



Leverage Intelligence

Quarterly Report

India Office | Q3 CY'22

NOVEMBER 2022



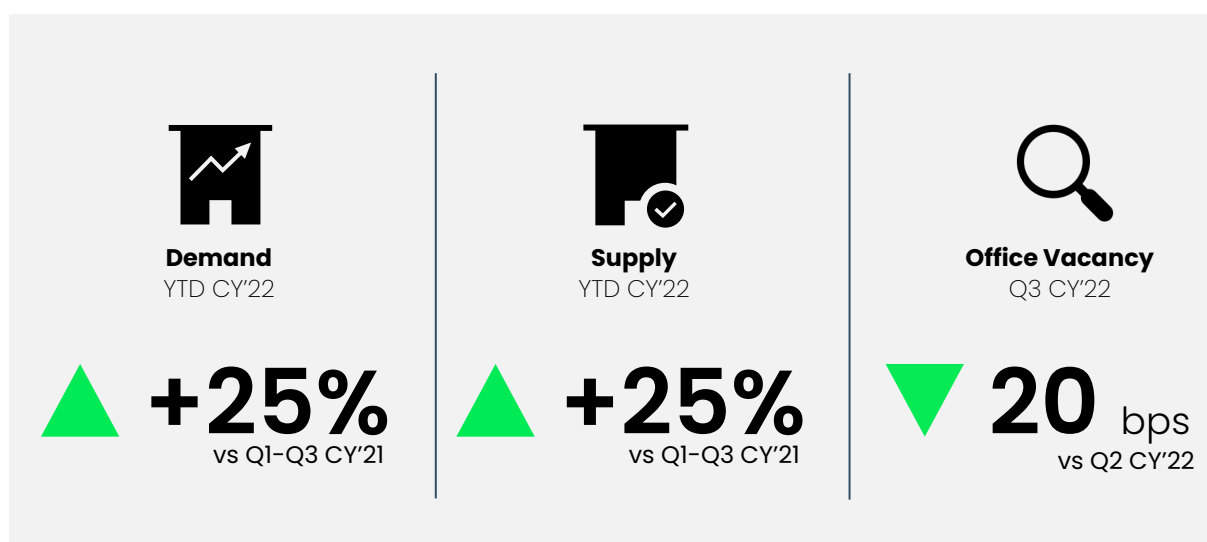
Executive Summary

Strong demand from IT/ITeS, BFSI and Commercial & Professional Services occupiers have led to a 25% higher YTD leasing demand in 2022 vs the same period last year. BFSI was a highlight this quarter as its demand contribution increased from 12% in Q2 CY'22 to 20% in this quarter. Bengaluru and MMR led the office demand in Q3 CY'22 and contributed 55% to overall office demand in the quarter, same as last quarter. India continues to be a cost-effective destination for many global companies facing recessionary conditions on their home turf. Robust GCC demand coupled with 'Return to Work' is also showcasing aggressive expansion plans of the IT/ITeS and BFSI sectors. Average transaction size also increased by 18% in this quarter vs Q2 CY'22.

YTD new completions also increased by 25% vs the same period last year. Delhi-NCR, recorded 3.3 msf of new completions, contributing a record 43% to new supply this quarter. As we predicted last quarter, pan-India vacancy has stabilized on the back of low supply infusion and a focus on fulfilling demand.

The rental movement was a major highlight in this quarter as India witnessed market rents reaching INR 100 psf for the 1st time ever in the history of office leasing. Major contributors to this rise were Pune, MMR and Chennai as quality spaces found occupiers paying higher than their respective micro-market prevailing rentals. Hyderabad was the only city to witness a slight downward movement in market rentals.

