



Fundraising through InvITs and REITs reached ₹17,116 crore in 2023-24.

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InvITs, REITs see record fundraise

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Investor enthusiasm towards InvITs and REITs is on the rise, with fundraising through these routes reaching ₹17,116 crore in 2023-24, a 14-fold year-on-year surge fuelled by the prospect of stable returns.

Going ahead, the outlook for infrastructure investment trusts (InvITs) and real estate investment trusts (REITs) in terms of fundraising for the current fiscal FY25 is very optimistic, industry experts said.

“After Sebi’s amendments to the SM (small and medium) REITs regulations last month, we are poised for a transformative shift. The Indian fractional ownership market, set to evolve into SM REITs, is projected to grow from \$500 million to over \$5 billion in AUM by 2030, indicating a significant expansion and bright prospects for SM REITs,”

WiseX CEO Aryaman Vir said.

Moreover, the road sector is likely to be a major beneficiary, attracting 75% of the new inflows, thanks to a robust pipeline of assets ready for monetization and a strong pace of infrastructure development, he added.

According to data compiled by Prime Database.com, REITs and InvITs have raised ₹17,116 crore in 2023-24 compared to a record low of ₹1,166 crore in 2022-23.

Besides, FY24 saw the first ever offer-for-sale (OFS) by an InvIT, with Data Infrastructure Trust raising ₹2,071 crore.

The impressive growth in funds raised through the route could be attributed to several factors like regulatory support, a focused approach on infrastructure development and the growing popularity of fractional ownership in real estate, Vir said. In 2021-20, ₹13,841 crore was collected through the route and ₹33,515 crore in 2019-20, according to the data.