

MARKET FUNDAMENTALS

	YOY Chg	Outlook*
8.33% Vacancy Rate	▼	▲
4.13 YTD-26 Net Absorption (MSF)	▼	▲
INR 178.7 Stock Wtd. Rent (PSFPM)	▲	▲

ECONOMIC INDICATORS

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

Source: MOSPI, RBI, HSBC

GROSS LEASING REACHES RECORD HIGH IN YTD 2026

Gross leasing stood at 3.9 MSF in Q3 2026, moderating ~5% q-o-q from the elevated levels recorded in Q2, which was supported by several large transactions. Demand was led by Professional Services, accounting for ~28% of total leasing, followed by BFSI with a 22% share. Amongst submarkets, Thane-Belapur Road remained the largest contributor, accounting for 25% of quarterly leasing, followed by Andheri-Kurla Road (17%) and Thane (14%). Malad-Goregaon and Central Suburbs each accounted for 11% of the total leasing in Q3. Gross leasing reached a historic high of 14.6 MSF in the first nine months of 2026, up ~16% from the corresponding period in 2025. Sustained occupier demand from BFSI and IT-BPM remained the key driver of office leasing during YTD 2026. BFSI accounted for the largest share of YTD leasing at 33%, followed by IT-BPM at 15% and Professional Services with 13% share.

Net absorption in Q3 2026 totaled 1.0 MSF, declining ~21% q-o-q and 51% y-o-y, mainly on account of tight vacancy levels, limited Grade-A supply and rising share of term renewals. The term renewals in Q3 2026 accounted for almost ~2.0 MSF as compared to 0.3 MSF in Q3 2025, increasing by 7x y-o-y. Cumulative net absorption for the first three quarters of the year stood at 4.1 MSF, down by ~46% y-o-y. Thane-Belapur Road accounted for the largest share of YTD net absorption (~20%), followed by Malad-Goregaon (~16%) and Andheri-Kurla Road (15%), supported by the rising demand for quality spaces in these office corridors.

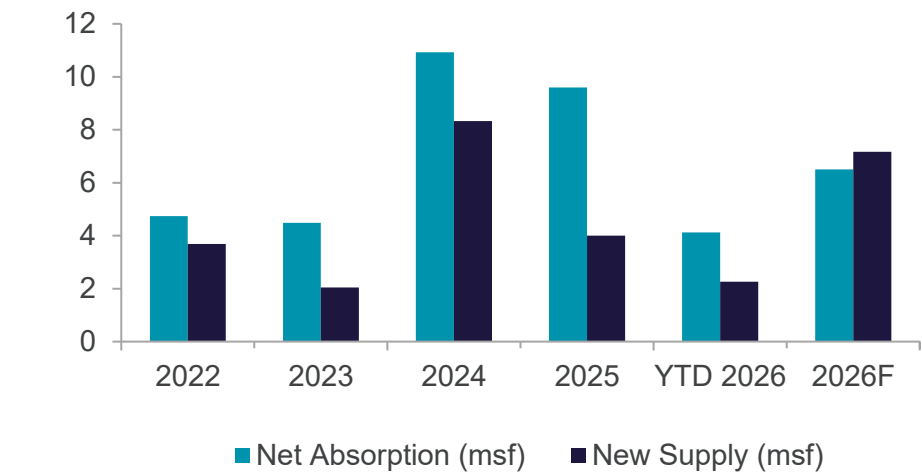
VACANCY DIPS SLIGHTLY DESPITE FRESH SUPPLY ADDITION

Q3 2026 saw 0.38 MSF of new Grade A supply, the entire supply came in the Andheri-Kurla Road submarket, taking total stock to 125.6 MSF. The vacancy declined marginally, supported by healthy leasing across key submarkets. A much-needed 7.4 MSF of supply is expected over the next 12 months helping to re-balance the market amid the current extreme vacancy tightness.