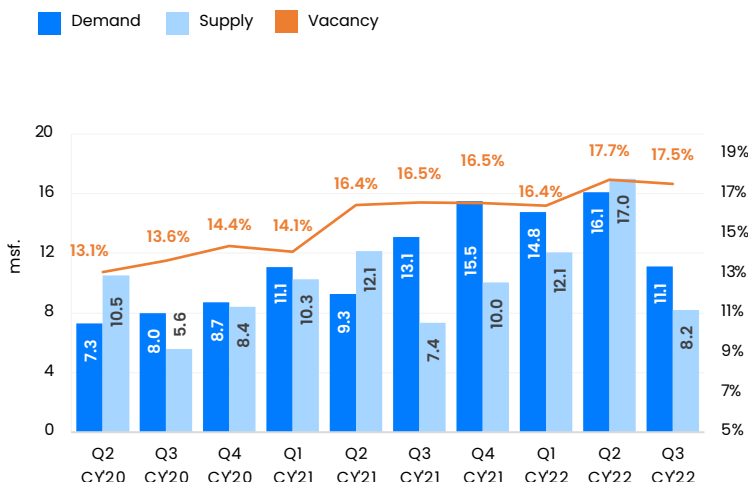
Moving forward, we expect CY'22 to surpass our expectations and is likely to witness leasing demand of more than 50 msf. Co-working is likely to make a comeback in the last quarter and IT/ITeS & BFSI players will continue to take up large spaces. Despite the global tech layoff phenomenon, Global Capability Centres will continue to ramp up their India presence on the back of inflationary headwinds and cost-effectiveness of India.



Fundamentals

| | |
|---|-------|
| YTD CY'22 Demand (msf) | 42.0 |
| YTD CY'22 Supply (msf) | 37.1 |
| Current Grade A Stock (msf) | 681 |
| Total Vacancy | 17.5% |
| Current Passing Rent* (₹/sqft/month) | 83 |
| Current Market Rent^ (₹/sqft/month) | 100 |

Demand, Supply & Vacancy



Contribution to Office Demand in Q3 CY'22

IT/ITeS 27%

BFSI 20%

Commercial & Professional Services 12%

PAN INDIA

Bengaluru & MMR

Contributed

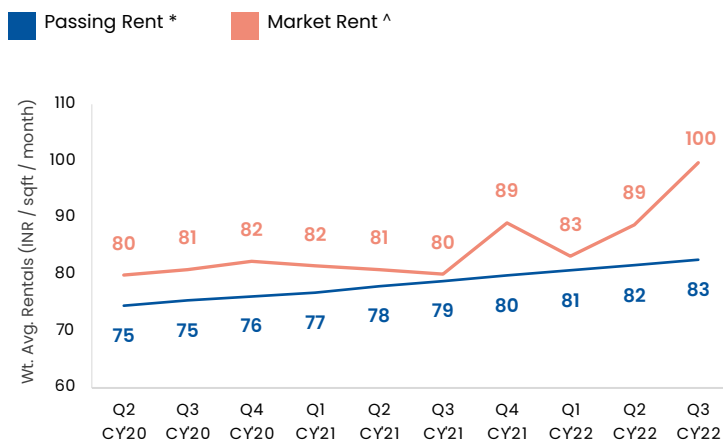
55% To Q3 CY'22 Demand

Delhi-NCR

Contributed

43% To Q3 CY'22 Supply

Passing Rent & Market Rent

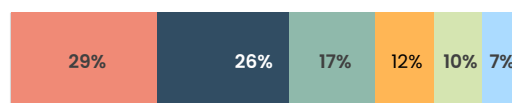


Note

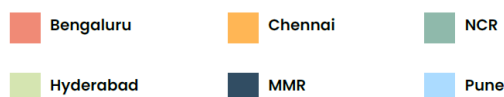
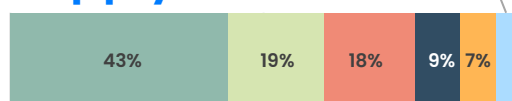
* Passing Rent = Wt. Avg. rent paid by all active tenants as of that date in the region
 ^ Market Rent = Wt. Avg. rent paid by tenants for all leases signed in that quarter

