

MARKET FUNDAMENTALS

	YOY Chg	Outlook*
12.9% Vacancy Rate	▲	▲
6.9 YTD 2025 Net Absorption (MSF)	▲	▲
INR 92.4 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

GROSS LEASING VOLUME LED BY IT-BPM SECTOR

Pune office market achieved a historic high, recording gross leasing volumes of ~8.8 MSF as of YTD-2025, reflecting a robust growth of ~31% over the same period last year. This momentum was primarily driven by the expansion of IT-BPM occupiers expanding aggressively across major technology corridors. However, during Q3 2025, the gross leasing volumes moderated to 2.04 MSF, a decline of ~38% QOQ and ~24% YOY, following the exceptionally high activity seen in Q2 2025. Fresh leases continued to dominate, accounting for nearly 80% of the quarter's total transactions. IT-BPM led demand with ~32% share, followed by BFSI at ~19% and Flexible Workspace at ~16%. Large-format deals (>50,000 sf) accounted for ~64% of activity, while SBD East and SBD West emerged as the most active submarkets, together comprising ~76% of the quarter's leasing.

The net absorption grew by ~14% QOQ to a record high of ~2.54 MSF, surpassing the the gross leasing volumes of Q3 2025 primarily due to the strong pre-commitments in the new supply came during the quarter. In YTD-2025, the net absorption increased by ~2.1x over the same period last year reaching 6.9 MSF, with majority deals from the IT-BPM and Engineering & Manufacturing sectors.

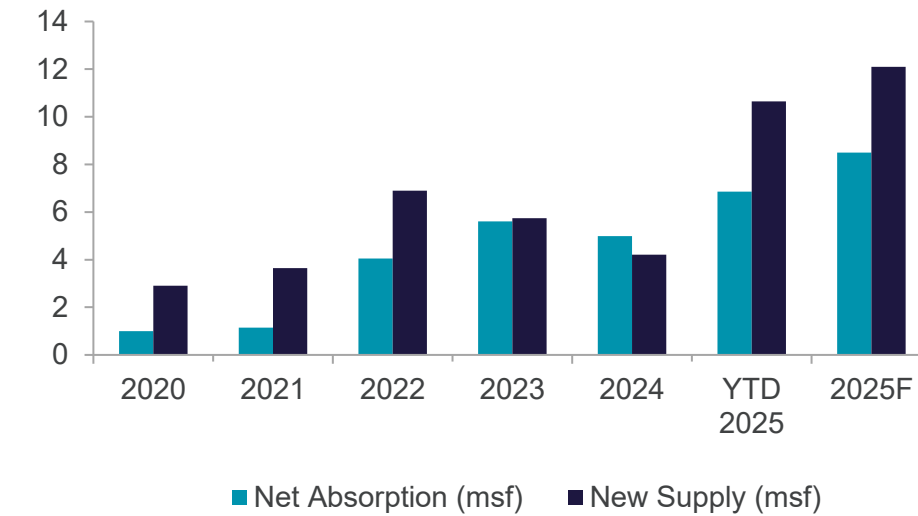
VACANCY TIGHTENED DESPITE NEW SUPPLY

Vacancy declined by 23 bps QOQ to ~12.9% in Q3 2025, due to healthy occupancy in the quality office spaces. The new supply of 2.7 MSF recorded in Q3 2025, concentrated in SBD East and PBD West, mostly comprising large developments.

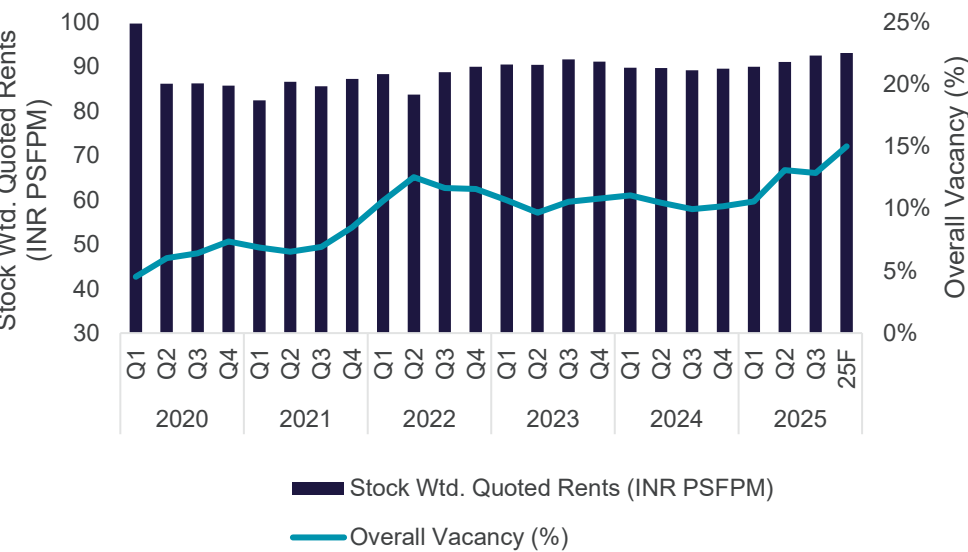
CITYWIDE RENTALS RISE DUE TO SUSTAINED DEMAND

Citywide stock-weighted average rentals inched up ~1.6% QOQ and ~3.7% YOY. With new quality supply entering the market, rentals are expected to see a marginal uptick 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	6,809,600	18.2%	69,683	411,482	659,654	2,160,000	4,520,000	₹ 110.5
SBD East	45,639,136	12.3%	570,986	4,190,839	5,287,254	6,006,000	15,963,000	₹ 100.7
SBD West	11,204,858	4.1%	772,349	1,065,196	617,216	945,000	4,261,000	₹ 93.8
PBD East	2,866,209	25.8%	0	280,689	434,313	-	0	₹ 73.2
PBD West	18,009,277	15.6%	130,584	905,101	1,821,126	1,605,138	2,863,408	₹ 66.6
TOTAL	84,529,080	12.9%	2,543,602	6,853,307	8,819,563	10,716,138	27,607,408	₹ 92.4

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, Wakdevadi, 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 = 87.0 INR € 1 = 101.6 INR
Numbers for the third quarter are based on market information collected until 15^h 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
Blue Grass Tower - 1	SBD East	Mastercard	283,113	Fresh
Magarpatta Cybercity	SBD East	Amdocs	88,656	Fresh
Embassy Tech Zone	PBD West	Statestreet	80,000	Fresh
One HQ	SBD West	Workie Workspace	80,000	Fresh

KEY CONSTRUCTION COMPLETIONS Q3 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Panchshil Business Hub	SBD East	Citi Corp	1310,000	Panchshil Realty
Aditya Shagun Infinity IT Park	SBD West	EATON	575,000	K.Raheja Corp.
EON Free Zone West Phase 2	PBD West	-	597,000	Panchshil Realty
Banner Central Phase 1	SBD West	Powerpoint	70,000	Vilas Javdekar

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