

RECORD LEASING YEAR; LARGE DEALS AND GCC'S DRIVE MOMENTUM

Hyderabad recorded its highest-ever annual gross leasing volume at 12.44 msf, supported by a strong Q4 performance of 5.42 msf, nearly double the Q3 level and 25% higher YOY. Net absorption reached 3.91 msf in Q4 and 9.11 msf for the full year, reflecting a 15% YoY increase. Leasing activity was driven by large transactions, which accounted for 79% of Q4 leasing and 59% on an annual basis, indicating continued strengthening of occupier requirements. Mid-sized deals contributed 19% in Q4 and 36% for the year. GCC's remained a key demand driver, accounting for 34% of total gross leasing volume in 2025.

In Q4, Suburban (Madhapur) accounted for 54% of leasing, closely followed by Suburban (Gachibowli) at 45%. On a full-year basis, Suburban (Madhapur) led with a 62% share, while Suburban (Gachibowli) accounted for 36%. Sector-wise, IT-BPM continued to be the leading demand driver in Q4 with a 44% share, followed by BFSI at 35% and Flexible Workspaces at 12%. On an annual basis, IT-BPM remained dominant with a 39% share, while BFSI (20%), Flexible Workspaces (15%), and Healthcare & Pharma (10%) provided diversification to the demand profile.

Q4 SUPPLY CONCENTRATED IN GACHIBOWLI; VACANCY TIGHTENS

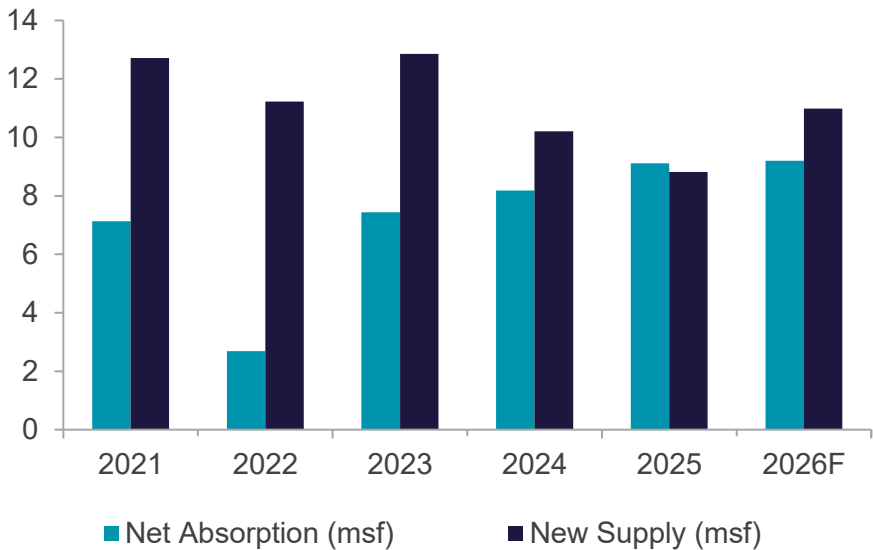
New supply additions in Q4 2025 totalled 5.51 msf, with 70% of completions concentrated in Suburban (Gachibowli) and the remaining 30% in Suburban (Madhapur). For FY 2025, total completions stood at 8.82 msf, with supply broadly balanced between Suburban (Madhapur) at 56% and Suburban (Gachibowli) at 44%. Consequently, citywide vacancy declined to 22.06% in Q4, marking a 200-bps YoY reduction, driven by sustained absorption in Grade A assets, while Grade A+ projects operated at a much tighter vacancy of 9.1%.

Looking ahead, FY 2026 is expected to add 10.98 msf of new supply, with 87% concentrated in Suburban (Gachibowli) and just 13% in Suburban (Madhapur). With Madhapur already operating at a vacancy of 10.6%, and 6.7% for Grade A+ assets, the limited pipeline is likely to drive further vacancy tightening as incremental supply remains Gachibowli-led.

