

**MARKET FUNDAMENTALS**

	YOY Chg	12-Month Forecast
<b>15.81%</b> Vacancy Rate	▼	—
<b>6.8</b> YTD Net Absorption (MSF)	▲	—
<b>INR 141.2</b> Stock Wtd. Rent (PSFPM)	▲	▲

**ECONOMIC INDICATORS**

	YOY Chg	12-Month Forecast
<b>6.70%</b> GDP Growth (Q1 FY25-25)	▼	▲
<b>3.65%</b> CPI Inflation	▼	▲
<b>59.6</b> Services PMI (3 months average)	▲	▲

Source: MOSPI, RBI, HSBC

**ROBUST FRESH LEASING DRIVES GLV HIGHER IN Q3**

In Q3 2024, Mumbai witnessed robust gross leasing volume (GLV) of 5.25 msf, a 10% rise from last quarter and a strong 55% rise on YoY basis. Fresh leases were the primary driver in Q3, constituting 63% of the quarterly leasing, followed by renewals (34%) and pre-commitments (2.81%). In terms of sectoral distribution, IT-BPM led the way with 23% of the quarterly leasing, followed by BFSI with 21% and professional services with 13% share. Submarkets that exhibited significant leasing activity include Malad-Goregaon (23% of Q3 GLV), Powai (20%), and Lower Parel (13%). For YTD 2023, the city recorded 14.8 msf of GLV, reflecting a 65% YoY growth, largely attributed to a 100% rise in fresh leasing, with notable contributions from submarkets of Thane Belapur Road, Malad-Goregaon, and Powai. In terms of net absorption, Q3-24 recorded 2.64 msf, a 54% rise QoQ and a 1.6X rise on YoY basis. YTD net absorption stood at 6.8 msf, a 2x rise YoY.

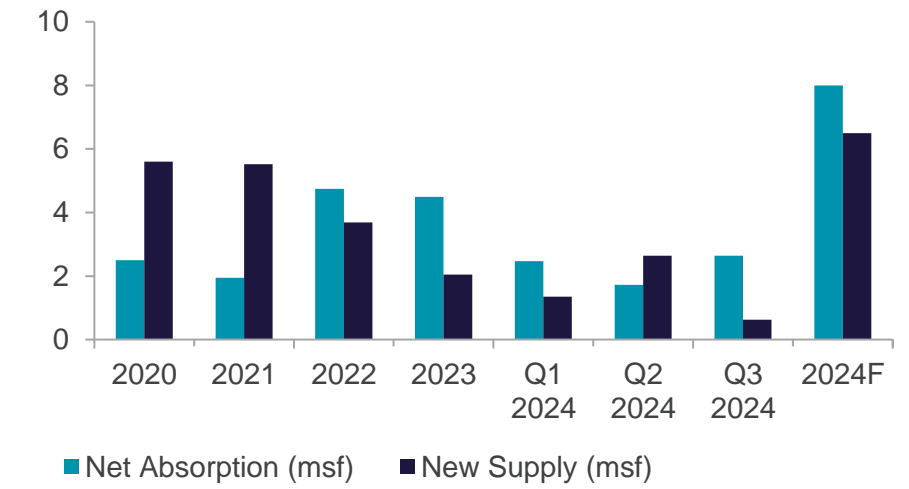
**VACANCY FALLS SHARPLY DESPITE REASONABLE NEW SUPPLY**

The quarter witnessed project completions of close to 0.62 msf, and ~4.6 msf over the 9-month period, which is higher than the annual supply seen in past 2 years. However, the inflated leasing volume seen this year led to vacancy falling by 180 bps to 15.8% in Q3. The supply pipeline looks healthy though, with close to 21 msf expected between Q4-2024 to 2026. The overall city vacancy is expected to remain rangebound given the steady growth in fresh demand.

