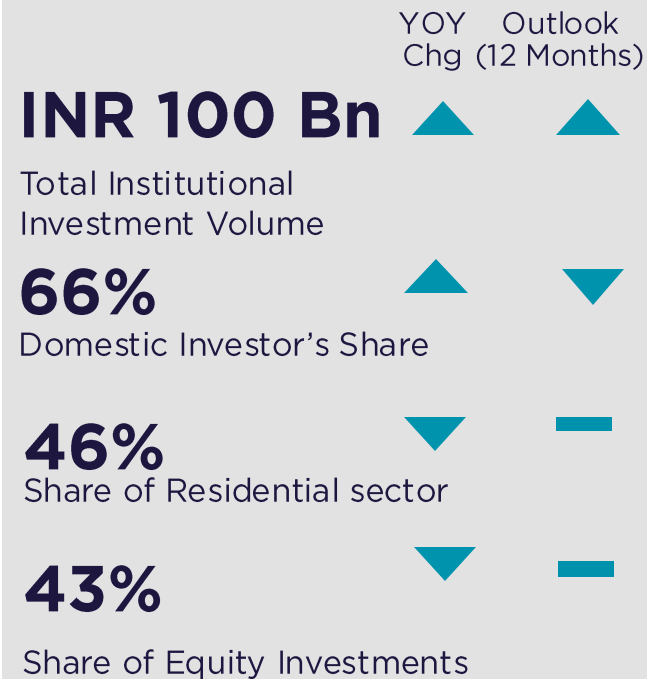
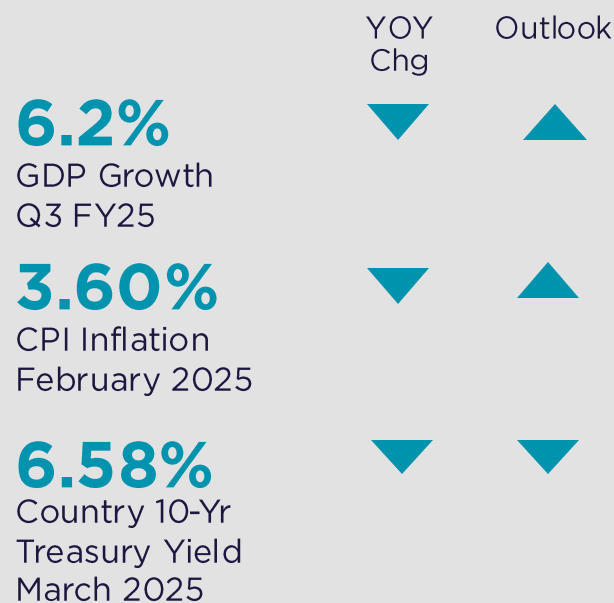


MARKET FUNDAMENTALS



ECONOMIC INDICATORS



Source: MoSPI, RBI.
10-year Treasury Yield as on end-Mar 2025

ECONOMY: GDP GROWTH IMPROVES; INFLATION WITHIN COMFORT

India's GDP grew by 6.2% in the quarter ended Dec-24, picking up from the 5.6% growth witnessed in the previous quarter. Construction sector registered a growth of 7% in Q3-FY25, whereas the Financial, Real Estate & Professional Services sector expanded by 7.2% during the same period.

Inflation has tapered down to 3.6% as of Mar-25 month, thereby allaying fears of sustained inflationary condition in the economy. The RBI had recently delivered a 25-bps rate cut in February and CRR cut of 50 bps couple of months prior, thereby attempting to boost growth to some extent.

INSTITUTIONAL INVESTMENT REMAINED SOMEWHAT MUTED IN Q1

Institutional investment activity in real estate during Q1-25 recorded a total of INR 100 bn (USD 1.15 bn), down 39% q-o-q and rising 4% y-o-y. Domestic investors share in Q1-25 stood at 66%, while foreign investors contributed the remaining 34%.

Residential sector was most attractive in Q1-25 having received 46% share of inflows, followed by Office sector at 30% and Retail sector at 14%. The quantum of investment in the Residential sector during Q1-25 was 22% more than the average deployment recorded in the last four quarters.

