MARKETBEAT
INDIA
CAPITAL MARKETS Q2 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	y-o-y Chg	Outlook* (12 Months)
USD 1.9 Bn Total Institutional Investment Volume	▼	–
54% Domestic Investor's Share	▲	–
51% Share of Office sector	▲	–
99% Share of Equity Investments	▲	▼

ECONOMIC INDICATORS

	y-o-y Chg	Outlook
7.70% GDP Growth FY26	▲	▼
3.93% CPI Inflation May 2026	▲	▲
6.75% Country 10-Yr Treasury Yield June 2026	▲	▼

Source: MoSPI, RBI.
10-year Treasury Yield as on 30th June 2026

GROWTH MOMENTUM STABLE; INFLATIONARY PRESSURES EMERGE IN Q2

Until the FY2025-26, GDP growth of India has remained robust, having delivered 7.7% real growth in FY2025-26. Headline CPI inflation climbed to 3.93% as of May-2026, primarily driven by a sharp uptick in consumer food inflation (CFPI at 4.78%) and elevated input costs across base metals post the West Asia crisis. Consequently, the June 2026 RBI policy announced a moderately lower growth estimate for FY2026-27 at 6.6% from its April-26 projection of 6.9%. Prolonged global supply chain disruptions, subdued growth outlook for key trading partners, volatility in global financial markets, and weather-related disturbances continue to pose some headwinds for growth outlook. In response to inflationary crosswinds, the RBI's Monetary Policy Committee (MPC) unanimously kept the repo rate unchanged at 5.25% during its June 2026 meeting, while maintaining a flexible 'neutral' policy stance. From a real estate perspective, borrowing costs continue to sit significantly lower than their 2024 peaks due to the cumulative 125 basis points reduction delivered throughout 2025.

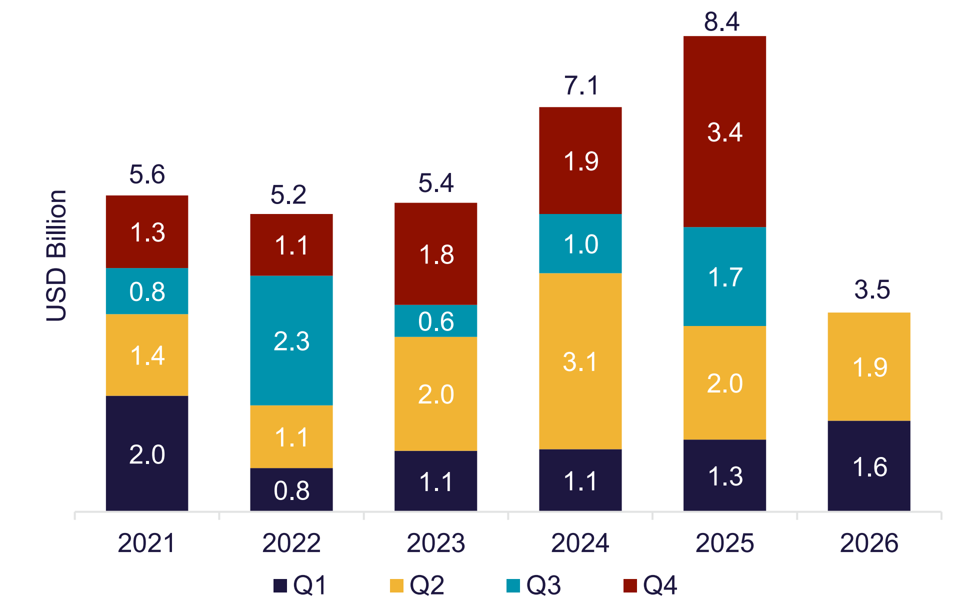
DOMESTIC INSTITUTIONS LED DEPLOYMENT IN Q2/H1-26

