Quarterly Report

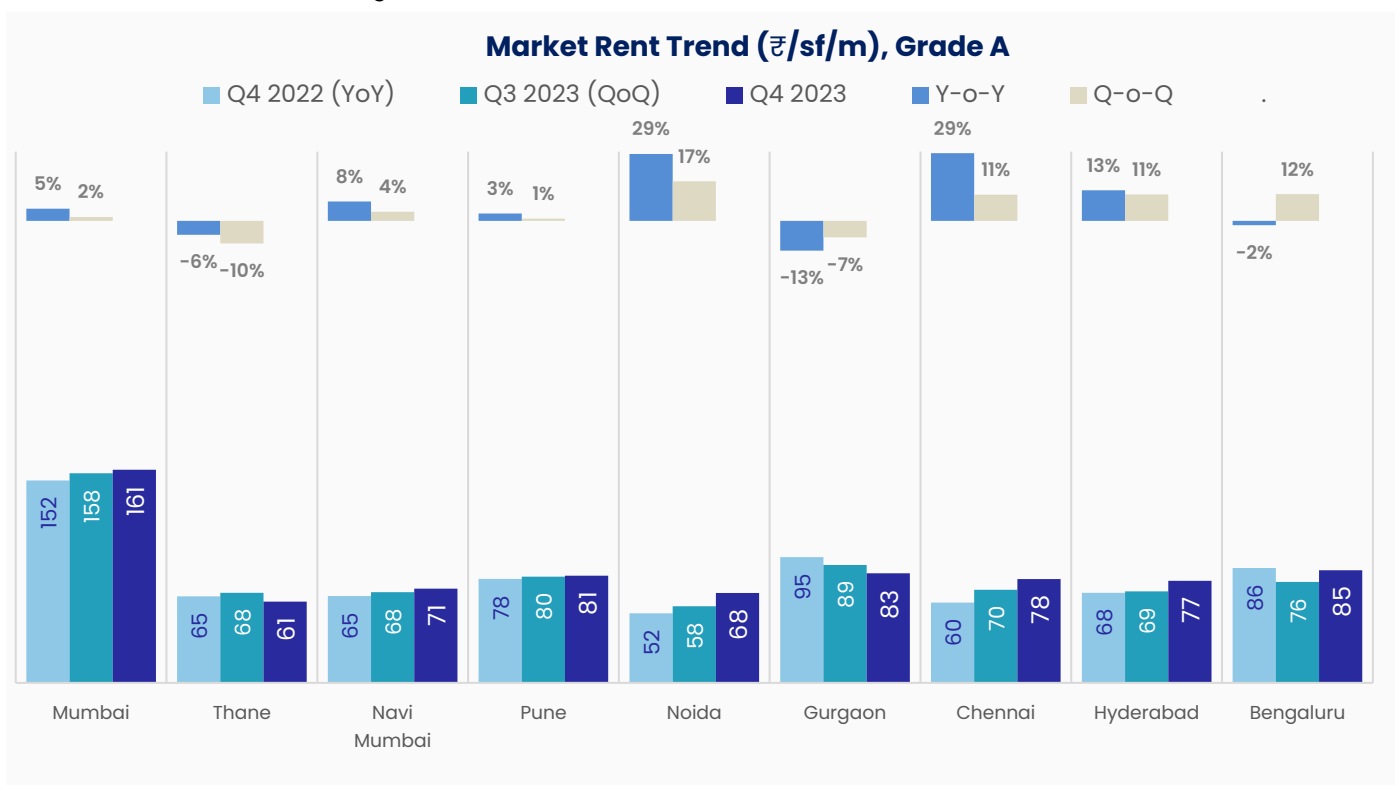**India Office | Q4 CY'23**

MARCH 2024

CY'23 ended with India's Grade A/A+ office segment witnessing **62 msf** of demand. On an average, the post-COVID period of 2022-2023 saw an average demand of **66 msf** in Grade A/A+ office spaces. As compared to pre-COVID era, this was **21% higher** than the office demand India witnessed in 2018-2019. Driven by IT & BFSI sectors, we believe this turnaround and a considerable upward shift in demand is attributable to two factors –

1) Global companies realizing India's cost and talent advantage
2) Massive local digital push through Startups and SMEs

As a consequence of above, India's co-working segment is making massive strides, contributing around 10% to office demand. Also, CY'23 witnessed a peak in long-term commitments as the Weighted Average Lease Term (WALT) grew by 7% to **62** months vs CY'19.

On a Y-o-Y basis, while Pan-India office demand declined by 12% in CY'23, Pune, and Chennai were the only two cities witnessing growth in demand at 25% and 14% respectively, vs CY'22. This was driven primarily by BFSI sectors' demand in these cities where large pre-commitments were observed. At a quarterly level, the most prominent highlight of Q4 CY'23 was the rise in market rentals. Pan-India Grade A/A+ rentals witnessed a 14.5% increase in Q4 CY'23 vs same quarter last year. Noida, Chennai, and Hyderabad have contributed maximum to this growth in rentals.

For CY'24, we believe stronger confidence in India's growth story is likely to translate into long-term occupier commitments and a push in development pipeline of developers. We continue to remain bullish on newer cities and newer formats to drive the segment further.

Market Rent Trend (₹/sf/m), Grade A

■ Q4 2022 (YoY)   ■ Q3 2023 (QoQ)   ■ Q4 2023   ■ Y-o-Y   ■ Q-o-Q   .

