FLUX

Market Monitor for Capital Flows in Indian RE

ANAROCK

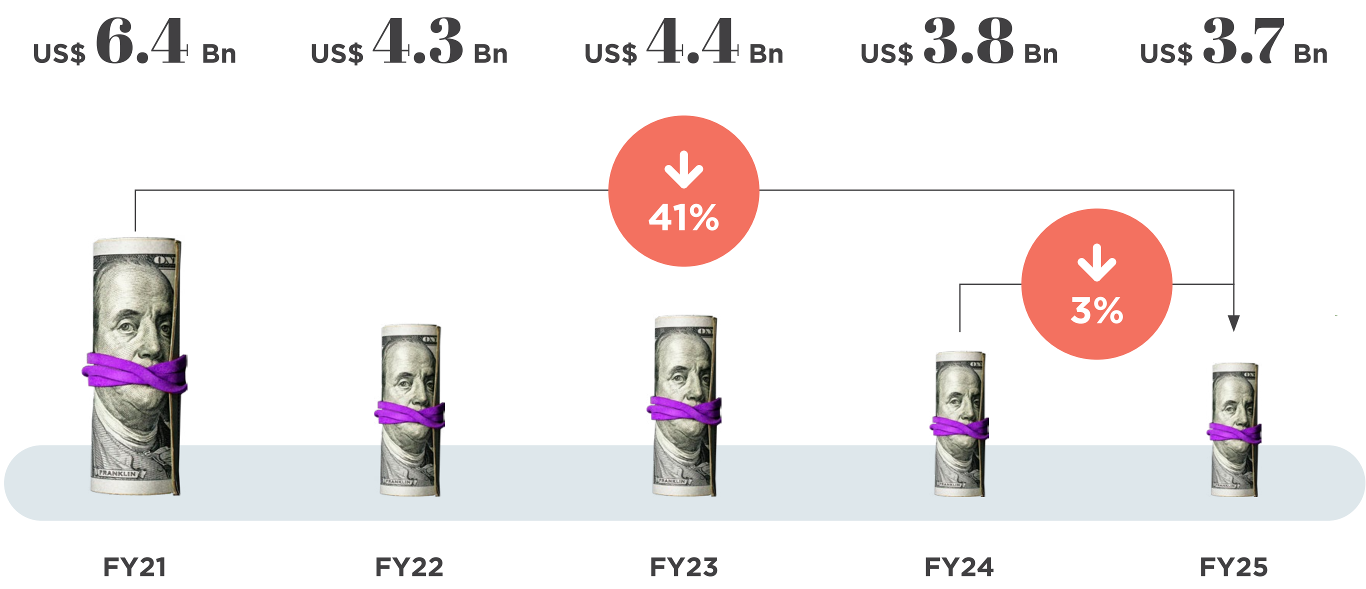
INVESTMENT BANKING

FINANCIAL YEAR 2025

PE INVESTMENTS IN INDIAN RE

A 5-year Restropective

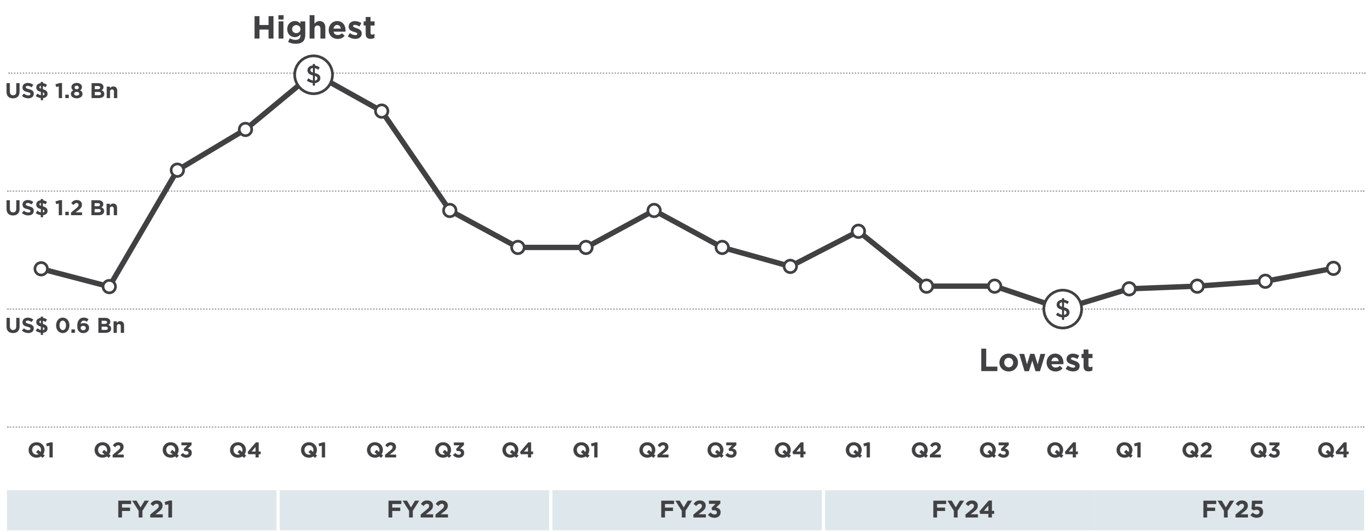
Aggregate value of PE deals in Indian RE has continued to decline – having dipped over the past 5 years from USD 6.4 Bn in FY21 to USD 3.7 Bn in FY25.



