



Market Monitor for Capital Flows
in Indian Real Estate

ANAROCK
VALUES OVER VALUE



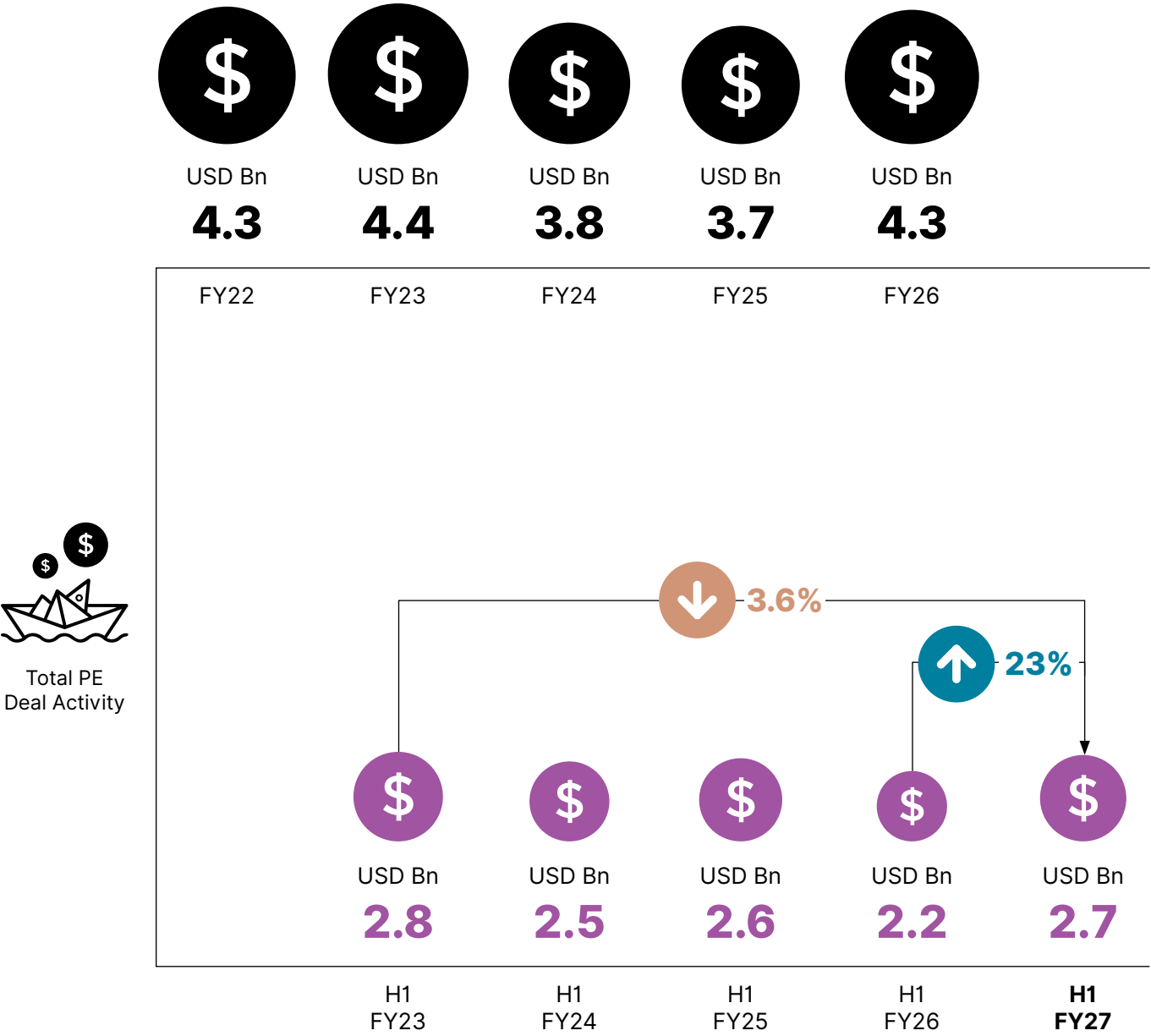
H1
FY27

PE investments in Indian real estate: A 5-year retrospective

PE inflows into Indian real estate rose 23% YoY to USD 2.7 Bn in H1 FY27, from USD 2.2 Bn in H1 FY26, despite geopolitical tensions.

It is the strongest first half since H1 FY23 and comes after three years of easing, which signals a clear recovery in investor confidence.

● Total PE Deal Activity for a given FY
● Total PE Deal Activity for a given H1 FY



