



NEWSLETTER EDITION  
**Q2 FY26**

**ANAROCK**  
INVESTMENT BANKING

**NEW**

# India REITs Taking a Stride

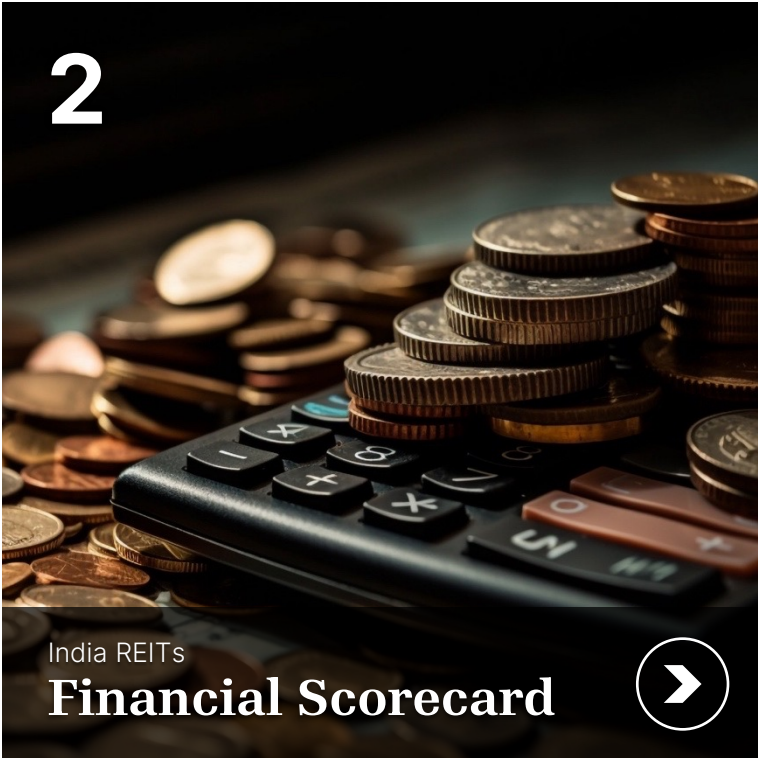
Building Momentum with  
Scale & Performance



# Contents



Page  
**3**



Page  
**9**



Page  
**17**





## Section 1

India REITs

# Journey in India





# The Genesis of Indian REITs

## Introduction

India has traditionally relied on investment classes such as bank deposits, gold, real estate, and government schemes for wealth-building. While bank deposits offered safety, real estate remained a favoured asset class, driven by its tangible nature. However, direct real estate investments come with high costs and liquidity challenges. Infrastructure development also faces funding constraints, leading to the need for alternative investment avenues.

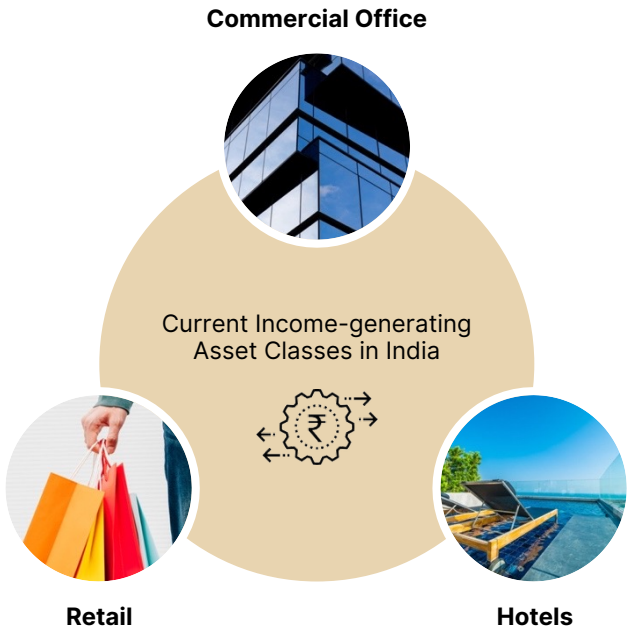
## The Rise of Alternative Investments

To provide structured and transparent investment options in alternative investments the **Securities and Exchange Board of India (SEBI)** introduced **Real Estate Investment Trusts (REITs) in 2014** and Infrastructure Investment Trusts (InvITs) in 2016, aligning with global practices to attract capital into these critical sectors.





