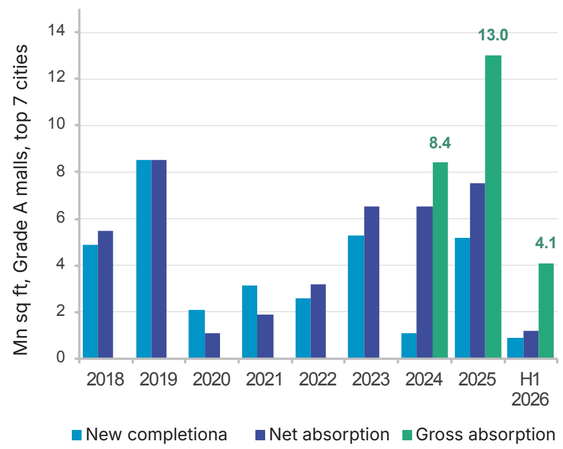


Source: Anarock Research and Advisory

7.3 Retail malls

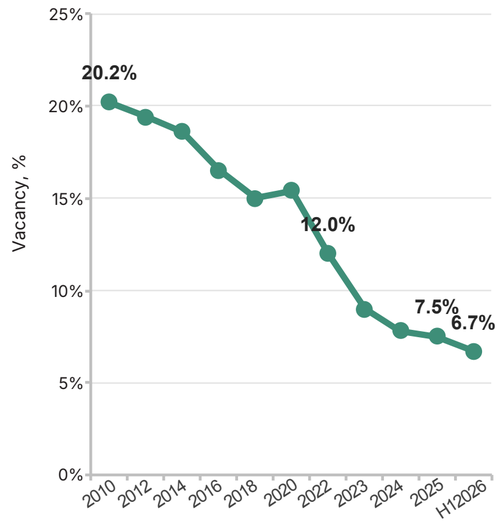
Grade A mall gross absorption reached a record 13.0 Mn sq ft in 2025, against new completions of only 5.2 Mn sq ft. Leasing slowed in H1 2026 as geopolitical uncertainty delayed expansion decisions, but vacancy fell further to 6.7% from 20.2% in 2010. No PE deals were recorded in retail in H1 FY27, which reflects a shortage of new Grade A assets rather than weak demand; a sizeable mall pipeline expected through FY29 should bring PE capital back.

Exhibit 36: Grade A mall supply and absorption, top 7 cities, Mn sq ft



Source: Anarock Research and Advisory

Exhibit 37: Grade A mall vacancy, %



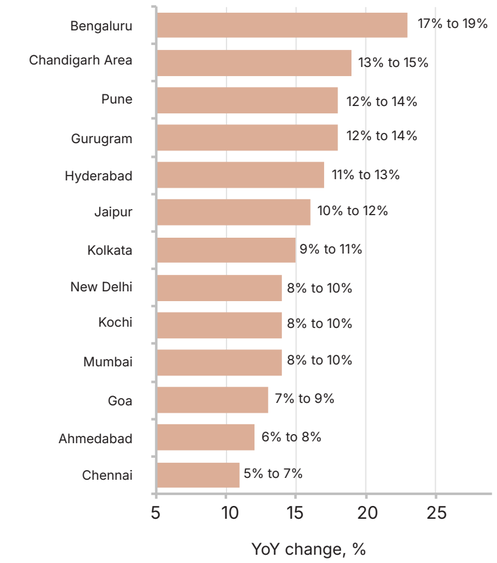
Source: Anarock Research and Advisory

7.4 Hospitality

India's hotel sector recorded strong year-on-year growth in June 2026, supported by resilient domestic demand and a weak June 2025 base. Average room rates were INR 7,900 to 8,100 (up 10% to 12%), occupancy was 64% to 66% (up 3 to 5 percentage points) and RevPAR was INR 5,056 to 5,346 (up 17% to 19%). For Q2 2026, RevPAR rose 11% to 13% year on year.

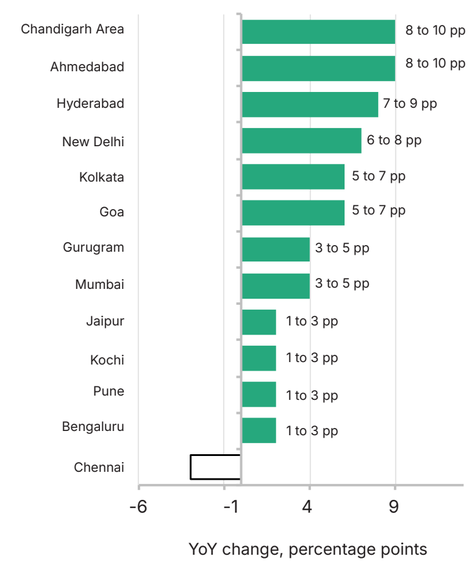
Hospitality returned to the PE map in H1 FY27 with 12% of inflows, after a year with no deals, as global institutional investors took platform-level exposure. Branded hotel signings rose 8% to 28,268 keys in H1 2026, while openings fell 9% to 6,269 keys: the pipeline is building faster than delivery, which should support rates. The 13 listed hospitality companies had a combined market capitalisation of INR 2,36,494 crore as of 27 July 2026.

