

India Real Estate



Residential and Office Market - January - June 2024

H1 2024

Knight Frank's ultimate guide to real estate market performance and opportunities in the world's most exciting continent.

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FOREWORD



Shishir Bajjal
Chairman and Managing Director



India is poised to be a driving force in the global economy. In 2023, India contributed 7.59% to global GDP (adjusted for PPP), projected to rise to 9.23% by 2030. With GDP growth exceeding 8% in FY 2024 and the Reserve Bank of India's revised outlook of 7.2% for FY 2025, India remains the fastest-growing large economy. Central government's third term promises continuity in growth initiatives, bolstering economic stability. This strong growth momentum, amidst an improving global outlook, underscores the positive economic sentiment prevailing in the country and is reflected in the robust performance of the Indian real estate markets.

Rising confidence in the improving economic fundamentals of the country has spurred office occupiers to expand their India operations. The office market has seen considerable churn, with India-facing businesses, Global Capability Centres (GCCs), and flexible workspaces capitalizing on the unique growth opportunities the country presents amidst an otherwise uncertain global economic landscape. The increasing participation of a diverse occupier group across various markets marks a significant milestone in the evolution of the Indian office market.

While Bengaluru remained the largest office market acing the chart with the highest transaction volumes, cities like Mumbai and National Capital Region (NCR) also recorded their best ever half yearly performances. Given the strong economic momentum and outlook, coupled with the trend of higher transactions in the second half of the year, we can confidently anticipate that the Indian office market will conclude 2024 on a record high.

The residential market has continued to strengthen, with demand reaching an 11-year high during H1 2024. While the headline demand figures convey a narrative of resilient growth, the underlying components are undergoing significant changes.

A notable shift toward premiumisation has taken root in the residential market, with higher-priced homes driving market volumes. Premium housing products priced over INR 10 million have emerged as the largest segment, accounting for 41% of sales and experiencing the most growth during this period.

I invite you to read the 21st edition of Knight Frank India's flagship half-yearly report – 'India Real Estate H1 2024,' which tracks the ongoing developments impacting the residential and office segments across the top eight cities. I hope you find it insightful and engaging.

INDIA



Residential Market

INDIA MARKET SUMMARY

Parameter	2023	2023 Change (YoY)	H1 2024	H1 2024 Change (YoY)	Q2 2024	Q2 2024 Change (YoY)
Launches (housing units)	350,746	7%	183,401	6%	90,147	5%
Sales (housing units)	329,095	5%	173,241	11%	86,896	12%

Note: 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research



483,671

Unsold inventory
(housing units) H1 2024



3%

Change (YoY)



5.9

Quarters to sell
(in quarters) H1 2024

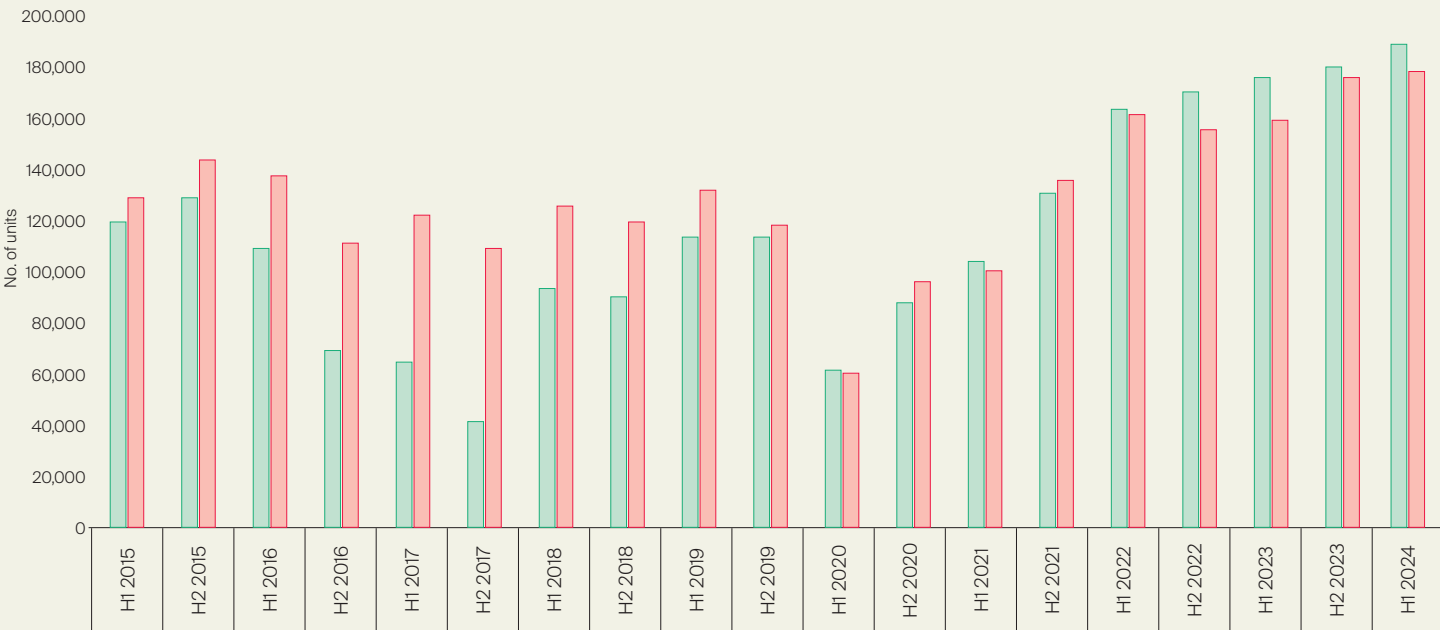


14.9

Age of unsold inventory
(in quarters) H1 2024

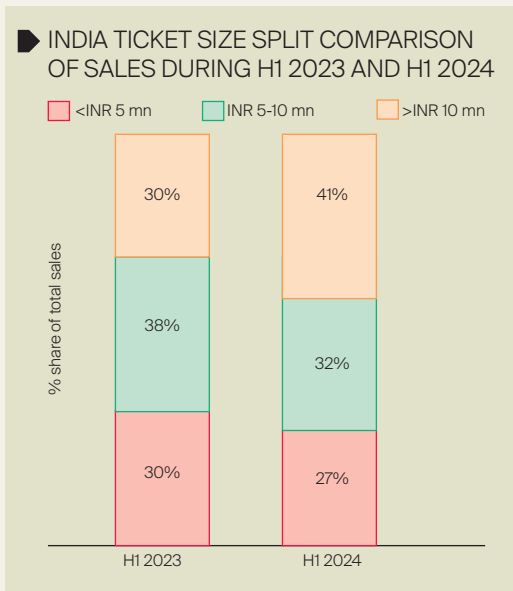
LAUNCHES AND SALES TREND

Launches Sales

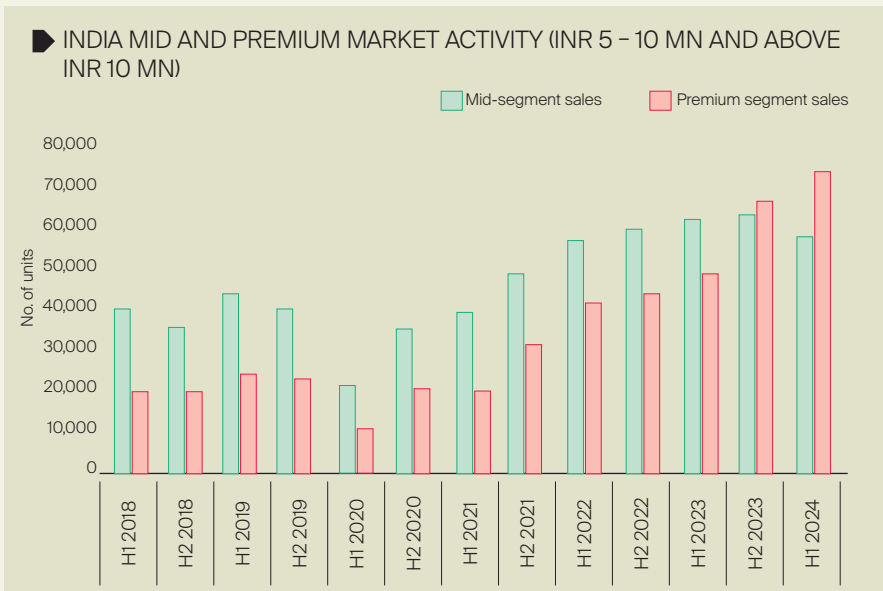


Source: Knight Frank Research

- The real estate industry has experienced a broad-based recovery across all segments since the pandemic, but the residential market has arguably seen the swiftest and steepest resurgence among all real estate segments. Sales volumes in the primary market have grown at an extremely healthy annualized rate of 29% since 2020 and culminated in a 10-year high in 2023. Market sentiments have been very positive largely due to an upbeat economic outlook with GDP growth rates at the highest levels in the world. India continues to stand out as a shining example of growth in an otherwise inflationary environment in the backdrop of a volatile global geopolitical scenario caused by the Israel-Palestine and Russia-Ukraine wars.
- Increased savings during lockdowns, minimal income disruptions in mid and high-income brackets, and a robust economic growth forecast have fueled demand in the residential real estate market in India. The residential market sustained its momentum as it stepped into 2024 with sales in H1 2024 scaling an 11-year high in terms of half-yearly sales. The 0.17 mn units sold in H1 2024 represent a healthy 11% growth in YoY terms.
- Sales have grown across all markets in YoY terms with the exception of NCR which shows a drop by 4% YoY. However, it must be noted that the base period of H1 2023 represented an 11 year high in terms of sales. Most markets are currently at multi-year highs, and Hyderabad scaled a new all-time high in H1 2024 with 18,573 units sold during the period. Home sales in Mumbai also stand at a 13 year high with 47,259 units sold in H1 2024 constituting a healthy 16% YoY growth. This was fueled primarily by the 117% spike in the sale of units priced over INR 10 mn compared to the same period last year.
- Development activity has also scaled up to tap into the rich vein of demand that the residential market is currently seeing. The 0.18 mn units launched in H1 2024 represent a 10-year high in terms of units launched in a half-yearly period, and developers are well attuned to the changing preferences of the homebuyer that are now leaning significantly toward experiential living, squarely aimed at an upgraded lifestyle.
- Homebuyer preferences are evolving rapidly and this can be observed clearly in the ticket-size split of sales. Residential units priced over INR 10 mn constituted 41% of the total sales across all the eight markets under our coverage. Sales in this segment have grown by 51% YoY and it has been the primary driver for overall sales growth during H1 2024. Sales in the INR 5-10 mn and <INR 5 mn categories have dropped by 8% and 6% YoY respectively as homebuyer focus has shifted to the premium priced category during this period.
- The drop in the mid-segment sales can be viewed as a normal correction within a longer-term upward trend; however, the deceleration in the sale of units priced under INR 5 mn has sustained for the past five half-yearly periods and it has been the only segment that has not seen any growth in an otherwise strong market. Increasing prices, higher home loan rates and the comparatively adverse impact of the pandemic on homebuyers in this segment continued to weigh on demand.
- Developers have been ahead of the curve and have judged the shifting preferences of the market by launching lifestyle-oriented premium products. The share of the number of units launched in the >INR 10 mn ticket-size category grew from 36% in H1 2023 to 47% in H1 2024.
- Unlike the office market, supply levels have exceeded sales very significantly and consistently since the beginning of 2022. This has caused unsold inventories to build up gradually in the market, growing by 3% YoY in H1 2024. While total inventory buildup might not seem significant, growing inventory in the >INR 10 mn category has been a cause for concern among market stakeholders in recent months. Inventory levels in this segment have grown by a substantial 27% YoY in H1 2024 and warrant a closer look in terms of an assessment of whether the market is on the verge of a correction.
- While the rising inventory level can seem like a matter of concern when viewed in isolation, it must be seen in conjunction with the sales velocity to depict a more accurate picture of market health. The Quarters to Sell (QTS) level is a metric that enables this by calculating the number of quarters required by the market to exhaust existing inventory levels at the sales velocity of the trailing eight quarters. Generally, a lower QTS level denotes greater sales traction and better market health. The QTS level for the eight markets has been falling consistently despite growing inventory levels, from 9.5 in H1 2021 to 5.9 quarters (less than 18 months) in H1 2024 and depicts a market with improving fundamentals despite increasing inventory. The QTS level of the premium category depicts a healthier image at 5.1 quarters, clearly showing that the rising inventory in this segment is still not a pressing issue for the residential market.
- While sales volumes have been robust in H1 2024, prices have also grown across all markets with Bengaluru growing at 9% YoY and Mumbai, NCR and Pune growing at 4% each. Prices in Chennai and Hyderabad also grew by a healthy 5% YoY each. This is the fifth consecutive half-yearly period of price growth across all markets.
- While there are increasing instances of developers enticing homebuyers with financing schemes and other freebies such as zero floor rise, etc., their ability to move inventory remains strong, especially at the top-end of the market. The sales volumes achieved in the first half of the year despite the general elections being conducted in Q2 2024 showcases the strong undercurrent of demand in the market. The optimistic economic outlook and interest rate scenario with possibility of rate cuts provide further headroom for demand. With the basic fundamentals in place, the market looks well positioned to exceed the sales volumes of 2023 as it heads towards the festive season in H2 2024.



