

# QUARTERLY REPORT

India Office | Q1 CY'24



# Executive Summary

India's Grade A office demand, saw a 12% growth in Q1 CY'24 vs previous quarter and a 14% growth vs same quarter last year. Bengaluru, MMR and Delhi-NCR contributed almost 2/3rd to the office demand as the top-3 cities saw a combined growth of 23% in Q1 CY'24 on a Q-o-Q basis. Pan India office demand grew by 14%.

Keeping with the tradition of low completions in 1st quarter of calendar year, Office Supply saw a sharp dip, with only 10.5 msf being infused in Q1 CY'24, almost 38% lower than previous quarter and 5% lower as compared to same quarter last year. Bengaluru and Hyderabad together contributed almost 65% of the new supply in Q1 CY'24. As a result, pan-India vacancy dipped by 50-basis points.

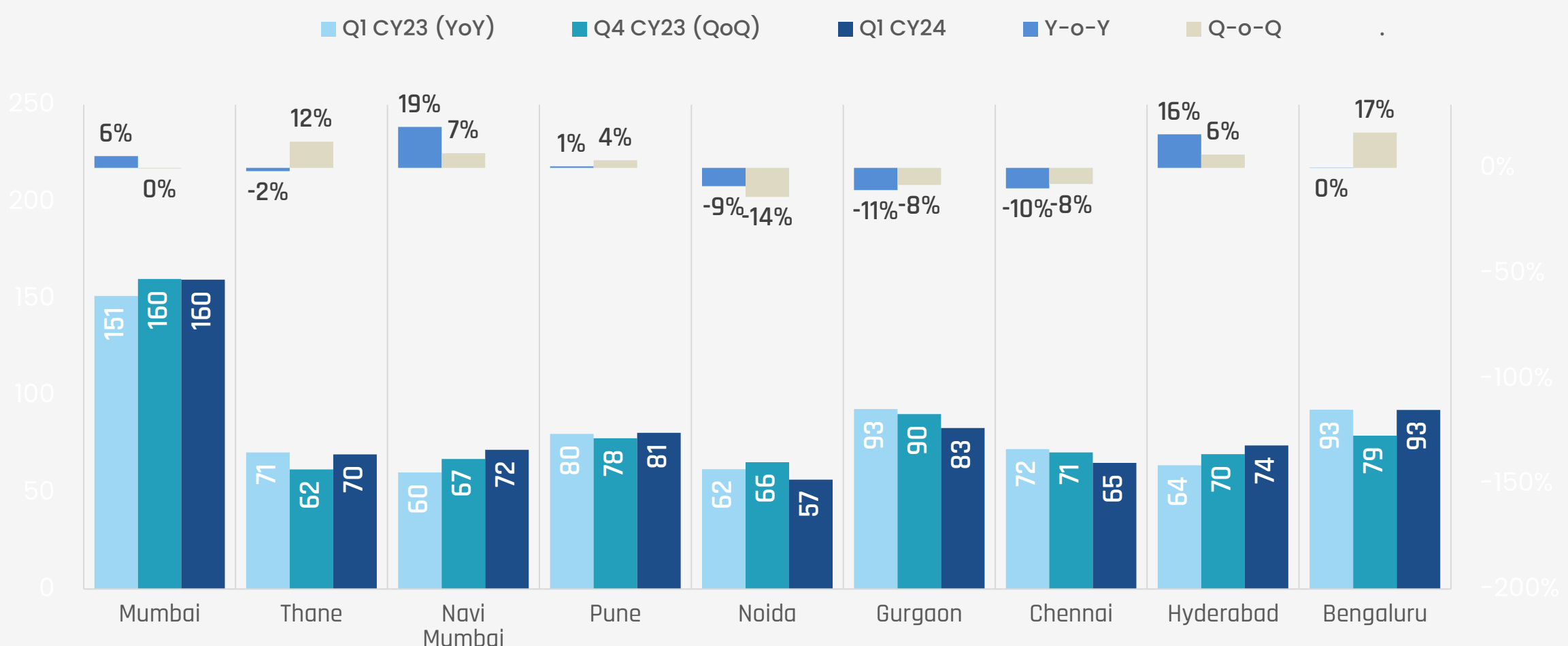
Rentals on a pan India basis continued to rise and inch towards the ₹100-mark, rising by 8.7% in Q1 CY'24 vs previous quarter. The difference between market and in-place rentals widened further to about 14%, indicating an overall strong landlord's market. City-wise, Bengaluru, Pune and Hyderabad saw an up-tick in rentals in Q1 CY'24 vs previous quarter

IT/ITeS, in its return-to-office-mode, dominated the leasing demand share, contributing almost 28% to office demand. BFSI sector's share in leasing demand grew from 16% in Q1 CY'23 and 13% in Q4 CY'23 to 20% in Q1 CY'24. 50% of the BFSI demand came from Mumbai and Chennai alone. On the IT/ITeS side, while Bengaluru contributed 35% to the sector's demand, it was Noida at 20% that overtook Hyderabad in Q1 CY'24.

The highlight of the quarter were large sized deals dominating office demand. 56% of demand in Q1 CY'24 came from occupiers taking more than 1 lac sqft as compared to 36% in Q4 CY'23 and 33% in Q1 CY'23. Bengaluru, Hyderabad and Noida contributed 66% to the > 1 lac sqft deals.

Based on our estimates and predictive models, taking into account the upcoming supply, we believe pan India office demand to cross 70 msf in 2024 on the back of strong economic fundamentals and large push in investments into the country's physical and digital infrastructure.

## Market Rent Trend (₹/sf/m), Grade A



# Pan India

## Grade A Fundamentals

Q1 CY'24 Demand (msf)	16.7
Q1 CY'24 Supply (msf)	10.5
Current Grade A Stock (msf)	839.8
Vacancy	17.2%
Under-Construction (msf)	330.8

