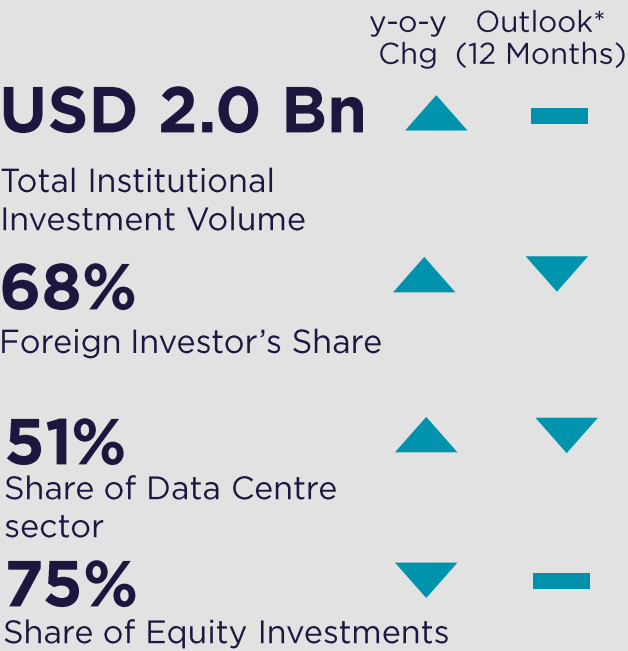
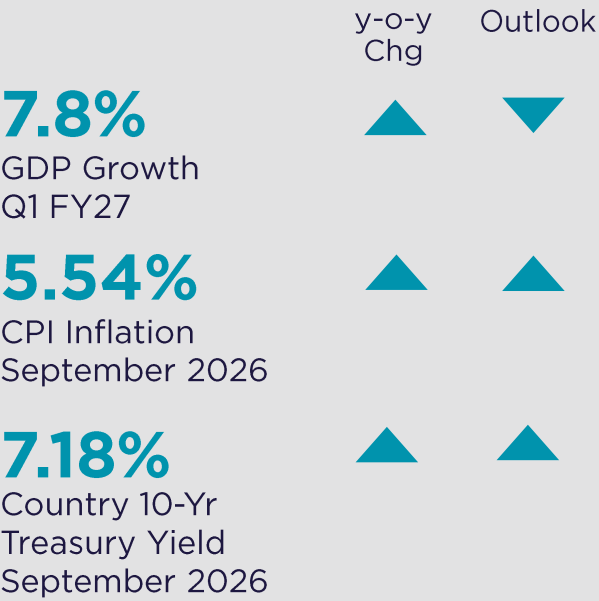


MARKET FUNDAMENTALS



ECONOMIC INDICATORS



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

STRONG GROWTH, STICKY INFLATION: RBI BEGINS GRADUAL TIGHTENING

India's economy surprised markets on the upside and grew 7.8% in Q1 FY2026-27 (April–June). However, headline CPI rose from 4.83% in August to 5.54% in September 2026, approaching the upper end of the RBI’s 2%-6% tolerance band.

Geopolitical uncertainty is adding pressure on the Rupee, which is trading at around INR 96 per dollar. Prolonged energy supply shocks, foreign portfolio outflows and weather-related threats to food prices add to the pressure.

With this in view, the Monetary Policy Committee (MPC) of RBI voted unanimously to raise repo rate by 25 bps to 5.50%, its first hike since February 2023, and moved its stance to 'calibrated tightening'. For real estate, the immediate effect is limited. The hike reverses only a fifth of the 125 bps of easing delivered in 2025; borrowing costs remain about 100 bps below 2024 levels.