Source: Knight Frank Research



Source: Knight Frank Research

LAUNCHES AND SALES

City	SALES		LAUNCHES	
	H1 2024 (YoY change)	2023 (YoY change)	H1 2024 (YoY change)	2023 (YoY change)
Mumbai	47,259 (16%)	86,871 (2%)	46,985 (-7%)	93,051 (3%)
NCR	28,998 (-4%)	60,002 (3%)	30,580 (3%)	62,649 (-1%)
Bengaluru	27,404 (4%)	54,046 (1%)	25,567 (9%)	51,126 (18%)
Pune	24,525 (13%)	49,266 (13%)	28,047 (32%)	42,437 (10%)
Hyderabad	18,573 (21%)	32,880 (6%)	22,300 (-2%)	46,985 (7%)
Ahmedabad	9,377 (17%)	16,113 (15%)	10,238 (-3%)	22,497 (8%)
Kolkata	9,130 (25%)	14,999 (16%)	10,829 (60%)	15,730 (28%)
Chennai	7,975 (12%)	14,920 (5%)	8,855 (9%)	16,272 (6%)
All India	173,241 (11%)	329,097 (5%)	183,401 (6%)	350,746 (7%)

Source: Knight Frank Research



TICKET-SIZE SEGMENT HEALTH

Ticket-size segment	Unsold Inventory (housing units) (YoY change)	Quarters-to-sell (QTS)
0 – 5 mn	198,013 (-7%)	8.0
5 – 10 mn	142,063 (-1%)	4.9
>10 mn	143,595 (27%)	5.1

Source: Knight Frank Research

RESIDENTIAL MARKET HEALTH

City	Unsold inventory (YoY change)	QTS
Mumbai	165,121 (-2%)	7.5
NCR	105,185 (5%)	7.1
Bengaluru	51,643 (-4%)	3.8
Hyderabad	49,232 (27%)	5.8
Pune	42,736 (-6%)	3.6
Ahmedabad	30,222 (18%)	7.7
Kolkata	23,116 (15%)	6.2
Chennai	16,416 (8%)	4.3
All India	483,671 (3%)	5.9

RESIDENTIAL PRICE MOVEMENT

City	H1 2024 in INR/sq m (INR/sq ft)	12 month change	6 month change
Mumbai	85,036 (7,900)	4%	0%
Bengaluru	66,335 (6,163)	9%	4%
Hyderabad	61,146 (5,681)	5%	2%
NCR	52,044 (4,835)	4%	2%
Pune	49,294 (4,580)	4%	2%
Chennai	49,084 (4,560)	5%	2%
Kolkata	39,267 (3,648)	6%	2%
Ahmedabad	32,669 (3,035)	1%	0%
All India	483,671 (3%)		5.9

INDIA



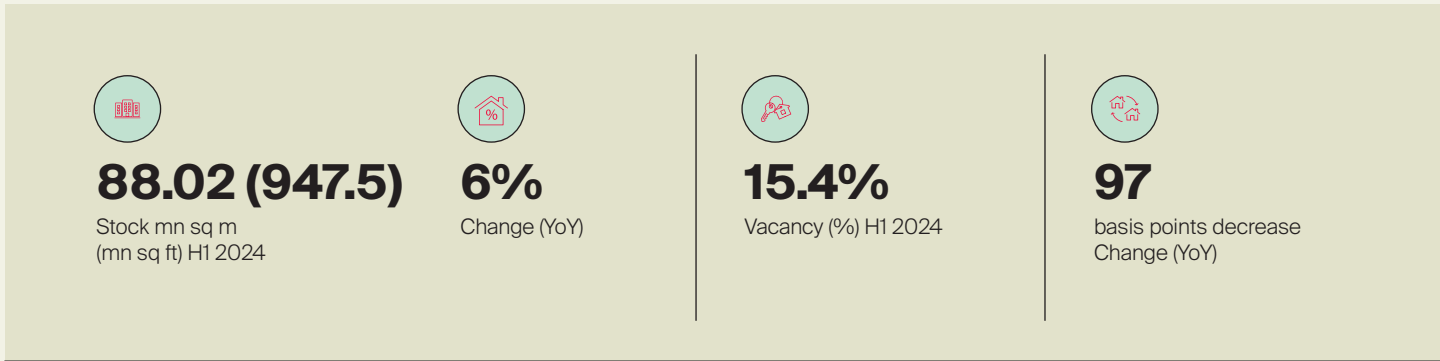
Office Market

INDIA MARKET SUMMARY

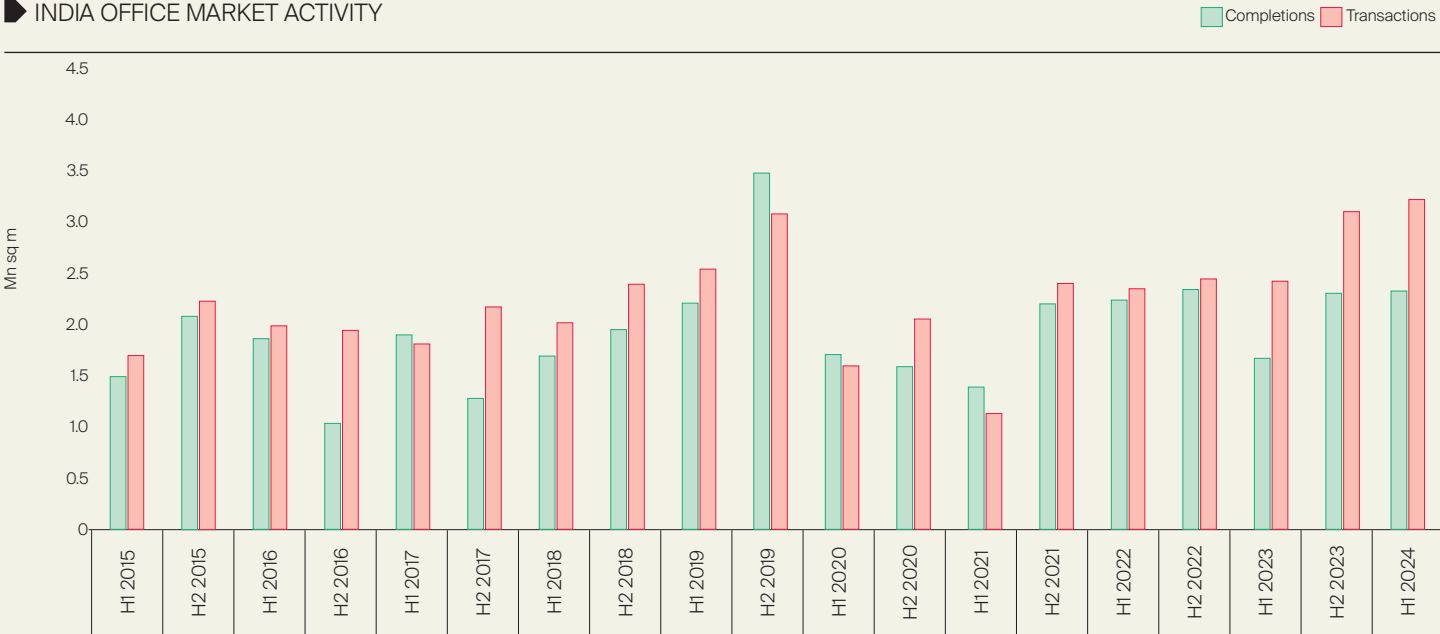
Parameter	2023	2023 Change (YoY)	H1 2024	H1 2024 Change (YoY)	Q2 2024	Q2 2024 Change (YoY)
Completions in mn sq m (mn sq ft)	3.98 (42.9)	-13%	2.33(25.1)	39%	1.12 (12.1)	-10%
Transactions in mn sq m (mn sq ft)	5.53 (59.6)	15%	3.22 (34.7)	33%	1.72 (18.5)	25%

Note: 1 square metre (sq m) = 10.764 square feet (sq ft)

Source: Knight Frank Research



INDIA OFFICE MARKET ACTIVITY



Source: Knight Frank Research

- India has consistently maintained its distinction as one of the rare beacons of growth since the pandemic in an otherwise bleak global economic landscape. The Reserve Bank of India with its exceptional handling of the monetary policy has successfully steered the economy through an inflationary environment that still plagues most of the developed world. The GDP growth of 8.2% in FY 2024 and the revised upward RBI estimate of 7.2% for FY 2025 indicates that the Indian economy will continue to remain the fastest growing large economy in the world. This strong growth momentum against the backdrop of an improving global growth outlook reinforces the positive economic undertone seen in the country for 2024.
- The positive sentiment around the economy has been the primary driver of occupier activity in the office market, which has sustained the momentum gathered since 2022 and culminated in near-record annual transaction volumes in 2023. H1 2024 has picked up the pace well and racked up the highest ever transaction volumes in a half yearly period at 3.2 mn sq m (34.7 mn sq ft). Incidentally, this distinction was previously claimed by H2 2023 and the fact that the record was scaled in two successive periods showcases the growing strength of the Indian office market.
- Transaction volumes in Mumbai, Pune and the NCR also scaled all-time highs H1 2024. Bengaluru led with 0.78 mn sq m (8.4 mn sq ft) in terms of total volume transacted among all markets. Mumbai, Pune and Hyderabad saw the most growth in YoY terms among the larger markets as occupier confidence in the business environment continued to grow. Transaction volumes in all markets grew in YoY terms with the exception of Chennai whose 0.28 mn sq m (3.0 mn sq ft) tally in H1 2024 constitutes a 33% drop compared to the previous year. This, however, is largely due to a significant base effect and the lack of viable supply in recent periods.
- India facing businesses have traditionally anchored the market and seen their share of transactions increase steadily from 35% in H1 2023 to a new high of 41% in H1 2024. This can be attributed to the high level of confidence in the outlook

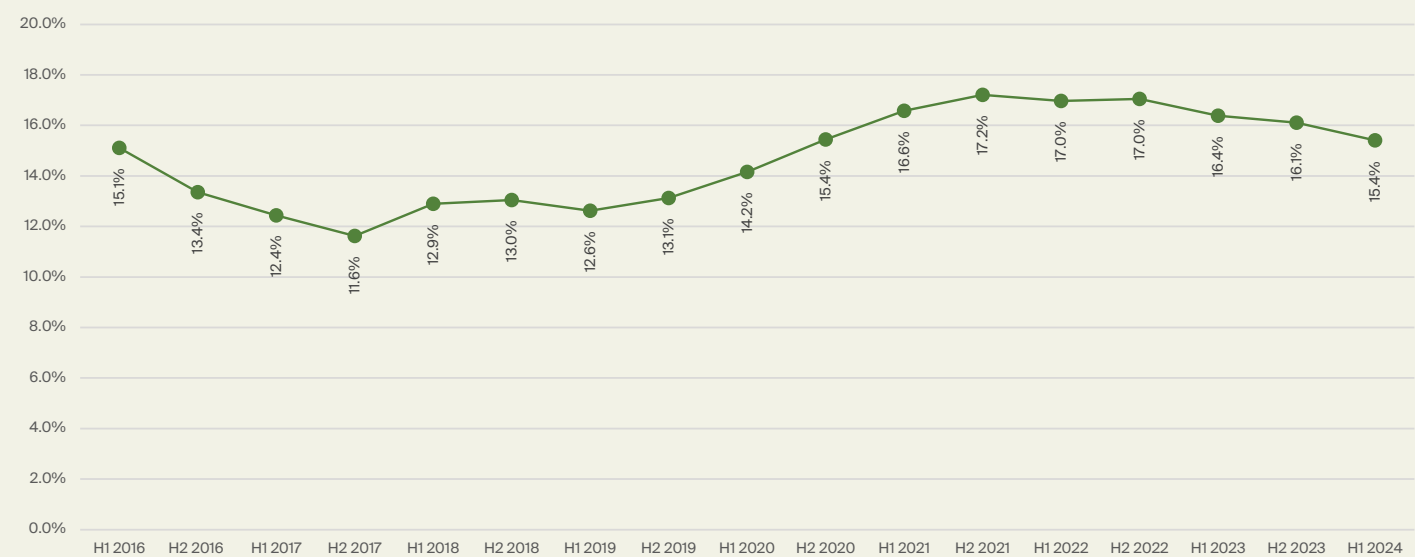
for the Indian economy and consumer markets. Companies based in the western hemisphere have also been increasing their business operations in India and setting up global capability centers (GCC) to leverage the increasingly high-quality talent pool and cost arbitrage that the Indian market offers. Indian GCCs have aggressively scaled up the value chain with corporates increasingly willing to offshore more business that is critical, including value-added functions and processes to their Indian GCCs. The share of GCCs has grown from 25% previously to 28% in H1 2024 with corporates overseas expanding existing GCC facilities and setting up new operations, resulting in 48% more space taken up during the current period.

- With business sentiments improving and the uncertainties steadily reducing, occupiers are more inclined to make longer term commitments to the workplace by signing long-term leases. The second half of 2023 saw the share of flex space operators fall to a post pandemic low of 11% as occupiers showed a marked preference for longer term leases. 2024 has, however, seen occupiers coming back to the flex space market as the premise of a workplace specialist that enhances employee productivity remains strong. Flex spaces accounted for 21% of the total volume transacted during the period and significantly, it was the much higher incidence of small businesses taking up co-working spaces that drove the demand in flex spaces. Co-working spaces constituted a massive 72% of all flex space transacted during H1 2024 compared to 58% in H1 2023.
- Completions have been comparatively subdued as development interest continues to be largely focused on residential projects due to the relatively steep increase in sales and prices in the residential market. 2.33 mn sq m (25.1 mn sq ft) of office space came online across the eight cities under our coverage, 39% higher than a year ago, however, lagging transactions by a margin of 28%.
- With completions having lagged transactions consistently since H2 2021, vacancy levels trended down from 17.2% in H2 2021 to a healthy 15.4% in H1 2024. Vacancy levels now stand at single digits

in Pune and Chennai at 7.8% and 9.3% respectively. Hyderabad and Mumbai are the only markets which have seen vacancy levels increase compared to the year-ago levels as supply has caught up with the demand over the past year.

- This supply squeeze across the top markets has also caused rents to trend higher since H1 2022, as Indian landlords have been able to negotiate better terms in a market that has seen the strongest office markets struggle globally. Chennai and Bengaluru experienced the maximum YoY growth at 9% and 7% respectively in H1 2024.
- Physical occupancy levels have risen consistently across markets and are being reported in the REIT portfolios at levels upwards of 65%. Post pandemic, the remote working phenomenon failed to take root in India, with some exceptions in technology dominated markets. Leadership teams across industries including technology majors such as TCS and HCL Technologies are aggressively calling for a return to office. Given that the Indian economic juggernaut continues to gain momentum with a pro-business leadership set to continue at the helm of the government for a renewed term of five years, the Indian office space market has few headwinds over the near term besides a weak supply scenario and looks on course to conclude 2024 on a new high.

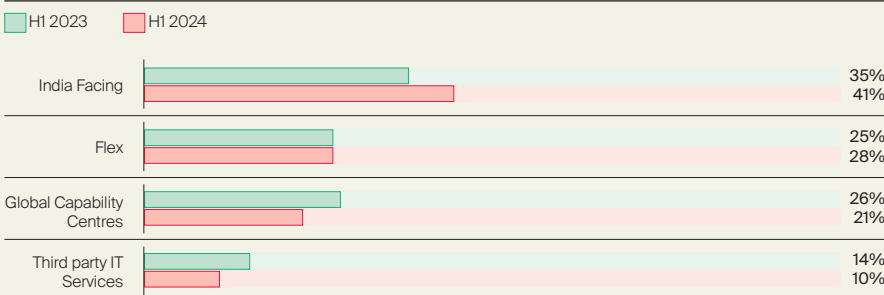
INDIA OFFICE MARKET VACANCY



Source: Knight Frank Research

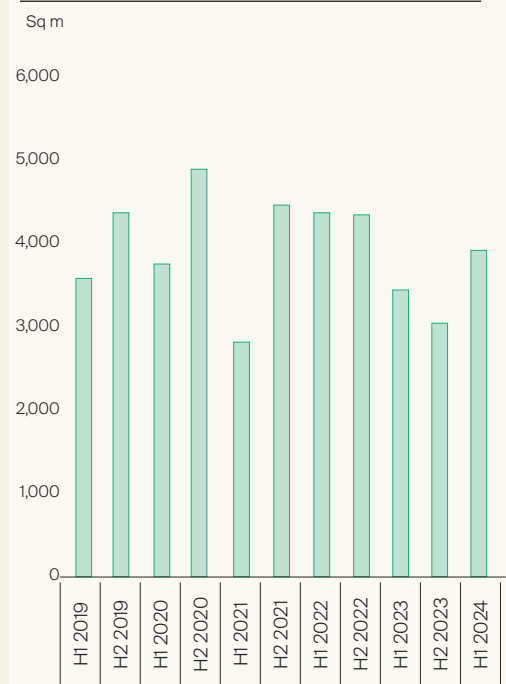


END-USE SPLIT OF TRANSACTIONS IN H1 2023 AND H1 2024



Source: Knight Frank Research

AVERAGE DEAL SIZE TREND



Source: Knight Frank Research

OFFICE TRANSACTIONS AND SPACE COMPLETIONS

	OFFICE TRANSACTIONS IN MN SQ M (MN SQ FT) (YOY CHANGE) (% CHANGE)		OFFICE COMPLETIONS IN MN SQ M (MN SQ FT) (YOY CHANGE) (% CHANGE)	
	H1 2024	2023	H1 2024	2023
Bengaluru	0.78 (8.4) (21%)	1.16 (12.5) (-14%)	0.71 (7.7) (21%)	1.24 (13.4) (-14%)
Mumbai	0.54 (5.8) (79%)	0.69 (7.4) (16%)	0.39 (4.3) (205%)	0.28 (3.1) (52%)
NCR	0.53 (5.7) (12%)	0.94 (10.1) (14%)	0.27 (2.9) (-26%)	0.65 (7) (-11%)
Hyderabad	0.47 (5) (71%)	0.82 (8.8) (32%)	0.46 (5) (300%)	0.61 (6.5) (-42%)
Pune	0.41 (4.4) (88%)	0.62 (6.7) (9%)	0.22 (2.4) (-5%)	0.34 (3.6) (-46%)
Chennai	0.28 (3) (-33%)	1 (10.8) (92%)	0.07 (0.8) (-65%)	0.61 (6.6) (49%)
Ahmedabad	0.15 (1.7) (219%)	0.17 (1.8) (-15%)	0.16 (1.7) (578%)	0.18 (1.9) (34%)
Kolkata	0.06 (0.7) (23%)	0.13 (1.4) (20%)	0.03 (0.3) (-)	0.08 (0.8) (332%)
Total	3.22 (34.7) (33%)	5.53 (59.6) (15%)	2.33 (25.1) (39%)	3.98 (42.9) (-13%)

