




3.62 msf GROSS LEASING (Q3 2022)**3.49 msf** NEW COMPLETIONS (Q3 2022)**19.73 msf** UPCOMING SUPPLY
(Q4 2022 – 2024)**MARKET INDICATORS OVERALL
Q3 2022**

	Q3 2021	Q3 2022	12 month Forecast
Overall Vacancy	27.7%	27.03%	
Weighted Average Net Asking Rents (INR/sf/month)	63.2	62.5	
Net Absorption (sf)	1,361,108	3,956,100	

Strong office leasing activity continues in Q3

Delhi NCR recorded robust leasing of 3.63 msf during Q2, a 6.13% q-o-q growth and 46% increase on an annual basis. IT-BPM and professional services led the quarter's leasing with a cumulative 41% share in the total gross leasing volume (GL), followed by engineering & manufacturing with a 13% share. Flexible workspace operators (6% of total GLV) continued to lease space in the Gurgaon CBD and Noida sub markets, given strong demand from enterprises for managed office services. Fresh leasing accounted for a majority share of 97% in the quarter's leasing as occupiers expanded spaces. With employees returning to work, rising occupancy levels and strong hiring trends are also driving greater leasing activity. Gurugram accounted for 80% in the quarter's leasing, led by sub-markets such as Golf Course Extension Road, Cyber City, NH8-Prime, whereas Noida accounted for the rest of GLV.

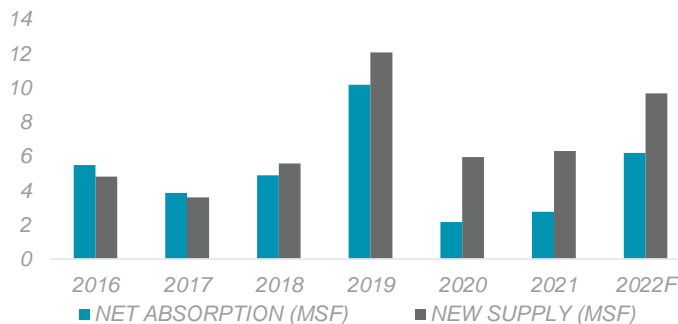
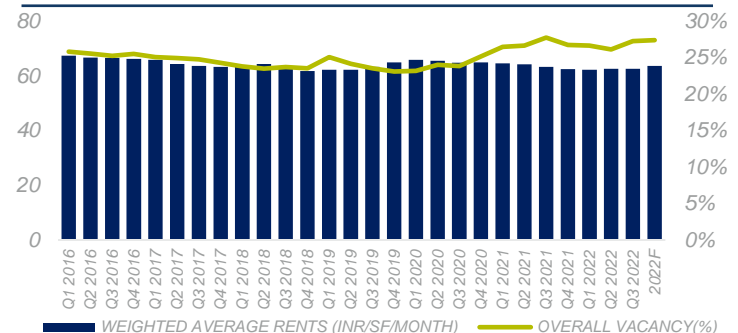
Delhi NCR recorded net absorption of 1.3 msf during the quarter, a marginal decline of 1.4% on a q-o-q basis but 67% higher as compared to the same period last year, indicating a healthy rise in occupancy levels in the market

Robust supply addition seen during the quarter; rise in city wide vacancy levels

City recorded total supply of about 3.49 msf during this quarter, contributed by sub markets such as Cyber City, Golf Course Extension Road and Noida submarkets, which is the highest supply in recent period history, indicating strengthening demand and rising confidence levels of developers. This led to an increase in city wide vacancy level by 95 bps during the quarter; vacancy levels seen a sudden uptick in prominent sub markets due to higher quarterly supply but is expected decrease in upcoming quarters given healthy demand. City level vacancy remains moderately high at 27%. For the upcoming quarters, vacancy is likely to decline due to strong demand conditions, despite the new supply expected to come into the market. City-level market rents remained stable, although select projects with strong leasing traction saw a slight increase in rents.

Supply pipeline remains strong; peripheral markets to see new supply in coming years

About 19.73 msf of new supply is expected by 2024. About 60% of this supply is expected to come in Gurugram sub markets from locations like Cyber City, Golf Course Road and NH-8 Prime. This quality space addition will lend significant impetus to the region's commercial real estate activity.

NET ABSORPTION & NEW SUPPLY**OVERALL VACANCY & WEIGHTED AVERAGE ASKING RENT**



Office Q3 2022

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	VACANCY	YTD 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
Delhi CBD	1,483,547	22.64%	7,641	50,000	0	46,282	282.41	42.68	42.26
South-East Delhi	6,825,653	17.30%	384,284	105,000	0	200,991	100.17	15.14	14.99
Delhi International Airport (DIAL)	1,366,825	10.03%	23,000	0	0	10,394	194.28	29.36	29.07
Cyber City	15,685,813	14.74%	1,242,432	0	1,655,000	407,476	117.90	17.82	17.64
MG Road	3,331,886	16.76%	532,448	0	0	(244)	120.27	18.18	18.00
NH8 – Prime	14,990,638	14.69%	771,351	1,604,118	450,000	266,132	90.16	13.63	13.49
Golf Course Road	5,757,262	6.79%	521,333	962,000	0	155,502	91.08	13.77	13.63
Gurugram Others	44,029,036	35.95%	4,031,999	11,268,478	1,327,713	1,731,906	53.34	8.06	7.98
Noida	37,712,247	33.19%	2,708,530	7,533,611	2,600,043	1,114,602	50.68	7.66	7.58
TOTAL	131,182,907	27.03%	10,223,019	23,223,207	6,032,756	3,933,041	62.48	9.44	9.35

The report highlights Grade A details only. Certain indicators are historically corrected by addition / deletion of older / refurbished 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

#YTD gross leasing activity includes pre commitments and term renewals

*Weighted average rental rates for vacant spaces that provide core facility, high-side air conditioning and 100% power back up

IT-BPM – Information Technology – Business Process Management

Key to submarkets:

Gurugram Others – includes Sohna Road, Golf Course Extension Road, Udyog Vihar, NH-8 Non Prime, Gurgaon-Faridabad Road and Southern Peripheral Road and excludes Manesar

Noida – excludes Greater Noida

US\$ 1 = INR 79.4 € 1 = INR 80.2

Numbers for the first quarter are based on market information collected until 20th September 2022

Inventory that is undergoing refurbishment has been withdrawn from Golf Course Road submarket

Arun P Nair

Manager, Research Services

+91 22 67715555 / Arun.Nair@cushwake.com

Suvishesh Valsan

Director, Research Services

+91 22 67715555 / Suvishesh.valsan@cushwake.com

KEY LEASE TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE
DLF -World Tech Park	Gurugram Others	ZS Associates	89,450	Expansion
DLF Cyber City Building 5	Cyber City	Persistent Systems	55,450	Fresh
Bharti Worldmark Towers	Gurugram Others	Mando	28,000	Fresh

SIGNIFICANT PROJECTS PLANNED AND UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION
TRIL IT City Tower 3&4	Gurugram Others	NA	~1,000,000	Q4 2023
Casa Picasso	Gurugram Others	NA	265,500	Q4 2022
M3M Urbana Premium	Gurugram Others	NA	249,027	Q4 2022
NSL Techzone	Noida	NA	750,000	Q4 2022

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