

# AHMEDABAD

Office Q1 2024

## Leasing volume witness considerable dip in Q1; GIFT city received good market traction

Ahmedabad recorded a gross leasing volume (GLV) close to 0.1 msf in Q1 2024, recording an 80% drop on quarterly basis and 60% drop from the same period last year. This large dip is attributed to limited availability of office supply that meets occupier requirements resulting in delayed closure of active demand in the market. The overall quarterly leasing activity was driven by IT-BPM segment (~70% share), followed by BFSI (~11% share). The dominance of IT-BPM in this quarter was majorly attributed to space take up by two prominent IT players in the GIFT City submarket. GIFT city submarket recorded the highest share in the quarterly demand (~68% share), followed by SBD (~20% share). The city recorded a net absorption of ~0.1 msf in Q1 2024, i.e. a drop on quarterly as well as annualised basis.

GIFT city is gaining good traction as healthy pipeline of supply from prominent city developers is visible, as also the recent announcement of plan to create social infrastructure in the next phase of GIFT city. Existing IT-BPM players in the GIFT city premise are looking to expand their footprint. Going ahead, the operationalization of Phase 2 metro by June is expected to strengthen the connectivity of GIFT to core parts of the city, and boost momentum along the entire transit corridor.

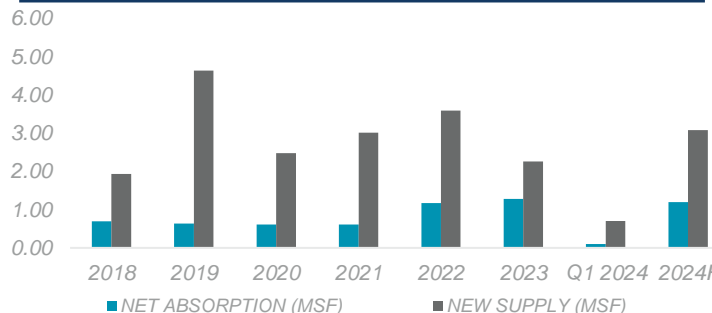
## New supply leads to nominal increase in vacancy levels

The city recorded grade-A stock addition of 0.71 msf during the first quarter across SBD (~62% share) and PBD (~32% share) submarkets. The city-level vacancy was recorded at 30.90%, a nominal rise of 74 bps on q-o-q basis, due to a slowdown in leasing activity amidst steady supply. The city-wide vacancy is expected to slightly increase considering the new supply pipeline of ~2.36 msf by the year end. A healthy supply of ~6.90 msf is lined up between Q2 2024 - 2026 end, with nearly 34% of it coming in GIFT city submarket, followed by ~30% in SBD submarket. In the coming years, new superior-grade supply from prominent developers is expected across the city submarkets which is expected to boost leasing momentum in the city.

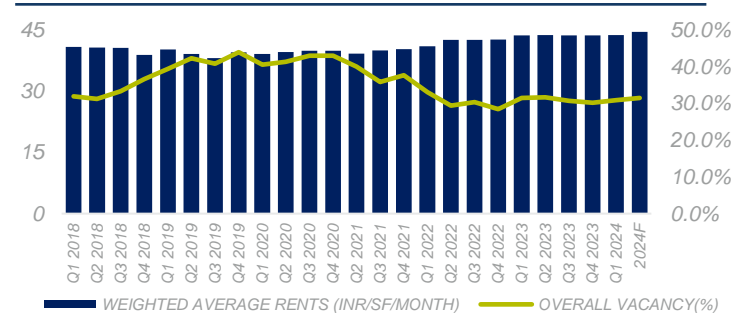
## City-wide rentals remain stable

Quoted rents have remained stable on quarterly and yearly basis. New supply addition has kept the rental ranges stable across the city. In the upcoming quarters, a strong supply pipeline and regaining momentum is likely to keep city rentals range bound. However, in case of select superior grade supply available in the market, quoted rentals are expected to increase.

## NET ABSORPTION & NEW SUPPLY



## OVERALL VACANCY & WEIGHTED AVERAGE ASKING RENT



## MARKET INDICATORS OVERALL Q1 2024

	Q1 2023	Q1 2024	12 month Forecast
Overall Vacancy	30.50 %	30.90%	▲
Weighted Average Net Asking Rents Overall (INR/sf/month)	43.65	43.71	▬
YTD Net Absorption (sf)	232,733	108,551	▲

## Office Q1 2024

## 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
SBD	16,714,607	29.85 %	18,946	2,030,931	440,133	34,290	44.03	6.37	5.86
CBD	3,197,603	33.55 %	11,261	1,307,959	-	11,261	44.80	6.49	5.97
GIFT City	3,284,456	12.16 %	63,000	2,330,241	-	63,000	50.51	7.31	6.73
<b>TOTAL#</b>	<b>26,426,685</b>	<b>30.90 %</b>	<b>93,207</b>	<b>6,902,461</b>	<b>715,848</b>	<b>108,551</b>	<b>43.71</b>	<b>6.33</b>	<b>5.82</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 2026

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

SBD: West of 132ft Ring road, spanning from Sarkhej-Okaf to South of Sola-Science City, includes micro-markets of SG Highway, Thaltej, Prahladnagar, Okaf, Iscon-Ambli Road and Sindhubhavan Road

PBD: includes micro markets of Science City, Adani Shantigram, Gota, Motera, Chandkheda, Mindspace IT-SEZ and Gandhinagar.

GIFT City: GIFT City and GIFT SEZ designated area

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

US\$ 1 = INR 82.90; € 1 = INR 90.10

Numbers for the first quarter are based on market information collected until 20<sup>th</sup> March 2024.

## KEY LEASE TRANSACTION Q1 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Fintech One	GIFT City	Prominent IT/ITeS Player	~ 50,000	Fresh Lease
Westgate	SBD	Apollo Tyres	~ 8,000	Fresh Lease
Iconic Shyamal	CBD	Prominent BFSI Player	~ 5,500	Fresh Lease

## SIGNIFICANT PROJECTS PLANNED AND UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION DATE
Anam 2	SBD	NA	~215,920	Q3 2024
Unicus Shyamal	CBD	NA	~290,900	Q3 2024
Savvy Pragya 2	GIFT City	NA	~300,000	Q2 2024
Shilp Business Gateway	PBD	NA	~178,420	Q4 2025

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