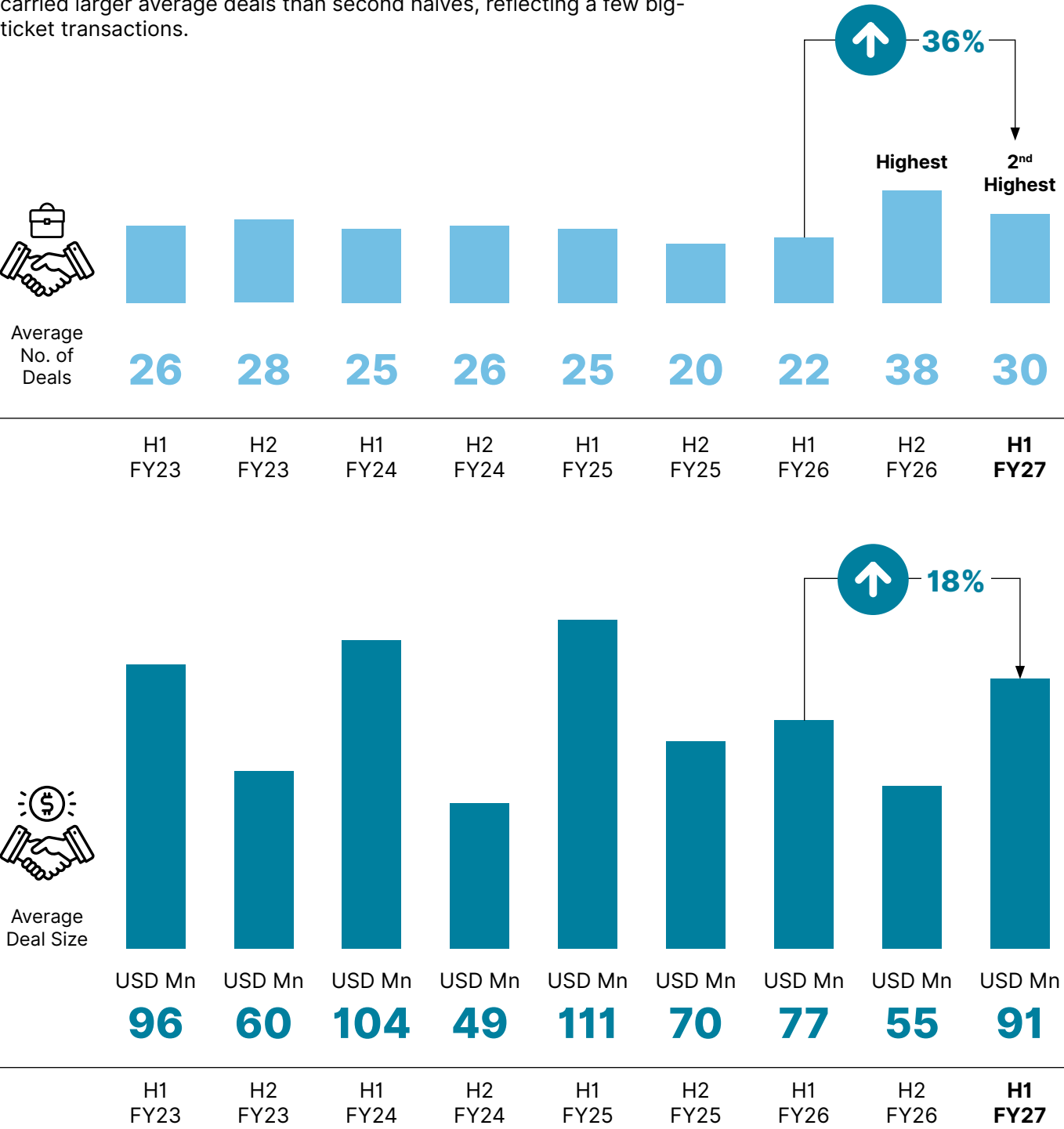
Numbers rounded off to the nearest decimal; All transactions in USD (\$) unless otherwise stated
FY = Financial Year (1st April - 31st March); H1 = 1st Half Year (1st April - 30th Sep)

Broader activity, larger deals in H1 FY27

Deal activity has broadened sharply. H2 FY26 recorded 38 deals, the highest in the period, and H1 FY27 followed with 30, both well above the earlier range of 20 to 28 deals per half.

● Average No. of Deals^
● Average Deal Size^

H1 FY27 also saw average deal size rise 18%YoY to USD 91 Mn from USD 77 Mn, with deal count up 36%, which shows growth in both volume and ticket size. Across the period, first halves have typically carried larger average deals than second halves, reflecting a few big-ticket transactions.



^ Average over the period

Source: Anarock Research & Advisory

Top 10 PE deals

H1 FY27



Equity

Asset Class	Capital Provider	Recipient	Location	Deal Size (USD Mn)
Data Centre	CPP Investments	CtrlS Data Centers^	Multi-city	\$ 729
Hospitality	CPP Investments	Prestige Hospitality Ventures	Multi-city	\$ 314
Office	Nuvama & Brookfield REIT	Brookfield Fund	MMR	\$ 178
I&L	Alta Capital	Xander Investment Management	Multi-city	\$ 158
Office	Edelweiss Capital	Xander	Pune	\$ 157

Debt

Asset Class	Capital Provider	Recipient	Location	Deal Size (USD Mn)
Residential	Kotak Realty*	Smartworld Developers	NCR	\$ 84
Data Centre	IFC	Sify Infinit Spaces	Multi-city	\$ 71
Residential	SWAMIH Fund	Ramky Estates & Farms	Bengaluru	\$ 63
Residential	ASK Group	Bhumika Group	NCR	\$ 53
Residential	Certus Capital	4S Developers	NCR	\$ 28

