

**MARKET FUNDAMENTALS**

	y-o-y Chg	Outlook*
<b>9.2%</b> Vacancy Rate	▼	▲
<b>1.8</b> Q1-26 Net Absorption (MSF)	▼	▲
<b>INR 171.0</b> Stock Wtd. Rent (PSFPM)	▲	▲

**ECONOMIC INDICATORS**

	y-o-y Chg	Outlook*
<b>7.8%</b> GDP Growth (Q3 FY25-26)	▲	▼
<b>3.2%</b> CPI Inflation	▼	▲
<b>58.2</b> Services PMI (3 months average)	▼	—

Source: MOSPI, RBI, HSBC

**Q1 LEASING VOLUME HITS A RECORD HIGH, LED BY BFSI**

In Q1 2026, gross leasing volumes reached a historic high of 6.6 MSF, boosted by healthy demand from GCCs, which accounted for over 30% of total leasing activity. GLV witnessed a robust ~53% growth on both on a quarterly and annual basis, reflecting strong occupier confidence. BFSI sector led leasing activity with a 44% share, followed by IT-BPM at 18% and Engineering & Manufacturing at ~9%. Fresh leasing activity remained healthy at 2.9 MSF, accounting for 44% of the quarterly GLV. Meanwhile, term renewals saw a sharp uptick, more than doubling on a q-o-q basis, reaching 2.8 MSF in Q1. At a submarket level, Powai led leasing activity with 2.3 MSF, accounting for 35% of the quarterly volume, driven by one of the largest GCC pre-commitment deals during the quarter. Thane-Belapur Road and Andheri-Kurla Road also saw good traction, accounting for ~17% and 13% share in leasing, respectively.

Net absorption in Q1 2026 stood at 1.7 MSF, reflecting a decline of ~12% q-o-q and a 38% y-o-y. This moderation in the net absorption was pre-dominantly on the back of increased share of churn transactions. Andheri-Kurla Road led net absorption in Q1 2026 with a ~30% share, followed by Thane-Belapur Road at ~21% share.

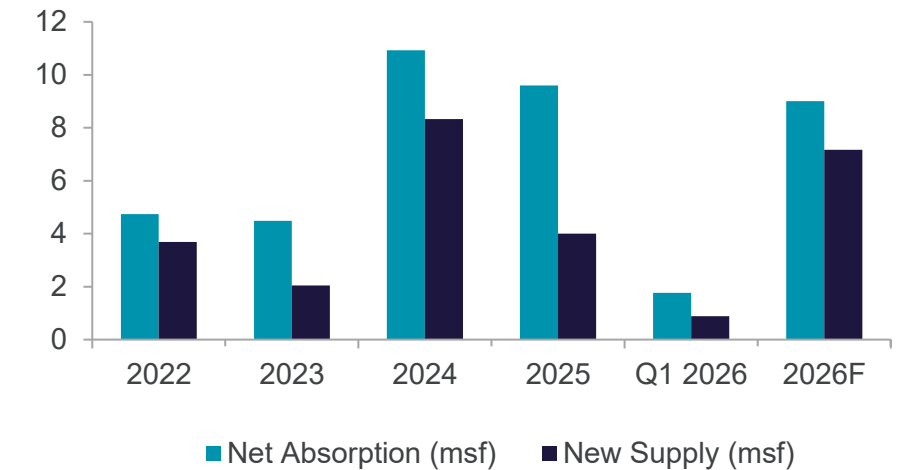
**VACANCY DECLINES AS ONLY MODERATE SUPPLY ADDITIONS SEEN**

Q1 2026 witnessed 0.9 MSF of new Grade A supply, declining ~36% q-o-q, taking the total stock to 124.2 MSF. Supply moderation was primarily driven by delays in occupancy certifications. Q1 completions were largely concentrated in the Andheri-Kurla Road and Thane submarkets. With limited supply additions and a strong leasing momentum, an 80-bps q-o-q decline in vacancy was recorded to ~9.2% in Q1. Looking ahead, ~7.2 MSF of new supply is expected over the next 12 months.

