

MARKET FUNDAMENTALS

	YOY Chg	Outlook*
14.3% Vacancy Rate	▲	▲
8.2 2025 Net Absorption (MSF)	▲	▲
INR 92.6 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

GROSS LEASING AT HISTORIC HIGH LED BY GCCs

The city’s annual gross leasing volume (GLV) reached a historic high of 9.9 MSF, primarily driven by global capability centers (GCCs) which nearly doubled to ~5.4 MSF in 2025, capturing a dominant 55% market share led by Engineering & Manufacturing (41%), BFSI (29%), and IT-BPM (18%) emerging as the top-performing sectors within the GCC space. In Q4 2025, the GLV stood at 2.6 MSF, reflecting 35% growth QOQ and 48% YOY, anchored by large-format deals (>50,000 sf) which comprised 60% of quarterly activity. GCC momentum is expected to sustain in 2026, accelerated by city’s key infrastructure projects, such as Pune Metro Line 3, the Pune-Mumbai Expressway missing link, and new double-decker flyovers, enhancing tech hub connectivity and boosting demand for premium Grade-A assets.

In 2025, net absorption reached a record high of ~8.2 MSF, a 1.6x YOY increase primarily driven by GCC expansions and healthy space take-up by technology and Engineering & Manufacturing firms. In Q4 2025, net absorption stood at 1.3 MSF, reflecting a 50% QOQ and 24% YOY decline following the exceptionally strong performance recorded in earlier periods.

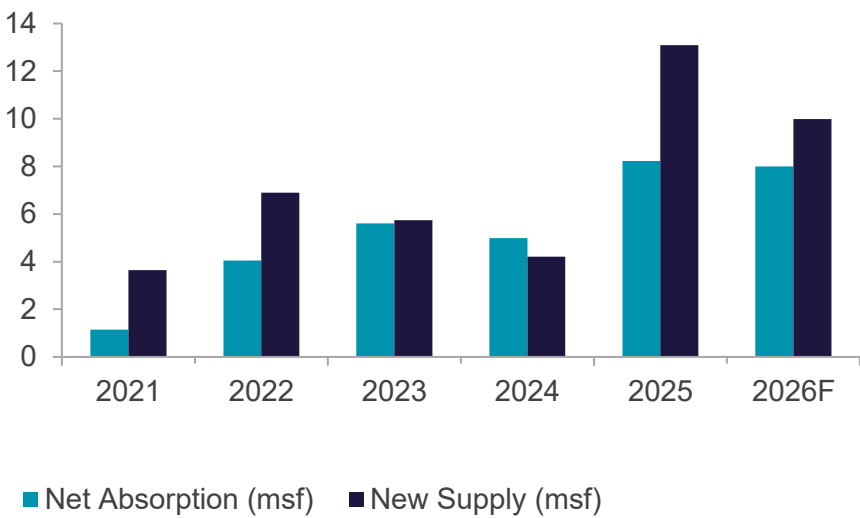
VACANCY EXPANDS AMIDST HISTORIC SUPPLY INFUX

The city witnessed an annual supply of around 13.0 MSF, almost 3x the volume recorded in 2024. This massive annual supply was primarily concentrated in SBD East, accounting for a ~55% share, followed by PBD West at ~19% and CBD at ~16%. The quarter witnessed a supply influx of 2.4 MSF. This has resulted in the city-wide vacancy rate rising to 14.25% in Q4 2025, an increase of 87 bps QOQ and ~400 bps YOY. The healthy supply pipeline is likely to create upward pressure on the vacancy over the next 12 months.

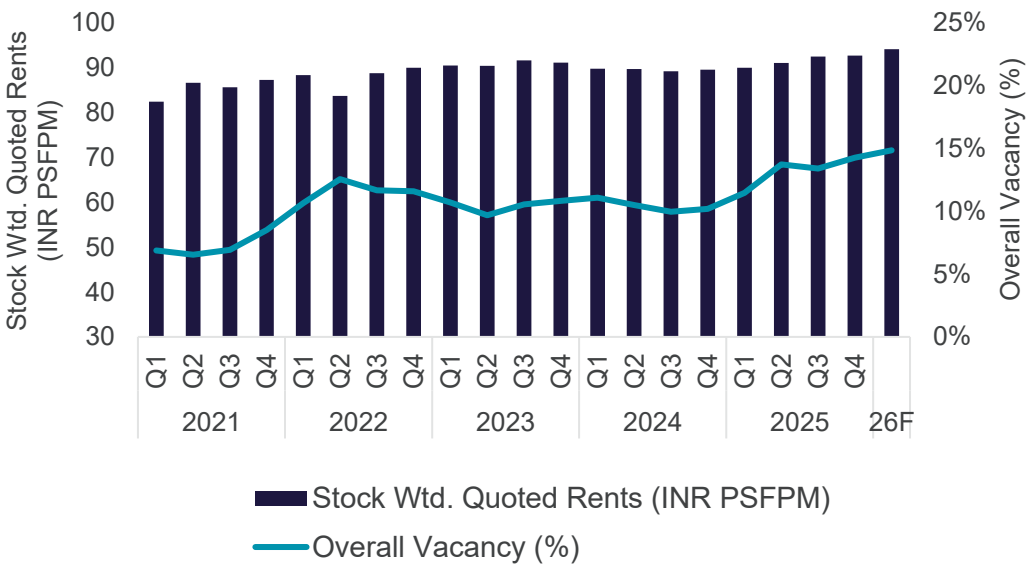
CITYWIDE RENTALS EDGE UP AMID QUALITY SUPPLY

Stock-weighted average rentals recorded a marginal growth of 0.2% on a QOQ basis and an increase by 3.5% from the same period last year. Rentals are expected to see a marginal uptick in the near term, mainly on account of high-quality supply entering the market.

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	68,09,600	19.6%	3,14,292	836,001	935,496	2,160,000	4,520,000	₹ 110.5
SBD East	4,70,37,136	14.0%	5,93,489	46,02,247	58,16,850	7,404,000	1,88,07,270	₹ 100.6
SBD West	1,12,78,858	4.3%	3,16,518	11,22,414	13,78,679	1,019,000	7,019,000	₹ 94.9
PBD East	28,66,209	29.5%	-	175,157	221,313	-	-	₹ 73.2
PBD West	1,89,17,277	16.6%	87,707	14,96,722	15,39,124	2,513,138	33,14,000	₹ 68.2
TOTAL	8,69,09,080	14.3%	13,12,006	82,32,541	98,91,462	13,096,138	3,36,60,270	₹ 92.6

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. Current quarter’s 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: 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 = 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
Godrej KP	CBD	PTC	195,226	Fresh
Magarpatta - S3 Tower	SBD East	ICE	193,053	Fresh
Magarpatta Cybercity Tower 11	SBD West	John Deere India Pvt Ltd	87,534	Fresh
Gera Commerzone	SBD East	Alliance Bernstein	56,000	Fresh

KEY CONSTRUCTION COMPLETIONS Q4 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Global Business City B1	SBD East	-	7,98,000	Mapletree
Rohan Mithila Business Park	SBD East	Redbrick	600,000	Rohan Builders
Millennium -Tower 1, Tower 2	PBD West	-	9,08,000	Phoenix Mills Ltd
Banner Central Phase	SBD West	-	74,000	Vilas Javdekar

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