

MARKET FUNDAMENTALS

	YOY Chg	Outlook*
11.2% Vacancy Rate	▼	▲
5.5 YTD 2025 Net Absorption (MSF)	▼	▲
INR 162.9 Stock Wtd. Rent (PSFPM)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook*
7.4% GDP Growth (Q4 FY24-25)	▼	▼
2.8% CPI Inflation	▼	▲
58.7 Services PMI (3 months average)	▼	▬

Source: MOSPI, RBI, HSBC

FLEX SPACES, BFSI SECTORS PROPEL LEASING ACTIVITY IN Q2 2025

The gross leasing volume (GLV) in Q2 2025 touched ~4.0 MSF mark, reflecting a strong demand from Flexible workspaces, followed by the BFSI and IT-BPM sectors reflecting a share of 23% and 16% each. The rise in the Hybrid work models and rising demand from fintech firms drove the leasing activity. Professional services and Engineering & Manufacturing sectors had ~7% share each. Thane-Belapur Road witnessed the highest leasing activity with ~28% share followed by Andheri-Kurla Road with ~19% share during Q2 2025. Fresh leases accounted for 2.5 MSF, a significant 64% share in quarterly GLV. In H1 2025, the gross leasing volume surpassed ~8 MSF, with BFSI securing ~34% share followed by IT-BPM and Flexible workspaces with a share of nearly~15% in H1 2025.

Net absorption for the quarter stood at 2.6 MSF in Q2 2025; declined by ~9% QOQ while it increased by more than 51% YOY. This was the highest net absorption recorded in the city during the second quarter with Thane-Belapur Road leading from the front with a massive ~41% share in Q2 2025. This was driven by occupiers consolidating and expanding in cost-effective and well-connected submarkets. In H1 2025, the net absorption was 5.5 MSF with Lower Parel, Andheri-Kurla and Thane-Belapur Road together contributing to nearly 70% share.

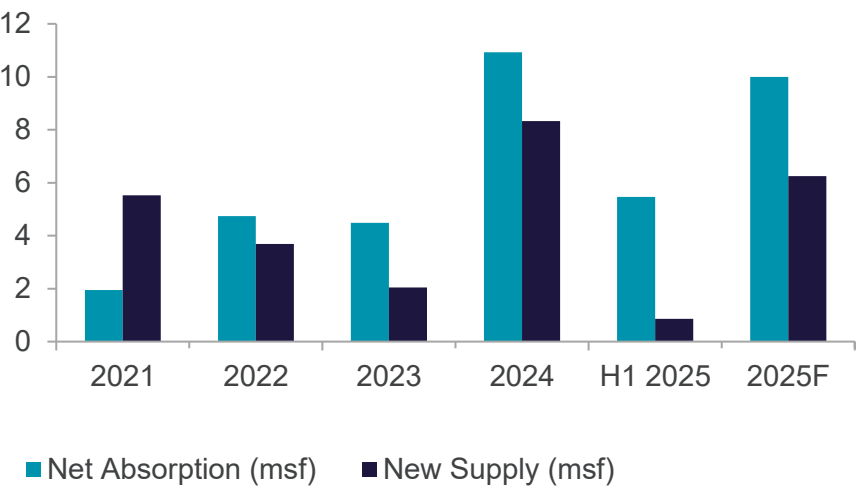
VACANCY DECLINES DESPITE SUPPLY SURGE IN Q2 2025

Q2 2025 saw 0.9 MSF of new supply, up nearly 4x QOQ led by Thane-Belapur Road (~66% share), followed by Andheri west, pushing the city's Grade-A stock to 120.3 MSF. Despite this, vacancy fell 254 bps QoQ to 11.2%, driven by strong expansion, especially from flex space and BFSI sectors. A healthy pipeline of ~4.8 MSF is expected in the remainder of the year.

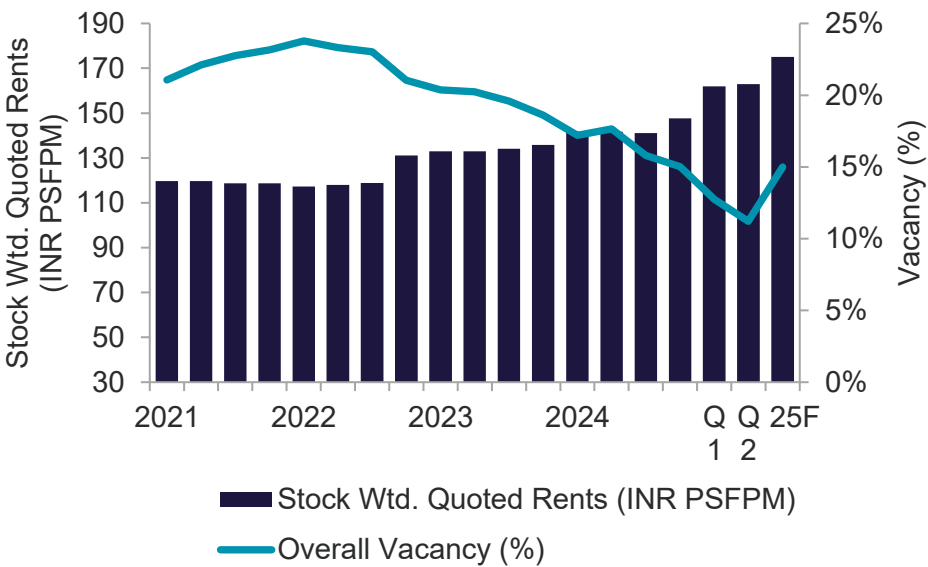
RENTALS EXPECTED TO SURGE AMID GROWING DEMAND