City-Share in Q3 CY'22

Demand



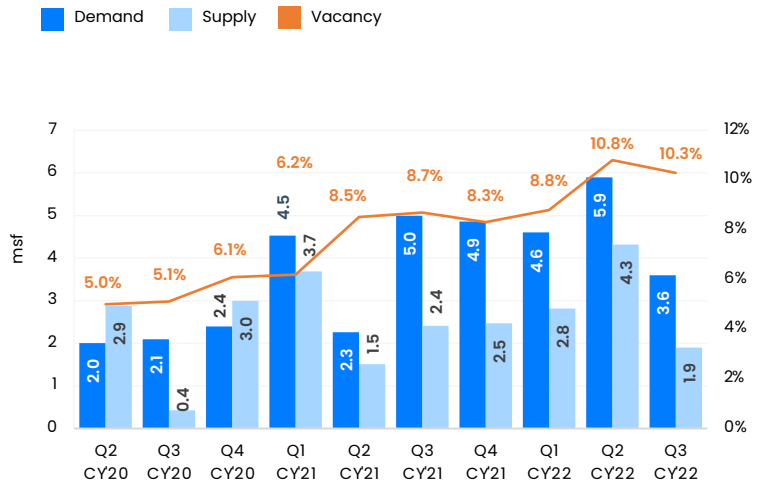
Supply



Fundamentals

| | |
|--|-------|
| YTD CY'22 Demand (msf) | 14.1 |
| YTD CY'22 Supply (msf) | 9.0 |
| Current Grade A Stock (msf) | 191 |
| Total Vacancy | 10.3% |
| Current Passing Rent * (₹/sqft/month) | 77 |
| Current Market Rent ^ (₹/sqft/month) | 83 |

Demand, Supply & Vacancy



YTD CY'22 Demand
20%
 vs Q1-Q3 CY'21

YTD CY'22 Supply
19%
 vs Q1-Q3 CY'21

BENGALURU

Major Office Transactions

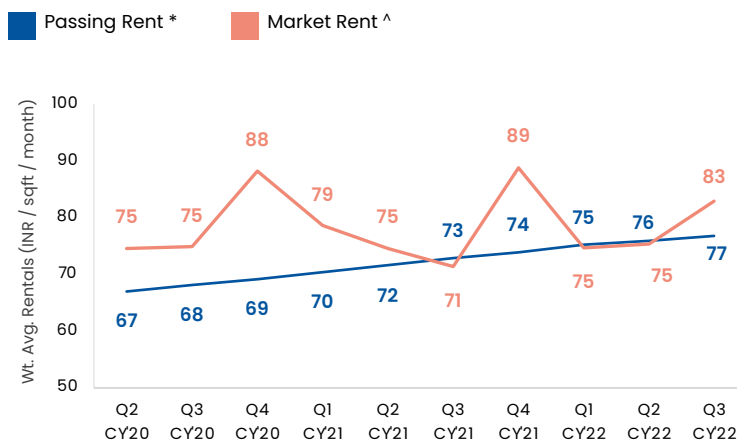
Altiostar Networks
 RBD Olympus
 376,637 sqft | ₹65

Lam Research India,
 Bagmane Tech Park
 71,762 sqft | ₹125

Palo Alto Networks,
 Bagmane Tech Park
 71,033 sqft | ₹133

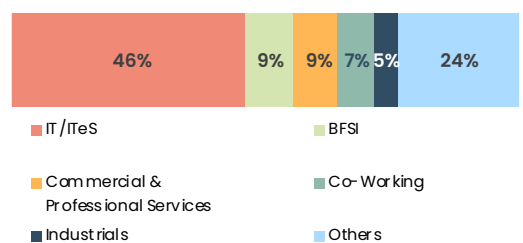
United Technologies,
 North Gate
 57,985 sqft | ₹39

