CUSHMAN & WAKEFIELD

DELHI-NCR OFFICE MARCH 2018

MARKETBEAT

67.2%
GURUGRAM SHARE IN GROSS ABSORPTION

1.1%
QoQ INCREASE IN WEIGHTED AVG. RENTS

1.4 msf
UPCOMING SEZ SUPPLY (Q2 2018)

HIGHLIGHTS

Quarterly increase of 4.6% in gross absorption

Delhi-National Capital Region (NCR) recorded a 4.6% growth in Grade A leasing with the Information Technology – Business Process Management (IT-BPM) sector being the leading demand driver, constituting 36% of overall leasing. This was followed by engineering and manufacturing occupiers contributing 24%. The average transaction size almost doubled to 40,000 square feet (sf) on the back of large-sized transactions (more than 50,000 sf) constituting 76% of gross leasing. No pre-commitments were recorded during the quarter.

New supply increases 18.8% QoQ

Gurugram Others added 665,000 sf of Grade A new supply during the quarter, across two commercial projects on NH48. The overall vacancy rate reduced marginally by 0.6 percentage points, to 25.9%, due to strong leasing during the quarter. Significant new supply in Delhi-NCR is expected in the upcoming quarter with majority (55%) being in the Special Economic Zone (SEZ) area in Noida.

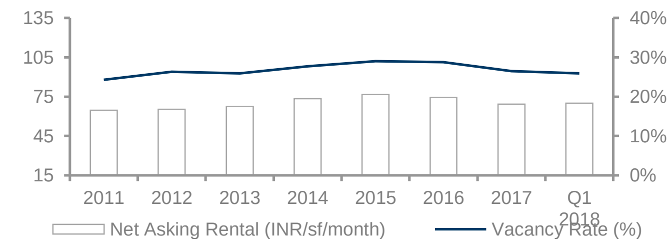
Rents expected to rise in Gurugram CBD

Availability of space kept the overall rents for Delhi-NCR range-bound during the quarter. However, with limited availability and the addition of new supply in the submarket largely pre-committed, the Gurugram Central Business District (CBD) is expected to record a 4–5% spurt in quoted rents.

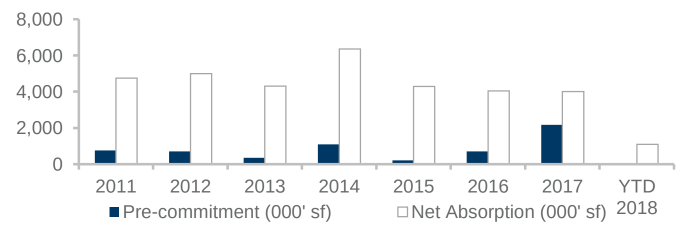
MARKET INDICATORS

	Q1 2017	Q1 2018	12 month Forecast
Overall vacancy	28.6%	25.9%	▲
Weighted Average Rents (INR/sf/month)	73.37	70.07	▬
YTD Net Absorption (sf)	813,200	1,099,800	▲

NET ASKING RENTAL / VACANCY



PRE-COMMITMENT / NET ABSORPTION



A Cushman & Wakefield Research Publication

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SUBMARKET	INVENTORY (SF)	VACANCY RATE	YTD LEASING ACTIVITY (SF)	PLANNED & UNDER CONSTRUCTION (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	YTD NET ABSORPTION (SF)	WTD. AVG. RENT*		
							INR/SF/MO	US$/SF/YR	EUR/SF/YR
Delhi CBD	1,373,700	11.9%	6,900	253,900	0	6,900	359.83	US$66.43	€54.04
South-East Delhi	7,608,200	16.2%	9,000	3,000,000	0	4,000	178.28	US$32.91	€26.77
Delhi International Airport	1,186,200	1.9%	72,800	0	0	20,500	225.00	US$41.54	€33.79
Gurugram CBD	15,827,500	2.0%	133,500	3,498,900	0	3,500	120.36	US$22.22	€18.08
Gurugram Others	51,922,400	35.8%	894,300	17,031,000	665,000	774,900	67.26	US$12.42	€10.10
Noida	22,722,400	25.1%	412,200	8,767,400	0	290,000	57.54	US$10.62	€08.64
TOTALS	**100,640,400**	**25.9%**	**1,528,700**	**32,551,200**	**665,000**	**1,099,800**	**70.07**	**US$12.94**	**€10.52**

The report highlights Grade A details only
Net absorption refers to the incremental new space take-up; renewals not included in leasing activity statistics
Average asking rents indicated weighted average, warm shell, asking rental rates for vacant spaces that provide core facility, high-side air conditioning and 100% power back up
**Weighted average rental rates reflect gross asking INR/sf/month*
Key to submarkets:
Delhi CBD – Connaught Place
South-East Delhi – Saket, Jasola, Nehru Place, Munirka, Okhla
Gurugram CBD – Cyber City, MG Road
Gurugram Others – rest of the city (excludes Manesar)
Noida – excludes Greater Noida
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
Assotech Business Cresterra	Noida	Nokia	2,00,000	New lease
Candor TechSpace	Gurugram Others	Xceedance	1,00,000	Expansion
Candor TechSpace	Noida	Conduent	1,00,000	New lease
DLF Building 7	Gurugram CBD	Ericsson	92,000	Relocation
Candor TechSpace	Gurugram Others	Inspop Technologies	60,000	New lease

SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION DATE
Brahma Bestech Athena	Gurugram Others	-	450,000	Q3 2018
DLF Cyber Park	Gurugram CBD	BACI, Gartner, Expedia	2,518,900	Q4 2018
TRIL Commercial Centre, Tower A & B	Gurugram Others	-	770,000	Q4 2018
Supertech E-Square	Noida	-	550,000	Q4 2018

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