

4.78 msf GROSS LEASING (Q1 2024)

1.35 msf NEW COMPLETIONS (Q1 2024)

26.35 msf UPCOMING SUPPLY (Q2 2024 – 2026)

MARKET INDICATORS OVERALL Q1 2024

| | Q1 2023 | Q1 2024 | 12 Forecast month |
|--|---------|-----------|-------------------|
| Overall Vacancy | 20.4% | 17.2% | ▼ |
| Weighted Average Net Asking Rents (INR/sf/month) | 120.2 | 127.7 | ▲ |
| YTD Net Absorption (sf) | 723,725 | 2,469,912 | ▲ |

Strong leasing in Q1 driven by fresh demand in suburban markets

The first quarter of 2024 continued to witness a steady gross leasing volume (GLV) of 4.78 msf with a marginal 8% dip from the previous quarter but a 57% jump from the same period last year. In terms of the nature of deals, fresh leasing activity drove quarterly GLV with 49% share, followed by term renewals with a 43% share. Within sectors, the BFSI (28%), Professional Services (24%) and Engineering & Manufacturing (20%) drove GLV activity during the quarter. Submarkets of Thane Belapur Road (27%), Malad Goregaon (17%) and BKC (12%) witnessed higher concentration of quarterly GLV, with fresh space take up driving the suburban/peripheral submarkets and term renewals seen dominant in the prime submarkets.

In terms of net absorption, the Q1-24 recorded 2.47 msf, 10% rise over previous quarter and 2.4x jump from same period last year. This was majorly driven by a large pre-commitment deal going live this quarter in Malad Goregaon submarket, besides good fresh leasing activity seen across the city.

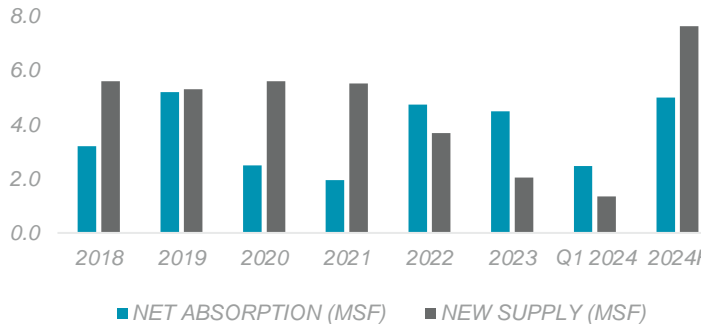
City vacancy falls sharply on the back of a major deal

The quarter also witnessed project completions of close to 1.35 msf, 30% higher than that seen in previous quarter. Close to about 7.6 msf of total supply is expected to be completed, largely concentrated (60% of annual supply) in suburban markets of Andheri Kurla and Malad Goregaon. The supply pipeline continues to remain healthy with close to 26.5 msf cumulative supply expected between Q2-2024 to 2026. Despite of new supply during the quarter, overall city level office vacancy witnessed a 122 bps drop to 17.23%, largely triggered by a sizeable pre-commitment deal going live in new supply and steady fresh demand in a supply constraint micro market. Despite of substantial supply in suburban submarkets in 2024, the overall city vacancy is expected to remain rangebound.

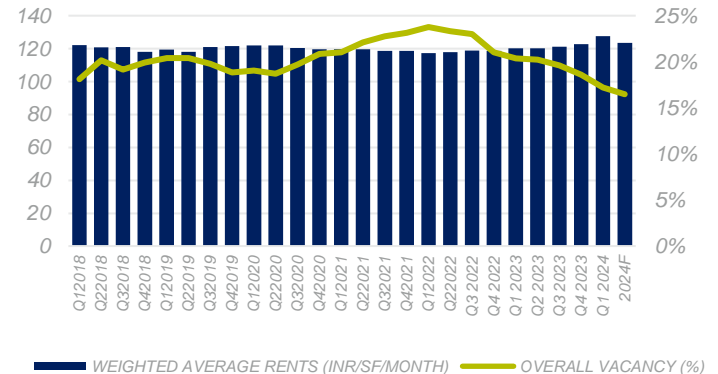
Infrastructure upgrade to potentially boost rents in select submarkets