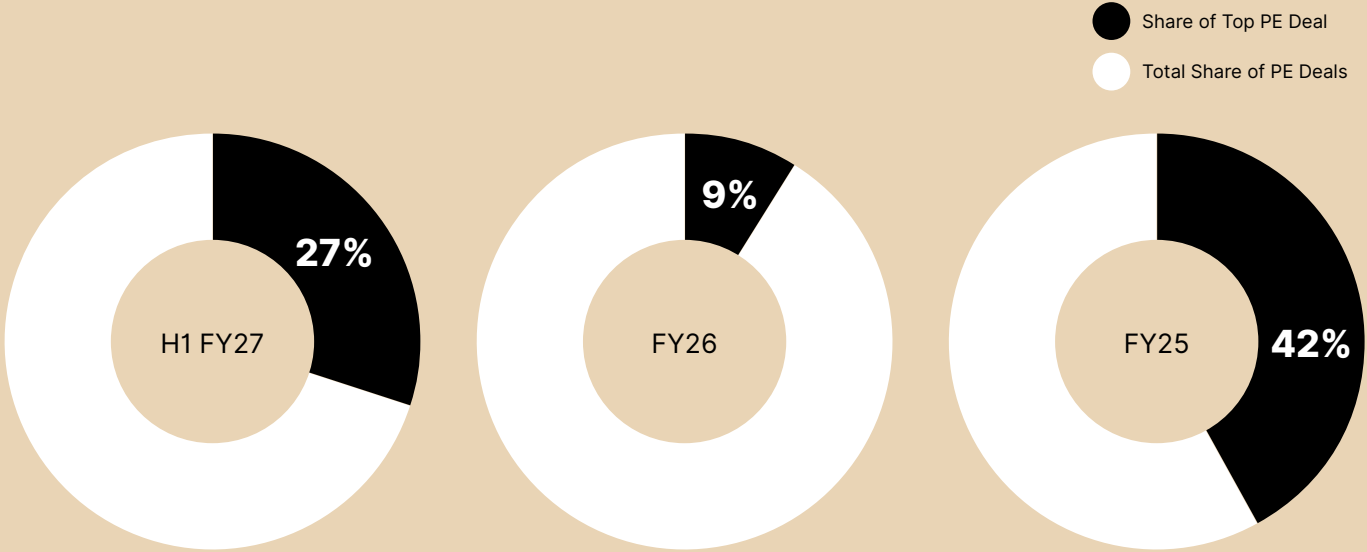
* The companies did not disclose the detailed structure of the USD 84 Mn investment or the individual allocation between the two projects.

^ The transaction includes an investment of USD 417 Mn by CPP Investments to acquire an 8.2% stake in the company. Additionally, the two firms have formed a joint venture to develop hyperscale data centre campuses across India, for which CPP Investments has committed up to USD 312 Mn. In this JV, CPP Investments will hold 48% equity ownership, while CtrlS will hold 52%.

Share of top PE deal

Deal concentration has varied sharply.

The largest deal made up 42% of inflows in FY25, fell to 9% in FY26 as activity broadened, and rose again to 27% in H1 FY27. The H1 FY27 rise was largely driven by CPPIB’s investment in CtrlS Datacenters, which covered both the entity and its projects



Capital shifts to multi-city platforms

Pan-India and multi-city deals made up 49% of PE inflows in H1 FY27, up from 18% in FY26. The CPPIB and CtrlS data centre deal, which spans campuses across India, likely accounts for much of this jump.

Among single cities, **Bengaluru** led with 17%, up from 13%, and **Pune** almost doubled its share to 11% from 6%. **NCR** and **MMR**, which together took 40% of inflows in FY26, fell to a combined 16%.

	FY26	H1 FY27	
 NCR	23%	7%	↓
 MMR	17%	9%	↓
 PUNE	6%	11%	↑
 BENGALURU	13%	17%	↑
 CHENNAI	9%	6%	↓
 HYDERABAD	1%	1%	—
 KOLKATA	9%	0%	↓
 PAN INDIA + MULTI-CITY	18%	49%	↑
 OTHER CITIES	4%	0%	↓

Note: City specific PE investments are higher than the number suggests. However, they are part of the portfolio deals (multiple cities) where the bifurcation amongst the cities is not available.

