

MARKET FUNDAMENTALS

	YOY Chg	Outlook
11.23% Vacancy Rate	▲	▲
2.07 Q1-25 Net Absorption (MSF)	▲	▲
INR 89.9 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

LEASING VOLUME AT AN ALL TIME HIGH IN Q1 2025

Leasing was at an all time high of 3.5 MSF in Q1 2025, rising by over 2x on a q-o-q basis and a 3x jump y-o-y. Large deals (>100,000 SF) drove the leasing volume in Q1 2025, contributing over 70% share. Fresh leases accounted for more than 46% at 1.6 MSF, while pre-commitments had a 49% share at 1.7 MSF in Q1-2025. Amongst sectors, BFSI stood tall, accounting for 29% share, followed by flex operators with a healthy 27% share in leasing during the quarter. SBD East and PBD West submarkets dominated the leasing activity with ~45% and ~35% shares, respectively, while CBD accounted for close to 9% share of the overall leasing in Q1 2025.

Net absorption reached 2.07 MSF in Q1 2025, the highest in five quarters marking a 21% Q-o-Q and 59% Y-o-Y increase. The surge was driven by the pre-commitments in the buildings commencing operations in Q1, backed by BFSI and Flex operators. Most of the occupiers were expanding their operations especially in the IT corridors of SBD East, PBD West and CBD submarkets. GCCs space take-up of ~1.2 MSF, was nearly 20% of India’s overall GCC leasing during the quarter.

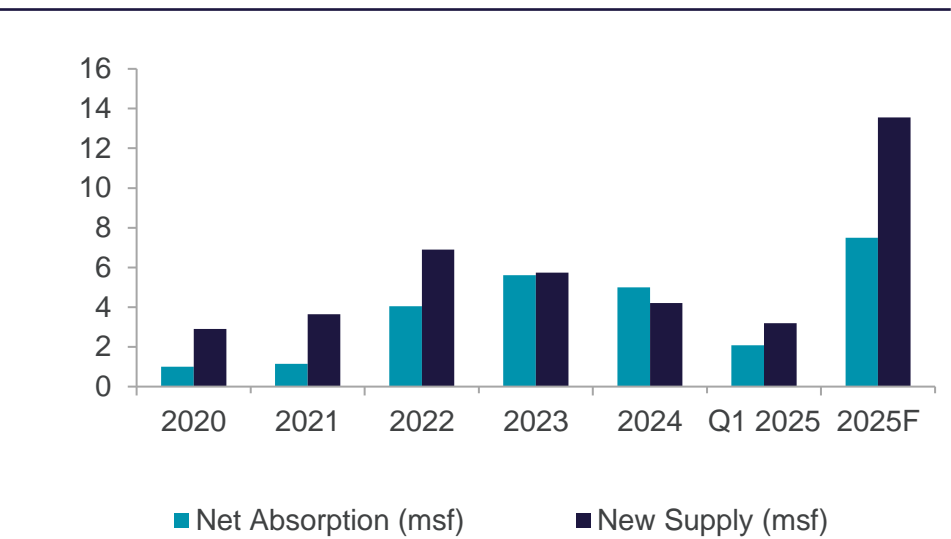
RECORD HIGH SUPPLY IN Q1 2025, VACANCY RISES marginally

Pune recorded a historic high Grade-A office supply of 3.2 MSF in the first quarter, a 53% growth q-o-q and over 90% growth y-o-y. The SBD East and CBD submarkets received all the total new supply for the quarter, split almost equally between the two markets. Though the new supply met with a robust demand during the quarter, it also moved the vacancy rate a bit higher by 105 bps to 11.23%. At this vacancy rate too, the city continues to remain the second most tight office market in India, after Bengaluru. The city is likely to witness healthy supply pipeline throughout the year of 2025 and 2026 with upcoming supply of ~10 MSF and ~11 MSF, respectively.