City	Q4 2022	Q3 2023	Q4 2023	Y-o-Y	Q-o-Q
Mumbai	152	158	161	5%	2%
Thane	65	68	61	-6%	-10%
Navi Mumbai	65	68	71	8%	4%
Pune	78	80	81	3%	1%
Noida	52	58	68	29%	17%
Gurgaon	95	89	83	-13%	-7%
Chennai	60	70	78	29%	11%
Hyderabad	68	69	77	13%	11%
Bengaluru	86	76	85	-2%	12%

Pan India

Grade A Fundamentals

CY'23 Demand (msf)	**62.2**
CY'23 Supply (msf)	**57.5**
Current Stock(msf)	**820.8**
Vacancy	**17.8%**
Under-Construction Stock (msf) (till Q4'26)	**238**
Current Passing Rent * (₹/sqft/month)	**₹ 85.3**
Current Market Rent ^ (₹/sqft/month)	**₹ 97.1**
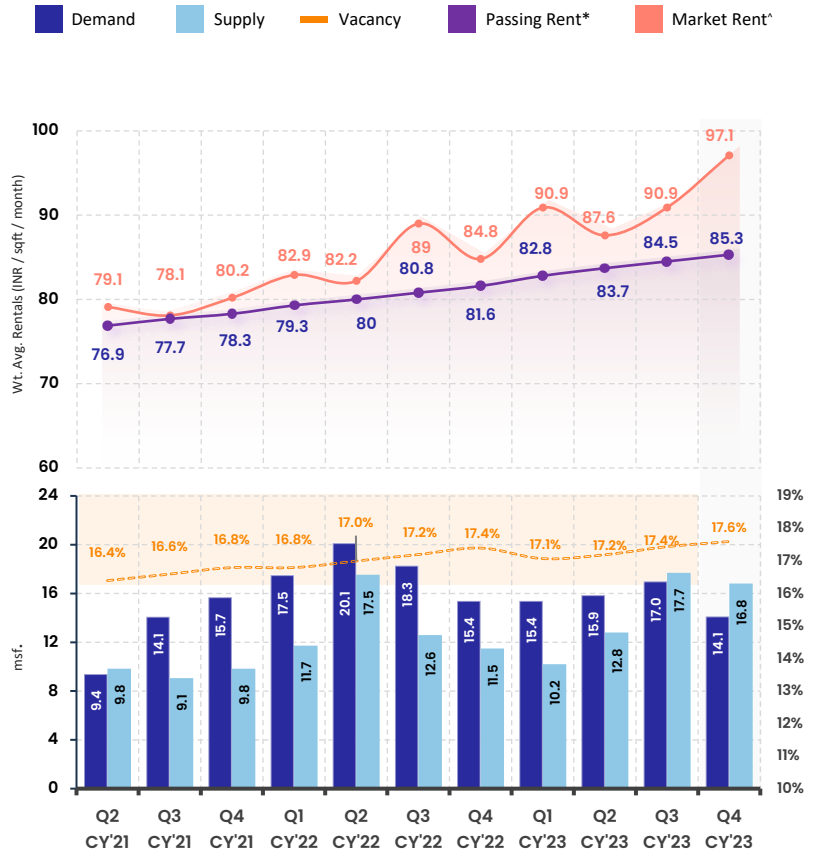
City-wise Highlights

Bengaluru & MMR
Contributed

49% TO Q4 CY'23 DEMAND

Bengaluru & Hyderabad
Contributed

49% TO Q4 CY'23 SUPPLY

Market Trends

Legend: Demand | Supply | Vacancy | Passing Rent* | Market Rent^

Wt. Avg. Rentals (INR / sqft / month)

Market Rent^: 79.1, 78.1, 80.2, 82.9, 82.2, 89, 84.8, 90.9, 87.6, 90.9, 97.1

Passing Rent*: 76.9, 77.7, 78.3, 79.3, 80, 80.8, 81.6, 82.8, 83.7, 84.5, 85.3

Vacancy: 16.4%, 16.6%, 16.8%, 16.8%, 17.0%, 17.2%, 17.4%, 17.1%, 17.2%, 17.4%, 17.6%

msf.

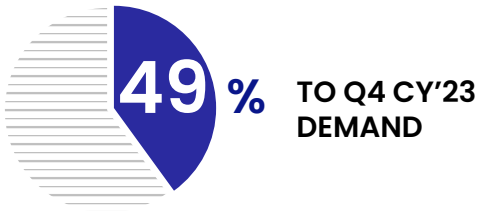|	Q2 CY'21	Q3 CY'21	Q4 CY'21	Q1 CY'22	Q2 CY'22	Q3 CY'22	Q4 CY'22	Q1 CY'23	Q2 CY'23	Q3 CY'23	Q4 CY'23
Demand	9.4	14.1	15.7	17.5	20.1	18.3	15.4	15.4	15.9	17.0	14.1
Supply	9.8	9.1	9.8	11.7	17.5	12.6	11.5	10.2	12.8	17.7	16.8

Note
* Passing Rent = Wt. Avg. rent paid by all active tenants as of that date in the region
^ Market Rent = Wt. Avg. rent paid by tenants for all leases signed in that quarter

Demand

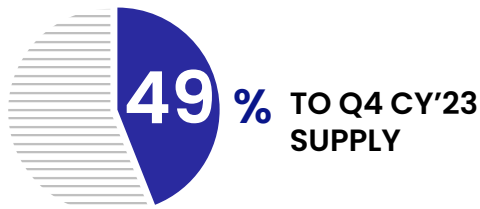| NCR	MMR	Hyderabad	Pune	Chennai	Bengaluru
14%	10%	26%	11%	15%	23%