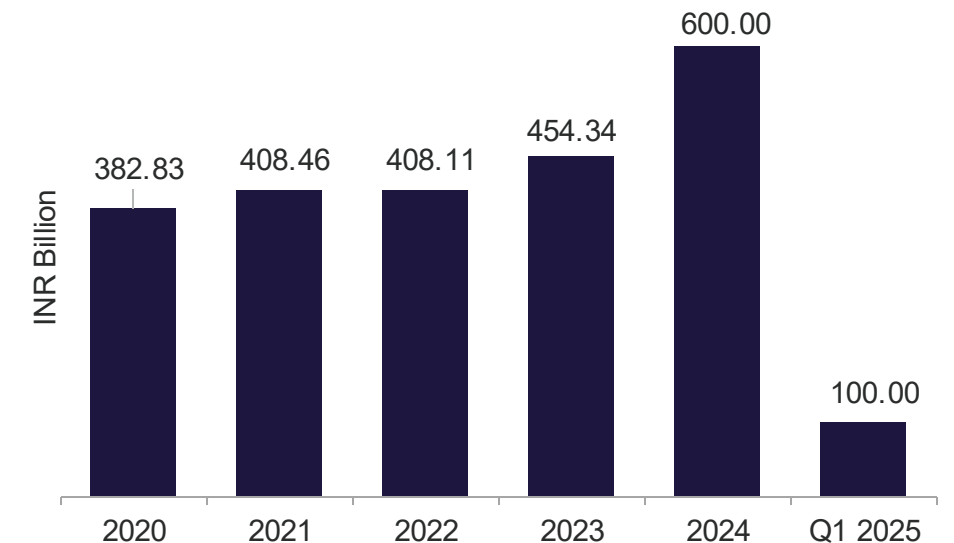
In the overall institutional fund deployment during Q1-25, equity investments had 43% share, followed by REITs and debt financing at 41% and 16%, respectively.

Core asset acquisitions had 56% share in Q1-25, followed by 38% for early-stage investment and 6% share for ongoing projects. On a standalone basis, Bengaluru garnered 37% of quarterly investment in Q1-25, followed by Hyderabad and Mumbai at 28% and 13%, respectively.

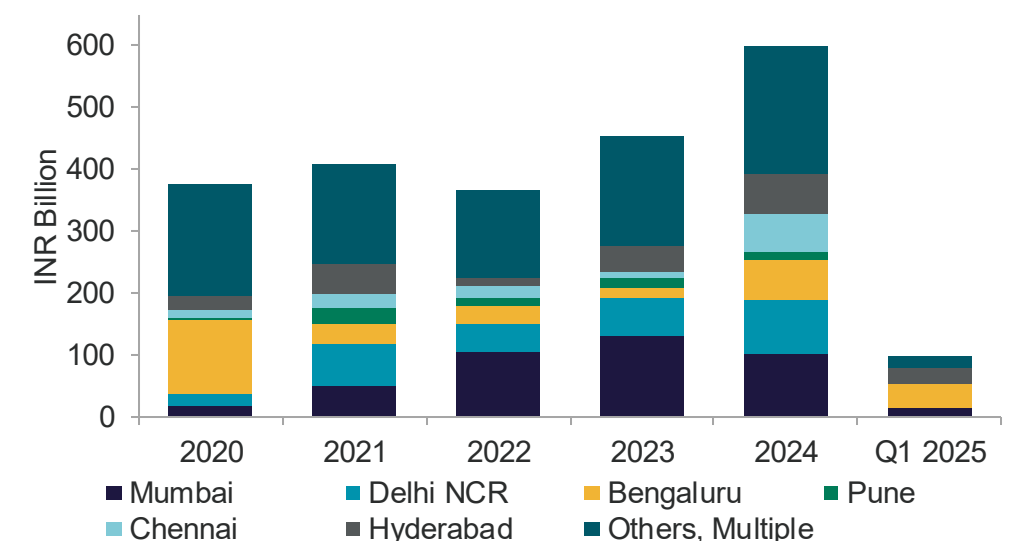
Private Equity (PE) investment in the Real Estate sector during Q1-25 was down by 38% on y-o-y basis, and 52% lower than the previous quarter.

