

MARKET FUNDAMENTALS

|                                     | YOY Chg | Outlook* |
|-------------------------------------|---------|----------|
| 21.58%<br>Vacancy Rate              | ▼       | ▲        |
| 7.32<br>YTD 26 Net Absorption (MSF) | ▲       | ▲        |
| INR 98.1<br>Stock Wtd. Rent (PSFPM) | ▲       | ▲        |

ECONOMIC INDICATORS

|                                         | YOY Chg | Outlook* |
|-----------------------------------------|---------|----------|
| 7.80%<br>GDP Growth (Q1 FY26-27)        | ▲       | ▼        |
| 4.82%<br>CPI Inflation                  | ▲       | ▲        |
| 54.9<br>Services PMI (3 months average) | ▼       | ▲        |

Source: MOSPI, RBI, HSBC

LEASING ACTIVITY STRENGTHENS; BFSI LEADS Q3 DEMAND

Hyderabad recorded 4.21 msf of GLV in Q3 2026, more than doubling q-o-q and increasing 49.5% y-o-y. YTD 2026 GLV reached 9.43 msf. Gachibowli accounted for 89% of Q3 leasing, followed by Madhapur at 10% and other markets at 1%. On a YTD basis, leasing was more evenly distributed between Gachibowli and Madhapur, which accounted for 59% and 41%, respectively. Net absorption rose to 4.10 msf in Q3 2026, 3.6x q-o-q and 82.3% y-o-y, taking YTD net absorption to 7.32 msf.

BFSI emerged as the leading end-user sector in Q3, accounting for 39.7% of leasing, followed by IT-BPM at 13.4%. Flexible Workspace accounted for a further 24.9% of leasing. MNCs contributed 61.8% of Q3 leasing. GCCs accounted for 47.6%, their highest quarterly share in recent periods. Large transactions of 0.1 msf and above accounted for 81.9% of Q3 GLV, and deals ranging from 0.05 msf to below 0.1 msf contributed a further 12.5%. On a YTD basis, transactions of 0.1 msf and above accounted for 73.2% of leasing, highlighting the continued contribution of larger space commitments.

SUPPLY EXPANDS; VACANCY RISES WHILE GRADE A+ REMAINS TIGHT

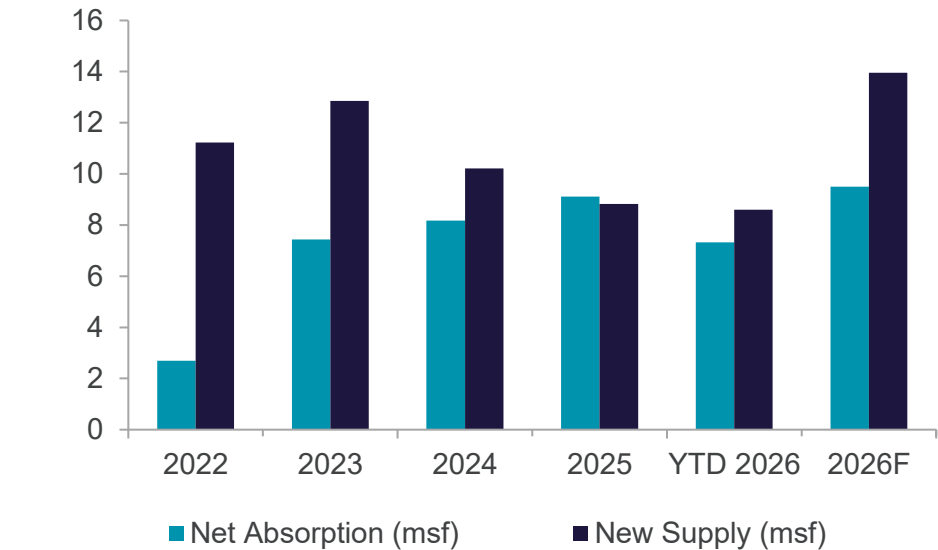
Hyderabad recorded 8.60 msf of Grade A completions in Q3 2026, following a period of no supply in H1 2026. All Q3 completions were concentrated in Gachibowli.

The current under-construction pipeline stands at 24.52 msf for completion during Q4 2026-28, with an almost even split between Gachibowli at 50.2% and Madhapur at 49.8%. The influx of new supply pushed citywide vacancy up by 221 bps q-o-q to 21.58%. However, the city's core submarket of Madhapur continued to record relatively tight vacancy at 7.1%, while overall Grade A+ vacancy remained below 5%, reflecting continued preference for institutional-grade assets.