**REITs allow investors to participate in income-generating assets** with the following 5 key benefits:



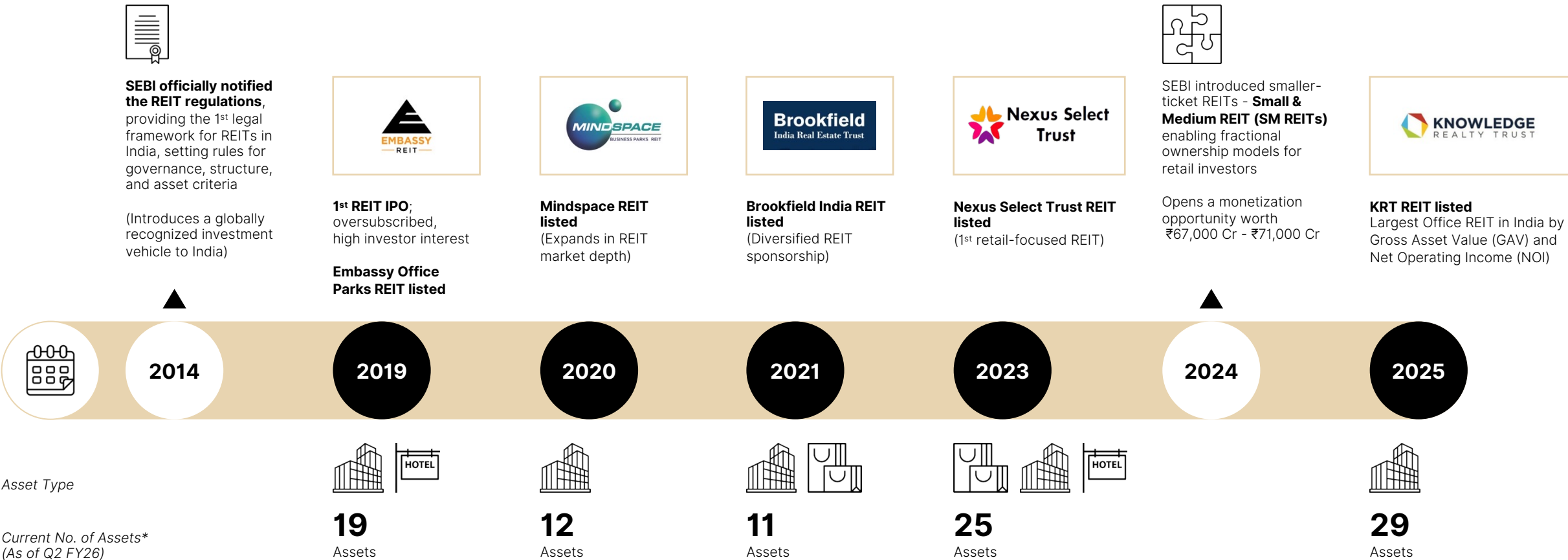
- Key Benefits of REITs
- No direct ownership
  - Portfolio diversification
  - Liquidity & accessibility
  - Steady returns by distributing at least 90% of rental income as dividends
  - Potential capital gains through asset appreciation



## Current 5 REITs in India

2019	
2020	
2021	
2023	 Nexus Select Trust
2025	 KNOWLEDGE REALTY TRUST
Year of Launch	Name of the REIT

# A Decade of Milestones: Charting the Rapid Growth of REITs in India



Note:  
\*No. of Assets excludes solar parks



# The 5 Pillars: A Snapshot of India's Listed REITs

All 5 REITs maintain a robust occupancy of 90% or higher, with a significant pipeline for future growth.

REIT Platform	Total	Embassy	Mindspace	Brookfield	Nexus	Knowledge
REIT Company	-	Embassy Office Parks	Mindspace Business Parks	Brookfield India	Nexus Select Trust	Knowledge Realty Trust
Sponsor(s)	-	Embassy Group & Blackstone	K Raheja Corp	Brookfield Corporation	Blackstone Inc.	Sattva Group & Blackstone
Manager	-	Embassy Office Parks	KRC Investment Managers	Brookprop Mgmt. Services	Nexus Select Mall Mgmt.	Knowledge Realty Office Mgmt.
Key Presence	-	Bengaluru, Pune, Noida	MMR, Pune, Hyderabad	NCR, MMR, Kolkata	NCR, Chandigarh, Bhubaneswar Ahmedabad, MMR, Pune Bengaluru, Hyderabad	MMR, Bengaluru, Hyderabad
Listing Period	-	April 2019	August 2020	February 2021	May 2023	August 2025
<b>Total Size</b>	<b>176.3 Mn sf</b>	<b>50.8 Mn sf</b>	<b>38.2 Mn sf</b>	<b>29.1 Mn sf</b>	<b>11.9 Mn sf</b>	<b>46.3 Mn sf</b>
Commercial Office	165.3 Mn sf	50.8 Mn sf	38.2 Mn sf	28.7 Mn sf	1.3 Mn sf	46.3 Mn sf
Retail	11 Mn sf	-	-	0.4 Mn sf	10.6 Mn sf	-
% Completed by GLA	83%	81%	81%	85%	100%	80%
% Completed by GAV	95%	93%	91%	97%	100%	97%
Committed Occupancy*	91%	90%	92%	90%	96%	92%
<b>Hotels: By Assets</b>	<b>9</b>	<b>6</b>	-	-	<b>3</b>	-
<b>Hotels: By Keys</b>	<b>2,064 keys</b>	<b>1,614 keys</b>	-	-	<b>450 keys</b>	-
Keys Split	C: 1,546 keys UC: 518 keys	C: 1,096 keys UC: 518 keys	-	-	C: 450 keys	-
Operating Brands	-	Hilton & Four Seasons	-	-	Hyatt, Oakwood & Radisson	-
<b>Solar Parks Capacity</b>	<b>C: 153.8 MW P: 24.2 MW</b>	C: 100 MW	-	-	C: 15 MW	C: 38.8 MW P: 24.2 MW

Note:

Data as of 30<sup>th</sup> September 2025

GLA = Gross Leasable Area; GAV = Gross Asset Value

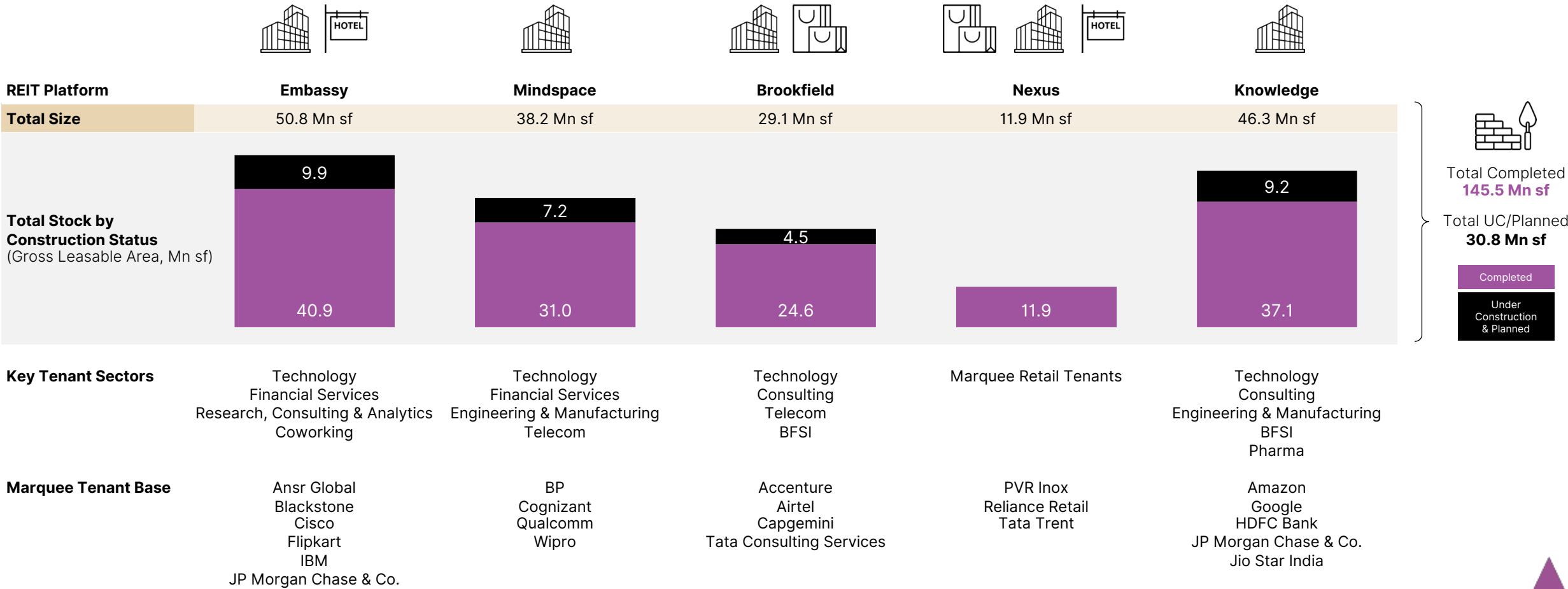
\* Committed Occupancy is expressed as a % of Completed & Operational Area

Mgmt. = Management, C = Completed; UC = Under Construction; P = Planned

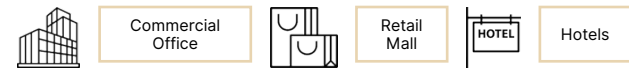


# India REITs Portfolio Overview: A Foundation of Scale & Stability

Blue-chip tenant roster underpins stability and the income predictability of the Indian REIT ecosystem.



Note:  
Data as of 30<sup>th</sup> September 2025







## Section 2

India REITs

# Financial Scorecard



# Financial Snapshot: Delivering a Dual Return Profile

## Key Metrics

REIT Platform	Total	Embassy	Mindspace	Brookfield	Nexus	Knowledge
Listing Price (₹/unit)	-	308.00	304.00	275.00	103.00	103.00
Closing Price (₹/unit)	-	421.93	454.79	343.06	165.60	115.38
52-Week Closing High (₹/unit)	-	423.00	469.99	349.80	168.35	116.65
O/s Units (in Mn)	8,146	948	609	640	1,515	4,434
Market Cap (₹ Mn)	16,59,033	3,99,945	2,77,050	2,19,558	2,50,886	5,11,595
Debt (₹ Mn)	5,59,902	2,00,793	99,155	90,954^	51,000	1,18,000
Total EV (₹ Mn)	22,18,935	6,00,738	3,76,205	3,11,507	3,01,886	6,29,595
Distribution Per Unit (DPU) in Q2 FY26 (₹)	21.35	6.51	5.83	5.25	2.20	1.56
Trailing Twelve Months (TTM) DPU (₹)	82.86	23.90	23.40	20.70	8.62	6.24



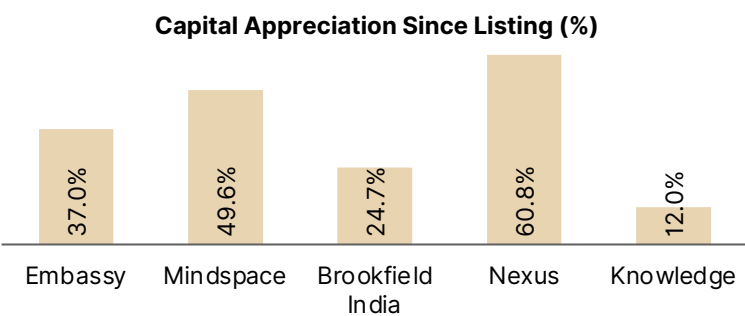
**CRISIL  
AAA  
Rated**

All five listed Indian REITs hold the highest possible credit rating, underscoring their exceptional financial stability and strong credit fundamentals.

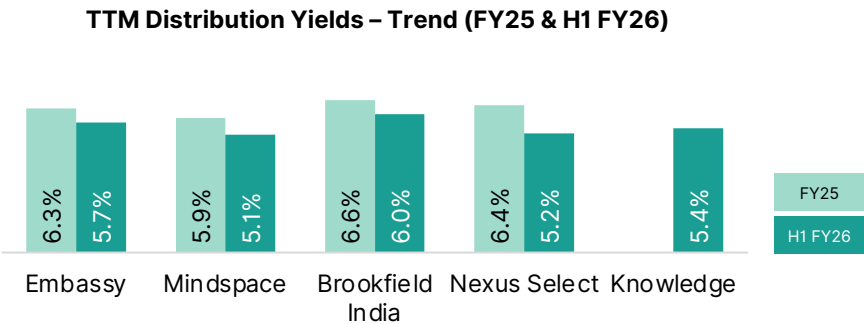
Note:  
Data as of 30<sup>th</sup> September 2025  
Debt figures above is adjusted for liquid assets and cash, wherever available, to reflect net debt position  
^ Includes 50% debt of North Commercial Portfolio (acquired from Bharti Realty), which REIT currently owns  
Knowledge REIT made its first distribution for the quarter viz. ₹1.56 per unit; hence the TTM DPU represents annualized quarterly DPU

TTM Distribution Yields are derived basis 12-month trailing distribution divided by the closing price as of the respective measurement date (viz. 31<sup>st</sup> Mar 2025 for FY25 & 30<sup>th</sup> Sep 2025 for H1 FY26)  
Knowledge REIT was launched during Q2 FY26, hence doesn't have distributions for FY25

Indian REITs offer a competitive blend of returns, with significant capital gains since listing complemented by consistent, attractive distribution yields between 5.1% & 6.0%.



