

MARKETBEAT



1.2 msf

NEW COMPLETIONS
(Q1 2018)

1.6 msf

NET ABSORPTION
(Q1 2018)

13.3 msf

UPCOMING SUPPLY
(2018)

HIGHLIGHTS

Majority of the demand driven by healthcare companies

Continuing the trend of steady rise in leasing by non-Information Technology-Business Process Management (IT-BPM) companies in the last few quarters, healthcare occupiers constituted 42% of the total transactions for the first quarter of 2018, closely followed by IT-BPM occupiers with a 38% share.

Overall Vacancy Remained Stable at 5.1%

Approximately 1.2 million square feet (msf) of new supply was infused in the market while net absorption was recorded at 1.6 msf, thereby maintaining pressure on vacancy levels. For the rest of the year, about 13.0 msf of Grade A supply is expected to be added, including completion of projects that were delayed due to the issuance of Occupancy Certificates in 2017. Despite infusion of supply, steady demand from occupiers is expected to keep the overall vacancy below 5%.

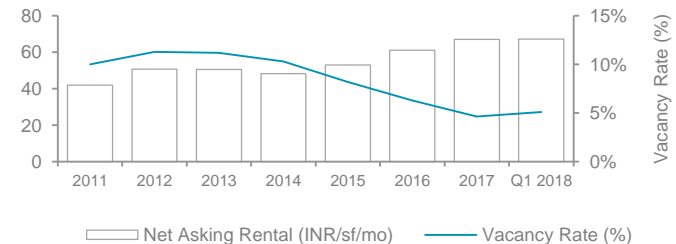
Rental Increased Marginally in Select Submarkets

The Central Business District (CBD), Outer Ring Road, and Peripheral East submarkets have witnessed marginal increases in weighted average rentals; helping boost the overall city rental by 3% quarter-on-quarter (QoQ). In the coming quarters, rent is expected to continue to rise marginally on the basis of the steady supply and demand activities in the city.

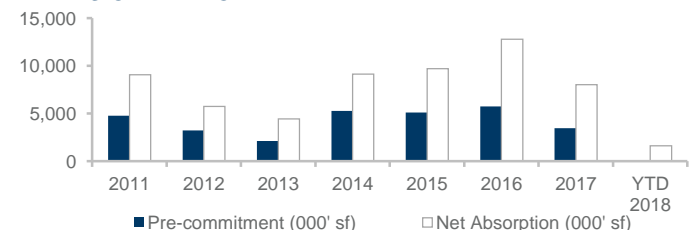
MARKET INDICATORS

	Q1 17	Q1 18	12 Month Forecast
Overall Vacancy	6.2%	5.1%	▬
Weighted Average Net Asking Rentals (INR/sf/month)	61.03	67.27	▲
YTD Net Absorption (sf)	1,144,900	1,620,500	▲

GRADE A OVERALL RENT & VACANCY RATE



GRADE A PRE COMMITMENT AND NET ABSORPTION



A Cushman & Wakefield
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DATA
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BENGALURU OFFICE MARKETBEAT

MARCH 2018



Somy Thomas

Managing Director

Valuation and Advisory, India

Tel: +91 80 40465555

Email: Somy.Thomas@ap.cushwake.com

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
CBD / Off-CBD	4,802,800	2.1%	174,400	1,454,500	0	118,200	100.59	US\$18.57	€15.11
Outer Ring Road	60,488,100	5.2%	790,900	10,721,200	489,074	746,300	76.80	US\$14.18	€11.53
Peripheral East	23,488,500	5.7%	55,400	3,810,000	0	5,400	52.82	US\$9.75	€7.93
Peripheral North	2,798,500	37.7%	221,700	3,490,600	0	191,700	80.46	US\$14.85	€12.08
Peripheral South	8,856,800	3.3%	736,500	1,250,000	750,000	665,000	65.00	US\$12.00	€9.76
Suburban East	18,927,800	2.0%	0	1,858,800	0	-238,500	55.00	US\$10.15	€8.26
Suburban South	5,209,700	1.7%	50,000	2,900,000	0	132,500	90.00	US\$16.62	€13.52
TOTALS	125,672,300	5.1%	2,028,900	26,065,200	1,239,100	1,620,500	67.27	US\$12.42	€10.10

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

IT-BPM – Information Technology – Business Process Management

Key to submarkets:

CBD/Off-CBD – M.G. Road, Millers Road, Vittal Mallya Road, Residency Road, etc.; Peripheral South – Electronic City, Hosur Road, Mysore Road; Outer Ring Road – Sarjapur, KR Puram, Hebbal; Suburban East – Indira Nagar, Old Airport Road, C.V. Raman Nagar; Peripheral East – Whitefield; Suburban South – Koramangala, Bannerghatta Road, Jayanagar; Peripheral North – Bellary Road, Thanisandara Road, Tumkur Road.

US\$ 1 = INR 65.00; € 1 = INR 75.90

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
Gold Hill Supreme Phase II	Peripheral South	Siemens Healthcare	700,000	New lease
Embassy Tech Village	Outer Ring Road	WeWork	150,000	New lease
Manyata Embassy Business Park, Block L1	Outer Ring Road	Anthem Healthcare	150,000	New lease

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION DATE
Hinduja SEZ Block 2	Peripheral North	NA	800,000	Q2 2018
Karle Town Centre Block 4	Outer Ring Road	NA	750,000	Q4 2019

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