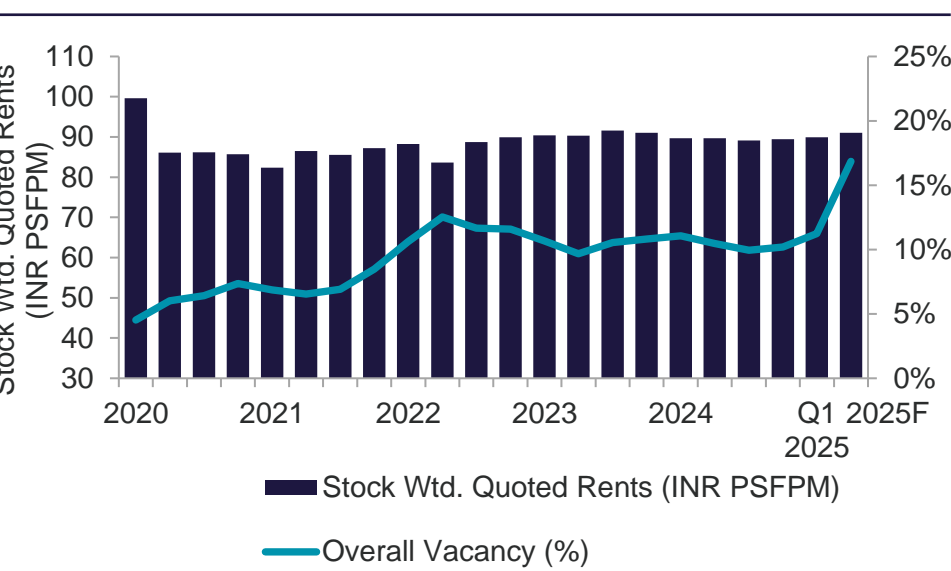
STOCK WEIGHTED AVERAGE RENTALS INCHED UP SLIGHTLY

The citywide stock weighted rentals rose moderately by 0.5% in Q1 2025 over Q4 2024 while remained stable in Q1 of last year. Despite record supply during the quarter, rentals held firm, reflecting resilient demand.

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	62,09,600	21.50%	234,959	234,959	310,959	1,570,000	3,410,000	₹ 107.95
SBD East	4,12,83,136	10.46%	11,16,930	11,16,930	15,65,730	1,650,000	1,53,08,000	₹ 98.84
SBD West	1,02,59,858	3.87%	1,86,405	1,86,405	189,510	0	6,100,000	₹ 92.00
PBD East	28,66,209	29.41%	178,689	178,689	213,000	0	0	₹ 73.06
PBD West	1,64,04,139	10.91%	3,56,179	3,56,179	12,10,179	0	3,582,000	₹ 62.21
TOTAL	7,70,22,942	11.23%	20,73,702	20,73,702	34,89,378	3,210,000	2,84,00,000	₹ 89.90

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. Current quarter’s 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: 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, Yerwada, 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 = 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
Panchshil Business Hub	SBD East	Citi Corp	430,000	Pre-Commitment
ITPP	PBD West	KPIT Technologies	220,000	Fresh
Panchshil Business Hub	SBD East	Citi Corp	340,000	Pre-Commitment
SP Infocity	PBD East	WNS Global	120,000	Fresh

KEY CONSTRUCTION COMPLETIONS Q1 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Gera Commerzone B4	SBD East	Infosys	1,100,000	K Raheja Corp
Godrej KP Phase 1	CBD	Tablespace	900,000	Godrej Properties

**AJAY BARVE**  
Senior Manager  
Tel: +91 22 6771555  
[ajay.barve@cushwake.com](mailto:ajay.barve@cushwake.com)

**SUVISHESH VALSAN**  
Senior Director, Research  
Tel: +91 22 6771555  
[suvishesh.valsan@cushwake.com](mailto:suvishesh.valsan@cushwake.com)

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