Distribution Yields (TTM) indicate compression in the range of 60 bps to 120 bps across REIT's over the last 2 quarters (viz. H1 FY26 over FY25), implying heightened demand and stronger enterprise valuations.

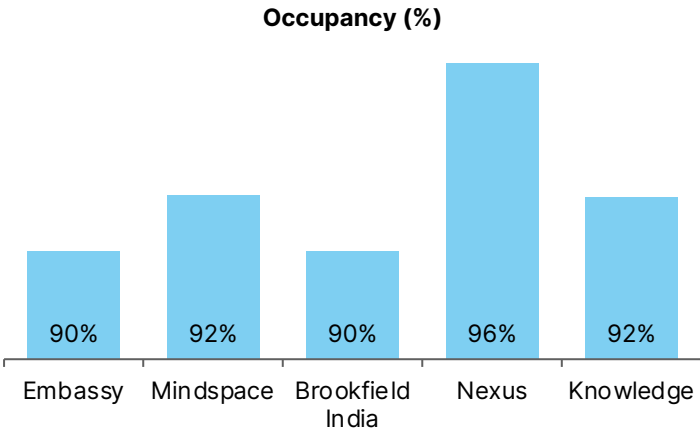


# Operational Highlights: Strong Leasing & Positive Reversions



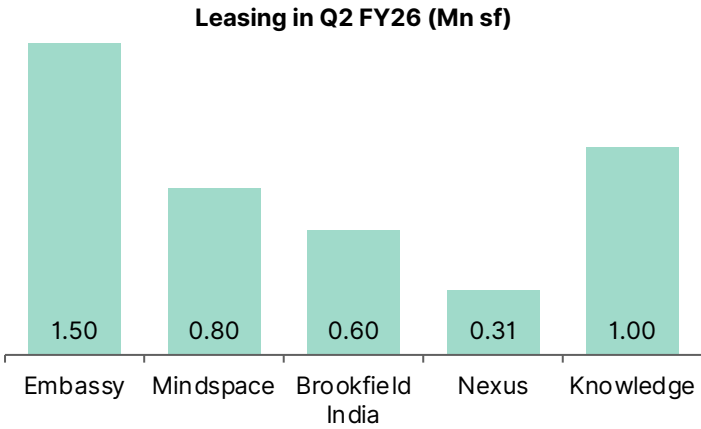
## High & Stable Occupancy

Portfolio-wide occupancy remains consistently above the 90% threshold.



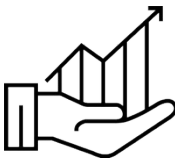
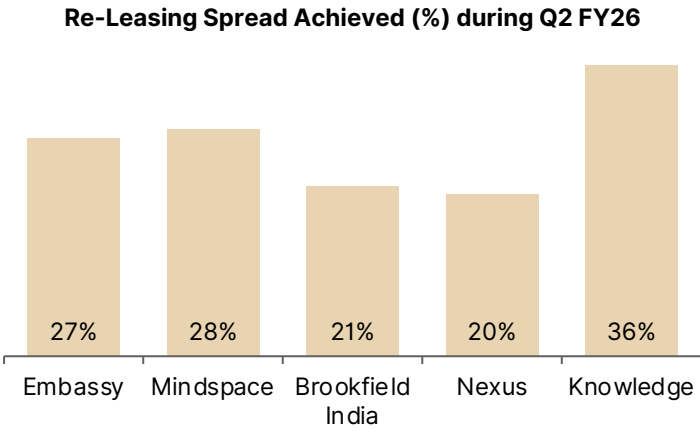
## Strong Leasing Momentum

REITs captured over 20% of Pan-India gross leasing in Q2 FY26.



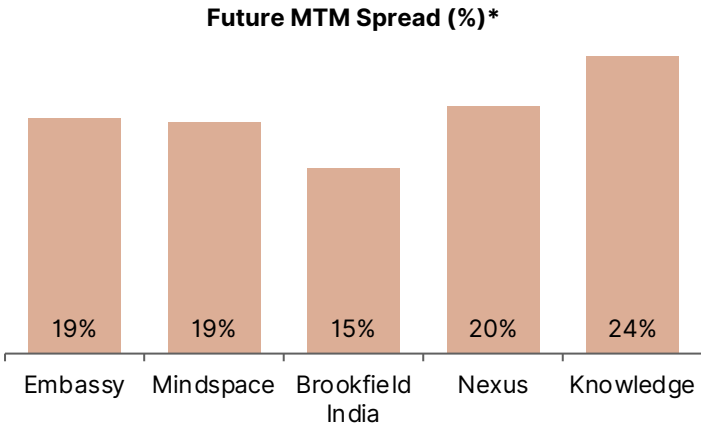
## Robust Re-Leasing Spreads<sup>^</sup>

Strong re-leasing spreads are boosting forward Net Operating Incomes (NOIs).



## Significant Future MTM Spreads

Significant Mark-To-Market (MTM) potential signals strong future NOI & valuation growth.