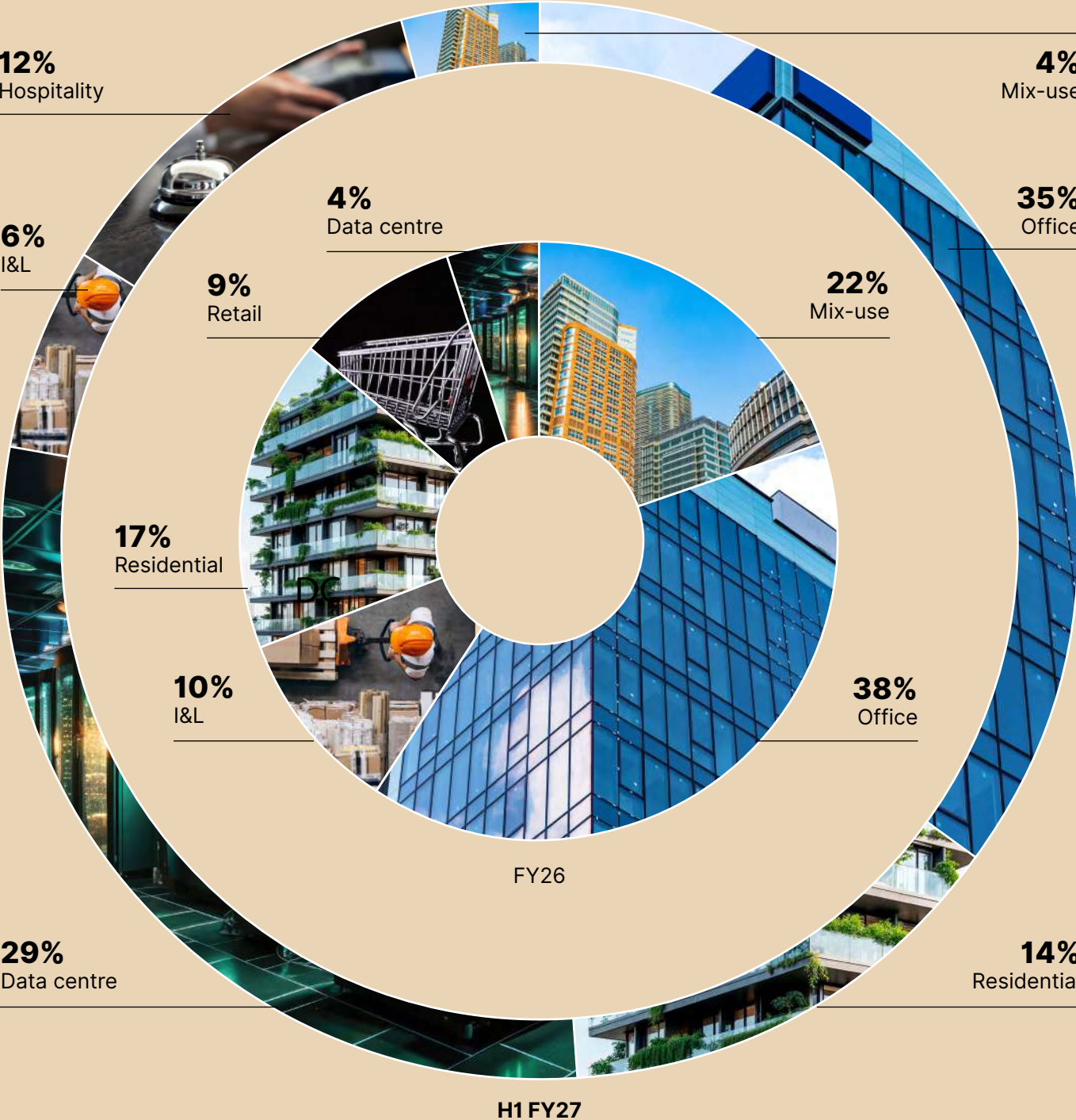
↑ Increase H1 FY27 > FY26 ↓ Decrease H1 FY27 < FY26 — Stable H1 FY27 = FY26

Sector spotlight: Data centres rise as office holds the lead

Office remained the largest asset class in H1 FY27, taking 35% of PE inflows, nearly unchanged from 36% in FY26.

Data centres saw the sharpest jump, from 4% to 29%, driven mainly by the CPPIB and CtrlS deal, which alone accounts for about 27% of H1 inflows.

Hospitality emerged as a new theme with a 12% share, while mix-use fell from 22% to 4%.



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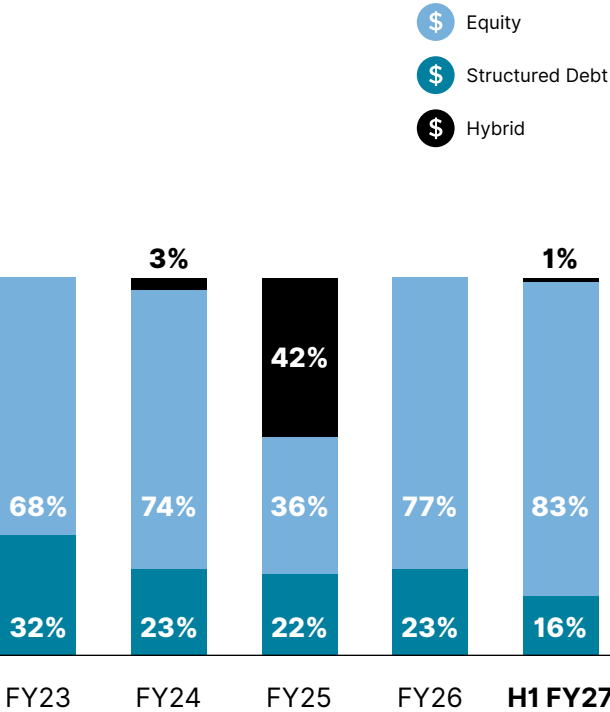
Source: Anarock Research & Advisory

Equity dominates as structured debt share shrinks

Equity made up 83% of PE inflows in H1 FY27, the highest share in the period, up from 77% in FY26 and 68% in FY23.

Structured debt has halved over the same period, from 32% in FY23 to 16% in H1 FY27, which suggests investors are increasingly willing to take ownership risk rather than lend.

FY25 was the one exception: hybrid deals made up 42% of inflows that year, the same share as the year's largest single deal, which points to one large hybrid transaction rather than a wider shift.

