

Q2 2024

QUARTERLY REPORT

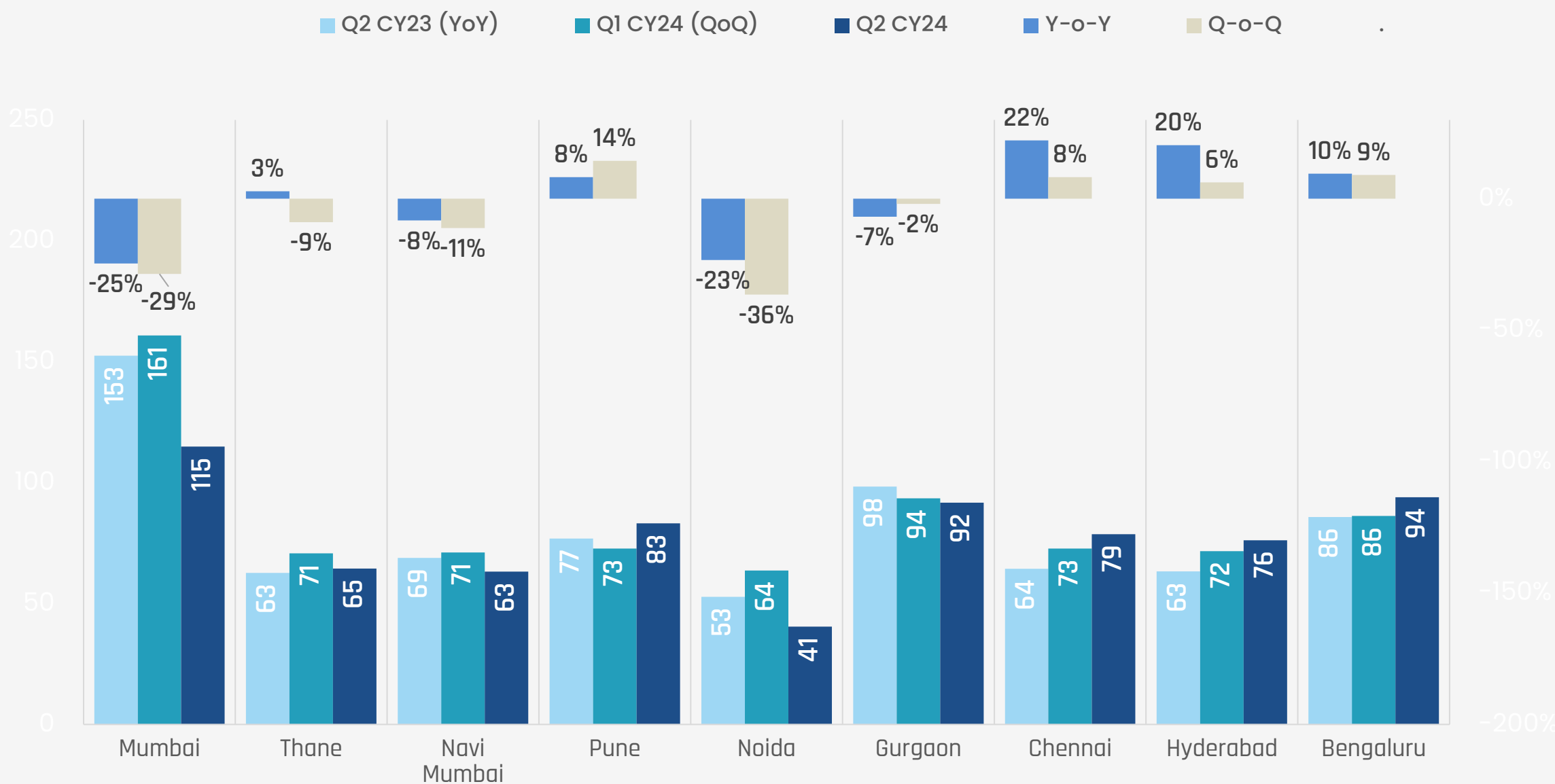
India Office | Q2 CY'24

Executive Summary

CY'24 Office demand could surpass the record of CY'22. Office leasing in H1 CY'24 was recorded at 38 msf, almost equaling H1 CY'22 - the year that saw the highest ever office leasing demand in India. Demand grew by 11% over H2 CY'23 and by 21% over H1 CY'23 with Bengaluru and MMR contributing half of this demand. MMR recorded its highest ever quarterly demand at 4.6 msf, up by 12% of its previous best of 4.1 msf in Q4 CY'22. Notably, >1 lac sqft transactions contributed 76% to Bengaluru's office demand, the highest across all cities. Office completions in Q2 2024 equalled the previous quarter at 11.9 msf - however, declined by 31% over H2 CY'23 and by 10% over H1 CY'23. Bengaluru and Hyderabad contributed significantly, representing 63% of new developments. This resulted in a slight decrease in vacancy rates.

On the vacancy side, Delhi-NCR, MMR, Chennai and Pune witnessed a vacancy decline, with the Pan India vacancy declining to 16.8%.Rentals across Bengaluru, Hyderabad, Chennai and Pune show an uptick as Pan India market rentals increased by 4.3% over the previous quarter. Sector-wise, IT/ITeS, BFSI, and Co-working drove 66% of the office demand. Co-working in Delhi-NCR, Hyderabad and Pune contributed around 24%, 12% and 14% to their respective city's office demand. We foresee two major milestones by the end of 2024 - Pan India CY'24 demand will surpass CY'22 demand and is likely to reach 80 msf. India's market rent will also reach the 100-rupee mark in H2 CY'24.

Market Rent Trend (₹/sf/m), Grade A



Pan India

Grade A Fundamentals

Q2 CY'24 Demand (msf)	17.4
Q2 CY'24 Supply (msf)	11.9
Current Grade A Stock (msf)	852.7
Vacancy	16.8%
Under-Construction (msf)	347.5

