

MARKETBEATS

15.5%

Increase in Leasing
(QoQ)

0.1 msf

New Completions
(Q3 2018)

3.2 msf

Upcoming Supply
(Q4 2018)

WHAT'S NEXT

HIGHLIGHTS

Leasing continues its healthy streak

Net absorption was 513,400 sf, showing strong momentum to record an increase of 17% QoQ. The Thane-Belapur Road submarket had a 53% share of the net absorption recorded during the quarter. The SBD and Andheri-Kurla Road were also active contributors during the quarter. While gross leasing witnessed a strong momentum of around 1 msf, net absorption was recorded at a lower 0.5 msf, indicating significant churn in the form of relocation and consolidation by occupiers mainly in Thane, Powai and Lower Parel submarkets.

BFSI and IT-BPM led the pack

BFSI players were active in the third quarter, constituting about 40% of Grade A leasing activity, followed by IT-BPM. BFSI gained prominence after a hiatus and this industry segment was seen to be largely active in the submarkets of Andheri-Kurla Road, Lower Parel and Thane-Belapur Road. Interestingly, select large transactions (> 50,000 sf, Kotak Mahindra Bank, Home Credit to name a few) were witnessed in Thane-Belapur Road, Thane and Malad/ Goregaon.

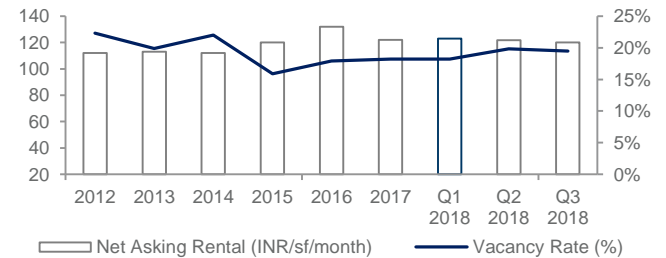
Supply Crunch to impact select submarkets

Leasing is expected to see a strong momentum, growing at an annual rate of 5-6% on the back of consistent demand from IT-BPM, co-working and consulting sectors. Deferment of regulatory approvals for new construction may lead to limited availability of large office spaces in SBD. Hence, the dearth of fresh supply amidst strong demand is likely to firm up rentals by 2-4% in SBD and Andheri-Kurla Road by the end of 2018.

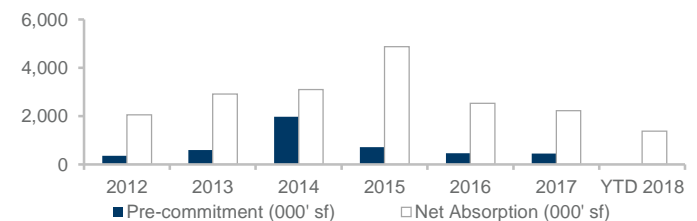
MARKET INDICATORS OVERALL

	Q3 2017	Q3 2018	12 month Forecast
Overall Vacancy	18.2%	19.5%	▲
Weighted Average Net Asking CBD Rental (INR/sf/month)	223.3	223.3	■
YTD Net Absorption (sf)	1,706,400	1,367,900	▲

GRADE A OVERALL RENT & VACANCY RATE



GRADE A PRE COMMITMENT AND NET ABSORPTION



Rohan Sharma

Director
Research Services
Tel: +91 124 4695555
Rohan.sharma1@cushwake.com

SUBMARKET	INVENTORY (SF)	VACANCY RATE	YTD GROSS LEASING ACTIVITY# (SF)	PLANNED & UNDER CONSTRUCTION (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	YTD NET ABSORPTION (SF)	GRADE A EFFECTIVE RENT		
							INR/SF/MO	US\$/SF/MO	EUR/SF/MO
CBD	1,962,800	9.4%	9,900	0	0	(3,300)	223.3	US\$37.8	€32.4
SBD	8,174,700	12.7%	261,800	2,346,000	0	229,700	270.2	US\$44.7	€38.4
Worli	1,469,000	21.0%	67,900	0	0	67,900	220.8	US\$36.5	€31.4
Lower Parel	7,542,500	9.5%	136,500	2,437,000	0	49,500	173.9	US\$28.8	€24.7
Andheri-Kurla	12,763,700	23.3%	581,900	1,060,500	1,083,000	487,500	119.8	US\$19.8	€17.0
Powai	6,127,600	9.1%	122,400	198,000	0	(74,400)	118.1	US\$19.5	€16.8
Malad/Goregaon	10,851,800	19.1%	197,000	2,600,000	0	187,500	100.5	US\$16.6	€14.3
Vashi	1,619,500	10.1%	13,100	0	0	(57,100)	80.7	US\$13.4	€11.5
Thane-Belapur Road	16,694,100	22.6%	500,200	6,290,800	490,000	479,200	50.4	US\$8.3	€7.2
Thane	5,236,000	23.3%	167,000	850,000	100,000	(122,000)	60.6	US\$10.0	€8.6
TOTAL#	82,798,300	19.5%	2,356,700	16,582,300	2,643,000	1,367,900	120.2	US\$21.5	€17.1

The report highlights Grade A details only

#YTD gross leasing activity includes pre commitments

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 72.5; € 1 = INR 84.4

Numbers for the second quarter are based on market information collected until 10th September 2018

DATA
INTO
ACTION

A Cushman & Wakefield
Research Publication

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value by putting ideas into action for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with 48,000 employees in approximately 400 offices and 70 countries. In 2017, the firm had revenue of \$6.9 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

www.cushmanwakefield.com

Copyright © 2018 Cushman & Wakefield. All rights reserved. The informa

KEY LEASING TRANSACTIONS Q3 2018

PROPERTY	SUBMARKET	TENANT	SF	LEASE TYPE
Empire Tower	Thane-Belapur Road	Home Credit	150,000	Relocation
Neptune Element	Thane	Kotak Mahindra Bank	72,000	Expansion
Wall street - A Wing	Andheri-Kurla	Edelweiss	46,000	Expansion
Godrej BKC	SBD	Puma Energy (Trafigura Group)	44,000	New lease

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION DATE
Adani Inspire	SBD	NA	380,000	Q4 2018
Mindspace - Juinagar	Thane-Belapur Road	NA	350,000	Q4 2018
Mindspace 15	Thane-Belapur Road	NA	1,360,000	Q2 2019