Exhibit 38: Average room rate growth by city, June 2026 vs June 2025



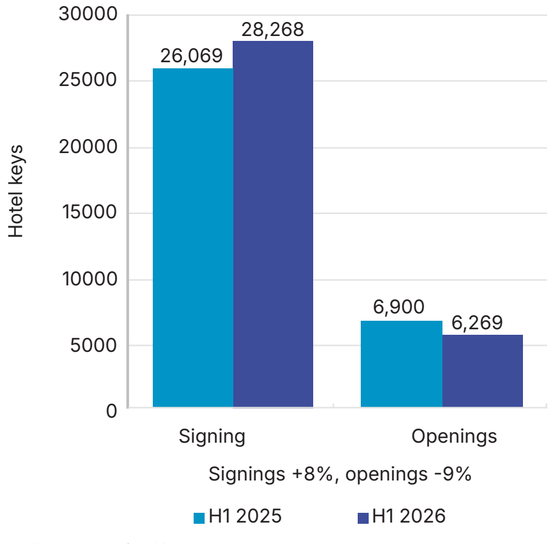
Source: HVS Anarock Hospitality Monitor, July 2026

Exhibit 39: Occupancy change by city, June 2026 vs June 2025



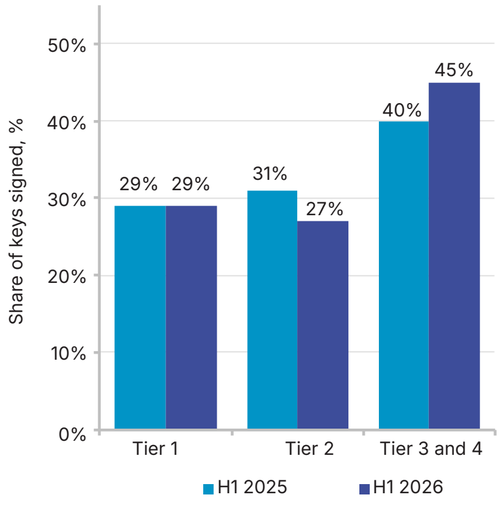
Source: HVS Anarock Hospitality Monitor, July 2026

Exhibit 40: Branded hotel signings and openings, keys



Source: HVS Anarock; data from 20 hotel operators

Exhibit 41: Branded hotel signings by city tier, % of keys



Source: HVS Anarock

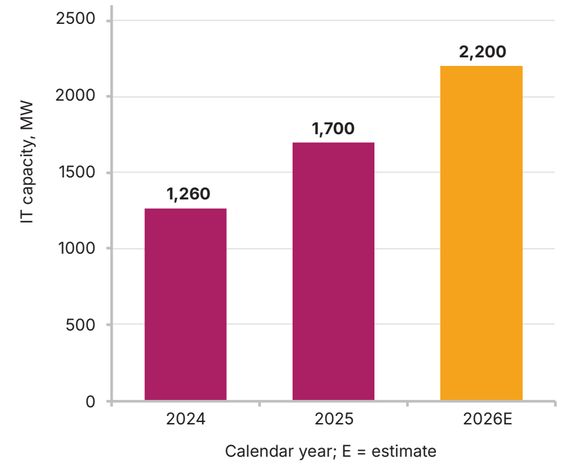
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7.5 Data centres

India's data centre stock crossed about 1,700 MW in 2025 on a record 440 MW of new supply, and is set to grow about 30% to around 2,200 MW in 2026. Mumbai holds 53% of operational capacity, followed by Chennai at 20%, and Tier II cities such as Ahmedabad, Visakhapatnam, Patna, Bhopal, Kochi and Jaipur are entering the map on 5G, latency and data localisation needs. The development pipeline is expected to take capacity beyond 6.7 GW by 2030, with more than USD 300 Bn in investment commitments announced.