Office Demand Contributors in Q2 CY'24



IT/ITeS

30%



BFSI

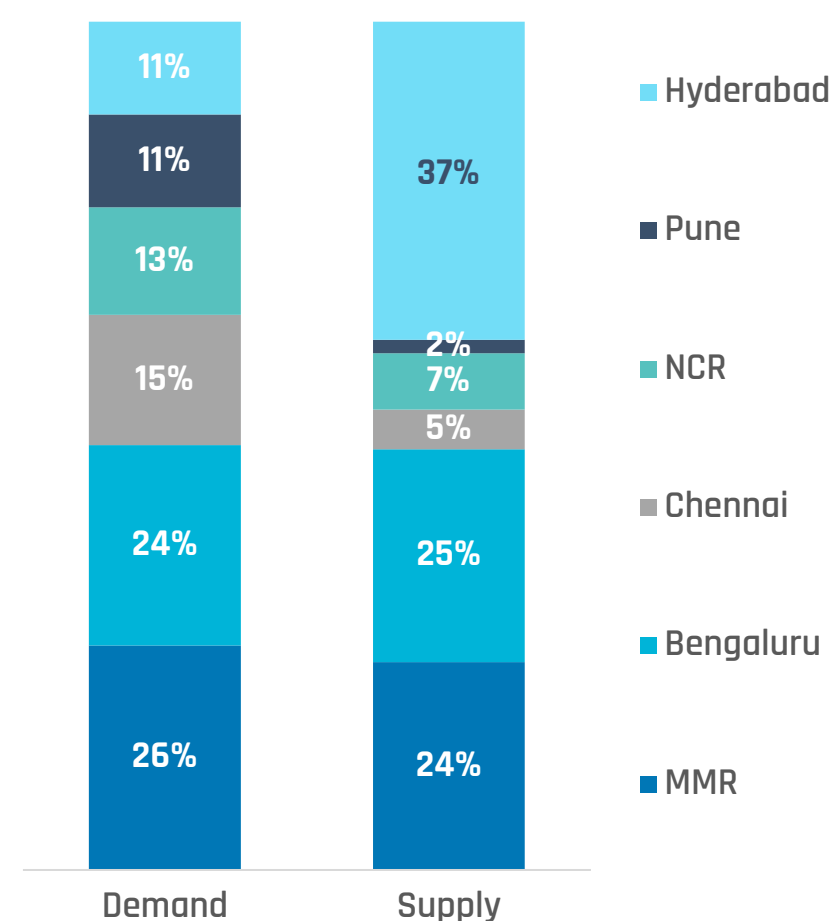
26%



Co-Working

10%

City Snapshot



City-wise Highlights

MMR & Bengaluru

Contributed

50%

To Q2 CY'24 Demand

Bengaluru & Hyderabad

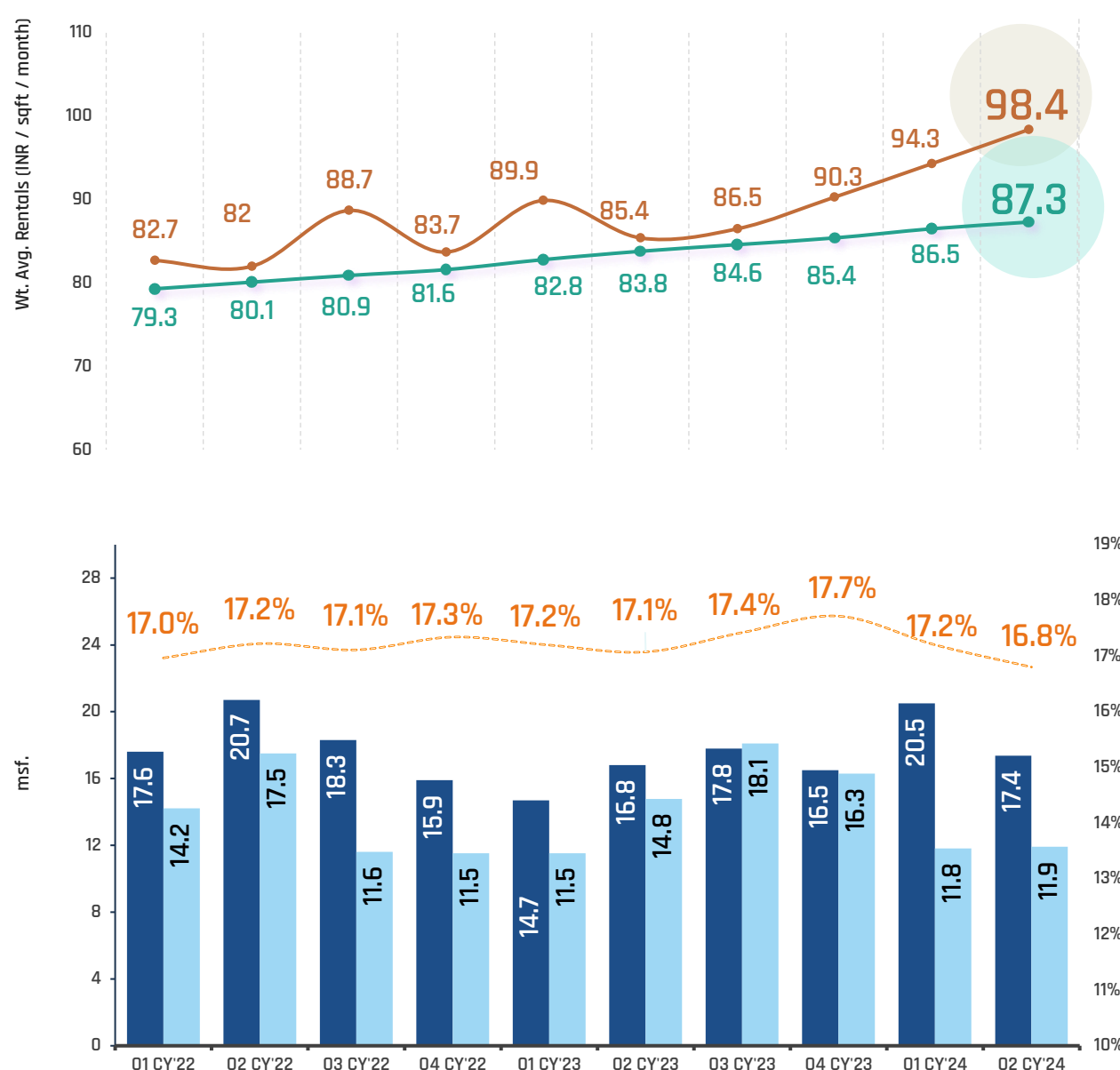
Contributed

63%

To Q2 CY'24 Supply

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

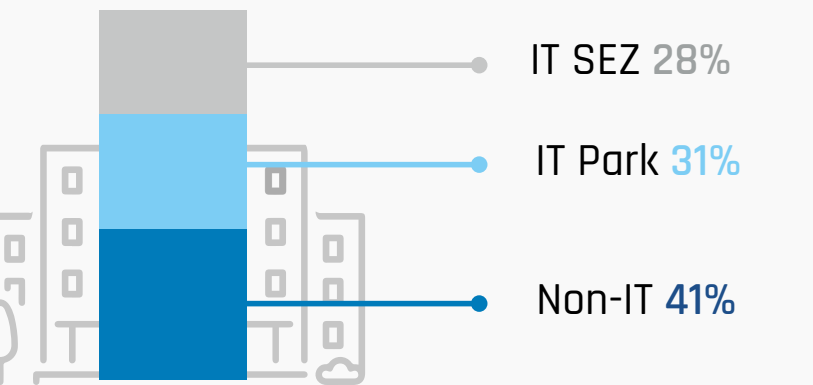
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Bengaluru

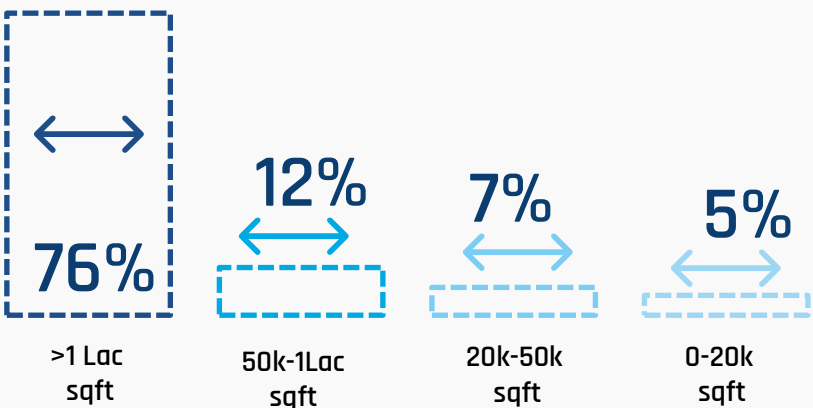
Grade A Fundamentals

Q2 CY'24 Demand (msf)	4.1
Q2 CY'24 Supply (msf)	4.3
Current Grade A Stock (msf)	228.9
Vacancy	9.9%
Under-Construction (msf)	102.9

Upcoming Supply 2024:



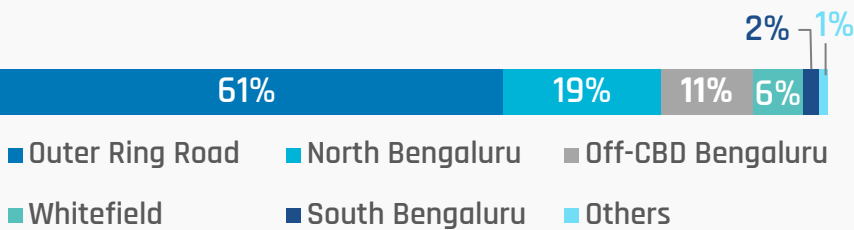
Office Transaction Size



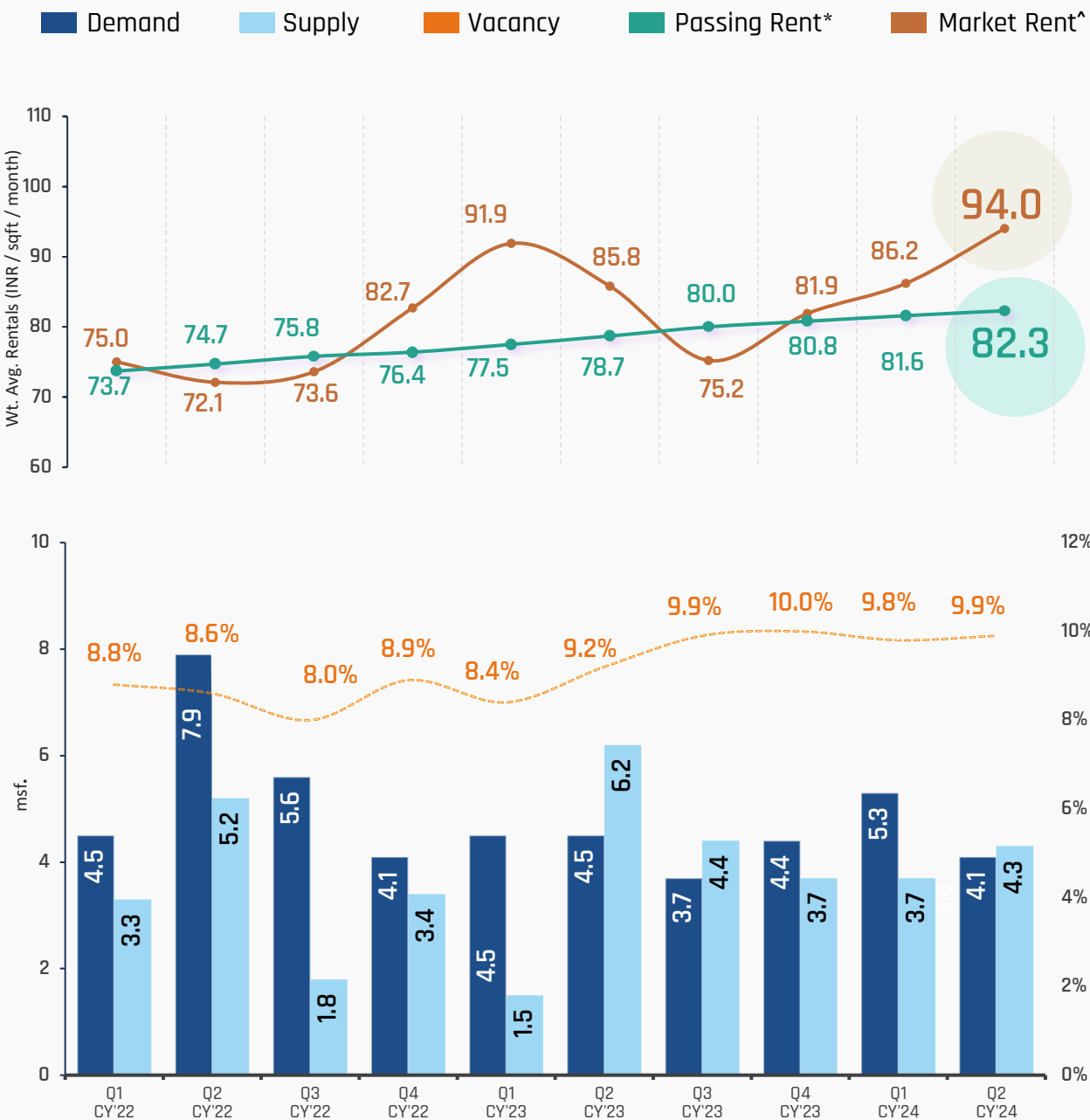
Major Office Transactions

- Qualcomm,
Bagmane Capital
621,813 sqft | ₹95 psf
- Texas Instruments,
Bagmane Cosmos
550,000 sqft | ₹130 psf
- Simplioffice,
Century Downtown
138,279 sqft | ₹85 psf
- Takeda Innovations India,
Bhartiya Centre Of Information Technology
133,878 sqft | ₹68 psf

Top Markets by Demand

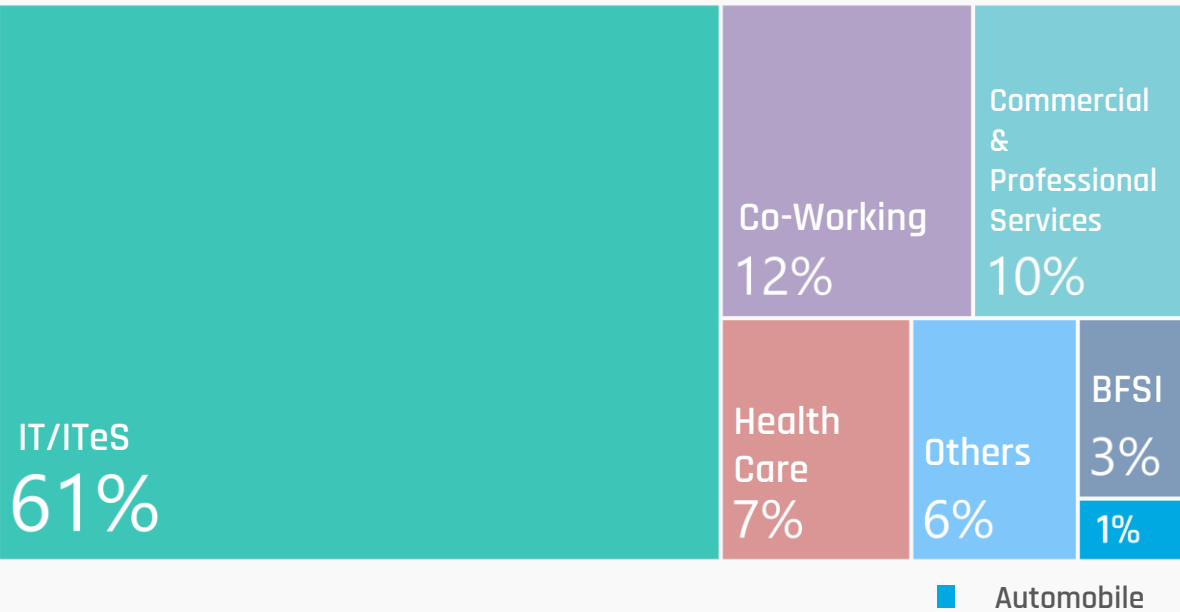


Market Trends



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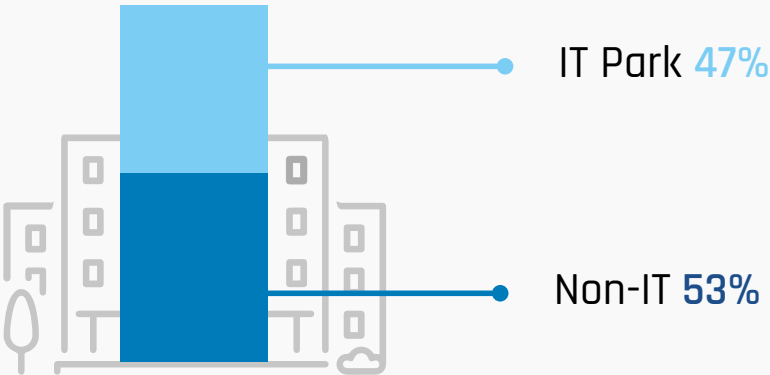
Demand by Sector



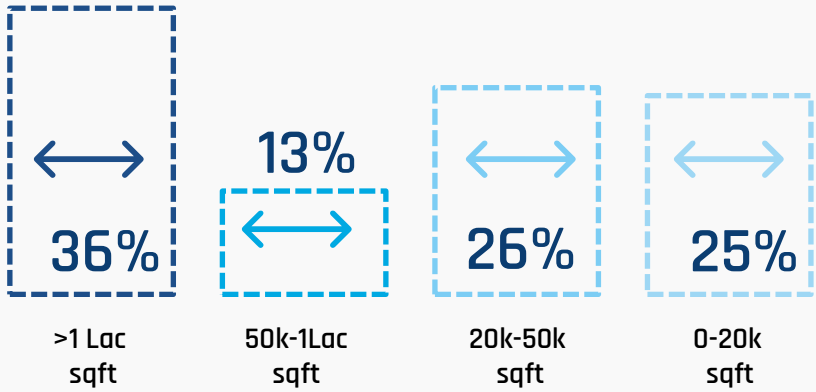
Grade A Fundamentals

Q2 CY'24 Demand (msf)	4.6
Q2 CY'24 Supply (msf)	4.2
Current Grade A Stock (msf)	148.3
Vacancy	16.5%
Under-Construction (msf)	46.8

Upcoming Supply 2024:



Office Transaction Size



Major Office Transactions

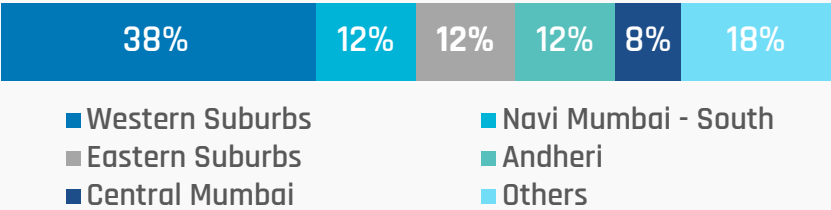
Morgan Stanley, Commerz III
1,599,075 sqft | ₹105 psf