Passing Rent & Market Rent



Note
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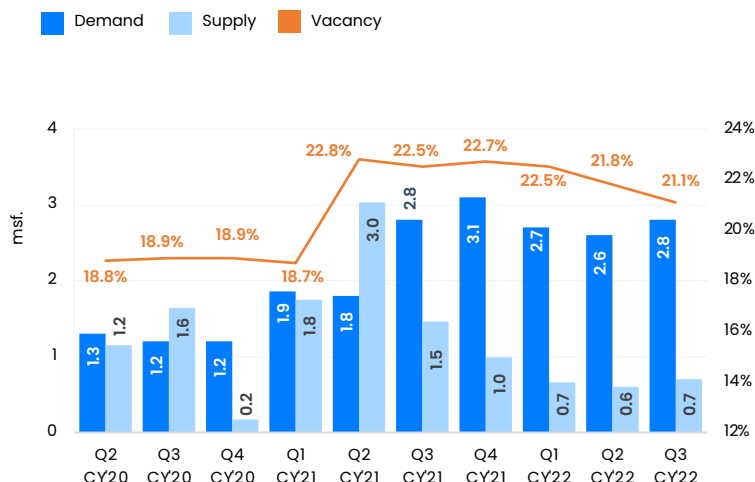
Sector Occupancy



Fundamentals

| | |
|--|-------|
| YTD CY'22 Demand (msf) | 8.1 |
| YTD CY'22 Supply (msf) | 1.9 |
| Current Grade A Stock (msf) | 115 |
| Total Vacancy | 21.1% |
| Current Passing Rent * (₹/sqft/month) | 124 |
| Current Market Rent ^ (₹/sqft/month) | 134 |

Demand, Supply & Vacancy



Q3 CY'22 Demand
8%
vs Q2 CY'22

Q3 CY'22 Supply
17%
vs Q2 CY'22

MMR
(Mumbai Metropolitan Region)

Major Office Transactions

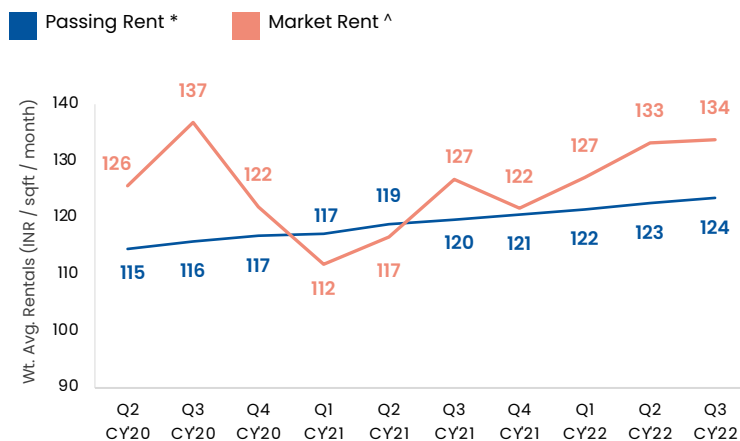
Aventus Capital,
Platina
98,692 sqft | ₹257

Edelweiss,
Inspire BKC
85,711 sqft | ₹205

Tablespace,
Gigaplex (Airoli W)
80,619 sqft | ₹56

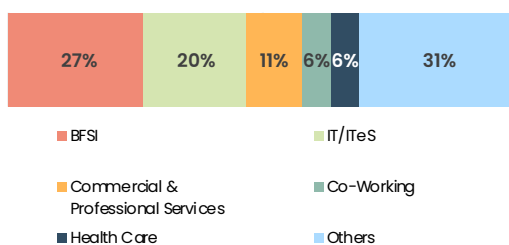
EFC Limited,
Empire Tower
55,825 sqft | ₹60

