

Blackstone, Sattva-backed Reit files draft papers for ₹7,000 cr IPO

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Blackstone is a sponsor to three of the four listed Reits in India.

Summary

Knowledge Realty Trust has a portfolio of 30 Grade A office assets across 48 million sq. ft., mostly in Bengaluru, Hyderabad and Mumbai.



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A real estate investment trust sponsored by asset manager Blackstone Group and Bengaluru developer Sattva Group filed its draft papers with the market regulator for an initial public offering (IPO) to raise around ₹7,000 crore.

The Knowledge Realty Trust has a portfolio of 30 Grade A office assets across 48 million sq. ft., mostly concentrated in Bengaluru, Hyderabad and Mumbai. It will be majority owned by Blackstone at 55% while Sattva Group will hold the rest, the company said in its offer document filed with the Securities and Exchange Board of India (Sebi).

It will be the second largest real estate investment trust (Reit) in Asia by leasable area, and the largest in the country by net operating income (NOI) and gross asset value. Blackstone is a sponsor to three of the four listed Reits in India.

Shirish Godbole, former managing director of Morgan Stanley Real Estate Funds in India, has been appointed as chief executive officer of the trust; Quaiser Parvez, former CEO of Blackstone-owned Nucleus Office Parks, will be the chief operating officer.

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The trust aims to raise around ₹7,000 crore, said a person familiar with the companies' plans. The Reit has a 'brand neutral' strategy, where it aims to not only acquire assets inorganically but also give an opportunity to other developers who can contribute their assets to the Reit, while maintaining their brand identity, the person said.

Reits have faced their share of challenges in recent years, many of them pandemic-induced. But with the office market turning around, they are gaining more acceptance.

"It's a great time to launch a Reit. India's office sector saw a record high of 79 million sq. ft of gross leasing in 2024, and continues to see big demand led by [global capability centres](#) (GCCs)," said Ram Chandnani, managing director, advisory & transaction services at property advisory CBRE India.

Around 90% of the Sattva-Blackstone Reit is leased to marquee tenants, split between multi-national corporations and GCCs.

"The portfolio is one of the biggest with Grade A assets and good quality tenants. Many of their assets are concentrated in Bengaluru and Hyderabad, which are the top two office markets. The Reit IPO should see good investor interest," Chandnani added.

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Reits in India

A Reit is a trust that owns a pool of income-generating commercial real estate assets, such as office parks and shopping malls, held in a special purpose vehicle (SPV). It generates revenue by leasing out these properties and collecting rent from tenants.

Sebi regulations require at least 80% of a Reit's assets to be completed and income-producing.

Although Sebi gave these trusts the green light in 2014, India has only three listed office Reits: Embassy Reit, Mindspace Business Parks Reit, and Brookfield India Reit. It also has one listed retail Reit: Nexus Select Trust.

As per the latest Indian Reits Association figures, the Indian Reit market oversees gross assets under management (AUM) of around ₹1.52 trillion, with a market capitalization surpassing ₹95,000 crore as of 7 February. The portfolios managed by these Reits cover over 126 million sq. ft. of Grade A office and retail space across the country.

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India has nearly 400 million sq. ft of Reit-worthy office space, almost four times the size of the four listed Reits, setting the stage for future listings, as per analyst estimates, which will lead to the growth of the product.

Analysts say Reits are a good diversification option for investors who are looking to get relatively stable cash flows. These instruments, which are 'moderate risk, moderate return', are not meant to replace the equity component of a portfolio.