Note:  
Data as of 30<sup>th</sup> September 2025  
<sup>^</sup> Re-leasing spread refers to the rent upside achieved with new leases over expiries/vacated areas  
\* Future MTM spread potential across expiries primarily over the next 3-4 years



# Fortress Balance Sheets: A Foundation of Prudent Capital Management

## Debt (Q2 FY26)

REIT Platform	Total	Embassy	Mindspace	Brookfield	Nexus	Knowledge
Interest Coverage Ratio	2.7x	2.2x	3.1x	2.3x	4.0x	3.0x
Avg. Cost of Debt (%)	7.4	7.4	7.5	7.5	7.5	7.4
Debt (₹ Mn)	5,59,902	2,00,793	99,155	90,954^	51,000	1,18,000
Debt (% of Enterprise Value)	25	33	26	29	17	19
Loan to Value (%)^^	24	31	24	25	18	18
% Debt Maturing (upto FY29)**	38%	60%	53%	15%	44%	15%

## Valuation Metrics (As of Sep 2025)

REIT Platform	Total	Embassy	Mindspace	Brookfield	Nexus	Knowledge
Total GAV (₹ Bn)	2,348	639.8	410.2	360.0^	292.5	645.5
Exit Cap Range* for Offices (%)		7.5 - 8.25	7.75 - 8.0	8.0 - 8.5	7.5 - 8.5	7.5 - 8.5
Exit Multiple for Hotels		14x	NA	NA	14x	NA
Cost of Debt (Operational) (%)		8.40	8.50	8.40	7.65	8.10
Cost of Equity (Operational) (%)		14.50	13.50	14.50	14.75	14.50
Debt to Equity Ratio   D:E (%)		45:55	35:65	45:55	47.5:52.5	47.5:52.5
WACC Range (%) (Office & Retail)		O: 11.75 UC: 13.00	O: 11.75 UC: 13.00	O: 11.75 UC: 13.00	Mall: 11.38 Office: 11.78	O: 11.46 UC: 12.40
WACC (Hotels) (%)		12.14	NA	NA	11.88	NA

Note:  
WACC = Weighted Average Cost of Capital, WALE = Weighted Average Lease Expiry, O = Operational, UC = Under Construction  
Debt is adjusted for liquid assets and cash, wherever available, to reflect net debt position

^ Includes 50% debt of North Commercial Portfolio (acquired from Bharti Realty), which REIT currently owns

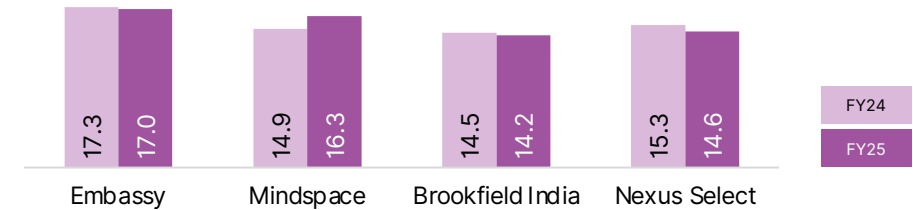
^^ Gross Asset Value as estimated by REIT's independent valuer

\* Cap range adopted by REITs' independent valuers across assets in the operational portfolio

\*\* Debt majorly includes a mix of bank borrowings, NCDs & commercial papers (CP's). Embassy, Mindspace & Nexus REITs have sizeable NCDs and CPs in their debt mix, with short to medium maturity tenors

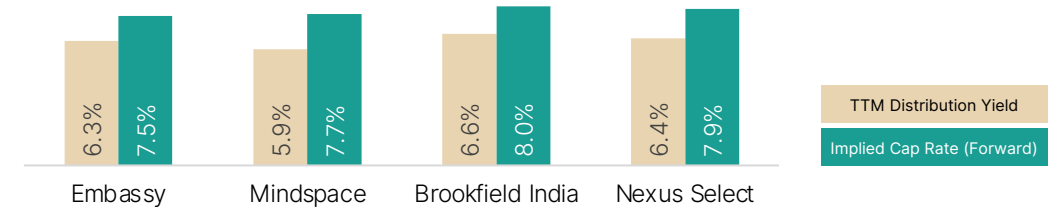
**EV/EBITDA multiples** present rationalisation across REITs, with current multiples in the range of ~14x to 17x.

EV to EBITDA Multiples (FY24 & FY25)



A spread of **120-180 bps** can be noted between **TTM distribution yields** and **implied capitalisation rates** (based on forward NOI), indicating **attractive NOI growth & return potential**

TTM Dist. Yield vs Implied Cap Rate (Forward) (FY25)



**EV/EBITDA multiples** are as of closing FY period for each year, with Enterprise Value measured as sum/total of market cap + net debt divided by the REIT's reported EBITDA for the period

**TTM Distribution Yields** are derived basis 12-month trailing distribution divided by the closing price as of the respective measurement date (viz. 31st Mar 2025 for FY25 & 30th Sep 2025 for H1 FY26)

**Implied Cap Rates** are derived basis 12-month forward NOI (as presented under REIT's independent valuation report) divided by the Enterprise Value, measured as on FY25