Source: Knight Frank Research

MARKET-WISE RENTAL MOVEMENT

	RENTAL VALUE IN H1 2023 IN INR/SQ M/MONTH (INR/SQ FT/MONTH)	12-MONTH CHANGE	6-MONTH CHANGE
Mumbai	1243 (116)	4%	1%
NCR	934 (87)	4%	2%
Bengaluru	955 (89)	7%	3%
Pune	807 (75)	4%	2%
Ahmedabad	452 (42)	2%	0%
Chennai	721 (67)	9%	3%
Hyderabad	732 (68)	4%	4%
Kolkata	435 (40)	6%	5%

Source: Knight Frank Research

AHMEDABAD

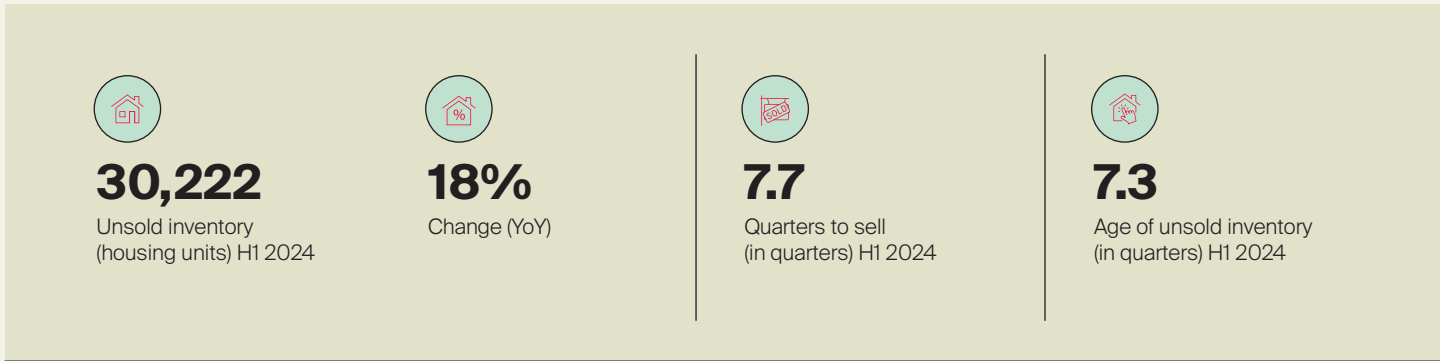


Residential Market

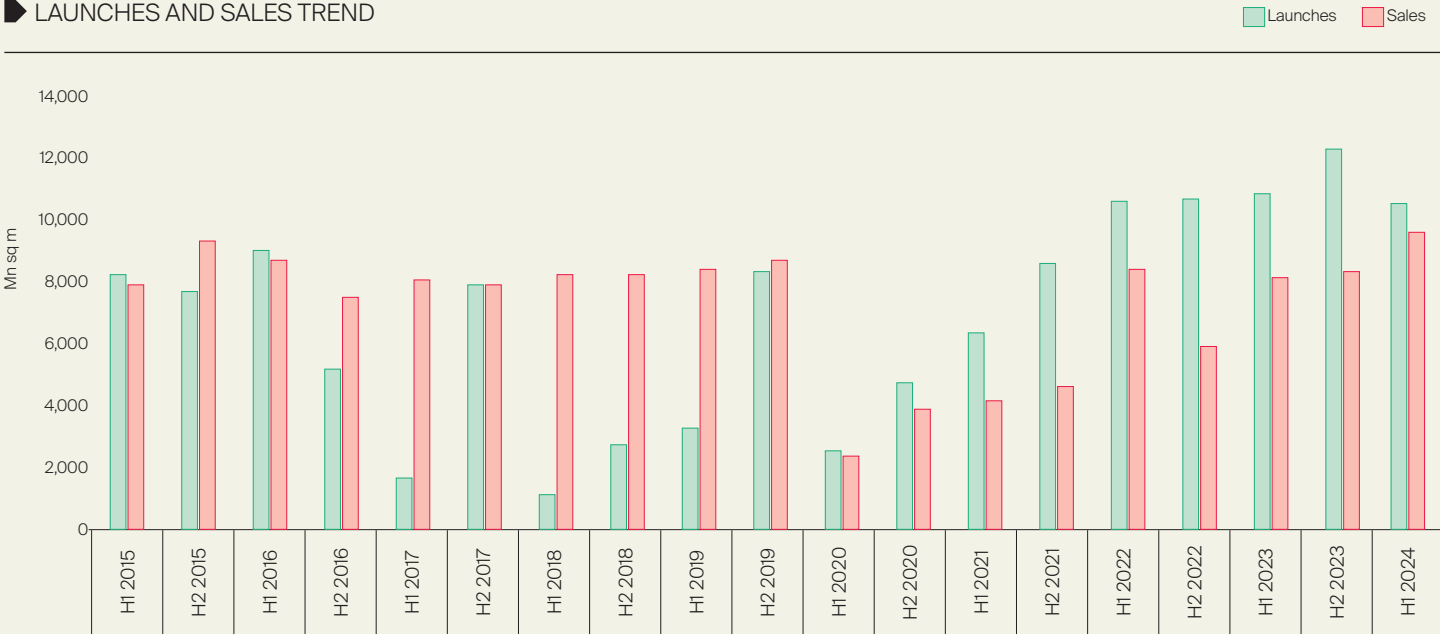
AHMEDABAD MARKET SUMMARY

Parameter	2023	2023 Change (YoY)	H1 2024	H1 2024 Change (YoY)	Q2 2024	Q2 2024 Change (YoY)
Launches (housing units)	22,497	8%	10,238	-3%	5,079	-2%
Sales (housing units)	16,113	15%	9,377	17%	4,704	25%
Average price in INR/sq m (INR/sq ft)	INR 32,620 (INR 3,031)	4%	INR 32,669 (INR 3,035)	1%	-	-

Note: 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research



LAUNCHES AND SALES TREND



Source: Knight Frank Research

- Ahmedabad is largely acknowledged as the most cost-effective market among the top eight cities we cover. This achievement is primarily due to government initiatives in urban planning to accommodate the city's growing population. Since 2006, Ahmedabad's municipal area has expanded from 186 sq km to its current size of 466 sq km. This expansion has been crucial in balancing population growth with urban development. As a result, Ahmedabad has effectively mitigated the high congestion typically associated with city centers.
- The residential market in Ahmedabad has recovered and shown steady growth since the downturn experienced during the pandemic, fueled by rising confidence among homebuyers, which boosted sales volumes. Supply levels have also increased notably as developers took advantage of the renewed demand. They have actively introduced projects with larger spaces and improved amenities, alongside price increases, reflecting sustained interest from homebuyers. The recovery in demand had culminated in primary home sales scaling a post pandemic high of 16,113 units.
- With the robust recovery in demand seen over the past three years, it remained to be seen if market momentum continued in 2024. Sales levels have continued their run with 9,337 units sold during H1 2024, a healthy 17% higher than the levels seen a year ago. This also constitutes a ten-year high in terms of sales in a half-yearly period. The Ahmedabad homebuyer remained resolute despite interest rates rising to pre-pandemic levels and residential prices reaching new highs.
- As the demand growth has been healthy, developers have launched new lifestyle-oriented products with better amenities and larger areas, to tap into this rich vein of demand. The current period saw some tempering in the rate of units launched in the market. 10,238 units were launched during H1 2024 and while this is marginally lower by 3% in YoY terms, the volume of units launched still exceeds that of sales during the period and remains adequate to match the elevated demand trajectory in the market.
- The expanding boundaries of the municipality and the already significant and growing infrastructure have enabled development activity to gain traction along the western boundaries, and along and

beyond locations between SG Highway and SP Ring Road. The budding interest in the development of high-quality office spaces here has also helped the cause of residential development in the growing western and northern periphery of the city. The state government support for skyscraper development by raising FSI (Floor Space Index) limits has led to a surge in such projects, particularly along the SG Highway. These skyscrapers command premium prices due to higher construction costs and the high land acquisition costs. This differentiated luxury offering has received positive feedback from the city's homebuyers and will be tested further in times to come.

- After the pandemic, there was a surge in demand for plotted developments due to the increased desire for spacious living areas. However, as we have moved away from the pandemic and returned to normalcy, this trend has significantly subsided. Sales conversions are now happening at prices that provide better value compared to the generous premiums they earned two years ago.
- Ahmedabad, with the lowest per square foot residential prices among the top eight markets, historically saw most sales in the affordable category (below INR 5 mn). However, in the second half of 2023, a significant shift occurred. The macro trend of increased sales in mid and premium categories caught up with the affordable segment, marking H 2023 as the first half-yearly period where sales of residential units priced below INR 5 mn constituted less than half of the total sales. The share of this ticket-size category has fallen to 39% in H1 2024, below that of the mid-size segment of units priced between INR 5-10 mn which accounted for 41% of the sales in the Ahmedabad market. The share of sales of units priced over INR 10 mn has grown to 20% in the current period compared to 11% a year ago.
- Developers have been increasingly launching products in higher priced categories with units priced under INR 5 mn now accounting for only 27% of the total units launched. Residential units launched in the mid and premium segments accounted for 47% and 27% of the total launches in the market during H1 2024.
- Currently, the affordable category accounts for 47% of the unsold inventory in the

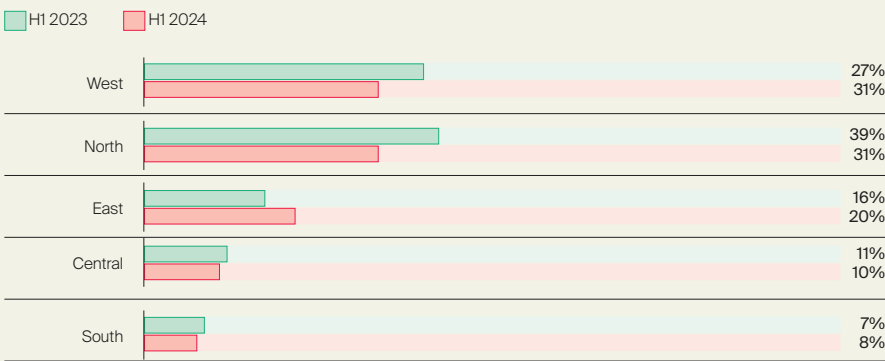
market. Despite an 18% YoY increase in total unsold inventory levels, the market still maintains less than two years' worth of inventory, a trend that has persisted since the second half of 2022. Recent development activity has focused on higher-priced units, anticipating increased sales, which has led to a build-up of inventory. As a result, the premium segment exhibits slightly elevated QTS (quarter-to-sell) levels compared to the market average of 7.7 quarters.

- The QTS level is a quantification of the number of quarters required by the market to absorb existing inventory at the current rate of sales, and a lower QTS level signifies a better state of health. While the QTS in the affordable category is lower than that of the other segments, this is attributed to the substantial reduction in inventory in the segment rather than an actual improvement in market fundamentals. And, while the QTS levels of the mid and premium categories are higher, they remain well under three years of sales and do not signify signs of weakness.
- The high affordability, comparatively lower prices per square foot, and an improving local economic environment remain compelling drivers for the Ahmedabad residential real estate market. These should help support sales which are well on course to scale a 10-year high in 2024 as we head into the characteristically upbeat festive season in the second half of the year.

MICRO-MARKET CLASSIFICATION

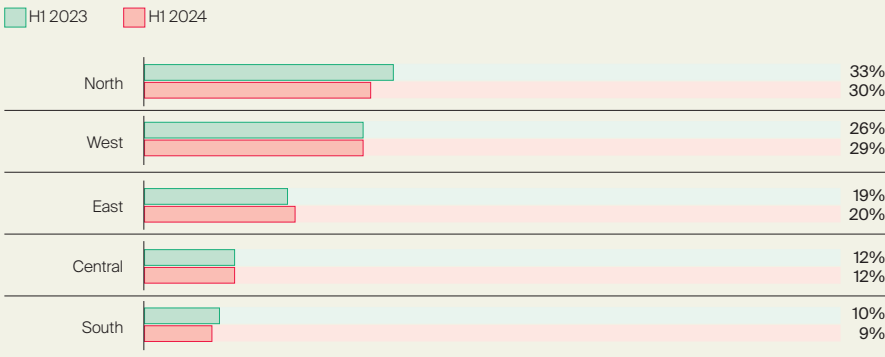
Micro market	Locations
Central	Paldi, Vasna, Navrangpura, Maninagar, Dudheshwar, Ambawadi
East	Naroda, Vastral, Nikol, Kathwada Road, Odhav
North	Gota, New Ranip, Tragad, Chandkheda, Motera
South	Narol, Vatva, Vinzol, Hathijan
West	SG Highway, Prahlad Nagar, Bopal, Thaltej, Science City Road

MICRO-MARKET SPLIT OF LAUNCHES IN H1 2023 AND H1 2024



Source: Knight Frank Research

MICRO-MARKET SPLIT OF SALES IN H1 2023 AND H1 2024



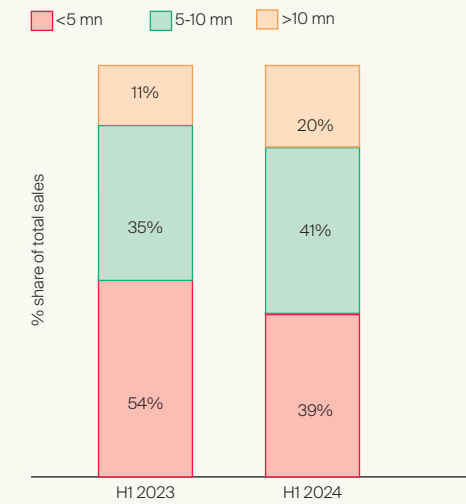
Source: Knight Frank Research

TICKET-SIZE SEGMENT HEALTH

Ticket-size segment	Unsold Inventory (housing units) (YoY change)	Quarters-to-sell (QTS)
0 – 5 mn	14,353 (-4%)	7.5
5 – 10 mn	10,860 (36%)	7.7
>10 mn	5,009 (86%)	8.5

