

MARKET FUNDAMENTALS

	YOY Chg	Outlook*
22.9% Vacancy Rate	▼	▲
2.8 YTD 2025 Net Absorption (MSF)	▬	▲
INR 84.5 Stock Wtd. Rent (PSFPM)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook*
7.4% GDP Growth (Q4 FY24-25)	▼	▼
2.8% CPI Inflation	▼	▲
58.7 Services PMI (3 months average)	▼	▬

Source: MOSPI, RBI, HSBC

LEASING ACTIVITY REMAINS LARGELY STABLE; FLEXIBLE WORKSPACES DRIVE LEASING

Hyderabad’s office market recorded a Gross Leasing Volume (GLV) of 1.74 msf in Q2 2025, with net absorption at 1.3 msf. Flexible workspace operators led Q2 leasing with a 47% share, a surge closely linked to the increasing number of new Global Capability Centers (GCCs) entering the city and their growing demand for short to medium-term leased spaces. IT-BPM and BFSI followed with 27% and 12%, respectively.

For H1 2025, the GLV totaled 4.33 msf, reflecting a marginal 6% variation from H1 2024, mainly due to a few deals being deferred to the second half of the year. Global Capability Centers (GCCs) contributed over 30% of leasing activities. Madhapur and Gachibowli accounted for 60% and 40% of H1 leasing, respectively.

LIMITED SUPPLY IN Q2; VACANCY DECLINES CITYWIDE

Q2 2025 saw 0.85 msf of new supply, down 36% QoQ, bringing H1 completions to 2.2 msf, entirely in Madhapur. Approximately ~5 msf of supply is expected to be added in H2, supported by phased project deliveries.

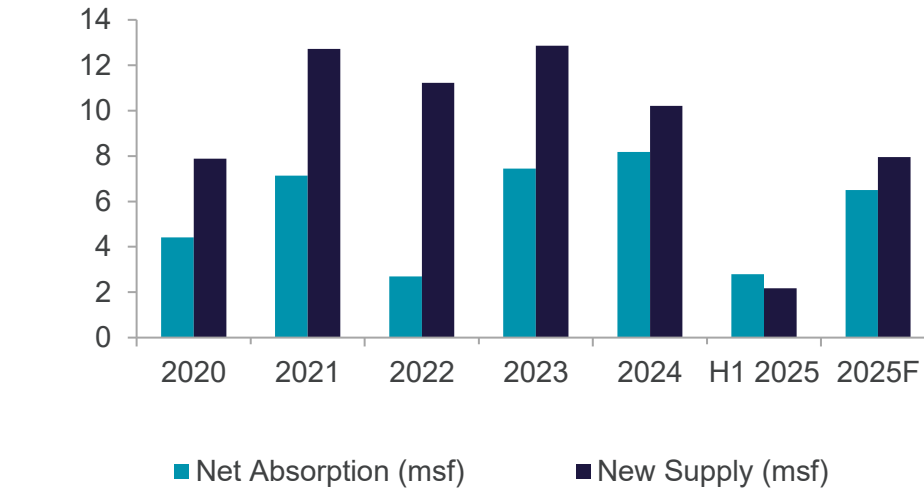
Citywide vacancy in Hyderabad stood at 22.9% in Q2 2025, marking a 230 bps decline QoQ and continuing a consistent downward trend over the past few quarters. Madhapur’s vacancy remained relatively healthy at 11.2% and is expected to tighten further due to limited upcoming supply. Having said that, vacancy levels in Grade A+ tech parks have breached the below 5% mark, indicating strong demand for premium spaces. Meanwhile, over 70% of the city’s upcoming supply in the next three years is slated for Gachibowli, whose expanding inventory is expected to provide scalability for large tenants.

