

Trilegal's Bharathan on real estate capital, REITs, the data centre boom, and more

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Premium



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Sai Krishna Bharathan advises leading institutional investors in Indian real estate, including GIC Singapore, RMZ Corp, Canada Pension Plan Investment Board (CPPIB) and Morgan Stanley Real Estate, across three decades, first at AZB & Partners and, since 2022, at Trilegal.

Bharathan is a partner in [Trilegal](#)'s corporate practice, focusing on M&As, JVs, investment funds and private equity. He maps Indian real estate today as a market anchored by a shortage of Grade-A office space and rising demand from global capability centres (GCCs), even as capital broadens into warehousing, retail and a fast-growing data centre segment that is now rivalling offices in private equity share.

In an interview with VCCircle, he discusses why data centres are increasingly an infrastructure play rather than a pure real estate one, how domestic capital is reshaping the sovereign fund playbook, and why REITs pairing office and data centre assets are forcing a rethink of platform structuring.

Edited excerpts:

You've worked on marquee deals, including the [CPPIB-Tata Realty JV](#), [RMZ](#), [GIC Singapore](#), [Morgan Stanley Real Estate](#), Philip Morris International, currently and earlier at AZB. How long were you at each firm?

About 20 years at AZB, and a little over four-and-a-half years at Trilegal. For GIC Singapore and RMZ, we do most of their India work.

How has activity been across the different real estate verticals?

It spans residential, commercial offices (accounting for the maximum activity), warehousing and logistics, and data centres. We're also seeing school and education infrastructure activity, where investors acquire the physical infrastructure from the trust or society running the school, which then pays lease rentals to the investor. It's a sector that's bucked the slowdown.

Three broad sources of capital stand out. First, Singaporean investors remain highly optimistic about India, with nearly all major institutions active in the market.

Second, Japanese investors, including several firms not yet well known in India, typically begin with relatively modest commitments of \$50-75 million, or occasionally \$30-35 million for a single asset. As they gain confidence in the market, they undertake further transactions, providing patient capital at a relatively lower cost. Beyond Sumitomo, Mitsui Fudosan and Mitsubishi Estate, a substantial pool of smaller Japanese investors remains less visible.

Third, Canadian institutional investors, notably CPPIB and Brookfield — although the latter is not a pension fund — remain significant participants. Brookfield maintains a strong interest in India and continues to actively evaluate large opportunities. CPPIB has completed profitable exits, including in commercial office and retail, and continues to evaluate large transactions. Exits of this kind also strengthen the case that India delivers realised returns for long-term investors. There are also homegrown Indian funds with significant capital, including Edelweiss, 360 ONE and Motilal Oswal.

Unlike parts of the PE and infrastructure market, where much of the activity is secondary trading of existing assets, real estate is seeing genuine new asset creation. A Japanese investor recently took on development risk directly for the first time, in a large ground-up office project in Mumbai.

Some public deals include the Mahindra Lifespace-Mitsui Fudosan JV (announced in February 2026), Kotak's sale of Prius Platinum to Prime Offices Fund (the Nuvama and Cushman & Wakefield platform), the CPPIB-Tata Realty JV, RMZ-CPPIB/Brookfield transactions, and Actis' investment in RX Propellant. Were you involved in all of these?

Yes. Actis-RX Propellant is unique — lab-office space, essentially R&D-linked real estate, and an interesting mandate.

Chart the trajectory of this space, and where it's heading.

There's chatter about offices falling out of favour, and some large global investors have been more selective on offices recently. But two things drive demand: a genuine shortage of Grade A supply, and Global Capability Centre growth, particularly in Bengaluru and Hyderabad. Offices remain in favour with Singaporean investors — Mapletree and Keppel Land are very active — while CapitaLand, a pioneer here, is recycling capital through exits from its older-vintage funds.

Warehousing and logistics continues strong. Despite fears of yield compression and rentals plateauing, deal activity has gone up.

Retail is a bright spot. People still love to shop, and online shopping hasn't dented physical retail demand. Blackstone's listed Nexus Select Trust has been actively acquiring assets and expanding eastward. Activity isn't limited to tier I cities. We're seeing projects in Kolkata, Surat, and Coimbatore, plus a retail boom in Hyderabad and deepening interest in Noida.

Data centres overtook office space in quarterly PE share for the first time this year. Deals like CPPIB's CtrlS investment and Blackstone's hyperscale commitments stand out.

Domestic entrants include Reliance and Adani. It's capital-intensive, and clients are cautious since technology may evolve again before a facility is even built. China has started experimenting with submerged, underwater data centres needing no land at all. Cooling and water intake are the biggest issues. US cities have pushed back over strain on electricity and water, and China faces this, too, but India's long, accessible coastline with ports and cable landing stations is a real advantage.

The trend is expected to accelerate, with the fear of missing out encouraging Indian developers to enter the sector by combining land, construction capabilities and government approvals with the expertise of a technical partner. Activity extends beyond large transactions to single-asset deals, including partnerships with specialist operators and projects in Tamil Nadu that have yet to commence construction. Some developers are acquiring land parcels of 200-300 acres, while others are repurposing sites originally earmarked for warehousing into data centres, supported by factors such as water availability and clear land titles.

Domestic capital made up more than half of H1 2026 real estate inflows — deals like 360 ONE and ICICI Prudential's RMZ investment. Does that change the classic sovereign fund playbook?

It broadens capital sources rather than changing the playbook. Sovereigns and pensions remain present but face more competition — from homegrown funds like Edelweiss and 360 ONE, plus large trades like ICICI Prudential's recent office acquisitions. For large portfolios, you still can't match a sovereign like GIC or a pension (fund) like CPPIB. There's also Japanese capital increasingly in single assets. Overall, there's just more competition.

REITs like Mindspace are now pairing offices with data centre assets. Does that blur the line between a REIT and an infrastructure trust like an InvIT?

It's a genuine question people are grappling with. Data centres have officially been notified as an infrastructure sector in India, so whether they sit under InvIT or REIT structures is still being worked out. Regulation has also become lighter. The earlier telecom-department registration requirements for hosting and cloud services have been relaxed. Since data centres are infrastructure, structuring is easier than in traditional real estate, opening capital-raising structures otherwise unavailable. In some deals, for instance, an LLP structure was used, which couldn't be used for foreign investment in most other real estate segments.

Do you see continued growth in foreign investment into residential real estate?

If anything, I see it increasing, though it is Japanese and limited-life fund capital rather than sovereigns and pensions, who largely stay away from residential. Domestically, it's mostly homegrown funds like HDFC Capital, Kotak Alternate Assets, Motilal Oswal, and ASK. The Japanese benefit from residential's shorter horizon, generating cash sooner, whereas sovereigns and pensions want a multiple plus a solid IRR over the longer term. Limited-life funds with five- to seven-year horizons — much of the Japanese capital — fit the sector better.

How are foreign LPs from the US, Canada, and Europe underwriting risk in hospitality versus data centres?

Hospitality is a call on the broader economy. It has grown since COVID, and LPs take full operating risk with no assured-return safety net. Data centres are viewed differently — a technology-linked infrastructure play riding the AI wave, aided by government policy on data localisation, less tied to the general economy than to one specific sector, technology, mainly AI-fuelled demand.

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