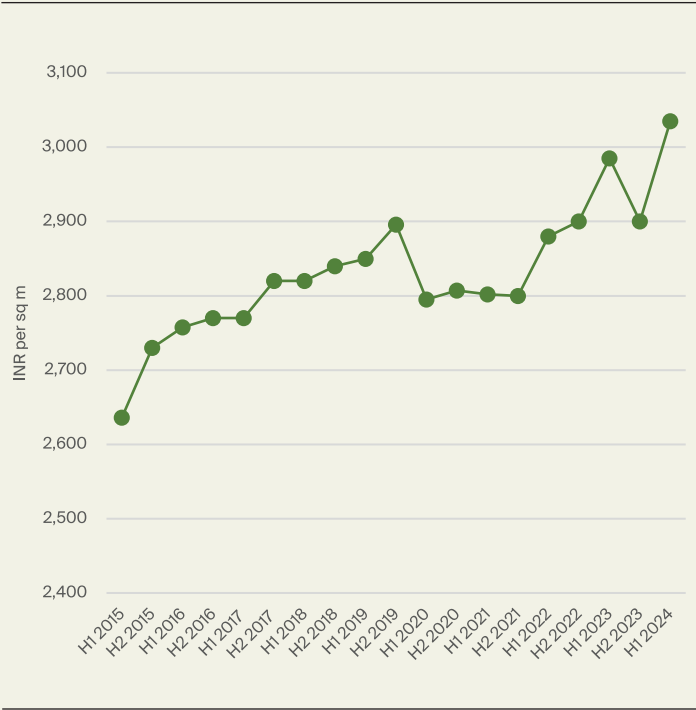
Source: Knight Frank Research

AHMEDABAD TICKET SIZE SPLIT
COMPARISON OF SALES DURING H1
2023 AND H1 2024



Source: Knight Frank Research

AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
Central	3,357 (-2%)	6.7
East	4,392 (26%)	5.6
North	8,440 (34%)	7.0
South	3,681 (12%)	10.0
West	10,353 (14%)	9.7

Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H1 2024 in INR/sq m (INR/sq ft)	12 month Change	6 month Change
Central	Ambavadi	64,000-69,800(5,950-6,490)	3	1%
	Navrangpura	55,400-65,600(5,150-6,100)	3%	2%
East	Nikol	26,900-34,400 (2,500-3,200)	1%	1%
	Vastrap	23,700-30,100(2,200-2,800)	2%	1%
North	Chandkheda	27,900-36,900(2,600-3,430)	1%	1%
	Motera	37,600-45,200(3,500-4,200)	1%	1%
South	Aslali Circle	16,100-19,300 (1,500-1,800)	3%	2%
	Vatwa	18,300-22,600(1,700-2,100)	1%	1%
West	Bopal	35,500-44,100 (3,300-4,100)	2%	1%
	Prahlad Nagar	59,200-61,300 (5,500-5,700)	2%	1%

Source: Knight Frank Research

AHMEDABAD

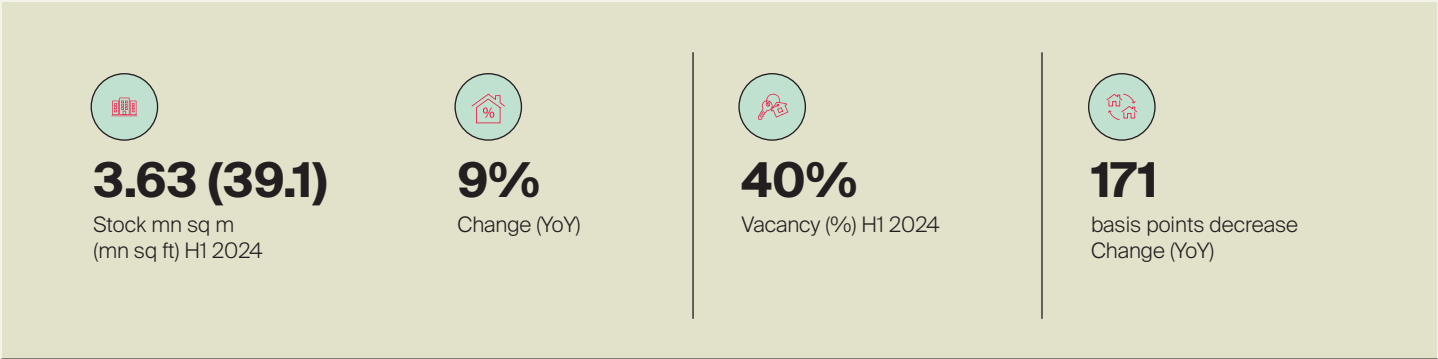


Office Market

INDIA MARKET SUMMARY

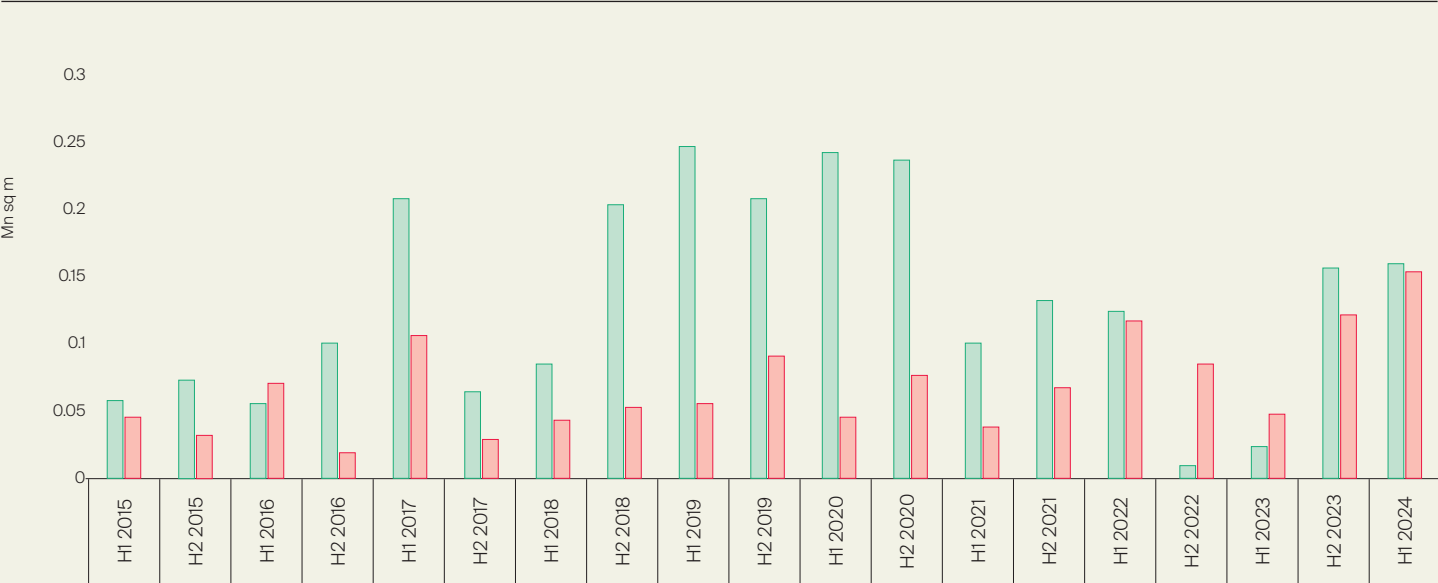
Parameter	2023	2023 Change (YoY)	H1 2024	H1 2024 Change (YoY)	Q2 2024	Q2 2024 Change (YoY)
Completions in mn sq m (mn sq ft)	0.18 (1.9)	38%	0.16 (1.7)	578%	0.11 (1.2)	-
Transactions in mn sq m (mn sq ft)	0.17 (1.8)	-15%	0.15 (1.7)	219%	0.11 (1.2)	884%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	450 (42)	4%	452 (42)	2%	-	-

Note: 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research



AHMEDABAD OFFICE MARKET ACTIVITY

Completions Transactions



Source: Knight Frank Research

- Ahmedabad is the smallest office market after Kolkata and constitutes approximately 4% of the stock and transactions across the eight markets under our coverage. Prior to the pandemic, the sector averaged close to 0.06 mn sq m (0.6 mn sq ft) in terms of per half-yearly transaction volumes, and has turned a corner since H2 2021 with the half-yearly average till H2 2023, climbing to 0.08 mn sq m (0.9 mn sq ft). In fact, H2 2023 set a record high in terms of transaction volumes at 0.12 mn sq m (1.3 mn sq ft). Ahmedabad's increasing stature as a growing economic hub with the establishment of the International Financial Services Centres Authority (IFSCA) in 2020 and the active support it received from the state and central governments are playing an important role in improving business dynamics in this budding office market.
- The office market has sustained the demand momentum with H1 2024 taking up the baton from the preceding half year period by scaling a new record high of 0.15 mn sq m (1.7 mn sq ft) of office space transacted during the period. This exceeded the previous record by a substantial margin of 24% and constitutes a massive 219% growth in YoY terms.
- The Ahmedabad office market is characterized by a large volume of office space that is constituted by non-contemporary and lower grade properties in fringe locations which do not attract occupier interest, and this tends to keep vacancy levels optically high. However, the actual market for leasable office spaces is considerably smaller with a dearth of high-quality office spaces available in the highly sought after locations such as those

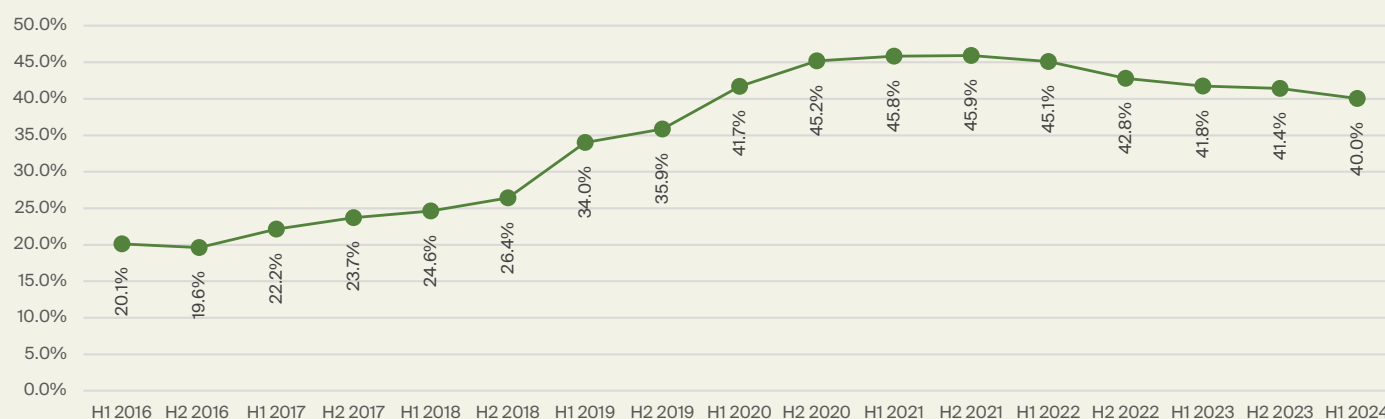
between Billionaire's Street and SG Highway. Recent deliveries closer to the SP Ring Road at locations such as Science City, Bopal-Ambli Road and Sindhubhavan constitute newer and growing office locations in the city.

- Supply volumes have been ramping up in recent periods with close to 4 mn sq ft being delivered since the beginning of 2023. The 0.16 mn sq m (1.7 mn sq ft) that attained completion during H1 2024 is the highest volume delivered since the pandemic. This has played a significant role in spurring occupier activity to new highs in H2 2023 and H1 2024. The increased transaction volumes have caused vacancy levels to trend down from 45.1% at the end of H1 2022 to 40% in H1 2024.
- Traditionally concentrated in the CBD West, occupier activity was broad based in H1 2024 with PBD locations such as Gota and Makarba accounting for 50% of the area transacted during the period. This is an encouraging sign for the market as the development of high-quality office properties attracts occupier interest to emerging PBD locations.
- CBD West locations such as Thaltej, Vastrapur, Science City and the Bopal-Ambli Road stretch accounted for 48% of the total area absorbed by the Ahmedabad market in H1 2024. The comparatively high grade of office spaces being developed here along with the growing infrastructure has sustained occupier interest over time.
- India facing businesses continued to drive volumes in the market and accounted for 77% of the transacted volume during H1 2024. Occupiers from the Other Services

sector such as developers, engineers, consultants and healthcare constituted 46% of the India facing businesses while Information Technology companies constituted 38% of the same.

- The share of flex spaces has grown consistently in Ahmedabad especially since the pandemic, as their premise of flexibility presented great value to occupiers not wanting to make longer term commitments in a still volatile macro-economic environment. The share of flex space transactions, however, fell significantly from 42% in H2 2022 to 14% in H2 2023 raising concerns about the viability of this model. Notably in H1 2024, the share of flex space operators increased to a healthy 21%. The 0.03 mn sq m (0.35 mn sq ft) taken up by flex spaces during the period translates to a very encouraging growth of 124% YoY, reinforcing the premise that the need for a specialist workplace remains strong.
- The record transaction volumes seen in H1 2024 and the rents which have grown consistently since H1 2022 reinforce the growing profile of the Ahmedabad office market. The concerted efforts of the state and central governments to transform Ahmedabad into an economic hub, coupled with its affordable real estate and extensive connectivity infrastructure, continue to position the city as an appealing choice for office occupiers. Given the recent momentum seen in occupier activity and the expectation of substantial supply lined up for delivery over the next few quarters, the Ahmedabad office market looks well positioned to end 2024 with another record tally of annual transactions.