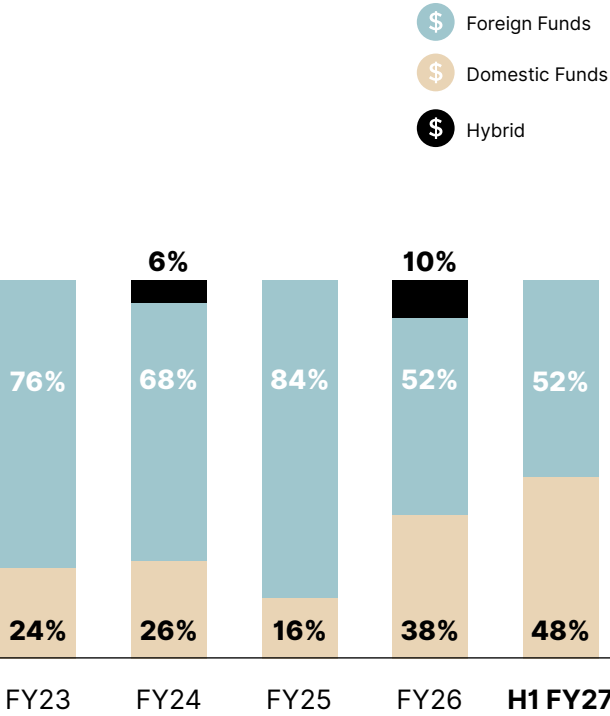


Domestic capital closes the gap with foreign investors

Domestic investors made up 48% of PE inflows in H1 FY27, triple their 16% share in FY25 and the highest in the period, while the foreign share fell from 84% to 52%.

This shift is driven by deeper domestic capital pools such as real estate AIFs and family offices, more selective global investors facing high interest rates and geopolitical uncertainty and growing local confidence in India's growth story.

The result is a more balanced and resilient funding base, less dependent on global capital cycles.



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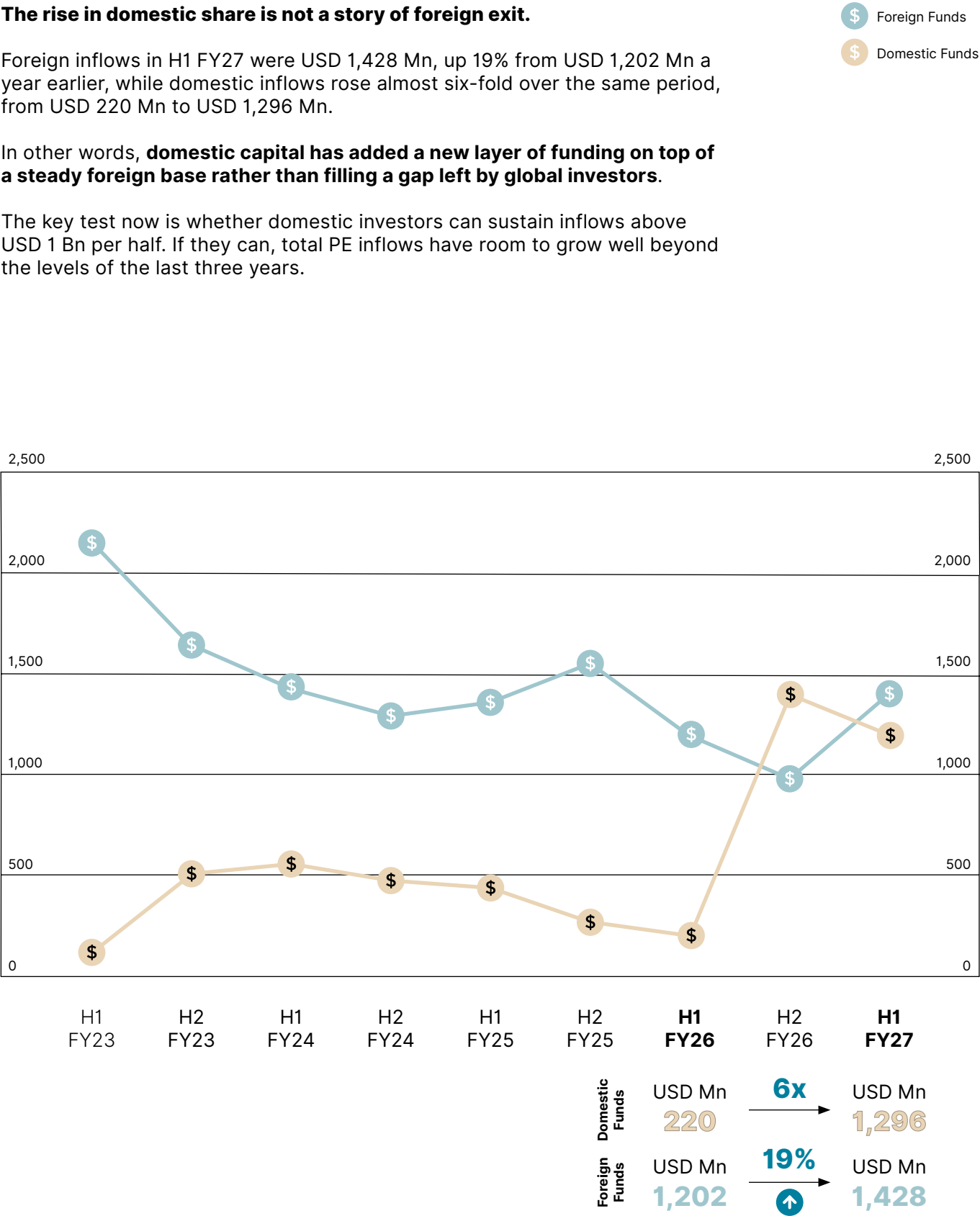
Domestic growth adds to foreign capital, not replaces it

The rise in domestic share is not a story of foreign exit.

Foreign inflows in H1 FY27 were USD 1,428 Mn, up 19% from USD 1,202 Mn a year earlier, while domestic inflows rose almost six-fold over the same period, from USD 220 Mn to USD 1,296 Mn.

In other words, domestic capital has added a new layer of funding on top of a steady foreign base rather than filling a gap left by global investors.