AVERAGE RENTS CONTINUE UPWARD TREND; GACHIBOWLI RETAINS AFFORDABILITY

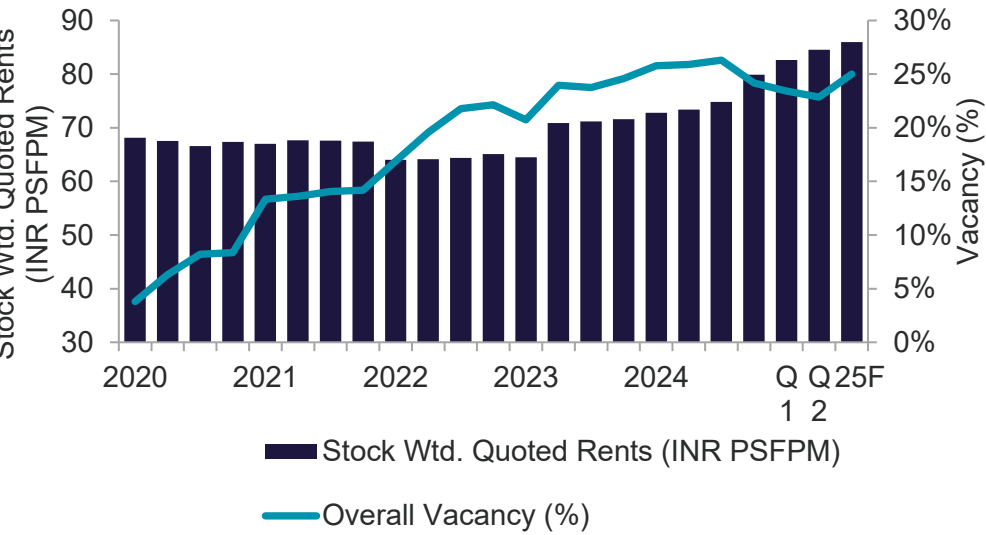
Average city-wide stock-weighted rentals increased by 2% QoQ and 15% YoY, with Madhapur driving the appreciation. Gachibowli continues to offer a cost advantage, with rents 25–30% lower than Madhapur.

Large deals: 100,000 sq. ft. and above; Mid-sized deals: 25,001 – 99,999 sq. ft.; Small deals: Up to 25,000 sq. ft.

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)	YTD LEASING ACTIVITY (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	PLANNED & UNDER CONSTRUCTION (SF)^	GRADE A STOCK WEIGHTED AVERAGE RENT (INR/SF/M)
Madhapur	70,415,811	11.18%	584,591	1,695,872	3,222,472	2,170,000	8,902,000	₹ 94.67
Gachibowli	38,161,288	42.24%	683,311	1,092,122	1,096,502	-	27,070,000	₹ 68.70
Peripheral East	2,258,000	47.48%	-	-	-	-	-	₹ 50.00
HYDERABAD TOTALS**	113,566,240	22.86%	1,274,902	2,793,374	4,325,974	2,170,000	35,972,000	₹ 84.54

***Hyderabad totals indicate additional sub-markets such as PBD East, PBD South, Suburban Others, Off CBD, CBD & Prime Suburban. 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. YTD 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:
Madhapur – Madhapur, Kondapur, Raidurg; Gachibowli – Gachibowli, Nanakramguda, Manikonda

US\$ 1 = 85.4 INR € 1 = 96.4 INR
Numbers for the second quarter are based on market information collected until 16th June 2025

Outlook*: The Outlook represents our forward-looking view of key market indicators over the next 12 months, based on current market trends, economic conditions, policy developments, and available data. Projections are indicative and may be adjusted as market dynamics evolve.

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Phoenix Centaurus	Suburban (Gachibowli)	Tablespace	264,800	Fresh Lease
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Cyber Pearl Block A	Suburban (Madhapur)	RedBricks	107,150	Fresh Lease
KRC Mindspace Building 20	Suburban (Madhapur)	Goodyear India	73,500	Fresh Lease
Phoenix Equinox Tower 2	Suburban (Madhapur)	The Executive Centre (TEC)	69,800	Fresh Lease

KEY CONSTRUCTION COMPLETIONS Q2 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Phoenix H10 - Tower 3	Suburban (Madhapur)	N/A	850,000	Phoenix Group

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