## City-wise Highlights

### NCR & Bengaluru

Contributed

45% To Q1 CY'24 Demand

### Bengaluru & Hyderabad

Contributed

65% To Q1 CY'24 Supply

## Office Demand Contributors in Q1 CY'24



IT/ITeS

29%



BFSI

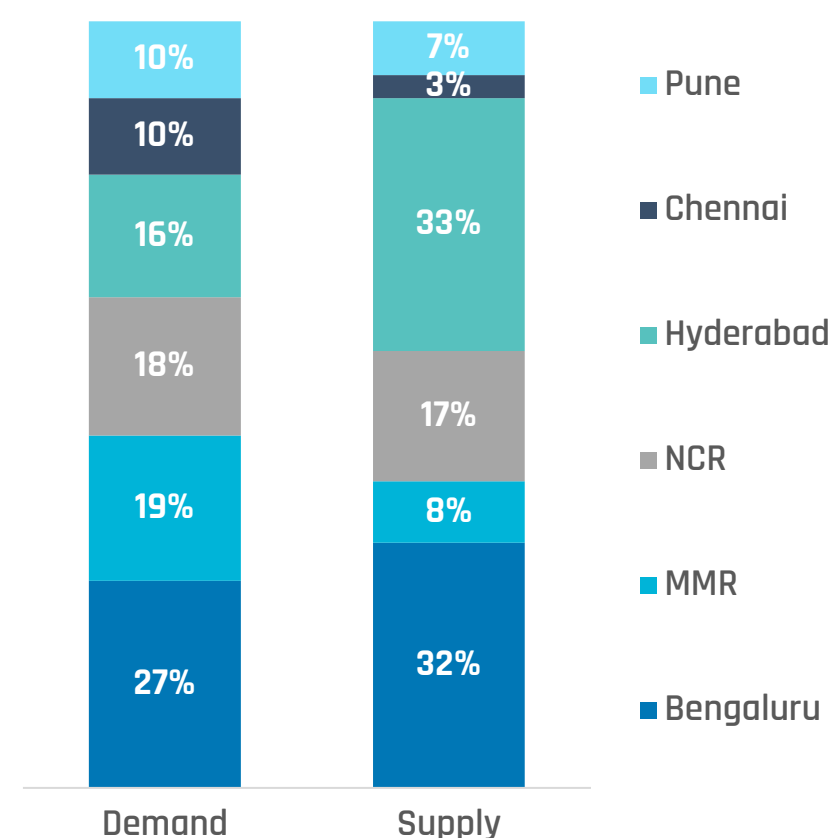
20%



Co-Working

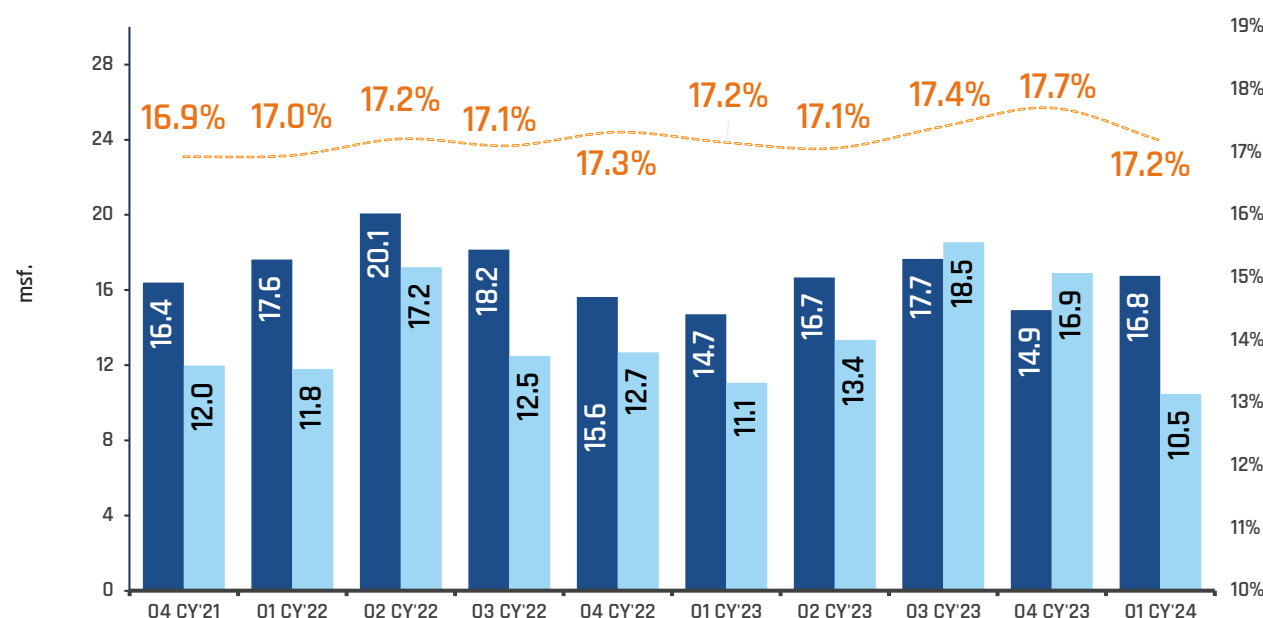
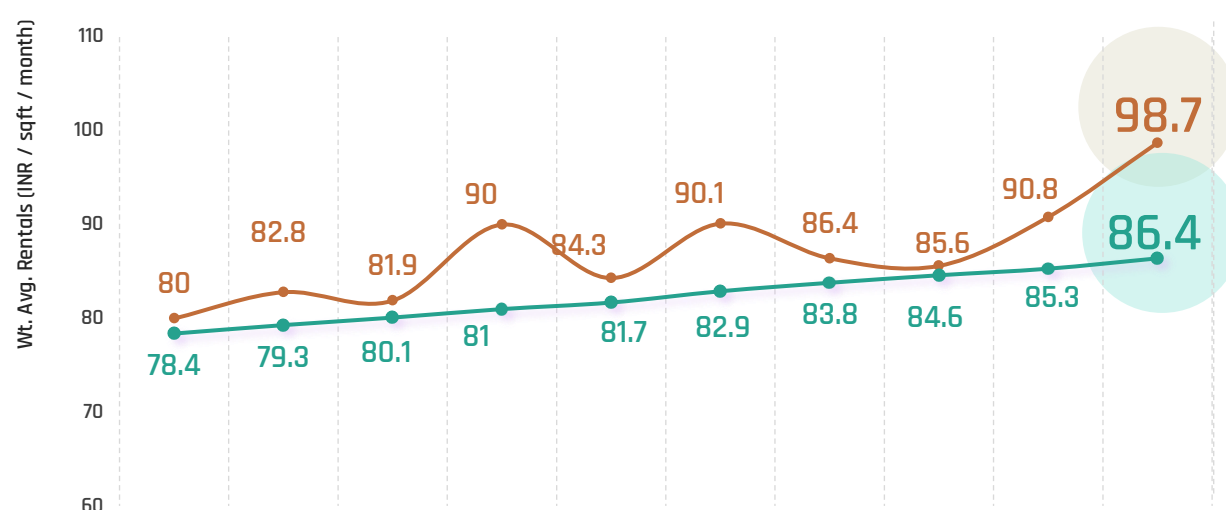
10%

## City Snapshot



## Market Trends

Demand Supply Vacancy Passing Rent\* Market Rent\*



### Note

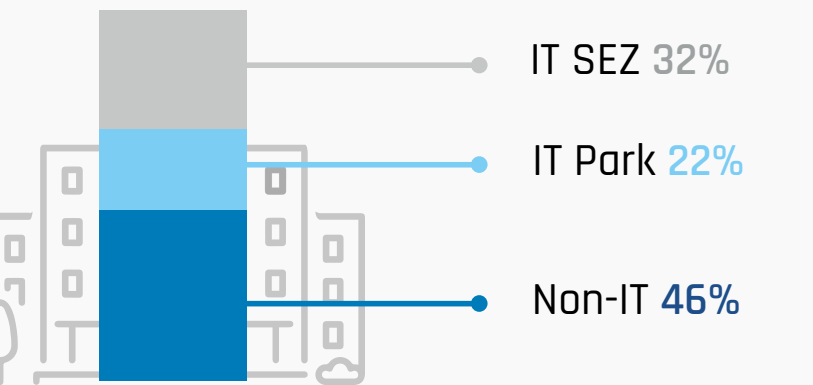
\* Passing Rent = Wt. Avg. rent paid by all active tenants as of that date in the region

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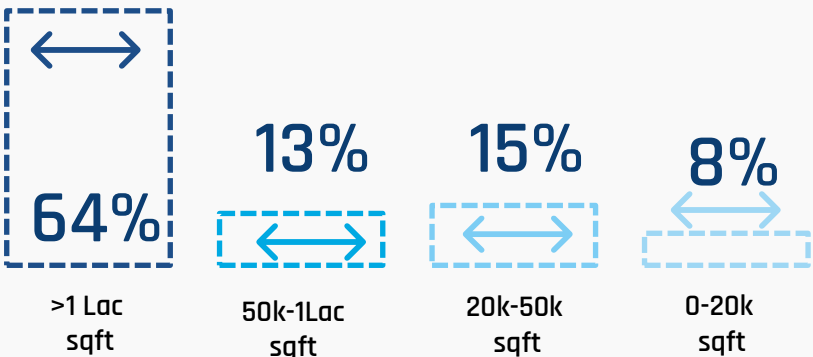
## Grade A Fundamentals

Q1 CY'24 Demand (msf)	4.5
Q1 CY'24 Supply (msf)	3.4
Current Grade A Stock (msf)	224.6
Vacancy	9.8%
Under-Construction (msf)	98.1

## Upcoming Supply 2024:



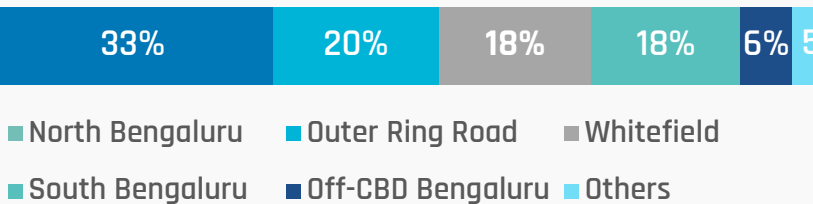
## Office Transaction Size



## Major Office Transactions

- Bosch, Bengaluru Life Sciences Park  
6,91,320 sqft | ₹59 psf
- Kyndryl Solutions (IBM),  
Manyata Embassy Business Park  
2,43,837 sqft | ₹101 psf
- Zonasha IT, Flowserve India Controls  
1,25,860 sqft | ₹72 psf
- DBD Mudra, Bagmane Solarium City  
1,22,769 sqft | ₹73 psf