FOREIGN INSTITUTIONS LEAD DEPLOYMENT IN Q3-26

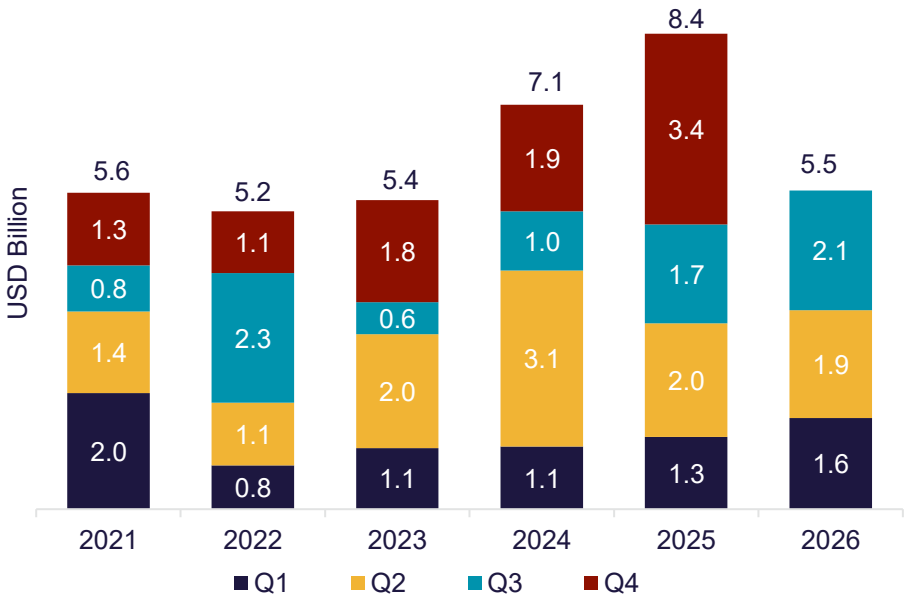
Institutional investment activity in real estate during Q3-26 totaled USD 2.1 Bn, up 12% q-o-q and 20% y-o-y. In Q3-26, foreign investors' share stood at 68%, while domestic investors contributed the balance 32%. Foreign investors led quarterly deployment after trailing domestic institutions' deployment for the previous four quarters.

Development-stage projects accounted for 58% in Q3-26, followed by 40% for core asset acquisitions and 2% for early-stage investments. The data centre asset class remained in prime focus during Q3-26, receiving 52% share of inflows, followed by hospitality (15%) and office (9%) sectors. Around 76% of the deployment in Q3-26 were in multi-city projects, followed by projects located in Mumbai (9%) and Delhi NCR (6%).

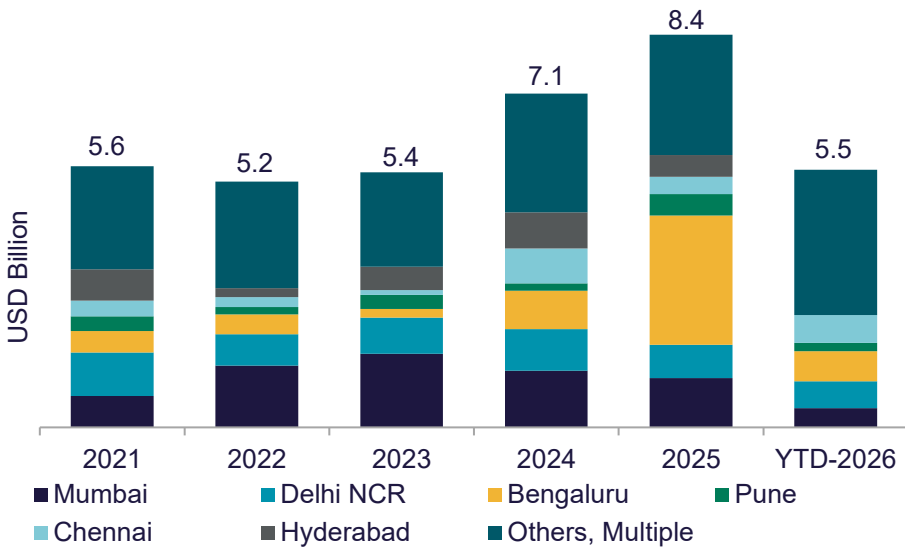
In the overall institutional fund deployment during Q3-26, Private Equity (PE) investments accounted for 88%, followed by real estate investment trusts (REITs) at 12%. PE investment in the real estate sector during Q3-26 was up by 15% on a q-o-q and 11% y-o-y.

