

After consistently selling realty stocks for a year, FPIs park 35% of their allocation between Dec 1 and 15 in the sector

FPIs Go Long on Realty Stocks, Invest ₹3,150 cr in Dec

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Mumbai: Indian real estate is back on the radar of overseas fund managers. In the period between December 1 and 15, foreign portfolio investors (FPIs) pumped ₹3,150 crore, 35% of their total allocation to Indian equities in the period, into shares of property developers.

FPIs have been consistent sellers in real estate stocks for the last one year. They were the net sellers in 10 out of the last 12 months, selling real estate shares worth ₹6,055 crore.

"The real estate sector has been attracting investment recently due to improvement in housing and commercial construction demand," said V K Vijayakumar, chief investment strategist at Geojit Financial Services. "The stock prices of real

estate majors like DLF, Oberoi, and Godrej Properties have delivered flat returns for the last year, but now prospects are looking up."

The sector has been attracting investment recently due to improved housing and commercial construction demand

"Investors focus on improving physical occupancy and return-to-office strategies of large IT companies. We are encouraged by strong leasing activity for the industry, partially factoring in healthy dividend yields," he said.

According to Murtuza Arsiwalla, an analyst at Kotak Securities, the three listed REITs (Real Estate Investment Trusts) offer near-term revenue growth of 15-20% between FY2022 and FY2025, aided by organic and inorganic growth.

Flow Gauge

FPI net sectoral investments (₹ Cr)

Sector	Dec 1-15, 2022	Nov '22	Oct '22
Inflow			
Realty	3,150	-168	-836
Consumer Services	2,676	2,837	218
FMCG	2,649	3,956	-700
Capital Goods	1,984	2,738	834
Metals & Mining	1,391	2,418	217
Healthcare	1,283	1,256	929
Construction	1,271	1,091	-331
Outflow			
Oil, Gas & Cons Fuels	-2230	2774	-1,418
Information Tech	-1314	3859	945
Power	-1087	-1100	977
Consumer Durables	-676	-1275	87
Telecommunication	-506	-1084	773
Media, Entertainment	-221	-200	555
Financial Services	-209	14205	-4,686

SOURCE : Primeinfobase.Com / NSDL

Other than real estate, FPIs invested in consumer services, FMCG, and capital goods stocks in this period. They have been buyers of shares of consumer service

providers for the last five months, pumping in nearly ₹14,000 crore during the period. After investing ₹14,205 crore in banks and financial services stocks, FPIs sold shares

worth ₹209 crore in the first fortnight of December.

As on December 15, the highest sector allocation of FPIs was to financial services at 32.69%.