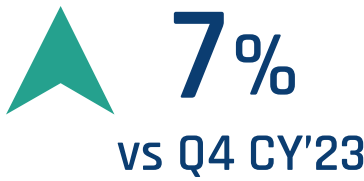
## Top Markets by Demand



## Demand to Supply Ratio

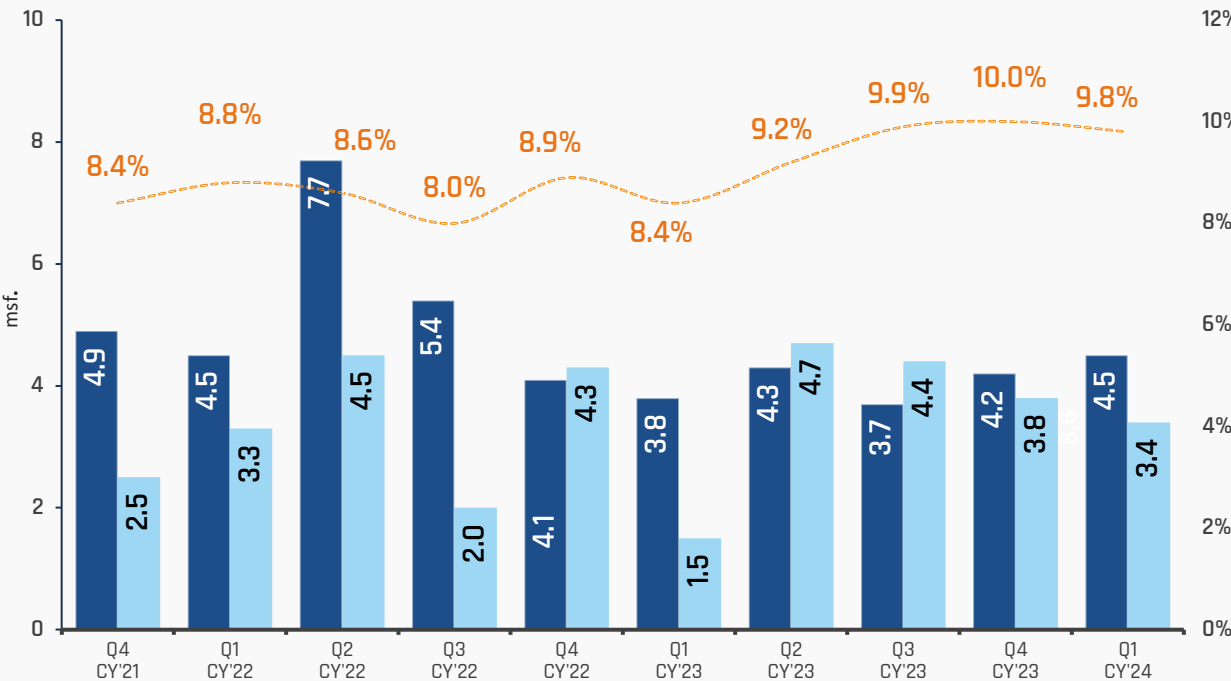
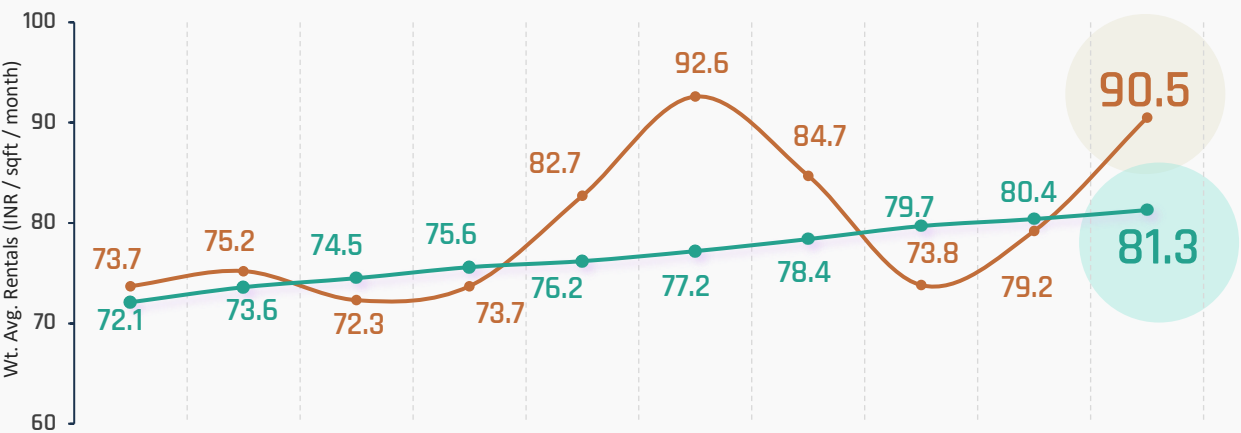


## Q1 CY'24 Demand



## Market Trends

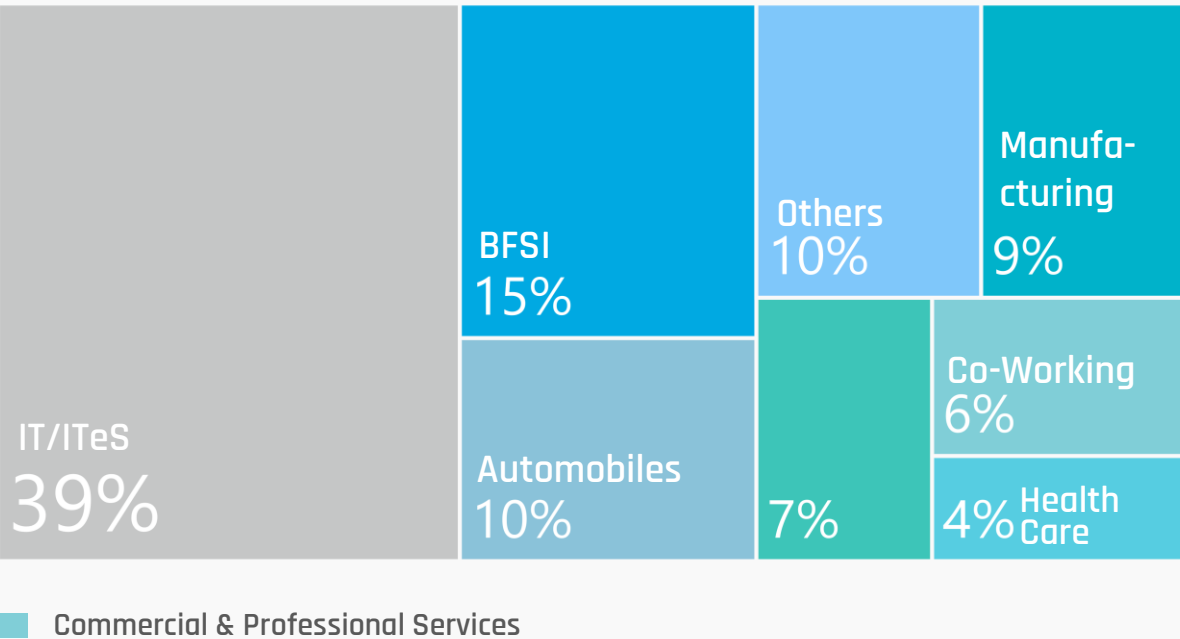
Demand Supply Vacancy Passing Rent\* Market Rent^



Note:

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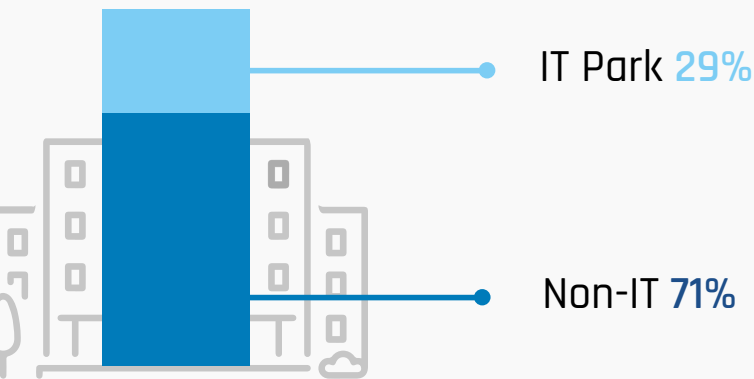
## Demand by Sector



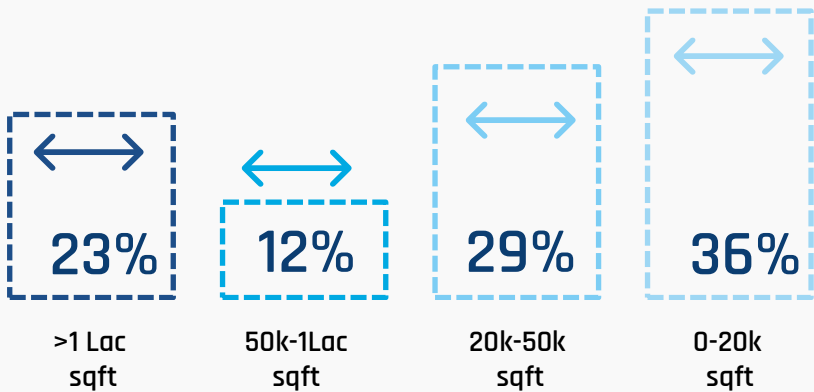
Grade A Fundamentals

Q1 CY'24 Demand (msf)	3.2
Q1 CY'24 Supply (msf)	0.8
Current Grade A Stock (msf)	144.1
Vacancy	16.7%
Under-Construction (msf)	48.3

Upcoming Supply 2024:



Office Transaction Size



Major Office Transactions

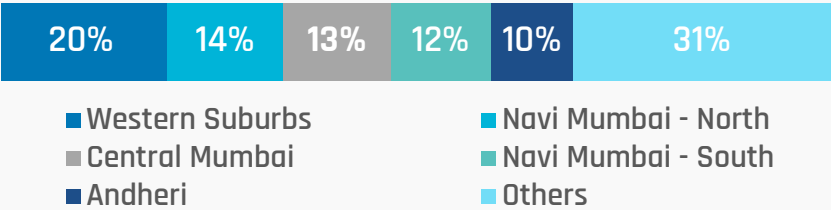
ICICI Bank, Mindspace - Prism Tower  
251,688 sqft | ₹92 psf

