

**MARKET FUNDAMENTALS**

	YOY Chg	Outlook
<b>9.4%</b> Vacancy Rate	▼	▲
<b>14.2</b> Full-Year Net Absorption (MSF)	▲	▼
<b>INR 94.0</b> Stock Wtd. Rent (PSFPM)	▲	▬

**ECONOMIC INDICATORS**

	YOY Chg	Outlook
<b>5.40%</b> GDP Growth Q2 FY24-25	▼	▲
<b>5.48%</b> CPI Inflation	▼	▼
<b>58.2</b> Services PMI (3 months average)	▼	▲

Source: MOSPI, RBI, HSBC

**NET ABSORPTION AT A RECORD HIGH IN 2024**

Bengaluru recorded net absorption of around 4 msf in Q4, down marginally by 1% on a quarterly basis. However, the full year volume stood at a record high of 14.2 msf, largely driven by healthy fresh leasing and commencement of buildings with high pre-commitments. The Q4-24 gross leasing volumes (GLV) stood at 6.7 msf, marginally lower the high volume seen in previous quarter. For the full year, GLV stood at nearly 26 msf, thereby beating the previous record high volume by ~39% seen in 2022.

Fresh leasing accounted for well over 70% of both the quarterly and full year GLV. Engineering & manufacturing (47%), IT-BPM (25%) and flex (19%) sectors dominated quarterly leasing activity and were the top 3 sectors during Q4 and the full year. GCCs contributed over 45% of both quarterly and full year leasing volumes in the city. The Outer Ring Road (ORR) submarket contributed a third of Q4 GLV, followed by Peripheral East (30%) and Suburban East (25%). For the full year, ORR remained the dominant submarket with a 44% share in GLV, followed by the Peripheral East (20%).

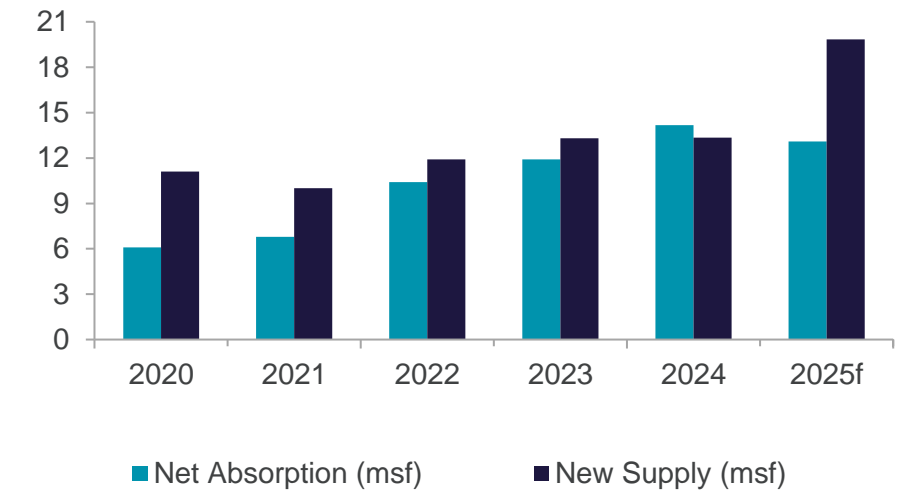
**SUPPLY SURGE IN Q4; TAKES 2024 SUPPLY TO RECORD HIGH**

Bengaluru recorded new grade-A supply of 3.6 msf in Q4 while the full year supply stood at 13.3 msf. The city witnessed second consecutive year of record high supply. The supply pipeline is likely to remain strong as ~20 msf is estimated to enter the market in 2025. Owing to strong demand, headline vacancy rate dropped to 9.4% as of Q4, a decline of 30 bps on a qoq basis.