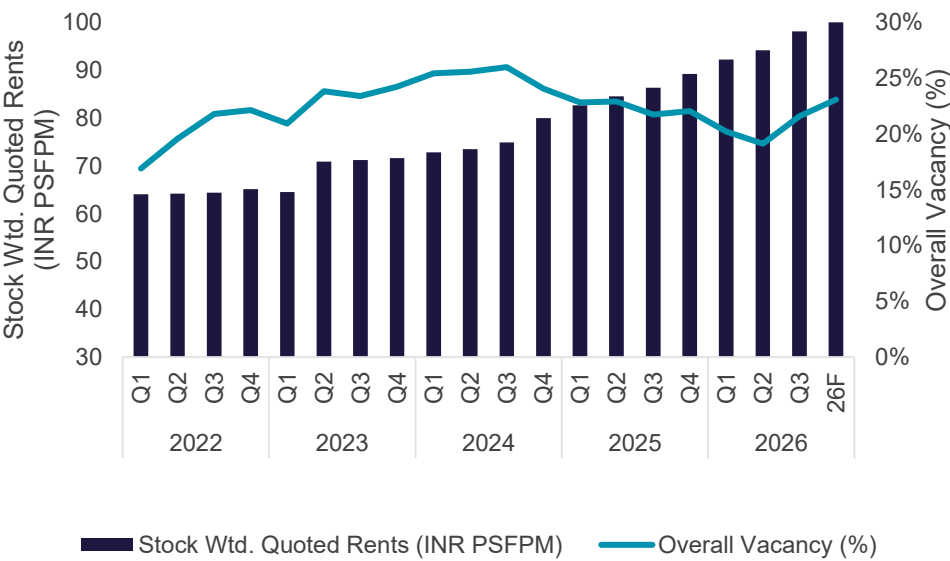
RENTAL GROWTH CONTINUES; GRADE A+ COMMANDS A PREMIUM

Stock-weighted average rentals increased 4.2% q-o-q and 13.7% y-o-y, indicating continued rental momentum despite the increase in citywide vacancy following new supply. The rental premium for Grade A+ assets remained pronounced, with stock-weighted rents approximately 19% higher than the citywide Grade A average, reflecting continued pricing strength for higher-grade institutional 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) | YTD LEASING ACTIVITY (SF) | YTD CONSTRUCTION COMPLETIONS (SF) | PLANNED & UNDER CONSTRUCTION (SF)^ | GRADE A STOCK WEIGHTED AVERAGE RENT (INR/SF/M) |
|-----------------------|----------------|----------------------|-------------------------------------|-------------------------|---------------------------|-----------------------------------|------------------------------------|------------------------------------------------|
| Suburban (Madhapur)   | 73,187,811     | 7.11%                | 302,275                             | 2,554,221               | 3,862,724                 | -                                 | 12,220,000                         | 115.1                                          |
| Suburban (Gachibowli) | 50,075,141     | 40.85%               | 3,775,032                           | 4,749,362               | 5,535,235                 | 8,600,000                         | 12,300,000                         | 76.3                                           |
| Peripheral East       | 2,258,000      | 41.31%               | -                                   | -                       | -                         | -                                 | -                                  | 53.4                                           |
| HYDERABAD TOTALS**    | 128,818,240    | 21.58%               | 4,095,307                           | 7,321,583               | 9,428,959                 | 8,600,000                         | 24,520,000                         | 98.1                                           |

*\*\*Hyderabad totals indicate additional sub-markets such as PBD South, Suburban Others, Off CBD, CBD & Prime Suburban. The report highlights Grade A details only. Certain indicators are historically corrected by the 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 backup*

**Key to submarkets:**  
Madhapur – Madhapur, Kondapur, Raidurg; Gachibowli – Gachibowli, Nanakramguda, Manikonda

US\$ 1 = 95.5 INR    € 1 = 110.1 INR  
Numbers for the third quarter are based on market information collected until 30<sup>th</sup> Sep 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 Q3 2026

| PROPERTY                     | SUBMARKET             | TENANT           | SF      | TYPE        |
|------------------------------|-----------------------|------------------|---------|-------------|
| Grava Business Park Tower 10 | Suburban (Gachibowli) | D. E. Shaw & Co. | 700,000 | Fresh Lease |
| Grava Business Park Tower 10 | Suburban (Gachibowli) | Wise             | 500,000 | Fresh Lease |
| GAR Infobahn Tower 9         | Suburban (Gachibowli) | Wipro            | 400,000 | Fresh Lease |
| Phoenix Avance H09           | Suburban (Madhapur)   | Table Space      | 100,000 | Fresh Lease |

KEY CONSTRUCTION COMPLETIONS Q3 2026

| PROPERTY                       | SUBMARKET             | MAJOR TENANT      | SF        | OWNER/DEVELOPER  |
|--------------------------------|-----------------------|-------------------|-----------|------------------|
| Grava Business Park – Tower 10 | Suburban (Gachibowli) | D. E. Shaw & Co.  | 2,450,000 | My Home Group    |
| Rajapushpa West Avenue Part-1  | Suburban (Gachibowli) | KFin Technologies | 1,750,000 | Rajapushpa Group |

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