

# Knowledge Realty Trust bets on GCC demand, buyouts

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**K**nowledge Realty Trust, a real estate investment trust (Reit) that is set to launch its initial public offering (IPO) on 5 August, has seen demand rising from global capability centres (GCCs), and is eyeing third-party acquisitions for growth, senior officials said on Wednesday.

The KRT Reit, sponsored by Bengaluru-based developer Sattva Developers and BREP Asia SG L&T Holding, a Blackstone portfolio company, will raise ₹4,800 crore through the IPO. It has already concluded a pre-IPO round in June, raising ₹1,400 crore. KRT has fixed the price band for the issue at ₹95-100 per unit. The minimum bid size is ₹15,000, and the issue closes on 7 August.

The proceeds from the pre-IPO will be used for repayment of debt, which will then stand reduced to ₹12,000 crore.

“Post debt repayment of ₹6,200 crore, we will have enough dry powder to make third-party acquisitions from other developers,” Shirish Godbole, chief executive officer, KRT, told *Mint*.

“The key differentiator in the KRT Reit is the well-located asset profile. Around 29% of our portfolio is dedicated to front office tenants. The Reit business is far more predictable today, with swelling occupancy and high demand from GCCs that have worked in their favour,” Godbole added.

KRT will be Asia's second-largest Reit by size and India's largest by gross asset value



KRT plans to pursue third-party acquisitions, says CEO Shirish Godbole.

(around ₹62,000 crore) and net operating income, owning 46.3 million sq ft of office space across 29 assets in six cities: Bengaluru, Hyderabad, Mumbai, Chennai, Gurugram, and GIFT City, Ahmedabad.

Global capability centres are in-house technology hubs set up by multinational corporations for critical services such as HR, and finance functions, IT support and maintenance,

and for research and development

Around 45% of the rental income in KRT's portfolio is from GCCs. Some of KRT's prominent GCC tenants include Cisco, JP Morgan, Google, Amazon,

and Novartis. As GCCs double down, IT services companies, are recalibrating realty footprint. Less than 5% of KRT's portfolio exposure is towards IT services companies.

Reits have faced challenges mostly covid-induced but with a turnaround in office market and improved occupancy, they are gaining more acceptance.

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**Knowledge Realty Trust will open its ₹4,800-crore initial public offer on 5 August; the price band is set at ₹95-100 a unit**