Institutional investment activity in real estate during Q2-26 recorded a total of USD 1.9 Bn, up 16% q-o-q and down 7% y-o-y. In Q2-26, domestic investors' share stood at 54%, while foreign investors contributed the remaining 46%. Domestic investors' share has been higher in five of the last six quarters. The increased domestic institutional share has acted as a counterforce to the volatile foreign capital, reducing risks from global currency fluctuations and geopolitical events. Core asset acquisitions had 76% share in Q2-26, followed by 17% for early-stage investments and 7% for under-construction projects. The office sector was most attractive in Q2-26, having received 51% share of inflows, followed by data centre (40%) and mixed-use developments (6%) sectors. Around 55% of deployment in Q2-26 was in multi-city projects, followed by projects located in Bengaluru (23%) and Chennai (17%).

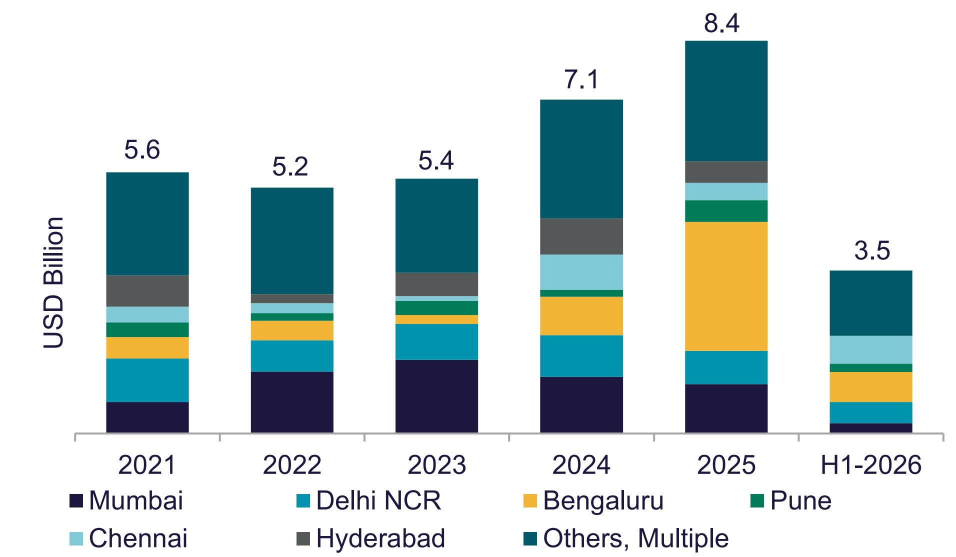
In overall institutional fund deployment during Q2-26, Private Equity (PE) investments had 85% share, followed by real estate investment trusts (REITs) at 15%. Private Equity (PE) investment in Real Estate sector during Q2-26 was up by 34% on q-o-q basis, and 20% lower y-o-y.

For the H1-26 period, institutional investment in real estate stood at USD 3.5 Bn, an increase of 6% as compared to similar period last year. Deployment by domestic institutions in H1-26 was 57% more than H1-25, while deployment by foreign institutions was down 33% in the same comparable period.