The key test now is whether domestic investors can sustain inflows above USD 1 Bn per half. If they can, total PE inflows have room to grow well beyond the levels of the last three years.



Source: Anarock Research & Advisory

Market insights by sector

H1 FY27

Residential

PE activity in housing stayed granular and credit-led, while sales remained steady and launches ran ahead of demand.

Residential's share of PE inflows eased to 14% in H1 FY27 from 17% in FY26, though it led by deal count with more than half of all transactions. Nearly 90% of residential capital came through structured debt, mainly small-ticket funding for project completion and the revival of stalled projects. Half-year residential inflows have already reached about 52% of the FY26 total.

Housing sales across the top 7 cities were broadly flat in H1 FY27, down 1% YoY, while sales value dipped about 2%. Momentum improved through the half, with Q2 FY27 sales up 10% QoQ and sales value up 12.4% QoQ. New launches rose 13% YoY and exceeded sales by about 15%. Price growth has moderated sharply, from 17% in FY25 to 7% in FY26 and 3% in H1 FY27.

For FY27, sales and sales value are projected to ease by about 4% and launches about 5%, with H1 already delivering about half of the full-year value projection. With supply outpacing absorption, developers are likely to stay cautious on fresh launches, and PE capital is likely to keep favouring structured, last-mile project funding over equity.



Commercial office

Commercial office remained the largest asset class for PE capital, led by domestic funds buying completed, income-generating assets.

Office attracted 35% of PE inflows in H1 FY27, nearly unchanged from 36% in FY26. Almost all this capital came as equity, mainly from domestic AIFs and REITs acquiring leased Grade-A assets for stable rental yields. Office inflows in the first half have already reached about 62% of the full FY26 total, while mixed-use deals fell to a 4% share from 22%.

Leasing stayed strong through H1 FY27. Industry data shows April–June 2026 was the strongest quarter on record, up 14% YoY. July–September added another 6% YoY increase.

Taken together, H1 FY27 office leasing rose about 10% YoY. January–September 2026 absorption grew 8% YoY to a record nine-month level, with GCCs accounting for about 42% of leasing. New supply also rose 18% YoY over the same period, the highest ever for nine months. Occupier demand continues to diversify, with coworking and BFSI together now taking about 45% of leasing against 25% for IT-ITeS.

For FY27, gross absorption is projected to ease about 5-7% from the FY26 record, with vacancy edging up to 16.8% from 16.1% as new completions keep pace with demand. Strong GCC demand and continued investor appetite for leased assets should keep office the anchor of PE activity through FY27.



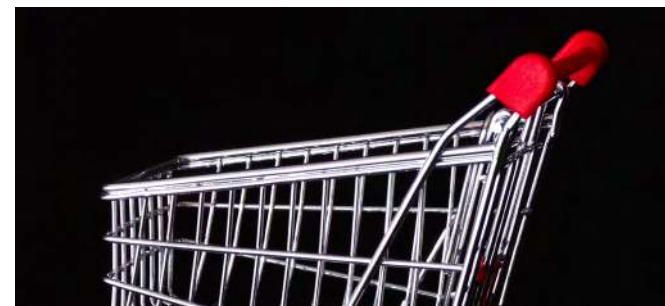
Retail

Retail saw no PE deals in H1 FY27, as limited mall supply restricted investable stock.

Retail recorded no PE transactions in H1 FY27, compared with a 9% share of inflows in FY26. This reflects a shortage of new Grade A assets rather than weak demand.

Leasing was broadly stable. Q2 FY27 retail leasing fell about 4% YoY, while leasing over Q4 FY26 to Q2 FY27 was up slightly, by 0.5%. In Q2 FY27, mall leasing fell 30% YoY on supply constraints, while high-street leasing rose 33% and took about two-thirds of activity. Grade-A mall vacancy tightened to 4.5%, and prime high-street rents rose 6.5% YoY.

With vacancies near record lows and supply constrained, retail is well placed for a stronger H2 FY27. A sizeable pipeline of Grade-A mall supply is expected through FY29, which should create new investable assets and could bring PE capital back to retail in the coming quarters.



I&L + Data centre

Warehousing demand held firm, though PE inflows moderated in the half. Data centres emerged as the breakout theme of H1 FY27, attracting large-ticket foreign capital.

Industrial and logistics took 6% of PE inflows in H1 FY27, down from 10% in FY26, with investors focusing on completed, fully leased portfolios. H1 inflows reached about 37% of the FY26 total. Leasing grew steadily, with one industry estimate showing H1 2026 leasing up 12% YoY. New supply, however, outpaced demand during the period.

Manufacturing and 3PL operators remained the main demand drivers. Grade-A warehousing stock is projected to grow at a 20% CAGR between FY22 & FY29. Supply-chain diversification and manufacturing growth should support steady investor interest, especially in income-generating portfolios.

Data centres took 29% of PE inflows in H1 FY27, up from just 4% in FY26, and half-year inflows were about 4.6x the FY26 total. Capital came mainly from global pension funds and development finance institutions, through both platform-level investments and funding for new AI-ready capacity.

India's DC capacity is set to grow about 30% in FY27, after record capacity additions in FY26. Mumbai accounts for over half of operational capacity, while Tier 2 cities are emerging as new growth markets. AI workloads, cloud adoption and data localisation rules should keep data centres among the fastest-growing destinations for institutional capital through FY27.