ICICI Bank, Mindspace (Juinagar)  
188,071 sqft | ₹49 psf

Bennett Coleman & Co., Sunteck Icon  
170,112 sqft | ₹175 psf

DP World Global, Q-parc Aurum  
148,564 sqft | ₹62 psf

Top Markets by Demand



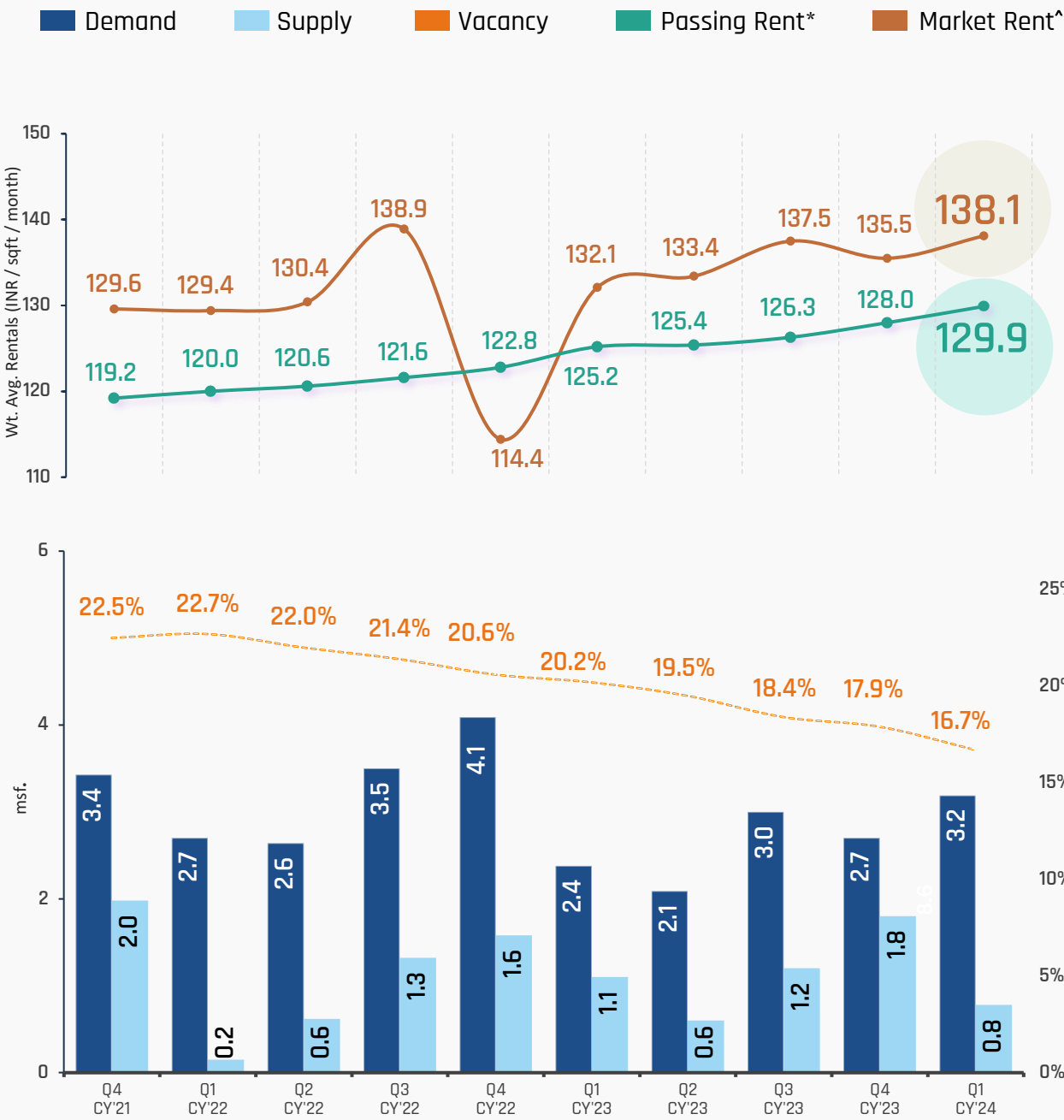
Demand to Supply Ratio



Q1 CY'24 Demand

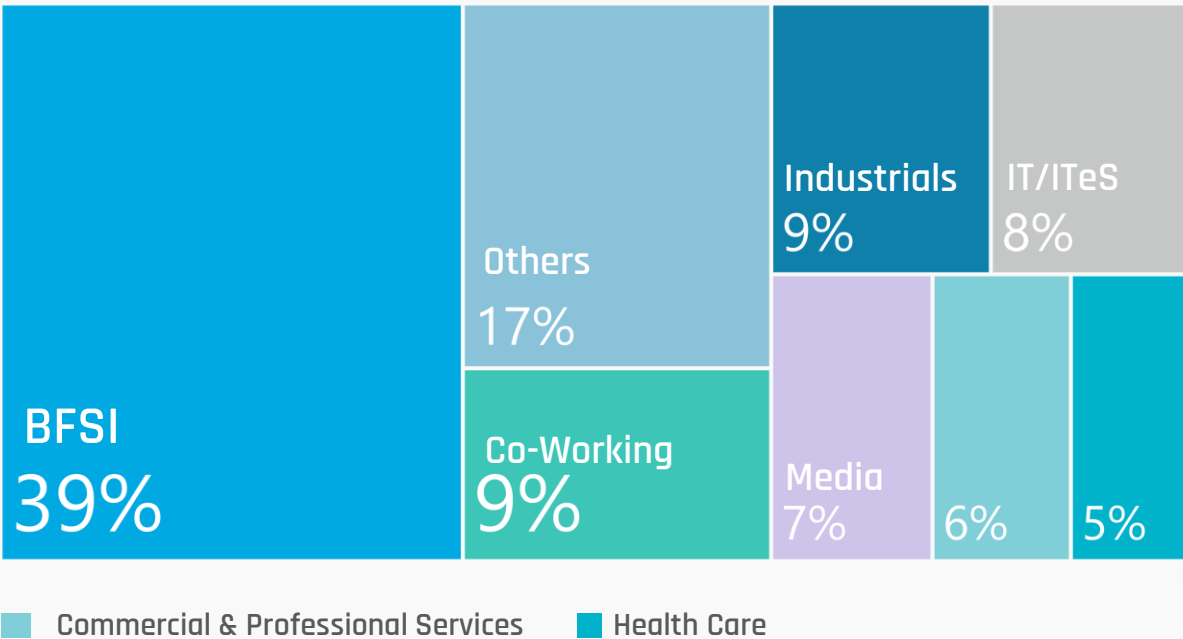


Market Trends



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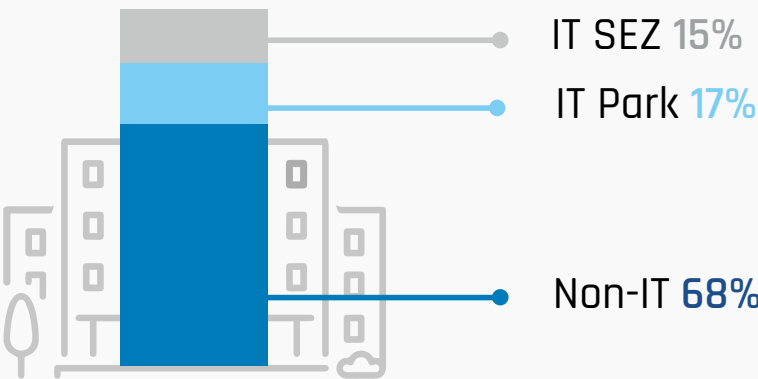
Demand by Sector



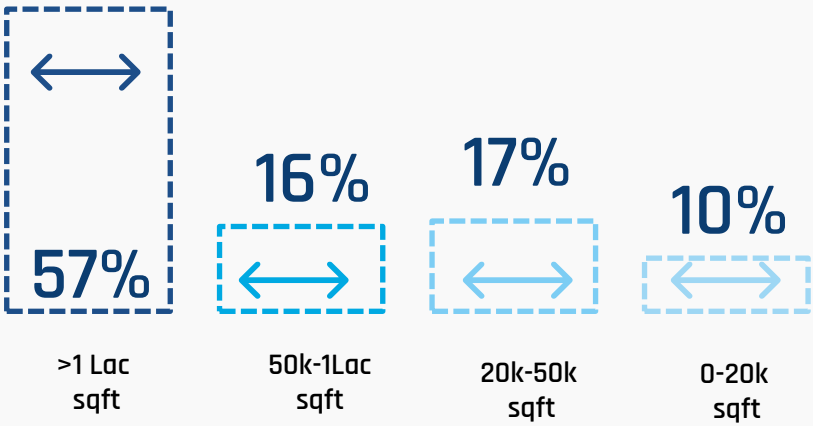
## Grade A Fundamentals

Q1 CY'24 Demand (msf)	3.0
Q1 CY'24 Supply (msf)	1.8
Current Grade A Stock (msf)	168
Vacancy	23.6%
Under-Construction (msf)	66.6

## Upcoming Supply 2024:



## Office Transaction Size



## Major Office Transactions

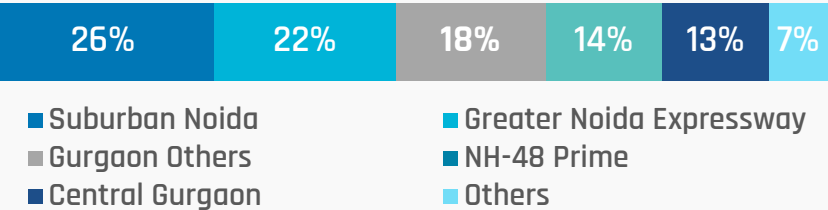
Ernst & Young, Sec-44 Gurgaon  
4,15,174 sqft | ₹78 psf

WeWork, Bharti HQ27  
96,339 sqft | ₹158 psf

HDFC, Unitech Cyber Park  
59,447 sqft | ₹69 psf

RSM Delivery Center, Bharti HQ27  
55,014 sqft | ₹165 psf

## Top Markets by Demand



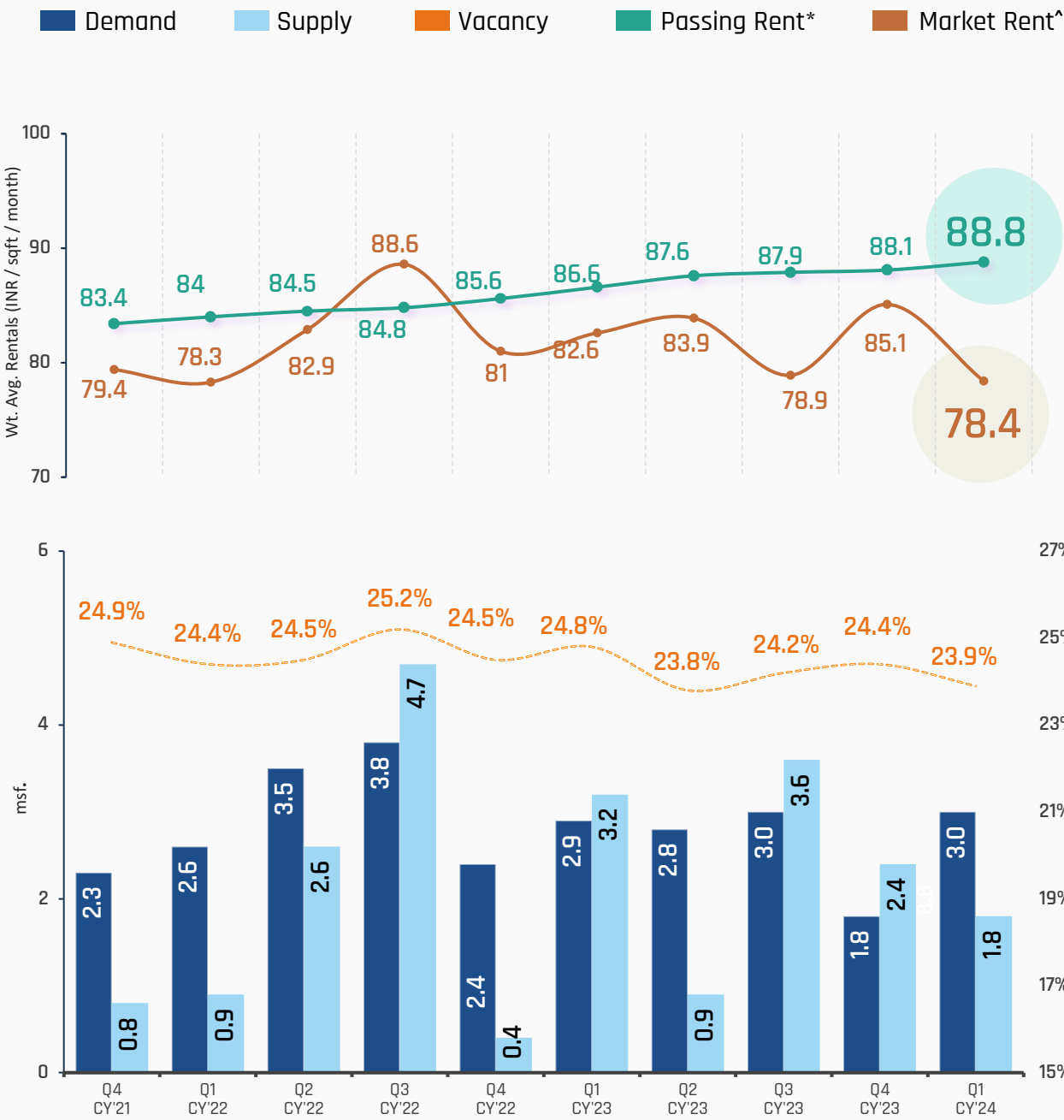
## Demand to Supply Ratio

1.6x  
Q1 CY'24

## Noida Demand

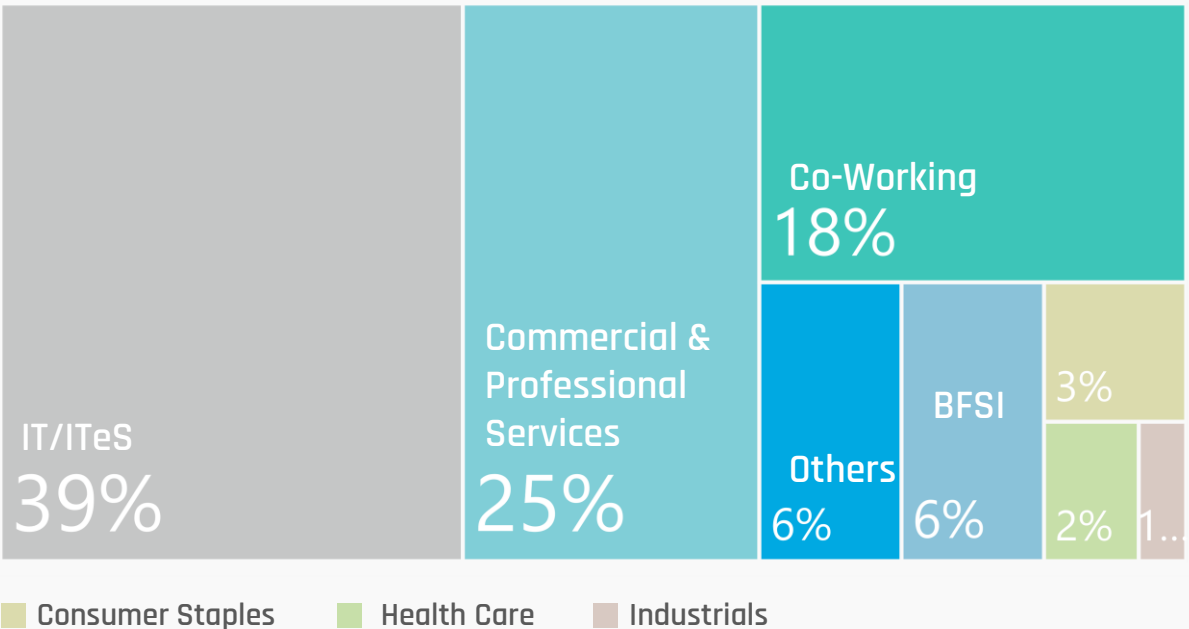
48%  
Q1 CY'23

## Market Trends



Note: \* Passing Rent = Wt. Avg. rent paid by all active tenants as of that date in the region  
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## Demand by Sector



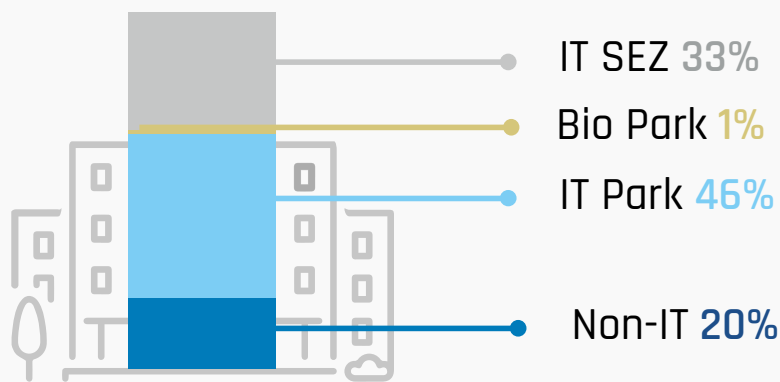


# Hyderabad

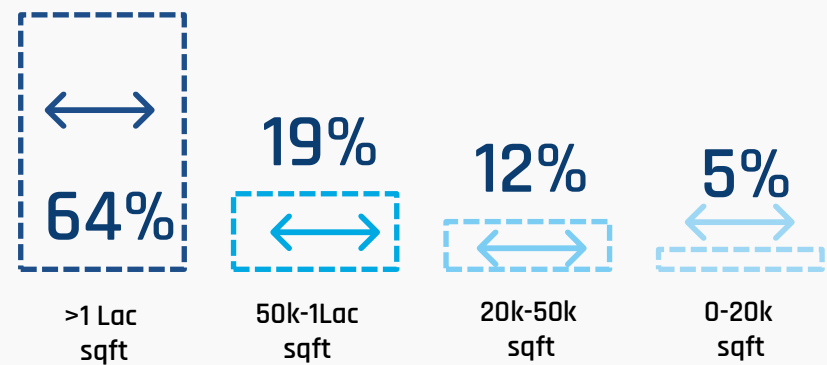
## Grade A Fundamentals

Q1 CY'24 Demand (msf)	2.7
Q1 CY'24 Supply (msf)	3.5
Current Grade A Stock (msf)	140.7
Vacancy	24.8%
Under-Construction (msf)	76.8

## Upcoming Supply 2024:



## Office Transaction Size



## Major Office Transactions

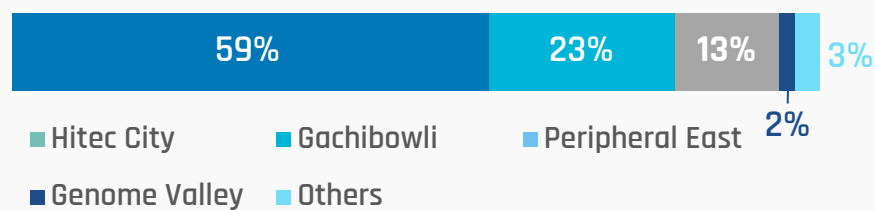
HSBC, RMZ Nexity  
350,532 sqft | ₹72 psf

Terafina Software Solutions, Mindspace  
193,578 sqft | ₹71 psf

Brane Enterprises, Mindspace  
149,207 sqft | ₹70 psf

Storable India, Aurobindo Orbit  
51,588 sqft | ₹53 psf

## Top Markets by Demand



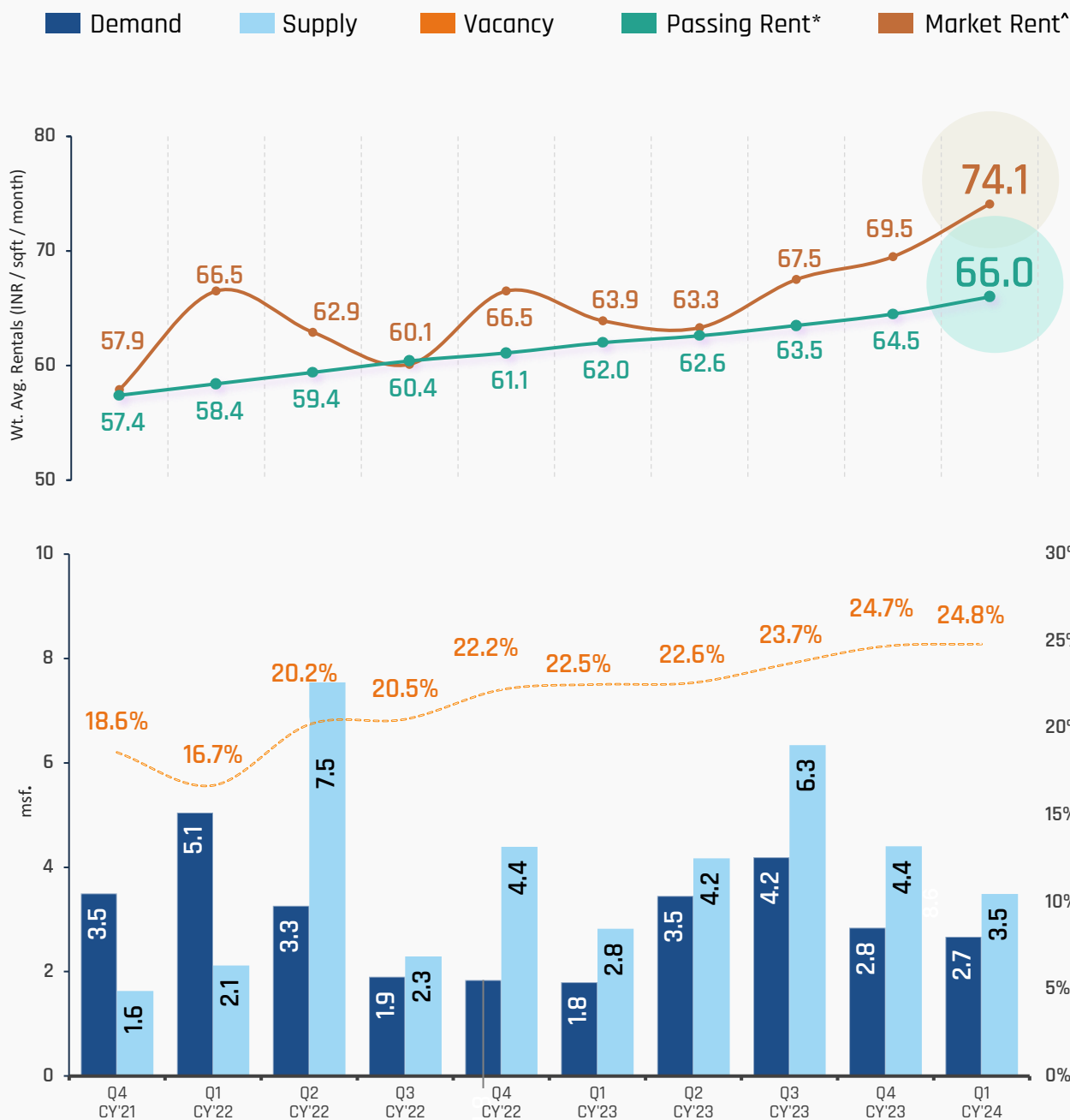
## Landlord's Market: Market Rent

12%  
Vs Passing Rent

## Q1 CY'24 Supply

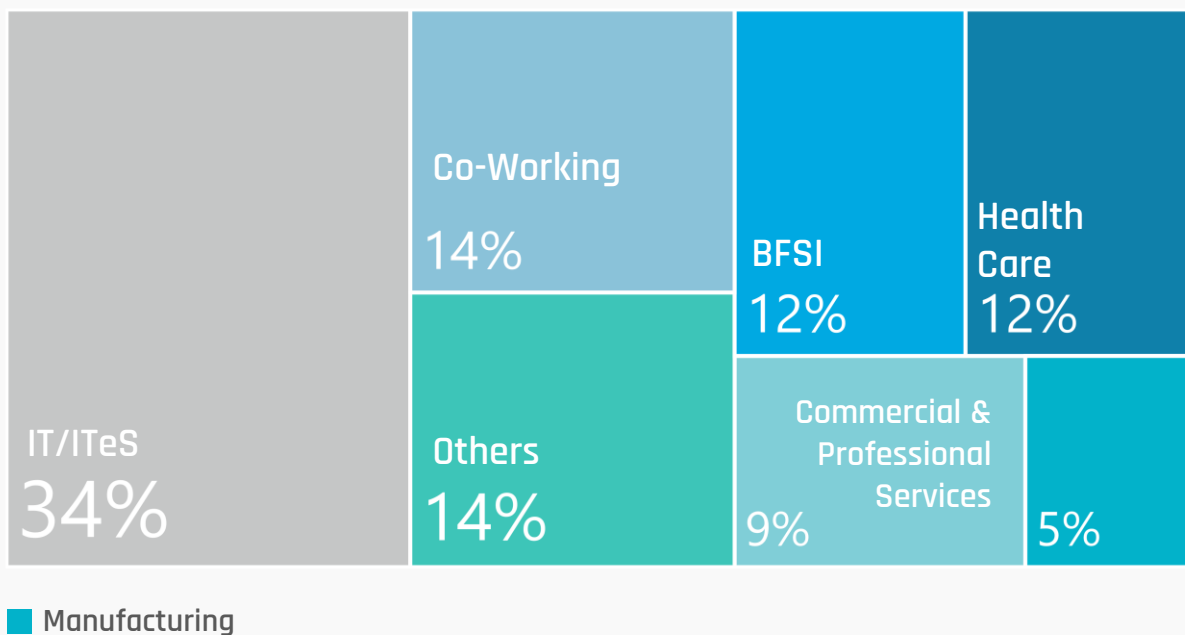
23%  
vs Q1 CY'23

## Market Trends



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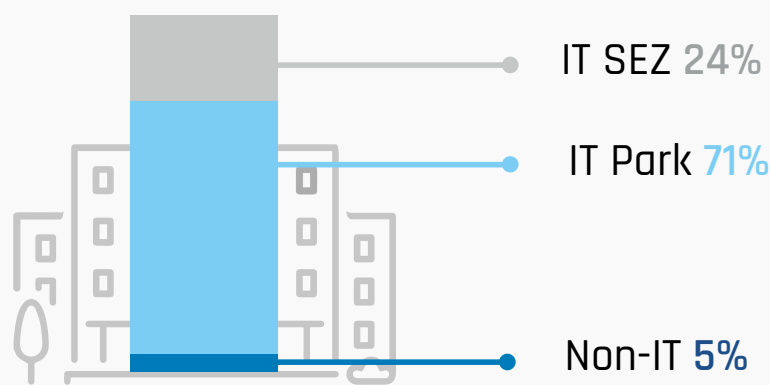
## Demand by Sector



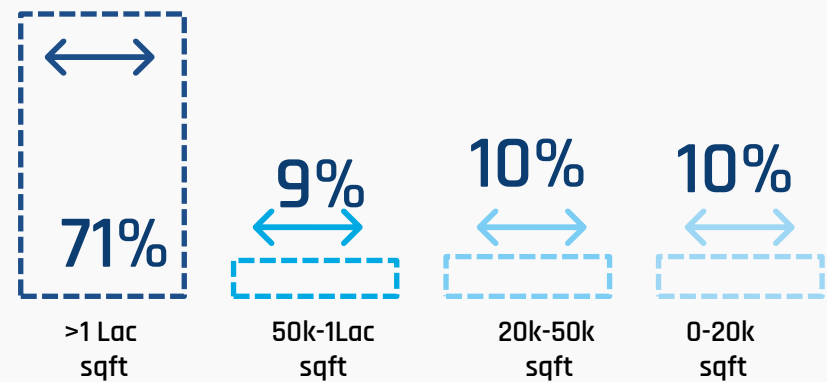
## Grade A Fundamentals

Q1 CY'24 Demand (msf)	1.5
Q1 CY'24 Supply (msf)	0.3
Current Grade A Stock (msf)	77.2
Vacancy	15.6%
Under-Construction (msf)	12.7

## Upcoming Supply 2024:



## Office Transaction Size



## Major Office Transactions

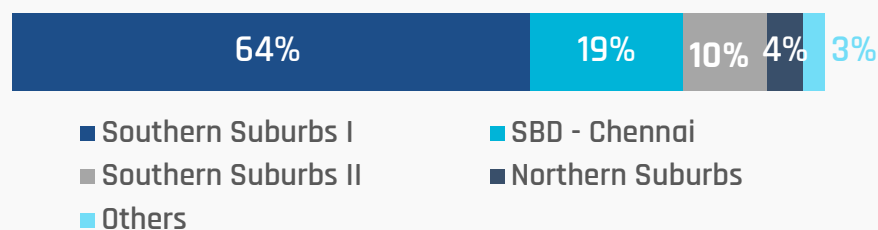
Bank of America, DLF Downtown  
711,260 sqft | ₹85 psf