QUARTERLY TRENDS IN FOREIGN INVESTMENTS

4-Quarter Moving Average

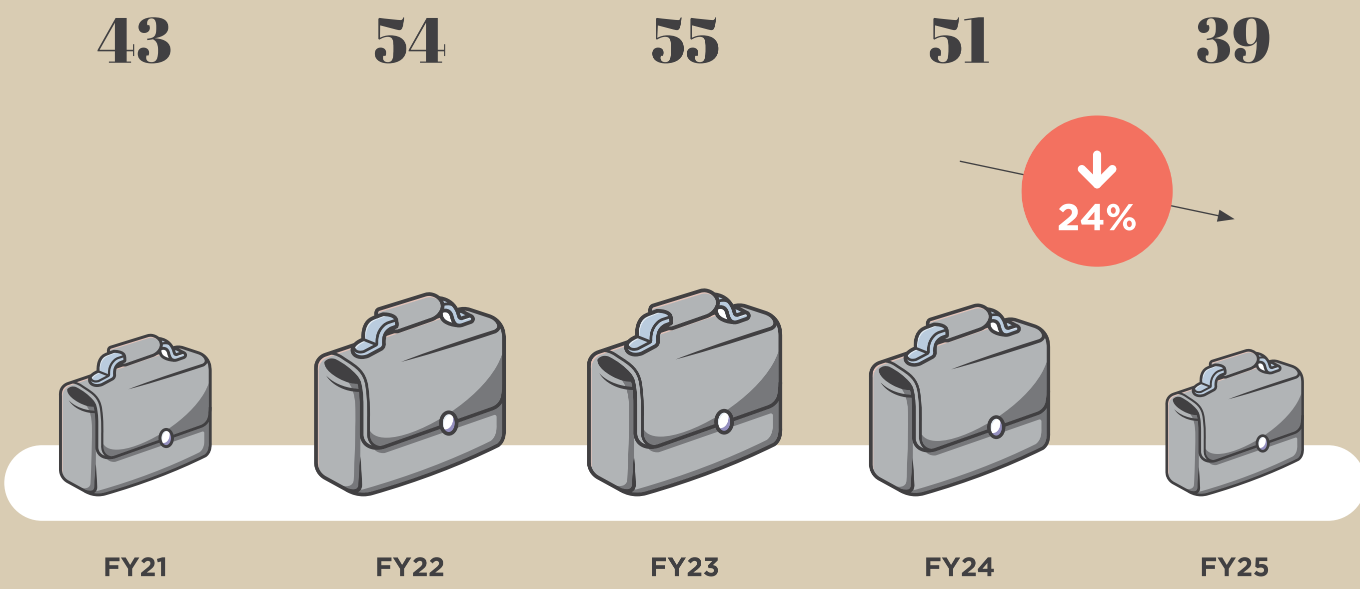
The decline in PE investments in Indian RE has been largely been due to lower activity by foreign investors - same having reduced significantly owing to global macro-economic factors and geopolitical instability, leading to a decline in overall activity levels. **While there has been an uptick in the activity level by foreign investors, the same is still substantially lower than the recent highs.**



