

2.73 msf GROSS LEASING (Q2 2023)

0.44 msf NEW COMPLETIONS (Q2 2023)

18.25 msf UPCOMING SUPPLY (H2 2023 – 2025)

MARKET INDICATORS OVERALL Q2 2023

| | Q2 2022 | Q2 2023 | 12 Forecast month |
|--|-----------|-----------|-------------------|
| Overall Vacancy | 23.1% | 20.2% | ▼ |
| Weighted Average Net Asking Rents (INR/sf/month) | 117.9 | 120.2 | ■ |
| YTD Net Absorption (sf) | 1,241,729 | 1,243,203 | ▲ |

H1-23 GLV remains consistent from similar periods since last 2 years

The second quarter of the year recorded gross leasing volume (GLV) of 2.73 msf, a marginal drop of 4% on a quarterly basis and a 9% decline as compared to the same period last year. The H1 2023 GLV stood at 5.6 msf, which is almost comparable to the average GLV figures of H1 2022 and H1 2021. Sectors like BFSI (21%), Engineering & Manufacturing (21%), and IT-BPM (16%) drove the leasing activity for this quarter.

Andheri Kurla, Malad-Goregaon, Central Suburbs and Thane-Belapur Road were active sub-markets accounting for close to 60% of Q2 GLV, mainly driven by term renewals. Net absorption in Q2 came in at 0.52 msf, which is lower by 28% y-o-y and 20% on a q-o-q basis. While fresh leases and term renewals were good, a couple of exits in select suburban sub-markets led to a lower net absorption. But the H1 2023 net absorption value is at 1.24 msf, which is in line with the last 2-year average for the same period (H1 of 2021 and 2022).

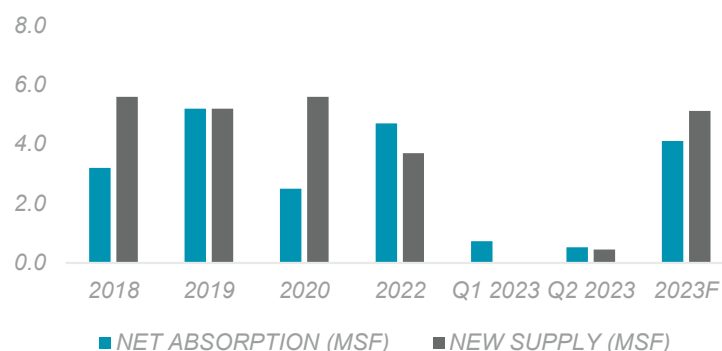
Limited project completions in the quarter; vacancy drops sharply

A mere 0.44 msf supply additions were witnessed over the last six months. Limited supply has been a concern for the Mumbai CRE market since the last 3 quarters. As a result of limited supply entering the market amidst a broadly sustained demand momentum, the vacancy rate has fallen by a cumulative 272 basis points over the last four quarters, making it the sharpest fall in recent period history. However, around 4.7 msf of new supply is anticipated in the next six months, and ~30% of that comes with pre-commitment. We foresee a supply pipeline of ~18.3 msf from H2-2023 to 2025 and the majority of this supply is expected in Andheri-Kurla, Thane-Belapur Road, and Central Suburbs submarkets. With a robust leasing activity and a considerable share in upcoming supply, the eastern submarkets are considered to be the emerging office corridor.

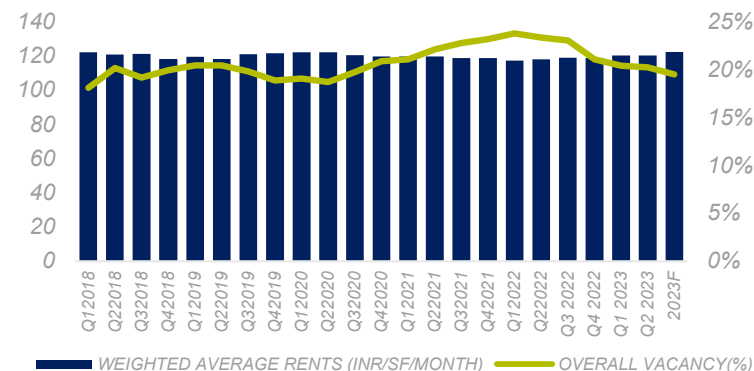
City rentals remains broadly stable

Overall city-wide market rentals have remained stable across submarkets from the previous quarter. Select Grade-A projects under institutional ownership or with prominent developers could witness a rental increase in coming quarters, given the low vacancy. With the operationalisation of Metro 2A and 7 lines, the rentals are expected to see an improvement in upcoming quarters in sub-markets like Malad-Goregaon and Andheri Kurla.

