

# India enters 'Transparent Tier' in JLL's Global Real Estate Transparency Index 2024

Over the last 2 years, Indian RE market has made significant improvement in promoting transparency:

- India reached 'Transparent' tier for the first time.
- India emerged as the top global improver over 2022-24.
- The improvement is mainly attributable to greater data coverage, digitization of land records and a better regulatory environment.
- To leap to the next tier, India needs to democratize data access, bolster institutional participation in public markets, and focus on sustainable development.

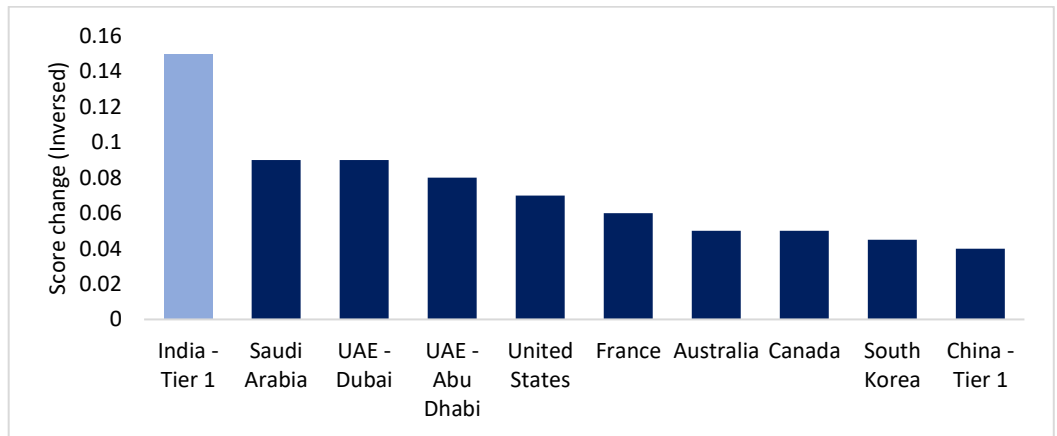
## India emerged as the top global improver in transparency levels over the last two years, entering the 'Transparent' Tier of JLL's Global Real Estate Transparency Index, 2024.

JLL has recently published Global Real Estate Transparency Index. As per JLL, most transparent markets/countries account for higher investments and countries with greatest transparency around price discovery, broadest capital markets and largest potential for diversification are positioned to lead into the next cycle.

India has witnessed highest improvement amongst all 89 countries to rank 31<sup>st</sup> overall. Moving 5 spots ahead from 2022, India has entered the Transparent Tier for the first time. (Refer table below).

Overall, India's improvement is mainly attributable to the following factors:

- ✓ Data and digitisation
  - Digitisation of land records
  - Greater data coverage and improved quality across both core and niche property sectors brought about by increased institutionalisation
- ✓ Better regulatory environment
  - More proactive financial regulator and new climate risk disclosure guidelines
  - Streamlined building regulations



Source: JLL, Global Real Estate Transparency

The transparency composite score is based on individual performance in six parameters. Within all six contributing parameters, transaction process saw the greatest improvement. **India is the only Asian country that has featured in top 10 of 'transaction process' parameter and has ranked 12<sup>th</sup> in the 'market fundamentals' parameter.**

Below is a summary of what has improved under each parameter:

- ✓ Transaction Process (Ranked 10<sup>th</sup>) - increasing improvement driven by rising institutional participation and greater access to asset level information

- ✓ Market Fundamentals (Ranked 12<sup>th</sup>) – significant improvement in data availability and performance benchmarks with multiple vendors providing information across multiple asset classes
- ✓ Regulatory and legal (Ranked 43<sup>rd</sup>) - regulatory changes like RERA and IBC bringing in greater protection of domestic investor interest and govt efforts to digitise land registry records
- ✓ Listed vehicles (Ranked 36<sup>th</sup>) – REIT market performance and emergence of SM REIT supports market growth
- ✓ Sustainability (Ranked 29<sup>th</sup>) – significant strides towards sustainable real estate - India's office stock is 56% green-certified in 2024
- ✓ Performance measurement (Ranked 40<sup>th</sup>) – Greater investments and improving transparency levels in line with global standards

Even though India has taken a huge stride moving up from 'semi-transparent' to 'transparent' tier, it still has a long way to make the leap to the next tier. India must move 19 ranks above to reach the 'Highly transparent' tier.

A few strategies to achieve this goal is as follows:

- ✓ More granular investment performance indices, by investment style and return type
- ✓ Greater information on real estate financing conditions, debt origination and maturity profiles
- ✓ Enhanced data on alternative sectors
- ✓ Public beneficial ownership records
- ✓ Double-down on ESG: nature-related risk reporting, resilient building standards, biodiversity, green leases

**Certus View: India reaching 'Transparent' tier for the first time as per JLL's Global Real Estate Transparency Index is a significant milestone for India's Real Estate Market. This will bolster domestic as well as foreign institutional participation in India's real estate market, both in physical and financialized form.**

1. JLL's Global Real Estate Transparency Index – 2024, India Insights

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