AHMEDABAD OFFICE MARKET VACANCY

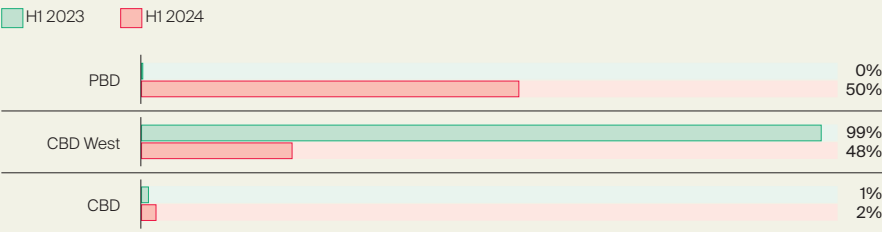


BUSINESS DISTRICT CLASSIFICATION

Business district	Micro markets
CBD West	Bodakdev, Keshav Baug, Prahladnagar, Satellite, SG Highway, Thaltej
PBD	Gandhinagar, GIFT City
CBD	Ashram Road, Ellisbridge, Paldi

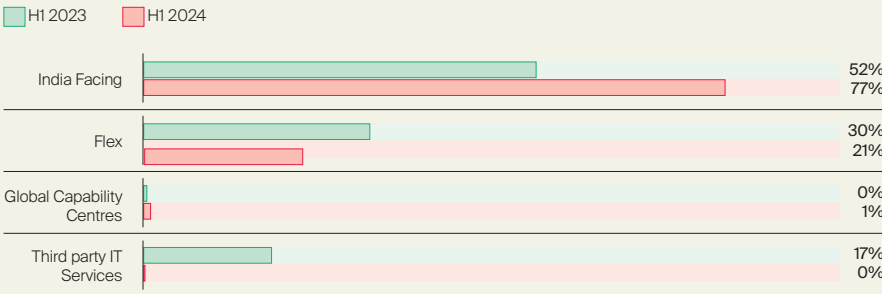
Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT IN H1 2023 AND H1 2024



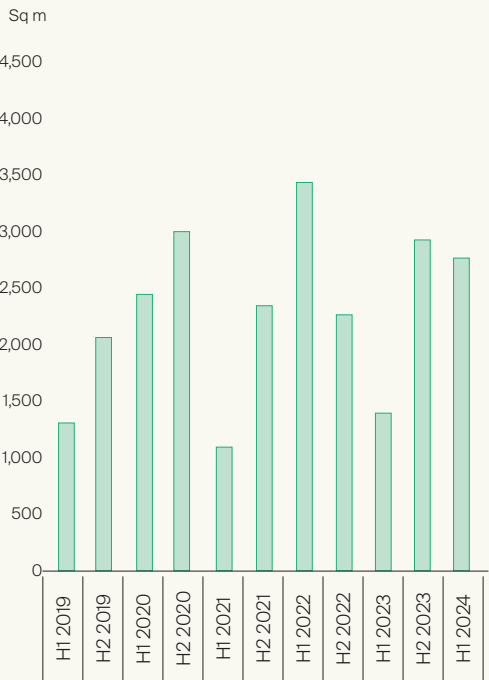
Source: Knight Frank Research

END-USE SPLIT OF TRANSACTIONS IN H1 2023 AND H1 2024



Source: Knight Frank Research

AVERAGE DEAL SIZE TREND



BUSINESS DISTRICT-WISE RENTAL MOVEMENT

	Rental value range in H1 2024 in INR/sq m/month (INR/sq ft/month)	12-month change	6-month change
CBD	488-452 (36-42)	1%	1%
CBD West	420-538 (39-50)	3%	2%
PBD	323-431 (30-40)	2%	1%

BENGALURU

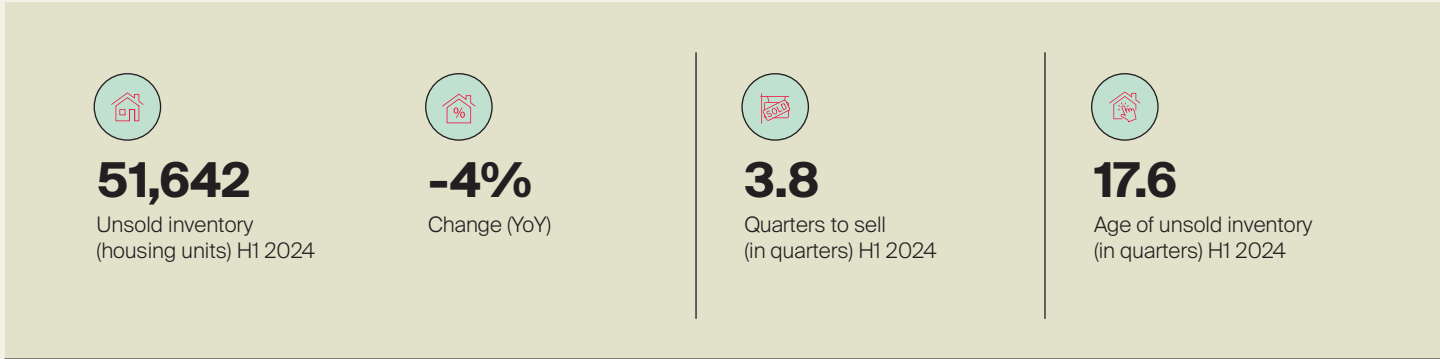


Residential Market

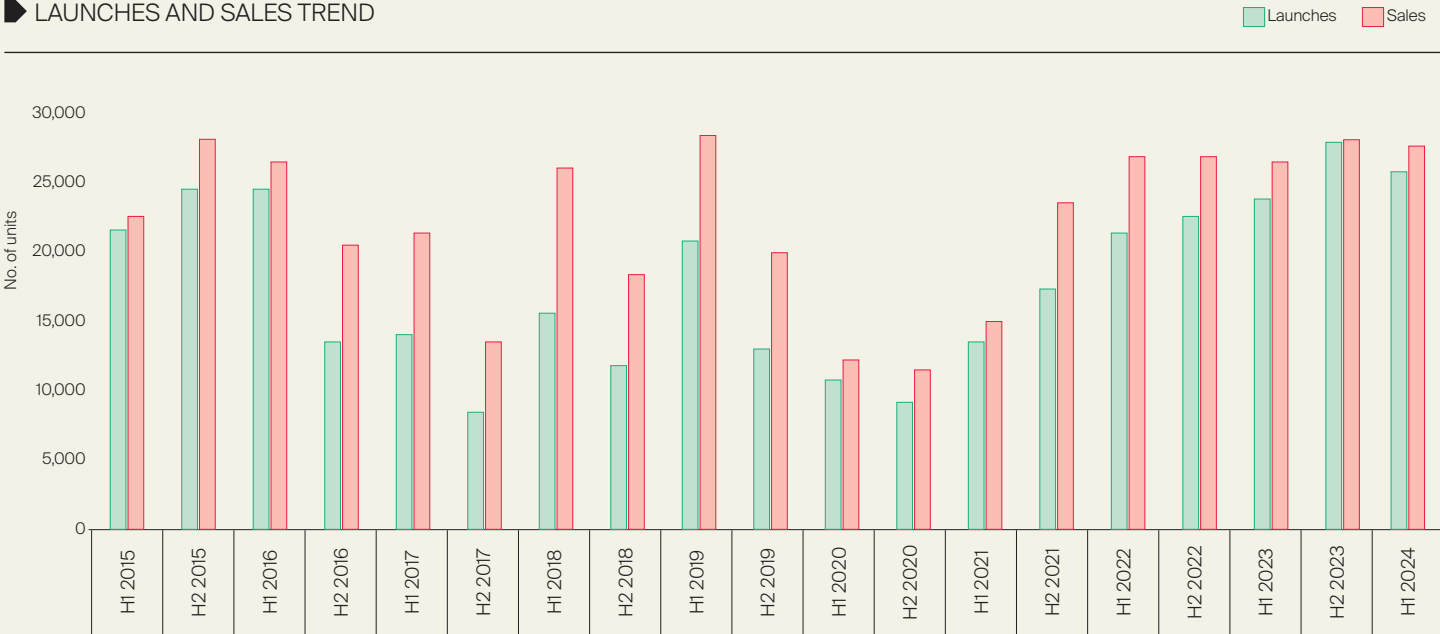
BENGALURU MARKET SUMMARY

Parameter	2023	2023 Change (YoY)	H1 2024	H1 2024 Change (YoY)	Q2 2024	Q2 2024 Change (YoY)
Launches (housing units)	51,126	18%	25,567	9%	12,432	8%
Sales (housing units)	54,046	1%	27,404	4%	14,271	11%
Average price in INR/sq m (INR/sq ft)	INR 63,507 (INR 5,900)	9%	INR 66,337 (INR 6,163)	9%	-	-

Note: 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research



LAUNCHES AND SALES TREND



Source: Knight Frank Research

- The Bengaluru residential market continued its robust growth in H1 2024. Sales volumes reached 27,404 units, marking a 4% increase compared to H1 2023. This represents the highest sales volume recorded post-COVID for the first half of the year, highlighting the sustained demand momentum. Prominent developers have been able to sell units rapidly, often within a week of launch, reflecting strong buyer confidence and appetite for home ownership in the city.
- During H1 2024, Bengaluru witnessed a notable shift in the distribution of residential sales across different price segments. The segment for houses priced below INR 5 mn saw a significant decline, dropping by 63% compared to H1 2023, now constituting only 7% of the total sales. Conversely, the mid-segment of INR 5-10 million, also experienced a reduction in its share, falling from 50% to 43%. The premium segment, INR 10 million and above, however, saw a substantial increase with sales growing by 76%, accounting for 50% of the total sales.
- South Bengaluru maintained its dominance, contributing 35% of the total residential demand in the city. This micro-market is highly favored due to its proximity to key tech parks, startup hubs, and employment clusters located in areas such as Koramangala, Electronic City, and ORR. The ongoing construction of metro lines, including the Yellow Line on Hosur Road, further enhances connectivity and boosts residential demand. The presence of a strong end-user base continues to drive mid-segment residential sales.
- East Bengaluru accounted for 33% of the total residential demand in H1 2024. This area remains a prime IT hub, featuring

quality Grade A tech parks in Whitefield and ITPL. The Purple Line metro, which connects East Bengaluru to other parts of the city, continues to enhance the area's attractiveness. The demand has also expanded to peripheral areas such as Budigere Cross and Hoskote.

- North Bengaluru, compared to other markets, has witnessed the highest growth in sales within the residential markets with 18% growth compared to the same period in the previous year. In H1 2024, North has accounted for 26% of the city's total demand, a 300 basis points increase from H1 2023. The area's growth is driven by substantial infrastructure developments, including the operation of Kempegowda International Airport Terminal 2 and the anticipated Blue Line metro connecting North Bengaluru via ORR, expected to be operational by 2026. The region's development potential extends beyond Hebbal and Yelahanka, encompassing areas like Devanahalli, Bellary Road, Hennur, Jakkur, and Banaswadi. Luxury residential projects, particularly villas and plotted developments, are attracting high-net-worth individuals (HNI) and ultra-high-net-worth individuals (UHNI).
- The weighted average residential price in Bengaluru for H1 2024 was INR 66,337/sq m, reflecting a 9% growth compared to H1 2023. This price increase is primarily driven by strong demand, particularly in the premium segment. Despite the rise in prices, affordability remains a key factor supporting continued demand across various segments.
- Unsold inventory in the overall market has decreased by 4% YoY, however, that in the premium segment has increased

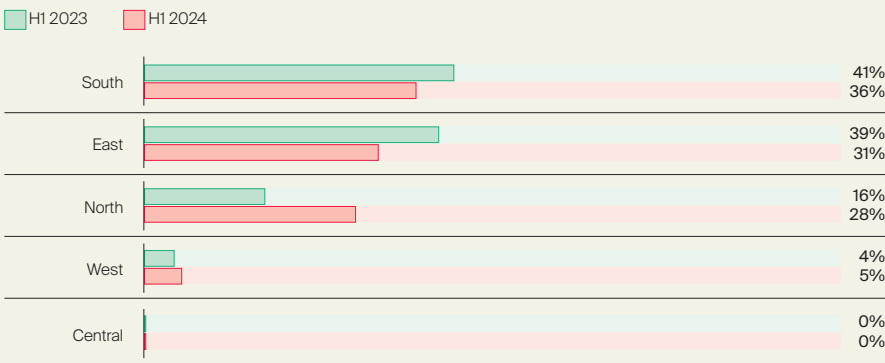
by a significant 39% YoY. The intense development activity seen in this segment has exceeded sales and caused this buildup in inventory. While this may seem concerning, it warrants a closer assessment of market health.

- The QTS level measures the number of quarters it takes for the market to absorb existing inventory at the current sales rate. In Bengaluru City, the QTS for the affordable segment has increased due to a rise in inventory caused by a drop in sales in this segment. Meanwhile, the mid and premium segments have witnessed a decrease in QTS levels, as the current sales velocity in both segments have offset the increase in inventory levels, suggesting healthy market conditions.
- In conclusion, the Bengaluru residential market in H1 2024 has demonstrated remarkable resilience and growth, driven by strong demand across various segments, significant infrastructure developments, and a growing preference for the premium segment. The market's vibrancy is expected to continue, supported by the city's expanding economic profile and sustained buyer interest.

► MICRO-MARKET CLASSIFICATION

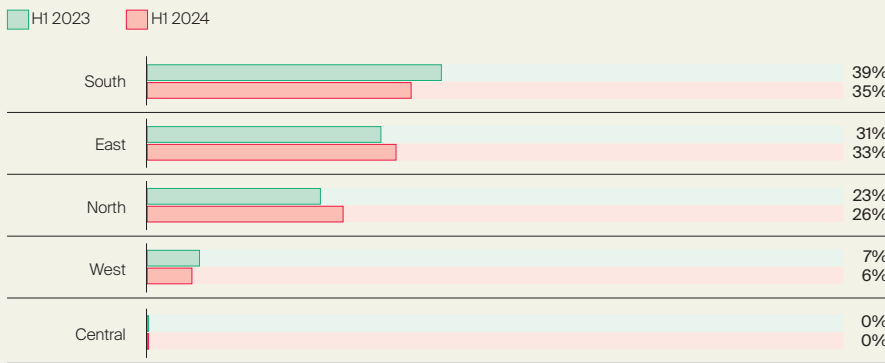
Micro market	Locations
Central	MG Road, Lavelle Road, Langford Town, Vittal Mallya Road, Richmond Road
East	Whitefield, Old Airport Road, Old Madras Road, KR Puram, Marathahalli
West	Malleshwaram, Rajajinagar, Yeswanthpur, Tumkur Road, Vijayanagar
North	Hebbal, Bellary Road, Hennur, Jakkur, Yelahanka, Banaswadi
South	Koramangala, Sarjapur Road, Jayanagar, JP Nagar, HSR Layout, Kanakapura Road, Bannerghatta Road

MICRO-MARKET SPLIT OF LAUNCHES IN H1 2023 AND H1 2024



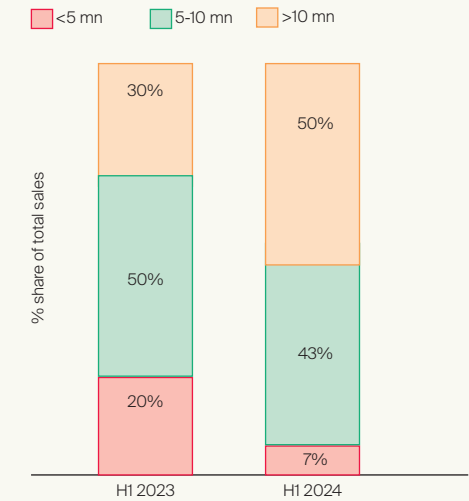
Source: Knight Frank Research

MICRO-MARKET SPLIT OF SALES IN H1 2023 AND H1 2024



Source: Knight Frank Research

BENGALURU TICKET SIZE SPLIT
COMPARISON OF SALES DURING H1
2023 AND H1 2024



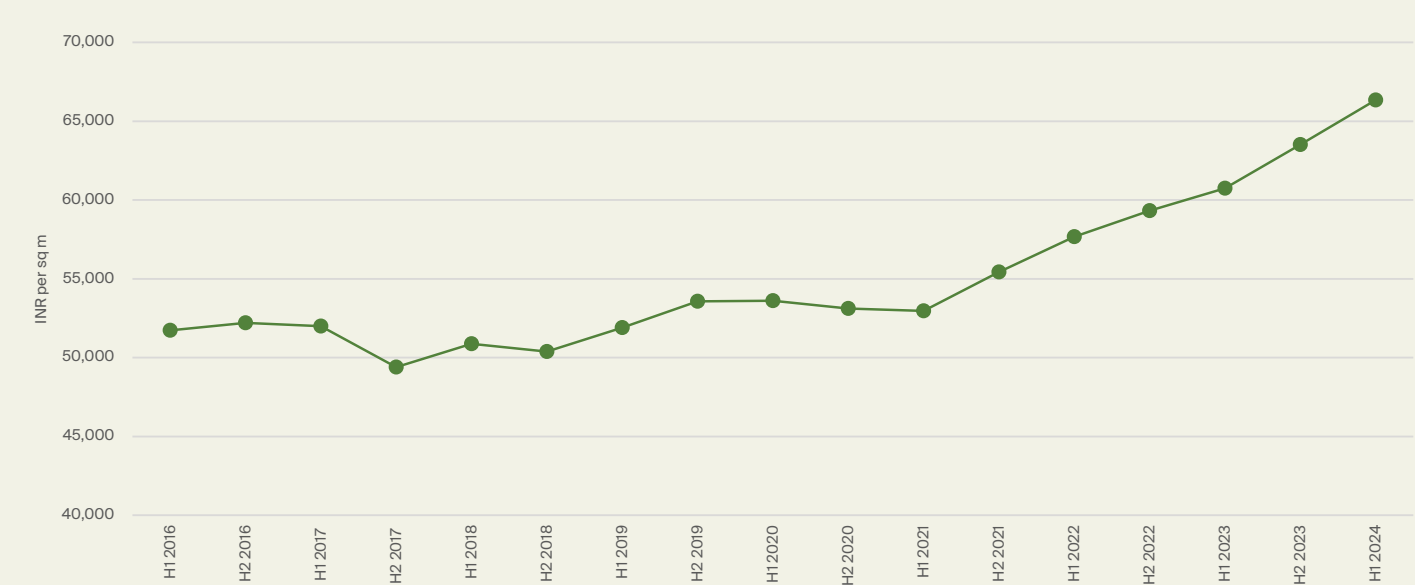
Source: Knight Frank Research

TICKET-SIZE SEGMENT HEALTH

Ticket-size segment	Unsold Inventory (housing units) (YoY change)	Quarters-to-sell (QTS)
0 – 5 mn	16,569 (-14%)	7.8
5 – 10 mn	23,080 (-10%)	3.6
>10 mn	11,993 (39%)	2.4