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

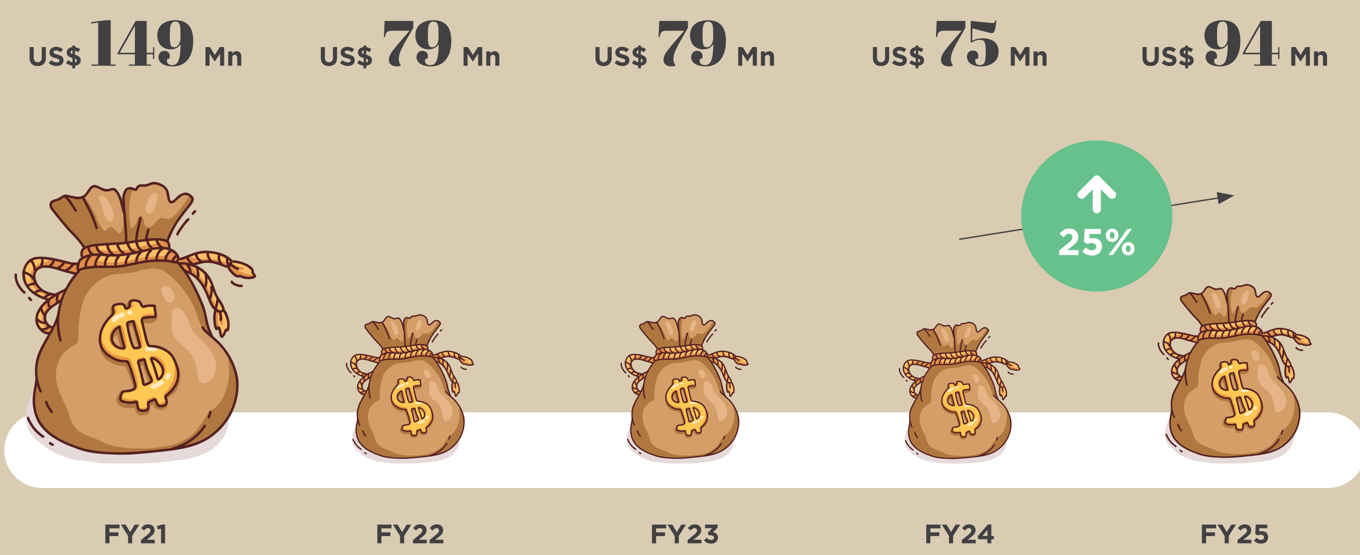
NO. OF DEALS

While the aggregate transaction value remained steady in FY25 relative to FY24, **the number of deals reduced to 39 in FY25 from 51 reported in FY24**.



AVERAGE TICKET SIZE

A steep decline in number of transactions has resulted in a **significant increase in average deal size to ~USD 94 Mn in FY25 from ~USD 75 Mn in FY24.**



Source: ANAROCK Capital Market Research

TOP 10 PE DEALS - EQUITY & DEBT

FY25

$ Equity $ Debt $ Hybrid

#	Asset Class	Capital Provider	Recipient	Location		Deal Size	
1	Commercial	GIC & Xander Group	SPRE Fund II	Hyderabad	$ (Equity)	258 Mn	Joint Advisor
2	Commercial	Keppel Land	RMZ Corp & CPP Investments	Chennai	$ (Equity)	251 Mn	Sole Advisor
3	Warehousing	Blackstone	LOGOS India	Multiple	$ (Equity)	204 Mn	
4	Mixed-Use	Alpha Wave Global	Oberoi Realty	MMR	$ (Equity)	145 Mn	
5	Entity	Blackstone	Kolte-Patil Developers	Multiple	$ (Equity)	134 Mn	Sole Advisor

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#	Asset Class	Capital Provider	Recipient	Location		Deal Size
1	Mixed-Use	Kotak Realty	Elan Group	Delhi-NCR	$ (Debt)	143 Mn
2	Mixed-Use	SSG Capital	Century Real Estate	Bengaluru	$ (Debt)	85 Mn
3	Mixed-Use	SSG Capital	Century Real Estate	Bengaluru	$ (Debt)	75 Mn
4	Residential	PAG	Shapoorji Pallonji	MMR	$ (Debt)	61 Mn
5	Mixed-Use	Kotak Investment	Supertech	Delhi-NCR	$ (Debt)	52 Mn

#	Asset Class	Capital Provider	Recipient	Location		Deal Size
1	Warehousing	Abu Dhabi Investment Authority (ADIA) & KKR	Reliance Logistics & Warehouse Holdings	Multiple	$ (Hybrid)	1,542 Mn

Led by the Reliance-ADIA/KKR transaction and supported by the Blackstone-LOGOS transaction, warehousing accounted for a stellar 48% of the total deal value in FY25.

Debt accounted for 21% & **equity accounted for the balance 37%** of transactions in FY25. Given the hybrid nature of the Reliance-ADIA/KKR deal, and the same being an outsized transaction, **hybrid transactions accounted for 42%** of the total transactions in FY25.

SHARE OF TOP 10 PE DEALS

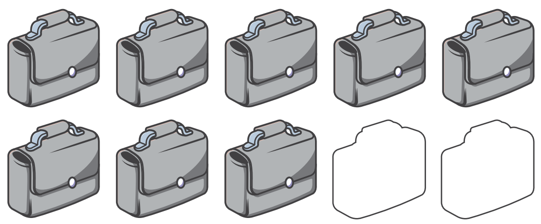
Y-o-Y

The share of top 10 deals has increased primarily to 81% in FY25 from 69% in FY24. This is primarily due to the Reliance – ADIA / KKR deal (~42% of the overall deal value for FY25), reported in Q1 FY25.