Boeing India, DLF IT Park  
115,455 sqft | ₹75 psf

Pfizer, Research Park  
34,549 sqft | ₹55 psf

JW Steel, Olympia Cyberspace  
30,080 sqft | ₹68 psf

## Top Markets by Demand



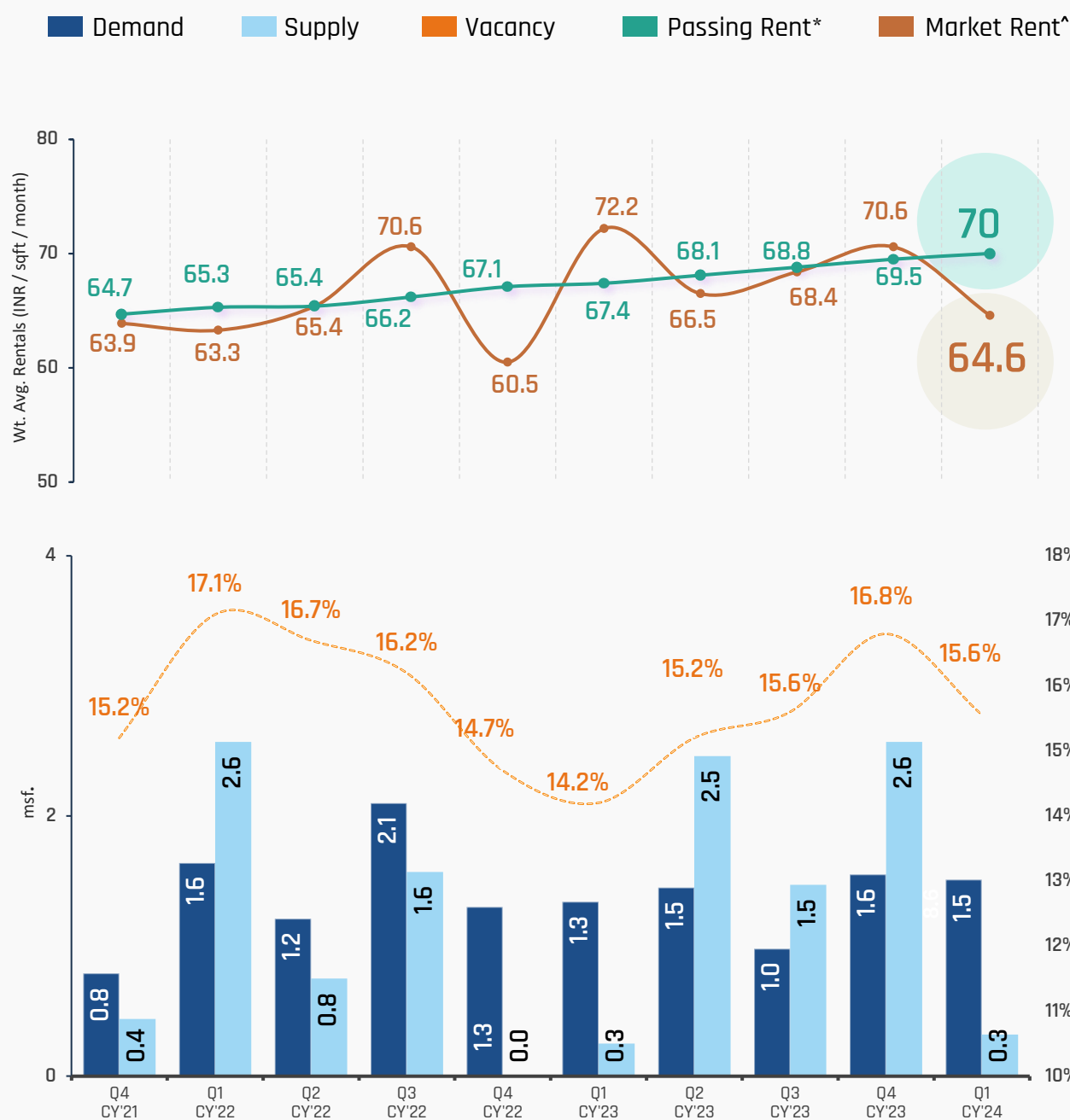
## Demand to Supply Ratio

4.7x  
Q1 CY'24

## Q1 CY'24 Vacancy

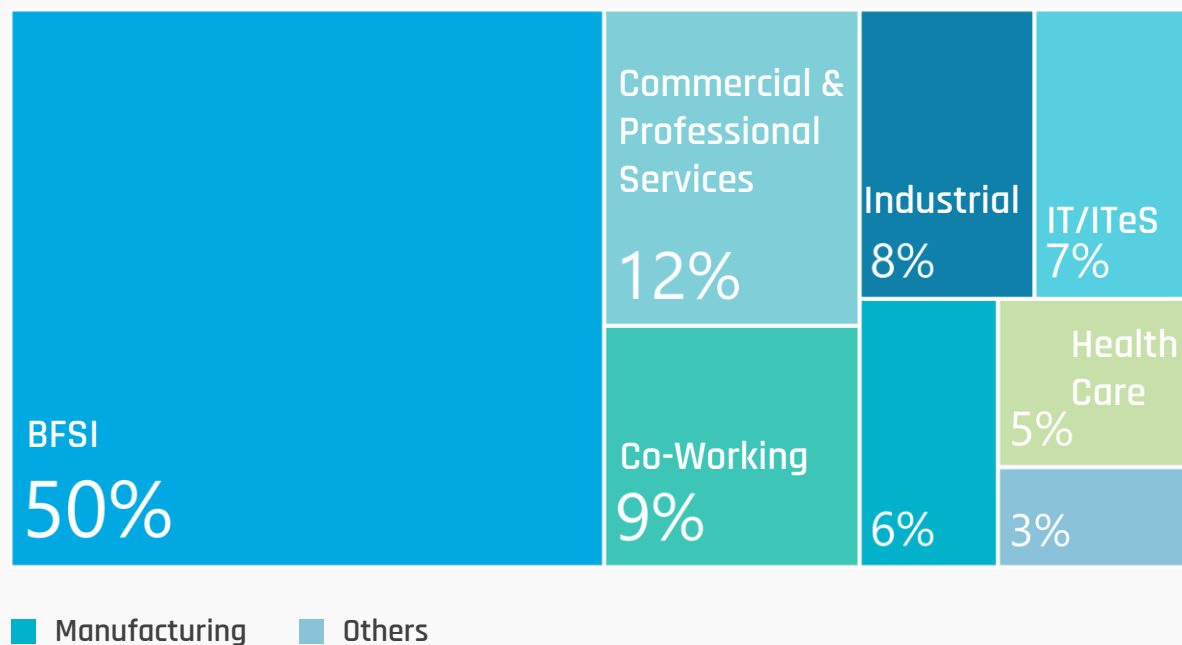
1.2 %  
vs Q4 CY'23

## Market Trends



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## Demand by Sector

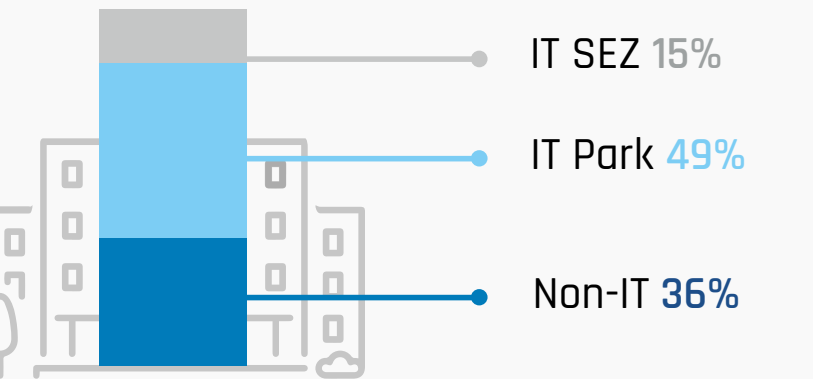




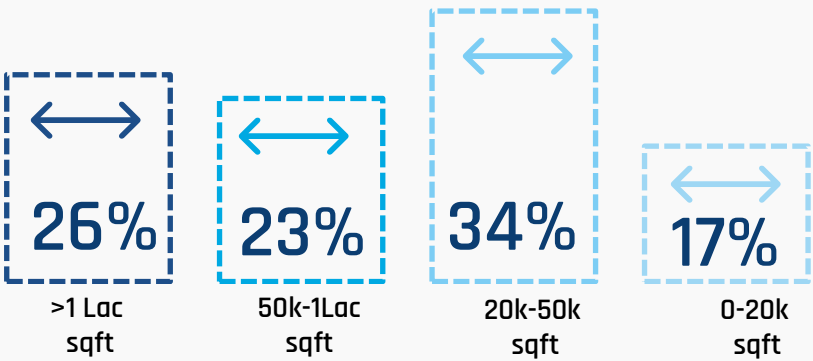
Grade A Fundamentals

Q1 CY'24 Demand (msf)	1.7
Q1 CY'24 Supply (msf)	0.7
Current Grade A Stock (msf)	85.2
Vacancy	13.2%
Under-Construction (msf)	28.1

