MARKETBEAT
MUMBAI
OFFICE Q3 2025

MARKET FUNDAMENTALS

	YOY Chg	Outlook*
10.6% Vacancy Rate	▼	▲
7.6 YTD 2025 Net Absorption (MSF)	▼	▲
INR 165.5 Stock Wtd. Rent (PSFPM)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook*
7.8% GDP Growth (Q1 FY25-26)	▲	▼
2.07% CPI Inflation	▼	▲
61.3 Services PMI (3 months average)	▲	▼

Source: MOSPI, RBI, HSBC

ROBUST LEASING MOMENTUM LED BY BFSI AND IT-BPM SECTORS

In Q3 2025, gross leasing volumes (GLV) reached ~4.4 MSF, led by strong leasing in the BFSI and IT-BPM sectors with 31% and 26% shares respectively. Growth was attributed to the rising footprint of global investment banks. Engineering & Manufacturing and Healthcare & Pharma accounted for 12% and 9% of total leasing. Thane-Belapur Road led the market with ~1.25 MSF of leasing (~28%), driven primarily by IT-BPM demand. Malad-Goregaon and Andheri-Kurla Road followed, each accounting for ~14%. Fresh leases made up 2.8 MSF (63% of quarterly GLV), signaling strong new demand. As of 2025 YTD, GLV surpassed 12 MSF, with BFSI at 33%, followed by IT-BPM (18%) and Flexible Workspaces (11%).

Net absorption for Q3 2025 stood at 2.1 MSF, marking an 18% Q-O-Q decline—lowest net absorption in the last four quarters. The primary reason for the quarterly decline was increased quantum of churn transactions. During Q3 2025, Thane-Belapur Road led the net absorption with a ~33% share, followed by Andheri-Kurla Road at ~15%. YTD-2025 net absorption reached 7.6 MSF with Thane-Belapur Road, Lower Parel, and Andheri-Kurla Road together accounting for over 60% of the total.

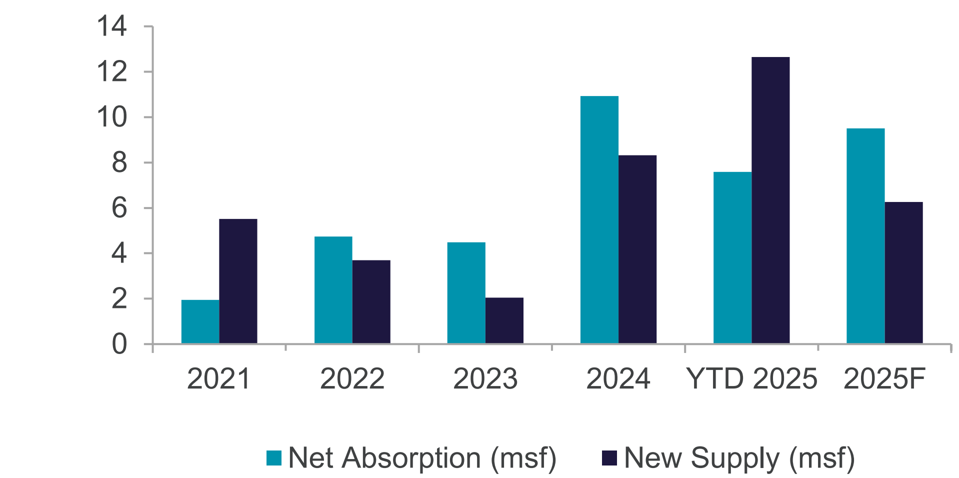
VACANCY DIPS OWING TO DEMAND SURPASSING SUPPLY

The quarter witnessed a sharp rise in supply with 1.6 MSF added in Q3 2025, marking an 81% Q-O-Q increase, taking the total Grade-A stock to 121.9 MSF. This surge was primarily driven by the Thane submarket, which contributed over 70% of the new supply. Despite this inflow, the citywide vacancy declined by 61 bps to 10.6%, primarily due to healthy space take-up supported by large deals (>100,000 sf) and healthy pre-commitments in new supply of Q3 2025. Looking ahead, a healthy supply pipeline of approximately 3.7 MSF is expected in the final quarter of the year.