Supply

NCR	MMR	Hyderabad	Pune	Chennai	Bengaluru
12%	19%	15%	13%	11%	30%

Legend: ■ NCR | ■ MMR | ■ Hyderabad | ■ Pune | ■ Chennai | ■ Bengaluru

Contribution to Office Demand in Q4 CY'23

IT/ITeS **26%**   BFSI **17%**   Co-working **9%**

Bengaluru

Grade A Fundamentals

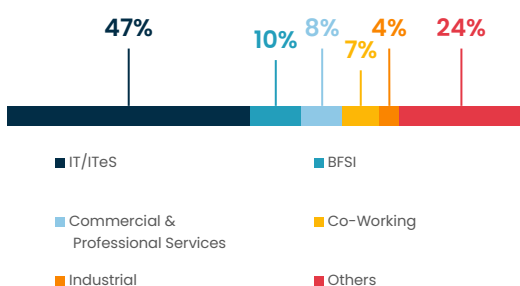|	
CY'23 Demand (msf)	**16.1**
CY'23 Supply (msf)	**14.4**
Current Stock(msf)	**220.3**
Vacancy	**10%**
Under-Construction Stock (msf) (till Q4'26)	**55.5**
Current Passing Rent * (₹/sqft/month)	**₹ 80.4**
Current Market Rent ^ (₹/sqft/month)	**₹ 74.0**

Q4 CY'23 Passing Rent
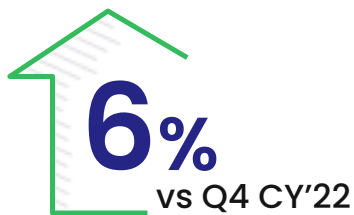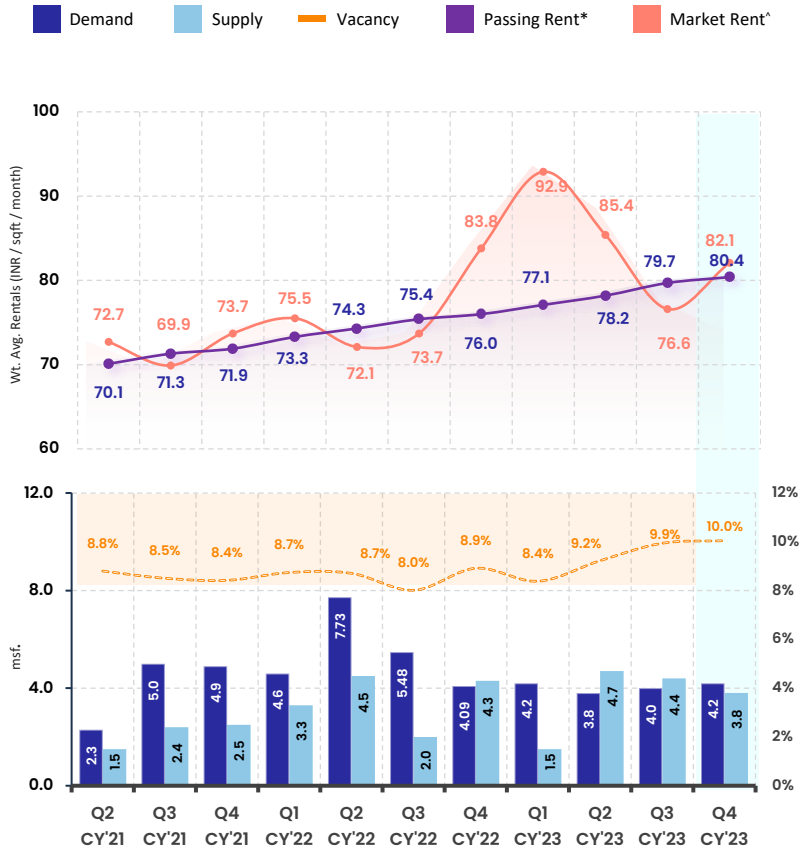
6%
vs Q4 CY'22

Demand CY'23

11%
vs Supply CY'23

Sector Occupancy

47% **10%** **8%** **7%** **4%** **24%**

- ■ IT/ITeS
- ■ BFSI
- ■ Commercial & Professional Services
- ■ Co-Working
- ■ Industrial
- ■ Others

Market Trends

Legend: ■ Demand ■ Supply — Vacancy ■ Passing Rent* ■ Market Rent^

Wt. Avg. Rentals (INR / sqft / month) and msf. time series from Q2 CY'21 to Q4 CY'23

Market Rent^: 72.7, 69.9, 73.7, 75.5, 74.3, 72.1, 73.7, 83.8, 92.9, 85.4, 76.6, 82.1

Passing Rent*: 70.1, 71.3, 71.9, 73.3, 74.3, 75.4, 76.0, 77.1, 78.2, 79.7, 80.4

Vacancy: 8.8%, 8.5%, 8.4%, 8.7%, 8.7%, 8.0%, 8.9%, 8.4%, 9.2%, 9.9%, 10.0%

Demand (msf): 2.3, 5.0, 4.9, 4.6, 7.73, 5.48, 4.09, 4.2, 3.8, 4.0, 4.2

Supply (msf): 1.5, 2.4, 2.5, 3.3, 4.5, 2.0, 4.3, 1.5, 4.7, 4.4, 3.8

Quarters: Q2 CY'21, Q3 CY'21, Q4 CY'21, Q1 CY'22, Q2 CY'22, Q3 CY'22, Q4 CY'22, Q1 CY'23, Q2 CY'23, Q3 CY'23, Q4 CY'23

Note

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^ Market Rent = Wt. Avg. rent paid by tenants for all leases signed in that quarter