$ Top 10 PE Deals

$ Total PE Investment

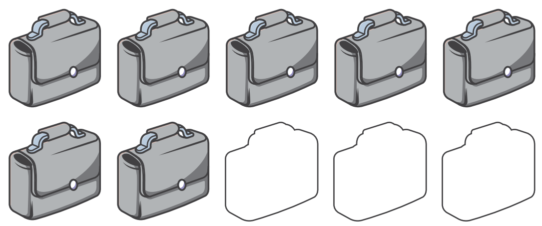
FY25



81 %

SHARE OF TOP 10 PE DEALS

FY24



69 %

SHARE OF TOP 10 PE DEALS

*Numbers rounded off to the nearest integer; All transactions in USD ($) unless otherwise stated
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Source: ANAROCK Capital Market Research

MOVEMENT OF CAPITAL FLOW

Y-o-Y

In FY25, Multi-city /Pan India transactions accounted for 52% of all deal value—up from 47% in FY24 and just 25% in FY23.

	FY24	FY25	
NCR	8%	8%	Stable
MMR	24%	12%	Decrease
PUNE	4%	2%	Decrease
BENGALURU	8%	10%	Increase
CHENNAI	2%	7%	Increase
HYDERABAD	7%	8%	Increase
PAN INDIA + MULTI-CITY	47%	52%	Increase
OTHER CITIES	0%	1%	Increase

Increase FY25 > FY24

Decrease FY25 < FY24

Stable FY25 = FY24

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.

ASSET CLASS-WISE FUNDING

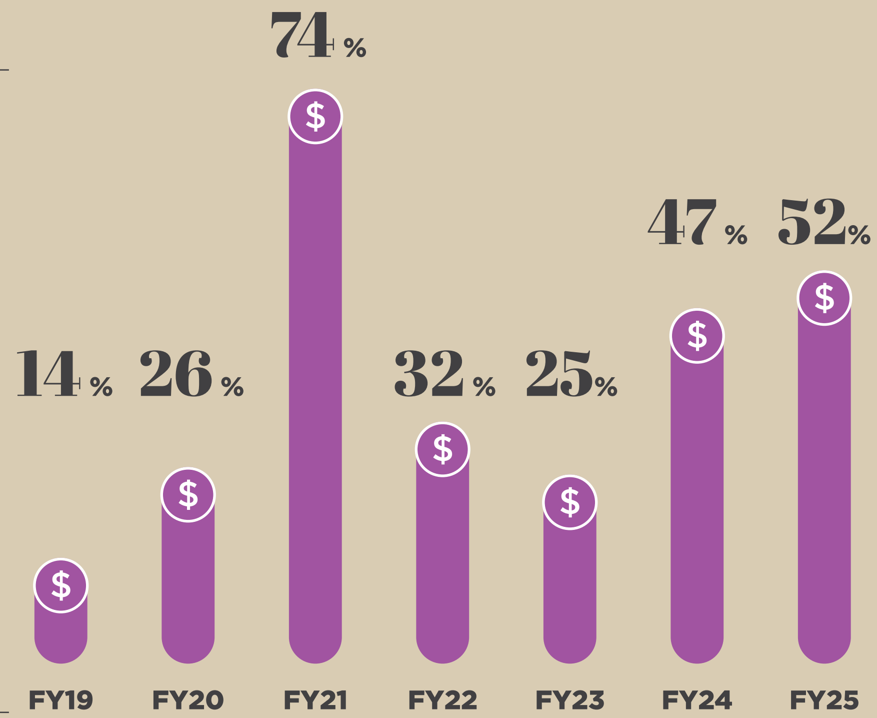
Y-o-Y

Driven by the Reliance-ADIA/KKR transaction, **Industrial & Logistics sector accounted for an outsized share of the league tables at 48% for FY25**, as compared to 9% in the previous year.

	FY24	FY25	
OFFICE	59%	22%	Decrease
RESIDENTIAL	27%	15%	Decrease
INDUSTRIAL & LOGISTICS	11%	48%	Increase
OTHERS	3%	15%	Increase

SHARE OF PAN INDIA + MULTI-CITY TRANSACTIONS

Barring the Covid period, Pan India / Multi-city transactions have been rising steadily - increasing from 14% in FY19 to 52% in FY25 - signalling greater sector formalization and a shift of investor preferences toward large, diversified portfolios.