During the 9M period until Sept-2026, institutional investment in real estate reached USD 5.5 Bn, up 11% y-o-y. Deployment by domestic institutions in 9M-26 was 15% more than 9M-25, while deployment by foreign institutions was up 8% in the same comparable period. Domestic and foreign investors accounted for 52% and 48% of YTD investments, respectively.

INSTITUTIONAL INVESTMENT VOLUME

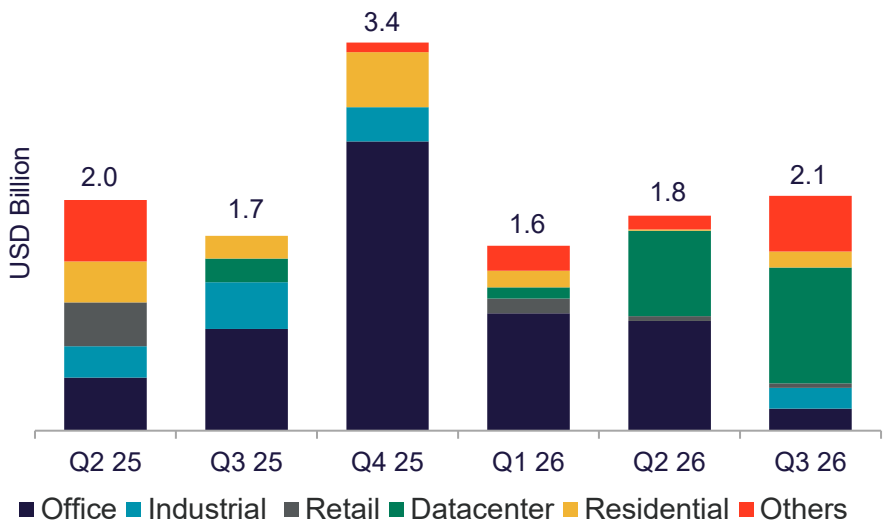


INSTITUTIONAL INVESTMENT SALES VOLUME BY CITY

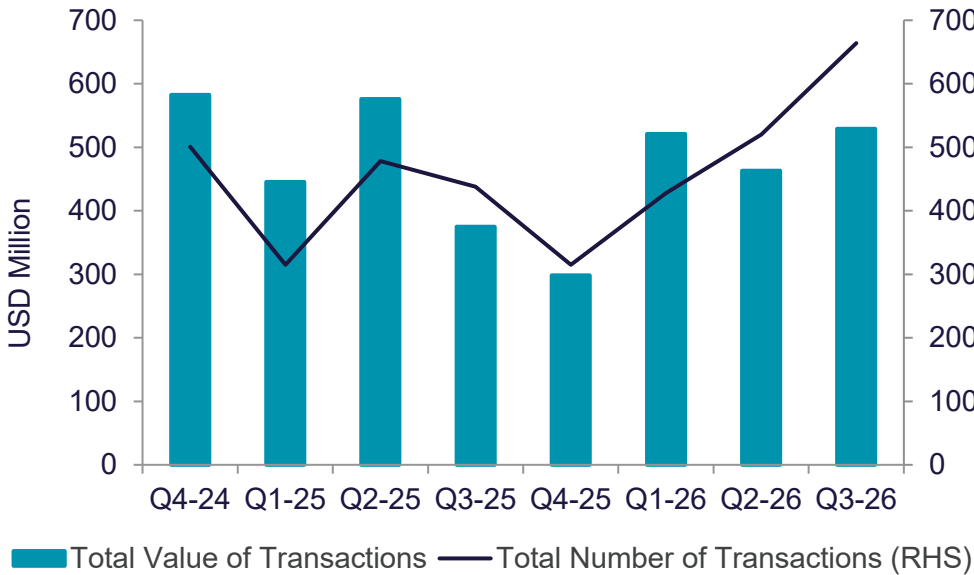


Source: (added 3rd party data source if used)

INVESTMENT VOLUME SHARE BY SECTOR



OFFICE SALE TRANSACTIONS



Source: (added 3rd party data source if used)
1 USD = 95.5 INR

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

Fundraising totalled USD 1 Bn in Q3 2026, down 26% y-o-y and 51% q-o-q, a decline largely attributable to a high base. Office-focused funds/REITs had a 54% share in the Q3-26 fundraising, followed by a Logistics & Industrial firm (27%) and a Residential-focused fund (17%). 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 significant capital in recent quarters and are witnessing active participation from family offices and sovereign wealth funds.