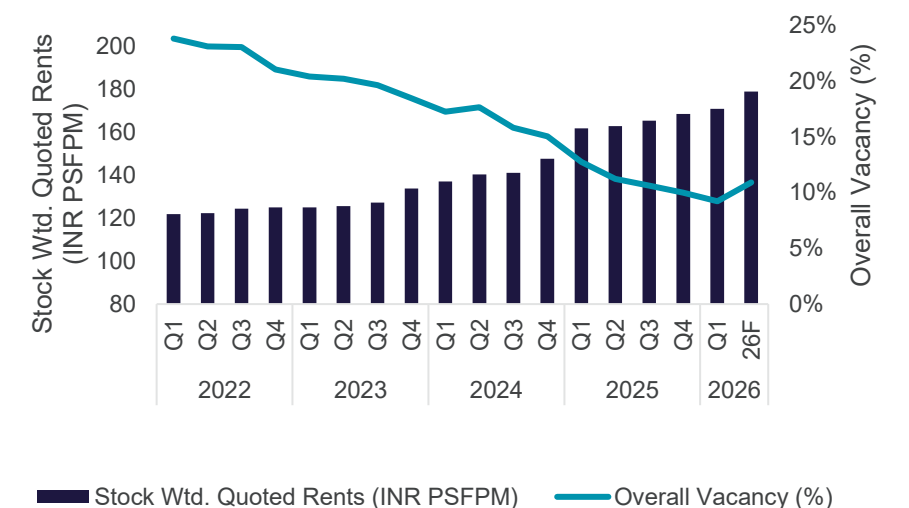
**HEALTHY SPACE TAKE-UP SUPPORTS RENTAL GROWTH**

Stock-weighted average rents rose 1.5% q-o-q to INR 171 per sq ft in Q1 2026, led by strong demand in Andheri-Kurla Road and Thane-Belapur Road corridors. Sustained demand for quality office spaces is expected to exert upward pressure on Grade-A rents over the coming 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	2.86%	4,476	4,476	49,709		0	₹ 280.86
SBD-BKC	11,099,808	3.68%	91,660	91,660	450,625		5,002,766	₹ 358.57
Worli	3,119,504	5.00%	-	-	96,053		4,170,945	₹ 336.24
Lower Parel	12,169,730	11.15%	252,288	252,288	569,748		1,100,000	₹ 241.45
Andheri-Kurla	18,557,800	11.03%	539,720	539,720	860,408	90,000	3,101,000	₹ 164.22
Powai	7,656,286	6.41%	122,356	122,356	2,293,928		3,250,000	₹ 176.05
Malad-Goregaon	18,779,347	9.69%	321,837	321,837	506,708		1,080,000	₹ 169.98
Vashi	1,645,068	5.39%	5,777	5,777	59,046		0	₹ 103.63
Thane-Belapur Rd.	24,280,404	9.90%	378,113	378,113	1,124,878		2,100,000	₹ 75.54
Thane	12,398,323	13.01%	39,208	39,208	180,104	800,000	950,000	₹ 86.48
Central Suburbs	12,520,532	8.08%	15,164	15,164	412,238		4,700,000	₹ 164.02
<b>TOTAL</b>	<b>124,189,616</b>	<b>9.21%</b>	<b>1,770,599</b>	<b>1,770,599</b>	<b>6,603,445</b>	<b>890,000</b>	<b>25,454,711</b>	<b>₹ 171.00</b>

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

**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 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 = 90.9 INR € 1 = 106.9 INR

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

KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Raiaskaran Tech Park	Andheri-Kurla Road	Tata Consumer Products	8,750	Fresh Lease
One World Centre - 2B	Lower Parel	Zurich Kotak General Insurance	9,120	Fresh Lease
Cnergy	Worli	WhiteOak Capital	14,395	Fresh Lease
Solitaire Corporate Park - 14	Andheri-Kurla Road	Jio Credit	13,078	Fresh Lease
Oberoi Commerz II	Malad-Goregaon	WeWork	25,338	Fresh Lease

KEY CONSTRUCTION COMPLETIONS Q1 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Centaurus Phase 2	Thane	Skillflex Business Outsourcing	8,00,000	Hiranandani

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