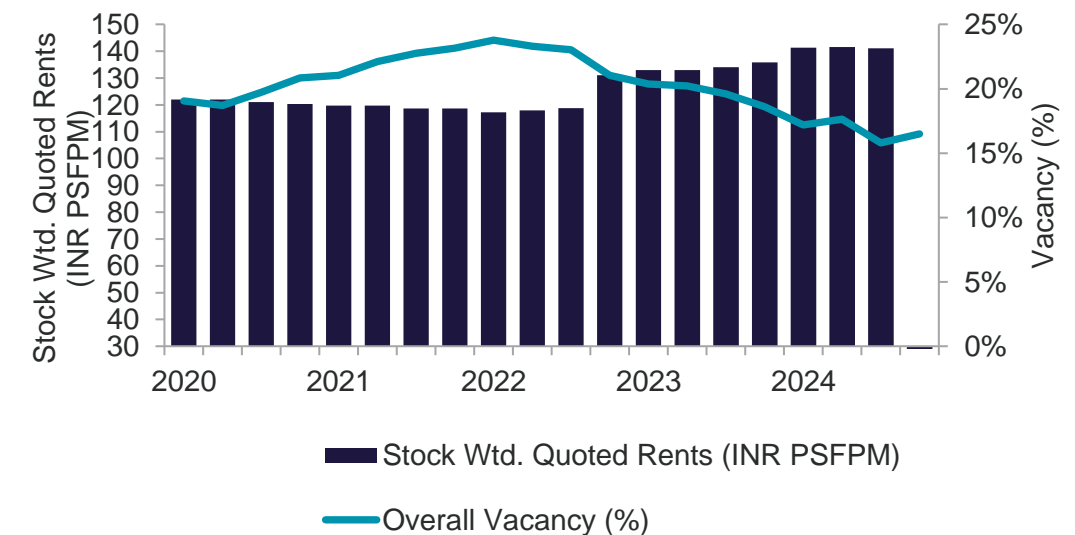
**CITY-WIDE RENTALS RISE OVER THE YEAR**

City-wide market rentals have risen by around 8-10% over the year. Submarkets such as Powai and Malad-Goregaon has witnessed a 10-13% rise in rentals since last year. With a positive demand outlook and decreasing vacancy rates, rental prices in key sub-markets across the city are likely to improve.

**NET ABSORPTION / NEW SUPPLY**



**OVERALL VACANCY & STOCK WTD. QUOTED RENT**



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANCY RATE	CURRENT QUARTER NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	PLANNED & UNDER CONSTRUCTION (SF)^	GRADE A STOCK WEIGHTED AVERAGE RENT (INR/SF/M)
CBD	1,962,814	6.5%	25,160	61,129	128,449	-	-	₹ 231.6
SBD –BKC	10,922,147	8.1%	93,370	547,278	1,444,611	150,000	1,377,661	₹ 290.7
Worli	3,119,504	24.5%	259,671	426,442	528,047	500,000	1,000,000	₹ 209.5
Lower Parel	12,169,730	31.6%	469,227	633,450	1,429,586	-	1,100,000	₹ 191.9
Andheri-Kurla	15,071,800	13.3%	281,506	581,762	1,061,577	710,000	4,310,000	₹ 134.5
Powai	7,656,286	17.4%	114,568	213,738	1,815,784	800,000	1,200,000	₹ 153.6
Malad/Goregaon	16,779,347	10.5%	850,596	2,358,806	2,663,289	2,000,000	900,000	₹ 140.1
Vashi	1,645,068	10.1%	61,117	19,470	124,749	-	-	₹ 89.1
Thane-Belapur Rd.	23,253,681	19.0%	253,095	1,376,712	600,234	-	3,278,500	₹ 65.3
Thane	10,498,323	8.9%	86,832	154,372	2,901,167	-	2,361,400	₹ 74.0
Central Suburbs	12,520,532	16.2%	143,318	452,261	1,494,136	464,000	5,500,000	₹ 136.0
<b>TOTAL</b>	<b>115,599,232</b>	<b>15.8%</b>	<b>2,638,460</b>	<b>6,825,420</b>	<b>14,808,145</b>	<b>4,624,000</b>	<b>21,027,561</b>	<b>₹141.2</b>

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. Net absorption refers to the incremental new space take-up. YTD gross leasing activity includes pre commitments and term renewals. ^Includes planned & under construction projects until 2026. \*Weighted average asking rental rates for vacant spaces that provide core facility, high-side air conditioning and 100% power back upKey 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 = 83.7 INR € 1 = 92.1 INR

Numbers for the third quarter are based on market information collected until 20<sup>th</sup> September 2024

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Kensington ( 1 & 2)	Powai	TCS	707,318	Renewal
Oberoi Commerz 3 Phase II	Malad – Goregaon	IDFC First Bank Limited	274,880	Fresh
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R Square (Runwal RMI)	Andheri – Kurla	Table Space	146,784	Pre-Commitment
Nesco IT Park	Malad – Goregaon	Wework	139,283	Renewal

KEY CONSTRUCTION COMPLETIONS YTD 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Oberoi Commerz 3 Phase II	Malad – Goregaon	IDFC First Bank	2,000,000	Oberoi construction
Cignis (Renaissance Commercial Tower)- Phase 1	Powai	TATA Projects	800,000	K. Raheja Corp

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