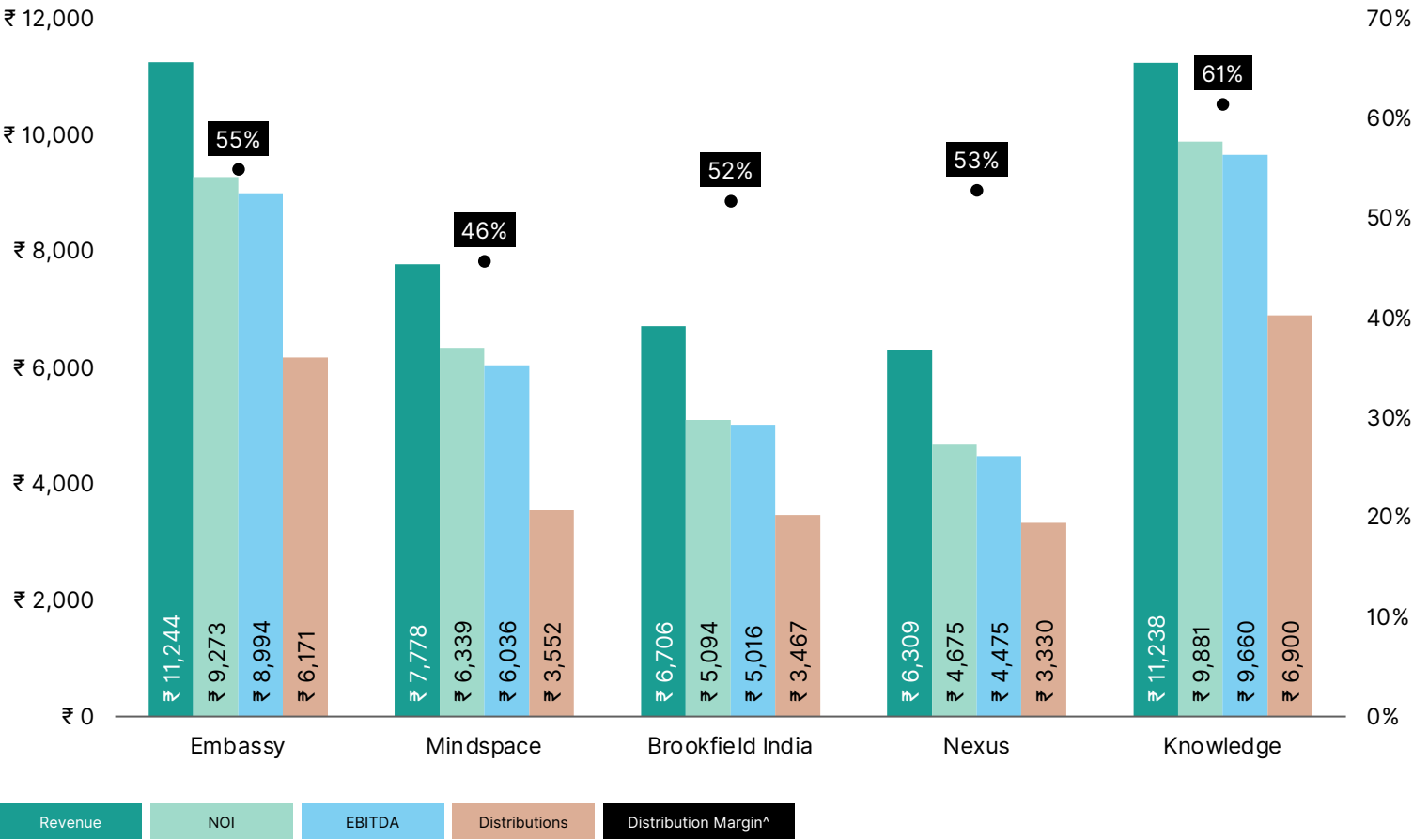
**Nexus Select REIT's** FY24 EV/EBITDA multiple is based on normalized full year EBITDA

**Knowledge REIT** was launched during Q2 FY26, hence doesn't have distributions for FY25

# India REITs: Performance Metrics



Consistent Performance (Q2 FY26)

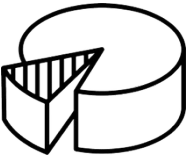


Note:  
^ Distribution margins estimated as a percentage of total revenue

As reported by respective REITs, financial results presented are at consolidated level wherever REIT holds controlling stake in any SPV. In cases otherwise, the financial results would be accounted for using the equity accounting method. Accordingly, the figures above would not include financials from SPV's where REITs don't have a controlling stake.

# Tax-efficient Distribution Structures

Current **Distributions offer upwards of 65% tax-exempt income** in the hands of unitholders



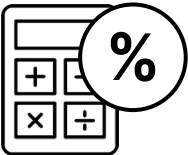
## Dividend Income

### SPV's not opted for Concessional Tax u/s 115BAA (Qualified Dividend Income)

- Tax Exempt in the hands of unitholders

### SPV's opted for Concessional Tax u/s 115BAA (Disqualified Dividend Income)

- Taxable at the hands of unitholders, at tax slab rates of such unitholders, also subject to TDS (withholding tax at applicable rates)



## Interest Income

### From Shareholder Loans

- Taxable in the hands of unitholders at tax slab rates as applicable to such unitholders
- Such distributions are subject to TDS (Withholding Tax)^

### From Bank Deposits

- Exempt in the hands of unitholders, taxable at hands of REIT



## Return of Capital

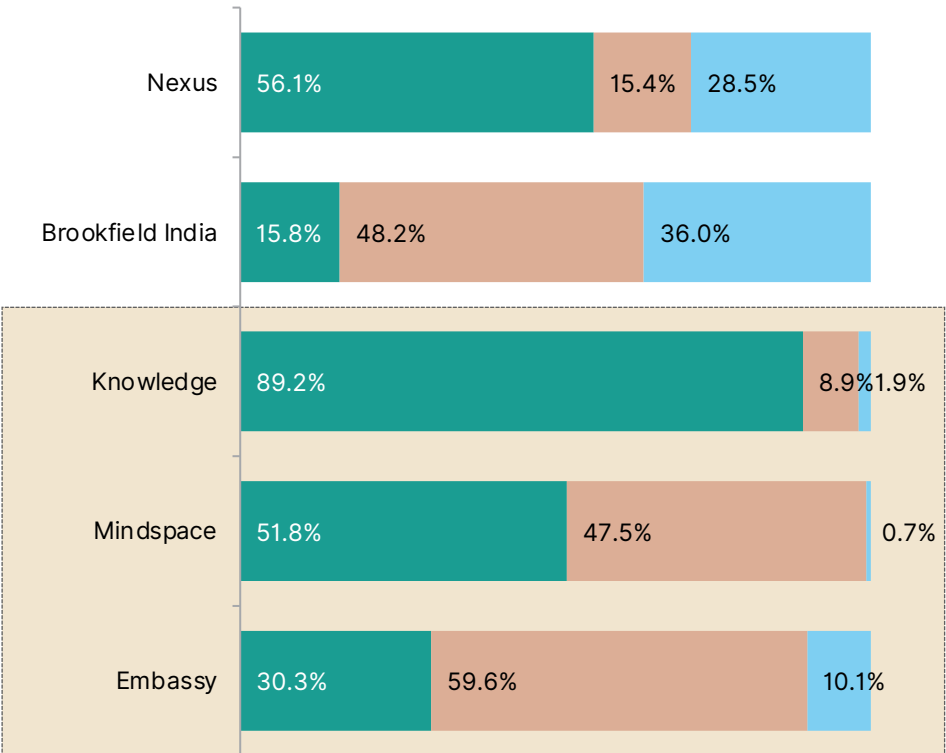
### Not Exceeding Unit Issue Price

- Repayment of shareholder loans are tax exempt in the hands of unitholders, but such repayments are reduced from unit issue price while calculating cost of acquisition