Hospitality

Hospitality returned to the PE map after a year with no deals.

Hospitality took 12% of PE inflows in H1 FY27, after recording no deals in FY26, as global institutional investors took platform-level exposure to the sector.

Operating performance remains strong. RevPAR is up 17% to 19% YoY, supported by ARR growth of 10% to 12% and a 3% to 5% rise in occupancy.

Branded signings rose 8% YoY by keys, with Tier 3 and Tier 4 cities taking 45% of signings, up from 40%.

With strong operating metrics and a steady signing pipeline, hospitality platforms are likely to attract more long-term institutional capital.



REITs

India's REIT market gained scale with a sixth listing, and there is ample headroom for further growth. The listing of Bagmane Prime Office REIT made it India's 6th listed REIT, adding a large Bengaluru office portfolio to the listed market.

The six listed REITs now manage 210+ Mn sq. ft. of Grade-A office and retail space, with gross assets under management (AUM) of about USD 33 Bn as of H1 FY27.

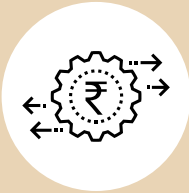
There is significant room for this to grow. Of India's roughly 550 Mn sq. ft. of REIT-suitable office stock, only a small portion is currently listed.

Even in Bengaluru, the most REIT-penetrated market, only 27% of office stock is held by REITs, and coverage falls to 10% to 14% in most other major cities.

The outlook points to growth in both office and retail REIT portfolios, as more Grade-A assets come to market and new malls are completed. REITs are also expected to diversify across cities and asset classes, giving investors broader access to income-generating real estate and creating a stronger exit route for private capital.



Key themes
H1 FY27



Clear recovery
PE inflows rose 23% YoY to USD 2.7 Bn, the strongest first half since H1 FY23.



Domestic capital as a 2nd engine
Domestic investors took 48% of inflows, while foreign inflows also grew 19%.



Equity is back
Equity's share hit 83%, while structured debt halved from FY23 levels.



New-economy assets on the rise
Data centres and hospitality took over 40% of inflows, against 4% in FY26.



Bigger, broader deals
Average deal size rose 18% and platform deals took about half of inflows.

Outlook

H2 FY27 and beyond

A record year is within reach.

If H2 FY27 simply matches H2 FY26, full-year inflows would reach about USD 4.8 Bn, the highest in five years. Momentum, not a single windfall, is now driving the cycle.

Domestic capital will set the pace.

The market's growth ceiling now depends on whether domestic investors can sustain more than USD 1 Bn per half. If they do, India's PE inflows can move structurally above the USD 3.7 to USD 4.4 Bn annual range of recent years.

REITs will deepen the capital market.

More listings and REIT-led acquisitions should give private investors a reliable exit route, which recycles capital back into new deals and strengthens the overall investment cycle.

Volatility, not direction, is the main risk.

A few large deals still drive a big share of inflows, with the largest single deal at 27% in H1 FY27, so half-yearly numbers may swing. Global interest rate movements and geopolitical shocks could also delay foreign deployment.

Fresh office supply widens the investable pool.

Record new Grade-A completions are expanding the stock of leased, institutional-quality assets available to funds and REITs, supporting acquisition activity in FY28 and beyond.

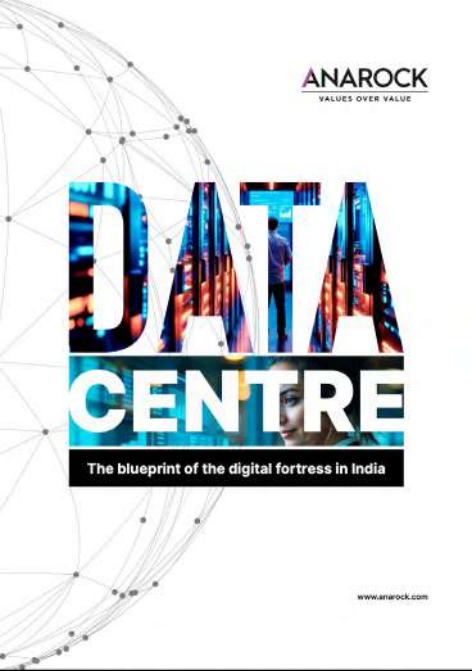
Diversification will continue.

Data centres, hospitality and warehousing are set to keep gaining share as the economy digitises and consumption grows, while residential capital stays focused on structured, last-mile funding.

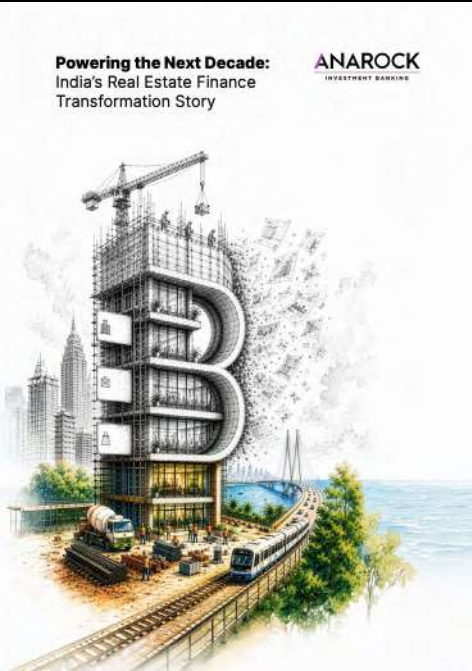


Publications

H1 FY27



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Key deals

H1 FY27

Construction Finance

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INVESTMENT BANKING

Starting FY27 on a strong note — embracing an exciting **new beginning** ahead!

