

MARKET FUNDAMENTALS

	YOY Chg	Outlook*
10.0% Vacancy Rate	▼	▲
9.6 2025 Net Absorption (MSF)	▼	▲
INR 168.6 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

FLEXIBLE WORKSPACE LEAD LEASING ACTIVITY

In Q4 2025, Gross Leasing Volumes (GLV) stood at 4.3 MSF, driven primarily by strong demand from flexible workspace operators, accounting for ~38% of total leasing. BFSI and Engineering & Manufacturing sectors, contributed ~12% share each. The continued expansion of flexible space operators is supported by rising corporate demand for agile, cost-efficient, and hybrid workplace solutions. Fresh leasing activity remained robust at 2.7 MSF, contributing 62% of quarterly GLV. Demand during the quarter was skewed toward the Central Suburbs, which emerged as the most active submarket with 1.0 msf of leasing, equivalent to 24% of quarterly volumes. Andheri-Kurla Road and Lower Parel followed the suit, contributing ~15% and ~14% of total leasing activity, respectively. For the full year 2025, GLV reached 16.9 MSF, with BFSI leading at 28%, followed by Flexible Workspaces at 18% and IT-BPM at 15%.

Net absorption in Q4 2025 stood at 2.0 MSF, reflecting a decline of 6% QOQ and a sharp 51% YOY contraction. This moderation in the net absorption was mainly due to significantly lower new completions in Q4 compared to Q3. Andheri-Kurla Road led net absorption in Q4 2025 with a ~33% share, followed by Lower Parel at ~18%. For the full year 2025, net absorption totaled 9.6 MSF, with Andheri-Kurla Road contributing ~21%, followed by Thane-Belapur Road with ~20% share.

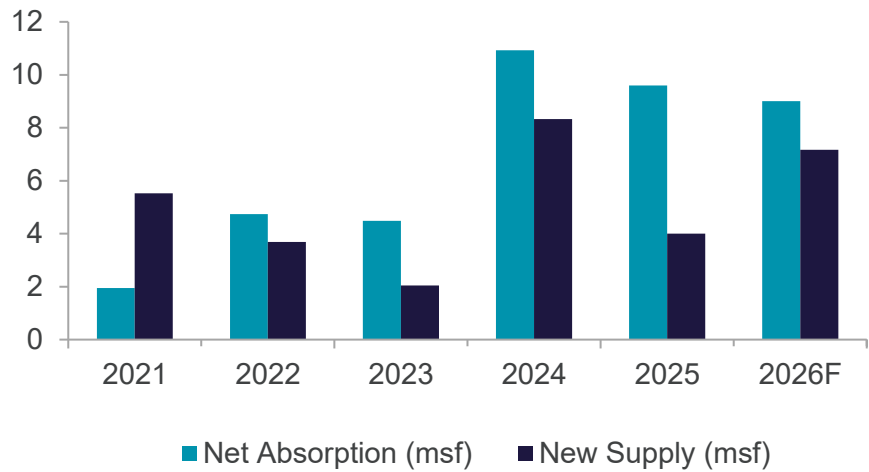
VACANCY MODERATES DUE TO SHRINKING SUPPLY ADDITIONS

Q4 2025 saw 1.4 msf of new Grade A supply, down 10% QoQ, taking total stock to 123.3 msf. Supply moderation was driven by delays in occupancy certificates, with all additions recorded in Andheri-Kurla Road. Despite this inflow, the quarter witnessed strong space take-up, particularly by flexible workspace operators, leading to a 60 bps decline in citywide vacancy to ~10.0%. Looking ahead, a new supply of ~7.2 MSF is expected over the next 12 months.

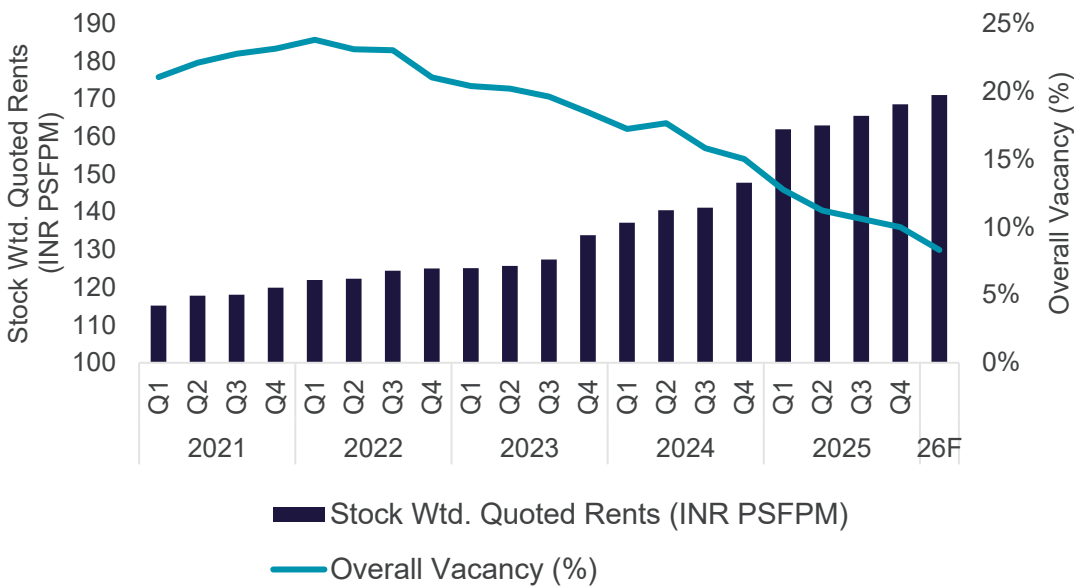
RENTALS SURGE AMID HEALTHY DEMAND

In Q4 2025, stock-weighted average rents rose marginally by 1.9% QOQ to INR 168.6 per sq ft, supported by robust demand in key office districts such as Andheri Kurla Road and Lower Parel. The increasing demand for premium office spaces, is expected to maintain upward pressure on rents over the next few quarters.

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%	0	34,678	132,519	-	-	₹ 276.4
SBD-BKC	11,099,808	4.5%	24,588	296,977	1,339,630	177,661	4,402,766	₹ 352.2
Worli	3,119,504	4.7%	219,370	418,424	661,577	-	4,170,945	₹ 334.1
Lower Parel	12,169,730	13.2%	351,143	1,790,280	1,889,525	-	1,100,000	₹ 238.3
Andheri-Kurla	18,467,800	13.5%	668,704	2,054,172	2,793,347	1,696,000	3,191,000	₹ 159.0
Powai	7,656,286	8.0%	279,950	4,30,587	1,144,402	-	3,250,000	₹ 174.0
Malad/Goregaon	18,779,347	11.4%	165,498	729,007	2,399,811	-	1,080,000	₹ 168.8
Vashi	1,645,068	5.7%	8,449	48,269	152,241	-	-	₹ 102.6
Thane-Belapur Rd.	24,280,404	11.5%	1,424	1,953,317	2,957,661	1,026,723	2,100,000	₹ 72.4
Thane	11,598,323	7.3%	82,034	1,179,366	881,426	1,100,000	1,750,000	₹ 84.5
Central Suburbs	12,520,532	8.2%	199,551	658,052	2,590,976	-	4,700,000	₹ 163.2
TOTAL	1,232,99,616	10.0%	2,000,711	9,593,129	16,943,115	4,000,384	25,744,711	₹168.6

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 2028. \* 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 = 88.9 INR    € 1 = 103.3 INR  
Numbers for the fourth quarter are based on market information collected until 19<sup>th</sup> 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
Crisil House	Powai	Cowrks	280,008	Fresh Lease
Mindspace Airoli West	Thane-Belapur Road	Redbrick	106,820	Fresh Lease
Ascend	Thane-Belapur Road	Sporta Technologies	169,590	Fresh Lease
Mindspace Airoli West	Thane-Belapur Road	Wework	69,320	Fresh Lease
Lodha i-Think Techno Campus	Thane	Panasonic Life Solution	57,627	Fresh Lease

KEY CONSTRUCTION COMPLETIONS Q4 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Waterstones	Andheri-Kurla	Marriot, Paytm	14,00,000	Brookfield

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