

MARKETBEATS



26.8%

Increase in Leasing (QoQ)

64.5%

Share of Gurugram in Leasing activity (Q4 2018)

11.0 msf

Avg. annual supply (2019 - 21)

WHAT'S NEXT

HIGHLIGHTS

Strong Q4 finish for NCR office market

Delhi NCR saw a busy Q4 with 26.8% QoQ growth in gross leasing, backed by large transactions & pre-leasing which crossed 1 msf during the quarter. IT-BPM led office demand with a 28% share of leasing in Q4, followed by manufacturing sector at 19%. Flex space occupiers had a 11% share during Q4 while leasing in the segment noted an almost three-fold increase during 2018 to 1.2 msf. Gurugram remains the most active market, contributing 71% to annual leasing activity. Net absorption noted a 15% YoY increase with the Golf Course Ext Road accounting for nearly 25%, showcasing its emergence on the back of space take-up in quality completions.

New supply addition at steady pace

With 1.5 msf of completions in Q4 in Noida & Gurugram, annual space addition was 4.3 msf for 2018. Strong leasing activity saw overall vacancy decline by 50 bps QoQ to 24.7%. While SEZ space in Cyber City breached the INR 100 per sf pm mark, SEZs saw rental growth of around 6-8% YoY in most active project, driven by limited space availability amidst sustained demand momentum even as developers push completions to meet the sunset clause timelines.

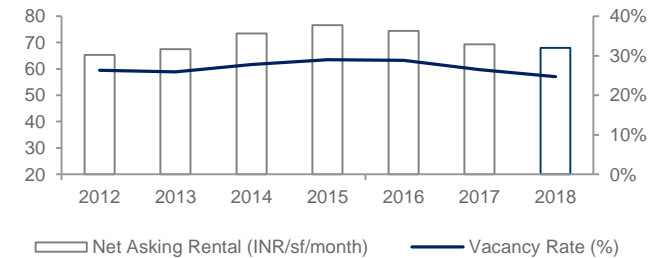
Strong supply pipeline in key markets

Average annual supply pipeline is around 11 msf, headlined by Golf Course Ext Road and Noida Expressway. We expect demand to remain strong from the flex space segment even as IT-BPM, captive centres, consulting and manufacturing sectors are expected to drive the momentum in the market.

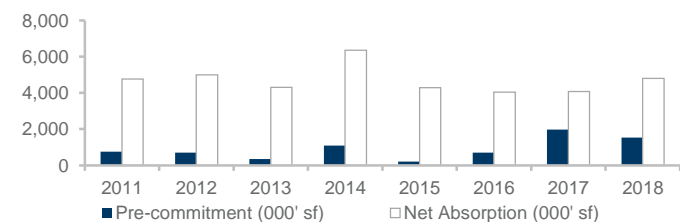
MARKET INDICATORS OVERALL

	Q4 2017	Q4 2018	12 month Forecast
Overall Vacancy	26.5%	24.7%	▲
Weighted Average Net Asking Rental (INR/sf/month)	69.34	68.04	■
YTD Net Absorption (sf)	4,072,500	4,792,500	▲

GRADE A OVERALL RENT & VACANCY RATE



GRADE A PRE COMMITMENT AND NET ABSORPTION



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SUBMARKET	INVENTORY (SF)	VACANCY RATE	YTD LEASING ACTIVITY (SF)	PLANNED & UNDER CONSTRUCTION ^A (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	YTD NET ABSORPTION (SF)	GRADE A WTD. AVG. RENT*		
							INR/SF/MO	US\$/SF/YR	EUR/SF/YR
Delhi CBD	1,373,700	9.2%	81,700	253,900	0	43,300	330.25	\$56.21	€49.35
South-East Delhi	7,608,200	14.5%	181,700	0	0	132,100	184.61	\$31.42	€27.59
Delhi International Airport	1,438,800	12.6%	363,300	0	252,600	113,200	225.00	\$38.30	€33.62
Gurugram CBD	15,935,700	2.9%	1,938,300	3,534,300	108,200	(31,600)	122.31	\$20.82	€18.28
Gurugram Others	53,167,400	32.4%	4,610,400	16,163,100	1,910,000	3,188,400	64.91	\$11.05	€9.70
Noida	24,757,200	27.0%	2,065,600	13,239,600	2,034,800	1,347,100	55.36	\$9.42	€8.27
TOTAL	104,281,000	24.7%	9,241,000	33,190,900	4,305,600	4,792,500	68.04	\$11.58	€10.17

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*

^AIncludes planned & under construction projects until 2021

IT-BPM – Information Technology – Business Process Management

Key to submarkets:

Delhi CBD – Connaught Place

South-East Delhi – Saket, Jasola, Nehru Place, Munirka, Okhla

Gurugram CBD – Cyber City, MG Road

Gurugram Others – rest of the city (excludes Manesar)

Noida – excludes Greater Noida

US\$ 1 = INR 70.5; € 1 = INR 80.3

KEY LEASING TRANSACTIONS Q4 2018

PROPERTY	SUBMARKET	TENANT	SF	LEASE TYPE
Ambience Corporate Tower II	Gurugram Others	Deloitte Shared Services	240,000	Relocation
Vipul Tech Square	Gurugram Others	Zomato	99,000	Relocation
Logix Cyber Park	Noida	Indiqube	80,000	New lease
DLF Building 10C	Gurugram CBD	CoWrks	65,000	Expansion
Bharti Worldmark	Delhi International Airport	DCM Shriram	45,000	Relocation

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION DATE
Landmark Cyber Park	Gurugram Others		500,000	Q1 2019
NSL Techzone	Noida	-	560,500	Q1 2019
Bharti Worldmark	Gurugram Others		485,135	Q2 2019
DLF Cyber Park	Gurugram CBD	BACI, Gartner, Expedia	2,518,900	Q4 2019

DATA
INTO
ACTION

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