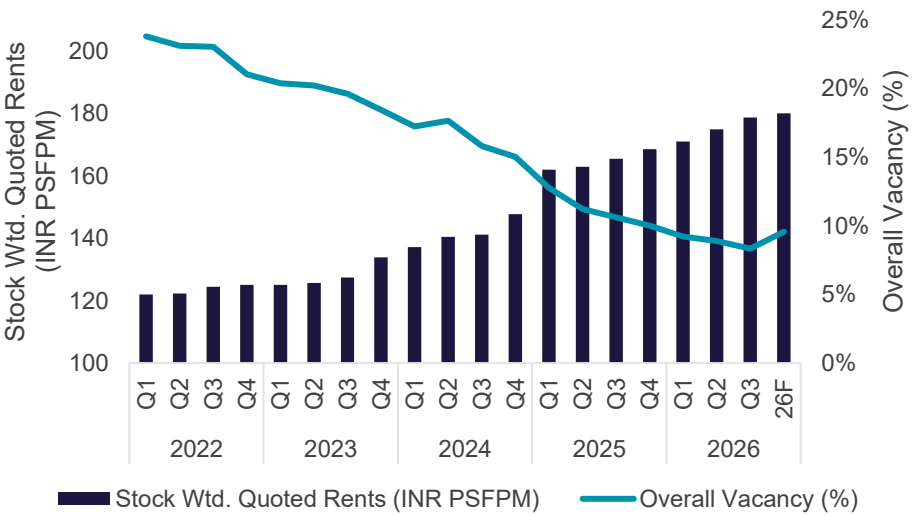
RENTALS RISE AMID LACK OF SUPPLY

The stock-weighted average rent increased 8% y-o-y to INR 178.7 per sq. ft. in Q3 2026, supported by healthy net absorption and improving occupancy across key office corridors. Limited availability of quality Grade-A space, coupled with sustained leasing activity, continued to support rental appreciation. However, the robust supply expected over the next 12 months, is likely to moderate rental growth in the near term.

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	19,62,814	2.6%	2,265	8,831	1,79,569	0	0	₹ 297.66
SBD-BKC	1,10,99,808	3.0%	15,962	1,62,465	10,93,849	0	50,02,766	₹ 379.38
Worli	31,19,504	2.0%	22,000	84,253	5,40,096	0	41,70,945	₹ 357.26
Lower Parel	1,21,69,730	8.4%	1,01,850	5,83,644	14,01,443	0	11,00,000	₹ 255.11
Andheri-Kurla	1,89,32,800	11.5%	2,03,771	7,82,266	18,77,365	4,65,000	35,26,000	₹ 170.73
Powai	86,56,286	11.6%	73,282	6,11,473	28,79,026	1000000	22,50,000	₹ 183.17
Malad-Goregaon	1,87,79,347	9.0%	13,464	4,54,071	13,74,164	0	10,80,000	₹ 177.01
Vashi	16,45,068	4.6%	7,342	18,409	1,29,917	0	0	₹ 105.68
Thane-Belapur Rd.	2,42,80,404	8.2%	1,50,180	7,83,832	29,45,653	0	21,00,000	₹ 78.24
Thane	1,23,98,323	8.6%	3,94,189	5,87,092	9,30,104	8,00,000	3,00,000	₹ 88.87
Central Suburbs	1,25,20,532	7.8%	59,814	51,221	12,83,327	0	47,00,000	₹ 168.24
TOTAL	12,55,64,616	8.33%	10,44,119	41,27,557	1,46,34,513	22,65,000	2,42,29,711	₹ 178.70

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 = 95.5 INR € 1 = 110.1 INR
Numbers for the third quarter are based on market information collected until 25th September 2026

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Centaurus	Thane	Accenture Solutions	272,335	Fresh Lease
One International Centre	Lower Parel	HDFC Bank	64,113	Fresh Lease
Centaurus	Thane	Tata AIA Life Insurance	98,671	Fresh Lease
Mindspace Airoli West	Airoli	Infosys	69,312	Fresh Lease
Waterstones Business Park	Andheri-Kurla Road	Julius Baer	74,037	Fresh Lease

KEY CONSTRUCTION COMPLETIONS Q3 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Mint	Andheri	Thirdact Ventures	3,75,000	Tulsiani Sumer Associates

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