HDFC, Arihant Aura
204,546 sqft | ₹43 psf

Red Brick, Times Square
133,254 sqft | ₹141 psf

Tata, Westin Cignus
120,422 sqft | ₹114 psf

Top Markets by Demand



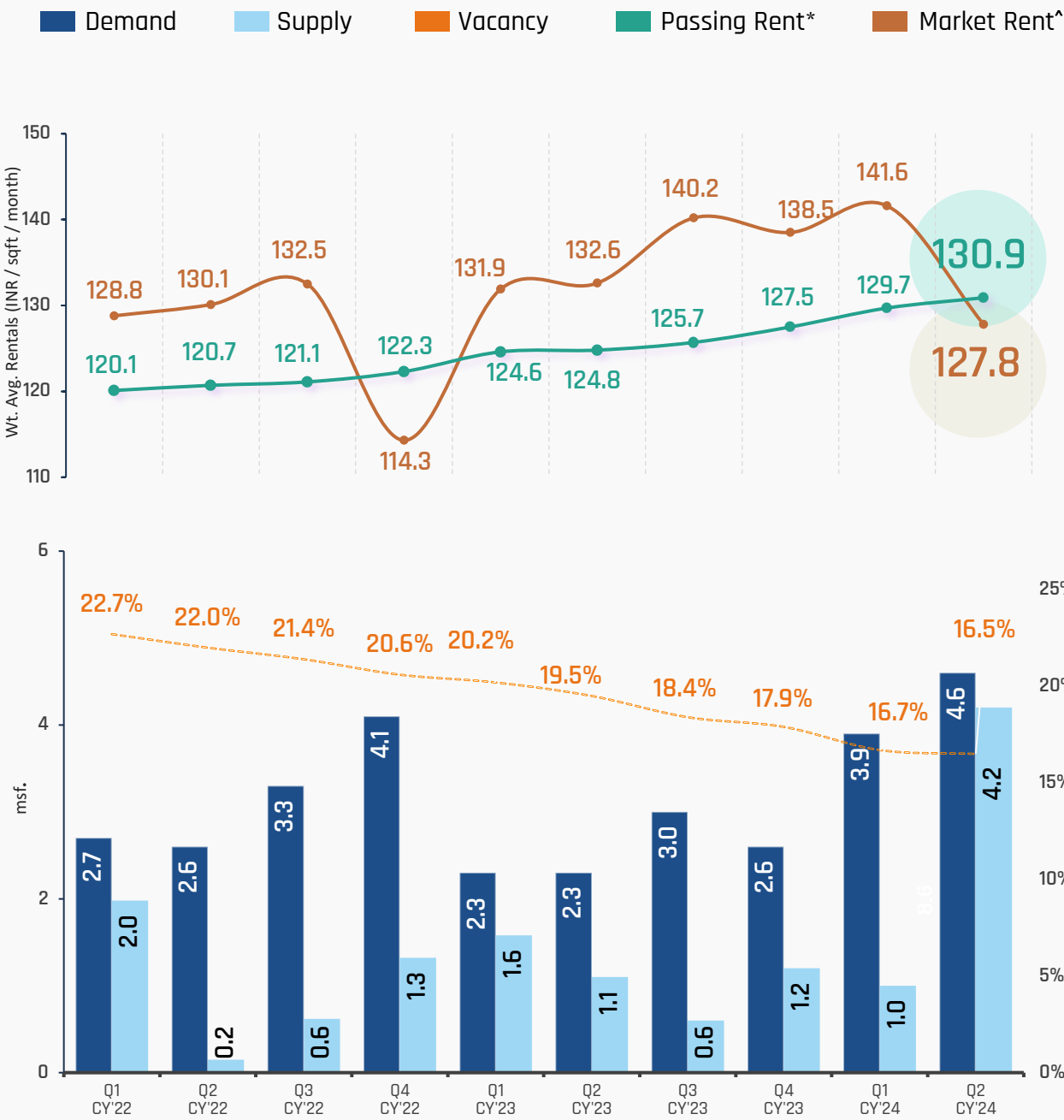
Demand to Supply Ratio



H1 CY'24 Demand

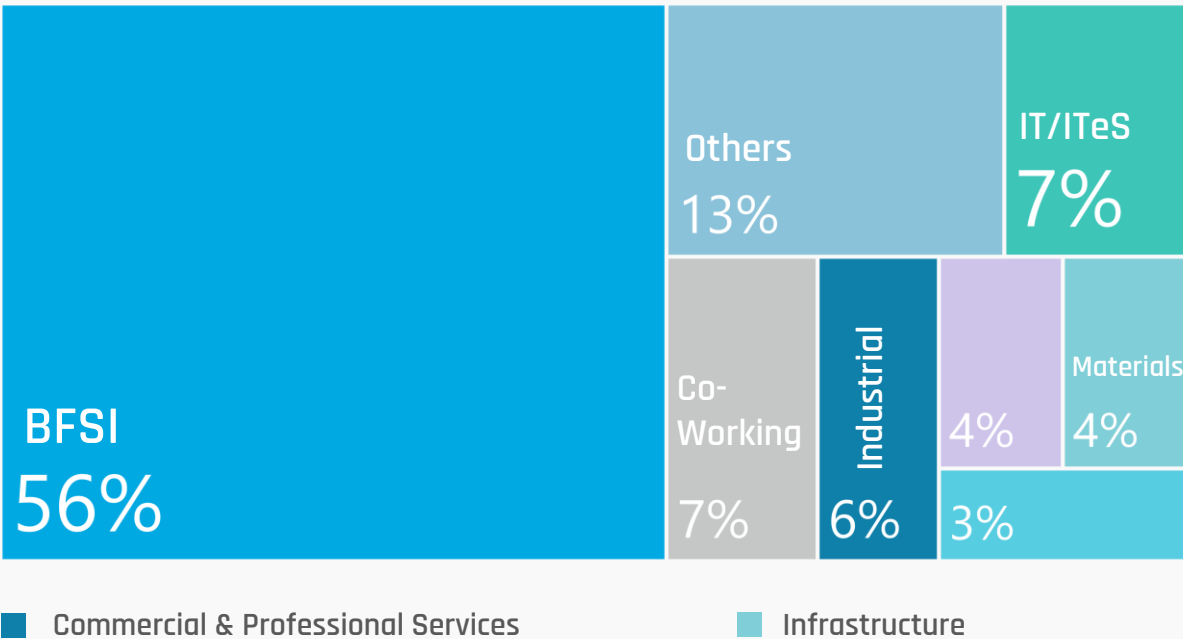


Market Trends



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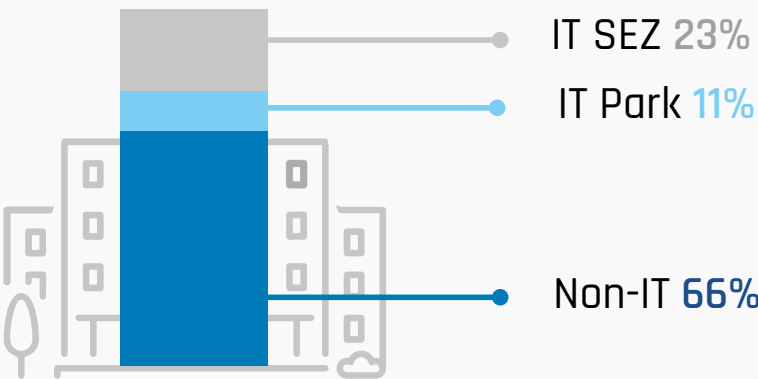
Demand by Sector



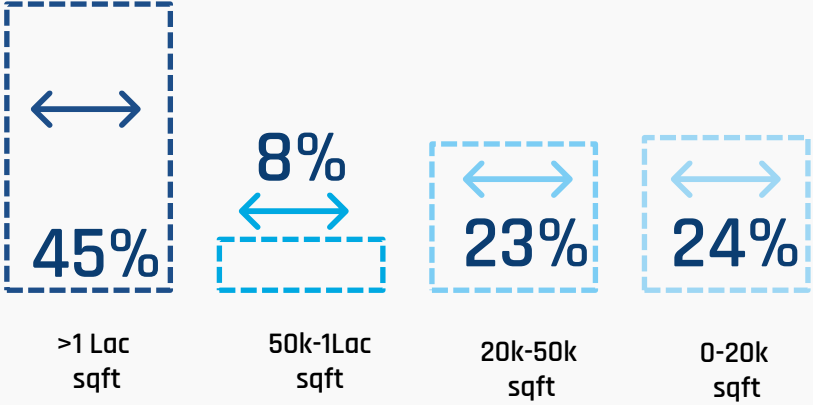
Grade A Fundamentals

Q2 CY'24 Demand (msf)	2.2
Q2 CY'24 Supply (msf)	1.1
Current Grade A Stock (msf)	169.1
Vacancy	23.1%
Under-Construction (msf)	69.3

Upcoming Supply 2024:



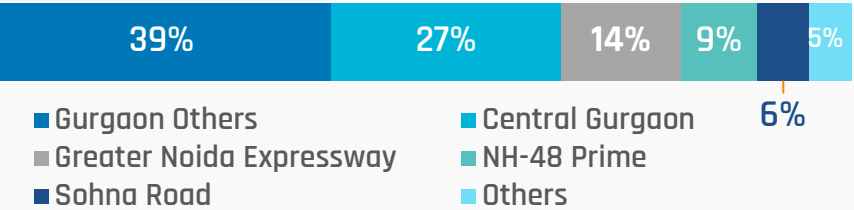
Office Transaction Size



Major Office Transactions

- TCS, Assotech Business Cresterra
539,115 sqft | ₹40 psf
- Deloitte, Ambience Corporate Tower II
308,155 sqft | ₹115 psf
- Niva Bupa, Capital Cyberscape
57,500 sqft | ₹66 psf
- Amway, DLF Square
32,780 sqft | ₹112 psf

