

# IPO Report

Choice

**“Subscribe For Long Term” to  
Knowledge Realty Trust .**  
India's largest office REIT



### Salient features of the IPO:

- **Knowledge Realty Trust** (KRT REIT), backed by Estime Sponsors - Sattva Developers Pvt Ltd., BREP Asia SG L&T Holding (NQ) Pvt. Ltd is planning to raise Rs. 4,800cr through an REIT IPO, which will open on 5<sup>th</sup> Aug. and closes on 7<sup>th</sup> Aug. 2025. The price band is Rs. 95 - 100 per unit.
- The issue consists of fresh issue. Of the net proceeds from the fresh issue, Rs. 4,640mn will be utilized for the repayment/prepayment of existing debt availed by its asset SPVs.
- As of March 31 2025, KRT’s portfolio includes 29 Grade A office assets, totaling 46.3 million square feet of leasable area, of which 37.1 msf is fully completed and operational, 1.2 msf is under construction, and 8.0 msf is allocated for future development.

### Key competitive strengths:

- India’s largest office REIT by Gross Asset Value (GAV) and Net Operating Income (NOI)
- Most geographically diverse office REIT in India
- Located in India
- One of the world’s fastest-growing major economies
- Services sector remains the key economic driver
- Top-tier Grade A office buildings
- Diversified tenant base with leading GCCs and Indian corporates
- Resilient and scalable business model
- Brand-agnostic platform
- Sponsors combining global capital and real estate expertise with local execution capability
- Fully integrated platform
- Sustainability embedded across operations

### Risk and concerns:

- Weakness or unfavorable global economic outlook
- Inability to maintain the desired occupancy levels
- Unfavorable rental rates
- Delay in the execution of under construction areas
- Unfavorable interest/finance costs
- Unfavorable change in government policies & regulations

**Peer comparison and valuation:** At the higher price band of Rs. 100 per share, KRT REIT’s unit is valued at 71.42X of its gross asset value per share, which is at a discount to its peers.

- India’s new office-focused REIT, Knowledge Realty Trust (KRT), will become the largest office REIT in India by Gross Asset Value—Rs.619,989 million as of March 31, 2025—and the one with the highest Net Operating Income, at Rs.34,322.7 million (Rs.3,432 crore) for FY 2025—a 19 % year-on-year jump—placing it among Asia’s fastest-growing and second-largest REITs by leasable area.
- KRT’s portfolio includes 29 Grade A office properties, covering 46.3 million square feet (msf) as of March 31, 2025. Of this, 37.1 msf are fully operational, 1.2 msf are under construction, and 8.0 msf are earmarked for future development. The assets consist of a mix of six high-quality city-centre offices and 23 business parks/IT campuses.
- These properties span six major Indian cities—Hyderabad, Mumbai, Bengaluru, Gurugram, Chennai, and GIFT City (Ahmedabad). Nearly 95 % of the REIT’s value lies in Bengaluru, Hyderabad, and Mumbai—India’s most dynamic office markets in both total stock and absorption activity from 2016 through Q1 2025.
- With 91.4 % committed occupancy as of March 2025, KRT supports over 450 tenants, including multinational corporations, Fortune 500 firms, and Global Capability Centres (GCCs). 76 % of its leases are with global corporations, and 45 % of rental income originates from GCCs. The weighted average lease expiry (WALE) is approximately 8.6 years, reflecting long-term income visibility.

Recommendation	Subscribe for Long Term
Price band	Rs. 95 - 100 per unit
Gross asset value (as on March 31 2025)	Rs. 620 bn
Units for fresh issue	48.00 - 50.53 units (Rs. 4800cr)
Units for OFS issue	Nil
Total issue size	48.00 - 50.53 units (Rs. 4800cr)
Bidding Date	5 <sup>th</sup> Aug. - 7 <sup>th</sup> Aug. 2025
No. of asset	29
Trustee	Axis Trustee Services Ltd.
Sponsors	Sattva Developers Pvt Ltd., BREP Asia SG L&T Holding (NQ) Pte. Ltd
Manager	Knowledge Realty Office Management Services Pvt Ltd.