Passing Rent & Market Rent



Note
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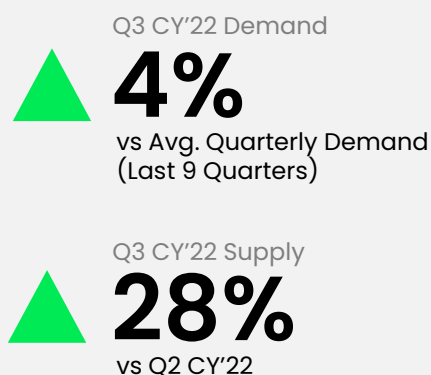
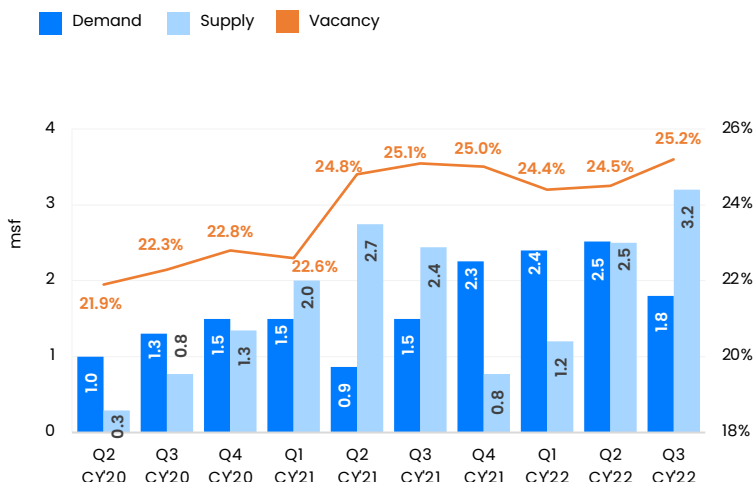
Sector Occupancy



Fundamentals

| | |
|--|-------|
| YTD CY'22 Demand (msf) | 6.7 |
| YTD CY'22 Supply (msf) | 6.9 |
| Current Grade A Stock (msf) | 134 |
| Total Vacancy | 25.2% |
| Current Passing Rent * (₹/sqft/month) | 87 |
| Current Market Rent ^ (₹/sqft/month) | 82 |

Demand, Supply & Vacancy



NCR
(National Capital Region)

Major Office Transactions

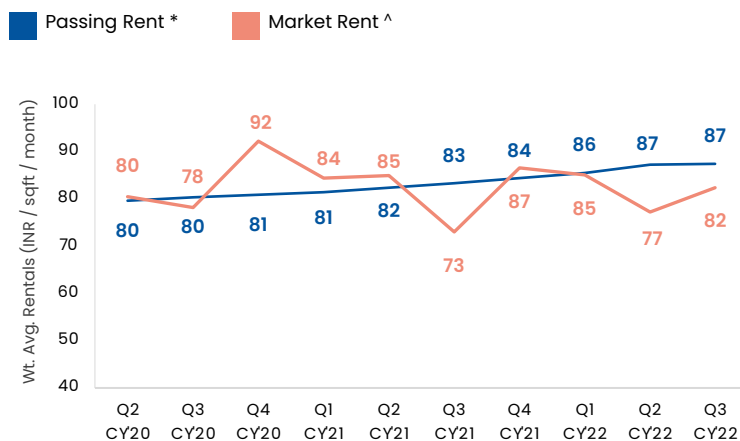
Google,
Adani DC, Sector 62 Noida
464,460 sqft | ₹235

Wheelseye Technology,
Capital Business Park, Gurgaon
100,000 sqft | ₹65

HP,
DLF Downtown, Gurgaon
57,773 sqft | ₹126

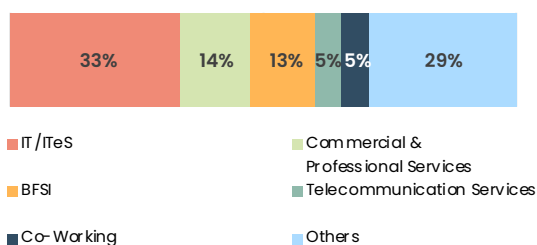
LinkedIn Technology,
DLF Downtown, Gurgaon
49,297 sqft | ₹125