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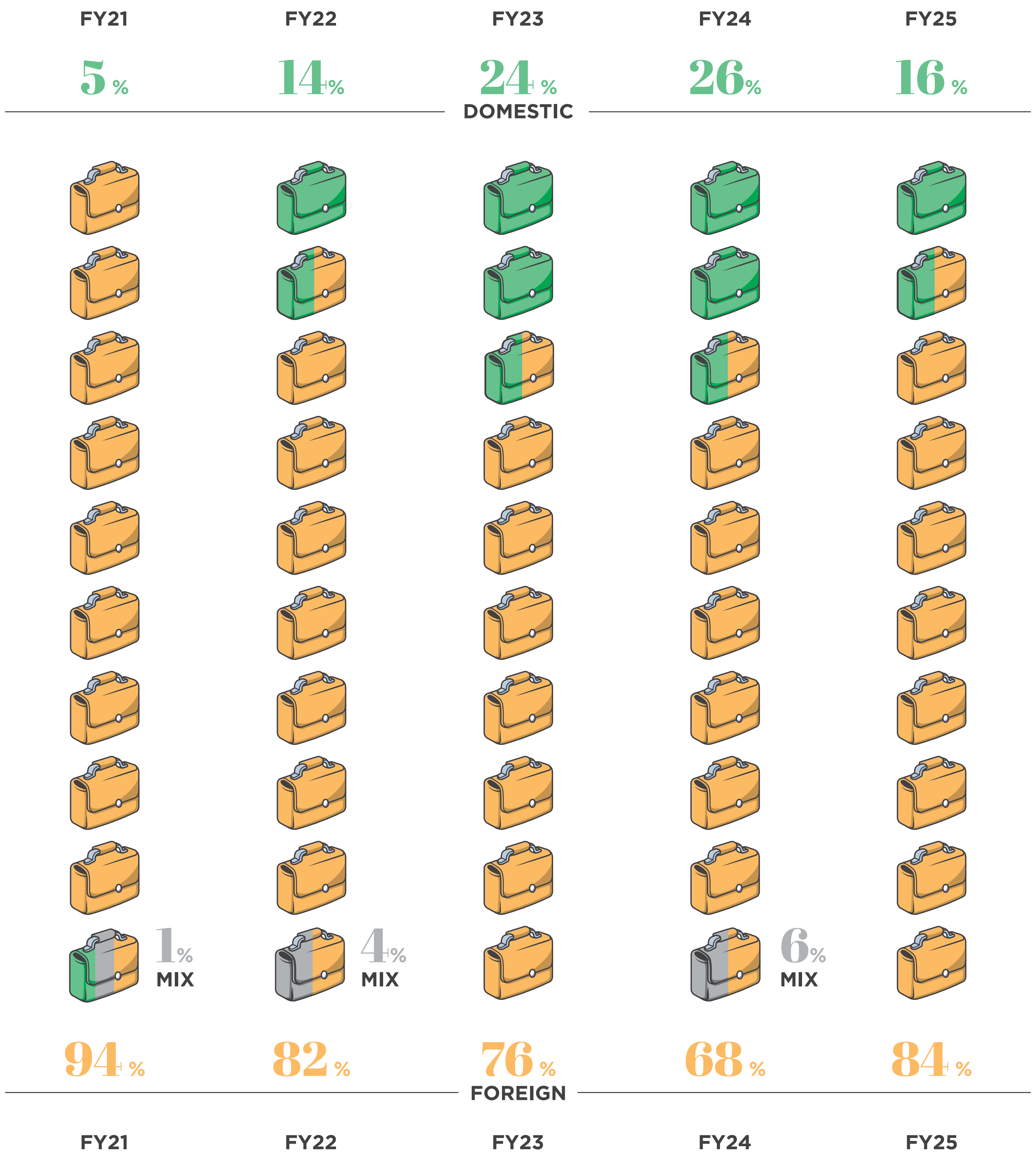
Source: ANAROCK Capital Market Research

FOREIGN VS DOMESTIC FUNDING

Share of foreign capital in total investments bounced back to 84% for FY25, after a decline to 68% in FY24.