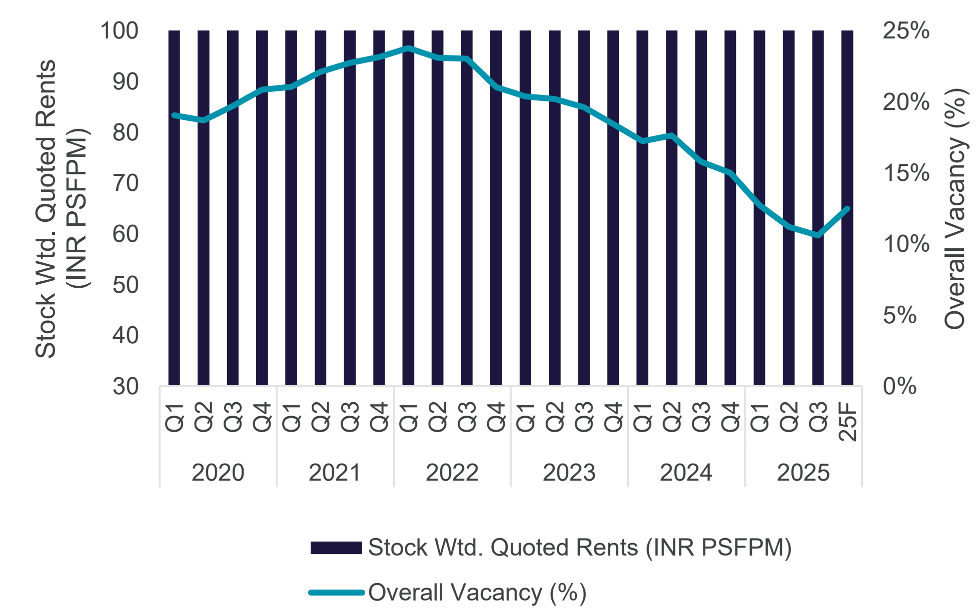
RENTALS SURGE AMID STRONG DEMAND

In Q3 2025, stock-weighted average rents rose marginally by 1.6% Q-O-Q to INR 165.5 per sq ft, supported by robust demand in key office districts such as SBD BKC and Worli. The preference for high-grade office assets, coupled with an increasing share of premium quality supply, is expected to sustain upward pressure on rents 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)	YTD LEASING ACTIVITY (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	PLANNED & UNDER CONSTRUCTION (SF)^	GRADE A STOCK WEIGHTED AVERAGE RENT (INR/SF/M)*
CBD	1,962,814	3.1%	641	34,678	118,024	-	-	₹ 269.6
SBD –BKC	11,099,808	4.7%	28,401	272,389	1,148,596	177,661	3,621,766	₹ 346.0
Worli	3,119,504	11.7%	37,074	199,054	351,392	-	3,170,945	₹ 332.4
Lower Parel	12,169,730	16.1%	190,011	1,439,137	1,270,223	-	1,100,000	₹ 232.9
Andheri-Kurla	17,067,800	10.3%	135,538	1,385,468	2,164,524	296,000	3,351,046	₹ 153.8
Powai	7,656,286	11.7%	-9,373	1,50,637	728,227	-	2,000,000	₹ 172.6
Malad/Goregaon	18,779,347	12.3%	176,025	563,509	1,995,190	-	-	₹ 166.0
Vashi	1,645,068	6.3%	4,536	39,820	141,834	-	-	₹ 102.2
Thane-Belapur Rd.	24,280,404	11.5%	735,967	1,951,893	2,510,432	1,026,723	1,247,500	₹ 70.3
Thane	11,598,323	8.1%	761,192	1,097,332	650,601	1,100,000	1,461,400	₹ 82.5
Central Suburbs	12,520,532	9.8%	68,554	458,501	1,571,739	-	3,500,000	₹ 162.4
TOTAL	**1,218,99,616**	**10.6%**	**2,128,566**	**7,592,418**	**12,650,782**	**2,600,384**	**19,452,657**	**₹165.5**

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. 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 = 87.0 INR € 1 = 101.6 INR
Numbers for the third quarter are based on market information collected until 15th September 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 Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Mindspace Airoli East	Thane-Belapur Road	Wipro	387,072	Fresh Lease
Centarus Phase 1	Thane	BNP Paribas	145,384	Fresh Lease
Mindspace, Juinagar	Thane-Belapur Road	Redbrick	49,883	Fresh Lease
Mindspace Airoli West	Thane-Belapur Road	Foundever CRM	69,320	Fresh Lease
Leela Business Park	Andheri-Kurla Road	Indiqube	34,011	Fresh Lease

KEY CONSTRUCTION COMPLETIONS Q3 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Centaurus Phase 1	Thane	WNS	11,00,000	Hiranandani

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