Passing Rent & Market Rent



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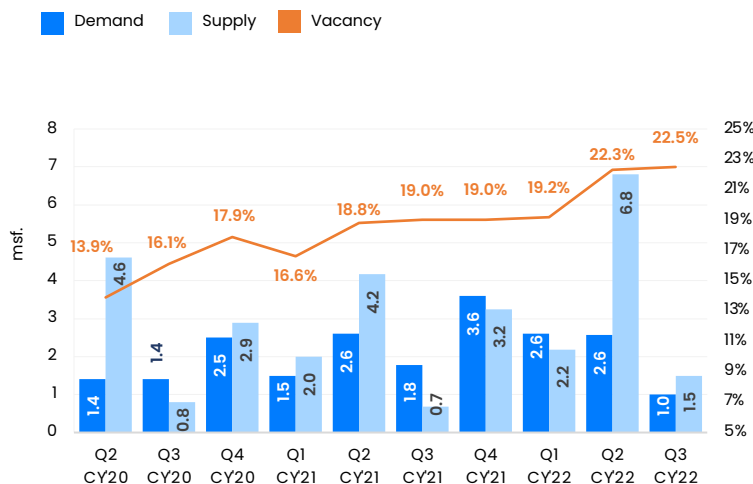
Sector Occupancy



Fundamentals

| | |
|--|-------|
| YTD CY'22 Demand (msf) | 6.2 |
| YTD CY'22 Supply (msf) | 10.5 |
| Current Grade A Stock (msf) | 106 |
| Total Vacancy | 22.5% |
| Current Passing Rent * (₹/sqft/month) | 62 |
| Current Market Rent ^ (₹/sqft/month) | 66 |

Demand, Supply & Vacancy



YTD CY'22 Demand
5%
vs Q1-Q3 CY'21

YTD CY'22 Supply
53%
vs Q1-Q3 CY'21

HYDERABAD

Major Office Transactions

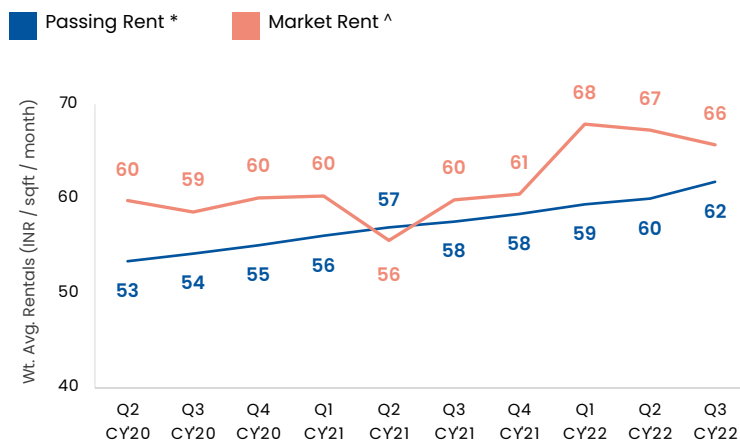
Reliance Projects,
Meenakshi Tech Park
121,309 sqft | ₹64

