

**MARKET FUNDAMENTALS**

	y-o-y Chg	Outlook*
<b>13.0%</b> Vacancy Rate	▲	▲
<b>1.04</b> Q1-26 Net Absorption (MSF)	▼	▲
<b>INR 93.1</b> Stock Wtd. Rent (PSFPM)	▲	▲

**ECONOMIC INDICATORS**

	y-o-y Chg	Outlook*
<b>7.80%</b> GDP Growth (Q3 FY25-26)	▲	▼
<b>3.21%</b> CPI Inflation	▼	▲
<b>58.2</b> Services PMI (3 months average)	▼	▬

Source: MOSPI, RBI, HSBC

**GCCs CONTINUE TO DOMINATE DEMAND**

The city recorded strong GCC-led leasing activity in Q1 2026, with Global Capability Centers (GCCs) accounting for a dominant ~69% share (~1.45 MSF) of total leasing. This sustained momentum reflects Pune’s established institutional ecosystem and mature occupier base, positioning it as a preferred destination for global firms. Ongoing infrastructure upgrades, including Pune Metro Line 3, the Pune–Mumbai Expressway missing link, and the Pune Ring Road, are further enhancing connectivity across key office corridors and reinforcing GCC expansion.

Overall, the city recorded a Gross Leasing Volume (GLV) of 2.09 MSF, led by IT-BPM (~32%), followed by Engineering & Manufacturing (~19%) and BFSI (~16%), while flexible workspace operators contributed ~13%, indicating sustained demand. SBD East (~46%) and PBD West (~38%) dominated leasing activity followed by the CBD submarket having share of (~12%).

Net absorption stood at 1.04 MSF, primarily driven by higher space take-up by IT occupiers especially in PBD West and SBD East submarkets. Absorption moderated during the quarter due to the elevated base in preceding periods. A healthy leasing pipeline especially in the GCC domain and IT domain is expected to boost demand over the near term.

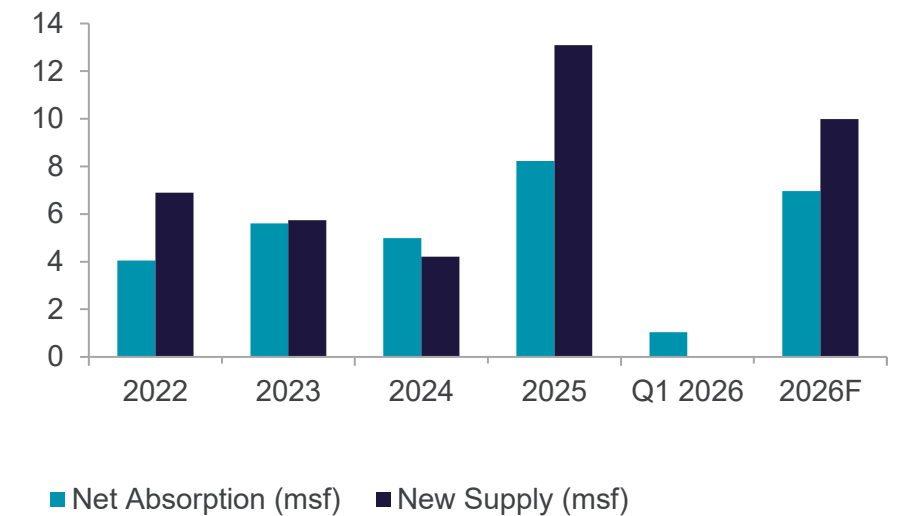
**VACANCY DECLINES AMID NO NEW SUPPLY**

The city witnessed no new supply in Q1 2026. Steady absorption led to the vacancy rate declining to 13%, representing a 120 bps q-o-q decline. The vacancy declined due to concentration of demand in the western and eastern corridor of the city. While vacancy has moderated, the strong upcoming supply pipeline is expected to exert upward pressure over the near term.

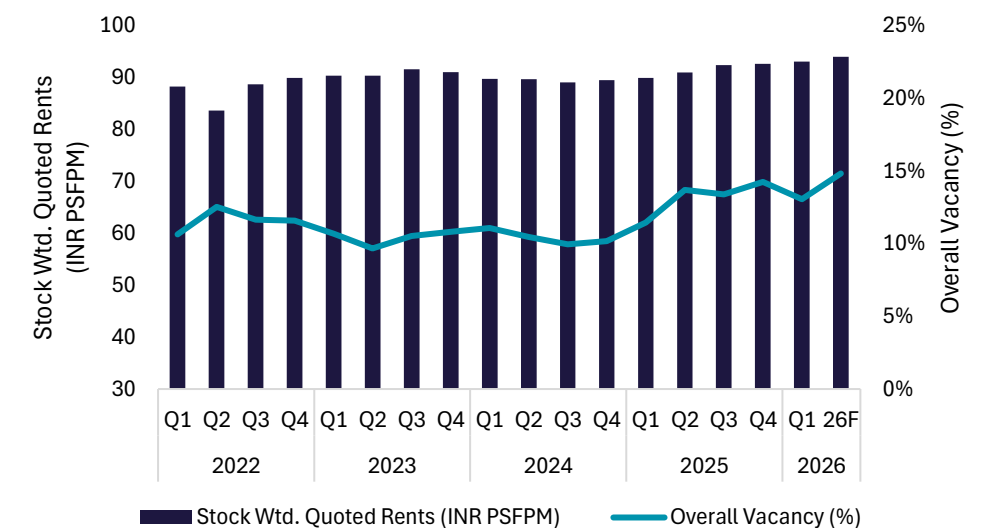
**RENTALS EDGE UP ON SUSTAINED DEMAND FOR QUALITY ASSETS**

Stock-weighted average rentals recorded a marginal growth of 0.5% on a q-o-q basis and a 3.5% increase y-o-y, reflecting stable market conditions. While steady demand for Grade-A assets continues to support rental levels, the upcoming supply pipeline is expected to witness a gradual shift in the rentals supported by sustained occupier preference for quality assets.

**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)	CURRENT QUARTER LEASING ACTIVITY (SF)	CURRENT QUARTER CONSTRUCTION COMPLETIONS (SF)	PLANNED & UNDER CONSTRUCTION (SF)^	GRADE A STOCK WEIGHTED AVERAGE RENT (INR/SF/M)
CBD	6,809,600	19.2%	27,683	27,683	245,601	-	4,520,000	₹ 111.1
SBD East	47,037,136	13.4%	267,014	267,014	959,393	-	16,813,270	₹ 100.9
SBD West	11,278,858	2.7%	177,162	177,162	82,424	-	10,819,000	₹ 95.7
PBD East	2,866,209	29.5%	-	-	-	-	-	₹ 73.2
PBD West	18,917,277	13.6%	569,474	569,474	802,714	-	2,387,000	₹ 68.6
<b>TOTAL</b>	<b>86,909,080</b>	<b>13.0%</b>	<b>1,041,333</b>	<b>1,041,333</b>	<b>2,090,132</b>	<b>-</b>	<b>34,539,270</b>	<b>₹ 93.1</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. 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

**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: 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 = 90.9 INR € 1 = 106.9 INR

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

KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Magarpatta Cybercity	SBD East	V Construct	132,000	Fresh
Phoenix Millenium - Tower 1 & 2	PBD West	VOIS	70,000	Fresh
Phoenix Millenium - Tower 1 & 2	PBD West	Clean Harbour	70,000	Fresh
ITPP- 2	SBD East	Metro GSC	22,937	Fresh

KEY CONSTRUCTION COMPLETIONS Q1 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
-	-	-	-	-

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