

MARKET FUNDAMENTALS

	YOY Chg	Outlook*
13.1% Vacancy Rate	▲	▲
4.3 YTD 2025 Net Absorption (MSF)	▲	▲
INR 91.0 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

H1 2025 DELIVERS ALL-TIME HIGH GROSS LEASING VOLUME

The city recorded gross leasing volumes (GLV) of 3.3 MSF in Q2 2025, reflecting a ~13% YOY growth, although slightly lower than the exponentially strong activity seen in Q1 2025. Fresh office leasing reached an all-time high, accounting for a dominant 77% share of the overall leasing volume. Engineering & Manufacturing led sectoral demand with a robust 43% share, followed by IT-BPM and Professional Services at ~16% share each in Q2 2025. Large deals (above 50,000 sf) dominated the market, contributing ~73% of the total leasing during the quarter. SBD East and PBD West emerged as key submarkets, together accounting for ~87% of leasing activity during Q2. Net absorption also reached a historic high of ~2.2 MSF in Q2 2025.

The H1 2025 period recorded historic high leasing volume of 6.8 MSF, delivering 54% increase over the same period last year. Net absorption stood at 4.3 MSF; 2.5x higher than the first half of the previous year.

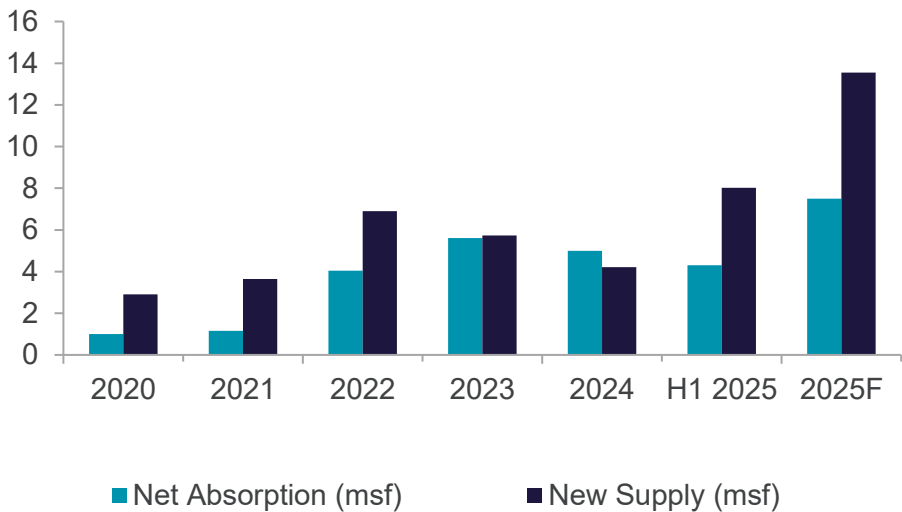
SUPPLY HITS RECORD HIGH IN Q2 2025, VACANCY RISE SLIGHTLY

Q2-25 witnessed an incredible 4.8 MSF of Grade-A office supply, a 50% growth QoQ. Except PBD East, all submarkets recorded supply in Q2 2025 with SBD East registering the highest at 2.9 MSF. Though net absorption reached an all time high during the quarter, the vacancy rate also moved upwards by 190 bps to 13.1%. At this vacancy rate too, Pune continues to remain a tight office market relative to most other cities. The city is expected to cross 15 MSF of new supply by year-end, marking a historic high for the Pune office market.

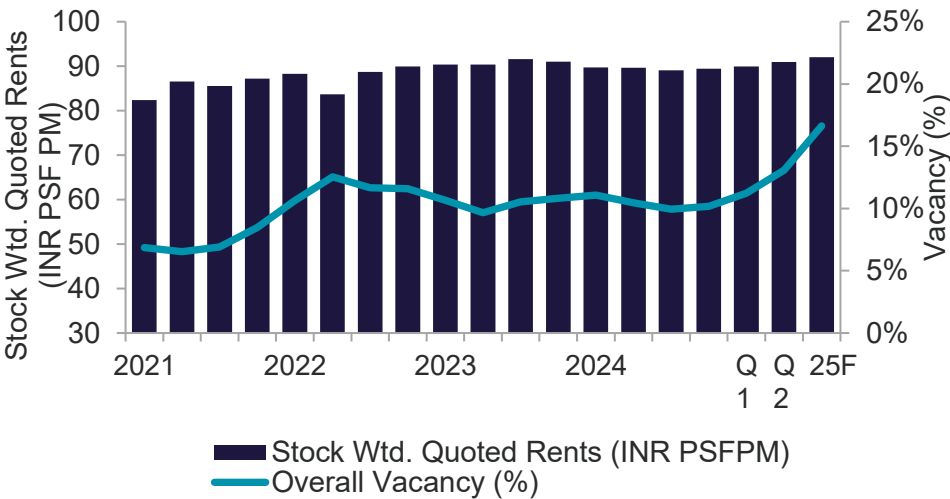
STOCK-WEIGHTED AVERAGE RENTALS MOVE UP AMID STRONG DEMAND

Citywide stock-weighted average rentals inched up by 1.2% QOQ and 1.5% YOY in Q2 2025. Despite record-high supply, rents remained broadly stable signaling sustained demand resilience.

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)	CURRENT QUARTER CONSTRUCTION COMPLETIONS (SF)	PLANNED & UNDER CONSTRUCTION (SF)^	GRADE A STOCK WEIGHTED AVERAGE RENT (INR/SF/M)
CBD	68,09,600	19.2%	106,800	341,799	455,759	6,00,000	4,520,000	₹ 121.1
SBD East	4,41,79,136	12.8%	15,02,923	26,19,853	40,41,846	2,896,000	1,80,03,000	₹ 93.8
SBD West	1,05,59,858	6.2%	1,06,142	2,92,847	311,124	300,000	6,206,000	₹ 89.8
PBD East	28,66,209	25.8%	102,000	280,689	426,000	0	0	₹ 74.0
PBD West	1,74,12,277	13.5%	4,18,138	7,74,517	15,41,169	1,008,138	2,978,408	₹ 62.1
TOTAL	8,18,27,080	13.1%	22,36,003	43,09,705	67,75,898	4,804,138	3,17,07,408	₹ 91.0

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 = 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
Gera Commerzone B4	SBD East	British Petroleum	1040,000	Fresh
Embassy Tech Zone	PBD West	Infosys	127,979	Fresh
SP Infocity	PBD East	Credence	93,000	Fresh
Tech Park One A	SBD East	Smartworks	166,000	Fresh

KEY CONSTRUCTION COMPLETIONS Q2 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Global Business City B2, B3	SBD East	The Executive Centre	15,96,000	Mapletree
Godrej KP Phase 2	CBD	Syensqo	600,000	Godrej Properties
EON Free Zone West Tower D	PBD West	Melife	653,000	Panchshil Realty
Keppel Ten Steps	SBD East	-	1,150,000	Keppel Land

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