Weak domestic consumption in Q3 and Q4 of 2024, global economic uncertainty and disruption in global trade practices might have had some influence on the go-slow approach taken by PE investors in Q1-25.

INSTITUTIONAL INVESTMENT VOLUME

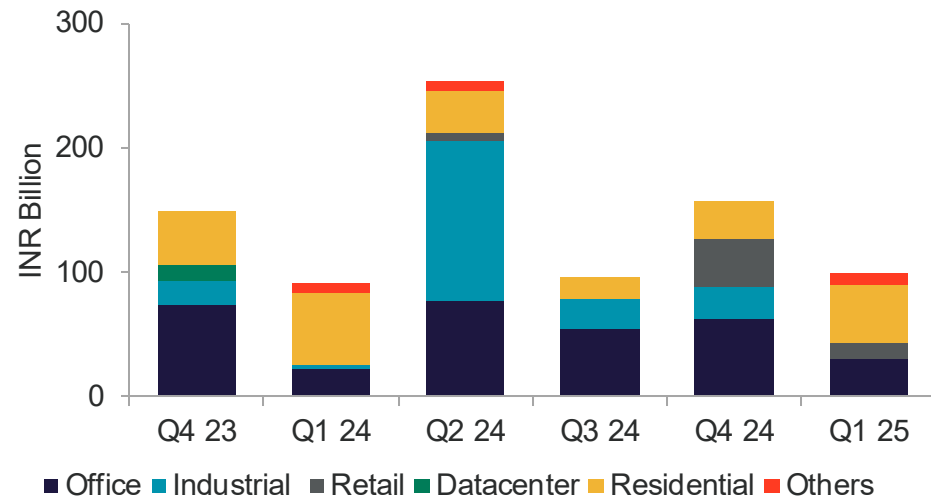


INSTITUTIONAL INVESTMENT SALES VOLUME BY CITY

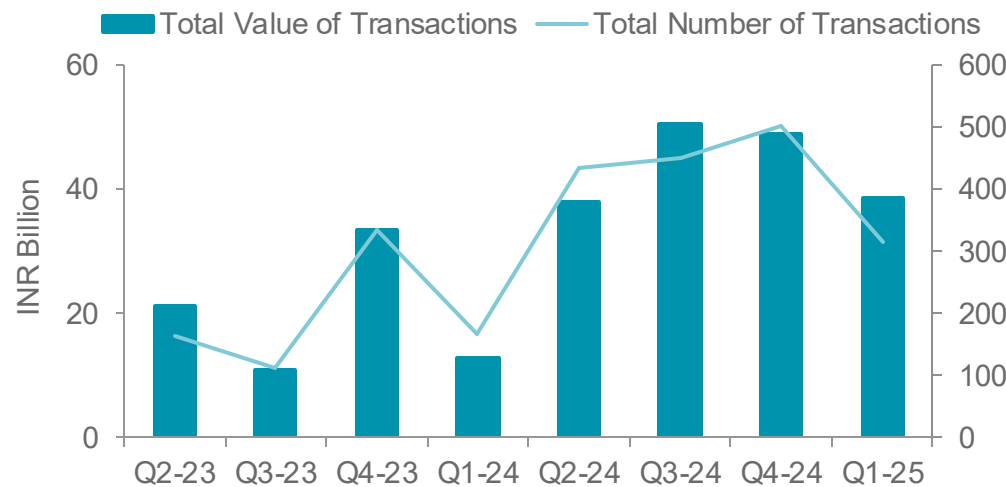


Source: (added 3rd party data source if used)

INVESTMENT VOLUME SHARE BY SECTOR



OFFICE SALE TRANSACTIONS



Source: (added 3rd party data source if used)
1 USD = 86.7 INR

FUND RAISE AIF CAT-II, REITS AND QUALIFIED INSTITUTIONAL PLACEMENT

The first quarter recorded total fundraising of USD 707 mn, down 36% on y-o-y basis and 58% on q-o-q basis. Mixed-use funds (office and residential) had 41% share in Q1-25 fund raise, whereas the Residential and Office sectors attracted remaining 32% and 27% share, respectively.