Upcoming Supply 2024:



Office Transaction Size

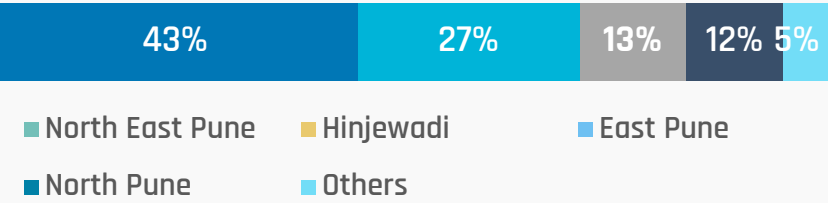


Major Office Transactions

- Awfis, Nyati Enthral  
118,153 sqft | 70% RS\*
- Vertiv Energy, Sky One Corporate Park  
91,661 sqft | ₹95 psf
- WeWork, Amanora Crest  
87,000 sqft | > ₹70 psf / 88% Net RS\*
- Garfield Health - Embassy Tech Zone  
80,556 sqft | ₹54 psf

RS - Revenue Share

Top Markets by Demand



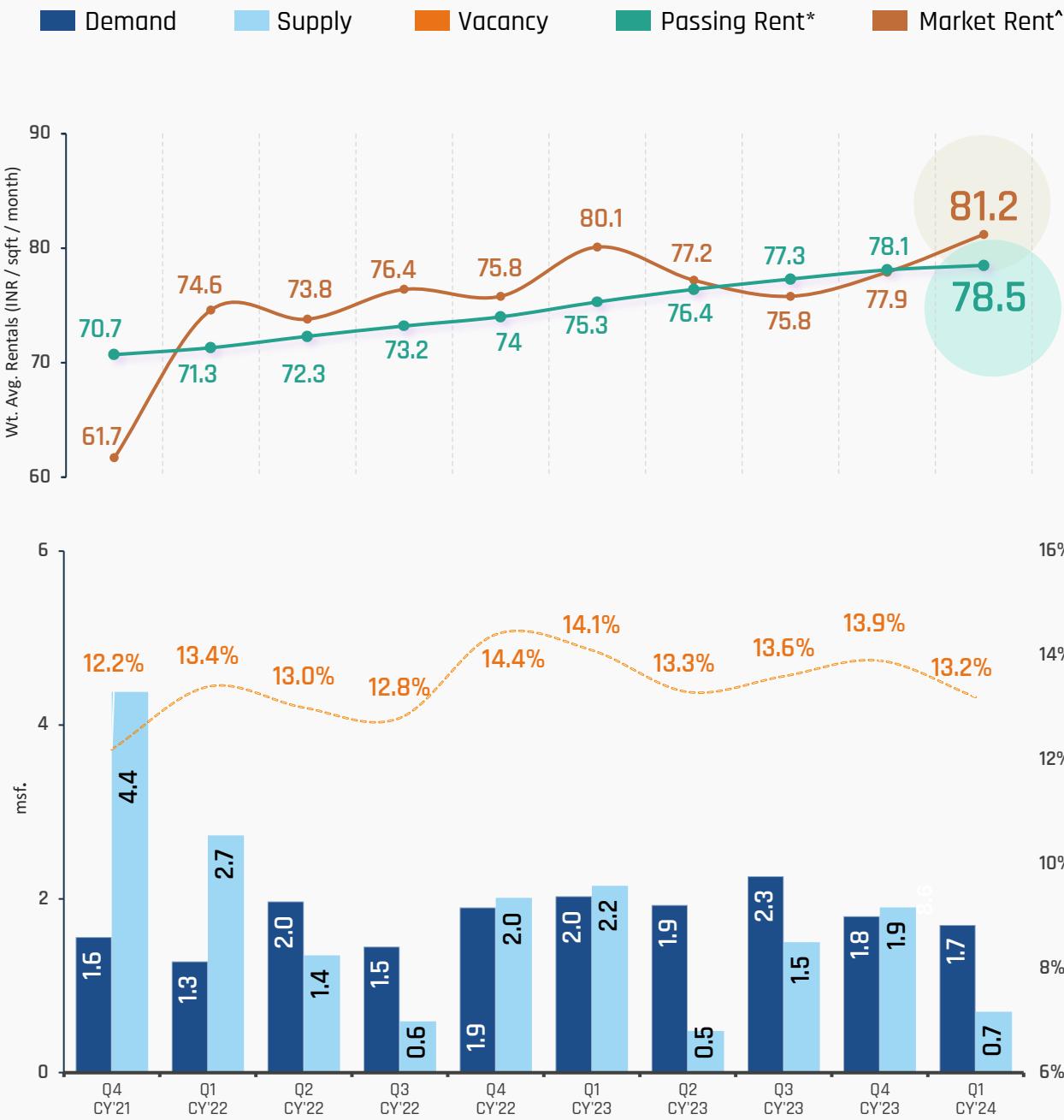
Demand to Supply Ratio



Q1 CY'24 Demand

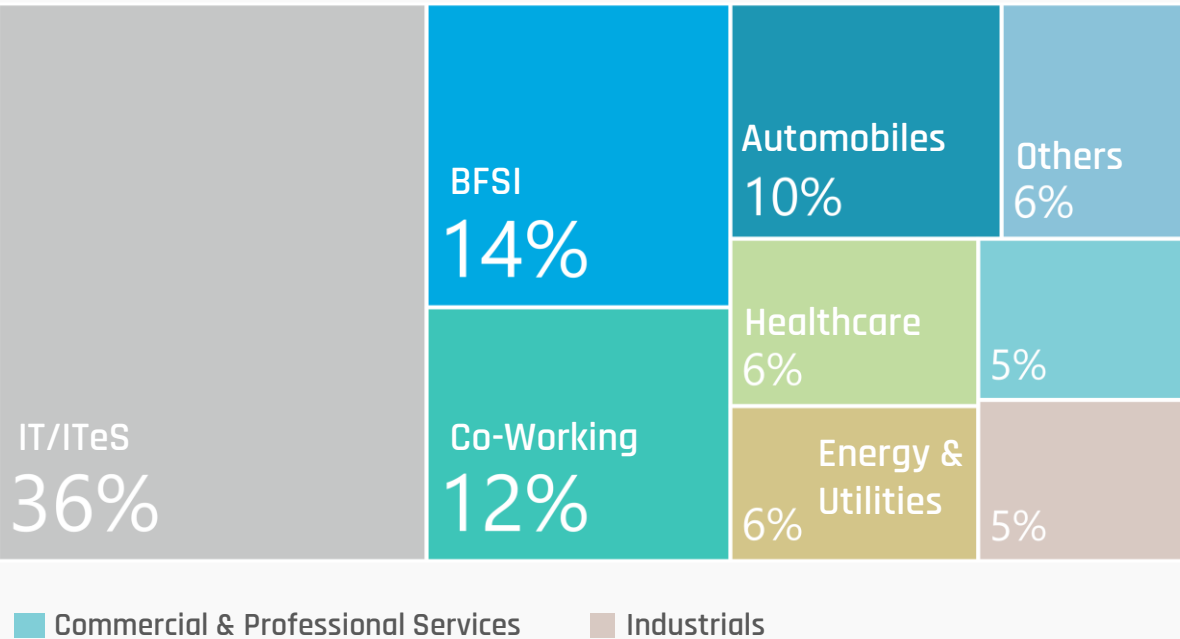


Market Trends



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Demand by Sector





**Manoj Gaur**  
Chairman



**Boman Irani**  
President



**Shekhar G Patel**  
President-Elect



**Mr. G Ram Reddy**  
Secretary



**Deepak Goradia**  
Vice President (West)



**Anand Singhania**  
Vice President (Central)



**Nandu Belani**  
Vice President (East)



**Sunil Furde**  
Vice President (Special)



**Swaminathan Sridharan**  
Vice President (South)



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# About us

## CRE Matrix

India's most trusted source for complete real estate intelligence, CRE Matrix has developed proprietary algorithms that relentlessly provide up-to-date information and enable deep data analytics across sectors and geographies. CRE Matrix's clients include some of the largest real estate developers, coworking players, retailers, property consultants and financial institutions.

## IndexTap

IndexTap, a product by CRE Matrix, is India's largest and most authentic platform that provides comparable transactions data across residential, commercial and loan transactions. IndexTap deploys sophisticated algorithms to empower brokers, buyers and sellers.

## CRE Lease Matrix

CRE Lease Matrix is a cloud-based Lease Management and Asset Management platform developed by CRE Matrix after experience of abstracting more than 2 Lakh leases in the commercial real estate space. The product offers Lease abstraction solutions, Inventory Management, Document Management & Invoicing for management of your commercial real estate portfolio or leases. Users can track Critical dates, create Revenue-Expense reports, configure Alerts on renewals, notices, escalations etc.

## FloorTap

FloorTap is India's first and only CRE marketplace platform that uses authentic data to empower brokers, tenants and landlords to close faster and better deals. FloorTap's technology, built on terra-bytes of authentic transactions, allows seamless collaboration, powerful automation, and efficient decision-making that are designed to empower all stakeholders.



### Grade A India Warehousing Report Q4 – CY'23

March 2024



### Quarterly Report Q4 – CY'23

December 2023



### Pune Housing Report

February 2024



### Best of the Best Report – 2023

January 2024



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