News Release

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India's InvIT Market Poised for 3.5x Surge to USD 258 Bn by 2030, Emerging as Global Infrastructure Investment Magnet: Knight Frank India

- **InvITs AUM reaches USD 73.3 billion in FY 2025**
- **Combined AUM of REITs and InvIts have grown to USD 93.9 bn in FY 2025 from 42.1bn in FY 2020**

Mumbai, August 19, 2025: Knight Frank India, today released its latest study on Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs), highlighting India's emergence as one of fast-growing infrastructure investment destinations in Asia. The report identifies India as the fourth largest market for REITs and InvITs in the region, with InvITs taking the lead in terms of scale, diversification, and growth prospects.

Globally, there are over 1,000 publicly listed REITs and InvITs also termed as master business trusts, boasting a combined market capitalisation of approximately USD 3 trillion (tn). In India, there are currently five REITs and seventeen InvITs listed in the stock exchange, with a combined market capitalization of USD 33.2 bn.

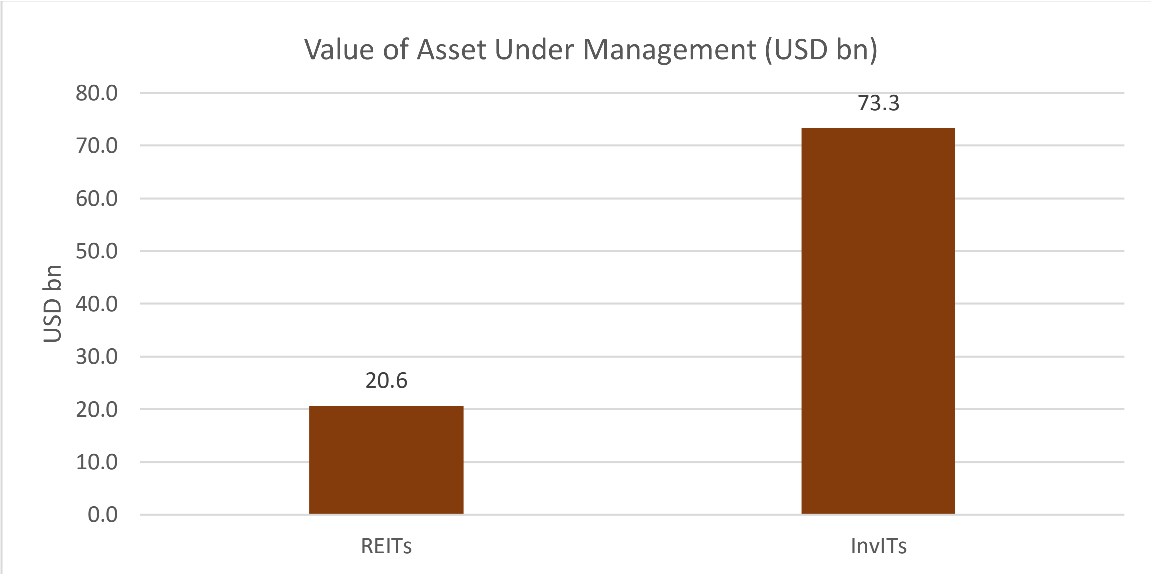
Publicly listed REITs and InvITs of select economies

Country of Origin	No. of listed REITs and InvITs	Market Cap (USD bn)	Year of Inception
USA	196	1424.1	1960
Germany	64	830.2	2007
China	66	27.7	2021
Australia	43	121.0	1971
Japan	57	109.0	2001
UK	58	87.6	2007
Singapore	46	71.4	2002
Hong kong	13	36.6	2003
India	21	33.2	2014
Malaysia	19	7.4	1989
South Korea	25	6.0	2001
Philippines	8	4.6	2020

Source: Respective country's financial markets, Knight Frank Research; Note: InvITs are also represented as business trusts in countries available, Market cap as on 31st July 2025; USD 1 = INR 87

The total Assets Under Management (AUM) of InvITs in India have reached approximately USD 73 billion in FY 2025. Driven by large-scale infrastructure investments, this figure is projected to grow 3.5 times to USD 257.9 billion (bn) by 2030. This growth will be propelled by higher allocations from institutional investors, increased participation of domestic pension and insurance funds, expanded foreign investment, and rising awareness among retail investors.