Major Office Transactions

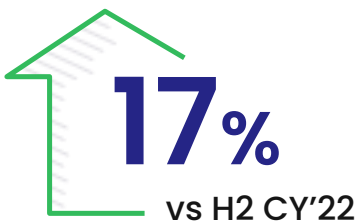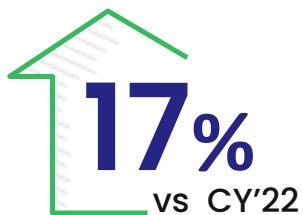|	
LTI Mindtree, L&T Tech Park **635,608 sqft**	₹65
Genpact, Prestige Tech Park IV **181,831 sqft**	₹80
IDFC, Fortius Origin **149,517 sqft**	₹135
Texas Instruments, DivyaSree NR Enclave **1,12,094 sqft**	₹50

Delhi-NCR

Grade A Fundamentals

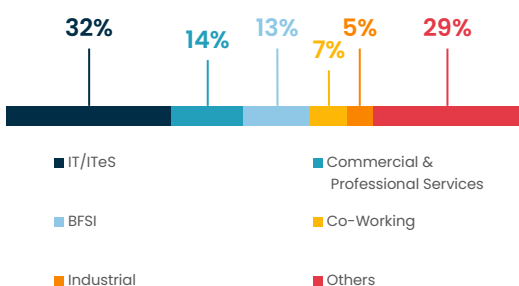|	
CY'23 Demand (msf)	**9.8**
CY'23 Supply (msf)	**10.1**
Current Stock (msf)	**164.7**
Vacancy	**24.4%**
Under-Construction Stock (msf) (till Q4'26)	**49.3**
Current Passing Rent * (₹/sqft/month)	**₹ 87.4**
Current Market Rent ^ (₹/sqft/month)	**₹ 82.8**

H2 CY'23 Supply

↑ **17%** vs H2 CY'22

Supply Growth CY'23
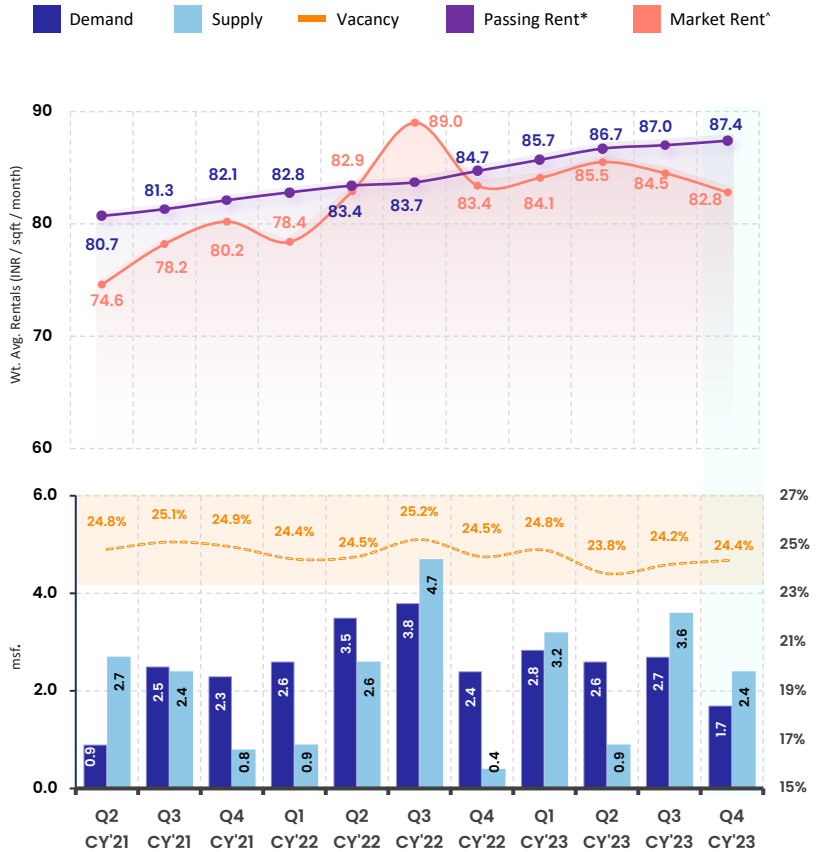
↑ **17%** vs CY'22

Sector Occupancy

- 32% ■ IT/ITeS
- 14% ■ Commercial & Professional Services
- 13% ■ BFSI
- 7% ■ Co-Working
- 5% ■ Industrial
- 29% ■ Others

Market Trends

Legend: ■ Demand ■ Supply — Vacancy — Passing Rent* — Market Rent^

Wt. Avg. Rentals (INR / sqft / month)

Passing Rent*: 80.7, 81.3, 82.1, 82.8, 83.4, 83.7, 84.7, 85.7, 85.5, 87.0, 87.4

Market Rent^: 74.6, 78.2, 80.2, 78.4, 82.9, 89.0, 83.4, 84.1, 84.5, 82.8

Vacancy: 24.8%, 25.1%, 24.9%, 24.4%, 24.5%, 25.2%, 24.5%, 24.8%, 23.8%, 24.2%, 24.4%

	Q2 CY'21	Q3 CY'21	Q4 CY'21	Q1 CY'22	Q2 CY'22	Q3 CY'22	Q4 CY'22	Q1 CY'23	Q2 CY'23	Q3 CY'23	Q4 CY'23
Demand	0.9	2.5	2.3	2.6	3.5	3.8	2.4	2.8	2.6	2.7	1.7
Supply	2.7	2.4	0.8	0.9	2.6	4.7	0.4	3.2	0.9	3.6	2.4

