

# MARKETBEATS

**78.5%**  
Increase in Leasing  
(QoQ)

**7.8 (times)**  
Increase in New  
Completions (QoQ)

**1.5 msf**  
Upcoming Supply  
(Q3 2018)

BE  
WHAT'S  
NEXT

## HIGHLIGHTS

### Leasing gains traction

Net absorption increased by 6% from the previous quarter to 440,000 sf, led by heightened leasing in Andheri-Kurla Road. Andheri-Kurla Road constituted nearly 62% of the absorption and was primarily driven by co-working in a newly added commercial space. While leasing witnessed a strong momentum, multiplying 1.8 times on a sequential basis, net absorption increased at a relatively slower pace indicating significant churn in the form of relocation and consolidation by occupiers mainly in Central suburbs (Vikhroli, Kanjurmarg) and Powai submarkets.

### Coworking at the forefront

Coworking players remained active in the second quarter, constituting nearly 60% of Grade A leasing. In addition to foreign operators, domestic players are also expanding their presence, with SBD, Andheri-Kurla Road, Malad/Goregaon and Thane being the preferred submarkets. Strong occupier demand from corporates, freelancers and start-ups remain aid the buoyancy in leasing of co-working space.

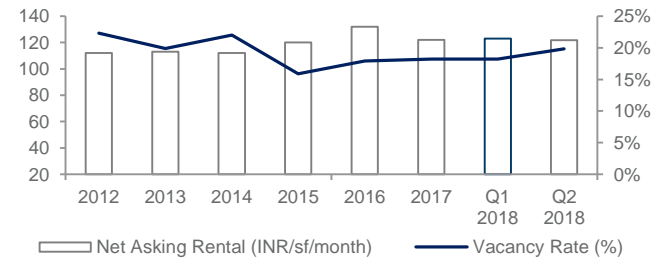
### Rentals to strengthen in select submarkets

Increased consolidation, mainly in Information Technology-Business Process Management (IT-BPM), consulting, and media will drive future leasing. Nearly 50% of the upcoming supply of nearly 4.5 msf during 2018 will be in Thane-Belapur Road. Further, new supply in SBD and Lower Parel is likely to be limited, with majority being pre-committed. Thus, rentals are likely to firm up in these submarkets.

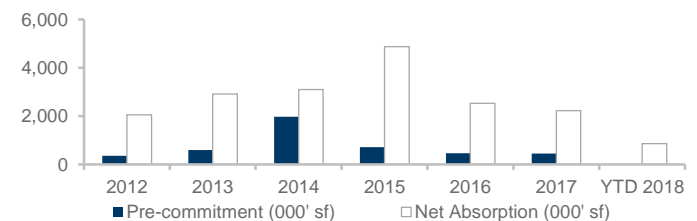
### MARKET INDICATORS OVERALL

	Q2 2017	Q2 2018	12 month Forecast
Overall Vacancy	17.6%	19.9%	▲
Weighted Average Net Asking CBD Rental (INR/sf/month)	224.8	228.2	■
YTD Net Absorption (sf)	992,500	854,500	▲

### GRADE A OVERALL RENT & VACANCY RATE



### GRADE A PRE COMMITMENT AND NET ABSORPTION



Somy Thomas

Managing Director  
Valuation & Advisory Services  
Tel: +91 80 40465512  
Somy.thomas@ap.cushwake.com

SUBMARKET	INVENTORY (SF)	VACANCY RATE	YTD LEASING ACTIVITY (SF)	PLANNED & UNDER CONSTRUCTION (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	YTD NET ABSORPTION (SF)	GRADE A EFFECTIVE RENT		
							INR/SF/MO	US\$/SF/YR	EUR/SF/YR
CBD	1,962,800	9.4%	9,900	0	0	(3,300)	228.2	US\$40.3	€34.7
SBD	8,174,700	14.3%	90,700	2,346,000	0	58,600	270.1	US\$47.7	€41.1
Worli	1,469,000	20.0%	34,900	0	0	34,900	223.0	US\$39.4	€33.9
Lower Parel	7,542,500	9.9%	25,300	622,000	0	19,300	174.2	US\$30.7	€26.5
Andheri-Kurla	12,763,700	24.4%	411,700	360,500	1,083,000	341,400	120.3	US\$21.2	€18.3
Powai	6,127,600	8.6%	81,800	198,000	0	(87,700)	117.3	US\$20.7	€17.9
Malad/Goregaon	10,851,800	19.9%	98,000	2,600,000	0	98,000	102.0	US\$18.0	€15.5
Vashi	1,619,500	6.6%	13,100	0	0	0	83.7	US\$14.8	€12.7
Thane-Belapur Road	16,604,100	23.8%	230,000	6,380,800	400,000	209,000	50.7	US\$8.9	€7.7
Thane	5,236,000	19.1%	95,000	550,000	100,000	95,000	57.9	US\$10.2	€8.8
<b>TOTAL#</b>	<b>82,708,300</b>	<b>19.9%</b>	<b>1,354,500</b>	<b>13,057,300</b>	<b>2,553,000</b>	<b>854,500</b>	<b>121.9</b>	<b>US\$21.5</b>	<b>€18.5</b>

The report highlights Grade A details only

Net absorption refers to the incremental new space take-up; renewals not included in leasing activity statistics

\*Weighted average asking rental rates for vacant spaces that provide core facility, high-side air conditioning and 100% power back up

# Total figures contain submarkets not mentioned above

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 includes Lower Parel, Parel and Dadar

US\$ 1 = INR 68.0; € 1 = INR 78.9

Numbers for the second quarter are based on market information collected until 10<sup>th</sup> June 2018

## KEY LEASING TRANSACTIONS Q2 2018

PROPERTY	SUBMARKET	TENANT	SF	LEASE TYPE
K Raheja Platinum	Andheri-Kurla	WeWork	250,000	Expansion
Hiranandani Xenia	Thane	WeWork	90,000	Expansion
Prudential House	Powai	GPRO	65,750	Relocation
R City Commercial	Central Suburbs	Roche	20,000	New lease

## SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION DATE
Adani Inspire	SBD	NA	380,000	Q3 2018
Mindspace - Juinagar	Thane-Belapur Road	NA	350,000	Q3 2018
LOMA IT Park	Thane-Belapur Road	NA	1,240,000	Q4 2018

DATA INTO ACTION

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