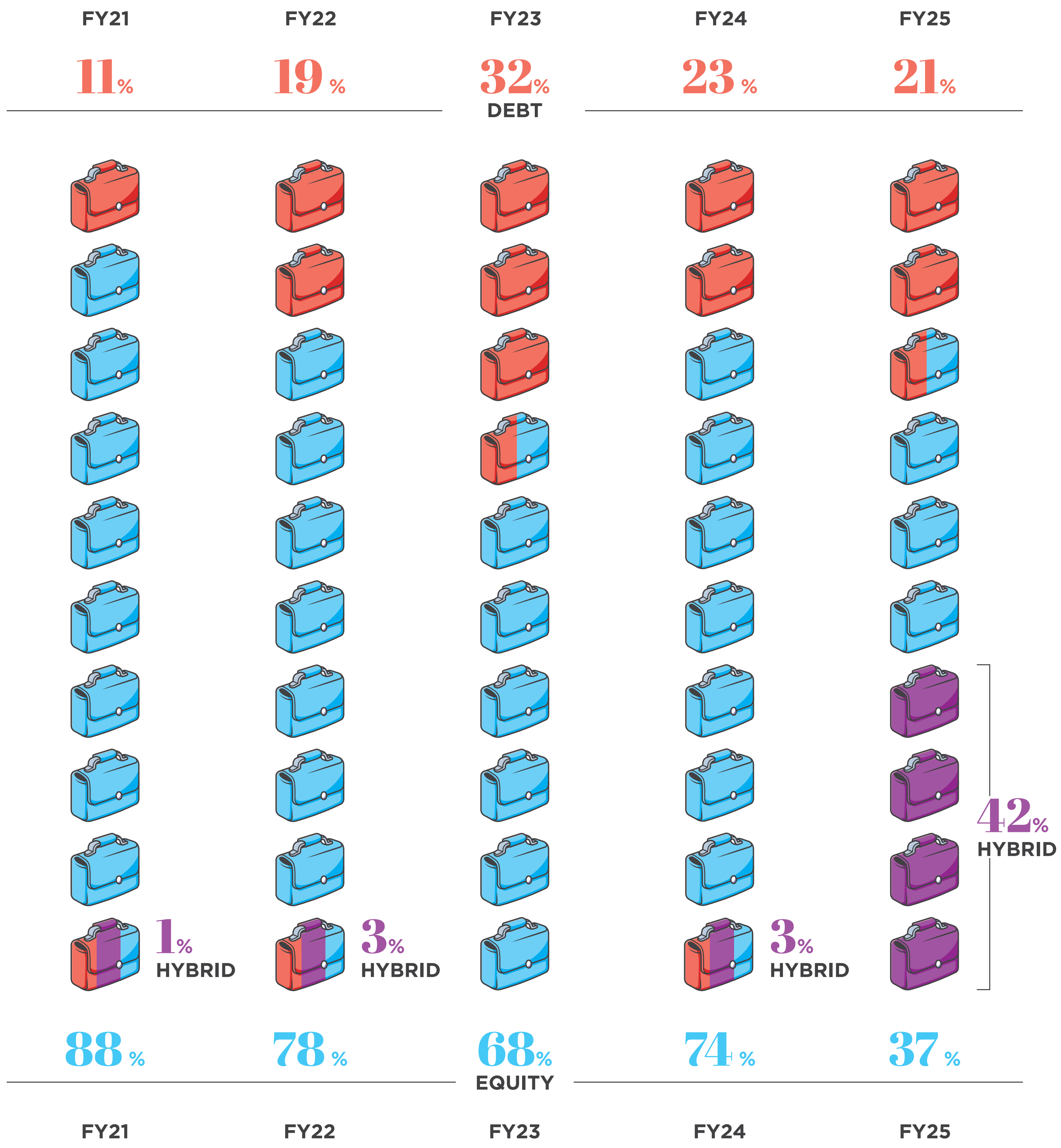
Foreign Funds
Domestic Funds
Mix



EQUITY VS DEBT FUNDING

While equity investments are generally preferred by PE investors with a longer-term average of ~75%, FY25 witnessed a large hybrid transaction (Reliance – ADIA – KKR deal), which skewed the funding mix towards hybrids (42%) as compared to 0-3% otherwise seen.

Equity
Structured Debt
Hybrid



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Source: ANAROCK Capital Market Research

KEY HIGHLIGHTS & EVENTS
FY25

RESIDENTIAL

After a robust run, the residential sector has taken a breather, post a run up in prices. New launches are also subdued and the domestic AIF activity has mirrored the softness in activity.

The average deal value for the last 3 quarters of FY25 (Q2, Q3 & Q4) in residential real estate has been at USD 117 Mn as compared to USD 233 Mn reported in preceding 12 quarters (Q1 FY23 to Q4 FY25). On the positive side, we have witnessed **the emergence of a new trend where international investors are warming to equity positions in residential real estate** as seen in Blackstone's investment in Kolte Patil Developers and Alpha Wave Group's investment in Oberoi Realty's mixed-use development in Worli, Mumbai.

