

**MARKET FUNDAMENTALS**

	YOY Chg	Outlook
<b>10.18%</b> Vacancy Rate	▼	▲
<b>4.99</b> Full-Year Net Absorption (MSF)	▼	▲
<b>INR 89.5</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

**LEASING RECORDS NOTABLE FALL IN THE FOURTH QUARTER**

As of Q4, Pune recorded gross leasing volume (GLV) of 1.7 msf, a notable 36% drop QoQ, mainly on account of lower quantum of renewals. Fresh leasing of around 1.3 msf was recorded in Q4 2024, a fall of over 30% QoQ and YoY. SBD East was the most active market, accounting for 61% of quarterly leasing, followed by SBD West with 20% share. Amongst occupier segments, BFSI led with a 37% share, followed by the IT-BPM sector that accounted for a 26% share in Q4 2024.

In 2024, Pune recorded 8.47 msf of GLV, a 13% fall from last year. This was largely on account of absence of large sized transactions in 2024 compared to 2023. SBD East was the leading submarket for leasing volume in 2024, followed by SBD West and PBD West, with shares of 61%, 20%, and 13%, respectively. In terms of sectors, Engineering & Manufacturing emerged at the top with ~26% share in leasing, followed closely by IT-BPM at 24%. On a quarterly basis, the net absorption has increased by ~ 11% in Q4 2024 and fell by 9.6% YoY. The net absorption stood at 5.0 msf in 2024, a 11% drop from the previous year mainly due to slowdown in demand from IT-BPM sector.

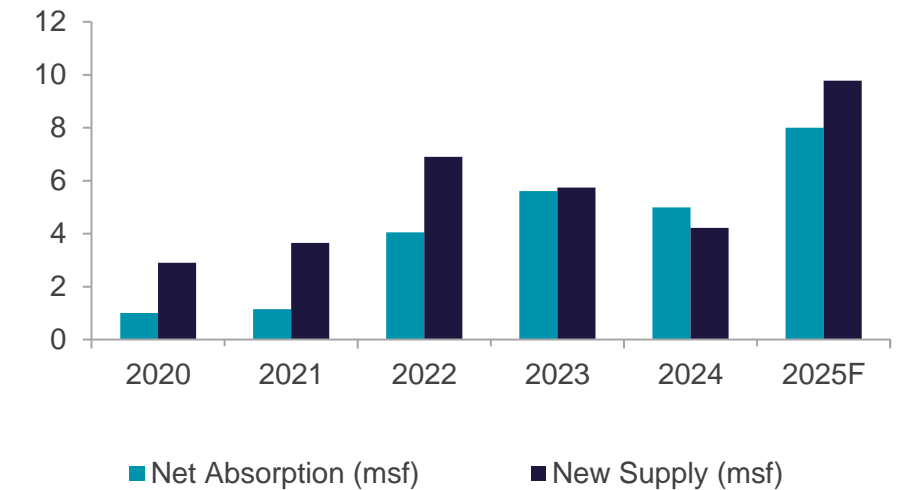
**VACANCY INCHES UP IN Q4, HEALTHY SUPPLY SEEN IN 2025**

The city recorded a slight rise of ~20 bps in the vacancy rates on account of influx of 2.1 msf supply in Q4 2024. The supply in Q4 was the highest amongst the supply recorded in 2024 that summed-up the total new supply to 4.2 msf in 2024. For the entire year of 2025, supply of 9.78 msf is expected which is almost 50% of the total supply of expected between 2025-2027. The majority of which is concentrated in SBD East (45%), followed by CBD (32%), both these submarkets has current vacancy rates under 10%.