### Exceeding Unit Issue Price

- Taxable in the hands of unitholders, at tax slab rates applicable to such unitholders

Note:  
TDS = Tax Deducted at Source  
^ Taxed at [1] 10% for Residents [2] 5% for Non-Residents plus cess and surcharge; Other income taxable in the hands of REIT is tax-exempt for the unitholders  
Any rental income earned directly by REIT is taxed at slab rates of such unitholders



**Atleast 90% and more**  
Distributions are tax exempt in the hands of the unit holder



# Sustainability in Action: Raising the Bar for ESG Performance

All 5 listed REITs in India are rated GRESB 5 Star, placing them in the top 20% of ESG performers globally.



GRESB or Global Real Estate Sustainability Benchmark is a globally recognized standard and benchmark for measuring ESG performance of real estate and infra investments.

Scored on 100, the given scores indicate standing investment scores for Indian REITs.



To know more, visit GRESB website: <https://www.gresb.com/nl-en/>

Note:  
\* **Net Zero Scope Definitions:**  
**Scope 1:** Pertains to direct green house gases emissions from sources that are directly owned/controlled by the company. Eg: emissions from diesel generators, boilers, furnaces, vehicles, etc.  
**Scope 2:** Accounts for green house gases emissions from generation of purchased power/electricity, which is consumed by the company for its operations Eg: power purchased from distribution company for property operations.  
**Scope 3:** While this is an optional reporting category, this scope accounts for indirect emissions due to company's activities but occur from sources not owned/controlled by the company. Eg: extraction & production of materials used in construction of assets owned by the company, upstream / downstream transportation of materials & goods, etc.  
^ Nexus REIT's 2030 Net Zero Target for Scope 1 & 2 only (direct & indirect emissions linked to the organization)  
# Knowledge REIT has not set definitive targets yet

	GRESB Scores (Out of 100)	% Replacement figures represent what is already achieved	Stated Net Zero* Target(s)
	93	63%	2040
	93	49%	2042
	92	38%	2040
	93	50%	2030^
	95	74%	NA#

Name of the REIT

Year

# India REITs: Key Updates

Q2 FY26



## Embassy

**Embassy Manyata - Block L4** (pre-leased to Target Corp) is delivered during the quarter

**Raised ₹2,000 Cr** via India's 1<sup>st</sup> 10-yr REIT NCDs & ₹400 Cr Commercial Papers (~6.44% per annum), which underscores the REIT's strong credit fundamentals



## Mindspace

**Closed acquisition of Q-City Hyderabad** (rebranded it as "The Square 110"); occupancy metrics now include the asset



## Brookfield India

**Signed binding agreements to acquire Ecoworld, Bengaluru** (7.7 Mn sf) for ₹13,125 Cr (India's largest 100% office acquisition at 7.7% Cap Rate on FY27E NOI), implying a 6.5% discount to GAV

**Completed ₹1,000 Cr preferential** issue at ₹310/unit; units allotted on 2<sup>nd</sup> Sep, 2025



## Nexus

**Robust acquisition pipeline of 10 assets**, of which 3 assets are under DD (due diligence)

Performance uptick at **newly acquired assets: Vega City & MBD Neopolis (Ludhiana)** posted double-digit consumption growth during the quarter



## Knowledge

**India's largest REIT by value**, K-REIT listed on 18<sup>th</sup> Aug 2025 at ₹104/unit, marking a 4% premium to the issue price

The issue was **oversubscribed by 12.48 times** overall

Proceeds from listing (~97%) primarily used to retire existing debt

Note:  
Data as of 30<sup>th</sup> September 2025



## Section 3

India REITs

# On the Asian Pedestal



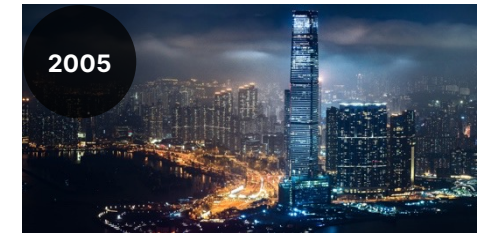


# India High on the Asian Pedestal: With a Competitive Profile

Despite its nascent stage, **India's REIT market is already comparable in scale to Hong Kong**, while offering superior price returns and competitive yields, with the added benefit of quarterly distributions.

Q2 FY26

Launch Year  
of the 1<sup>st</sup> REIT



## Key Asian Markets

**Market Cap** (USD Bn)

**No. of Listed Trusts**

**Key Asset Classes**

**Size\*** (Leasable Area in Mn sf)

**Asset Class Diversification**

**Average Distribution Yield\*** (p.a. in %, TTM)

**Last 5 Year Annualized Index Price Return**

**Leverage as per Statutory Norms**

**Distribution Requirement**

**Distribution Frequency** (Common Practice)

India	
~18.7	
5	
Office 4	Retail 1
~176	
Concentrated	
5% - 6%	
+8.9%^	
Consolidated borrowings capped at 49% of asset value	
≥90% of net distributable cash flows to unitholders	
Quarterly	

Singapore			
~76.5			
38			
Office 5	Retail 6	I&L 7	Others 20
~350			
Highly Diversified			
4% - 6%			
-3.6%			
Aggregate leverage capped at 50% + Min. Interest Coverage Ratio of 1.5x			
Tax transparency typically requires ≥90% of taxable income distributed			
Semi-Annual or Quarterly			

