

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
9.95% Vacancy Rate	▼	▲
3.28 YTD Net Absorption (MSF)	▼	▲
INR 89.1 Stock Wtd. Rent (PSFPM)	—	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
6.70% GDP Growth (Q1 FY24-25)	▼	▲
3.65% CPI Inflation	▼	▲
59.6 Services PMI (3 months average)	▲	▲

Source: MOSPI, RBI, HSBC

STRONG LEASING CONTINUED INTO THIRD QUARTER

Pune recorded gross leasing volume (GLV) of 2.9 msf, a 9% drop from last quarter, although 1.9x jump on y-o-y basis. Fresh leasing of 1.6 msf was recorded in this quarter, which is ~40% higher than the quarterly average for past 8 quarters, largely driven by leases in SBD East. Pune recorded 1.3 msf of term renewals consistent with the previous quarter. However, this figure is still ~70% higher than the average quarterly renewals over the past eight quarters. SBD East was the most active market, accounting for 60% of quarterly leasing, followed by SBD West with 19.2%. In sectors, Engineering & Manufacturing led with 36% share, followed closely by IT-BPM with 35% share.

For YTD 2024, Pune recorded 7.32 msf leasing which is a meager 1% rise from last year. SBD East remained the most active submarket in terms of leasing for the first nine months of the year with 56% share of GLV. In terms of sectors, Engineering & manufacturing emerged at the top with 29% of leasing, followed closely by IT-BPM at 24%. YTD net absorption stood at 3.28 msf, a 13% drop from last year.

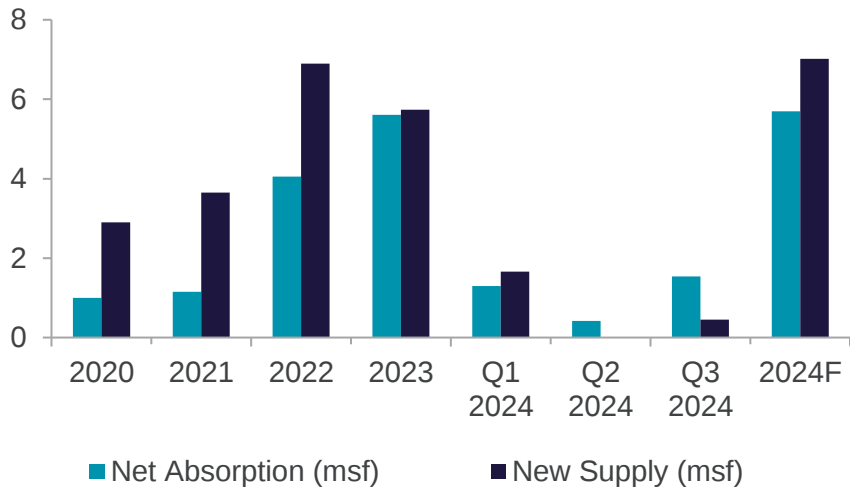
VACANCY DIPS FURTHER IN Q3; ROBUST NEAR-TERM SUPPLY OUTLOOK

Pune recorded 0.45 msf of new supply in Q3 2024 bringing the total YTD new supply to 2.12 msf. On the back of steady leasing, city-wide headline vacancy dipped to 9.95%. For the entire year of 2024, supply of 7.02 msf is expected, majority of which is concentrated in SBD East (51%), followed by CBD (32%), both of which have low vacancy rates. Over long-term (Q3-2024 to 2026), city is anticipated to see a healthy supply pipeline of over 22.6msf, most of which (57%) is again concentrated in the SBD East submarket.