During Q1-25, the Nuvama and Cushman & Wakefield (NCW) platform did first close of around INR 17 Bn under its new real estate fund that targets investments in office assets across major cities in India. The fund aims to raise another 13 Bn to meet its target close of INR 30 Bn.

REITS

According to the Indian REITs Association (IRA), the four listed real estate investment trusts (REITs) in India distributed a total dividend of INR 15.05 Bn in the third quarter of the financial year 2024-2025 (Q3FY25). This represents an increase of nearly 17 percent from the INR 12.89 Bn distributed in Q3FY24. In a major development, Blackstone and Sattva Group-backed Knowledge Realty Trust filed draft prospectus with SEBI for REIT IPO worth INR 62 Bn (USD 712 Mn). Once it gets listed, it would be largest office REIT portfolio in India and the fifth listed REIT.

As of end-2024, Indian REITs manage gross AUM of approximately INR 1.52 trillion, with a market capitalization exceeding INR 950 Bn. Portfolios of these REITs encompass over 126 msf of grade A office and retail space across India.

COMMERCIAL OFFICE PURCHASE BY CORPORATES

Q1 2025 recorded sale transaction volumes of INR 38.6 Bn (USD 446 Mn) in the commercial office sector, a 3x jump y-o-y and a 21% decline q-o-q. During Q1-25, Mumbai continued to drive transactions with 78% share in value terms, followed by Pune (20%) and Hyderabad (2%). Total number of commercial office purchase transactions by corporates in Q1-25 was 19% less than the average deal count of last four completed quarters.

OUTLOOK

Real estate as an asset class has performed well through the last 2-3 years and investor sentiment has been positive across most asset classes over these years. However, the current uncertainty surrounding the tariff war's initiated by the USA could lead to some concerns amongst foreign investors in the immediate future. However, this uncertainty is largely believed to be short-lived as the expected sustained momentum in CRE market should help revive investor sentiment soon.

OUTLOOK

- For FY26, the Reserve Bank of India (RBI) has projected India's real GDP growth at 6.5 per cent, with risks evenly balanced.
- Global economic uncertainty stemming from a potential disruption of global trade could result in foreign PE investors adopting go-slow approach, although this is likely to reverse soon.
- With another sizeable office REIT filing for an IPO, India's total listed REIT portfolio will comprise of 174 MSF of office and retail assets, rendering it a formidable market within the APAC region.

KEY INVESTMENT ACTIVITY

PROPERTY TYPE	INVESTOR	INVESTEES	CITY	INVESTMENT (INR Billion)
Retail	Mindspace REIT	Sustain Properties	Hyderabad	20.38
Residential	Alpha Wave Global	I-Ven Realty	Mumbai	12.57
Residential	Blackstone	Kolte Patil	Pan India	11.67
Retail	Nexus REIT	Vega City Mall	Bengaluru	9.13
Residential	HDFC Capital	Total Environment	Bengaluru	13.0

OFFICE SALE TRANSACTIONS

BUYER	Buyer's Sector	INVESTMENT (INR Million)	Area (Sq. ft.)	CITY
Accutest Research Laboratories Private Limited	Pharmaceuticals	15,241	123,000	Mumbai
Tata Investment Corporation	BFSI	1,480	61,000	Mumbai
Lokmat Media Private Limited	Media	200	4,500	Mumbai

FIRST CLOSE / AMOUNT RAISED (USD MILLION)

INVESTORS	Sector	Amount Raised	Target Fund Size (USD Million)
Nuvama – Cushman & Wakefield	Office	196.0	345.0
Motilal Oswal Alternates - India Realty Excellence Fund VI	Residential	202.0	225.0
Etonhurst Capital – Mumbai Redevelopment Fund	Residential	21.0	58.0

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Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of \$9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com

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