

# MARKETBEAT

**44%**  
DECLINE IN NET  
ABSORPTION  
(QoQ)

**0.4 msf**  
NEW  
COMPLETIONS  
(Q1 2018)

**1.6 msf**  
UPCOMING SUPPLY  
(Q2 2018)

## HIGHLIGHTS

### New supply leads leasing in CBD market

Net absorption was recorded at 0.3 million square feet (msf) during the first quarter of 2018, a 44.0% decline from the previous quarter. Interestingly, 63% of this absorption was concentrated in the Central Business District (CBD) submarket followed by SBD East and PBD West with a combined share of 37%. Traction in the CBD was led by absorption of pre-committed space as it saw fresh supply of nearly 0.2 msf during the quarter. The quarter saw total new supply of nearly 0.6 msf (entirely non-Information Technology), of which, 64% was Grade A developments.

### Stable rentals across submarkets

Grade A vacancy rate has remained stable at 9.0% during the quarter owing to moderate demand and limited new supply in select submarkets. Thus, the weighted average rentals have also remained range-bound except the CBD submarket. Rental in the CBD rose by 2% on a sequential basis as new supply came up with higher than average market rates during the quarter.

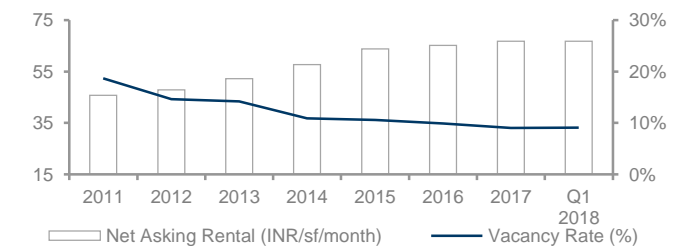
### Coworking continues its healthy streak

Coworking players are expanding their presence in the city, with the likes of Awfis and Smartworks taking up larger office spaces. They remained active in the current quarter as well, with select large deals in the CBD submarket. Being a well-developed market with better connectivity and infrastructure, coworking operators prefer setting up offices in the SBD East submarket.

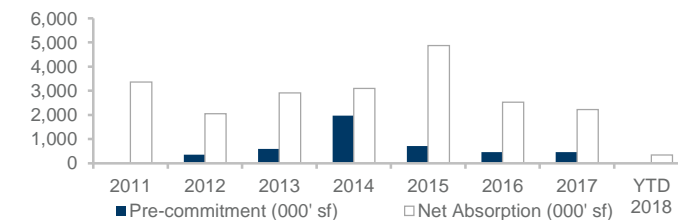
#### MARKET INDICATORS

	Q1 17	Q1 18	12 Month Forecast
Overall Vacancy	9.4%	9.1%	▼
Weighted Average Net Asking Rentals (INR/sf/month)	65.3	66.8	▲
YTD Net Absorption (sf)	814,400	343,700	▲

#### GRADE A OVERALL RENT & VACANCY RATE



#### PRE-COMMITMENT/NET ABSORPTION



# PUNE OFFICE MARKETBEAT

MARCH 2018



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DATA  
INTO  
ACTION

A Cushman & Wakefield  
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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	3,671,400	7.8%	217,900	195,000	250,000	217,900	106.4	US\$19.6	€16.0
SBD East	24,573,200	6.2%	69,100	6,455,000	150,000	54,000	75.7	US\$14.0	€11.4
SBD West	4,191,900	6.3%	17,000	3,920,000	0	0	80.3	US\$14.8	€12.1
PBD East	1,950,200	35.2%	0	0	0	0	55.2	US\$10.2	€8.3
PBD West	11,214,800	12.3%	71,800	5,389,600	0	71,800	54.2	US\$10.0	€8.1
<b>TOTALS</b>	<b>45,601,500</b>	<b>9.1%</b>	<b>375,800</b>	<b>15,959,600</b>	<b>400,000</b>	<b>343,700</b>	<b>66.8</b>	<b>US\$12.3</b>	<b>€10.0</b>

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 – Information Technology

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, Yerwade, 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 = 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
Blue Ridge Tower 9	PBD West	Infovision	23,000	Relocation
Panchshil Pavillion	CBD	Transfort	22,000	New lease
Sai Radhe	CBD	Open Silicon	13,330	Relocation
World Trade Center Tower - 2	SBD East	Delta Mecons	12,000	Expansion
Sai Radhe	PBD West	Zensoft Services	11,000	New lease

## SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION DATE
Acendas Phase III (ITTP) Cypress	PBD West	NA	606,200	Q2 2018
Symphony IT Park (Phase I)	SBD West	NA	420,000	Q2 2018