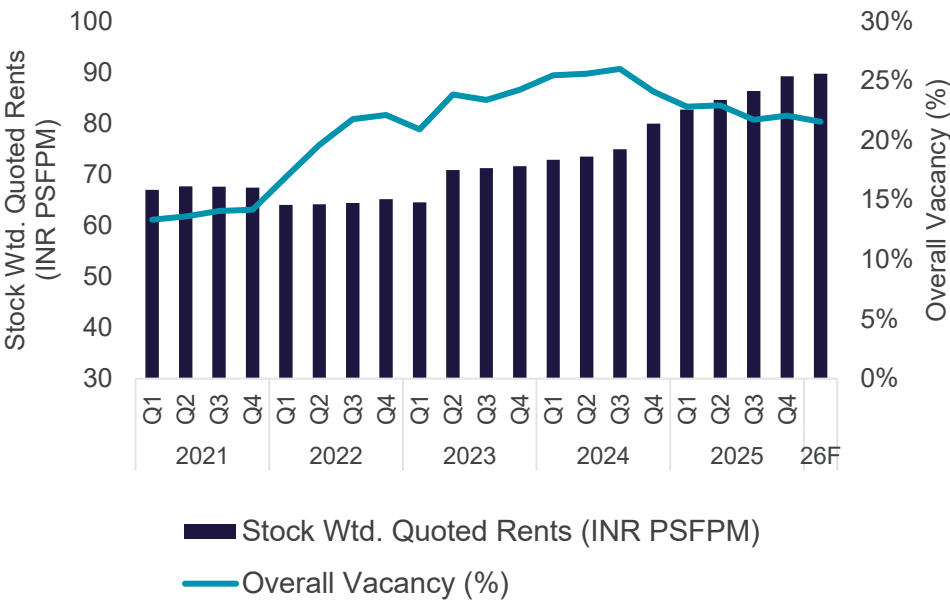
RENTALS STRENGTHEN; MADHAPUR LEADS GROWTH

In Q4, average stock-weighted quoted rents increased by 3% QoQ and 12% YoY at the city level, with Suburban (Madhapur) recording higher rental growth of around 5% QoQ, supported by limited availability in prime projects and sustained demand from large occupiers. Suburban (Gachibowli) continues to offer relative cost advantages, supporting occupier interest for large-scale expansions, particularly as upcoming supply shifts towards the ORR-Kokapet belt, alongside proposed metro network expansion and steady residential growth, improving long-term location attractiveness.

NET ABSORPTION / NEW SUPPLY



OVERALL VACANCY & STOCK WTD. QUOTED RENT



MARKET FUNDAMENTALS

	YOY Chg	Outlook*
22.06% Vacancy Rate	▼	▲
9.11 2025 Net Absorption (MSF)	▲	▲
INR 89.19 Stock Wtd. Rent (PSFPM)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook*
8.2% GDP Growth (Q2 FY25-26)	▲	▼
0.7% CPI Inflation	▼	▲
59.3 Services PMI (3 months average)	▲	▼

Source: MOSPI, RBI, HSBC

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)
Suburban (Madhapur)	73,187,811	10.60%	1,569,394	4,804,269	7,751,229	4,942,000	9,874,200	100.86
Suburban (Gachibowli)	41,475,141	40.03%	2,328,656	4,009,959	4,443,154	3,880,000	20,310,000	71.60
Peripheral East	2,258,000	41.31%	-	139,390	139,390	-	-	50.00
HYDERABAD TOTALS**	120,218,240	22.06%	3,911,050	9,112,954	12,441,071	8,822,000	30,184,200	89.19

***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 the 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 2028. * Stock weighted average asking rental rates for spaces that provide core facility, high-side air conditioning, and 100% power backup*

Key to submarkets:
Madhapur – Madhapur, Kondapur, Raidurg; Gachibowli – Gachibowli, Nanakramguda, Manikonda

US\$ 1 = 88.9 INR € 1 = 103.3 INR
Numbers for the fourth quarter are based on market information collected until 19th December 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 Q4 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Meenakshi Eco Park Tower 1	Suburban (Gachibowli)	Uber	1,084,450	Fresh Lease
Aparna Technopolis	Suburban (Madhapur)	Tech Mahindra	500,000	Fresh Lease
Meenakshi Eco Park Tower 1	Suburban (Gachibowli)	Invesco	269,150	Fresh Lease
Phoenix Equinox Tower 2	Suburban (Madhapur)	Warner Bros. Discovery	209,220	Fresh Lease

KEY CONSTRUCTION COMPLETIONS Q4 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Meenakshi Eco Park Tower 1	Suburban (Gachibowli)	-	1,600,000	Meenakshi Group
Aparna Technopolis	Suburban (Madhapur)	-	1,700,000	Aparna

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.

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