Note

* Passing Rent = Wt. Avg. rent paid by all active tenants as of that date in the region

^ Market Rent = Wt. Avg. rent paid by tenants for all leases signed in that quarter

Major Office Transactions

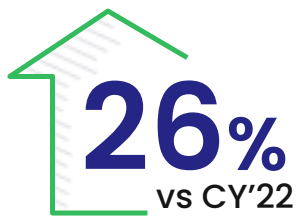|	
NDTV, Max Square **127,864sqft**	₹73
Smartworks, DLF Cyber City - Building No. 4 **100,000 sqft**	₹141
Synq Managed Spaces, SAS Tower **81,727 sqft**	₹79
Blackrock Services, DLF Cyber City - Building No. 14 **68,551 sqft**	₹98

MMR

Grade A Fundamentals

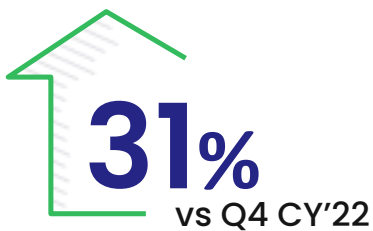|	
CY'23 Demand (msf)	**10.1**
CY'23 Supply (msf)	**3.5**
Current Stock(msf)	**141.5**
Vacancy	**18%**
Under-Construction Stock (msf) (till Q4'26)	**26.1**
Current Passing Rent * (₹/sqft/month)	**₹ 128.1**
Current Market Rent ^ (₹/sqft/month)	**₹ 136.1**

CY'23 Supply
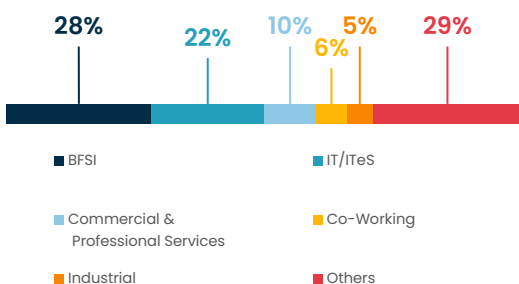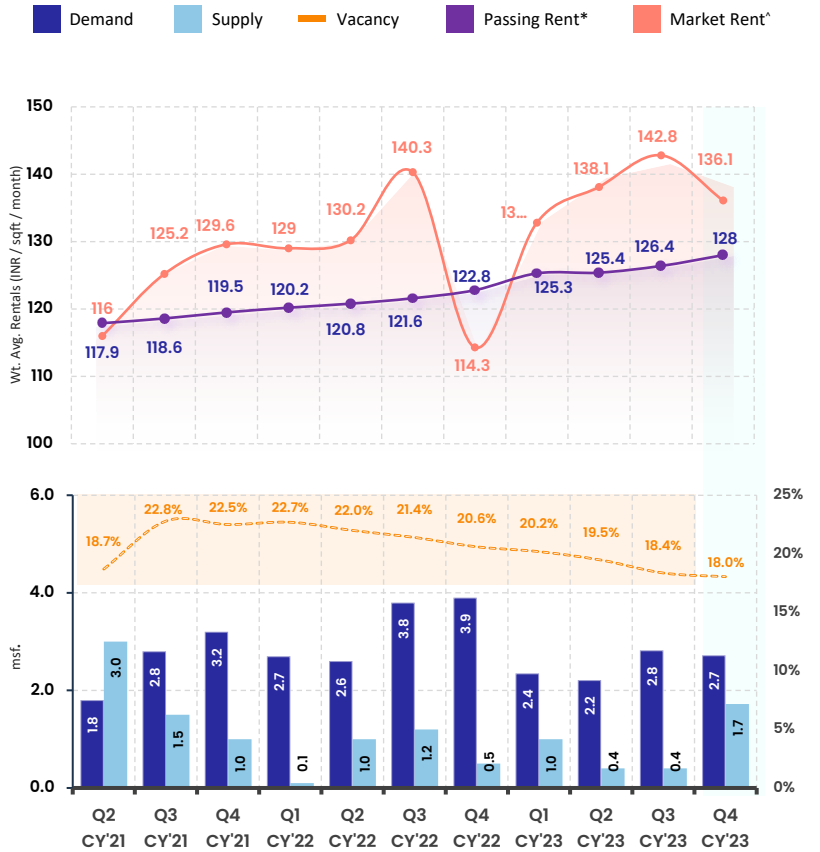
26%
vs CY'22

Demand CY'23

2.8x
vs Supply CY'23

Sector Occupancy

- 28% ■ BFSI
- 22% ■ IT/ITeS
- 10% ■ Commercial & Professional Services
- 6% ■ Co-Working
- 5% ■ Industrial
- 29% ■ Others

Market Trends

Legend: ■ Demand ■ Supply — Vacancy ■ Passing Rent* ■ Market Rent^

Market Rent values: 116, 125.2, 129.6, 129, 130.2, 140.3, 114.3, 13..., 138.1, 142.8, 136.1

Passing Rent values: 117.9, 118.6, 119.5, 120.2, 120.8, 121.6, 122.8, 125.3, 125.4, 126.4, 128

Vacancy: 18.7%, 22.8%, 22.5%, 22.7%, 22.0%, 21.4%, 20.6%, 20.2%, 19.5%, 18.4%, 18.0%