Top Markets by Demand



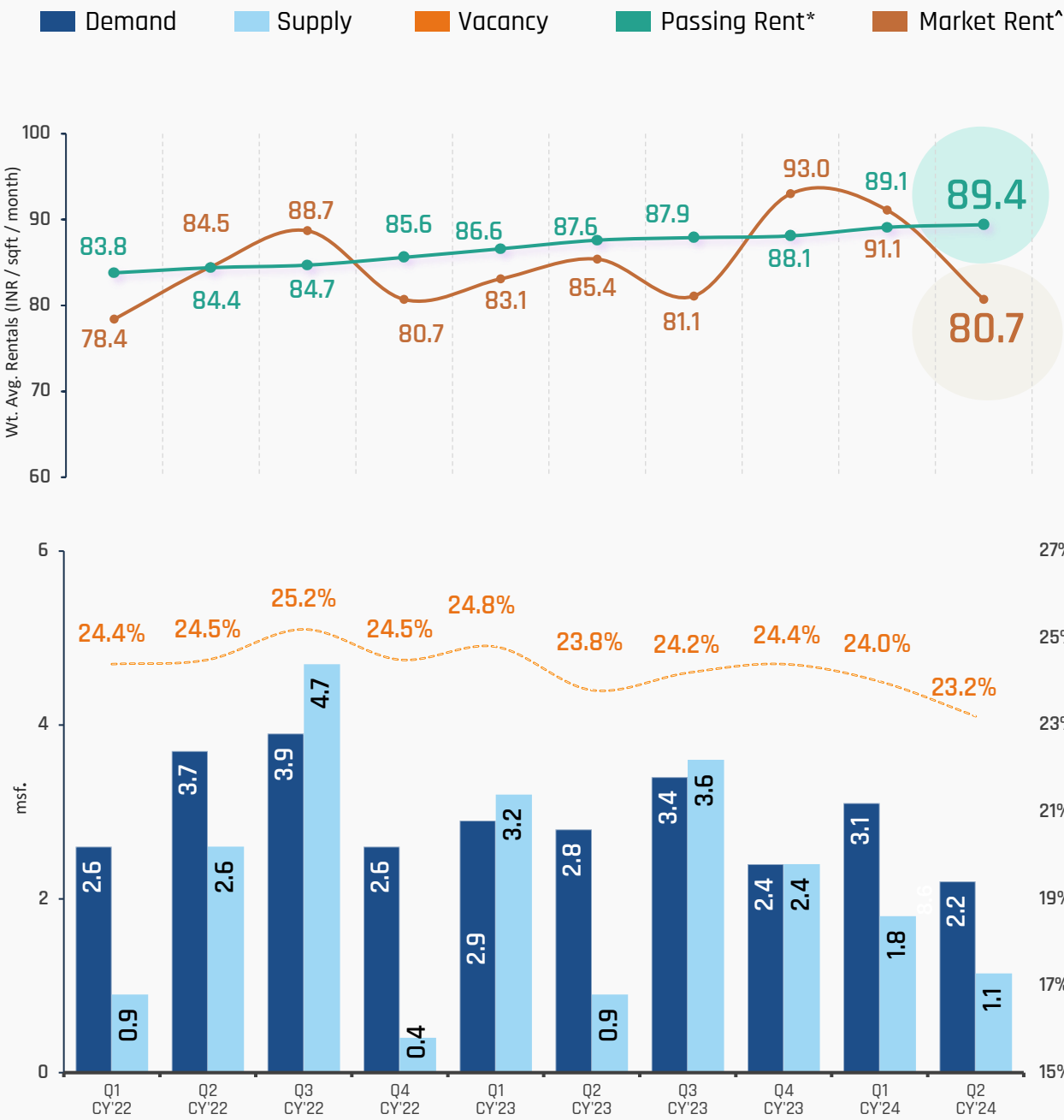
Demand to Supply Ratio

2x
Q2 CY'24

Q2 CY'24 Vacancy

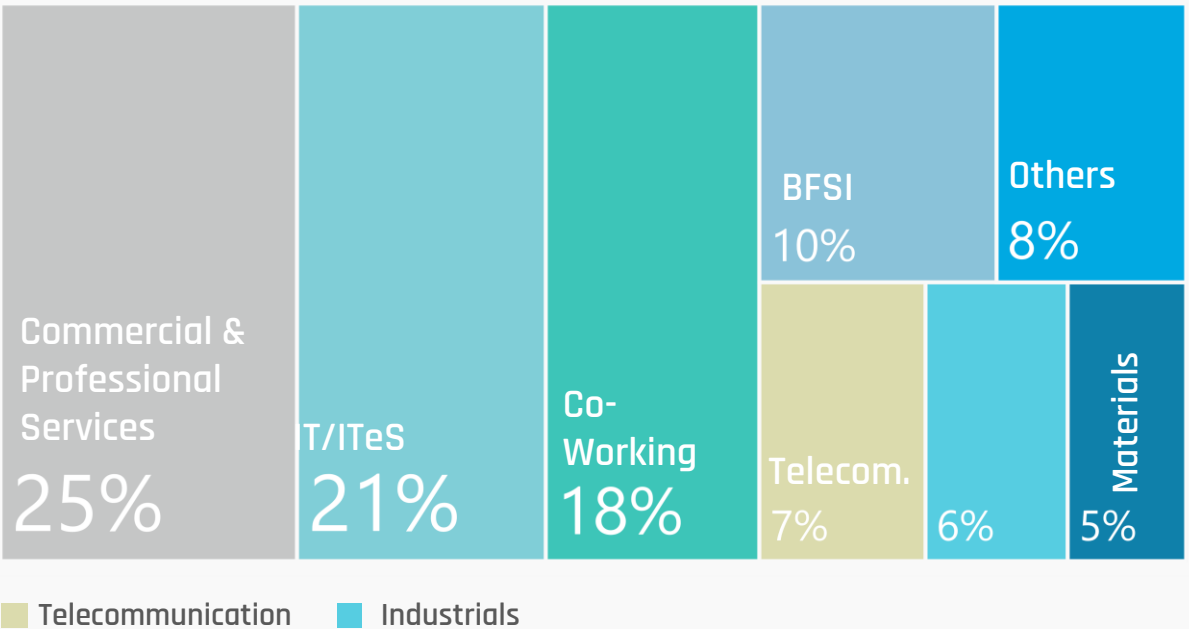
3%
Q2 CY'23

Market Trends



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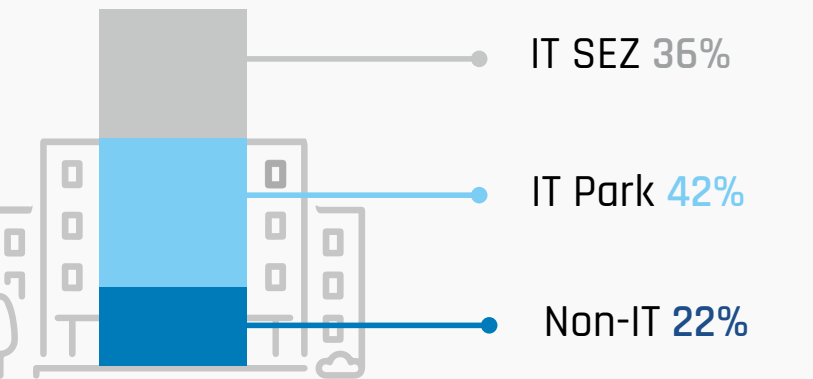
Demand by Sector



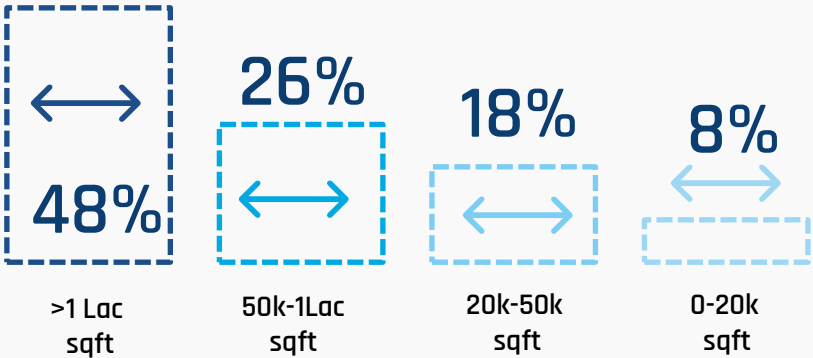
Grade A Fundamentals

Q2 CY'24 Demand (msf)	1.9
Q2 CY'24 Supply (msf)	1.2
Current Grade A Stock (msf)	142.9
Vacancy	24.2%
Under-Construction (msf)	83.2

Upcoming Supply 2024:



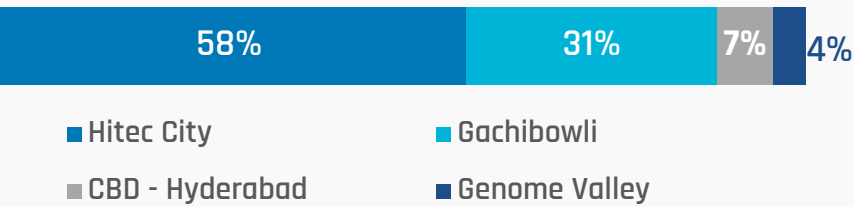
Office Transaction Size



Major Office Transactions

- Tablespace, Mindspace Madhapur
196,392 sqft | ₹74 psf
- Open Text Technologies , Phoenix Aquila
186,915 sqft | ₹101 psf
- Ice Data Services, The Skyview
91,167 sqft | ₹80 psf
- Vaibhashree Enclave,
Vamsiram Suvarnadurga Tech Park
84,718 sqft | ₹61 psf

Top Markets by Demand



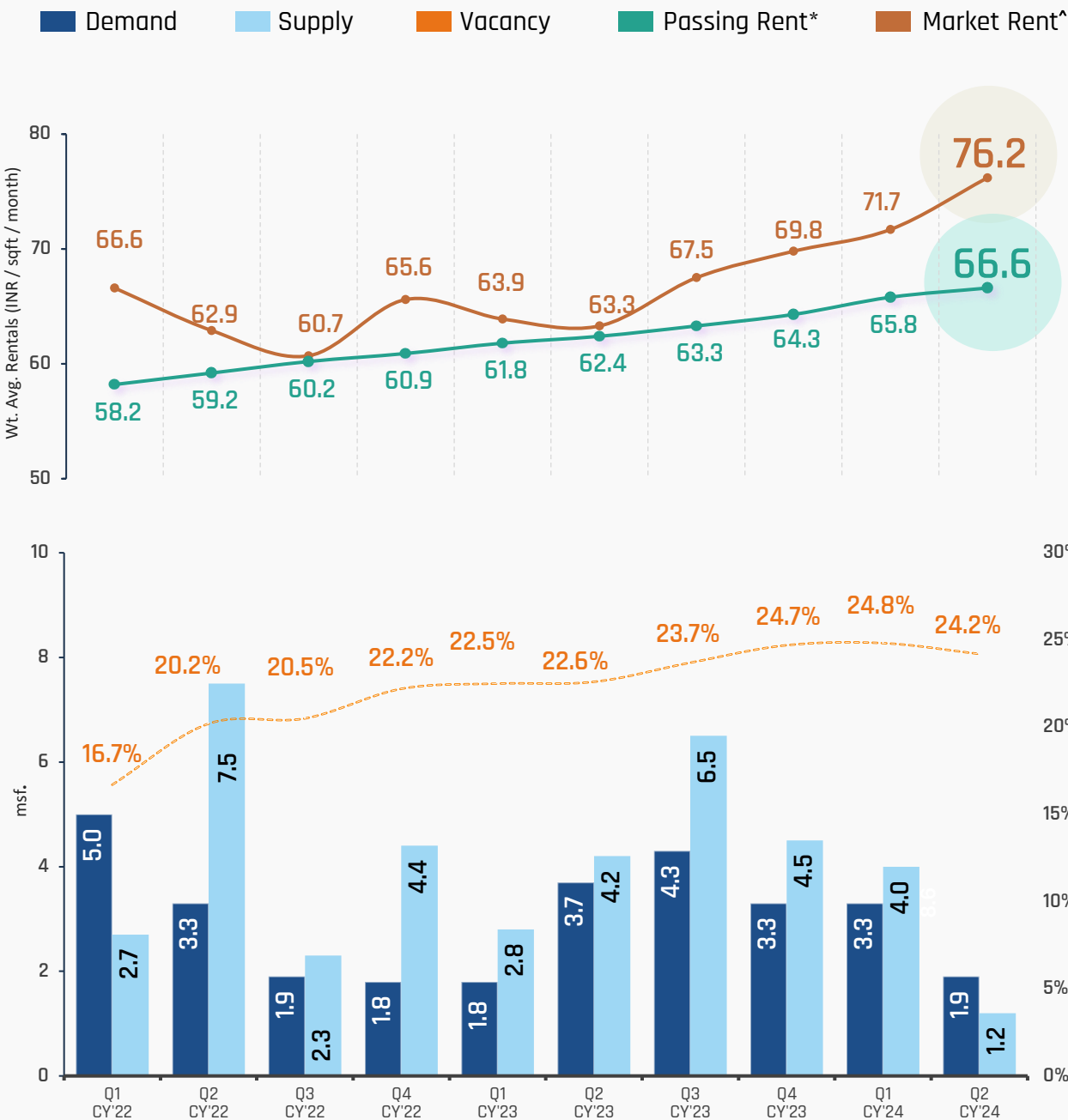
Demand to Supply Ratio



Landlord's Market: Market Rent

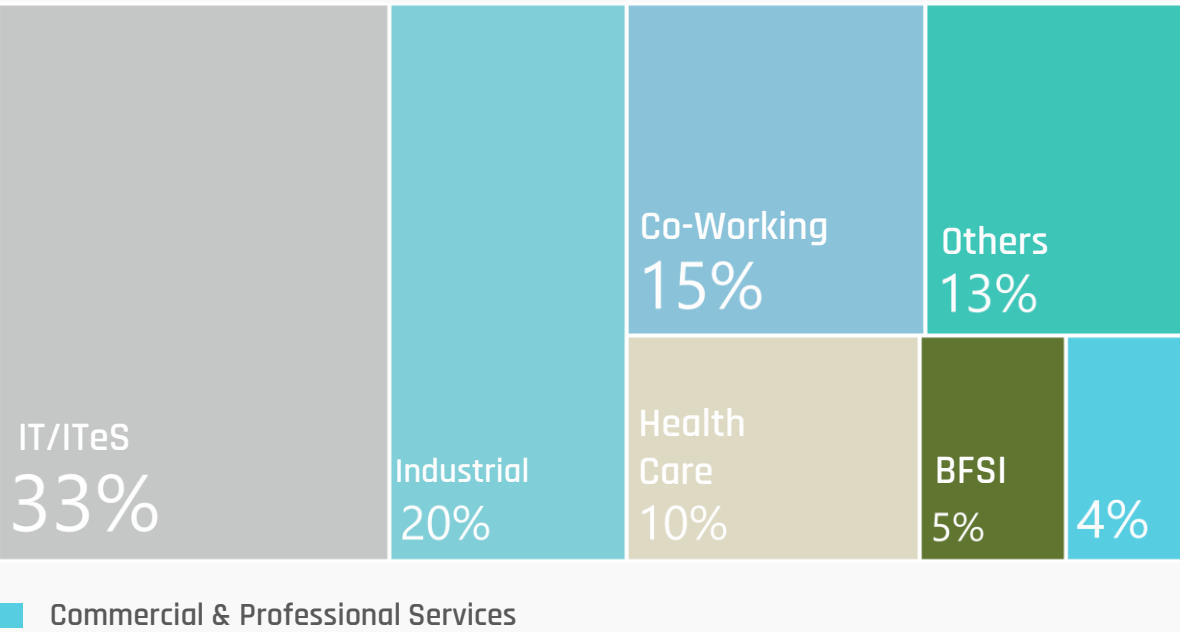


Market Trends



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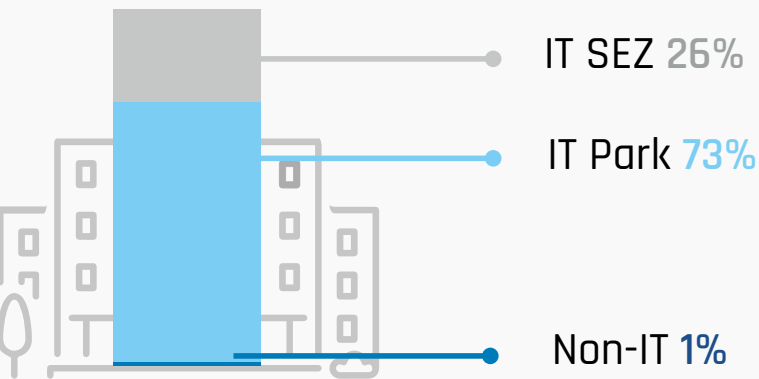
Demand by Sector



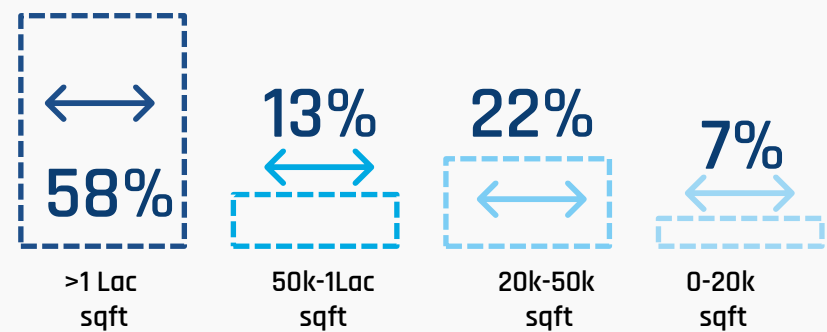
Grade A Fundamentals

Q2 CY'24 Demand (msf)	2.7
Q2 CY'24 Supply (msf)	0.8
Current Grade A Stock (msf)	78.0
Vacancy	15%
Under-Construction (msf)	15.3