InvITs FY 2025 AUM nearly 3.5x higher than REITs



Source: *Respective company reports, Knight Frank Research; Note: Estimated till FY 2025*

Shishir Baijal, Chairman and Managing Director, Knight Frank India, said, *"India's InvIT platform is at the threshold of a transformative growth phase. From an AUM base of USD 73 billion today, we are set to scale to USD 250–265 billion by 2030, marking a 3.5 times expansion in less than five years. This will not only bridge critical infrastructure financing gaps but also open new pathways for domestic and global capital to participate in India's growth story. The challenge and opportunity lie in broadening participation — from pension and insurance funds to retail investors — while maintaining the transparency and governance standards that have underpinned the sector's credibility. InvITs have the potential to become the cornerstone of India's infrastructure financing ecosystem and a magnet for global infrastructure capital."*

Investment Potential of InvITs in India's Infrastructure Growth Story

Investments in India's infrastructure have expanded rapidly in recent years, driven by the need to modernise assets and boost efficiency. Central and state governments have committed significant capital expenditure, with the Centre leading. Central government spending on core infrastructure surged from USD 12 bn in FY 2015 to USD 75 bn in FY 2025, a 6.2-fold rise, growing from 0.6% of GDP to 2.0% over the same period, reflecting a strong policy focus on infrastructure-led growth.

Infrastructure development will be crucial to achieving India's USD 7 trillion economy target, which Knight Frank estimates will require USD 2.2 trillion in investment. Meeting this demand will need substantial private sector participation alongside public funding. While greenfield projects carry higher risks, brownfield assets offer strong potential for private capital deployment. InvITs have emerged as an effective financing tool, directing institutional and retail funds into operational assets, enabling capital recycling, and supporting timely infrastructure development.

To boost private participation, the government has introduced measures to channel capital into the sector. In addition to clear Public Private Partnership (PPP) frameworks for greenfield projects, it has prioritised monetising brownfield assets to unlock value for new development. The National Monetisation Pipeline (NMP), launched in 2021 with a target of INR 6 trillion for FY 2021–25, achieved 95% of its goal. Building on this, NMP 2.0 announced in the FY 2025–26 Union Budget targets monetising INR 10 trillion worth of revenue-generating assets by 2030. These initiatives highlight the government's commitment to attracting private investment, with InvITs positioned as a key platform for transparent, scalable, and long-term capital mobilisation.

Sector potential for InvITs

Sector	Asset Class	Volume of assets under Invit (A)	Stock (B)	A/B	Target for 2030
Roads	National Highways_Lenght in kms	12,629	1,46,145	8.6%	2,00,000
	National Highways_No. of tolls	222	1,056	21.0%	-
	State Highways _length in kms	2,440	1,86,906	1.3%	-
Energy	length of transmission lines (ckm)	12,914	4,81,326	2.7%	5,32,326
	Battery Energy Storage System_mwh	-	219		47,000
	Solar Capacity_GW (AC)	2	98	2.0%	230
Natural Gas	Pipeline network (In kms)	1,480	24,921	5.9%	35,710
Telecom	Telecom Towers	2,50,437	7,49,127	33.4%	12,00,000
Logistics	Area (mn sq ft)	39	479	8.1%	
Airports	Nos	-	137	0%	240
Ports	Number of berths		277	0%	
Wind Energy	Energy Generation Capacity (GW)		47	0%	140

Source: *Company and government documents, Knight Frank Research*

The potential for InvIT expansion in India remains significant across multiple infrastructure sectors. In roads, InvITs are the largest segment by value, comprise only 21% of operating NHAI toll assets, leaving ample scope for monetisation. In renewable energy, despite installed solar capacity exceeding 98 GW, InvITs manage just ~2%[1] of operational assets, with the government targeting 230 GW by 2030. In logistics, only ~39 mn sq ft of the 479 mn sq ft controlled by private operators is within InvIT structures.