Demand: 1.8, 2.8, 3.2, 2.7, 2.6, 3.8, 3.9, 2.4, 2.2, 2.8, 2.7
Supply: 3.0, 1.5, 1.0, 0.1, 1.0, 1.2, 0.5, 1.0, 0.4, 0.4, 1.7

Quarters: Q2 CY'21, Q3 CY'21, Q4 CY'21, Q1 CY'22, Q2 CY'22, Q3 CY'22, Q4 CY'22, Q1 CY'23, Q2 CY'23, Q3 CY'23, Q4 CY'23

Note
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^ Market Rent = Wt. Avg. rent paid by tenants for all leases signed in that quarter

Major Office Transactions

Viacom18 Media, One International Center (Indiabulls Finance Centre) **409,816 sqft**	**₹170**
SMFG India, Embassy 247 Park **159,441 sqft**	**₹88**
IDFC, Gigaplex (Airoli W) **92,977 sqft**	**₹60**
L&T Infotech, Kensington **72,207 sqft**	**₹130**

Hyderabad

Grade A Fundamentals

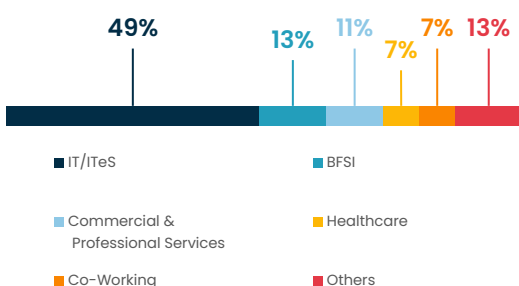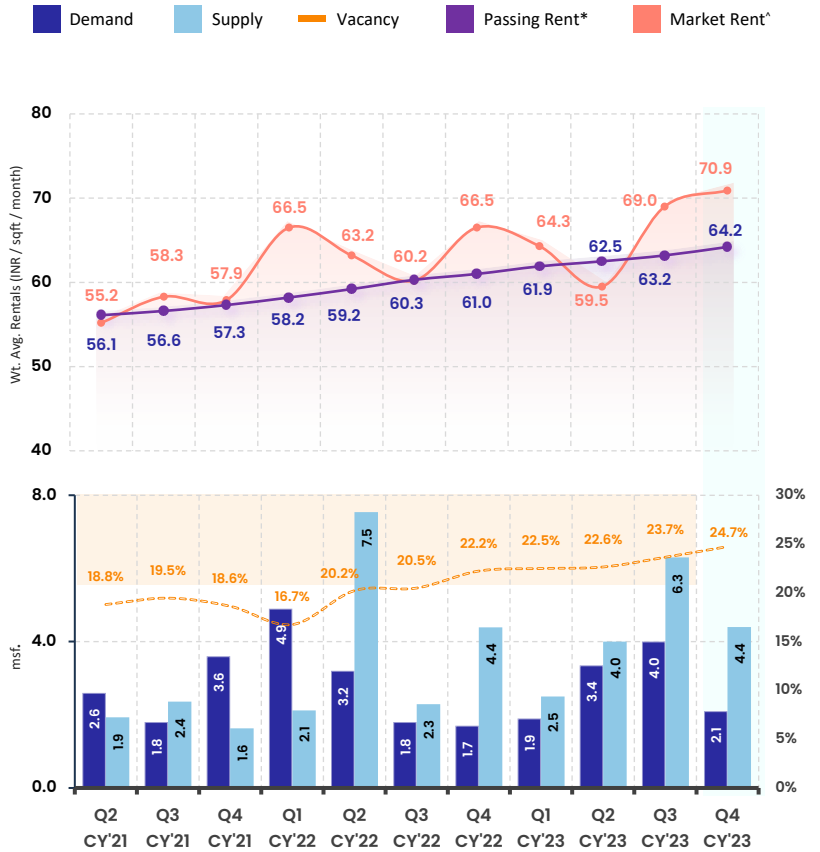|	
CY'23 Demand (msf)	11.4
CY'23 Supply (msf)	17.2
Current Stock (msf)	135.3
Vacancy	24.7%
Under-Construction Stock (msf) (till Q4'26)	74.0
Current Passing Rent * (₹/sqft/month)	₹ 64.2
Current Market Rent ^ (₹/sqft/month)	₹ 70.9

Q4 CY'23 Demand

31% vs Q4 CY'22

Passing Rent CY'23

5% Growth vs CY'22

Sector Occupancy

- 49% IT/ITeS
- 13% BFSI
- 11% Commercial & Professional Services
- 7% Healthcare
- 7% Co-Working
- 13% Others

Market Trends

Legend: Demand | Supply | Vacancy | Passing Rent* | Market Rent^

Market Rent values: 55.2, 58.3, 57.9, 66.5, 63.2, 60.2, 66.5, 64.3, 59.5, 69.0, 70.9

Passing Rent values: 56.1, 56.6, 57.3, 58.2, 59.2, 60.3, 61.0, 61.9, 62.5, 63.2, 64.2

Vacancy: 18.8%, 19.5%, 18.6%, 16.7%, 20.2%, 20.5%, 22.2%, 22.5%, 22.6%, 23.7%, 24.7%

Demand: 2.6, 1.8, 3.6, 4.9, 3.2, 1.8, 1.7, 1.9, 3.4, 4.0, 2.1

Supply: 1.9, 2.4, 1.6, 2.1, 7.5, 2.3, 4.4, 2.5, 4.0, 6.3, 4.4

X-axis: Q2 CY'21, Q3 CY'21, Q4 CY'21, Q1 CY'22, Q2 CY'22, Q3 CY'22, Q4 CY'22, Q1 CY'23, Q2 CY'23, Q3 CY'23, Q4 CY'23

Y-axis (left, top): Wt. Avg. Rentals (INR / sqft / month)
Y-axis (left, bottom): msf.

