

Real EstateEDGE

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Evaluation of India's Key Income-Yielding Asset Classes

An exclusive conversation with
Anshuman Magazine
Chairman & CEO - India, South East Asia,
Middle East, and Africa, CBRE





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Anshuman Magazine is the Chairman & CEO for India, South-East Asia, Middle East, and Africa at CBRE, the world's largest commercial real estate services firm. A veteran in the real estate industry, he is considered as the architect of International Property Consultancy in India.

In his current role, Anshuman oversees operations across 19 countries and over 50 offices. He has driven CBRE's Advisory & Transaction Services, Asset Services, Capital Markets, Project Management, and Valuation businesses to exceptional profitability.

He has been instrumental in key infrastructure projects in India, including SEZs, airport privatizations, and metro developments. Under his leadership, CBRE has secured significant projects with sovereign wealth funds like ADIA and PIF, and landmark initiatives such as the Abu Dhabi Municipality project and the NEOM development.

He completed a Bachelor's in commerce from the prestigious Shri Ram College of Commerce (SRCC), Delhi University. After that, he went to London, where he pursued a Master's in Business Administration from Schillers University.

He spearheaded the establishment of CBRE, the first foreign IPC to break ground in India in 1994. It has now flourished into a behemoth with a workforce exceeding 13,000 professionals.

Beyond CBRE, Anshuman holds key positions in industry bodies like CII and RICS, playing a crucial role in shaping industry practices and policies.

In India, Commercial offices will continue to remain a preferred asset class for investment supported by “flight to quality” and increasing institutional capital flows.

Having said that, data centres and warehousing are anticipated to be the fastest-growing segments, driven by rapid digital adoption, e-commerce expansion, and India's positioning as a global manufacturing hub.

According to CBRE's latest Asia Pacific Market Sentiment Survey, India has taken the lead in the Asia-Pacific office real estate market, supported by strong occupier confidence and consistent leasing activity. The country's Office Market Sentiment Index surpassed the 70 percent threshold between September 2024 and June 2025, marking the highest score among all regional markets. (CBRE uses a 50 percent baseline to indicate neutral sentiment, with any score above that suggesting optimism about leasing and expansion activity.) Notably, India was the only market where sentiments across all three segments-office, retail, and industrial-remained above the neutral line.





How have the income yielding assets (commercial, retail, data centers and warehousing) evolved and performed in the post pandemic era v/s pre pandemic in terms of absorption, supply, vacancy levels, and rentals?

After 2020, India's income-yielding asset classes have witnessed a strong and sustained recovery, with leasing activity across commercial, warehousing, and data centers now surpassing pre-pandemic levels. This rebound underscores the resilience of India's real estate sector and the depth of demand from both domestic and global occupiers.

Sector	CY 2019 leasing	CY 2024 leasing	CY H1 2025 leasing
Office	~66 msf	~79 msf	~39 msf
Industrial & Logistics	~33 msf	~39 msf	~27 msf

CY - Calendar Year | msf - Million Sq. Ft.

Vacancy levels across key markets are gradually stabilizing, while prime submarkets with limited availability continue to experience upward pressure on rentals. Retail demand is steadily improving, driven by rising discretionary spending and the entry of global brands.

A defining trend in recent years has been the increased preference for high-quality, sustainable assets, with occupiers actively seeking green-certified buildings that align with their net-zero commitments.



What factors have influenced the growth in each segment, and what level of capital has each attracted over the last five years? Which asset classes are being preferred by institutional investors, and why?

Between 2018 and 2021, equity inflows into India's real estate sector averaged around USD 6 billion annually, reflecting steady interest despite global uncertainties. Since 2022, we have witnessed a sharp uptick in capital deployment, driven by strong domestic investor participation and rising institutional confidence. Investments peaked at USD 7.8 billion in 2022, surged to USD 11.4 billion in 2024, and in the first half of 2025 alone have already reached USD 6.2 billion.



Coming to segment specifics, how have sector compositions changed within the commercial real estate segment? Which cities have seen increased activity due to the expanding presence of GCCs, and what are the contributing factors?

India's skilled talent pool is driving the growth momentum of commercial office segment. Global Capability Centers (GCCs) have emerged as a key growth driver, projected to account for nearly 35–40% of India's total office space absorption in 2025.

The demand for flexible office spaces has also remained strong, consistently contributing around 15% of total leasing activity over the past five years, with adoption spreading beyond tier-1 cities into smaller towns.

For GCCs, supply and demand remain concentrated in established hubs such as Chennai, Hyderabad, and Mumbai, while emerging cities including Coimbatore, Jaipur, Chandigarh, Kochi, Indore, and Thiruvananthapuram are gaining traction. This shift is being propelled by cost advantages, government incentives, and improved infrastructure, positioning India as a preferred global destination for high-value office operations.

Q

A



How is Artificial Intelligence impacting commercial office leasing in India?

Artificial Intelligence is transforming the role of Indian IT industry from a hub of outsourcing to provider of specialized AI solutions. Apart from tech, the main sectors leading the change are engineering & manufacturing, and BFSI. Moreover, GCCs are making more companies adopt AI for a range of use cases from risk analytics to drug discovery. Emerging sectors such as life sciences and semiconductors are also expected to maintain strong growth momentum. Startups will also continue to fuel leasing activity, collectively positioning India's office market for sustained expansion.



How are Data Centres performing? Can you please throw light on the preferred locations and the advantages/ challenges these cities have?

India's data center (DC) market is on a sustained upward trajectory, driven by rapid digital transformation, improving technology infrastructure, and the growing adoption of Artificial Intelligence and cloud computing. This segment is witnessing strong interest not only from operators but also from global developers and private equity funds, underlining its strategic importance. In 2024 alone, DCs attracted investment commitments worth USD 20 billion, reflecting the deep investor confidence in India's digital infrastructure story.

Currently, around 90% of DC inventory is concentrated in tier-1 cities, supported by factors such as multiple cable landing stations, established financial ecosystems, and enabling policies. However, tier-2 markets are now being actively evaluated as they offer cost advantages, including lower land and electricity expenses, coupled with robust market access.

With its resilience, scalability, and attractive returns, the DC sector is poised to emerge as a preferred investment class, playing a pivotal role in shaping India's digital economy in the coming years.

Year	DC Supply Addition (in MW)	Occupancy level (in %)
2021	~54	65
2022	~204	73
2023	~294	75
2024	~195	80

MW - Megawatts



How do you perceive these segments to perform over the next 3-5 years?

India continues to stand out as a robust and resilient economy amid global uncertainties. Each real estate segment is witnessing sustained demand from both domestic and international occupiers. The rise of Global Capability Centers (GCCs), leveraging India's strong tech talent base, has positioned commercial offices as a key asset class. Looking ahead, data centres and warehousing are poised to be the fastest-growing segments, fuelled by rapid digital adoption, e-commerce expansion, and India's positioning as a global manufacturing hub. Commercial offices will continue to remain a preferred asset class for investment supported by "flight to quality" and increasing institutional capital flows. Meanwhile, luxury retail and residential demand continue to accelerate.

As private consumption strengthens and macroeconomic fundamentals remain sound, India is poised to lead growth in the APAC region. According to our mid-year outlook, India is poised to grow 6.6% in 2025, highest among all economies in the region. For fund managers and UHNIs, this is the right time to strategically diversify portfolios across these high-performing segments, with a focus on quality, sustainability, and long-term value creation.

For further information, please contact:

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