INSTITUTIONAL INVESTMENT VOLUME

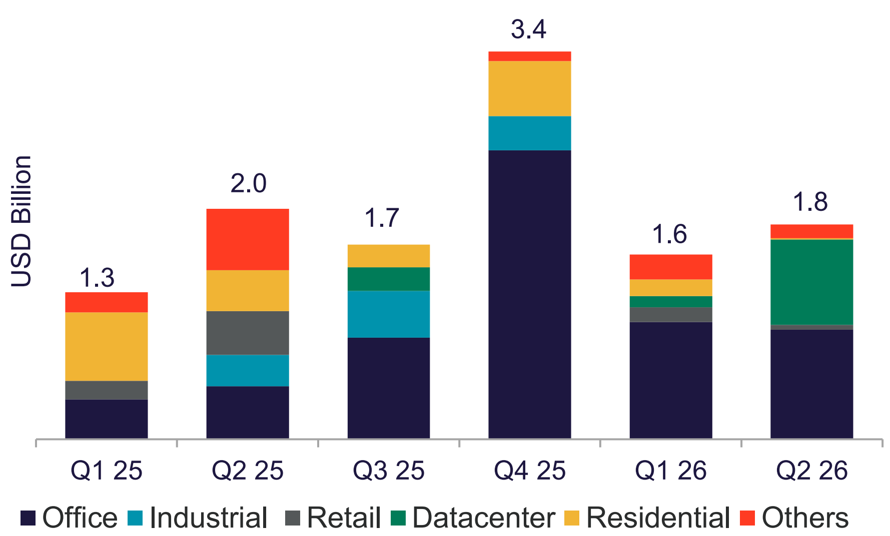


INSTITUTIONAL INVESTMENT SALES VOLUME BY CITY

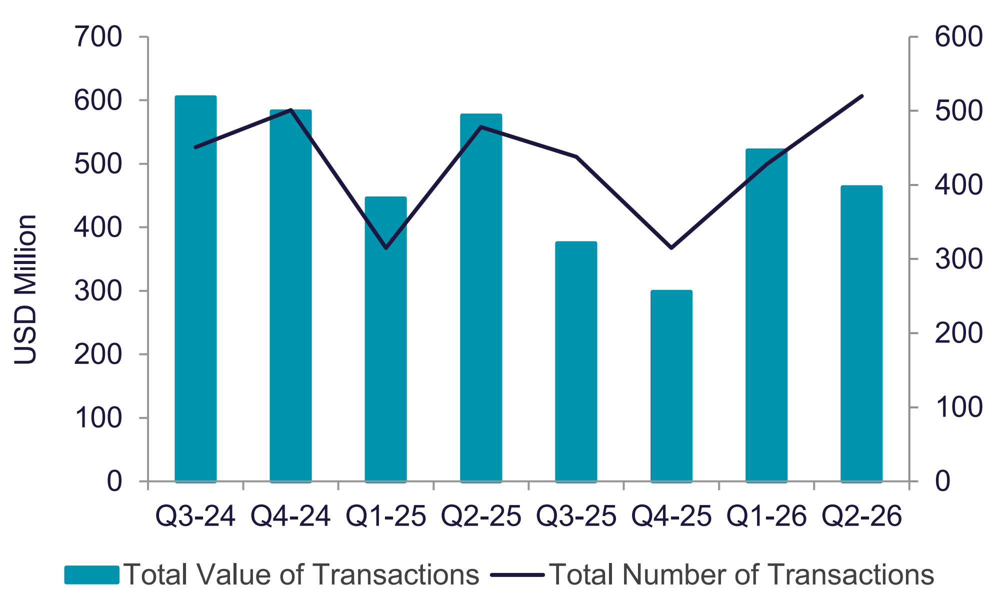


Source: (added 3rd party data source if used)

INVESTMENT VOLUME SHARE BY SECTOR



OFFICE SALE TRANSACTIONS



Source: (added 3rd party data source if used)
1 USD = 94.6 INR

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

The second quarter recorded total fundraising of USD 2 Bn, up 1.2X y-o-y and 3.6X q-o-q. Office-focused funds/REIT had a 51% share in Q2-26 fund raise, while multi-sector funds attracted the balance 49% share. Indian Real Estate Investment Trusts (REITs) have increasingly turned to corporate debt markets—specifically Non-Convertible Debentures (NCDs), term loans, and Commercial Paper (CP)—to optimize their capital structures. CAT-II AIFs have raised multiple rounds of capital in recent quarters and are witnessing active participation from sovereign wealth funds. Nuvama and Cushman & Wakefield Management Pvt. Ltd's (NCW) first real estate fund, Prime Offices Fund, has raised INR 40 Bn, hitting the final close.