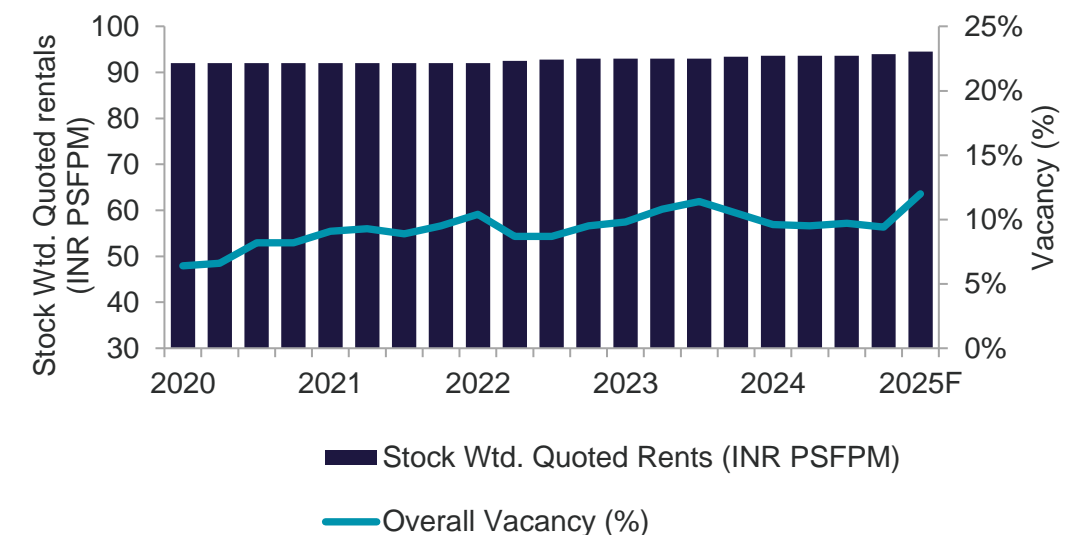
**HEADLINE OFFICE RENTALS REMAIN STABLE IN Q4**

Headline office rentals remained largely stable on a quarterly basis and is likely to remain range-bound in the near term due to the expected strong supply influx. However, rentals are likely to remain elevated across Grade A properties in prime micro markets on the back of healthy demand and tight vacancies.

**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/Off CBD	8,090,906	3.0%	150,000	362,557	1,481,175	427,584	681,000	₹ 162.1
Outer Ring Road	88,295,685	5.6%	870,005	4,685,617	11,473,149	3,286,394	19,602,250	₹ 103.7
Peripheral East	42,191,992	15.5%	1,769,513	3,118,920	5,087,970	2,670,278	11,655,115	₹ 70.5
Peripheral North	14,655,290	22.9%	168,163	3,087,355	2,503,490	3,806,997	7,778,747	₹ 74.6
Peripheral South	12,802,885	11.3%	45,901	800,116	1,191,141	475,475	3,068,518	₹ 68.6
Suburban East	22,846,292	3.0%	820,893	1,542,000	2,908,557	1,477,000	1,250,185	₹ 135.4
Suburban North West	2,848,000	47.9%	136,821	331,143	344,931	1,200,000	2,561,825	₹ 125.0
Suburban South	9,249,337	3.2%		250,000	943,471		4,045,607	₹ 90.3
<b>BENGALURU TOTALS</b>	<b>200,980,387</b>	<b>9.4%</b>	<b>3,961,296</b>	<b>14,177,708</b>	<b>25,933,884</b>	<b>13,343,728</b>	<b>50,643,247</b>	<b>₹94.00</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 2027. \* Stock weighted average asking rental rates for spaces that provide core facility, high-side air conditioning and 100% power back up

**Key to submarkets:**

CBD/Off-CBD – M.G. Road, Millers Road, Vittal Mallya Road, Residency Road, etc.; Peripheral South – Electronic City, Hosur Road, Mysore Road; Outer Ring Road – Sarjapur, KR Puram, Hebbal; Suburban East – Indira Nagar, Old Airport Road, C.V. Raman Nagar; Peripheral East – Whitefield; Suburban South – Koramangala, Bannerghatta Road, Jayanagar; Peripheral North – Bellary Road, Thanisandra Road, Tumkur Road; Suburban Northwest – Rajaji Nagar, Malleshwaram.

US\$ 1 = 84.4 INR € 1 = 90.1 INR

Numbers for the fourth quarter are based on market information collected until 20th December 2024

**KEY LEASE TRANSACTIONS Q4 2024**

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Capitaland ITPB MTB-6	Peripheral East	Applied Materials	806,000	Precommitment
Embassy Golf Links Business Park	Suburban East	IBM	796,000	Term Renewal
Titanium Tech Park Block 1	Peripheral East	Airbus	650,000	Fresh Lease
Bagmane Cosmos – Ariel	Suburban East	Texas Instruments	550,000	Fresh Lease
Brookfield Ecoworld Block 32	Outer Ring Road	Chevron	311,920	Fresh Lease

**KEY CONSTRUCTION COMPLETIONS Q4 2024**

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Brigade Twin Tower	Suburban North West	NA	1,200,000	Brigade Group
Titanium Tech Park Block 1	Peripheral East	Airbus	650,000	Goyal & Co

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