

### Strong quarterly demand driven by term renewals

Q3-23 witnessed strong leasing activity with gross leasing volume (GLV) recorded at 3.47 msf, which is 27% higher on a q-o-q basis. However, in comparison to the historic high activity witnessed in Q3-22, it saw a 19% decline. Term renewals drove the activity this quarter (with a 53% share), whereas fresh leases constituted 45% share. The BFSI sector continues to lead sectoral share of quarterly GLV with close to 25% share, while the Engineering & Manufacturing sector stood second with a 19% share. In terms of submarkets, Lower Parel (19%), Malad-Goregaon (17%) and Powai (14%) witnessed a higher share of quarterly leasing activity. In key markets such as Bandra Kurla Complex (BKC) and Lower Parel, fresh leasing activity constituted more than 60% of the quarterly transactions, whereas peripheral markets saw a surge in demand due to lease renewals.

Quarterly net absorption was recorded at 1.14 msf, in line with activity seen in the same period last year. Net absorption this quarter was largely driven by fresh leasing activity in key city sub markets.

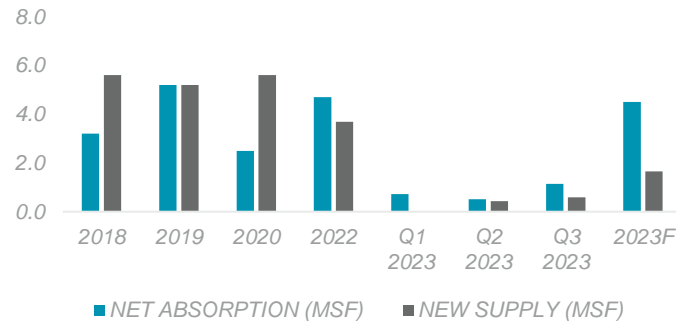
### Limited new supply causes vacancy to decline further

New supply has been low for the last four quarters, with Q3-23 recording close to 0.59 msf. With merely 1.03 msf recorded in the last nine months, 2023 is poised to experience the lowest annual supply in recent history. As a result of limited supply entering the market amidst a reasonably strong demand momentum, the vacancy rate has dropped by a cumulative 340 basis points over the last four quarters to 19.6%. Close to 16.7 msf of supply is anticipated during the period Q4-2023 to 2025, largely concentrated around Andheri-Kurla, Malad Goregaon and Thane Belapur Road sub-markets.

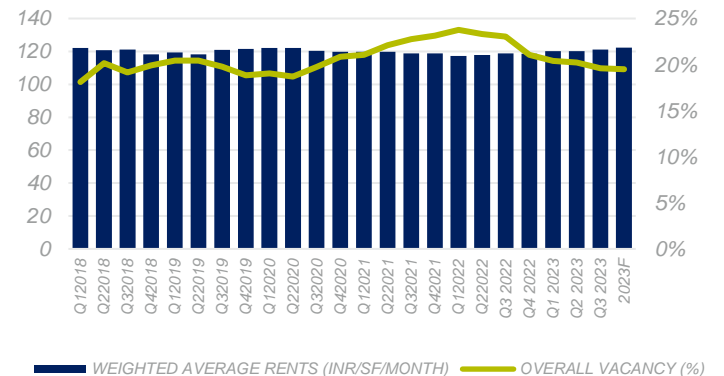
### City rentals rise in prominent submarkets

Overall city-wide market rentals have seen a slight uptick from the previous quarter, and 2.1% growth from the same period last year. Submarkets such as Worli, Thane Belapur Road etc. have witnessed a rise in rental values. With limited project completions and drop in vacancy, the city rentals may improve further in key sub-markets.

### NET ABSORPTION & NEW SUPPLY



### OVERALL VACANCY & WEIGHTED AVERAGE ASKING RENT



### MARKET INDICATORS OVERALL Q3 2023

	Q3 2022	Q3 2023	12 Forecast month
Overall Vacancy	23.2%	19.61%	▼
Weighted Average Net Asking Rents (INR/sf/month)	118.8	121.2	▲
YTD Net Absorption (sf)	2,043,875	2,389,444	▲

## 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	11.7%	133,778	-	-	(24,034)	243.3	36.1	33.9
SBD - BKC	10,772,147	13.2%	960,898	420,055	51,301	340,980	265.9	38.8	36.4
Worli	2,143,486	19.3%	174,668	836,018	539,486	290,463	231.3	33.8	31.6
Lower Parel	12,169,730	42.3%	1,180,129	-	233,333	333,924	170.6	24.8	23.3
Andheri-Kurla	14,157,800	12.4%	985,855	4,674,000	-	269,729	123.6	18.0	16.9
Powai	6,856,286	11.4%	950,441	2,000,000	-	(139,109)	147.3	21.5	20.2
Malad/Goregaon	14,779,347	14.4%	1,587,113	2,700,000	-	(55,696)	111.8	16.3	15.3
Central Suburbs	12,056,532	21.0%	1,076,077	464,000	-	423,847	146.2	21.3	20.0
Vashi	1,645,068	11.3%	158,299	-	-	86,844	88.8	12.9	12.2
Thane-Belapur Road	23,053,681	25.6%	1,478,574	3,478,500	210,000	731,914	66.8	9.8	9.2
Thane	10,364,977	10.0%	309,190	2,133,346	-	130,582	71.6	10.4	9.8
<b>TOTAL</b>	<b>109,961,868</b>	<b>19.6%</b>	<b>8,995,022</b>	<b>16,705,869</b>	<b>1,034,120</b>	<b>2,389,444</b>	<b>121.2</b>	<b>17.7</b>	<b>16.6</b>

The report highlights Grade A details only. Certain indicators are historically corrected by the addition/deletion of older / refurbished projects as per grade A classification and accounting for changes in built-up/leasable areas 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, Jalinagar, Seawoods, and Dombivili; Thane- Thane, Kapurbawdi, Ghodbunder Road, and Wagle Estate

US\$ 1 = INR 82.21 € 1 = INR 87.68

Numbers for the second quarter are based on market information collected until 20<sup>th</sup> September 2023

## KEY LEASE TRANSACTIONS Q3 2023

PROPERTY	SUBMARKET	TENANT	SF	TYPE
One International Centre	Lower Parel	HDFC Bank	41,000	Fresh Lease
The Ruby Tower	Dadar W	IMCD	50,000	Fresh Lease
Kensington	Powai	TCS	174,000	Term Renewal
Nesco IT Park	Malad Goregaon	HSBC	177,000	Term Renewal

## SIGNIFICANT PROJECTS PLANNED AND UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION DATE
Oberoi Commerz 3	Malad – Goregaon	Morgan Stanley	1,800,000	Q2 2024
Centaurus	Thane	NA	2,000,000	Q1 2025
Waterstone Business Park	Andheri-Kurla	NA	1,250,000	Q4 2025

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