

MARKET FUNDAMENTALS

	YOY Chg	Outlook
12.75% Vacancy Rate	▼	—
2.87 Q1-25 Net Absorption (MSF)	▼	—
INR 161.9 Stock Wtd. Rent (PSFPM)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
6.20% GDP Growth (Q3 FY24-25)	▼	▲
3.60% CPI Inflation	▼	▲
58.3 Services PMI (3 months average)	▲	—

Source: MOSPI, RBI, HSBC

GROSS LEASING SETS NEW RECORD IN Q1 2025

Mumbai recorded a gross leasing volume (GLV) of 4.3 MSF, nearly mirroring the average volume that the city has been recording for the past 5-6 quarters. Interestingly, this was the highest volume recorded in first quarter in the city’s commercial real estate history. BFSI sector led the pack with ~44% share in quarterly leasing, followed by IT-BPM with ~13% share. Engineering & Manufacturing sector and Professional services had ~9% share each in the overall leasing during the quarter. Among submarkets, Malad-Goregaon dominated the leasing activity with ~22% share followed by Andheri-Kurla Road with ~20% share in Q1 2025. Fresh leases accounted for 3.14 MSF, a 73% share in quarterly GLV, unlike in previous quarter where its share was 86%.

Net absorption for the quarter stood at 2.9 MSF in Q1, an increase of 16% y-o-y. This was the highest net absorption recorded in the city during the first quarter as the demand for office spaces in Lower Parel and Andheri-Kurla submarkets saw robust increase in Q1 2025.

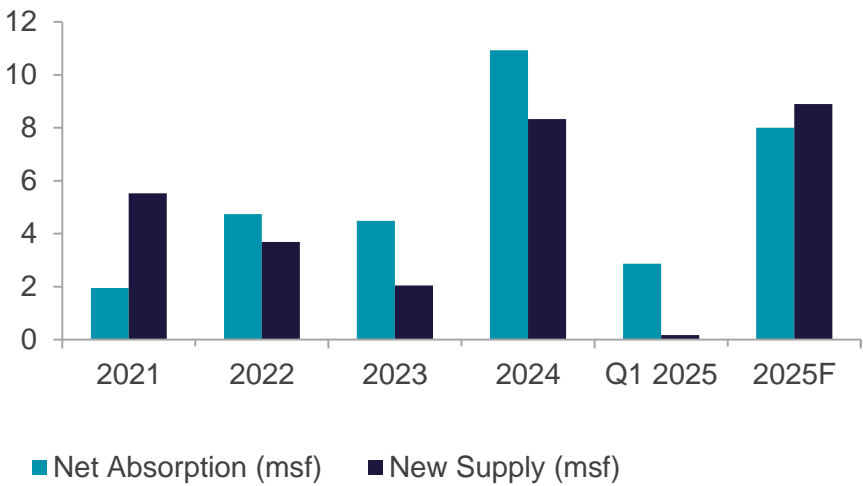
SUPPLY RISES marginally BUT VACANCY DIPS

As against a robust quarterly average supply of ~2.0 MSF in year 2024, in the first quarter of 2025, the supply remained muted at 0.18 MSF, rendering the lowest supply in last eight quarters. Only SBD-BKC submarket recorded new supply during the quarter, taking the city Grade-A office stock marginally higher to 119.5 MSF. However, for the remainder of this year, there is a healthy supply pipeline of projects. The vacancy rate dipped significantly by 227 bps q-o-q to 12.75% in Q1 2025.