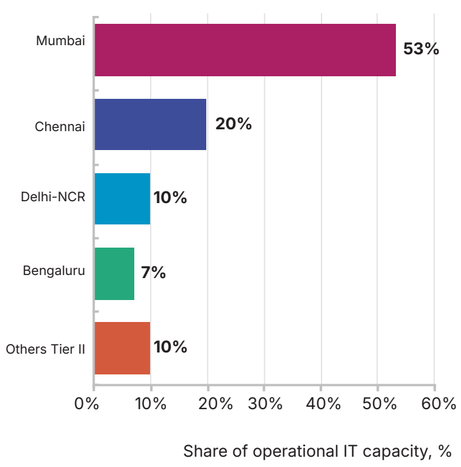
Capital has followed. Data centres took 40% of PE in 9M 2026 (USD 2.5 Bn) and 29% of inflows in H1 FY27, up from 4% in FY26, mainly from global pension funds and development finance institutions. Indian assets trade at USD 10 Mn to 15 Mn per MW, against USD 20 Mn to 30 Mn in the US and Singapore, which is the core of the investment case; power availability, not land, is the binding constraint.

Exhibit 42: Operational data centre stock, MW



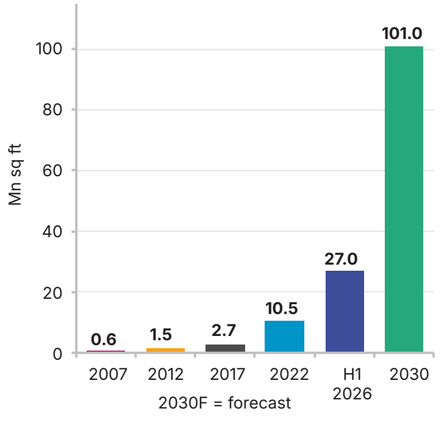
Source: Anarock Research and Advisory

Exhibit 43: Share of operational data centre capacity by city, %



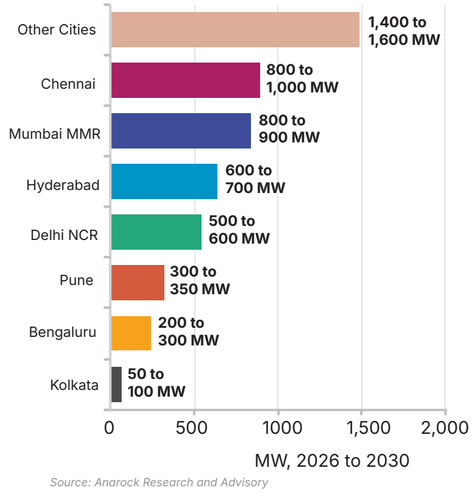
Source: Anarock Research and Advisory

Exhibit 44: Data centre occupied area, Mn sq ft



Source: Anarock Research and Advisory

Exhibit 45: Planned IT capacity by city, 2026 to 2030, MW



Source: Anarock Research and Advisory

Exhibit 46: Data centre economics: cost, revenue and value benchmarks

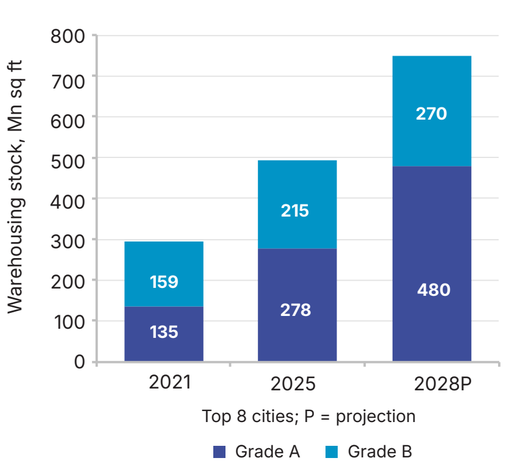
Benchmark	Low	High
Greenfield capex (tier III, N+1)	INR 40 to 45 crore per MW	INR 65 to 70 crore per MW
Wholesale colocation revenue	INR 36 crore per MW a year	INR 60 crore per MW a year
Retail colocation revenue	INR 60 crore per MW a year	INR 110 crore per MW a year
Annual power cost	INR 8 crore per MW	INR 12 crore per MW
Asset value: India	USD 10 Mn per MW	USD 15 Mn per MW
Asset value: US and Singapore	USD 20 Mn per MW	USD 30 Mn per MW