Book Running Lead Manager	Morgan Stanley India Company Pvt. Ltd., BofA Securities India Ltd., Axis Capital Ltd., IIFL Securities Ltd., JM Financial Ltd., Kotak Mahindra Capital Company Ltd. SBI Capital Markets Ltd. ICICI Securities Ltd.
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Registrar	Kfin Technologies Ltd.
Sector/Industry	Investment companies
Issue structure details	
Institutional investors	36.00 - 37.89mn units (75% of the issue)
Non-institutional portion	12.00 - 12.63 units (25% of the issue)
Application money at higher cut-off price per lot	
Number of units per Lot	150
Application money	Rs. 15,000 per Lot

Portfolio Highlight	
in-Place Rent (PSF)	Rs. 74
Weighted Average Lease Expiry	8.4 years
Contracted annual escalations for all L&Ls	4.5 - 5%
Occupancy	91%
Number of unique occupiers	450+

Particular	KRT	Embassy REIT	Mindspace REIT	Brookfield REIT
GAV (in bn)	620	611	366.5	379.5
NOI (in bn)	34.3	32.8	20.6	19.5
Leasable area	46 msf	51.1 msf	31.30	14msf
Completed area	37msf	40.3msf	23.9msf	-
units	29	14	10	4
Return over 6months	-	7.93%	10.10%	7.85%
Return over 1 year	-	6.17%	20.60%	17.20%
Occupancy rate	91%	84%	93%	87%

- KRT offers robust tenant amenities—multi-cuisine food courts, sports facilities, daycare centres, medical clinics, and high-speed infrastructure—and increasingly tailors build-to-suit layouts for enterprise tenants. Its strategic brand-neutral REIT platform positions it well to capture bring-to-trust acquisitions, with a Right-of-First-Offer pipeline of 6.7 msf from sponsor assets alone.
- Its scale and location give KRT strong exposure to India's office market, which saw a record 79 msf of gross leasing across nine cities in 2024—a 16 % increase over 2023. Bengaluru alone accounted for 28 % of absorption, while GCCs leased 37 % of all space taken up in Q4 2024.
- KRT expects its annual NOI to grow by 18 % CAGR from FY25 to FY27, backed by both leased and future development pipelines. Post-IPO, the Trust will reduce leverage to around 19 % LTV, the lowest among Indian office REITs, strengthening its capacity for future acquisitions across India's top office markets.
- For investors, KRT offers a rare blend: scale, stability, and growth. Its contracted long-term leases and high-quality tenant base provide predictable income, while its development pipeline and strong rent escalation potential give upsides to capital value—anchored by tier-1 market leadership, financial discipline, and minimal structural overlap with sponsor brands.

Knowledge Realty Trust (KRT) is India's largest office REIT by Gross Asset Value ( Rs.62,000 crore), commanding a high-quality Grade A portfolio of 46.3 million sq ft across six prime Indian cities. It boasts an impressive 91.4% committed occupancy rate and long-term lease visibility with a Weighted Average Lease Expiry (WALE) of 8.4 years. KRT's tenant roster includes global giants like Apple, Google Connect, Cisco and other Fortune 500 multinationals, underlining its premium positioning. Co-sponsored by Blackstone and Sattva Group, the platform enjoys a capital-rich, brand-neutral setup that supports creditworthy growth- Thus we recommend a **"Subscribe For Long Term"** Rating.

## IPO rating rationale

**Subscribe:** An IPO with strong growth prospects and valuation comfort.

**Subscribe for Long Term:** Relatively better growth prospects but with valuation discomfort.

**Avoid:** Concerns on both fundamentals and demanded valuation.

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