Source: Knight Frank Research

AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

► MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
Central	224 (-28%)	7.4
East	15,388 (32%)	3.4
North	9,262 (-10%)	3.2
South	25,237 (-13%)	4.9
West	2530 (-24%)	2.9

Source: Knight Frank Research

► RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H1 2024 in INR/sq m (INR/sq ft)	12 month Change	6 month Change
Central	Langford Town	1,61,459-2,36,806 (15,000-22,000)	0%	0%
	Lavelle Road	2,26,042-3,22,917 (21,000-30,000)	0%	0%
East	KR Puram	51,667-87,188 (4,800-8,100)	11%	11%
	Whitefield	61,354-1,09,792(5,700-10,200)	19%	12%
	Marathahalli	49,514-96,875 (4,600-9,000)	11%	14%
North	Hebbal	64,583-1,39,931(6,000-13,000)	3%	9%
	Yelahanka	49,514-86,111 (4,600-8,000)	1%	5%
	Thanisandra	55,972-1,17,327 (5,200-10,900)	17%	10%
	Hennur	62,431-1,11,945 (5,800-10,400)	17%	11%
South	Sarjapur Road	46,285-1,10,330 (4,300-10,250)	8%	4%
	Kanakpura Road	45,208-94,722 (4,200-8,800)	7%	2%
	Electronic City	50,590-80,729 (4,700-7,500)	17%	12%
	Bannerghatta Road	50,590-89,340 (4,700-8,300)	9%	5%
West	Yeshwantpur	75,347-1,33,472 (7,000-12,400)	13%	6%
	Malleswaram	88,264-1,75,452 (8,200-16,300)	8%	0%
	Rajajinagar	89,340-1,94,827 (8,300-18,100)	8%	0%
	Tumkur Road	39,826-78,576 (3,700-7,300)	7%	0%

Source: Knight Frank Research

BENGALURU

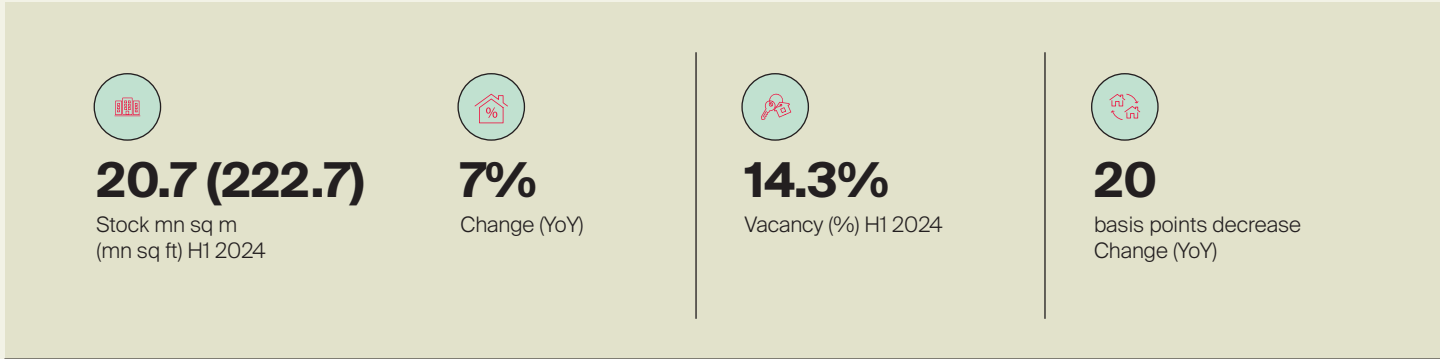


Office Market

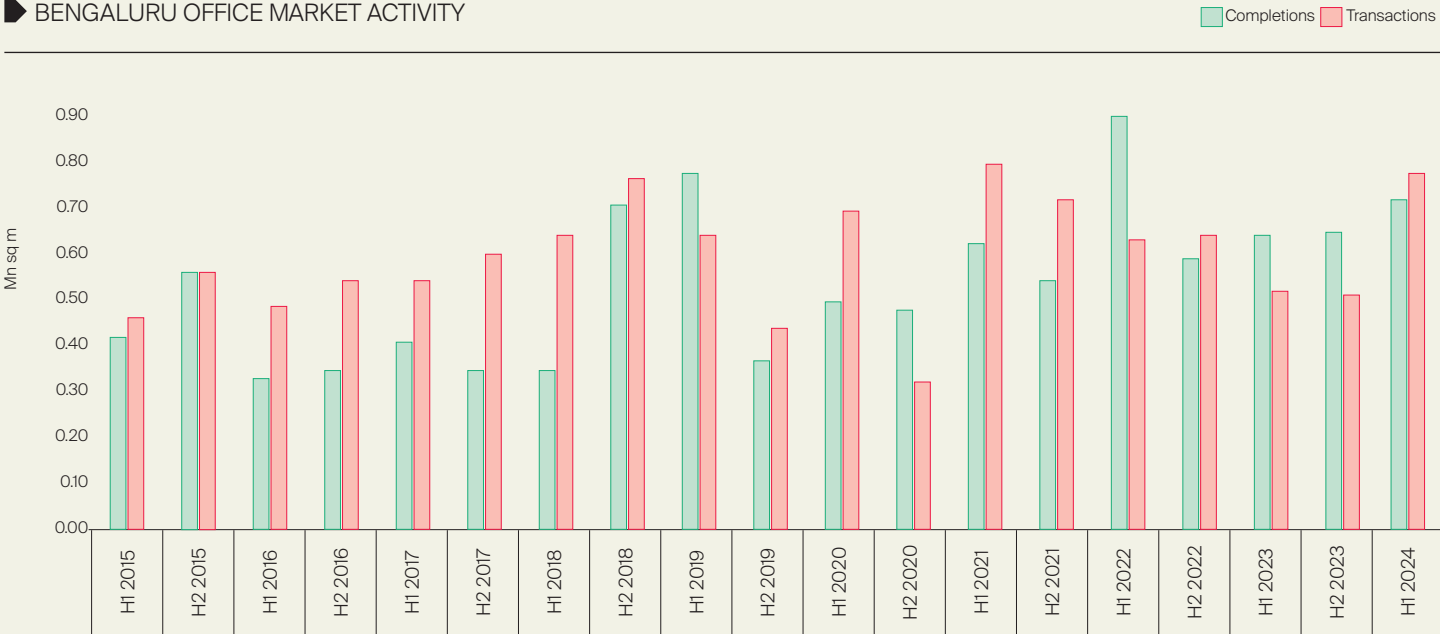
BENGALURU MARKET SUMMARY

Parameter	2023	2023 Change (YoY)	H1 2024	H1 2024 Change (YoY)	Q2 2024	Q2 2024 Change (YoY)
Completions in mn sq m (mn sq ft)	1.24 (13.4)	-14%	0.72 (7.7)	21%	0.25 (2.7)	-47%
Transactions in mn sq m (mn sq ft)	1.16 (12.5)	-14%	0.78 (8.4)	21%	0.46 (4.9)	43%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	929.5 (86.4)	7%	954.8 (88.7)	7%	-	-

Note: 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research



BENGALURU OFFICE MARKET ACTIVITY



Source: Knight Frank Research

- Bengaluru being one of the most favored occupier markets among the top eight in the country, accounted for 24% of the overall demand in H1 2024. Bengaluru witnessed a leasing volume of 0.78 mn sq m (8.4 mn sq ft), marking a 21% increase compared to the same period in the previous year. This increase can be largely attributed to the establishment of GCCs by corporates looking to expand long-term operations in the market.
- GCCs emerged as the dominant end use type of the occupiers in H1 2024, contributing 47% of all leasing transactions, equating to a significant 0.37 mn sq m (4 mn sq ft). This marks a substantial increase from the 0.19 mn sq m (2 mn sq ft) recorded in H1 2023. Major firms like Google, Qualcomm, ANSR, Tekion, and Samsung expanded their operations in Bengaluru, reflecting the city's attractiveness for GCCs due to its strong technology platforms and diverse talent pool.
- During H1 2024, the overall leasing volume by third-party IT services increased to 0.12 mn sq m (1.3 mn sq ft), with a growth of 32% from the previous year's 0.09 mn sq m (1 mn sq ft). This resurgence underscores the continued importance of the IT sector in Bengaluru's commercial real estate market.
- In contrast, the flex occupiers saw a decline in leasing volume to 0.16 mn sq m (1.7 mn sq ft) from the peak of 0.27 mn sq m (2.9 mn sq ft) in H1 2023. It must be noted that the drop in share looks exacerbated due to the significant base effect at play. Flex spaces continue to play a crucial role in the market,

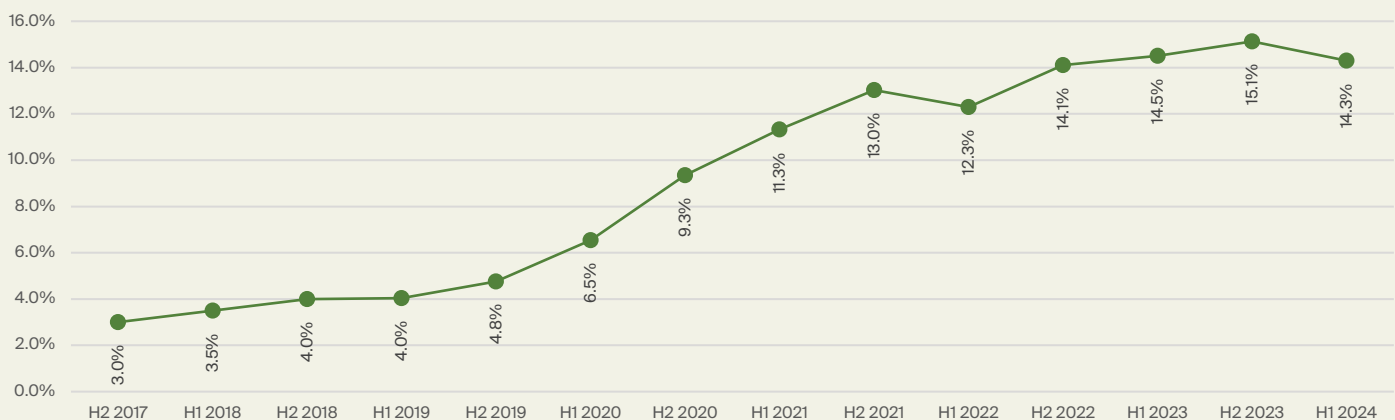
providing flexibility and cost savings for sectors like Third Party IT Services and start-ups.

- ORR maintained its position as the leading business district, accounting for 36% of the total demand within the city, down slightly from 38% in H1 2023. The ORR micro-market experienced a supply infusion of 0.12 mn sq m (1.3 mn sq ft). The ongoing infrastructure developments, including the under-construction metro line connecting Silk Board to Hebbal, continue to bolster ORR's appeal to occupiers.
- PBD East followed closely with 32% of overall transactional demand, consistent with its 33% share in H1 2023. The area's enhanced connectivity due to the operational Purple Line metro corridor remains a significant driver of occupier interest. PBD East saw a new supply infusion of 0.1 mn sq m (1.1 mn sq ft), supporting its growing demand.
- PBD North, though still developing, saw a substantial increase in leasing volumes, capturing 7% of the total demand, translating to 0.06 mn sq m (0.6 mn sq ft). The growth of the micro-market is being supported by significant infrastructure investments, such as the increasing urbanization around Kempegowda International Airport and ongoing metro constructions. These developments are expected to continue to attract future development.
- Bengaluru's office market saw a considerable supply infusion of 0.72 mn sq

m (7.7 mn sq ft) in H1 2024, leading to a total office stock of 20.7 mn sq m (222.7 mn sq ft). The vacancy rate decreased slightly by 20 basis points to 14.3%, reflecting a healthier balance between supply and demand compared to 14.5% in H1 2023. This indicates a stable market, with adequate inventory to meet future occupier needs.

- The average transacted rentals for office space in Bengaluru increased by 7% to INR 955/sq m/month (INR 88.7/sq ft/month) in H1 2024, a rise from INR 893/sq m/month (INR 83/sq ft/month) in H1 2023. This growth in rental rates, particularly in ORR and PBD East, highlights the sustained demand for quality office space in prime locations.
- Looking ahead, Bengaluru's office market fundamentals remain robust. Following the recent general Lok Sabha election in 2024, some supply has been temporarily on hold, and is expected to enter the market in subsequent quarters, potentially influencing future vacancy rates and rental trends. Continued investments in infrastructure and the city's strong positioning as a startup capital, technology and innovation hub will likely drive long-term demand for office spaces.
- In conclusion, while the market dynamics have shifted with GCCs and flex spaces playing significant roles, Bengaluru continues to be a prime destination for commercial real estate, supported by its infrastructure developments and strategic importance for global businesses.

