



PRESS RELEASE

September 24, 2026

Combined AUM of InvITs and REITs set to double to ~Rs. 20 trillion by 2030-31: ICRA

- Asset monetisation, regulatory reforms and rising domestic capital to drive ~15% CAGR over the next five years

ICRA expects the combined assets under management (AUM) of infrastructure investment trusts (InvITs) and real estate investment trusts (REITs) to double to around Rs. 20 trillion by 2030-31 from approximately Rs. 10 trillion in 2025-26, reflecting a robust compound annual growth rate (CAGR) of around 15%. The next phase of expansion is expected to be supported by continued monetisation of road and transmission assets, scaling up of renewable energy and fibre platforms, increasing penetration of REITs in commercial real estate and the emergence of warehousing and data centres as new growth avenues. This outlook builds on the segment's strong historical performance, with combined AUM increasing to around Rs. 10 trillion in 2025-26 from around Rs. 4 trillion in 2020-21.

Providing further insight, **Anupama Reddy, Vice President and Group Head, Corporate Ratings, ICRA**, said: *"The InvIT and REIT ecosystem has reached a scale that can support meaningful growth across both traditional and emerging asset classes. ICRA expects InvIT AUM to increase to around Rs. 13.5 trillion and REIT AUM to around Rs. 6.5 trillion by 2030-31. Continued monetisation of infrastructure assets, along with the emergence of new asset classes, should create further growth opportunities. At the same time, greater participation from domestic institutional investors and recent regulatory measures could improve funding flexibility for these assets."*

The projected expansion is underpinned by the rapid growth and increasing market acceptance achieved over the past five years. InvIT AUM rose to around Rs. 7.0 trillion in March 2026 from around Rs. 3.2 trillion in March 2021, reflecting a CAGR of about 17%, while REIT AUM increased to around Rs. 3.1 trillion from approximately Rs. 0.7 trillion during the same period, reflecting a CAGR of about 33%. The industry comprised 25 InvITs and six publicly listed REITs as of 2025-26. Within InvITs, roads emerged as the fastest-growing segment, with their share in AUM rising to 43% in March 2026 from 16% in March 2021, although telecom remained marginally ahead at 44%. Office assets continue to anchor REIT portfolios, besides gradual diversification into retail and warehousing.

A decade of regulatory reforms has also strengthened the platform for future growth by improving investor access, funding flexibility and market depth. Recent measures include the reclassification of REITs as equity for mutual fund investment purposes in January 2026 and permission for banks to lend directly at the REIT level from October 1, 2026. ICRA expects these measures to support larger capital allocations, diversify funding sources and improve refinancing flexibility through access to longer-tenure debt. The broadening of the definition of a strategic investor to include all qualified institutional buyers has further expanded the eligible pool of long-term domestic capital.

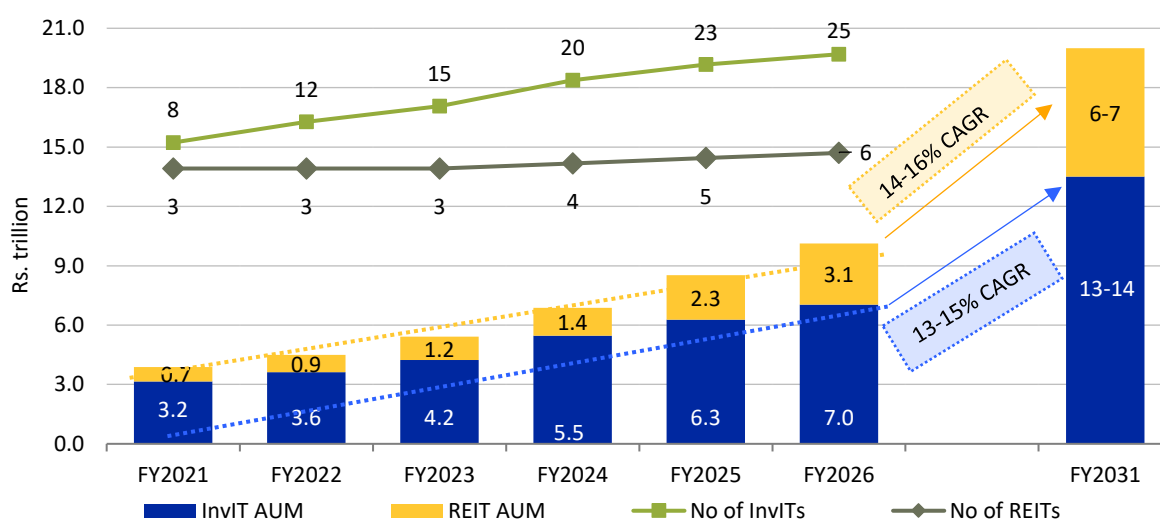
"Domestic capital is expected to play a progressively larger role in the next phase of growth. Mutual funds' exposure to InvITs and REITs increased by 56% year-on-year to more than Rs. 310 billion as of June 2026, while participation from insurers, pension funds, sovereign funds and retail investors has also continued to deepen. Healthy risk-adjusted returns, with seasoned issuances recording a median extended internal rate of return (XIRR) of around 14%, and a visible narrowing in borrowing spreads relative to G-Secs and AAA-rated corporate bonds have strengthened investor confidence in the asset

class. The recent regulatory changes should reinforce this trend by enabling wider participation and improving access to efficient, longer-tenure funding,” **Reddy** added.

Capital-raising activity has strengthened materially as the market has matured. Since 2019-20, InvITs and REITs have collectively mobilised around Rs. 200 billion through public issues, private placements, preferential allotments, institutional placements and rights issues, with InvITs accounting for nearly 80% of the amount raised. Almost half of the cumulative capital mobilised since 2019-20 was raised during the last three years, highlighting stronger issuer activity and growing investor acceptance. The ability of these vehicles to unlock capital from operational assets and redeploy it into new infrastructure and real estate development remains central to their long-term value proposition.

While the medium-to-long-term opportunity remains robust, the pace and quality of growth will depend on prudent debt structuring and disciplined asset acquisition. Key monitorables include refinancing risk, restrictive covenants at the underlying special purpose vehicles, valuation risk, bunching of cash flows and changes in taxation. Adequate liquidity buffers, well-spread debt maturities and appropriate cash-flow pooling mechanisms will remain important to sustain the strong credit profiles of InvITs and REITs as the sector scales up to the projected AUM by 2030-31.

Exhibit: Historical AUM of InvITs & REITs and potential future growth



Source: ICRA Research; Bharat InvIT Association, Indian REIT Association

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