In Q2 2025, stock-weighted average rents saw a marginal QoQ increase of 0.6%, reaching INR 162.9 per sq ft. This uptick was supported by strong demand in key office districts such as SBD BKC and Lower Parel. With occupiers increasingly preferring better grade office assets, and with the rising share of premium quality supply, the firming-up of rents is expected toS continue for some time.

NET ABSORPTION / NEW SUPPLY



OVERALL VACANCY & STOCK WTD. QUOTED RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANCY RATE	CURRENT QUARTER NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	CURRENT QUARTER CONSTRUCTION COMPLETIONS (SF)	PLANNED & UNDER CONSTRUCTION (SF)^	GRADE A STOCK WEIGHTED AVERAGE RENT (INR/SF/M)*
CBD	1,962,814	3.1%	15,491	34,037	63,425			₹ 269.2
SBD –BKC	11,099,808	5.0%	107,856	243,988	721,745		3,621,766	₹ 329.7
Worli	3,119,504	12.9%	116,907	161,980	223,758		1,430,000	₹ 318.9
Lower Parel	12,169,730	17.7%	395,594	1,249,126	980,012		3,840,945	₹ 223.5
Andheri-Kurla	17,067,800	11.1%	507,630	1,249,930	1,597,623	296,000	3,351,046	₹ 151.5
Powai	7,656,286	11.5%	70,786	1,60,010	660,097		3,050,000	₹ 171.7
Malad/Goregaon	18,779,347	13.2%	2,907	387,484	1363,787			₹ 164.1
Vashi	1,645,068	6.5%	16,752	35,284	23,489			₹ 98.9
Thane-Belapur Rd.	23,818,864	12.8%	1,057,268	1,215,926	1270,213	565,183	2,609,040	₹ 70.3
Thane	10,498,323	5.7%	161,821	336,140	297,900		2,895,400	₹ 81.0
Central Suburbs	12,520,532	10.3%	145,579	389,947	1,022,115		3,500,000	₹ 162.3
TOTAL	1,203,38,076	11.2%	2,598,591	5,463,852	8,224,134	861,183	24,298,197	₹162.9

The report highlights Grade A details only. Certain indicators are historically corrected by addition / deletion of older / refurbished projects as per grade A classification and accounting for changes in built-up / leasable area besides adjusting tenant leases to reflect accurate market conditions.
Net absorption refers to the incremental new space take-up. 2024 gross leasing activity includes pre commitments and term renewals. ^Includes planned & under construction projects until 2027. * Stock weighted average asking rental rates for spaces that provide core facility, high-side air conditioning and 100% power back up

Key to submarkets:

CBD – Ballard Estate, Colaba, Churchgate, Fort & Nariman Point; SBD – Bandra-Kurla Complex, Bandra East, Kalina; Lower Parel- Lower Parel, Parel, and Dadar; Andheri-Kurla- Andheri (E), Chandivali, Marol; Malad Goregaon- Malad, Goregaon, Jogeshwari, and Borivali; Central Suburbs- Bhandup, Kanjurmarg, Vikhroli, Kurla, and Wadala; Thane- Belapur Rd- Airoli, Ghansoli, Mahape, Juinagar, Seawoods, and Dombivili; Thane- Thane, Kapurbawdi, Ghodbunder Road, and Wagle Estate

US\$ 1 = 85.4 INR € 1 = 96.4 INR
Numbers for the second quarter are based on market information collected until 16th June 2025

Outlook*: The Outlook represents our forward-looking view of key market indicators over the next 12 months, based on current market trends, economic conditions, policy developments, and available data. Projections are indicative and may be adjusted as market dynamics evolve.

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Intellion Park	Thane-Belapur Road	Smartworks	565,183	Fresh
R Square	Andheri-Kurla Road	ICICI Lombard General Insurance	84,157	Fresh
Mindspace, Juinagar	Thane-Belapur Road	Star Union Dai-chi Life Insurance	102,823	Fresh
One International Centre	Lower Parel	Tata Digital	58,667	Fresh
Reliable Tech Park	Thane-Belapur Road	Digital Solutions	43,364	Fresh

KEY CONSTRUCTION COMPLETIONS Q2 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Intellion Park	Thane-Belapur Road	Smartworks	565,183	Tata Realty

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