

12:24 PM 16 APR MARKET STATS	SENSEX 34,138 ▼ -54.62	NIFTY 50 10,473 ▼ -7.45	GOLD (MCX) (Rs/10g.) 31,202 ▲ 84.00	USD/INR 65.44 ▲ 0.23	CREATE PORTFOLIO	Download ET MARKETS APP	CHOOSE LANGUAGE ENG	LIVE
--	----------------------------------	-----------------------------------	---	--------------------------------	------------------	-------------------------	------------------------	------

Office property gets lion's share of private equity funds in March quarter

By *Kailash Babar*, ET Bureau | Apr 16, 2018, 12:31 PM IST

0 Comments



Real estate companies and projects across India attracted 16 investments with an announced value of nearly \$2.3 billion during the quarter ended March.

MUMBAI: India's office **property** segment retained its dominance in attracting **private equity** investments both in value and volume in the quarter ended March, recording inflows of \$1.7 billion across ten transactions. Commercial assets accounted for more than 70% of total investments made by private equity players into Indian real estate.

This is the highest amount of private equity investments witnessed in commercial real estate over the last four quarters. The first quarter of 2017 had seen total \$1.9 billion invested by these firms into Indian commercial assets through six transactions, data from [Venture Intelligence](#) showed.

"More foreign institutional investors, including pension and sovereign funds, are showing interest in Indian commercial real estate. Given their appetite for big-ticket transactions, the tally is skewed in favour of office assets and this has been going up in recent quarters," said Arun Natarajan, founder of Venture Intelligence, a data analytics firm tracking private equity.

Real estate companies and projects across India attracted 16 investments with an announced value of nearly \$2.3 billion during the quarter ended March. The commercial segment was followed by the residential segment that attracted five investments worth \$568 million.

"The imminent listing of Real Estate Investment Trusts (REIT) is certainly making things easier for these investors for their exit strategies, which were so far largely dependent on secondary deals. Investors' focus on commercial properties is expected to continue hereafter as well, albeit logistics and warehousing is also picking up now.

Additionally, [Logistics Parks](#) will also provide an exit option of InvITs (Infrastructure Investment Trusts)," said Rubi Arya, vice-chairperson, Milestone Capital Advisors. Private equity and venture capital firms' interest in warehousing space is brisk as indicated by a five-fold jump in investments in the segment in 2017 at \$1.04 billion against \$221million in 2016.

US private equity major Blackstone Group's investment of \$730 million for acquisition of Indiabulls Real Estate's 50% stake in Indiabulls Properties and Indiabulls Real Estate Company was the largest investment in the March quarter. These two Indiabulls entities control commercial office assets [Indiabulls Finance Centre](#) and One Indiabulls Centre in

Top Trending Terms

- ICICI
- Cryptocurrency Bank
- Railway Modernisation
- Plan IIM Fees Hike
- Fortis Healthcare
- Bid Crude Oil Pricing Air India
- Electric
- Fortis Indian Oil GST Aadhaar Cars

Are you looking for Investment Advisor? Click here to find now

SEARCH

Most Read | Most Shared | Most Commented

Bitcoins worth Rs 20 crore stolen from exchange in India's biggest crypto theft

ICICI Bank's limitless love for Chanda Kochhar may test the limits of shareholders' patience

IIM tag set to become more pricey this year

Indian Railways back to the drawing board on many key modernisation plans after Modi rider

Construction for bullet train corridor to begin in January 2019

More >>

Feedback

central commercial office assets **Marabar Finance Centre** and **One Marabar Centre** in central Mumbai with cumulative 4.2 million sq ft fully-leased, leasable space.

The next largest investment during the quarter was the \$388 million strategic partnership between Prestige Estates Projects with HDFC Capital Advisors to support its business in the mid-income and affordable housing segments. This was followed by the acquisition of Equinox Business Park in Mumbai by **Brookfield Asset Management** from the Essar Group for \$386 million.

The total value of investments during the quarter was down 16% from the \$2.71 billion across 21 investments in the same period in 2017. The investment value was also down over 8% compared to the immediate previous quarter, which had witnessed \$2.1 billion being invested across 30 transactions.



Are you a Business Owner? Get Your Free Business Listing on Economic Times.

[Register Now](#)

THE ECONOMIC TIMES
ETRISE
Connect with us

Read more on

- Office Property
- Brookfield Asset Management
- Logistics Parks
- Venture Intelligence
- Private Equity
- Property
- Blackstone Group

Also Read

- ED attaches IAS officer's properties worth 2.51 crore
- Siemens sells Worli office property for Rs 610 crore
- PE inflows into office properties highest since 2009 in first quarter
- Institutional investments in India office properties to rise four-fold in 2017: Report
- Blackstone may invest Rs 450 crore in Salarpuria's Hyderabad office property

From Around The Web

Sponsored by COLOMBIA



- M1 Terra Alegria, villas @ White Field @ 75 lakhs... m1Homes
- 10 Richest Cricketers in the World right now. CricUnion
- Don't miss out on blockchain diamond asset opportunities. Al-Kasir Portal
- Wanna Stay Young? Eat Ginger! Healthy-Sporty

More from The Economic Times



- Supreme Court ready to take up Kathua rape incident
- Indian judiciary need large scale reforms
- Rain & hailstorm may cast a cloud over Rabi crops
- Omnivore invests in AgNext Technologies

Get a Quote

Browse Companies

[A](#) [B](#) [C](#) [D](#) [E](#) [F](#) [G](#) [H](#) [I](#) [J](#) [K](#) [L](#) [M](#) [N](#) [O](#) [P](#) [Q](#) [R](#) [S](#) [T](#) [U](#) [V](#) [W](#) [X](#) [Y](#) [Z](#) | [1](#) [2](#) [3](#) [4](#) [5](#) [6](#) [7](#) [8](#) [9](#)

Browse Mutual Funds

[A](#) [B](#) [C](#) [D](#) [E](#) [F](#) [G](#) [H](#) [I](#) [J](#) [K](#) [L](#) [M](#) [N](#) [O](#) [P](#) [Q](#) [R](#) [S](#) [T](#) [U](#) [V](#) [W](#) [X](#) [Y](#) [Z](#)