Japan			
~110.0			
58			
Office 7	Retail 3	I&L 8	Others 40
>400			
Highly Diversified			
3% - 5%			
+2.2%			
No single statutory cap on leverage, market-standard LTV ~40-50% disclosed by issuers			
For dividend deductibility, pay out >90% of distributable profits			
Semi-Annual			

Hong Kong		
~16.7		
11		
Office 3	Retail 2	Others 6
~55		
Concentrated		
6% - 9%		
-10.1%		
Borrowings capped at 50% of GAV		
≥90% of audited annual net income after tax distributed to unitholders each year		
Semi-Annual		

Note:

I&L = Industrial & Logistics; Others: Residential, Hotels, Data Centers, Car Parks, etc.

LTV = Loan-to-Value; GAV = Gross Asset Value

**Leasable Area Standards:** India largely uses GLA (Gross Leasable Area) as a leasing standard while the other regions presented above use NLA (Net Lettable Area) as a leasing standard, owing to the region's accepted market practice

\* Industry sources; Compiled by ANAROCK Capital Markets Research

^ As reported under NSE Realty Index, which also includes InvITs as a part of the index (~30% weightage)

Exchange rates as of 30<sup>th</sup> Sept 2025:

1 USD = INR 88.84

1 USD = SGD 1.2902

1 USD = JPY 147.91

1 USD = HKD 7.783

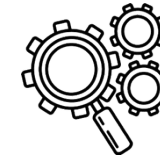
# India REITs: The Path Forward



## Returns Edge

India REITs continue to offer competitive cash yields, coupled with robust appreciation.

The market has rallied strongly during Q2 FY26 with ~10.5%<sup>^</sup> price gains on the back of strong REIT performance & investor sentiment.



## Improving Regulatory Clarity

India's 2023 master-circular combined with SEBI's 2025 decision to re-classify REITs as "equity" (making them eligible for Mutual Fund equity allocations & indices) is rapidly converting this niche asset class into mainstream-ready, paving the way for more institutional & passive flows beyond HNIs.

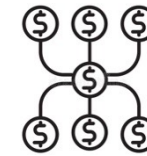
## Catalysts for Continued Growth



## Scale Gap

India's five listed REITs together are ~USD 18.7 Bn in market cap, signifying a large opportunity for the market cap to grow with only ~32% of REIT-worthy stock being listed currently.

However, India REITs are already comparable in scale to Hong Kong (~USD 16.7 Bn across 11 REITs).



## Product Breadth is the Next Unlock

The market is poised for diversification beyond office and retail into high-growth sectors like logistics, data centers, healthcare, residential and hospitality, mirroring the evolution of mature Asian markets – Singapore & Japan.

Note:  
<sup>^</sup> NSE REIT & InvITs index



### About ANAROCK

ANAROCK is the leading independent real estate services company with a visible presence across India, Middle East, USA and Singapore. The Company has diversified interests across the real estate lifecycle and deploys its proprietary technology platform to accelerate marketing and sales on behalf of its clients.

Over the last eight years, ANAROCK has expanded from being a residential-focused organization to complementary sectors including retail, commercial, hospitality, logistics & data centres, industrial and land. The firm also specialises in strategic advisory, investment banking, research & valuations and offers app based flexible workspaces and society management services. ANAROCK has developed proprietary technology that is adopted across all its businesses. ANAROCK has a team of over 2,200 experienced real estate professionals who operate across all major markets in India and the Middle East.

For more information, please visit [www.anarock.com](http://www.anarock.com)



#### India Office (Corporate)

ANAROCK Capital Advisors Pvt. Ltd.  
1002, 10<sup>th</sup> Floor, B Wing, ONE BKC, Plot No. C-66  
G Block, Bandra Kurla Complex, Mumbai 400 051



#### Singapore Office

ANAROCK Capital Advisors Pvt. Ltd.  
C/O. 360 ONE Capital Pte. Ltd.  
Asia Square Tower 2 , 20<sup>th</sup> Floor, Unit # 20-01  
12 Marina View, Singapore 018961

For business enquiries, please connect with:



**Shobhit Agarwal**  
CEO  
ANAROCK Capital

**+91 98920 01200**  
[shobhit.agarwal@anarock.com](mailto:shobhit.agarwal@anarock.com)



**Vishal Singh**  
Managing Director  
Head – Deal Advisory

**+91 98209 78750**  
[singh.vishal@anarock.com](mailto:singh.vishal@anarock.com)

#### Author

**Bharath Balasubramanya**  
Asst. Vice President - Capital Markets  
[bharath.balasubramanya@anarock.com](mailto:bharath.balasubramanya@anarock.com)

#### Contributors

**Vishal Singh**  
Managing Director & Head – Deal Advisory  
[singh.vishal@anarock.com](mailto:singh.vishal@anarock.com)

**Rachit Jain**  
Intern - Capital Markets  
[rachit.jain@anarock.com](mailto:rachit.jain@anarock.com)

#### Designer

**Dr. Paridhi Gupta**  
Director - Design  
[paridhi.gupta@anarock.com](mailto:paridhi.gupta@anarock.com)

© 2025 ANAROCK Capital Advisors Pvt. Ltd. All rights reserved.

Disclaimer: This publication is the sole property of ANAROCK Group, and must not be copied, reproduced or transmitted in any form or by any means, either in whole or in part, without the prior written consent of ANAROCK Group. The information contained in this publication has been obtained from sources generally regarded to be reliable. However, no representation is made, or warranty given, in respect of the accuracy of this information. We would like to be informed of any inaccuracies so that we may correct them. ANAROCK does not accept any liability in negligence or otherwise for any loss or damage suffered by any party resulting from reliance on this publication.

Follow ANAROCK on social media platforms:

