Leasing activity crossed 14 mn sq. ft.; supply touched ~10 mn sq. ft. in Q1 2024

▼ 41%	▼ 25%	▼ 10%	▼ 3%
Q1 2024 SUPPLY Q-o-Q	Q1 2024 ABSORPTION Q-o-Q	Q1 2024 SUPPLY Y-o-Y	Q1 2024 ABSORPTION Y-o-Y

Note: Arrows indicate change from previous quarter / year.

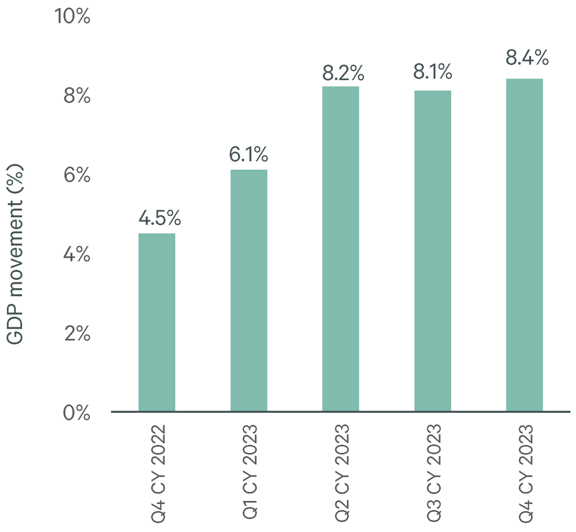
A Glimpse of the Indian Economy

– During October-December 2023, India's Gross Domestic Product (GDP) demonstrated resilient growth, surpassing 8% for the third consecutive quarter, with a notable 8.4% expansion. This robust performance was primarily driven by the manufacturing, construction, and real estate industries (alongside financial & professional services), which grew by 11.6%, 9.5% and 7.0, respectively.

– Considering the strengthened domestic economic and investment activities, several agencies have upwardly revised their annual India growth projections for 2024 and 2025. These agencies estimate India's GDP growth rate for both years to be in the 6-8% range.

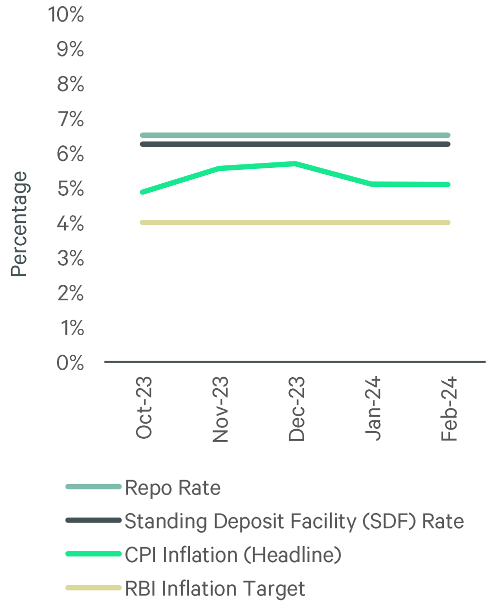
  - The Ministry of Statistics and Programme Implementation (MoSPI) projected India's economy to grow by 7.6% in FY 2023-24 in March 2024, while the Reserve Bank of India (RBI) revised its forecasts for India's GDP growth rate to 7.3% for FY 2023-24 in February 2024.
  - The Organisation for Economic Co-operation and Development (OECD) raised India's growth projections for FY 2024-25 to 6.2% in February 2024 from its previous estimate of 6.1% in November 2023. Global rating agency Moody's also raised India's GDP growth projections for CY 2024 and CY 2025 to 6.8% and 6.4%, up from its previous estimates of 6.1% and 6.3% in November 2023.

FIGURE 1.1: INDIA GDP GROWTH



Source: MoSPI; CBRE Research, Q1 2024

FIGURE 1.2: KEY INTEREST RATES



Source: RBI; CBRE Research, Q1 2024

A Glimpse of the Indian Economy

- In February 2024, India's retail inflation (measured by the Consumer Price Index, or CPI) moderated to 5.09%, a marginal change from 5.10% in January 2024. This sustained trend has kept the CPI below the upper tolerance limit of RBI's medium-term inflation target of 4% (+/-2%) for the sixth consecutive month.
- India's wholesale prices, as indicated by the Wholesale Price Index (WPI), increased by 0.27% in January 2024 and rose by 0.20% in February 2024. The positive rate of inflation is primarily attributable to increases in the prices of food articles, crude petroleum and natural gas, electricity, machinery and equipment, and motor vehicles, trailers and semi-trailers, etc.
- The RBI opted to keep the repo rate unchanged at 6.50% in February 2024, with the last hike taking place in February 2023. The central bank decided to remain focused on the withdrawal of accommodation to ensure that inflation progressively aligns with the target while supporting growth. The central bank also kept the Standing Deposit Facility (SDF) rate, Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) unchanged at 6.25%, 4.5% and 18.0%, respectively.
- The HSBC India Manufacturing Purchasing Managers' Index (PMI) rebounded from December's 18-month low of 54.9 to 56.5 in January 2024, further increasing to 56.9 in February. The latest reading pointed to the most substantial improvement in the sector's health since September 2023.
- India's services sector continued to grow, with the HSBC India services PMI reaching a six-month high at 61.8 in January 2024. However, the pace of expansion slightly eased to 60.6 in February 2024. Despite this, February data indicated a significant increase in demand across the service sector, with inflows of new business expanding for the 31st consecutive month.

