

MARKET FUNDAMENTALS

	y-o-y Chg	Outlook*
30.0% Vacancy Rate	▲	▲
0.3 Q1-26 Net Absorption (MSF)	▼	▲
INR 50.0 Stock Wtd. Rent (PSFPM)	▲	▲

ECONOMIC INDICATORS

	y-o-y Chg	Outlook*
7.80% GDP Growth (Q3 FY 25-26)	▲	▼
3.21% CPI Inflation	▼	▲
58.2 Services PMI (3 months average)	▼	—

Source: MOSPI, RBI, HSBC

LEASING ACTIVITY ACCELERATED SHARPLY

Ahmedabad recorded healthy gross leasing volume (GLV) of ~0.3 MSF in Q1 2026, reflecting ~1.6x q-o-q and 4.3x y-o-y increase, making it one of the stronger quarterly performance seen in recent periods. The quarterly leasing activity was led by engineering & manufacturing (38%) and closely followed by flexible workspace operators (34%) and IT-BPM (12%).

The PBD submarket dominated the quarterly leasing activity, capturing ~64% of total GLV, reflecting a recovery from muted levels seen in last year. This leasing momentum was supported by recent grade-A completions and large-format deals from engineering & manufacturing occupiers. SBD submarket followed with 34% share and CBD remained subdued at just 1.8%. GCCs accounted for 22% of the total leasing volume, indicating a pickup from softer demand witnessed in the previous quarters.

The quarterly net absorption stood at 0.28 MSF, declining by 43% q-o-q against the elevated base in the previous quarter, while surging nearly four-fold y-o-y, underscoring a sustained occupier demand on annual basis.

VACANCY ROSE AMIDS HEALTHY SUPPLY ADDITIONS

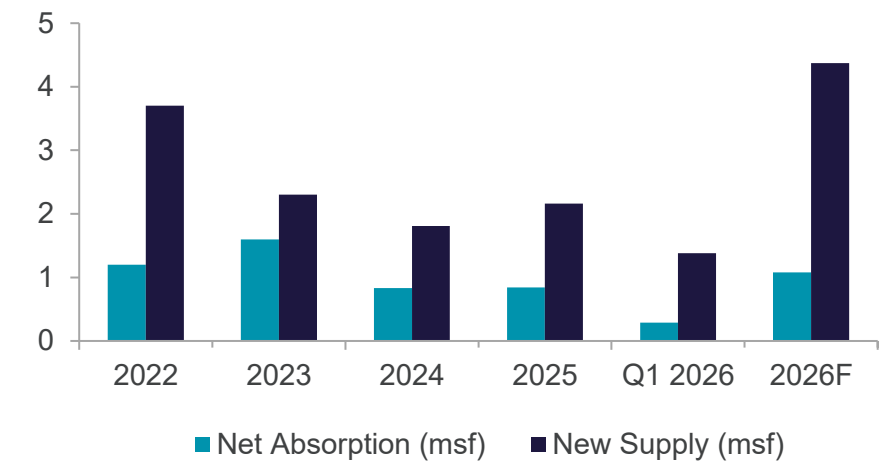
The city witnessed new office space additions of 1.3 MSF during this quarter, reflecting 69% q-o-q increase. The supply during the quarter was largely concentrated in PBD and GIFT city submarkets, each accounting for ~34% share.

The influx of supply in this quarter continued to outpace the net absorption, pushing the city-wide vacancy to 30% in Q1, up by ~200 bps q-o-q and ~300 bps y-o-y. A further ~3MSF of supply is expected over the next three quarters, with 84% of the upcoming supply concentrated in SBD and PBD submarket. While Vacancy levels are likely to be relatively elevated in the near term, a healthy pipeline of active deals is expected to support gradual absorption of the upcoming supply.

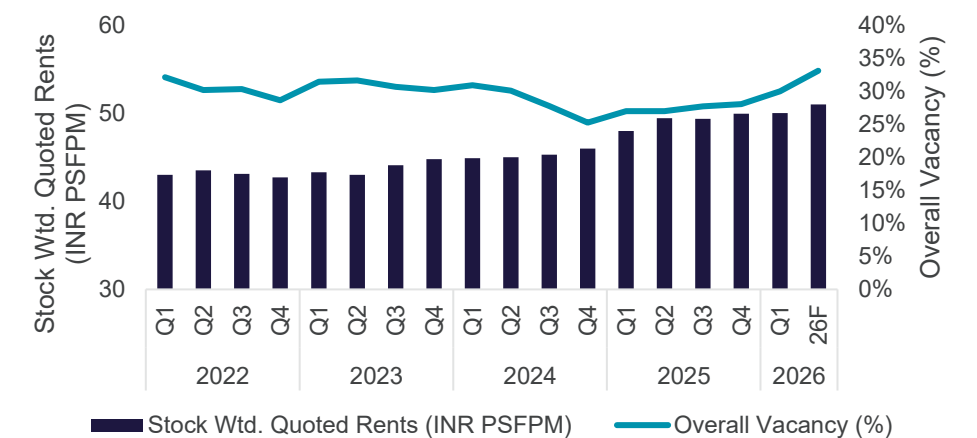
CITY LEVEL RENTALS RECORDED ANNUAL GROWTH

The average city-wide rentals remained stable on q-o-q and witnessed modest ~4% y-o-y uptick. PBD submarket such as Chharodi, Adani Shantigram, Science city road led the rental growth with 4% on both q-o-q and y-o-y, underpinned by sustained occupier demand for fresh Grade-A completions. The rentals are likely to appreciate marginally in the near term, driven by continued occupier interests in the upcoming Grade-A supply.

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)
SBD	18,713,947	26.31%	84,812	84,812	100,956	-	550,000	₹ 47.8
CBD	4,324,864	42.07%	5,500	5,500	5,500	422,000	4,629,864	₹ 48.1
GIFT City	4,631,592	24.43%	-	-	-	481,000	3,656,841	₹ 64.9
TOTAL#	31,477,422	30.16%	283,312	283,312	299,456	1,380,000	10,794,089	₹ 50.01

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. 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 back up.

Total figures contain submarkets not mentioned above.

Key to submarkets:

CBD: Central Ahmedabad west of Sabarmati river and east of 132ft Ring road, includes micro market of CG Road, Ashram Road, Paldi, Navrangpura, Ambawadi, Usmanpura, Naranpura

SBD: West of 132ft Ring road, spanning from Sarkhej Okaf to South of Sola Science City, includes micro markets of SG Highway, Thaltej, Prahladnagar, Okaf, Iscon Ambli Road and Sindhubhavan Road

PBD: includes micro markets of Science City, Adani Shantigram, Gota, Motera, Chandkheda, Mindspace IT SEZ and Gandhinagar.

GIFT City: GIFT City and GIFT SEZ designated area East Ahmedabad: Entire city on east of Sabarmati river, includes micro market of Shahibaug, Vatva, Maninagar, Vastral, Odhav, Naroda, Narol

US\$ 1 = 90.9 INR Euro = 106.9 INR

Numbers for the first quarter are based on market information collected until 20th March 2026

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 Q1 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Westgate Business Bay	SBD	Armanino India	~12,600	Lease
Krupal Pathshala City Centre	CBD	TVS Credit	~5,500	Lease
Jai Hind	SBD	Fedora	~20,000	Lease

KEY CONSTRUCTION COMPLETIONS Q1 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Krupal City Centre	CBD	-	422,000	Narayankrupa Infracon
Shilp Business Gateway	PBD	Opulence	477,000	Nakshatra Group
Nakshatra Regalia	GIFT City	-	481,000	Shilp Group

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