Source: Anarock Research and Advisory, Industry Reports

7.6 Industrial and warehousing

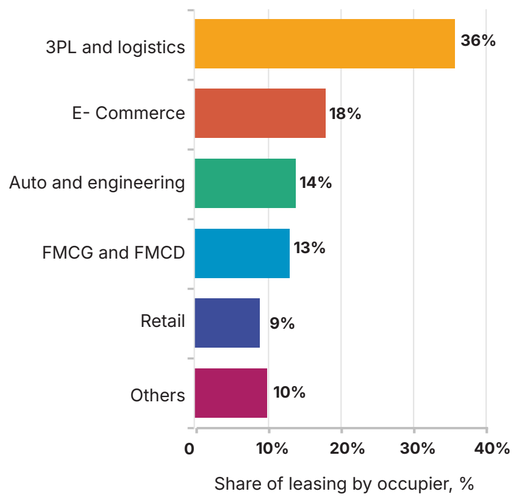
Grade A warehousing stock in the top eight cities doubled from 135 Mn sq ft in 2021 to 278 Mn sq ft in 2025 and is projected to reach 480 Mn sq ft by 2028, a 20% annual growth rate, while Grade B stock grows far more slowly. Third-party logistics is the largest occupier at 36% of leasing, followed by e-commerce at 18% and auto and engineering at 14%. Logistics PE in 2021 to 2025 was 3.2x the previous five years; in H1 FY27 investors focused on completed, fully leased portfolios, and the sector took 6% of inflows.

Exhibit 47: Warehousing stock, top 8 cities, Mn sq ft



Source: Anarock Research and Advisory

Exhibit 48: Warehousing leasing by occupier, %



Source: Anarock Research and Advisory

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CHAPTER 8

The road ahead

8.1 Where will the next INR 10 trillion go?

No single capital pool can fund the next INR 10,00,000 crore of real estate investment. At the 2021 to 2025 pace, PE would supply about USD 55 Bn over a decade, though 9M 2026 is running well ahead of that pace. AIFs across all sectors added about INR 2,26,000 crore a year of new commitments between December 2020 and December 2025. Listed equity, REITs and government-backed funds add smaller but catalytic amounts. The balance will come from construction credit, buyer money and capital recycled through REITs, SM REITs and lease-backed financing.

Exhibit 49: Capital pools and their observed pace

Capital pool	Observed pace	Implication
Private equity	USD 5.5 Bn a year in 2021 to 2025; USD 6.1 Bn in 9M 2026	About USD 55 Bn over a decade at the 2021 to 2025 pace
AIFs (all sectors)	INR 2,26,000 crore a year, Dec 2020 to Dec 2025	Real estate was 19% of AIF investment in March 2026
Listed equity and REITs	INR 37,794 crore through IPOs and QIPs, 2021 to 9M 2026	Funds balance sheets, land and REIT acquisitions
Government-backed funds	INR 30,531 crore across SWAMIH 1 and 2	Catalytic capital for stalled homes

Source: Anarock Research and Advisory; Anarock FLUX; Government portals and industry reports

8.2 Opportunity map

Exhibit 50: Opportunity map: demand, supply gap and outlook

Asset class	Demand signal	Supply gap	Outlook
Data centres	2,200 MW by end-2026; 6.7 GW by 2030	Capital still far below build-out	**High growth**
Warehousing, industrial parks	Grade A stock to 480 Mn sq ft by 2028	Grade A thin outside metros	**High growth**
Grade A offices, GCC campuses	80.5 Mn sq ft gross absorption, 2025	Transit-linked campuses scarce	**Steady**
Residential	Record INR 6,09,621 crore sales value, FY26	Affordable supply down to 14%	**Steady**
Quality retail and malls	Vacancy 6.7%; record leasing 2025	No new investable Grade A stock	**Emerging**
Senior, student and rental living	New institutional platforms in 2026	Almost no institutional stock	**Emerging**
Hospitality	RevPAR +17% to 19%, June 2026	Signings ahead of openings	**Emerging**

Source: Anarock Research and Advisory; HVS Anarock; Government portals and industry reports. Outlook ratings are Anarock's view.

8.3 2030 to 2035: Five calls

Institutionalisation deepens.
Only a small part of India's roughly 550 Mn sq ft of REIT-suitable office stock is listed today; more offices, malls and warehouses will move into REITs and SM REITs.

Consolidation continues. Deals above USD 100 Mn already carry 76% of PE value; capital will keep favouring listed players and large platforms with clean approvals and delivery records.

Domestic capital becomes the second engine.
Indian funds rose from 8% of PE value in 2020 to 42% in 9M 2026, and to 48% of inflows in H1 FY27; the test is whether they can sustain more than USD 1 Bn every half-year.

Alternatives move into the core.
Data centres took 40% of 9M 2026 PE; logistics, hospitality, senior living and student housing are the next frontier.

Credit fills the early-stage gap. Land, approvals and last-mile completion will be funded by structured AIF credit, while banks stay focused on construction and lease-backed loans. The winners of the next cycle will be investors who can underwrite operations, not just buildings, and developers who can offer institutions a pipeline rather than a single project.