RESIDENTIAL PLATFORMS in FY25

	Capital Provider	Recipient	Location	Deal Size
1	HDFC Capital	Total Environment	Bengaluru	$ 151 Mn
2	HDFC Capital	Puravankara Projects	Multiple	$ 138 Mn
3	HDFC Capital	Runwal Enterprises*	MMR	$ 136 Mn
4	Alpha Alternatives & Delto Corp	Peninsula Land	MMR	$ 92 Mn
5	HDFC Capital	Eldeco	Multiple	$ 42 Mn

* Subhodh Runwal

COMMERCIAL OFFICE

Investment activity in offices segment continued to disappoint with aggregate deal value at USD 806 Mn for FY25 compared to USD 2.2 Bn in FY24 and a similar annual average between FY19 and FY24.

Elevated interest rates and geopolitical concerns have kept investments in the offices segment subdued, even though deal activity remains robust with record net leasing witnessed in CY24.

We expect activity in resume in this segment on expectations of rate cuts amid easing inflation and geopolitical concerns.

RETAIL

The retail sector continues to perform well, fueled by a strong consumption boom, with significant interest from major mall operators.

Major players in the nation's mall development scene, including DLF, Lakeshore, Inorbit, Nexus, and Phoenix, are actively pursuing aggressive expansion plans. This increased capital allocation is in sync with the growth strategies of leading retailers, leading to a notable rise in the number of retail stores.

However, private equity (PE) activity remains subdued, as the sector is primarily dominated by well-funded mall operators and REITs.

INDUSTRIAL & LOGISTICS

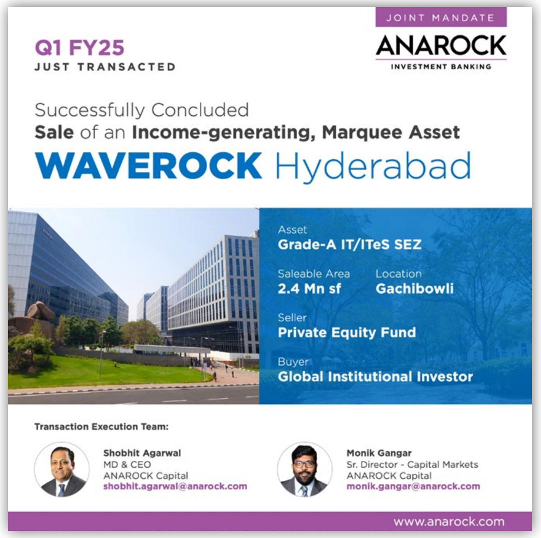
Investor interest in warehouses remains strong, supported by a steady supply of investment-grade properties and sustained demand from both institutional investors and high-net-worth individuals.

This interest is driven by strong growth, primarily in manufacturing, e-commerce, consumer demand, and third-party logistics (3PL). This growth is further amplified by a shift from Grade B to Grade A properties, reflecting a growing focus on quality, large formats, and environmental, social, and governance (ESG) considerations.

OUR TROPHY DEALS

FY25

Sale of a Single Largest Commercial Asset



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Sale of Chennai's Iconic Grade-A Income Yielding Commercial Asset

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Facilitation of one of India's Largest DC Platforms between Colt DCS & RMZ

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Joint Development (JD) of one of the Largest Land Deals in MMR

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Sale of MMR's Income Yielding Grade-A Warehousing Asset

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Resolution of a Real Estate Project in MMR by NCLT Process

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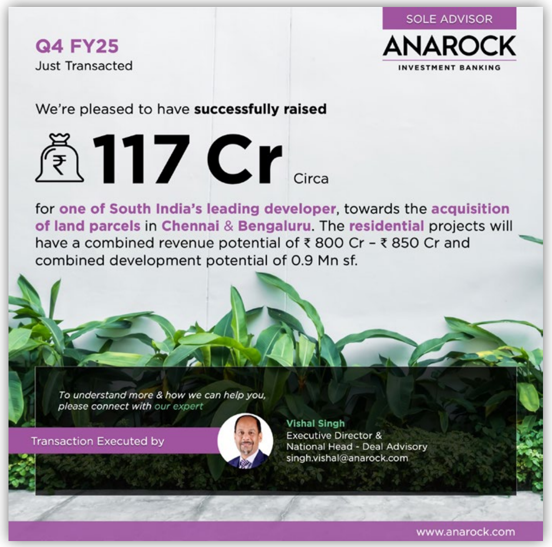
Raised Capital for One of South India's Leading Developer



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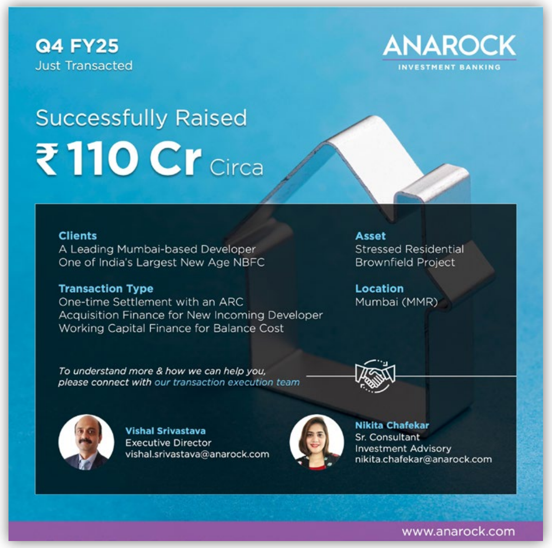