NET ABSORPTION & NEW SUPPLY



OVERALL VACANCY & WEIGHTED AVERAGE ASKING RENT



MARKET STATISTICS

| SUBMARKET | INVENTORY (SF) | VACANCY RATE (%) | 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 |
| CBD | 1,962,814 | 11.0% | 124,438 | - | - | (10,578) | 243.3 | 35.5 | 32.6 |
| SBD - BKC | 10,720,846 | 14.3% | 602,386 | 232,215 | - | 187,300 | 266.1 | 38.9 | 35.7 |
| Worli | 1,604,000 | 9.1% | 146,664 | 2,375,504 | - | 17,124 | 211.9 | 30.9 | 28.4 |
| Lower Parel | 12,169,730 | 43.8% | 549,207 | - | 233,333 | 187,066 | 170.6 | 24.9 | 22.9 |
| Andheri-Kurla | 14,157,800 | 13.3% | 609,740 | 4,674,000 | - | 139,062 | 122.6 | 17.9 | 16.4 |
| Powai | 6,856,286 | 13.1% | 477,024 | 800,000 | - | (219,709) | 147.3 | 21.5 | 19.7 |
| Malad/Goregaon | 14,779,347 | 14.1% | 993,566 | 1,800,000 | - | (11,793) | 111.8 | 16.3 | 14.9 |
| Central Suburbs | 12,056,532 | 21.9% | 684,436 | 2,764,000 | - | 306,710 | 146.2 | 21.4 | 19.6 |
| Vashi | 1,645,068 | 11.3% | 105,477 | - | - | 86,806 | 88.8 | 12.9 | 11.9 |
| Thane-Belapur Road | 23,053,681 | 26.5% | 1,126,622 | 3,478,500 | 210,000 | 522,201 | 66.0 | 9.6 | 8.8 |
| Thane | 10,364,977 | 10.8% | 175,950 | 2,133,346 | - | 39,104 | 71.6 | 10.4 | 9.6 |
| TOTAL | 109,371,081 | 20.2% | 5,595,510 | 18,257,565 | 443,333 | 1,243,203 | 120.2 | 17.5 | 16.1 |

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 2025

Net absorption refers to the incremental new space take-up

#YTD gross leasing activity includes pre-commitments and term renewals

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

IT-BPM – Information Technology – Business Process Management

Key to submarkets:

CBD – Ballard Estate, Colaba, Churchgate, Fort & Nariman Point; SBD – Bandra-Kurla Complex, Bandra East, Kalina; Lower Parel- Lower Parel, Parel, and Dadar; Andheri-Kurla- Andheri (E), Chandivali, Marol; Malad Goregaon- Malad, Goregaon, Jogeshwari, and Borivali; Central Suburbs- Bhandup, Kanjurmarg, Vikhroli, Kurla, and Wadala; Thane- Belapur Rd- Airoli, Ghansoli, Mahape, Juinagar, Seawoods, and Dombivili; Thane- Thane, Kapurbawdi, Ghodbunder Road, and Wagle Estate

US\$ 1 = INR 82.17 € 1 = INR 89.43

Numbers for the second quarter are based on market information collected until 20th June 2023

KEY LEASE TRANSACTIONS Q2 2023

| PROPERTY | SUBMARKET | TENANT | SF | TYPE |
|--------------------------|----------------|--------------------|--------|--------------|
| One International Centre | Lower Parel | Bajaj Electricals | 60,000 | Fresh Lease |
| Kensington | Powai | GE Oil & Gas | 98,000 | Term Renewal |
| R Tech Park | Malad Goregaon | Tata AIG Insurance | 72,000 | Term Renewal |

SIGNIFICANT PROJECTS PLANNED AND UNDER CONSTRUCTION

| PROPERTY | SUBMARKET | MAJOR TENANT | SF | COMPLETION DATE |
|--------------------------|------------------|----------------|-----------|-----------------|
| K. Raheja Altimus | Worli | Morgan Stanley | 1,015,504 | Q3 2023 |
| Oberoi Commerz 3 | Malad – Goregaon | Morgan Stanley | 1,800,000 | Q4 2023 |
| Centaurus | Thane | NA | 2,000,000 | Q4 2024 |
| Waterstone Business Park | Andheri-Kurla | NA | 1,250,000 | Q4 2025 |

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

cushmanwakefield.com

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