REITs

According to the Indian REITs Association (IRA), the six listed real estate investment trusts (REITs) in India as on June 30, 2026, distributed a total dividend of INR 31.36 Bn in the first quarter of the financial year 2026-2027 (Q1FY27). As of June '26, Indian REITs managed over 214 MSF of operational grade A office and retail space across India, with a market capitalization exceeding USD 22 Bn.

India’s REIT market value surpassed Hong Kong for the first time in the 2025–2026 period, making it Asia’s fourth-largest REIT market by market value. Healthy leasing momentum continues to anchor the strong performance of Indian REITs. The six listed REITs combined have 36.7 MSF either under construction or planned for future development.

COMMERCIAL OFFICE PURCHASE BY CORPORATES

Q3 2026 recorded sale transaction volumes of USD 529 Mn in the commercial office sector, up 41% and 14% on a y-o-y and q-o-q basis, respectively. During Q3-26, Mumbai continued to drive transactions, with a 56% share by value, followed by Pune (29%) and Hyderabad (8%). Total number of commercial office purchase transactions by corporates in Q3-26 was 60% higher than the average quarterly deal count since 2025.

OUTLOOK

Indian economy has been withstanding global uncertainty well with growth rate broadly remaining intact, although external factors have impacted inflation rate. Consequently, the RBI has intervened with its first rate cut in about 3 years, also signaling more cuts in the near future. The ensuing upward pressure on lending costs should be largely overlooked as market would rather want the construction cost escalations to be tamed.

India’s commercial real estate market continues to perform well, with YTD-26 performance suggesting a near-repeat of the previous 2-3 stellar years across assets classes. Therefore, we see limited risks to fund deployments from domestic institutions and REIT, although foreign funds could remain volatile. In Q3-26, we observed return of the foreign funds post 3 quarters of limited activity, which could signal a change in sentiment, although we will be keenly watching for cues.

OUTLOOK

- For FY27, RBI has projected India’s GDP growth at 7.1% with risks evenly balanced
- RBI projects inflation for FY27 at 5.2% with risks evenly balanced.
- REITs have tailwinds from a favourable change in regulatory environment, with direct bank lending expected to provide stable, long-term, and more affordable funding.
- Despite economic uncertainties, the deployment by REITs and PE firms seen in the first nine months of 2026 has remained healthy and investors are expected to remain active in the coming quarters as well.

KEY INVESTMENT ACTIVITY

PROPERTY TYPE	INVESTOR	INVESTEES/ SELLER	CITY	INVESTMENT
Hospitality	CPPIB	Prestige Hospitality	Multiple	314.0
Data Centre	Alpha Wave Global	Airtel Nxtra	Multiple	435.0
Data Centre	Carlyle	Airtel Nxtra	Multiple	240.0
Logistics & Industrial	Alta Capital	Xander	Multiple	157.0
Mixed Use (Retail + Hospitality)	Nexus Select REIT	Galaxy Infra Creations	Guwahati	167.5

OFFICE SALE TRANSACTIONS (USD MILLION)

BUYER	Buyer’s Sector	INVESTMENT	Area (Sq. ft.)	CITY
State Bank of India	BFSI	43.35	181,084	Pune
National Realty Private Limited	Real Estate	13.3	29,839	Mumbai
Poonawalla Finance	BFSI	6.38	16,772	Pune

FIRST CLOSE / AMOUNT RAISED (USD MILLION)

Fund / REIT / Company	Sector	Amount Raised	Target Fund Size
Horizon Industrial Parks (IPO)	Logistics & Industrial	272.0	
Embassy Developments (NCD)	Residential	106.8	-
Embassy Office Parks REIT (NCD)	Office	104.7	-
Mindspace Business Park REIT (NCD)	Office	52.36	-

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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

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