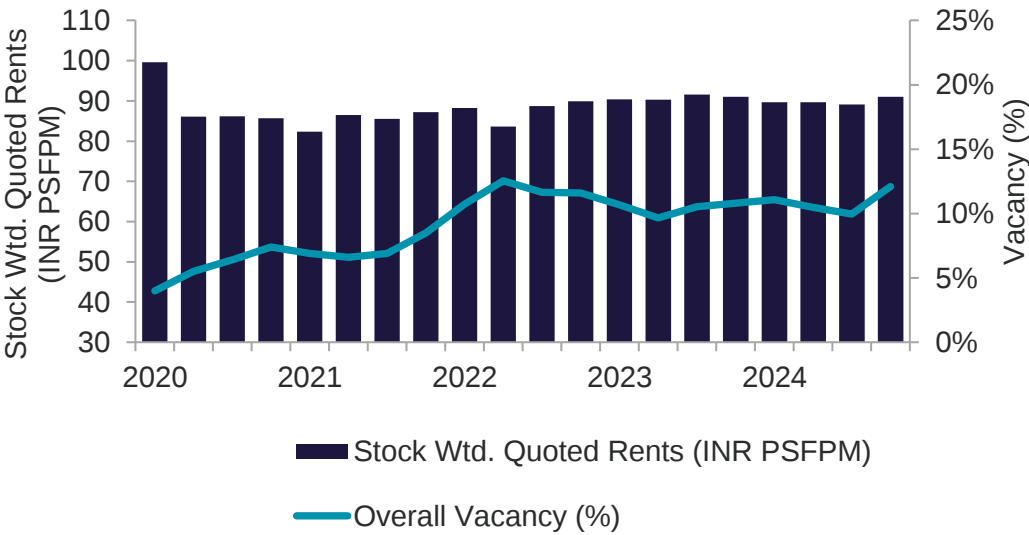
CITY-WIDE RENTALS REMAIN STABLE

Headline rentals have remained largely unchanged over the year amidst steady supply and healthy leasing. Rentals are expected to remain stable in key submarkets over the next year too as large supply hits the market.

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)	YTD CONSTRUCTION COMPLETIONS (SF)	PLANNED & UNDER CONSTRUCTION (SF)^	GRADE A STOCK WEIGHTED AVERAGE RENT (INR/SF/M)
CBD	4,649,600	0.78%	3,419	26,812	364,608	0	3,970,000	₹ 110.42
SBD East	38,133,136	7.59%	962,900	2,117,137	4,085,362	2,116,000	12,927,000	₹ 99.17
SBD West	9,659,858	6.11%	249,622	468,378	1,786,318	0	2,300,000	₹ 88.32
PBD East	2,866,209	36.49%	0	17,000	16,597	0	0	₹ 73.05
PBD West	16,404,139	15.68%	333,074	648,780	1,067,371	0	3,500,000	₹ 63.28
TOTAL	71,712,942	9.95%	1,549,015	3,278,107	7,320,256	2,116,000	22,697,000	₹89.08

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. YTD gross leasing activity includes pre commitments and term renewals. ^Includes planned & under construction projects until 2026. *Weighted average asking rental rates for vacant spaces that provide core facility, high-side air conditioning and 100% power back up

Key to submarkets:

CBD: Laxmi Road, Camp, Bund Garden, Boat Club, Koregaon Park, Dhole Patil Road, Pune Station, Shivaji Nagar, FC Road, JM Road, Wakdewadi, SB Road, Model Colony, Ganeshkhind Road; SBD East: Kalyani Nagar, Kharadi, Mundhwa, Yerwada, Nagar Road, Viman Nagar, Hadapsar, Kondhwa; SBD West: Aundh, Baner, Pashan, Kothrud, Karve Nagar, Khadki, Paud Road; PBD East: Phursungi, Wagholi, Charoli, Solapur Road, Saswad Road, Katraj; PBD West: Hinjewadi, Wakad, Pimpri, Bhosari, Chinchwad, Bavdhan, Mulshi, Talawade, Tathawade, Nanded, Pimple Saudagar

US\$ 1 = 83.7 INR € 1 = 92.1 INR

Numbers for the third quarter are based on market information collected until 20th September 2024

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Suzlon Earth	SBD East	Suzlon Energy	484,665	Renewal
Commerzone Yerwada	SBD East	NVIDIA	325,000	Renewal
Embassy Techzone	PBD West	State Street	162,102	Fresh
EON Tech Zone	SBD East	Broadcom	108,500	Renewal
Shanti One	SBD East	Coforge	94,811	Fresh

KEY CONSTRUCTION COMPLETIONS YTD 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Panchshil Avenue	SBD East	Rebrick	450,000	Panchshil
Prestige Alphatech	SBD East	BNY Mellon	966,000	Prestige Group
Gera Commerzone B1	SBD East	AXA	700,000	Gera

SHUBHAM SHERUGAR

Assistant Manager

Tel: +91 22 6771555

Shubham.sherugar@cushwake.com

SUVISHESH VALSAN

Senior Director, Research

Tel: +91 22 6771555

suvishesh.valsan@cushwake.com

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