

# Embassy Group Plans REIT to Raise \$1 billion

## Press Trust of India

**New Delhi:** Realty firm Embassy Group plans to launch its real estate investment trust (REIT) this year to raise about \$1 billion as part of its strategy to monetise rent-yielding commercial assets, sources said. Global investment firm Blackstone-backed Embassy Office Parks is likely to file the draft prospectus with market regulator Sebi (Securities and Exchange Board of India) by next month to launch the country's first REIT, they added. Its REIT is already registered with Sebi.

The Bengaluru-based Embassy group has over 30 million sq ft of leased office space and has a pipeline of about 22 million sq ft across major cities.

According to sources, the Embassy group is in the process of finalising the total office assets that would form part of REIT platform. The size of the REIT would be about \$1 billion and the amount raised would be utilised to retire debt, they added.

Embassy group spokesperson declined to comment.

Sebi had notified REITs and InvITs Regulations in 2014, allowing setting up and listing of such trusts which are very po-

pular in some advanced markets.

However, only two InvITs — IRB InvIT Fund and Indiagrid Trust — have got listed on stock exchanges so far and not a single REIT has been listed in the country. REITs are listed entities that primarily invest in income-generating properties and distribute most of the income proceeds to the unit holders.

Unlike housing sector which is facing a multi-year slowdown, the commercial real estate, particularly office project, is doing well and attracting lot of investments from global and domestic investors.

India's largest realty firm DLF's promoters sold 40% of their stake in rental arm DLF Cyber City Developers (DCCDL) for Rs 12,000 crore. This deal included sales of 33.34% stake to Singapore's sovereign wealth fund GIC for Rs 9,000 crore. DLF has 66.66% stake in the DCCDL. GIC is also buying stake in commercial portfolio of Bengaluru-based Prestige group.

Many companies are monetising their office assets through outright sale. Essar group in April this year sold prime commercial property Equinox Business Parks at Bandra-Kurla Complex in Mumbai to global investment firm Brookfield for Rs 2,400 crore.