► BENGALURU OFFICE MARKET VACANCY



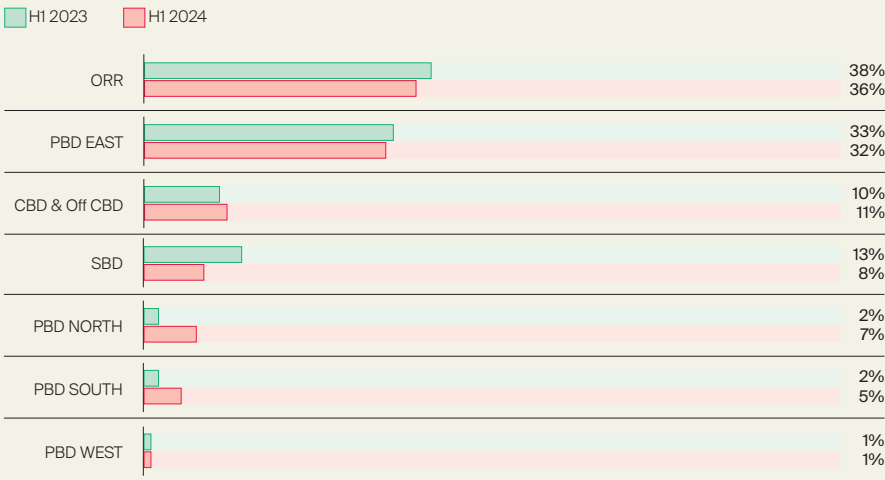
Source: Knight Frank Research

BUSINESS DISTRICT CLASSIFICATION

Business district	Micro markets
Central Business District (CBD) and Off CBD	MG Road, Residency Road, Cunningham Road, Lavelle Road, Richmond Road, Infantry Road
Secondary Business District (SBD)	Indiranagar, Koramangala, Airport Road, Old Madras Road
Peripheral Business District (PBD) East	Whitefield
Peripheral Business District (PBD) South	Electronic City, Bannerghatta Road
Peripheral Business District (PBD) North	Thanisandra, Yelahanka, Devanahalli
Peripheral Business District (PBD) West	Vijaynagar, Tumkur Road, Mysore Road
Outer Ring Road (ORR)	Hebbal ORR, Marathahalli ORR, Sarjapur Road ORR

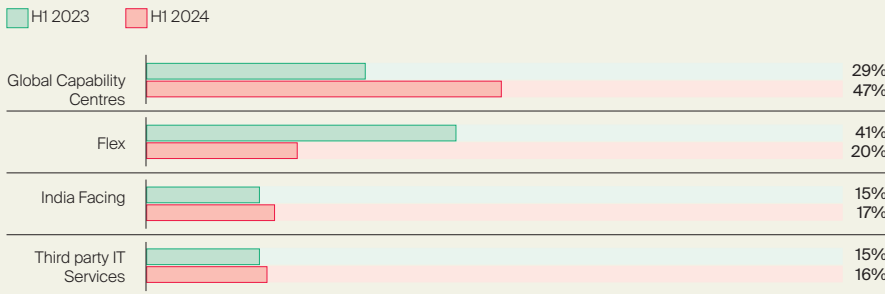
Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT IN H1 2023 AND H1 2024



Source: Knight Frank Research

END-USE SPLIT OF TRANSACTIONS IN H1 2023 AND H1 2024



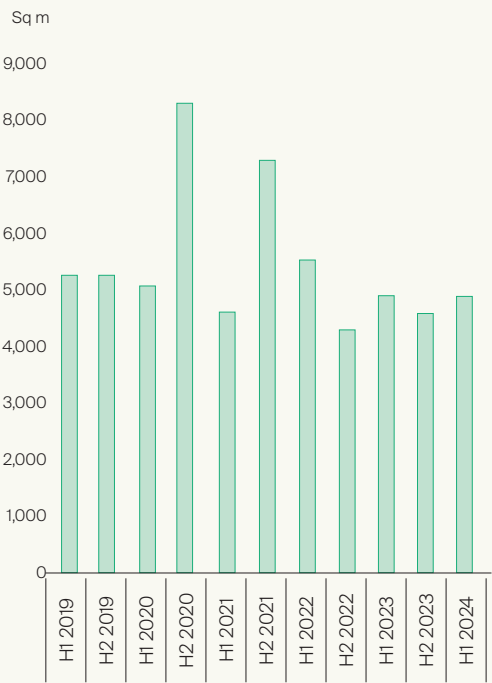
Source: Knight Frank Research

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

	Rental value range in H1 2024 in INR/sq m/month (INR/sq ft/month)	12-month change	6-month change
CBD & Off-CBD	1,345 - 2,099 (125 - 195)	7%	5%
SBD	969 - 1,830 (90 - 170)	8%	4%
PBD East	700 - 861 (65 - 80)	7%	0%
PBD South	592 - 969 (55 - 90)	7%	4%
PBD North	538 - 1,023 (50 - 95)	7%	0%
ORR	1,023 - 1,345 (95 - 125)	2%	0%

Source: Knight Frank Research

AVERAGE DEAL SIZE TREND



Source: Knight Frank Research

CHENNAI

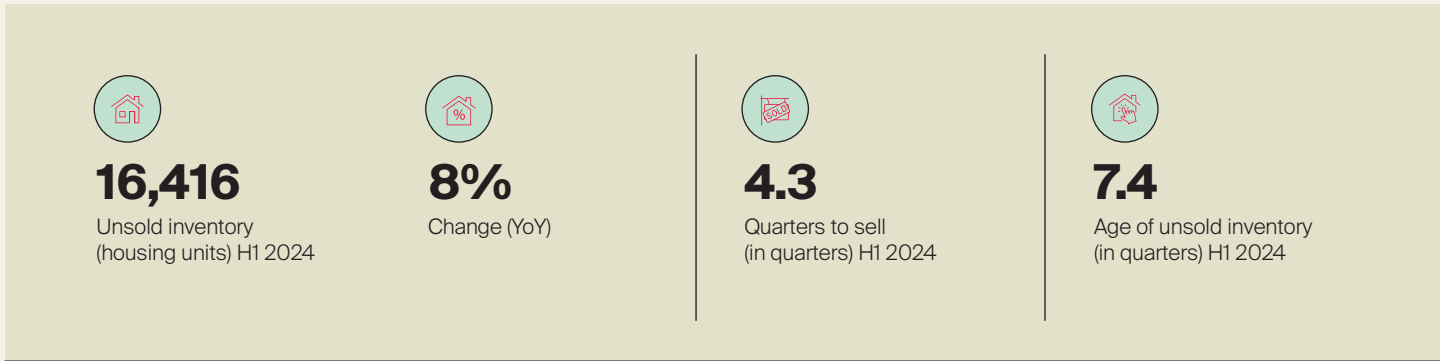


Residential Market

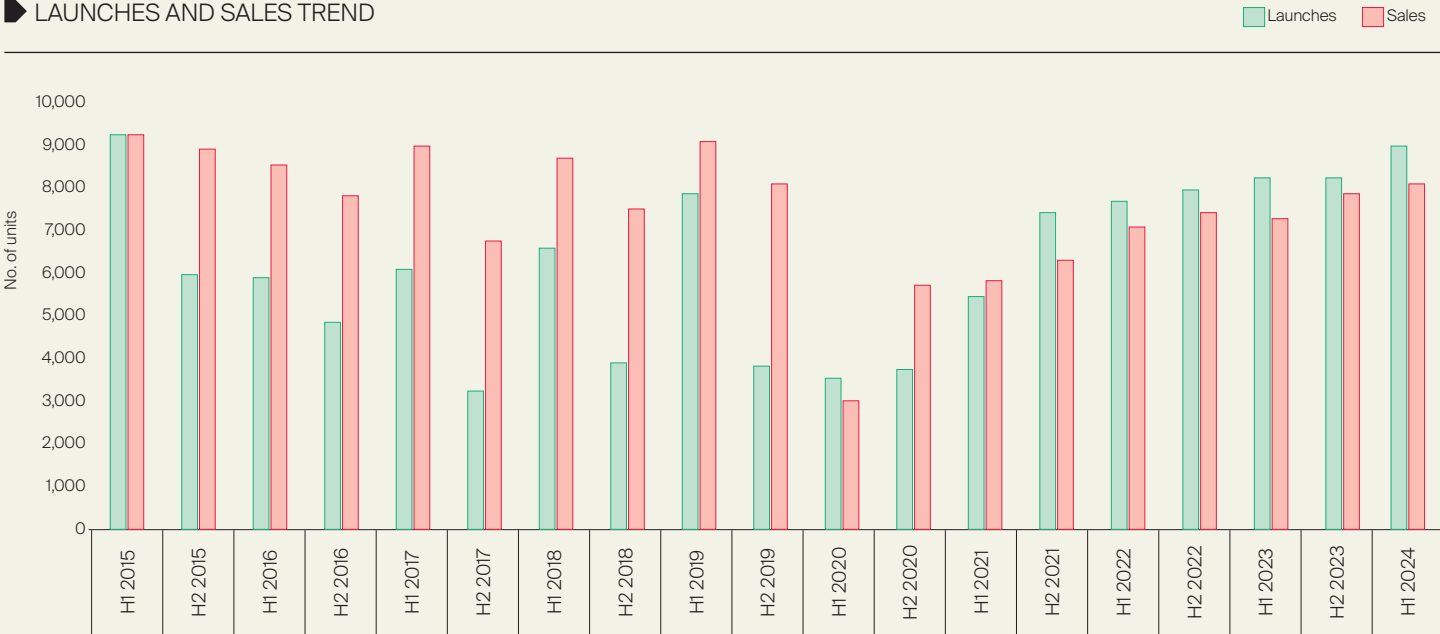
CHENNAI MARKET SUMMARY

Parameter	2023	2023 Change (YoY)	H1 2024	H1 2024 Change (YoY)	Q2 2024	Q2 2024 Change (YoY)
Launches (housing units)	16,272	6%	8,855	9%	4,505	8%
Sales (housing units)	14,920	5%	7,975	12%	4,025	15%
Average price in INR/sq m (INR/sq ft)	INR 48,137 (INR 4,472)	4%	INR 49,084 (INR 4,560)	5%	-	-

Note: 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research



LAUNCHES AND SALES TREND



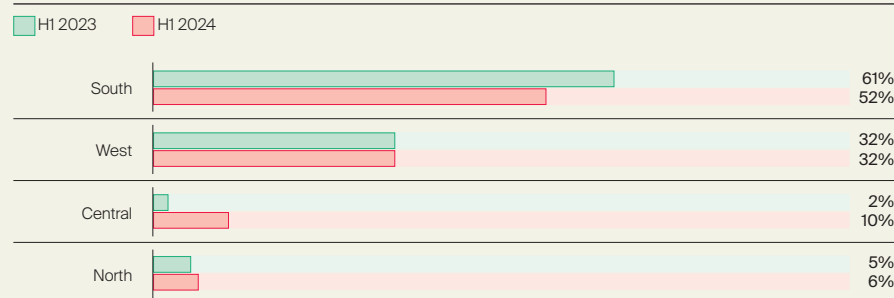
Source: Knight Frank Research

- The Chennai residential market has shown a 12% YoY increase in residential sales, reaching 7,975 units during H1 2024. Although there has been a recovery in sales since the pandemic, the market is yet to surpass its pre-COVID levels. Given the continued momentum, sales are expected to return to its pre-COVID levels in the coming quarters.
- Sales in the Chennai residential market were predominantly concentrated in the south and west micro-markets, collectively contributing to 87% of the total sales during H1 2024. The South Chennai zone, attracting 58% of homebuyer interest, stands out as a vibrant Information Technology (IT) hub and knowledge center. It is home to renowned IT parks like TIDEL Park and SP Infocity. This zone is also known for its thriving healthcare and engineering sectors, modern infrastructure, and historical landmarks. The West Chennai zone, accounting for 29% of homebuyer interest, is emerging as a dynamic IT corridor. This zone has successfully evolved from a predominantly industrial identity to a diversified area that actively attracts IT investments and focuses on developing a skilled workforce.
- In H1 2024, the mid-segment residential market in Chennai, priced between INR 5-10 mn, remained the dominant category, comprising 44% of total sales. Chennai's booming manufacturing, hospitality, and logistics sectors typically attract a large workforce, leading to an increased demand for homes priced under INR 5 mn. However, for the first time, there has been a decline in sales volume in this category, with a 21% YoY drop. The share of sales for homes priced under INR 5 mn fell from 39% in H1 2023 to 28% in H1 2024. Conversely, homes priced above INR 10 mn constituted 28% of the total sales during H1 2024, an increase from its 21% share during H1 2023. In terms of volume, sales in this segment increased by 48% YoY during H1 2024. This shift indicates that there has been a growing preference among homebuyers in Chennai for larger spaces and high-value homes with enhanced amenities.
- Developers launched 8,855 units during H1 2024, marking a 9% YoY increase. A significant 84% of these launches were concentrated in the southern and western micro-markets, representing 52% and 32% of the total launches, respectively. Notably, there has been an increase in launches in the Central zone, growing from a 2% share in H1 2023 to a 10% share in H1 2024.
- In terms of ticket size, the launches were distributed across various price categories, with 22% in the under INR 5 mn category, 53% in the INR 5-10 mn category, and 25% in the above INR 10 mn category. Notable developers such as Casagrand Builder, Lancor Holdings, and TVS Emerald Haven Realty launched units during H1 2024. Key areas experiencing these launches included Adyar, Sholinganallur (OMR), Kovilambakkam, Porur, and Mahindra World City.
- Unsold inventory in Chennai has risen by 8% YoY, reaching 16,416 units. The most significant increase was in the INR 5-10 mn category, which saw a 29% YoY rise. Inventory in the above INR 10 mn category experienced a minor increase of 3% YoY, while inventory in the under INR 5 mn category declined by 1% YoY.
- Despite the increase in inventory, Chennai's quarter-to-sell (QTS) remains one of the lowest in the country at 4.3. In particular, the QTS for properties above INR 10 mn is the lowest across housing categories in Chennai and among the lowest nationally, at 3.3. The INR 5-10 mn category, which sees the most sales and launches, has a QTS of 3.4, indicating a high sales velocity. The QTS for the below INR 5 mn category stands at 6.5.
- Residential prices have increased by 5% YoY during H1 2024, underscoring the resilience and stability of its property market. This trend highlights sustained demand for real estate, with notable rises observed in neighborhoods like Mogappair, Anna Nagar, and Perambur.
- Chennai is the center of real estate activity in Tamil Nadu, marked by substantial developments and a thriving property market. With a strong economy supported by port-centric enterprises and established sectors in automobile, engineering, and manufacturing, the city is witnessing a rise in occupier activity. This increase is driving up residential housing demand and the sales volumes are well poised to reach pre-COVID levels in the coming quarters.