REITs

According to the Indian REITs Association (IRA), the five listed real estate investment trusts (REITs) in India as on 31st March 2026 distributed a total dividend of INR 25.66 Bn in the fourth quarter of the financial year 2025-2026 (Q4FY26). For the FY26, the cumulative distribution by these REITs exceeded INR 89 Bn. As of June-26, Indian REITs managed over 203 MSF of grade A office and retail space across India, with a market capitalization exceeding USD 25 Bn. Bagmane Prime Office REIT (Backed by Bagmane Group and Blackstone) successfully concluded its INR 34 Bn IPO in May-26, along with a Pre-IPO raise of additional INR 13.6 Bn, thus involving a total fund raise amount of INR 47.6 Bn across tranches. Healthy leasing momentum continues to anchor the strong performance of Indian REITs. This upward trajectory underscores a highly resilient commercial ecosystem where high-quality office and retail assets witness consistent occupier depth.

COMMERCIAL OFFICE PURCHASE BY CORPORATES

Q2 2026 recorded sale transaction volumes of USD 463 Mn in the commercial office sector, down 19% and 11% on a y-o-y and q-o-q basis, respectively. During Q2-26, Mumbai continued to drive transactions with a 65% share in value terms, followed by Pune (18%) and Hyderabad (12%). Total number of commercial office purchase transactions by corporates in Q2-26 was 32% higher than the average deal count since 2025.

OUTLOOK

Looking ahead into H2-2026, India's economic narrative will need support from geo-political stability and revival of domestic activities that got impacted by high input cost and supply chain disruptions since March-26. The deployment by institutional investors is expected to remain stable in the mid- to long-term as fundamentals of the Indian economy remain strong. Domestic funds are anticipated to make strategic investments by deploying record amount of funds raised in H1-26 in the next couple of years, while the REITs are expected to add more inventory to their portfolios. Strong capacity utilisation, sustained credit flows from bank and non-bank sources, and the government's capex are expected to support investment activity.

OUTLOOK

- For FY27, the RBI has projected India's real GDP growth at 6.6 per cent, with risks tilted to the downside.
- RBI projects inflation for FY27 at 5.1 per cent, with risks tilted to the upside.
- The year 2026 is likely to see further asset purchases by REITs, as they enter a multi-year expansion cycle.
- REITs have tailwinds from a favourable change in the regulatory environment, with direct bank lending expected to provide stable, long-term, and more affordable funding.
- Despite economic uncertainty in Q2-26, the deployment seen in H1-26 has remained healthy. With most of the headwinds now behind us, we believe the foreign funds will gradually return in H2-26, while domestic investors continue to anchor deployment.

KEY INVESTMENT ACTIVITY

PROPERTY TYPE	INVESTOR	INVESTEE/ SELLER	CITY	INVESTMENT
Data Centre	CPPIB	CtrlS	Multiple	740.0
Office	ICICI AIF	RMZ	Bengaluru & Pune	283.0
Office	360 ONE	Brookfield REIT	Bengaluru	118.9
Office	Mindspace REIT	CapitaLand	Chennai	161.7
Retail	Nexus Select REIT	Super Diamond Enterprises	Kolkata	36.8

OFFICE SALE TRANSACTIONS (USD MILLION)

BUYER	Buyer's Sector	INVESTMENT	Area (Sq. ft.)	CITY
Amazon Data Services	IT-BPM	13.2	462,368	Mumbai
Godrej Seeds and Genetics	Agricultural Trading	26.8	71,269	Mumbai
STT Global Data Centres	Data Centre	29.8	73,497	Mumbai

FIRST CLOSE / AMOUNT RAISED (USD MILLION)

Fund / REIT / Company	Sector	Amount Raised	Target Fund Size
Bagmane REIT (IPO)	Office	504.0	-
Brookfield India REIT (QIP)	Office	274.8	-
Kotak Alts (14th Fund)	Mixed	1000.0	1000.0
Knowledge Realty Trust (NCD + CP)	Office	116.0	-

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***Outlook**: the outlook represents our forward-looking view of key market indicators over the next 12 months, based on current market trends, economic conditions, policy developments, and available data. Projections are indicative and may be adjusted as market dynamics evolve.*

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About Cushman & Wakefield
Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In 2025, the firm reported revenue of $10.3 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