

Why Global Investors Should Bet on Indian Office REITs



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Ramesh Nair,
MD & CEO, Mindspace REIT

India's Office Market: A Structural Growth Story

India's commercial real estate sector has experienced unparalleled transformation. Two and a half decades ago, India's office spaces were functional at best—four walls, a desk, and a flickering tube light. Today, they rival the best business parks in the world, offering premium amenities, sustainable features, and a workplace experience that global occupiers actively seek out. The evolution isn't just impressive—it's investable. India's office sector has now matured, and is dominated by multinational tenants, institutional developers, and publicly listed REITs, making it a very attractive investment option for global fund managers.

Global investors analyze economic stability, regulatory environment, infrastructure, market depth, and ESG factors while evaluating a country for investment. India, being one of the fastest-growing large economies in the world, offers a business-friendly regulatory framework, robust infrastructure, and a highly liquid office

market. It is a high-growth, high-yield investment destination, offering institutional investors an opportunity to participate in a rapidly expanding, structurally sound real estate market. India's office market is sprinting past global peers. While the West debates return-to-office policies, India is busy building the offices the world wants to work in.

There is also a supply-demand imbalance that points towards India's immense potential for growth. Despite being one of the fastest-growing economies, India's per capita office stock remains significantly lower than its global counterparts. This is also particularly helped by the fact that the market continues to institutionalize and



evolve towards a REIT-driven model. Our per capita office stock is a fraction of developed markets—meaning we have decades of growth ahead, not just years.

Economic Stability and Market Depth: India's Strong Fundamentals

Valuation and pricing are crucial factors for global fund managers, and India offers one of the most attractively priced office markets. The growth of Indian office REITs offers a strong investment opportunity, granting access to premium, income-producing assets backed by solid fundamentals.

A Market Defined by Institutional-Grade Developers and REITs

Today, India is home to developers and REITs that have evolved into institutional-grade entities with best-in-class governance, financial discipline, and operational excellence. The integrity standards of these firms ensure investor confidence and transparency. Companies in the sector exhibit sound financial conditions, competitive positioning, and strong growth prospects driven by an expanding economy and increasing institutional participation. Moreover, these developers and REITs have demonstrated high-quality earnings, robust asset portfolios, and well-structured capital frameworks. Stability and experience in management teams, boards, and sponsors contribute to long-term success. Financial and operational controls, investor reporting, and corporate governance standards are at par with global benchmarks, ensuring that investments in Indian office REITs align with best practices in risk-adjusted returns and sustainable growth.

The Demand for High-Quality Office Spaces is Accelerating

India's office market is in the midst of a transformation, with global occupiers driving a flight to quality. The demand for premium, amenity-rich office spaces with long-term leases is surging, unlocking significant value for investors.



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With 40-50 million sq. ft. of annual net absorption over the past three years—led by technology, BFSI, manufacturing, and professional services—India ranks among the world's most active office markets. This momentum is fuelling strong rental growth and asset appreciation, particularly in India's office REITs.

Unmatched Cost Competitiveness for Global Tenants

India's office sector is one of the world's most compelling investment opportunities, offering high-quality Grade A spaces at a fraction of global rental costs. Across the top six Indian cities, Grade A office spaces are available at just \$1 per sq. ft. per month a stark contrast to the 5-10x higher rents in major global business hubs. This unmatched cost advantage, strong occupier demand and long-term lease stability makes India an attractive destination for global capital seeking high-yielding, future-ready assets. A company's biggest cost is not rent—it is talent. The smartest firms know that the right office space is not an expense; it is an investment in attracting and retaining the best minds.

GCCs: India's Biggest Office Demand Driver

The future of office investments is here,

and India is leading the way, driven by the exponential growth of Global Capability Centers (GCCs).

- GCCs occupy over 200 million sq. ft., making up 25% of India's total office stock.
- GCC office space is projected to increase to 270 million sq. ft. within the next three years.
- 1,500 GCCs employ 1.8 million professionals, generating \$36 billion in annual revenue.
- 80% of the world's top 2,000 companies still do not have a GCC in India, highlighting massive untapped potential.

As GCCs expand, they require institutional-quality office spaces with long-term leasing commitments, making Indian REITs the perfect investment vehicle for global investors looking for stable, recurring income.

India's REIT Market: A Strong Institutional Investment Play



The Indian REIT market is currently valued at \$17 billion, with REITs owning some of the highest-quality office assets in the country. A once-in-a-generation investment opportunity. India's office market isn't just open for business—it's booming. With strong rental growth, high occupancies, and an institutional-grade REIT market, it's one of the most compelling commercial real estate plays globally. For long-term investors seeking stable, high-yielding, inflation-hedged assets, this isn't just an opportunity—it's a moment.

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