Note

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^ Market Rent = Wt. Avg. rent paid by tenants for all leases signed in that quarter

Major Office Transactions

WeWork, RMZ Spire **154,389 sqft**	₹76
Mphasis, Avance Business Hub **144,855 sqft**	₹66
Alstom, GAR Laxmi Infobahn (Tower 6) **140,071 sqft**	₹46
Sandoz, Salarpuria Knowledge Park **139,321 sqft**	₹75

Pune

Grade A Fundamentals

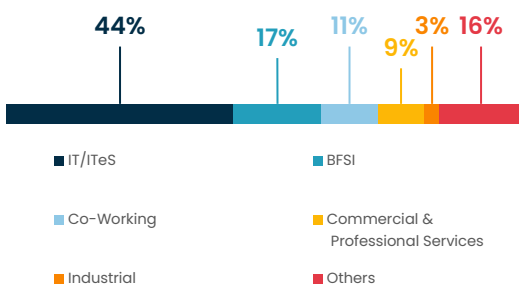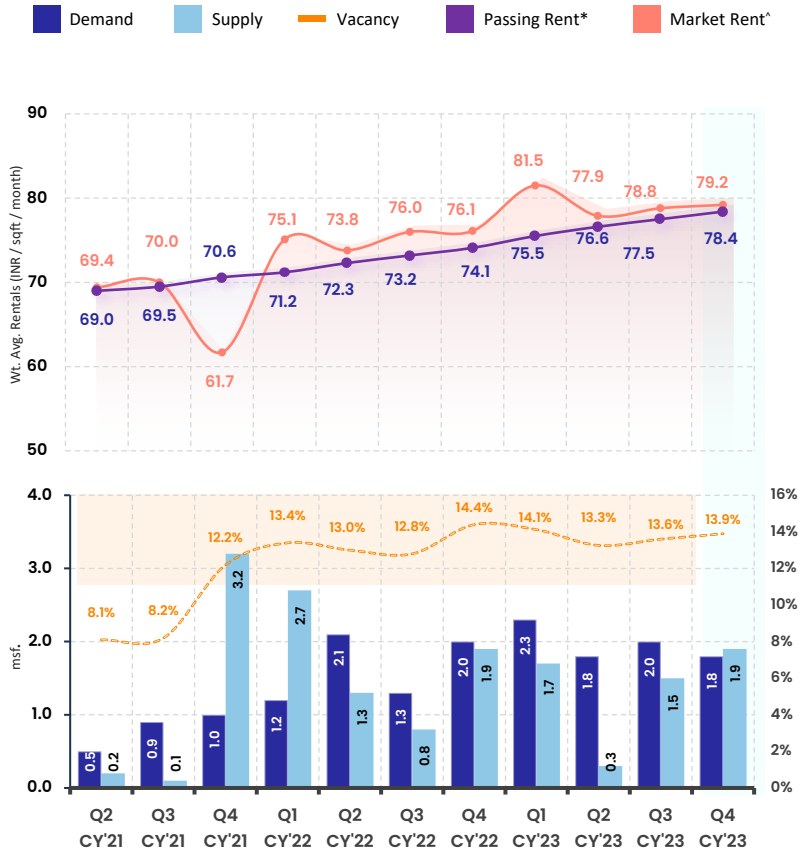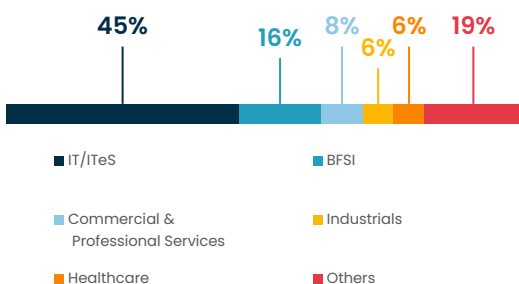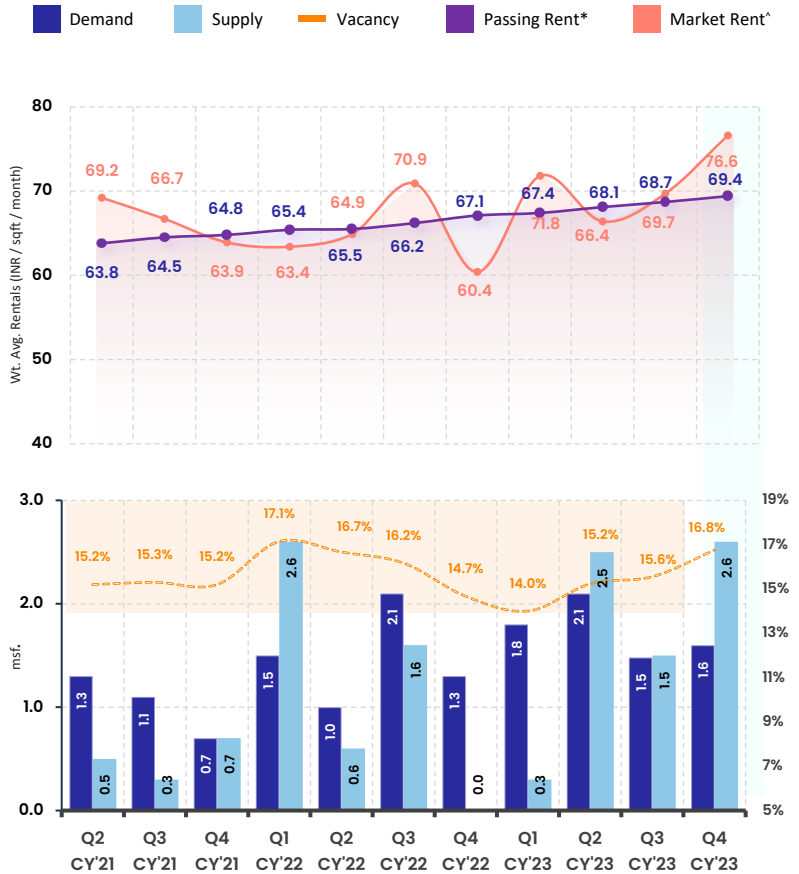|	
CY'23 Demand (msf)	7.9
CY'23 Supply (msf)	5.4
Current Stock(msf)	82.2
Vacancy	13.9%
Under-Construction Stock (msf) (till Q4'26)	21.8
Current Passing Rent * (₹/sqft/month)	₹ 78.4
Current Market Rent ^ (₹/sqft/month)	₹79.2