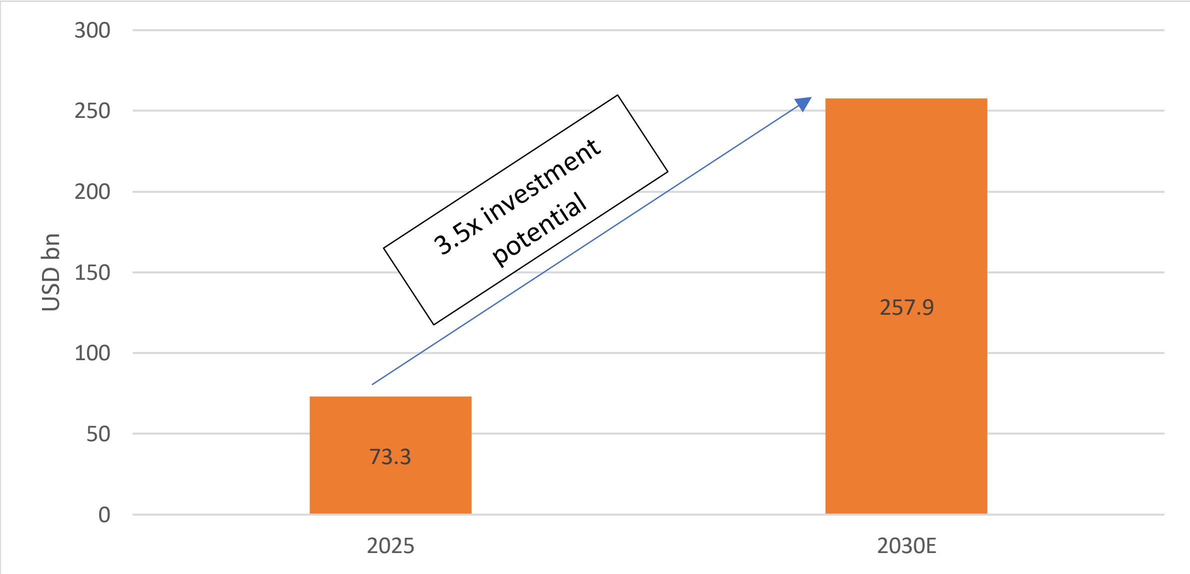
Airports, ports, and wind energy are seeing greater private participation through PPPs and concessions, yet InvIT penetration is not yet visible. Stable revenue models remain a challenge, but measures such as risk-sharing mechanisms, credit enhancement facilities, Viability Gap Funding, long-term O&M agreements, and predictable regulation can strengthen investor confidence.

Opportunities go beyond existing assets, with capacity expansions planned in roads, renewable energy, ports, airports, power transmission, and logistics driven by economic growth, urbanisation, and industrialisation. Supported by PPP policies and the INR 10 trn monetisation target under NMP 2.0 by 2030, this creates a sizeable addressable market.

Overall, the InvIT market in India could reach approximately USD 258 bn by 2030, scaling existing sectors and bringing underrepresented asset classes into the fold.

[1] ~ Estimated

InvITs market opportunity by 2030 to increase by 3.5x from the existing AUM



***Source:** Knight Frank Research; Year = Financial Year*

Global Positioning and Comparative Scale

India's REIT and InvIT market ranks fourth in Asia in terms of total market capitalisation, behind Japan, Singapore, and Hong Kong. However, India's growth trajectory is among the fastest in the region, particularly in InvITs. The expansion of asset classes under the InvIT umbrella, combined with supportive policy measures, is expected to accelerate India's movement toward becoming a top-three market within the next decade.

The report identifies several strategies to unlock the next phase of InvIT growth:

- Expanding Retail Participation: Increasing awareness and accessibility of InvITs through targeted investor education campaigns, simplified investment processes, and inclusion in mainstream wealth management offerings.
- Hedging Currency Risk for Foreign Investors: Offering cost-effective currency hedging tools to mitigate forex volatility and encourage higher foreign capital inflows.
- Broadening Domestic Institutional Exposure: Raising exposure limits for pension and insurance funds and encouraging public sector financial institutions to participate more actively.
- Diversification of Sectors: Bringing new asset categories such as data centres, urban transport, and water infrastructure into the InvIT framework to broaden the investment base.

***Rajeev Vijay, Executive Director - Government and Infrastructure Advisory, Knight Frank India,** further added, "The next chapter for India's InvIT market will be about depth and diversity. Institutional investors, especially sovereign and global pension funds, have already anchored the market. The task now is to unlock larger pools of domestic long-term capital, particularly from insurance and pension funds, where current exposure is only 3–5 percent. At the same time, expanding the scope of InvIT assets to include emerging infrastructure categories will further enhance investor interest. With policy stability, regulatory clarity, and effective currency risk management, India can position itself among the world's leading destinations for infrastructure investment over the coming decade."*

India's InvIT market is entering a pivotal stage. With USD 73 billion in AUM today and the potential to reach USD 258 bn by 2030, InvITs are set to play an increasingly important role in financing the country's infrastructure ambitions.

By deepening domestic institutional participation, expanding retail access, and attracting greater foreign investment through risk-hedging measures, India can secure a stable and diversified capital base for its infrastructure pipeline. In doing so, the country not only strengthens its position as Asia's fourth largest REIT and InvIT market but also moves closer to becoming a global leader in infrastructure investment.

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