An Overview of the Office Sector in Q1 2024

- The office sector in India witnessed a gross absorption of 14.4 million sq. ft. in Q1 2024. However, absorption declined by 25% Q-o-Q and 3% Y-o-Y. Bangalore led office leasing activity, followed by Delhi NCR and Hyderabad. The three cities together accounted for 65% of the leasing activity. Nearly half of the leasing during the quarter was led by expansionary initiatives by corporates across the top cities.
- Development completions of about 9.8 million sq. ft. were witnessed in Q1 2024, a decline by 41% Q-o-Q and 10% Y-o-Y. Bangalore, Hyderabad and Delhi NCR drove supply during the quarter accounting for a cumulative share of about 72%. The non-SEZ segment dominated development completions with a share of 90%, compared to 88% during the same period in the previous year. Developers continued to exhibit their efforts towards sustainability, with more than half of the newly completed space during Q1 2024 being green-certified (LEED or IGBC).
- During Q1 2024, technology companies held the highest share in leasing activity at 26%, with flexible space operators following at 22%. engineering and manufacturing (E&M), and banking, financial services and insurance (BFSI) firms were the other prominent drivers accounting for 13% and 12% respectively. In Q1 2024, leasing in the technology sector was largely driven by domestic companies - accounting for nearly half of the space take-up, as these firms leased office space for their expansionary activities. The cumulative share of technology companies and flexible space operators increased to 48% during the review quarter compared to 32% in the preceding quarter.
- During Q1 2024, space take-up by Global Capability Centres (GCCs) accounted for one-third of the overall India office leasing. Within the GCCs space take-up, E&M companies contributed to over one-fourth share, followed by automobile firms.
- Similar to the previous quarter, domestic firms dominated quarterly leasing with a share of 48% in Q1 2024, primarily led by flexible space operators, technology firms and BFSI corporates. Space take-up by flexible space operators would be used to cater to managed offices and enterprise requirements from tenants.
- Office space take-up was dominated by small- (less than 10,000 sq. ft.) to medium-sized (10,000 – 50,000 sq. ft.) transactions in Q1 2024 with a share of 81%. The share of large-sized deals (greater than 100,000 sq. ft.) in Q1 2024 increased to 8% from 5% during the same period in the previous year. Bangalore and Hyderabad dominated large-sized deal closures in Q1 2024, followed by Delhi-NCR and Chennai, while a few such deals were also reported in Kochi, Mumbai and Pune.
- With sustained leasing activity led by persistent demand for quality investment-grade assets coupled with moderating vacancy levels, rental growth was witnessed across select micro-markets in a few cities in Q1 2024. During the quarter, quoted rentals* witnessed a Q-o-Q increase of 5-8% in Mumbai across select micro-markets such as Western Suburb 1 & 2 and Thane; 1-4% in Bangalore across CBD, EBD, ORR, PBD-O, PBD-W, NBD & NBD Manyata; 2-4% in Chennai across micro-markets such as Mount Poonamallee Road, Ambattur, and OMR Zone 1 & 3; 1-4% in Hyderabad across micro-markets such as SBD, IT Corridor 1 & 2; 2-3% in Gurgaon NH-8 (Before Rajiv Chowk); 1-2% in Pune SBD West and 1-7% in Kolkata across micro-markets such as CBD, PBD, SBD and E PBD.

* Note: The trend for transacted rentals may be in line with or diverge from quoted rentals for different assets depending on various factors such as asset quality, location, accessibility, age of the asset, space availability, etc.

▼ ~9.8
SUPPLY (MN SQ. FT.) IN Q1 2024

▼ ~14.4
ABSORPTION (MN SQ. FT.) IN Q1 2024

Note: Arrows indicate change from previous year

▼ 10%
Q1 2024
Supply Y-o-Y

▼ 3%
Q1 2024
Absorption Y-o-Y

▼ 41%
Q1 2024
Supply Q-o-Q

▼ 25%
Q1 2024
Absorption Q-o-Q

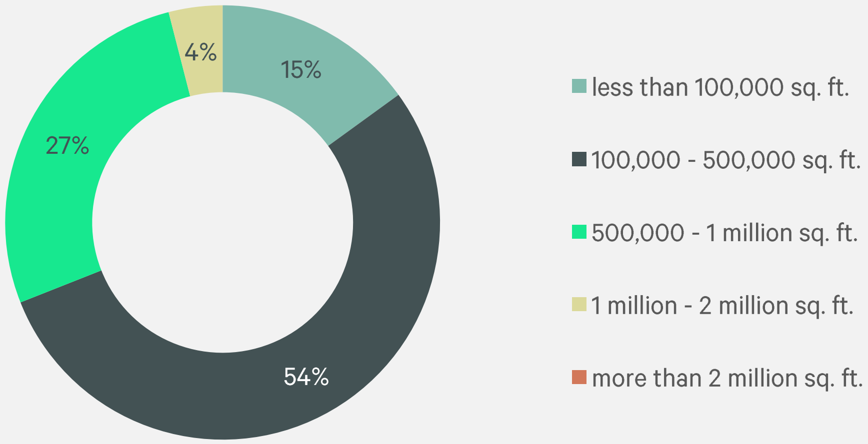
SUPPLY SHARE ACROSS SEGMENTS

90% Non-SEZ VS 10% SEZ

ABSORPTION SHARE ACROSS SEGMENTS

77% Non-SEZ VS 23% SEZ

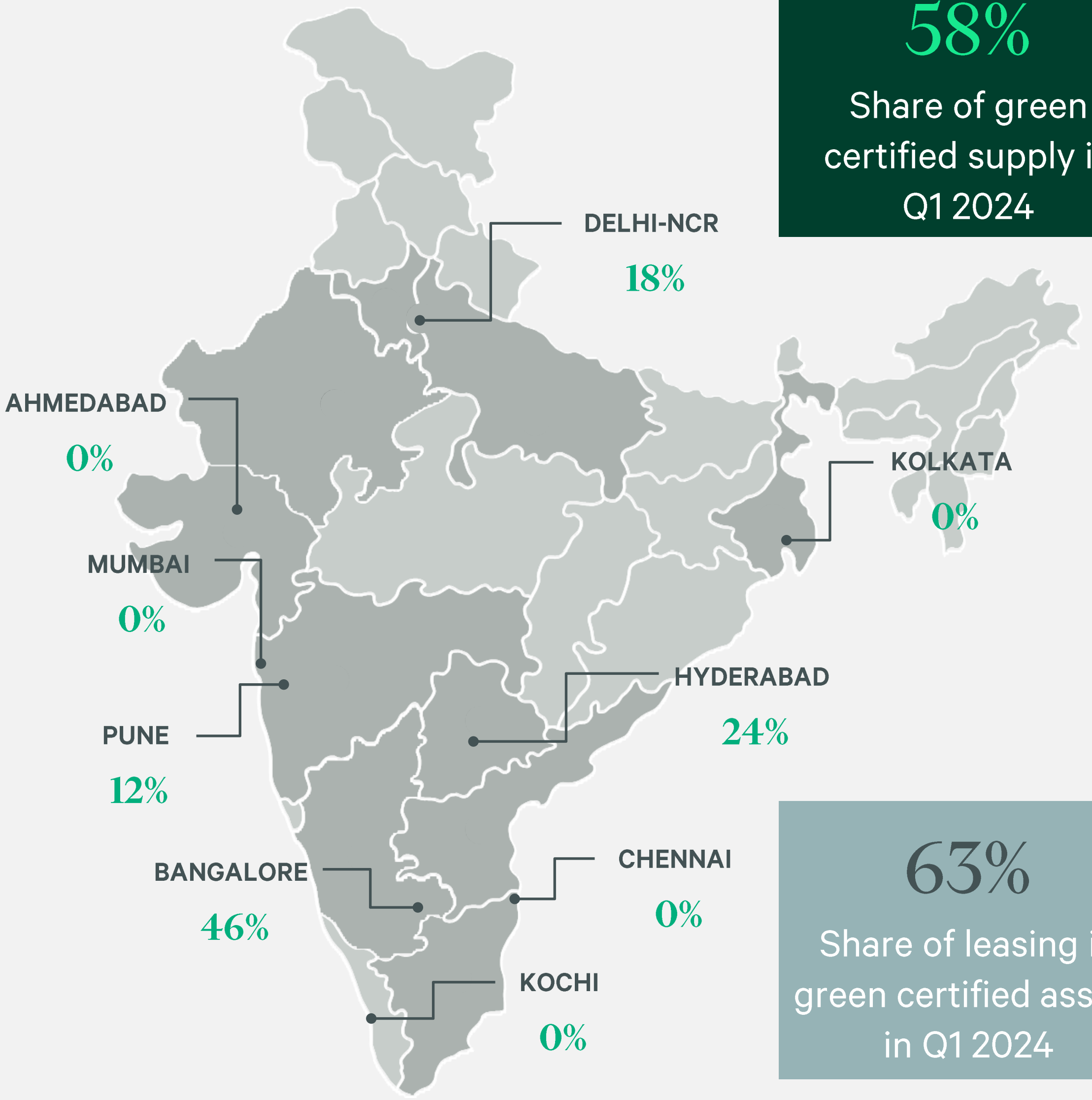
FIGURE 1.3: SEGMENTATION OF DEVELOPMENT COMPLETIONS AS PER SIZE IN Q1 2024



Source: CBRE Research, Q1 2024

FIGURE 1.4: SHARE OF GREEN CERTIFIED SUPPLY IN Q1 2024

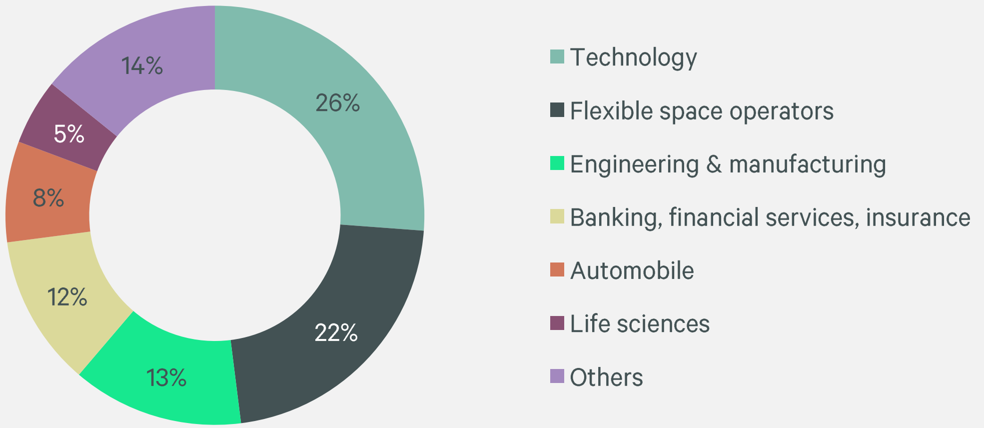
58%
Share of green certified supply in Q1 2024



63%
Share of leasing in green certified assets in Q1 2024

Source: CBRE Research, Q1 2024

FIGURE 1.5: SEGMENTATION OF TRANSACTION ACTIVITY AS PER INDUSTRY IN Q1 2024



Source: CBRE Research, Q1 2024

FIGURE 1.6: SUB-SEGMENTATION OF TOP INDUSTRY SECTOR

Technology	Software & services 95%

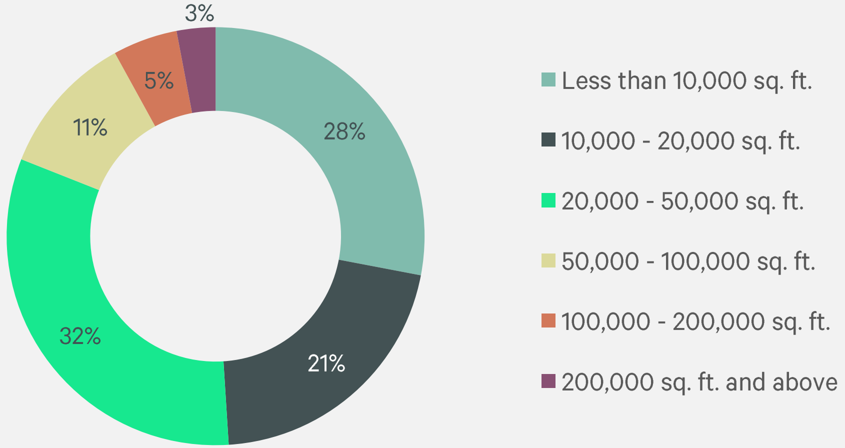
FIGURE 1.7 SEGMENTATION OF DOMICILE IN Q1 2024

48%	28%	21%	3%
Domestic	Americas	EMEA	APAC

Domestic absorption driven by flexible space operators, technology firms and BFSI corporates

Source: CBRE Research, Q1 2024

FIGURE 1.8: SEGMENTATION OF TRANSACTION ACTIVITY AS PER SIZE IN Q1 2024



Source: CBRE Research, Q1 2024

FIGURE 1.9: GCCs LEASING SHARE IN Q1 2024

60% Bangalore

26% Hyderabad

9% Delhi-NCR

4% Mumbai

1% Pune

38% Share of large sized* deals in Q1 2024 by GCCs

Source: CBRE Research, Q1 2024

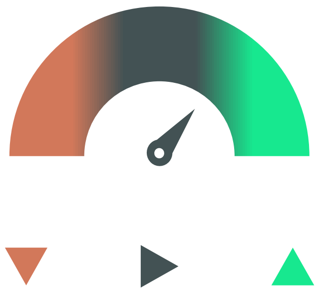
*Greater than 100,000 sq. ft.

Bangalore: Frontrunner in quarterly leasing; absorption outpaces supply

~3.9
SUPPLY (MN SQ. FT.)

~4.7
ABSORPTION (MN SQ. FT.)

CITY RENTAL INDICATOR



SUPPLY SHARE ACROSS SEGMENTS

84% Non-SEZ VS 16% SEZ

ABSORPTION SHARE ACROSS SEGMENTS

66% Non-SEZ VS 34% SEZ

TABLE 2.1: KEY LEASING TRANSACTIONS

Property	Micro-market	Size (in sq. ft.)	Tenant
Bengaluru Lifesciences Park	PBD-O	700,000	Bosch
L&T Tech Park – Block S2	NBD	635,600	LTI Mindtree
Brigade Tech Gardens – C5	PBD-W	418,000	A large automobile company

Source: CBRE Research, Q1 2024

TABLE 2.2: KEY MICRO-MARKET TRENDS

Micro-market	Supply Q-o-Q	Absorption Q-o-Q	Rents Q-o-Q
ORR	▲	▼	▲
PBD-W	▼	▲	▲
NBD	▼	▲	▲

Source: CBRE Research, Q1 2024

TABLE 2.3: KEY SECTORS DRIVING ABSORPTION

Sector	% share	Q-o-Q movement
Technology	31%	▲
Engineering & manufacturing	22%	▼
Automobile	16%	▲

Source: CBRE Research, Q1 2024

DEAL SIZES DOMINATING ABSORPTION

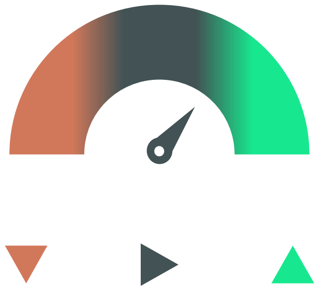
SMALL | MEDIUM | LARGE

Hyderabad: Absorption at par with supply during Q1 2024

~2.1
SUPPLY (MN SQ. FT.)

~2.0
ABSORPTION (MN SQ. FT.)

CITY RENTAL INDICATOR



SUPPLY SHARE ACROSS SEGMENTS

34% IT VS 48% Non-IT VS 18% SEZ

ABSORPTION SHARE ACROSS SEGMENTS

70% IT VS 7% Non-IT VS 23% SEZ

TABLE 3.1: KEY LEASING TRANSACTIONS

Property	Micro-market	Size (in sq. ft.)	Tenant
Commerzone Wing 2	IT Corridor II	330,000	HCL
Mindspace West – Building No. 4A + 4B	IT Corridor I	196,400	Table Space
Laxmi Infobahn - T6 (Phase 1)	Extended IT Corridor	140,000	Alstom

Source: CBRE Research, Q1 2024

TABLE 3.2: KEY MICRO-MARKET TRENDS

Micro-market	Supply Q-o-Q	Absorption Q-o-Q	Rents Q-o-Q
IT Corridor I	▲	▼	▲
IT Corridor II	▲	▼	▲
Extended IT Corridor	▼	▼	▶

Source: CBRE Research, Q1 2024

TABLE 3.3: KEY SECTORS DRIVING ABSORPTION

Sector	% share	Q-o-Q movement
Technology	43%	▲
Life sciences	24%	▲
Flexible space operators	18%	▲

Source: CBRE Research, Q1 2024

DEAL SIZES DOMINATING ABSORPTION

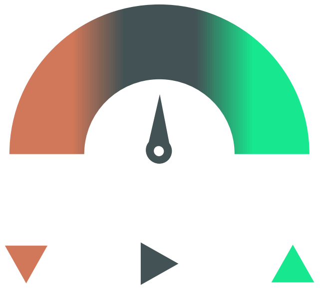
SMALL | MEDIUM | LARGE

Delhi-NCR: Flexible space operators dominated quarterly absorption

~1.0
SUPPLY (MN SQ. FT.)

~2.6
ABSORPTION (MN SQ. FT.)

CITY RENTAL INDICATOR



SUPPLY SHARE ACROSS SEGMENTS

0% IT VS 100% Non-IT VS 0% SEZ

ABSORPTION SHARE ACROSS SEGMENTS

36% IT VS 47% Non-IT VS 17% SEZ

TABLE 4.1: KEY LEASING TRANSACTIONS

Property	Micro-market	Size (in sq. ft.)	Tenant
Embassy Galaxy	Peripheral Noida	450,000	Workshala
HQ 27	MG Road	58,000	Louis Dreyfus
Magnum Global Park	Extended Golf Course Road	50,000	BDO

Source: CBRE Research, Q1 2024

TABLE 4.2: KEY MICRO-MARKET TRENDS

Micro-market	Supply Q-o-Q	Absorption Q-o-Q	Rents Q-o-Q
Peripheral Noida	▶	▲	▶
Noida - Greater Noida Expressway	▶	▼	▶
Extended Golf Course Road	▼	▼	▶

Source: CBRE Research, Q1 2024

TABLE 4.3: KEY SECTORS DRIVING ABSORPTION

Sector	% share	Q-o-Q movement
Flexible space operators	40%	▲
Technology	11%	▼
Engineering & manufacturing	8%	▼

Source: CBRE Research, Q1 2024

DEAL SIZES DOMINATING ABSORPTION

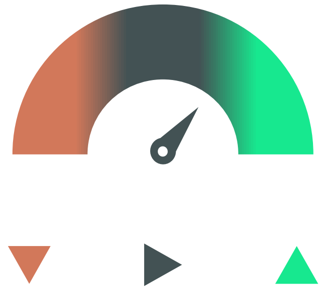
SMALL | **MEDIUM** | LARGE

Mumbai: BFSI players continue to dominate leasing activity in the city

~0.9
SUPPLY (MN SQ. FT.)

~1.4
ABSORPTION (MN SQ. FT.)

CITY RENTAL INDICATOR



SUPPLY SHARE ACROSS SEGMENTS

0% IT VS 100% Non-IT VS 0% SEZ

ABSORPTION SHARE ACROSS SEGMENTS

75% IT VS 25% Non-IT VS 0% SEZ

TABLE 5.1: KEY LEASING TRANSACTIONS

Property	Micro-market	Size (in sq. ft.)	Tenant
Mindspace (Prism A & B)	Western Suburbs 2	252,000	ICICI Prudential Life Insurance
Mindspace (Athena)	Western Suburbs 2	132,000	A leading BFSI firm
Altimus / K Raheja Corp (Siemens)	Central Mumbai 1	65,000	A leading BFSI firm

Source: CBRE Research, Q1 2024

TABLE 5.2: KEY MICRO-MARKET TRENDS

Micro-market	Supply Q-o-Q	Absorption Q-o-Q	Rents Q-o-Q
Navi Mumbai	▼	▼	▶
Central Mumbai 2	▶	▼	▶
Western Suburbs 2	▼	▲	▲

Source: CBRE Research, Q1 2024

TABLE 5.3: KEY SECTORS DRIVING ABSORPTION

Sector	% share	Q-o-Q movement
BFSI	69%	▲
Flexible space operators	12%	▲
Engineering & manufacturing	6%	▼

Source: CBRE Research, Q1 2024

DEAL SIZES DOMINATING ABSORPTION

SMALL | **MEDIUM** | LARGE

Chennai: Flexible space operators and BFSI firms drove quarterly absorption

~0.7
SUPPLY (MN SQ. FT.)

~1.8
ABSORPTION (MN SQ. FT.)

CITY RENTAL INDICATOR

SUPPLY SHARE ACROSS SEGMENTS

82% IT VS 18% Non-IT VS 0% SEZ

ABSORPTION SHARE ACROSS SEGMENTS

90% IT VS 4% Non-IT VS 6% SEZ

TABLE 6.1: KEY LEASING TRANSACTIONS

Property	Micro-market	Size (in sq. ft.)	Tenant
Olympia Pinnacle	OMR Zone 2	177,000	Smartworks
Olympia Cyberspace	Off CBD	130,000	A leading flexible space operator
Embassy Splendid Techzone - Block 2	PT Road	50,000	Fiserv

Source: CBRE Research, Q1 2024

TABLE 6.2: KEY MICRO-MARKET TRENDS

Micro-market	Supply Q-o-Q	Absorption Q-o-Q	Rents Q-o-Q
CBD	▲	▲	▶
MPH	▶	▼	▶
OMR Zone 1	▼	▼	▲
PT Road	▶	▲	▶

Source: CBRE Research, Q1 2024

TABLE 6.3: KEY SECTORS DRIVING ABSORPTION

Sector	% share	Q-o-Q movement
Flexible space operators	37%	▲
BFSI	21%	▼
Technology	15%	▲

Source: CBRE Research, Q1 2024

DEAL SIZES DOMINATING ABSORPTION

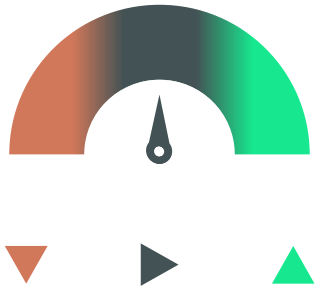
SMALL | MEDIUM | LARGE

Pune: Leasing activity mainly led by flex, automobile & tech firms

~0.7
SUPPLY (MN SQ. FT.)

~0.9
ABSORPTION (MN SQ. FT.)

CITY RENTAL INDICATOR



SUPPLY SHARE ACROSS SEGMENTS

100% IT VS 0% Non-IT VS 0% SEZ

ABSORPTION SHARE ACROSS SEGMENTS

64% IT VS 35% Non-IT VS 1% SEZ

TABLE 7.1: KEY LEASING TRANSACTIONS

Property	Micro-market	Size (in sq. ft.)	Tenant
Kohinoor World Towers Phase 1 (Tower 1)	PBD - Others	155,500	Tata Motors
International Tech Park Phase 1	SBD – Kharadi	63,400	Interpublic Group (IPG)
Raheja Commerzone (Tower 4)	CBD	40,000	Scientific Games

Source: CBRE Research, Q1 2024

TABLE 7.2: KEY MICRO-MARKET TRENDS

Micro-market	Supply Q-o-Q	Absorption Q-o-Q	Rents Q-o-Q
CBD	▶	▲	▶
PBD - Others	▶	▲	▶
SBD – East	▼	▼	▶

Source: CBRE Research, Q1 2024

TABLE 7.3: KEY SECTORS DRIVING ABSORPTION

Sector	% share	Q-o-Q movement
Flexible space operators	30%	▲
Automobile	17%	▲
Technology	16%	▲

Source: CBRE Research, Q1 2024

DEAL SIZES DOMINATING ABSORPTION

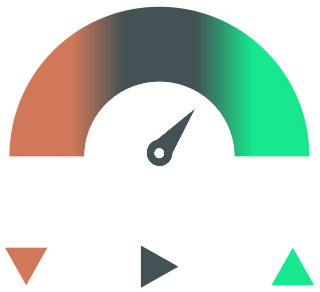
SMALL | MEDIUM | LARGE

Kolkata: Tech and RCA players drove quarterly absorption

~0.0
SUPPLY (MN SQ. FT.)

~0.3
ABSORPTION (MN SQ. FT.)

CITY RENTAL INDICATOR



SUPPLY SHARE ACROSS SEGMENTS

0% IT VS 0% Non-IT VS 0% SEZ

ABSORPTION SHARE ACROSS SEGMENTS

52% IT VS 4% Non-IT VS 44% SEZ

TABLE 8.1: KEY LEASING TRANSACTIONS

Property	Micro-market	Size (in sq. ft.)	Tenant
Candor Tech Space	E PBD	90,000	A leading technology firm
Candor Tech Space	E PBD	47,000	A leading technology firm
Infinity Benchmark	PBD	25,000	mPokket

Source: CBRE Research, Q1 2024

TABLE 8.2: KEY MICRO-MARKET TRENDS

Micro-market	Supply Q-o-Q	Absorption Q-o-Q	Rents Q-o-Q
CBD	▶	▼	▲
PBD	▶	▼	▲
E PBD	▶	▲	▲

Source: CBRE Research, Q1 2024

TABLE 8.3: KEY SECTORS DRIVING ABSORPTION

Sector	% share	Q-o-Q movement
Technology	57%	▲
Research, consulting & analytics	16%	▲
BFSI	10%	▼

Source: CBRE Research, Q1 2024

DEAL SIZES DOMINATING ABSORPTION

SMALL | MEDIUM | LARGE

Kochi: Large-sized deals bolstered quarterly absorption to a new high

~0.2
SUPPLY (MN SQ. FT.)

~0.5
ABSORPTION (MN SQ. FT.)

CITY RENTAL INDICATOR

▼ ▶ ▲

SUPPLY SHARE ACROSS SEGMENTS

100% Non-SEZ VS 0% SEZ

ABSORPTION SHARE ACROSS SEGMENTS

1% Non-SEZ VS 99% SEZ

TABLE 9.1: KEY LEASING TRANSACTIONS

Property	Micro-market	Size (in sq. ft.)	Tenant
Lulu Cyber Tower 2	SBD	334,000	A leading technology firm
Lulu Cyber Tower 2	SBD	15,000	NOV
Muscat Tower	CBD	4,500	Poonawalla Fincorp

Source: CBRE Research, Q1 2024

TABLE 9.2: KEY MICRO-MARKET TRENDS

Micro-market	Supply Q-o-Q	Absorption Q-o-Q	Rents Q-o-Q
CBD	▶	▲	▶
Off CBD	▼	▼	▶
SBD	▲	▲	▶

Source: CBRE Research, Q1 2024

TABLE 9.3: KEY SECTORS DRIVING ABSORPTION

Sector	% share	Q-o-Q movement
Technology	96%	▲
Engineering & manufacturing	3%	▼
BFSI	1%	▼

Source: CBRE Research, Q1 2024

DEAL SIZES DOMINATING ABSORPTION

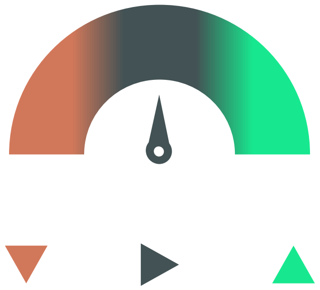
SMALL | MEDIUM | LARGE

Ahmedabad: Flex space operators and tech players primarily drove leasing activity

~0.3
SUPPLY (MN SQ. FT.)

~0.1
ABSORPTION (MN SQ. FT.)

CITY RENTAL INDICATOR



SUPPLY SHARE ACROSS SEGMENTS

0% IT VS 100% Non-IT VS 0% SEZ

ABSORPTION SHARE ACROSS SEGMENTS

0% IT VS 100% Non-IT VS 0% SEZ

TABLE 10.1: KEY LEASING TRANSACTIONS

Property	Micro-market	Size (in sq. ft.)	Tenant
Stratum @ Venus Grounds	SBD	4,000	A leading BFSI firm
Palak Prime	SBD	3,200	Omron

Source: CBRE Research, Q1 2024

TABLE 10.2: KEY MICRO-MARKET TRENDS

Micro-market	Supply Q-o-Q	Absorption Q-o-Q	Rents Q-o-Q
CBD	▶	▶	▶
SBD	▼	▼	▶
PBD	▲	▼	▶

Source: CBRE Research, Q1 2024

TABLE 10.3: KEY SECTORS DRIVING ABSORPTION

Sector	% share	Q-o-Q movement
Flexible space operators	48%	▲
Technology	21%	▼
BFSI	14%	▲

Source: CBRE Research, Q1 2024

DEAL SIZES DOMINATING ABSORPTION

SMALL | MEDIUM | LARGE

India Office Market Outlook 2024

Strong demand expected to persist throughout 2024

The office sector continued witnessing meaningful gains in 2023, enhanced by a resurgence in occupiers' sentiments and pent-up demand post a rise in return-to-offices. During 2024, occupiers would prioritise high-quality office space as they continue to facilitate portfolio expansion and consolidation. India's inherent advantages, such as its skilled workforce and well-established business ecosystem, continue to hold appeal, leading to a positive outlook for the office sector.

Diversification of office is set to be a key driver for activity across cities. Economic growth and strategic policies are fuelling a dynamic transformation in India's office market, attracting a wider range of industries. While the technology sector continues to be the mainstay, the broader demand base is reflected in leasing trends, with sectors such as BFSI and E&M exhibiting higher levels of activity. At a city level, the office activity would be concentrated in major cities such as Bangalore, Mumbai, Hyderabad, and Delhi-NCR. However, higher confidence and availability of talent are expected to propel cities such as Chennai and Pune to witness an upsurge in both leasing activity and development completions, building on from 2023. Global firms are expected to expand their presence by setting up or expanding existing GCCs. Similarly, domestic firms would expand and solidify their presence, strengthened by a period of financial buoyancy and a well-capitalised financial system.

GCCs to continue being a prime demand driver

India is poised to remain a prominent market for GCCs, aided by the size of engineering workforce available in the country, competitive costs, and an established ecosystem. Existing corporates, buoyed by the success of their current facilities, are actively pursuing operational expansion. Global occupiers from sectors such as BFSI, technology, and E&M would continue expanding their GCC services in India, potentially even venturing into multi-functional centres in 2024. Established GCC occupiers with a long-term vision may explore the development of large-scale campuses in India's top cities. Newer entrants are more likely to gravitate towards flexible workspace solutions, offering the advantage of calibrating their operations as required. With the number of GCCs expected to increase by 20% by 2025*, the office sector is poised to witness an influx of small to mid-sized enterprises seeking to upgrade their digital and deep technology capabilities, such as artificial intelligence and machine learning.

Robust pipeline of high-quality, investment-grade supply to continue

The supply influx is anticipated to remain strong, with a significant portion of investment-grade office space expected to enter the market in 2024. Bangalore, Hyderabad, and Delhi-NCR are likely to dominate new completions, followed by Chennai, Pune, Mumbai, and Kolkata. Developers are exhibiting a growing emphasis on building state-of-the-art facilities with amenities catering to the evolving requirements of modern businesses. Factors such as convenient access to public transportation systems, a healthy mix of outdoor green spaces, optimum air quality and F&B options are poised to become increasingly prominent features within newly completed developments. Going forward, the year is expected to witness a higher proportion of large-sized assets to meet the growing demand, signifying a rise in the popularity of integrated or mixed-use developments. Besides, select micro markets across the country are also likely to experience moderate rental growth led by the infusion of new quality supply or limited availability of contiguous spaces.

Flexible spaces would continue seeing sustained demand from enterprises

Over the past five years, flexible space operators have emerged as a prominent force within the Indian office leasing ecosystem, consistently securing a share exceeding 15%. This signifies the increasing demand from medium- to large-enterprises for such spaces which is likely to persist in the short- to medium-term. In the future, these operators are likely to emphasise on sustainability, quality, customisation options, and enterprise-level offerings. This, combined with robust domestic demand and a flourishing economy, positions the sector for sustained expansion in the years to come. As hybrid work models become increasingly popular, the anticipated demand for flexible spaces would propel the sector's impressive growth trajectory.

Employee experience on top of occupiers' agenda

As office occupancies improve and the workplace evolves into a hub for collaboration, firms are investing heavily in creating bespoke and engaging experiences. This trend is likely to see occupiers invest in developing 'experiential workplaces' that promote brainstorming, enhance employee productivity, and prioritise well-being. This approach entails the creation of high-quality assets equipped with desirable amenities, fostering a vibrant and engaging work atmosphere.

Sustainable features emerging as 'must-haves' in office buildings

Top office developers are increasingly focusing on constructing green-certified office spaces as the dialogue on sustainability takes centre stage in the real estate sector. This trend is expected to continue in the coming years, with an anticipated rise in the proportion of sustainable buildings. Furthermore, occupiers are likely to extend their focus beyond mere green certifications. They are expected to explore a broader range of considerations, including regular measurement of environmental metrics, benchmarking of emissions, and initiatives that enhance the overall social well-being of their employees.

*Nasscom-Zinnov, GCC 4.0- India Redefining the Globalization Footprint, June 2023

Office Micro-markets

City	Micro-market	Locations covered
Bangalore	CBD	Brunton Road, Cambridge Road, Commissariat Road, Cunningham Road, Infantry Road, Kasturba Road, Langford Town, Lavelle Road, M.G.Road, Millers Road, Museum Road, Race Course Road, Residency Road, Richmond Road along with a few other locations
	EBD	Old Airport Road, C V Raman Nagar, CMH Road, Dairy Circle, Domlur, Indiranagar, Inner Ring Road, Lalbagh Road, Old Madras Road, Ulsoor, Vasanth Nagar, Koramangala, Mekhri Circle
	SBD	Ashoka Pillar Road, Banashankari, Bannerghatta Road, BTM Layout, JP Nagar, Mysore Road
	PBD-W	Mahadevpura, Whitefield, EPIP Zone, Varthur Road, Varthur, Brookefield, Graphite India Road, Hoodi Main Road
	PBD-O	Electronic City Phase 1&2, Sarjapur Road, Off Sarjapur Road, Jigani, Devanahalli, Budigere Cross, Mysore Road
	ORR	Marathahalli Outer Ring Road, Sarjapur Outer Ring Road
	NBD	Banaswadi, Bellary Road, Hebbal, HMT Layout, Jakkur, Yelahanka, Yeshwantpur, Thanisandra, Nagawara, Kattigenahalli
Hyderabad	IT Corridor I	HITEC City, Madhapur
	IT Corridor II	Kondapur, Gachibowli, Kavuri Hills, Raidurg 1 (area between IT corridor I and old Bombay highway)
	Extended IT Corridor	Nanakramguda, Manikonda, Financial District, Kukatpally, Raidurg 2 (south of old Mumbai highway)
	CBD	Begumpet, Somajiguda, Punjagutta, Nagarjuna Hills, Khairatabad, Saifabad, Nagarjuna Circle
	SBD	Banjara Hills, Jubilee Hills, Ameerpet, Himayath Nagar
	PBD	Shamshabad, Pocharam, Uppal, Nacharam.
Delhi-NCR	Central Delhi	Rani Jhansi Marg, Connaught Place, Bhai Veer Singh Marg
	SBD 1 & 2	Jasola, Okhla, New Friends Colony, (except Nehru Place)
	SBD 2 & 3	Vasant Kunj, Saket, Aerocity, Munirka, Okhla, Nehru Place
	North Delhi	Wazirpur District Centre and Rohini

Office Micro-markets

City	Micro-market	Locations covered
Delhi-NCR	West Delhi	Shivaji Marg and Dwarka
	East Delhi	Shastri Park
	DLF Cybercity	Sector 24, 25, Dlf Phase III
	MG Road	Sectors 25-28, Sikanderpur and Sushant Lok I
	Golf Course Road	DLF Phase I, V, South City Road and sectors 42-56
	Sohna Road	Sectors 41-50 and 68, Tikri Village
	NH-8 (Before Rajiv Chowk)	Properties located at either side of NH-8 including areas of Udyog Vihar Phase I-IV, Sectors 15, 30, 34
	NH-8 (Beyond Rajiv Chowk)	Properties located at either side of NH-8 beyond Rajiv Chowk
	Extended Golf Course Road	Sectors 58-68 and Gurgaon-Faridabad Road
	Others	Northern Peripheral Gurgaon, Peripheral Gurgaon (Beyond Manesar Toll)
	Southern Peripheral Road	Southern Peripheral Road
	Old Gurgaon	Sectors 14, 15, 21, 34, Udyog Vihar, Palam Vihar, Dundahera
	Main Noida	Sectors 1-18, 25-32
	Expressway	Sectors 90-144
	Peripheral Noida	Sectors 58-63
Mumbai	Old CBD	Churchgate, Cuffe Parade, Fort, Nariman Point, Peddar road, Ballard Estate, Colaba
	Central Mumbai 1	Mahalaxmi, Prabhadevi, Worli
	Central Mumbai 2	Dadar, Lower Parel, Parel, Elphinstone Road, Byculla

Office Micro-markets

City	Micro-market	Locations covered
Mumbai	New CBD (BKC)	Bandra Kurla Complex
	BKC Periphery	Bandra (E), Kurla, Santacruz (E), Kalina, Kalanagar, Bandra (W)
	Western Suburbs 1	Andheri (E), Andheri (W), Juhu, Khar, Vile Parle (E)
	Western Suburbs 2	Borivali (E), Kandivali (E), Goregaon (E), Goregaon (W), Jogeshwari (E), Jogeshwari (W), Malad (W)
	Eastern Suburbs	Bhandup, Chembur, Chinchpokli, Ghatkopar (E), Ghatkopar (W), Kanjurmarg, Mulund, Nahur, Powai, Sion, Vidyavihar, Vikhroli (E), Vikhroli (W), Wadala
	Navi Mumbai	Airoli, Belapur, CBD Belapur, Ghansoli, Juinagar, Mahape, Rabale, Sanpada, Turbhe, Vashi, Koparkhairane, Kharghar, Nerul
	Thane	Thane
Chennai	CBD	Anna Salai, RK Salai, Nungambakkam, T Nagar and Alwarpet.
	Off CBD	Guindy, Ekkaduthangal, Vadapalani, Santhome & MRC Nagar
	MPH	Mount Poonamallee High Road
	Ambattur	Ambattur, Ambattur Industrial Estate and Padi
	GST	GST Road - Airport towards Chengelpet
	OMR Zone 1	Taramani to Perungudi Toll
	OMR Zone 2	Perungudi toll up to Sholinganallur
	OMR Zone 3	Sholinganallur to Kelambakkam
	PT Road	Pallavaram to Thoraipakkam

Office Micro-markets

City	Micro-market	Locations covered
Pune	Central Business District (CBD)	Bund Garden, Boat Club Road, Koregaon Park, Koregaon Park Extn., Shivaji Nagar, Erandwane, Law college road, Dhole Patil Road, Wakdewadi, Camp, Keneddy Road, Naylor Road, Kalyani Nagar, Senapati Bapat Raod, along with a few other locations
	Secondary Business District (SBD) - East	Hadapsar, Mundhwa, Viman Nagar, Keshav Nagar, New Airport Road, Nagar Road, NIBM, Mohammadwadi, Wanowrie
	Secondary Business District (SBD) - West	Aundh, Baner, Bavdhan, Pashan, Karve Road, Paud Road, Balewadi, Sinhagad Road, Baner-Pashan, Bangalore-Mumbai Highway (Till Sus Road), Baner Phata
	Secondary Business District (SBD) - Kharadi	Kharadi
	Peripheral Business District (PBD) - Hinjewadi	Hinjewadi
	Peripheral Business District (PBD) – Others	Phursungi, Wagholi, Charoli, Nanded, Wakad, Tathawade, Mahalunge, Pimpri Chinchwad, Talawade
Kolkata	Central Business District - CBD	Park Street, Upper Circular Road (AJC Bose Road), Camac Street, Shakespeare Sarani, Jawaharlal Nehru Road
	Sub Central Business District - Sub CBD	S.N Banerjee Road, Lenin Sarani, Rafi Ahmed Khidwai Road, Lower Circular Road (AJC Bose Road)
	Old Central Business District - Old CBD	Dalhousie, Brabourne Road, Strand Road, B.B Ganguly Street, Chowringhee Avenue
	Secondary Busines District - SBD	Rashbehari Connector, Sarat Bose Road, Park Circus Connector, Prince Anwar Shah Connector, E.M Bypass, Kasba
	Peripheral Business District – PBD	Salt Lake Sector V
	Emerging Peripheral Business District - E PBD	NewTown-Rajarhat (Action Area I, II & III), Rajarhat & Jessore Road
Kochi	CBD & Ext CBD	MG Road, Kaloor, Kadavanthara, Marine Drive
	Off CBD	Vytilla, Pallarivattom, Edapally
	SBD	Kakannad
Ahmedabad	CBD	CG Road, Ashram road, Ambawadi, Ellisbridge, Vijay Cross Roads
	SBD	SG Highway, Makarba, Sindhu Bhavan Road, Nehru Nagar, Shyamal Cross Road, Sarabhai Campus, Iscon-Ambli Road, Thaltej
	PBD	Infocity, Gift City, Gandhinagar

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