

Fundraise Through REITs, InvITs Jumps 10 Times to Over ₹11,000 crore in 2023

23 registered InvITs and 5 REITs have AUM of ₹30kcr; tax cuts, easy policies may add to their appeal

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New Delhi: REITs and InvITs have gained popularity as preferred investment options, with fundraising, through the route, surging 10-fold year-on-year to ₹11,474 crore in 2023, supported by measures taken by regulator Sebi and attractive returns offered by the instruments.

Going ahead, fund mobilisation by REITs (real estate investment trusts) and InvITs (infrastructure investment trusts) is poised for significant growth in 2024, driven by several key factors, including anticipation of rate cuts and introduction of a range of policies aimed at encouraging investments like tax incentives and relaxed investment norms, Claravest Technologies co-founder Manaki Parulekar said.

“This year, we are likely to see interest rates decrease in the first half of 2024 due to the expected drop in inflation. These conditions are favourable for investors who are looking to invest in long-term opportunities, such as



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REITs and InvITs,” he added.

According to data compiled by Prime Database.com, REITs and InvITs collectively raised ₹11,474 crore in 2023 compared to a record low amount of ₹1,166 crore clocked in 2022.

Before that, funds to the tune of ₹17,641 crore were collected through the route in 2021 and ₹29,715 crore in 2020, the data showed.

REITs and InvITs are new concepts in the Indian market but have been a popular choice globally for their lucrative returns and capital appreciation.

A REIT is made up of a portfolio of commercial real estate assets, the majority of which are already leased out, and InvITs consist of a portfolio of infrastructure assets like highways.

Overall, InvITs and REITs have seen tremendous growth. Since the time these were introduced around 7-8 years back, there are 23 registered InvITs and 5 REITs with assets under management of over ₹30,000 crore.