

The real assets powering India's next growth phase

Global real estate capital is undergoing a structural reallocation. Traditional property sectors such as offices and discretionary retail in mature markets have been reassessed in recent years following shifts in work consumption patterns and changing tenant behaviour. In contrast, new economy real estate – assets that underpin digitalisation, supply-chain transformation, health and wellness, and climate transition – continue to benefit from durable, secular demand, and this is particularly the case in Asian growth markets.

Across these markets, and particularly in India, these four investment themes are reinforced by three powerful demand drivers. First is demographic and economic momentum: rapid urbanisation, rising incomes and India's emergence as one of the world's largest consumer markets. Second is a structural supply deficit in institutional-grade real estate across new economy asset classes, in which existing stock is often obsolete, fragmented or unfit for modern operational requirements and demand. Third is deepening capital markets, with increasing pools of domestic and international institutional capital seeking stabilised, income-generating assets and credible exit pathways from these sectors in the growth markets of Asia.

Together, these dynamics are reshaping India's real estate landscape. Assets that enable manufacturing, logistics, life sciences, digital connectivity and data flows go beyond commercial real estate; they are becoming core infrastructure for the economy. For investors with the right development and operational capabilities, we believe India's new economy real estate represents a long-duration opportunity rather than a cyclical trade. This is what Actis has invested behind since 2022 using an industrial, logistics and life sciences real estate strategy centred around a core operating platform.

An opportunity on an industrial scale

India's industrial and logistics sector sits at the intersection of consumption growth, global supply-chain realignment and proactive government policy. The country is projected to become the world's third-largest consumer market this year, based on household consumption having doubled in the past decade with a compound annual growth rate of 7.9 percent.¹

At the same time, global manufacturers are adopting "China-plus-one" strategies to diversify production footprints. India is a key beneficiary of this shift, supported by targeted initiatives such as Make in India, production-linked incentive schemes, the National Logistics Policy and sustained investment in transport and power infrastructure.

On the logistics side, India has the world's second-largest internet user base, yet ecommerce penetration remains relatively low, implying substantial headroom for growth. As ecommerce scales, we can expect demand for modern warehousing to rapidly accelerate, in part because online retail typically requires significantly more logistics space per unit of sales than traditional retail formats.

Critically, demand is shifting toward Grade A industrial and logistics assets, with larger floor plates, higher floor loads, superior safety and sustainability standards, and better connectivity. And while Grade A occupied stock has grown rapidly, vacancy rates have tightened and rents have grown, underscoring a persistent mismatch between demand and quality supply. Savills India research shows Grade A industrial stock growing at a compounded annual growth rate of 18.8 percent between 2020 and 2026, with

overall national vacancy declining from 12.4 percent in 2024 to 11.1 percent in 2025. Interestingly, the manufacturing segment has continued to be the strongest demand driver, accounting for 29 percent of total absorption in 2025, up from 22 percent in 2024.²

Tapping into a life sciences powerhouse

A somewhat distinct but related sector is life sciences, where India is a global powerhouse with scale and complexity that are often underappreciated. The country produces and supplies approximately 65 percent of the world's vaccines and approximately 20 percent of its generic drugs by volume, supported by a deep manufacturing base and a large pool of scientific talent that combine to create a strong competitive advantage for India.³

India's life sciences sector is forecast to grow at a compound annual rate of around 17 percent to total \$480 billion by 2030, as the sum of \$300 billion in biotechnology, \$130 billion in pharmaceuticals and \$50 billion in medical devices. This growth is concentrated in established hubs such as Mumbai, Hyderabad and Bengaluru, where ecosystems spanning R&D, clinical research, analytics and manufacturing have taken root, while areas such as Pune, Ahmedabad and Chennai are also beginning to emerge as hubs.

Life sciences real estate is inherently specialised. Tenants require bespoke infrastructure – wet labs, clean rooms, advanced ventilation systems and regulatory-compliant facilities – often supported by long-term leases to justify significant capital investment. In India, these dynamics are reinforced by the prevalence of established, profitable tenants and stringent licensing regimes, which contribute to lease stickiness and income durability.

We think that these fundamentals make for an attractive and exciting proposition, and the market's undersupply of purpose-built life sciences real estate only adds to this opportunity. Life sciences businesses have historically had to develop these facilities directly themselves, diverting capital from core research and manufacturing activity. Specialist real estate platforms that can therefore fill a gap in the market by delivering much-needed institutional-grade real estate infrastructure to these sectors at scale, while helping tenants reallocate required capital to their main operations.

Making good on the opportunity

Given the opportunities Actis identified in India's industrial, logistics and life sciences real estate markets, it has invested in and established a strategy for these high-growth sectors with an operating platform at its core.

Built on the conviction that India requires professional, scaled real estate platforms with strong operating capability, this strategy combines Actis' expertise in growth-markets infrastructure and real estate investing with its deep local execution capability, strong sector relationships and competitive ability to access strategic development opportunities.

Its strategy includes industrial and logistics parks as well as highly specialised life sciences real estate, targeting a mix of greenfield and brownfield opportunities in locations with strong connectivity, established ecosystems and access to skilled labour.