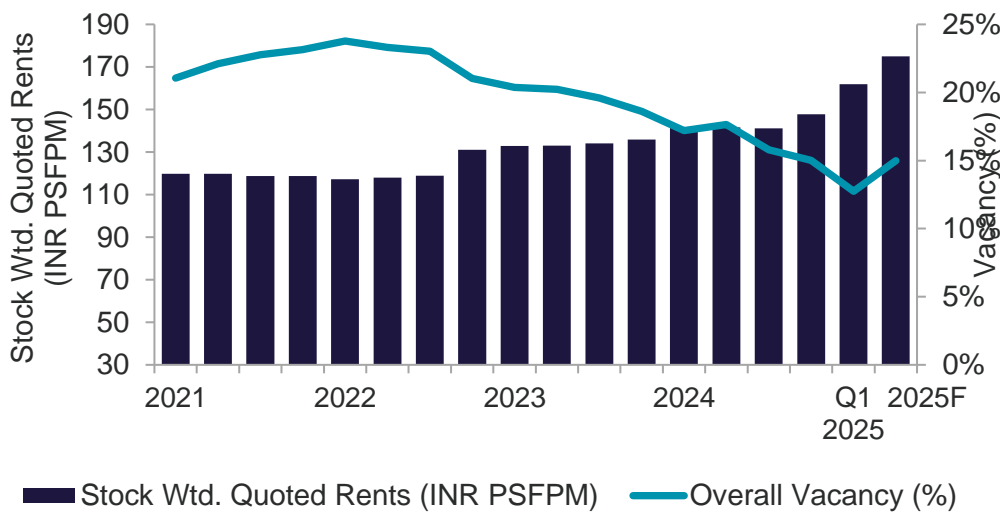
RENTALS WITNESS HEALTHY GROWTH

In Q1 2025, the stock-weighted average rents witnessed a notable rise of 9-10% Q-o-Q. This increase was mainly on account of notable rise in rentals in Lower Parel, Powai, Malad-Goregaon and Central Suburbs submarkets that saw robust demand during the quarter. The increased penetration of premium Grade-A supply may trigger rental growth in the near term.

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)	CURRENT QUARTER LEASING ACTIVITY (SF)	CURRENT QUARTER CONSTRUCTION COMPLETIONS (SF)	PLANNED & UNDER CONSTRUCTION (SF)^	GRADE A STOCK WEIGHTED AVERAGE RENT (INR/SF/M)
CBD	1,962,814	3.9%	18,546	18,546	34,843			₹ 265.2
SBD –BKC	11,099,808	6.0%	136,132	136,132	466,642	177,661	3,621,766	₹ 326.1
Worli	3,119,504	16.6%	45,073	45,073	64,274		4,170,945	₹ 306.1
Lower Parel	12,169,730	20.9%	853,532	853,532	665,438		1,100,000	₹ 223.0
Andheri-Kurla	16,771,800	12.6%	742,300	742,300	867,439		3,647,046	₹ 150.2
Powai	7,656,286	12.5%	89,224	89,224	473,639		3,050,000	₹ 170.6
Malad/Goregaon	18,779,347	13.2%	384,577	384,577	938,846			₹ 162.9
Vashi	1,645,068	7.5%	18,532	18,532	7,839			₹ 95.5
Thane-Belapur Rd.	23,253,681	15.3%	158,658	158,658	189,301		3,147,500	₹ 70.2
Thane	10,498,323	7.2%	174,319	174,319	74,211		2,561,400	₹ 80.2
Central Suburbs	12,520,532	11.5%	244,368	244,368	524,231		3,500,000	₹ 161.5
TOTAL	119,476,893	12.7%	2,865,261	2,865,261	43,06,793	177,661	24,798,657	₹161.9

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. 2024 gross leasing activity includes pre commitments and term renewals. ^Includes planned & under construction projects until 2027. \* Stock weighted average asking rental rates for spaces that provide core facility, high-side air conditioning and 100% power back up

Key to submarkets:

CBD – Ballard Estate, Colaba, Churchgate, Fort & Nariman Point; SBD – Bandra-Kurla Complex, Bandra East, Kalina; Lower Parel- Lower Parel, Parel, and Dadar; Andheri-Kurla- Andheri (E), Chandivali, Marol; Malad Goregaon- Malad, Goregaon, Jogeshwari, and Borivali; Central Suburbs- Bhandup, Kanjurmarg, Vikhroli, Kurla, and Wadala; Thane- Belapur Rd- Airoli, Ghansoli, Mahape, Juinagar, Seawoods, and Dombivili; Thane- Thane, Kapurbawdi, Ghodbunder Road, and Wagle Estate

US\$ 1 = 86.7 INR    € 1 = 90.5 INR  
Numbers for the first quarter are based on market information collected until 20<sup>th</sup> March 2025

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Oberoï Commerz 3 Phase II	Malad – Goregaon	Blackrock	154,326	Fresh
R Square	Andheri-Kurla	HDFC Bank	449,605	Fresh
Marathon Futurex	Lower Parel	Zee Entertainment	131,617	Term Renewal
Cignus	Powai	Citco Shared Services	120,424	Fresh
Nirlon Knowledge Park	Malad – Goregaon	BNP Paribas	118,720	Fresh

KEY CONSTRUCTION COMPLETIONS Q1 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Kalpataru Infinia Tower 2	SBD-BKC	-	1,77,661	Kalpataru

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