

MARKETBEAT



0.1 msf

LEASING ACTIVITY
(Q1 2018)

33%

DECLINE IN NET
ABSORPTION (QoQ)

29.1 msf

TOTAL UPCOMING
SUPPLY

HIGHLIGHTS

Leasing continues unabated

Ahmedabad recorded Grade A net absorption of nearly 97,000 square feet (sf) in the first quarter of 2018, a three-fold increase year-on-year (YoY). This was led by the Sarkhej–Gandhinagar Highway submarket that constituted 60% of the absorption. Higher demand from occupiers in BFSI and IT-BPM sectors and absorption of pre-committed space drove leasing in this submarket. The submarket of Satellite/Prahladnagar also saw increased leasing, mainly in newly added supply towards the end of last quarter.

Steady supply aids stable rentals

The city has witnessed steady infusion of quality supply in the last two quarters and has seen increased traction among occupiers in both the Sarkhej–Gandhinagar Highway and Satellite/Prahladnagar submarkets. Thus, Grade A vacancy remained largely stable at 38.7% during the quarter albeit pick-up in demand. Further, rentals have also remained range-bound across key submarkets during the quarter.

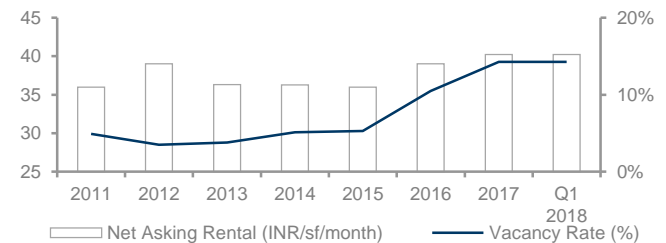
Market conditions to tighten

In the long term, the Sarkhej–Gandhinagar Highway is expected to assume greater prominence with changing preference of occupiers and gradual movement from Satellite/Prahladnagar and Ashram Road. This is on the back of dearth of quality upcoming supply coupled with infrastructure bottlenecks in these submarkets. Thus, the market is likely to tilt towards landlords due to the increased demand in the long term.

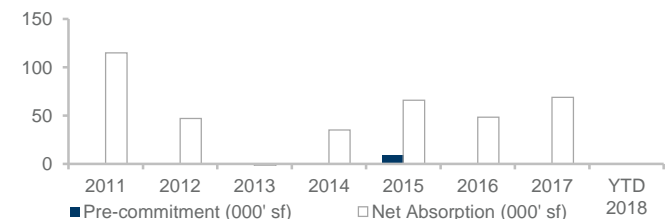
MARKET INDICATORS

	Q1 17	Q1 18	12 Month Forecast
Overall Vacancy	38.7%	38.7%	▼
Weighted Average Rentals (INR/sf/month)	39.6	40.6	▲
YTD Net Absorption (sf)	37,000	93,800	▲

ALL GRADES OVERALL RENT & VACANCY RATE - CBD



ALL GRADES PRE-COMMITMENT AND NET ABSORPTION - CBD



AHMEDABAD OFFICE MARKETBEAT

MARCH 2018



SUBMARKET	INVENTORY (SF)	VACANCY RATE	YTD LEASING ACTIVITY (SF)	PLANNED & UNDER CONSTRUCTION (SF)	YTD CONSTRUCTION COMPLETIONS	YTD NET ABSORPTION (SF)	WTD. AVG. RENT*		
							INR/SF/MO	US\$/SF/YR	EUR/SF/YR
S. G. Highway	6,382,700	30.4%	56,400	3,737,900	194,500	56,400	43.3	US\$8.0	€6.5
Satellite / Prahladnagar	4,512,500	34.0%	40,400	1,917,800	0	37,400	40.7	US\$7.5	€6.1
TOTALS#	14,270,600	38.7%	96,800	27,647,300	194,500	93,800	40.6	US\$7.5	€6.1

The report highlights Grade A details only

Net absorption refers to the incremental new space take-up; renewals not included in leasing activity statistics

**Weighted average asking rental rates for vacant spaces that provide core facility, high-side air conditioning and 100% power back up*

Total figures contain submarkets not mentioned above

IT-BPM – Information Technology – Business Process Management

BFSI - Banking, financial services, and insurance

US\$ 1 = INR 65.0; € 1 = INR 79.9

Numbers for the first quarter are based on market information collected until 10th March 2018

KEY LEASING TRANSACTIONS Q1 2018

PROPERTY	SUBMARKET	TENANT	SF	LEASE TYPE
Vivian Square	Satellite/Prahladnagar	Nagori Institute	8,000	New lease
K158	S.G. Highway	Sharekhan	5,000	Expansion
Silver Radiance	S.G. Highway	Saffron	4,500	Expansion
Satya One	Memnagar	EEC	4,000	Relocation

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION DATE
Capital	S. G. Highway	NA	450,000	Q2 2018
Shivalik Satyamev	S. G. Highway	NA	392,000	Q2 2018
Colonade	S. G. Highway	NA	238,000	Q2 2018
Privilon	S. G. Highway	NA	230,000	Q2 2018

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DATA
INTO
ACTION

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