In industrial and logistics real estate, the platform's ambition is to develop approximately 1.1 million square metres of space over time. In August 2024, a first acquisition was made in this sector: a

70-acre land parcel within Mahindra World City, Chennai. The site is being developed into an integrated industrial and logistics park, benefiting from established infrastructure, excellent road, rail and port connectivity, and proximity to a skilled workforce. We believe the project is well-positioned to attract leading domestic and multinational occupiers seeking high-quality space in one of India's most strategic manufacturing hubs.

In life sciences real estate, the strategy reflects Actis' build-to-core approach in a highly specialised segment. Since 2022, the platform has been building some of India's leading life sciences clusters, supported by a management team with deep technical and market expertise. It is developing approximately 350,000 square metres of life sciences real estate across four projects, with a particular focus on Mumbai and Hyderabad.

In Mumbai, Actis is developing Navi Mumbai Research District to serve research, light manufacturing and corporate office requirements in one of India's most established pharmaceutical hubs. In Hyderabad's Genome Valley, India's largest designated life sciences cluster, two projects have been delivered which are fully occupied by R&D set-ups of leading biotech and pharmaceutical companies, and the platform is also building a large integrated campus-style project.

Across both industrial, logistics and life sciences real estate, Actis has established a fully controlled platform with an experienced, purpose-built management team providing specialised acquisition, design, development, leasing, finance and operations capabilities. The objective is not simply to create assets, but to build a category-leading platform over time capable of meeting the evolving needs of leading domestic and multinational corporations across India's growth sectors.

Data centres: the next frontier

While industrial, logistics and life sciences assets form the physical backbone of India's new economy, a parallel transformation is taking place in the digital realm. As with many of the world's most compelling growth markets, India's economic expansion is increasingly underpinned by data.

Rapid digital adoption, cloud computing, fintech, artificial intelligence and enterprise digitisation are generating significant growth in data consumption. This, in turn, is driving demand for data centres and digital infrastructure, which are assets that share many characteristics with other new economy real estate: capital intensity, long-term contracts and mission-critical functionality.

India's data centre market is still at an early stage relative to its scale and digital ambitions, but power availability, grid stability, land access and sustainability considerations are becoming decisive factors in site selection and asset performance, and are supporting the sector's growth. Total IT capacity in the country is projected to reach 2,073 megawatts by the end of 2027 compared to 1,123 MW by H1 2025, representing strong growth of 85 percent in a little over two years.⁴ Vacancy rates falling from 11 percent in 2021 to 4.3 percent in H1 2025 indicate strong demand in the market. For long-term infrastructure investors, data centres represent a natural extension of the digitalisation theme that underpins large segments of the new economy.

The data centre market in India is being supported by the rapid expansion of the country's renewable power sector, which includes non-fossil generation reaching 500 gigawatts by 2030 and is a key upstream factor shaping the market. In addition to an increasingly abundant energy landscape, the government is providing a tax holiday for global cloud service providers operating through Indian data centres that will last more than two decades and further boost the sector.

With global experience in digital infrastructure and a current 360 MW of planned IT load under management across Asia alone, Actis is closely monitoring the Indian data centre space.

Conclusion

India's new economy real estate opportunity is defined by scale, structural growth and persistent supply gaps. Industrial and logistics assets enable manufacturing and consumption; life sciences real estate underpins a globally critical healthcare industry; and digital infrastructure supports the data-driven economy of the future.

For investors, success in these sectors requires more than capital. It demands local insight, operating capability, technical expertise and long-term alignment with secular demand trends. The platform Actis has built illustrates how targeted investment strategies combined with a builder-operator mindset can help address India's real estate needs while seeking to generate resilient, long-term returns.

As India's economy continues to expand and evolve, new economy real estate is set to play a central role in shaping its growth trajectory, and in defining the next chapter of institutional real estate investment in the country.

Notes

1. India set to become third-largest global consumer market in 2026: UBS - The Statesman
2. Savills, Year-End 2025: Industrial & Logistics Market Watch
3. KPMG Research; USFDA; PharmaCompass; IQ4I Research; CBRE Research; secondary research
4. JLL, India Data Centre Market Dynamics Report H1 2025

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COMPANY OVERVIEW

Actis is a leading growth market investor in sustainable infrastructure. Actis invests in structural themes that aim to support long-term, equitable growth in defensive, critical infrastructure across energy transition, digitalisation transition, and supply chain transformation.

Actis believes that the firm's decades of global experience, operational know-how and strong culture allow it to create global sustainability leaders at scale. Actis is a signatory to the Principles for Responsible Investment (PRI), an investor initiative supported by the United Nations.

In October 2024, Actis joined forces with General Atlantic, a leading global growth investor, creating a diversified, global investment platform. Together we have approximately \$126 billion in combined assets under management. Actis operates as General Atlantic's sustainable infrastructure business. This strategic combination further enhances Actis' focus as a leader in global sustainable infrastructure.

You can learn more about Actis at www.act.is

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