Demand CY'23
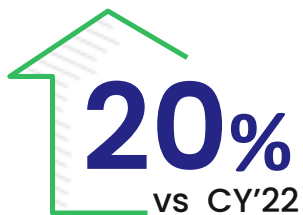
1.5x
Vs Supply CY'23

Demand CY'23

20%
vs CY'22

Sector Occupancy

- 44% — IT/ITeS
- 17% — BFSI
- 11% — Co-Working
- 9% — Commercial & Professional Services
- 3% — Industrial
- 16% — Others

Market Trends

Legend: Demand | Supply | Vacancy | Passing Rent* | Market Rent^

Note

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^ Market Rent = Wt. Avg. rent paid by tenants for all leases signed in that quarter

Major Office Transactions

Atlas Copco, India Land Global Tech Park **121,107 sqft**	₹42
Bajaj Finserv, Trion IT Park (The Square) **97,000 sqft**	₹75
Apex Fund Services, M Agile **63,291 sqft**	₹94
EFC, Antaaya **57,250 sqft**	₹87

Chennai

Grade A Fundamentals

CY'23 Demand (msf)	**7.0**
CY'23 Supply (msf)	**6.9**
Current Stock(msf)	**76.2**
Vacancy	**16.8%**
Under-Construction Stock (msf) (till Q4'26)	**11.1**
Current Passing Rent * (₹/sqft/month)	**₹ 69.4**
Current Market Rent ^ (₹/sqft/month)	**₹ 62.2**

Demand Q4 CY'23
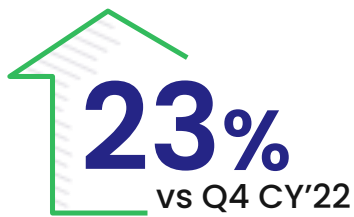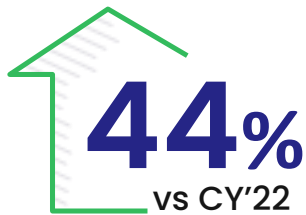
↑ **23%**
vs Q4 CY'22

Supply CY'23

↑ **44%**
vs CY'22

Sector Occupancy

- 45% — ■ IT/ITeS
- 16% — ■ BFSI
- 8% — ■ Commercial & Professional Services
- 6% — ■ Industrials
- 6% — ■ Healthcare
- 19% — ■ Others

Market Trends

Demand ■ Supply ■ Vacancy ─ Passing Rent* ■ Market Rent^ ─

Note

* Passing Rent = Wt. Avg. rent paid by all active tenants as of that date in the region

^ Market Rent = Wt. Avg. rent paid by tenants for all leases signed in that quarter

Major Office Transactions

Qualcomm, Ramanujan IT City (Intellion Park) **450,222 sqft**		₹82
UPS Logistics, RMZ One Paramount **187,585 sqft**		₹64
Tablespace, Global Infocity Park (SP Infocity) **162,515 sqft**		₹90
Tata Communications, RMZ One Paramount **107,341 sqft**		₹65

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Vice President (East)

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About us

CRE Matrix

India's most trusted source for complete real estate intelligence, CRE Matrix has developed proprietary algorithms that relentlessly provide up-to-date information and enable deep data analytics across sectors and geographies. CRE Matrix's clients include some of the largest real estate developers, coworking players, retailers, property consultants and financial institutions.

IndexTap

IndexTap, a product by CRE Matrix, is India's largest and most authentic platform that provides comparable transactions data across residential, commercial and loan transactions. IndexTap deploys sophisticated algorithms to empower brokers, buyers and sellers.

CRE Lease Matrix

CRE Lease Matrix is a cloud-based Lease Management and Asset Management platform developed by CRE Matrix after experience of abstracting more than 2 Lakh leases in the commercial real estate space. The product offers Lease abstraction solutions, Inventory Management, Document Management & Invoicing for management of your commercial real estate portfolio or leases. Users can track Critical dates, create Revenue-Expense reports, configure Alerts on renewals, notices, escalations etc.

FloorTap

FloorTap is India's first and only CRE marketplace platform that uses authentic data to empower brokers, tenants and landlords to close faster and better deals. FloorTap's technology, built on terra-bytes of authentic transactions, allows seamless collaboration, powerful automation, and efficient decision-making that are designed to empower all stakeholders.

Pune Housing Report
February 2024

Grade-A India Warehousing Report H1 - CY'23
September 2023

Green Leasing Office Report
January 2024

Quarterly Office Report
December 2023

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