Evermark IT,
Blueprint 23 Northwest
93,631 sqft | ₹60

Goldman Sachs,
Salarpuria Sattva Knowledge City
92,818 sqft | ₹90

Yash Technologies,
Mindspace (Hyderabad)
60,505 sqft | ₹65

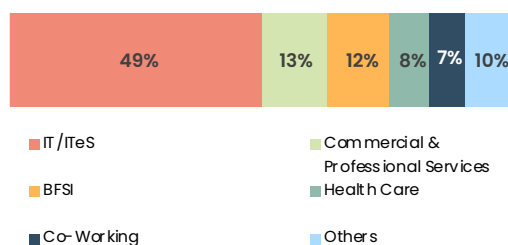
Passing Rent & Market Rent



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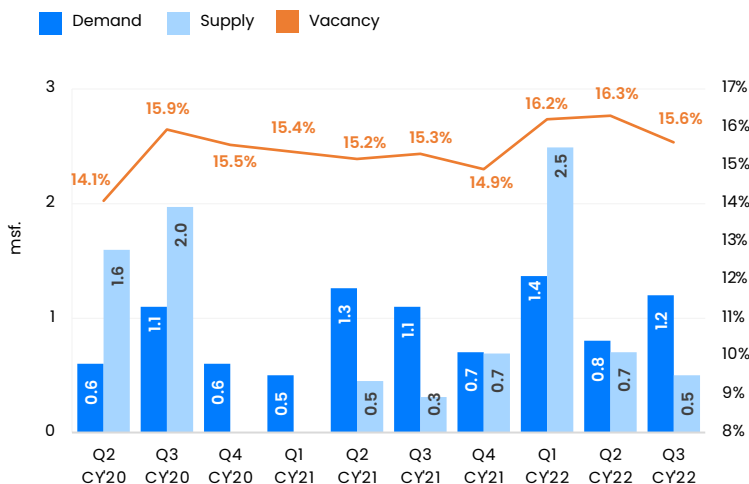
Sector Occupancy



Fundamentals

| | |
|--|-------|
| YTD CY'22 Demand (msf) | 3.4 |
| YTD CY'22 Supply (msf) | 3.7 |
| Current Grade A Stock (msf) | 67 |
| Total Vacancy | 15.6% |
| Current Passing Rent * (₹/sqft/month) | 65 |
| Current Market Rent ^ (₹/sqft/month) | 76 |

Demand, Supply & Vacancy



Q3 CY'22 Demand
50%
 vs Q2 CY'22

Q3 CY'22 Supply
29%
 vs Q2 CY'22

CHENNAI

Major Office Transactions

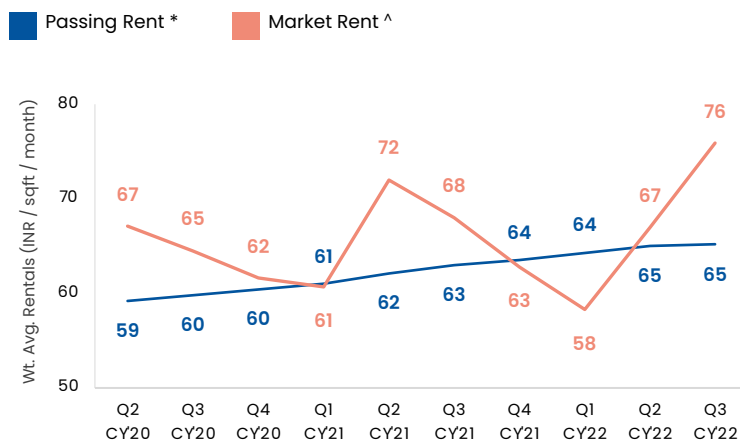
Nielsen IQ#,
 RMZ One Paramount
 (First Software Park) Campus 30
 115,756 sqft | ₹66

Bank of America,
 International Tech Park
 150,632 sqft | ₹81

Workafella
 Campus Tek Meadows
 41,485 sqft | ₹69

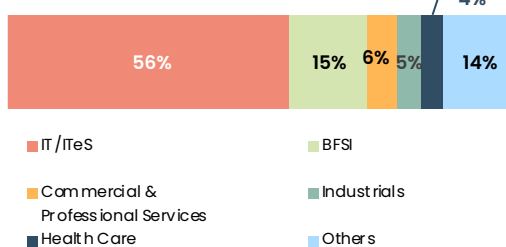
Haworth India
 Sri-Nivas
 25,959 sqft | ₹44

Passing Rent & Market Rent



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 # Late Registered in Q3 CY'22, Commenced in Q2 CY'22