City-wide market rentals have seen a slight uptick of 4.3% on q-o-q and 6% on y-o-y basis. Submarkets such as Powai, Malad Goregaon and Worli witnessed a strong annual growth of 11-12% given the steady leasing activity in superior-grade assets. With a healthy demand outlook and a drop in vacancy, the city rentals may improve across some key sub-markets. The commercial corridors in submarkets like Andheri Kurla, BKC and Western Suburbs is likely to witness rent uptick, receiving a boost from the soon-to-be-operational Metro Line 3 (Phase I) and also its integration with current operational Metro Lines of 1 and 7.

NET ABSORPTION & NEW SUPPLY



OVERALL VACANCY & WEIGHTED AVERAGE ASKING RENT



Office Q1 2024

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 | 9.3% | 29,009 | - | - | 5,865 | 243.3 | 35.2 | 32.4 |
| SBD - BKC | 10,922,147 | 11.6% | 574,986 | 4,183,228 | 150,000 | 161,313 | 278.4 | 40.3 | 37.1 |
| Worli | 2,169,504 | 24.2% | 215,141 | 1,360,000 | - | 57,695 | 244.3 | 35.4 | 32.5 |
| Lower Parel | 12,169,730 | 35.9% | 379,606 | 2,100,000 | - | 97,318 | 177.1 | 25.6 | 23.6 |
| Andheri-Kurla | 14,361,800 | 12.8% | 507,726 | 5,704,046 | - | 38,209 | 127.5 | 18.5 | 16.9 |
| Powai | 6,856,286 | 9.3% | 307,742 | 2,000,000 | - | 105,852 | 166.6 | 24.1 | 22.2 |
| Malad/Goregaon | 15,979,347 | 12.2% | 809,802 | 1,700,000 | 1,200,000 | 1,358,372 | 124.0 | 17.9 | 16.5 |
| Central Suburbs | 12,056,532 | 15.9% | 434,604 | 3,664,000 | - | 105,322 | 149.0 | 21.6 | 19.8 |
| Vashi | 1,645,068 | 11.2% | 42,180 | - | - | 1,600 | 88.8 | 12.8 | 11.8 |
| Thane-Belapur Road | 23,253,681 | 22.9% | 1,270,612 | 3,278,500 | - | 489,432 | 69.7 | 10.1 | 9.3 |
| Thane | 10,498,323 | 9.9% | 206,815 | 2,361,400 | - | 48,934 | 73.8 | 10.7 | 9.8 |
| TOTAL | 112,325,232 | 17.2% | 4,778,223 | 26,351,174 | 1,350,000 | 2,469,912 | 127.7 | 18.5 | 17.0 |

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 2026

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 82.90 € 1 = INR 90.10

Numbers for the first quarter are based on market information collected until 20th March 2024

KEY LEASE TRANSACTIONS Q1 2024

| PROPERTY | SUBMARKET | TENANT | SF | TYPE |
|-----------------------|------------------|-------------------|---------|----------------|
| Mindspace Juinagar | Thane Belapur Rd | ICICI Securities | 188,000 | Fresh |
| Oberoi Commerz 2 | Malad Goregaon | Fractal Analytics | 110,000 | Term Renewal |
| Raheja Cygnus Tower 1 | Powai | Tata Projects | 120,000 | Pre-commitment |
| The Square | Worli | Goldman Sachs | 130,000 | Pre-commitment |

SIGNIFICANT PROJECTS PLANNED AND UNDER CONSTRUCTION

| PROPERTY | SUBMARKET | MAJOR TENANT | SF | COMPLETION DATE |
|--------------------------|---------------|--------------|-----------|-----------------|
| Centaurus | Thane | NA | 2,000,000 | Q1 2025 |
| Waterstone Business Park | Andheri-Kurla | NA | 1,250,000 | Q4 2025 |
| Runwal RMI | Andheri-Kurla | NA | 1,100,000 | Q3 2024 |

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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