Successfully Raised

₹ 75 CR Circa

as **Construction Finance**

Shrinivas Hunsikatti
Director
Corporate Finance

We're delighted to have forged a new relationship and advised a reputed Grade-A developer in successfully securing circa ₹ 75 Cr in Construction Finance from a leading Indian bank, for a residential JDA project in Bengaluru.

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Land Sale

ANAROCK

INVESTMENT BANKING

Successfully facilitated

Sale of a Land Parcel in Pune

₹ 130 Cr Circa

Mohammed Aslam
Managing Director
Capital Markets

Jai Singh
President
Capital Markets

Located in one of the city's **emerging micro-markets**, the land parcel is designated for a **high-end residential** project, with a development potential of **~8 lakh sf**

We're proud to have facilitated the sale of a residential land parcel for between two leading Pune-based developers, for a total transaction value of circa ₹ 130 Cr.

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~100% Interest Sale + Project Finance

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INVESTMENT BANKING

Scoring Big in Chennai: **One Deal, Two Wins!**

Successfully enabled **Commitment of**

₹ 250 CR Circa

towards **~100% Interest Sale** to a **Global PE Fund**, for an **I&L Park** with a development potential of **~2.4 Mn sf**

+

Concurrently raised **Project Finance of**

₹ 125 CR Circa

from a **Top-tier NBFC**

We're proud to have acted as an **exclusive transaction advisor** to a leading South India I&L developer, enabling a **~₹ 250 Cr** commitment from a global PE fund for **~100% interest sale** while concurrently raising **Project Finance of ~₹ 125 Cr** from a top-tier NBFC as a part of the same transaction.

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Buy-side Advisory

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ANAROCK Capital's Advisory Milestone
Overseas Capabilities Deployed!

We are pleased to announce our engagement as principal advisor to **DBJ Bank** on its inaugural India investment through **HDFC Capital's H-Dream Fund** - a pioneering institutional real estate investment vehicle focused on sustainable, affordable, and mid-market residential housing.

Our **Buy-side Advisory Mandate** encompassed comprehensive real estate credit market analysis & institutional investment guidance, positioning the institution to execute its investment thesis with confidence and deeper market insight.

Executed By:

Varun Malik
Managing Director
Head of Capital Markets, APAC

Vishal Srivastava
Managing Director
Head - Corporate Finance

Nikita Chafekar
Asst. Vice President
Investment Advisory

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Equity / JV Partnership

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An iconic JV inked in Bengaluru!

Successfully facilitated **Equity / JV Partnership** for a Premium Integrated CRE Development

We're pleased to have enabled an **Equity / JV** partnership between a leading listed developer in India and a global Private Equity firm to deliver a premium integrated CRE project in Bengaluru. The development will feature **~2 Mn sf** of Grade-A office space, along with a hotel operated by an international hospitality brand.

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Investment Advisory

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VALUES OVER VALUE

Building on Momentum with Another High-impact Advisory Mandate!

We are proud to have advised **one of the 'Big 16' Japanese Railway Corporations** on developing its inaugural **Living Sector Investment Strategy**, including Governance Frameworks for Infrastructure-led Residential Investments in Indian Real Estate.

This mandate reflects our overseas strength and supports our ability to leverage emerging opportunities across the APAC investment landscape.

Executed By:

Varun Malik
Managing Director
Head of Capital Markets
APAC

Dr. Prashant Thakur
Executive Director
Head- Research & Advisory
ANAROCK Group

Ashish Aggarwal
Sr. Vice President
Investment Advisory
ANAROCK Capital

Sumet Negi
Vice President
Research & Advisory
ANAROCK Group

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About Anarock

Anarock is one of the leading independent real estate services companies operating across India and the Middle East. 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 2,300 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.

Backed by predictive AI/ML models and generative AI tools, CRM infrastructure and deep and long-standing relationships with developers, corporate occupiers, investors and government bodies, the Company combines market intelligence, technology and disciplined execution which we believe creates long-term value across the real estate lifecycle.

For more information, please visit
www.anarock.com



Corporate Office

Anarock Property Consultants Limited
(Formerly known as Anarock Property Consultants Private Limited)
1002, 10th Floor, B Wing, G Block
ONE BKC, Plot No. C-66, Bandra Kurla Complex
Bandra (E), Mumbai 400 051

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Want to talk business?



Shobhit Agarwal

CEO
Investment Banking | HVS | SAV | PMES
shobhit.agarwal@anarock.com



Vishal Srivastava

COO
Anarock Investment Banking
vishal.srivastava@anarock.com

For research services:



Dr. Prashant Thakur

Executive Director & Head
Anarock Research & Advisory
prashant.thakur@anarock.com

For research updates, please
visit our website by scanning
the QR code:



Author



Ajinkya Magdum

Vice President
Anarock Research & Advisory
ajinkya.magdum@anarock.com

Editor



Priyanka Kapoor

Sr. Vice President
Anarock Research & Advisory
priyanka.kapoor@anarock.com

Contributor



Dewang Kolhe

Analyst
Anarock Research & Advisory
dewang.kolhe@anarock.com

Designer



Dr. Paridhi Gupta

Director - Design
Anarock Investment Banking
paridhi.gupta@anarock.com

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