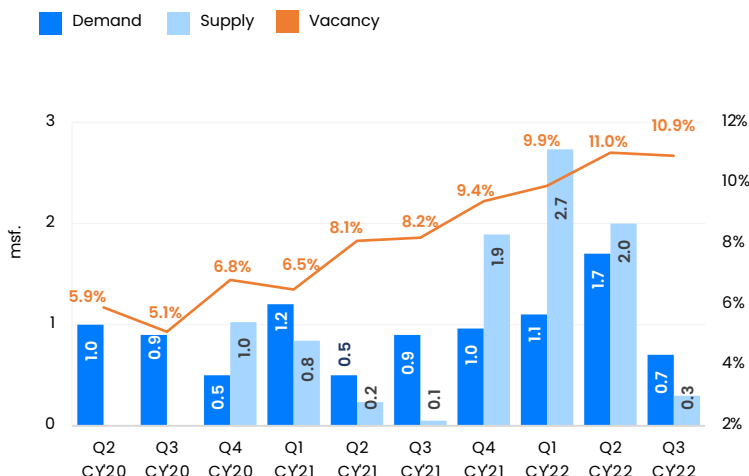
Sector Occupancy



Fundamentals

| | |
|--|-------|
| YTD CY'22 Demand (msf) | 3.5 |
| YTD CY'22 Supply (msf) | 5.0 |
| Current Grade A Stock (msf) | 68 |
| Total Vacancy | 10.9% |
| Current Passing Rent * (₹/sqft/month) | 74 |
| Current Market Rent ^ (₹/sqft/month) | 74 |

Demand, Supply & Vacancy



YTD CY'22 Demand
34%
vs Q1-Q3 CY'21

Co-working
28%
Contribution in Q3
CY'22 Leasing Demand

PUNE

Major Office Transactions

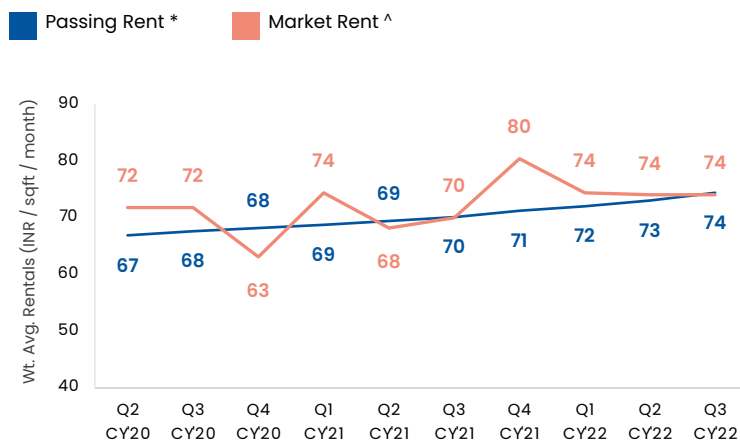
Petc Technology Solutions,#
International Tech Park, Kharadi
121,137 sqft | ₹75

Indiqube,
Orchid (Pune)
56,506 sqft | ₹76

315 Work Avenue Spaces,
International Tech Park, Kharadi
40,015 sqft | ₹80

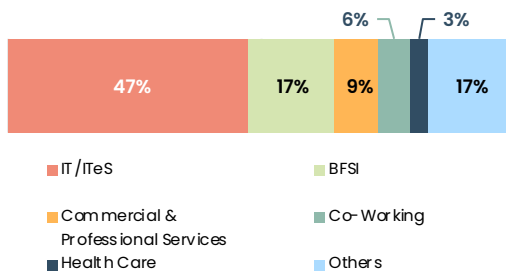
L&T Infotech,
Eon Free Zone
37,900 sqft | ₹103

Passing Rent & Market Rent



Note
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Late Registered in Q3 CY'22, Commenced in Q2 CY'22

Sector Occupancy



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CRE Lease Matrix

Developed by CRE Matrix, using the experience of comprehending around 1 Lakh lease documents, across all sectors and all major Indian cities, CRE Lease Matrix is the Gold Standard in lease management. The platform helps tenants and landlords reduce operating expenses and identify portfolio opportunities, allowing them to enhance PROFITS, and minimize the decision making cycle.



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