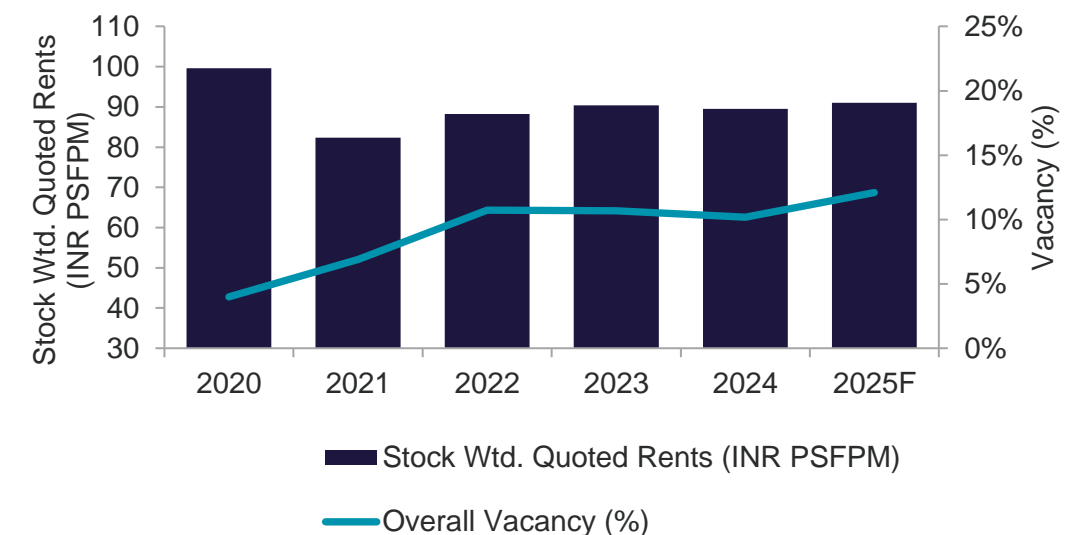
**CITY-WIDE RENTALS REMAIN UNCHANGED**

Headline rents remained unchanged in Q4 2024, largely due to the substantial influx of new office space during the quarter. Over the next 12 months, a significant office space is expected to be completed. This increase in supply may moderate rental growth.

**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	46,49,600	0.22%	26,225	53,037	5,00,978		3970000	₹ 110.42
SBD East	3,96,33,136	9.55%	6,08,986	27,26,123	51,26,030	3,616,000	1,10,92,598	₹ 100.71
SBD West	1,02,59,858	5.68%	6,07,504	10,75,882	16,84,981	600,000	21,00,000	₹ 86.93
PBD East	28,66,209	35.64%	24241	41,241	16,597	0	0	₹ 73.05
PBD West	1,64,04,139	12.91%	4,48,777	10,97,557	11,39,683		3582000	₹ 63.60
<b>TOTAL</b>	<b>7,38,12,942</b>	<b>10.18%</b>	<b>17,15,733</b>	<b>49,93,840</b>	<b>84,68,269</b>	<b>4,216,000</b>	<b>2,07,44,598</b>	<b>₹ 89.50</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: Laxmi Road, Camp, Bund Garden, Boat Club, Koregaon Park, Dhole Patil Road, Pune Station, Shivaji Nagar, FC Road, JM Road, Wakdewadi, SB Road, Model Colony, Ganeshkhind Road; SBD East: Kalyani Nagar, Kharadi, Mundhwa, Yerwada, Nagar Road, Viman Nagar, Hadapsar, Kondhwa; SBD West: Aundh, Baner, Pashan, Kothrud, Karve Nagar, Khadki, Paud Road; PBD East: Phursungi, Wagholi, Charoli, Solapur Road, Saswad Road, Katraj; PBD West: Hinjewadi, Wakad, Pimpri, Bhosari, Chinchwad, Bavdhan, Mulshi, Talawade, Tathawade, Nanded, Pimple Saudagar

US\$ 1 = 84.4 INR € 1 = 90.1 INR

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

**KEY LEASE TRANSACTIONS Q4 2024**

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Park City	SBD East	Mastercard	200,111	Fresh
Business Bay	SBD East	Deutsche Bank	199,505	Fresh
ITPP Block 2	SBD East	JP Morgan	112,000	Fresh
ABIL Boulevard	CBD	Tablespace	100,000	Fresh
Eon Free Zone	SBD East	CA India Technologies	108,505	Renewal

**KEY CONSTRUCTION COMPLETIONS 2024**

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
ITPP Block 2	SBD East	JP Morgan	1,500,000	Capitaland
Prestige Alphatech	SBD East	BNY Mellon	966,000	Prestige Group
Gera Commerzone B1	SBD East	AXA	700,000	K Raheja Corp

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