


**0.72 msf** NET ABSORPTION (2021)

**1.8 msf** NEW COMPLETIONS (2021)

**6.12 msf** UPCOMING SUPPLY  
(2022 – 2024)

**MARKET INDICATORS OVERALL  
Q4 2021**

Q4 2020      Q4 2021      12 month  
Forecast

Overall Vacancy	43.1%	37.69%	▲
Weighted Average Net Asking Rents SBD (INR/sf/month)	39.90	40.29	—
YTD Net Absorption (sf)	1,029,603	723,198	—

**Steady leasing activity supported by rising demand for flex spaces**

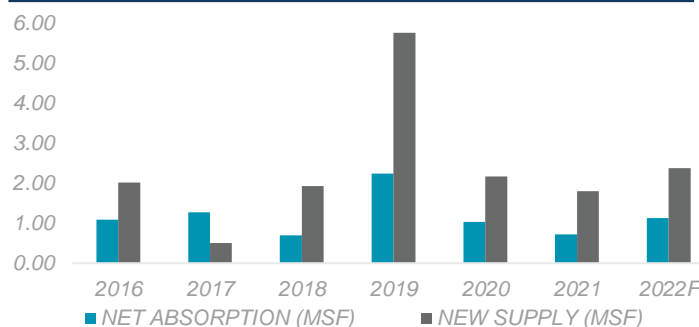
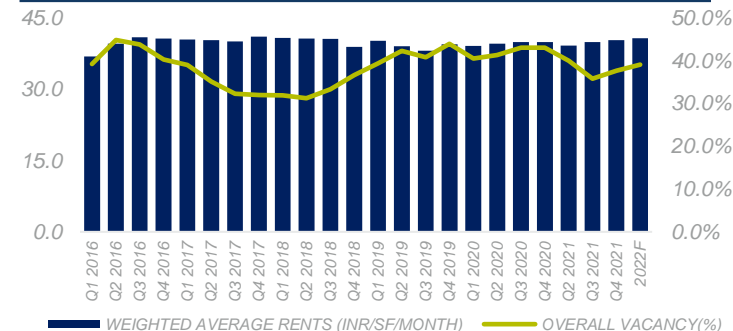
The Ahmedabad office market recorded a net absorption of 0.15 msf in the last quarter of 2021, declining by 11% on a q-o-q basis. Gross leasing for Q4 2021 stood at 0.16 msf whereas the city witnessed a gross leasing of 0.84 msf in CY 2021. IT-BPM remained the top contributor to leasing activity in Q4 with a 40% share followed by a rising demand from flex space operators with a share of 29%. Flex space operators were active in the SG Highway North and SG Highway South submarkets where the demand for managed office spaces by occupiers is stronger. SG Highway North dominated leasing in the last quarter with a 46% share followed by equal contributions of 22% each by SG Highway South and North Ahmedabad submarkets. Given emergence of third wave, there could be some risk to the ongoing recovery in leasing momentum soon, although every subsequent wave of Covid has had a diminishing impact on office leasing.

**Supply addition throughout the city, marginal rise in vacancies**

The city witnessed 0.9 msf of fresh supply during the quarter. Within the city, 0.47 msf and 0.16 msf were added in the CBD and East Ahmedabad submarkets, respectively. Despite the addition, overall inventory of grade A stock in Ahmedabad was recorded at 22.68 msf, a marginal fall of 0.5% q-o-q, as few buildings were downgraded owing to poor upkeep and quality of amenities. Ahmedabad office market has many buildings that are strata-sold and now experiences market vulnerabilities as occupiers show higher preference for superior grade lease-only assets. Overall vacancy at the city level has marginally risen to 37.69% as fresh supply enters the market. Despite vacancy in the city, availability in premium grade leasable office assets remains scarce. City's overall vacancy could rise marginally as supply of 2.0 msf is expected to be added in 2022. SG Highway North and South together account for more than 60% of this upcoming supply of about 6.0 msf which is expected over the next 24-36 months.

**Rents remain stable**

Quoted rents remained stable across the city in Q4. The uncertainty around rising Covid cases could put some stress in the near future as more supply hits market. However, rentals in premium grade buildings remain firm owing to limited inventory and high occupancy levels.

**NET ABSORPTION & NEW SUPPLY**

**OVERALL VACANCY & WEIGHTED AVERAGE ASKING RENT**




Office Q4 2021

## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	VACANCY (%)	YTD GROSS LEASING ACTIVITY(SF)	PLANNED & UNDER CONSTRUCTION (SF)^	YTD CONSTRUCTION COMPLETIONS (SF)	YTD NET ABSORPTION (SF)	GRADE A WTD. AVG. RENT*		
							INR/SF/MO	US\$/SF/YR	EUR/SF/YR
SG Highway South	7,611,978	29.90 %	297,649	2,076,156	463,572	266,729	40.12	6.57	5.73
SG Highway North	8,434,462	40.24 %	365,695	1,906,508	700,586	312,895	40.38	6.61	5.77
North Ahmedabad	4,175,383	32.44 %	139,420	949,912	0	104,365	44.36	7.26	6.33
<b>TOTAL#</b>	<b>22,679,612</b>	<b>37.69 %</b>	<b>838,260</b>	<b>6,120,203</b>	<b>1,802,795</b>	<b>723,198</b>	<b>40.29</b>	<b>6.60</b>	<b>5.75</b>

The report highlights Grade A details only. Certain indicators are historically corrected by addition / deletion of older / refurbished/poorly managed projects as per grade A classification and accounting for changes in built-up / leasable area besides adjusting tenant leases to reflect accurate market conditions.

^ Includes planned & under construction projects until 2024

Net absorption refers to the incremental new space take-up; leasing activity includes fresh transactions and term renewals

\*Weighted average asking rental rates for vacant spaces that provide core facility, power back up for common areas and amenities of buildings, and high-side air conditioning in select buildings

# Total figures contain submarkets not mentioned above

New Sub-Market boundary:

CBD: central Ahmedabad west of Sabarmati river and east of 132ft Ring road, includes micro-market of CG Road, Ashram Road, Paldi, Navrangpura, Ambawadi, Usmanpura, Naranpura

East Ahmedabad: Entire city on east of Sabarmati river, includes micro-market of Shahi Baug, Vatva, Maninagar, Vastrapur, Odhav, Naroda, Narol

North Ahmedabad: includes micro-market of GIFT City, Motera, Sabarmati, Chandkheda.

SG Highway North: North side of Ambli road, includes submarket of Ambli, Bopal, Thaltej, Bodakdev, Vastrapur, Memnagar, Science City.

SG Highway South: South of the Ambli road till SP ring road, includes micro-market of Prahladnagar, Makarba, South Bopal

US\$ 1 = INR 73.3; € 1 = INR 84.04

Numbers for the fourth quarter are based on market information collected until 25<sup>th</sup> December 2021

## KEY LEASE TRANSACTION Q4 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
The First	SG Highway North	Incupaze	33,000	Fresh Lease
GIFT ONE	North Ahmedabad	Oracle	30,000	Renewal

## SIGNIFICANT PROJECTS PLANNED AND UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION DATE
Commerce House 6	SG Highway South	NA	240,000	Q1 2022
Shilp Corporate Park	SG Highway North	NA	305,223	Q3 2022
Iconic Shyamal	SG Highway South	NA	376,071	Q1 2022
Times Square Grand	SG Highway North	NA	150,444	Q2 2022

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