Upcoming Supply 2024:



Office Transaction Size



Major Office Transactions

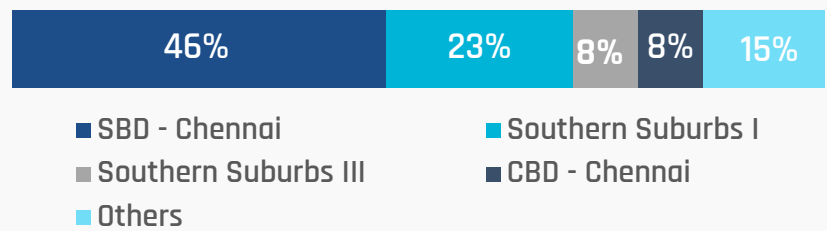
LTIMindtree,
L&T Innovation Campus
585,556 sqft | ₹68 psf

Access Health, One Indiabulls Park
76,893 sqft | ₹43 psf

Hexaware Technologies,
Featherlite The Address
65,507 sqft | ₹89 psf

Firstsource, Ozone Techno Park
47,966 sqft | ₹45 psf

Top Markets by Demand



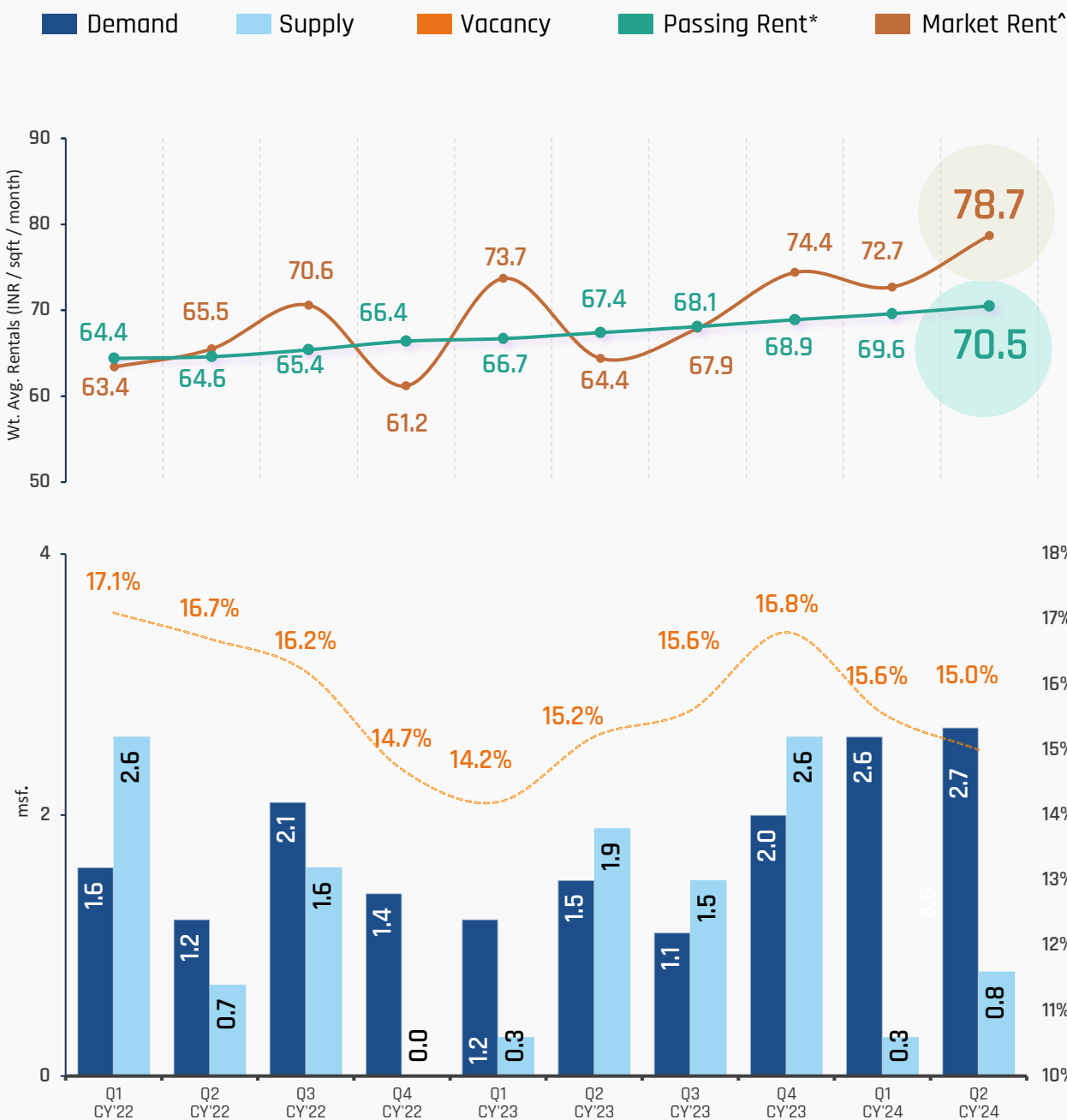
Demand to Supply Ratio



H1 CY'24 Demand

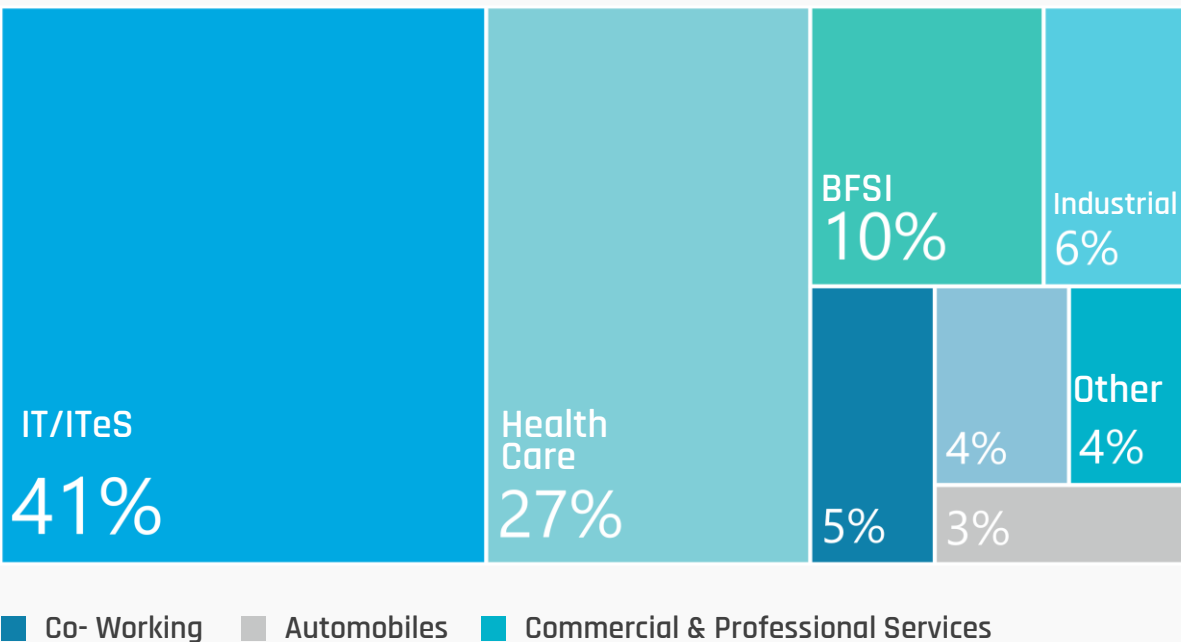


Market Trends



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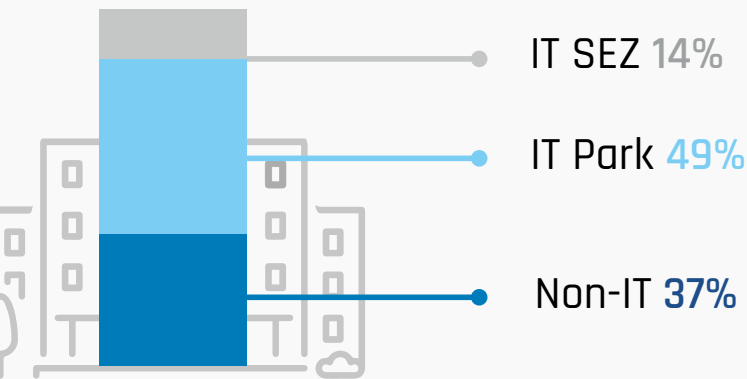
Demand by Sector