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Raised Capital for an Established MMR-based Developer

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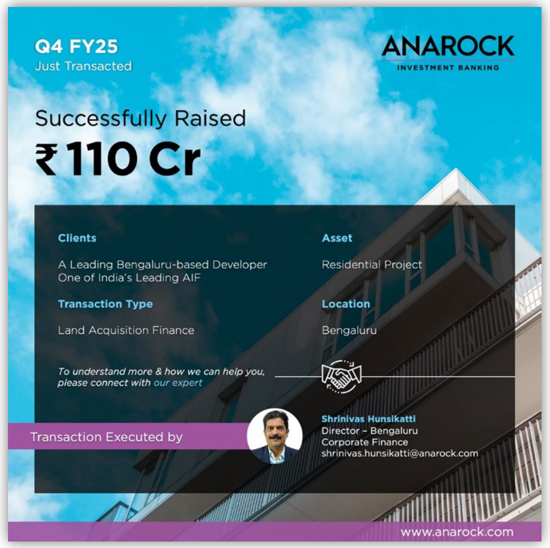
Raised Capital for a Leading Bengaluru-based Developer



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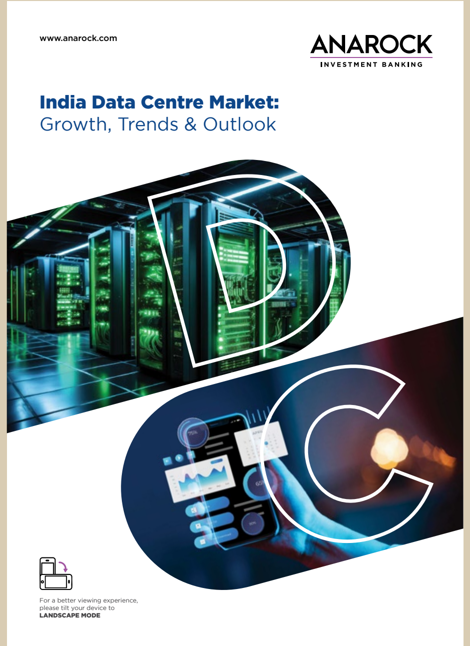
RESEARCH PUBLICATIONS
FY25

REPORT



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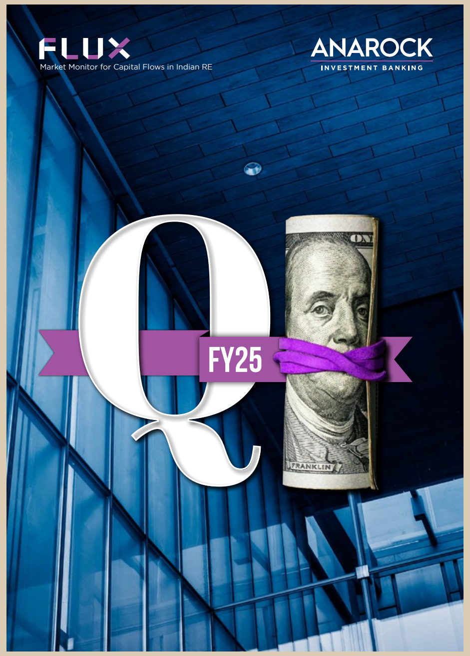

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IN THE SPOTLIGHT
Q4 FY25

PERE Summit
Building a Diversified Real Estate Portfolio in India
Feb 2025, Singapore

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MD & CEO
ANAROCK Capital

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Times RE Conclave & Awards 2025
Panel Discussion on Multiple Options in Funding for Developers
Feb 2025, Bengaluru

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Construction Week
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CNBC Awaaz - Property Guru
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Executive Director

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Revitalization & Redevelopment: A Vital Need for Urban Renewal
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Over the last seven years, ANAROCK has expanded from being a residential-focused organization to complementary sectors including retail, commercial, hospitality, logistics & data centres, industrial and land. The firm also specialises in strategic advisory, investment banking, research & valuations and offers app based flexible workspaces and society management services. ANAROCK has developed proprietary technology that is adopted across all its businesses.

ANAROCK has a team of over 2,200 experienced real estate professionals who operate across all major markets in India and the Middle East.

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