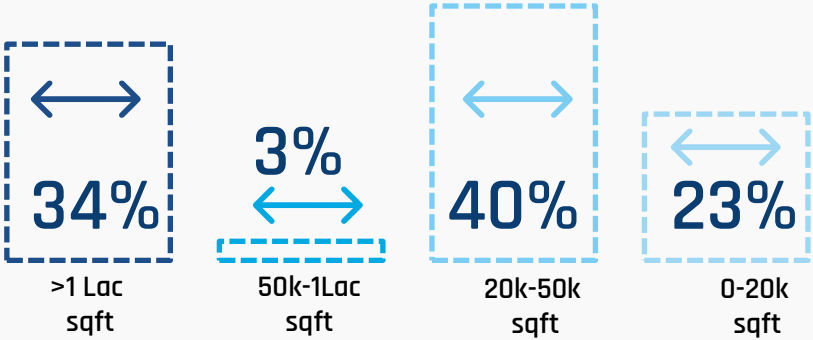
Grade A Fundamentals

Q2 CY'24 Demand (msf)	1.9
Q2 CY'24 Supply (msf)	0.3
Current Grade A Stock (msf)	85.5
Vacancy	12.8%
Under-Construction (msf)	30.2

Upcoming Supply 2024:



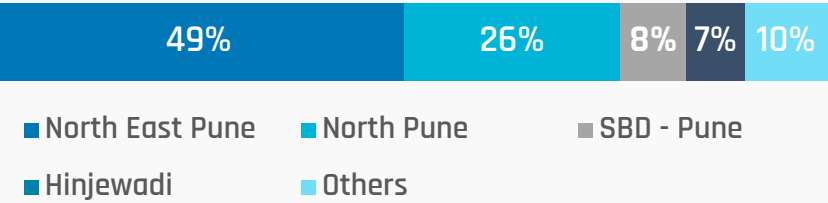
Office Transaction Size



Major Office Transactions

- Awfis, Nyati Enthral
230,993 sqft | >63.2 psf / 70% RS
- Avalara Technologies,
Panchshil Business Park, Viman Nagar
175,423 sqft | ₹107 psf
- AXA, Gera Commerzone
161,722 sqft | ₹82 psf
- Tata Motors, Kohinoor World Towers
155,516 sqft | ₹90 psf

Top Markets by Demand



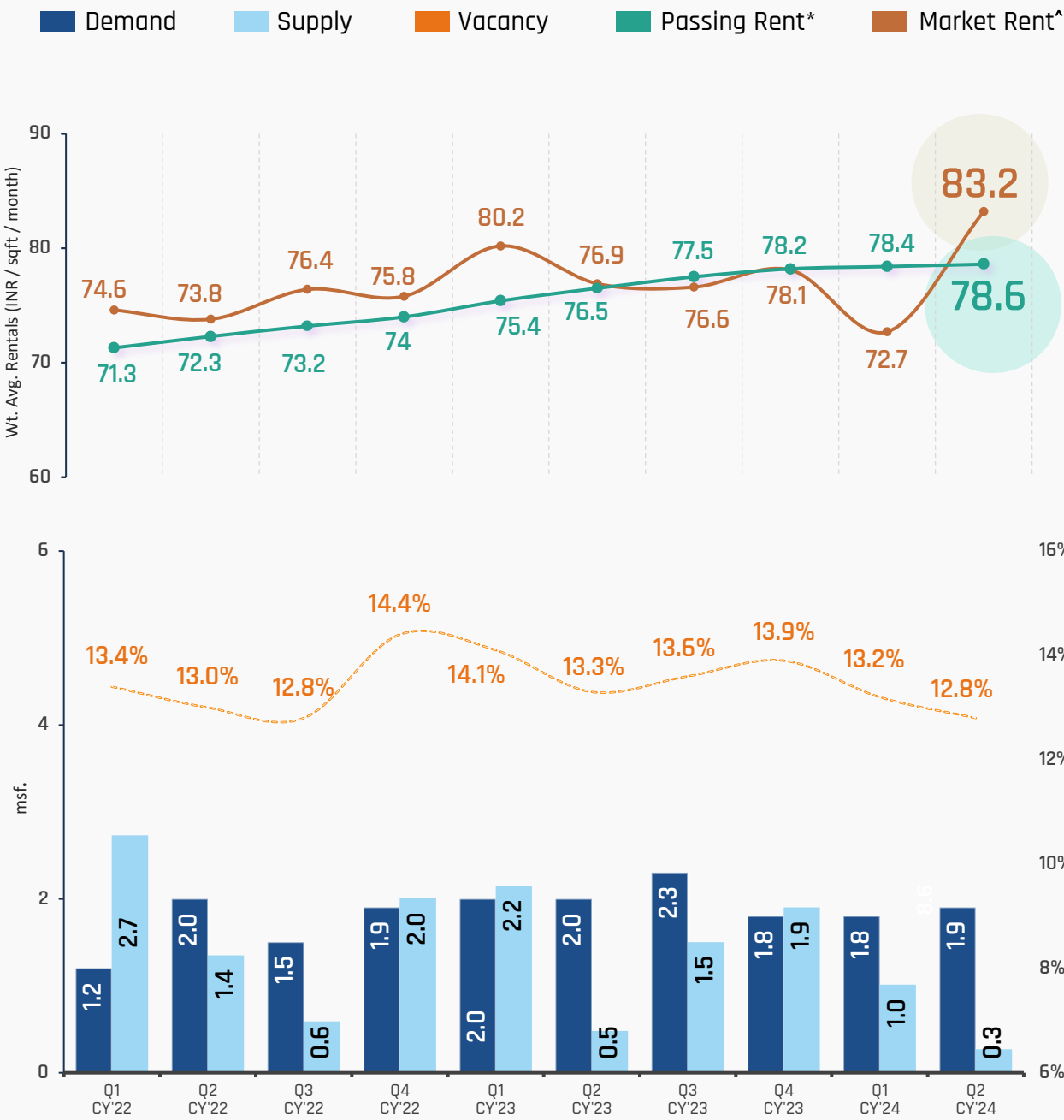
Demand to Supply Ratio



Q2 CY'24 Market Rent

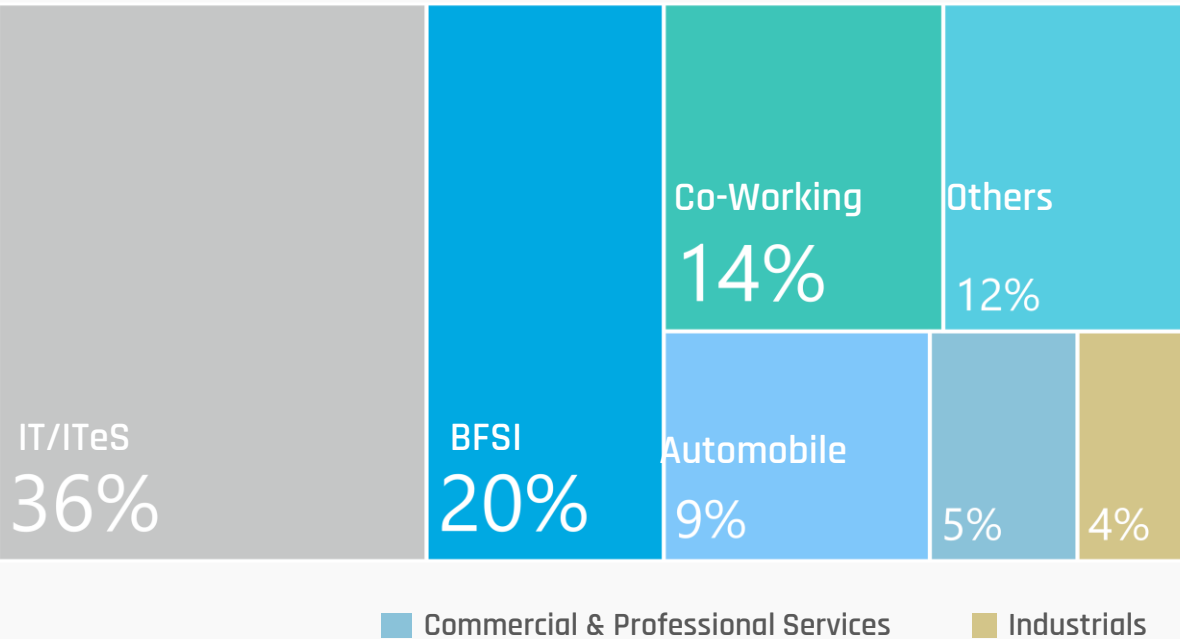


Market Trends



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Demand by Sector





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Chairman



Boman Irani
President



Shekhar G Patel
President-Elect



Mr. G Ram Reddy
Secretary



Deepak Goradia
Vice President (West)



Anand Singhania
Vice President (Central)



Nandu Belani
Vice President (East)



Sunil Furde
Vice President (Special)



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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.



Grade A India Warehousing Report Q4 – CY'23

March 2024



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December 2023



[Pune Housing Report](#)

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January 2024



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