► MICRO-MARKET CLASSIFICATION

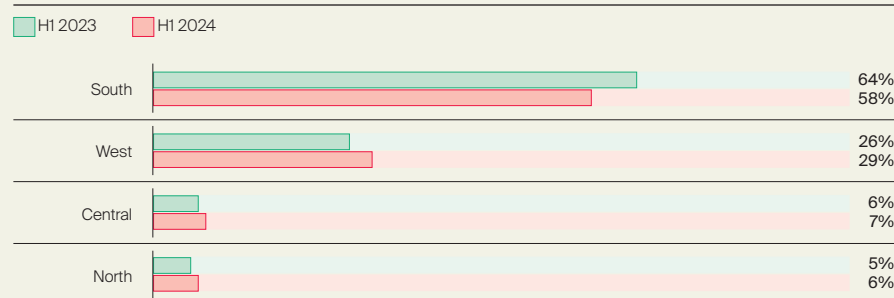
Micro market	Locations
Central Chennai	T. Nagar, Alandur, Nungambakkam, Kodambakkam, Kilpauk
West Chennai	Porur, Ambattur, Mogappair, Iyyappanthangal, Sriperumbudur
South Chennai	Perumbakkam, Chrompet, Sholinganallur, Guduvancheri, Kelambakkam
North Chennai	Tondiarpet, Kolathur, Madhavaram, Perambur

► MICRO-MARKET SPLIT OF LAUNCHES IN H1 2023 AND H1 2024



Source: Knight Frank Research

► MICRO-MARKET SPLIT OF SALES IN H1 2023 AND H1 2024



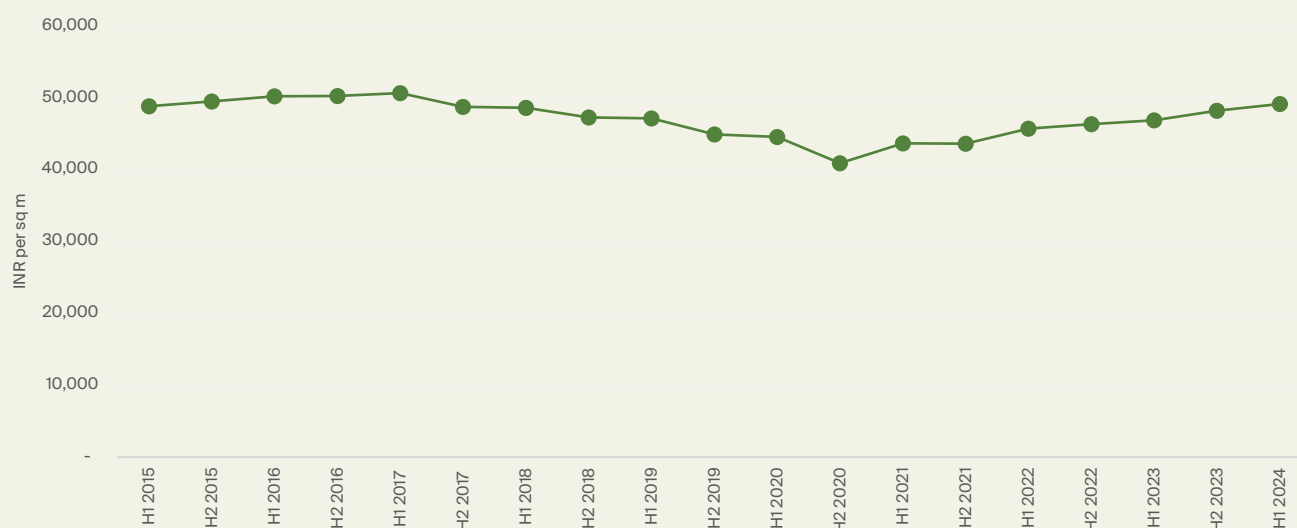
Source: Knight Frank Research

► TICKET-SIZE SEGMENT HEALTH

Ticket-size segment	Unsold Inventory (housing units) (YoY change)	Quarters-to-sell (QTS)
0 – 5 mn	7,719 (-1%)	6.5
5 – 10 mn	5,565 (29%)	3.4
>10 mn	3,132 (3%)	3.3

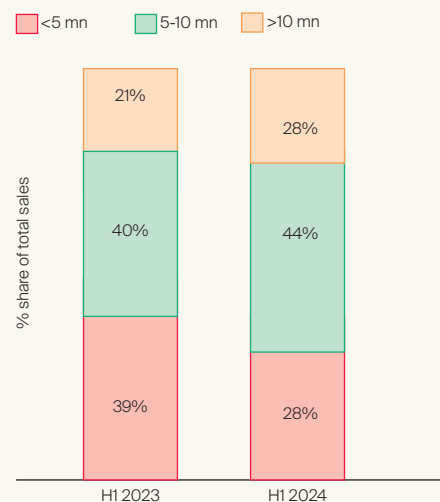
Source: Knight Frank Research

► AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

► CHENNAI TICKET SIZE SPLIT COMPARISON OF SALES DURING H1 2023 AND H1 2024



Source: Knight Frank Research

► MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
Central	455 (678%)	0.7
North	732 (36%)	3.9
South	5,986 (2%)	2.7
West	9,243 (7%)	8.0

Source: Knight Frank Research

► RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H1 2024 in INR/sq m (INR/sq ft)	12 month Change	6 month Change
Central	Anna Nagar	1,41,310 – 1,50,696 (13,128- 14,000)	10%	-4%
	Kilpauk	1,40,578 – 1,53,925 (13,060- 14,300)	-1%	-7%
North	Kolathur	62,431- 66,737 (5,800- 6,200)	2%	-1%
	Perambur	71,247- 77,684 (6,619- 7,217)	9%	-1%
South	Perumbakkam	55,801 – 57,049 (5,184- 5,300)	5%	3%
	Kelambakkam	43,056 – 45,898 (4,000- 4,264)	4%	2%
West	Porur	64,530 – 69,966 (5,995- 6,500)	4%	4%
	Mogappair	81,268 – 85,649 (7,550-7,957)	12%	0%

Source: Knight Frank Research

CHENNAI

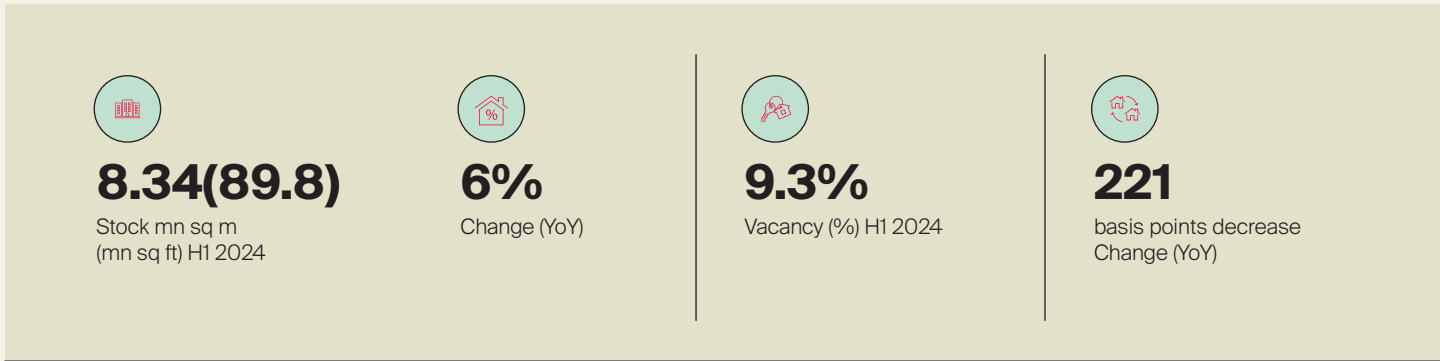


Office Market

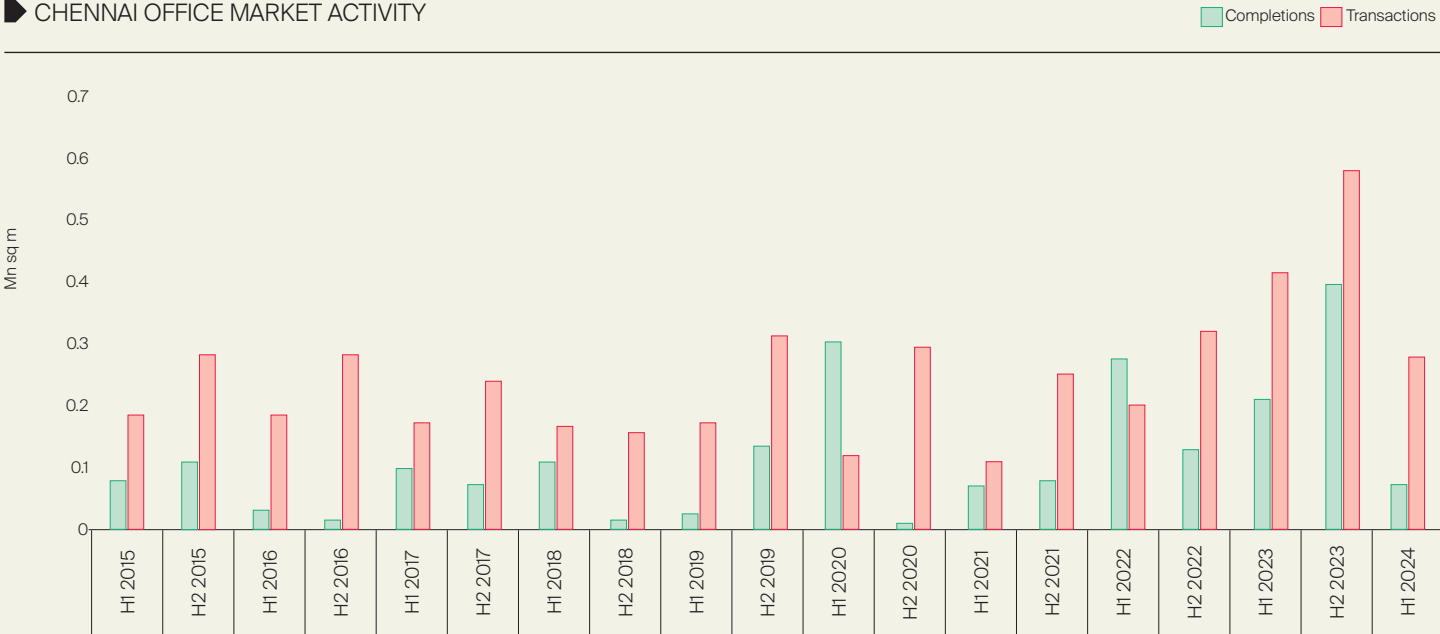
CHENNAI MARKET SUMMARY

Parameter	2023	2023 Change (YoY)	H1 2024	H1 2024 Change (YoY)	Q2 2024	Q2 2024 Change (YoY)
Completions in mn sq m (mn sq ft)	0.61 (6.6)	49%	0.07 (0.8)	-65%	0.07 (0.8)	-60%
Transactions in mn sq m (mn sq ft)	1.00 (10.8)	92%	0.28 (3.0)	-33%	0.17 (1.9)	-50%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	700 (65.0)	6.2%	721 (67)	9%	-	-

Note: 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research



CHENNAI OFFICE MARKET ACTIVITY



- Office absorption volumes in Chennai fell sharply by 33% YoY to 0.28 mn sq m (3.0 mn sq ft) during H1 2024. Despite this decline, it is important to note that the previous year had seen substantially high leasing activity with several major transactions. H1 2023 ranks as the highest half-yearly period in terms of volumes transacted in the first half of any year since 2012. Excluding the record high of the said period, the H1 2024 office numbers rank as the second highest on the same parameters and the volumes seen in this period should not be viewed as a genuine deceleration in the market.
- Chennai remains one of the most preferred destinations for Global Capability Centers (GCCs), ranking third during H1 2024, following Bengaluru and Hyderabad. Noteworthy tenants in this category include major corporations such as UPS, Petronas, Honda, Standard Chartered, and Sutherland. Similar to the previous year, GCCs accounted for approximately 47% of the overall transaction volume. Chennai's appeal as a hub for GCCs is driven by its skilled workforce, cost-effectiveness, and supportive government policies, making it an attractive destination for multinational companies.
- During H1 2024, companies focused purely on the Indian market or India facing businesses leased 36% of the office space in Chennai. Among these, tenants from the Information Technology and Other Services sector such as logistics and engineering, each accounted for 41% of the total India-facing transactions. This was followed by the BFSI segment with 14% and the manufacturing segment with 5%. Notable

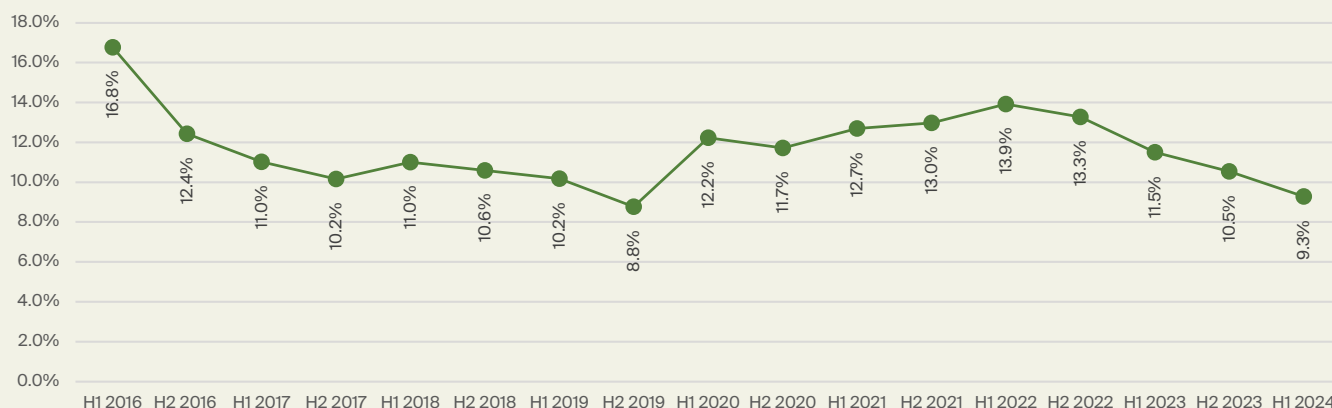
occupiers in this category included HDFC Life Insurance, L&T Infrastructure, Britannia, TVS Next, and IDFC Bank.

- The remaining 18% of the transaction volumes in H1 2024 were taken up by flexible workspace operators. Key players such as WeWork, Awfis, Tablespace, and Indiqube were the most active operators in the flex space segment, contributing significantly to the transactions during this period. The flex space segment has become a significant part of the commercial real estate market as the flexibility, cost savings, and adaptability of these workspaces continue to attract a diverse range of businesses.
- Despite the majority of leasing activity being concentrated in the SBD, there has been a significant shift towards PBD OMR & GST, SBD OMR, and CBD. There was a significant decline in the share of transactions in the SBD, dropping from 54% in H1 2023 to 36% in H1 2024. The SBD OMR experienced a moderate increase in its share of transactions, moving up from 25% in H1 2023 to 29% in H1 2024. The PBD OMR & GST saw an increase in occupier activity, rising from 7% in H1 2023 to 19% in H1 2024. The CBD also saw an increase in occupier activity, doubling its share from 5% in H1 2023 to 11% in H1 2024. The PBD Ambattur experienced a decline in its share of transactions, decreasing from 8% in H1 2023 to 4% in H1 2024. Areas such as Taramani, Guindy and Kandanchavadi experienced the most transaction activity during H1 2024.
- Office completions in Chennai during H1 2024 were seen in key areas such as Purasaiwalkam (CBD), Adyar (SBD),

Perungudi (SBD OMR), and Pattabiram (PBD Ambattur), introduced by major developers and associations such as Chaithanya, Assets 360, and TIDCO. Despite this new supply, the vacancy rate fell to 9.3% and has been declining since the last few quarters due to heightened occupier activity and demand.

- During H1 2024, rentals in Chennai increased by 9% YoY, with the SBD OMR and SBD area experiencing the sharpest surge of 10% and 8% YoY respectively. Within the SBD OMR zone, Taramani and Kandanchavadi have experienced the sharpest increase in rental values to the tune of 11% YoY and 9% YoY respectively. The key drivers for this upward trend are the robust leasing momentum and heightened occupier confidence and activity in the Chennai markets coupled with low available stock.
- The Chennai office market is underpinned by a robust economy, a skilled workforce, well-established infrastructure, and relatively lower occupancy costs as compared to other key markets. These factors have consistently attracted occupiers to the region. The growth in transaction volumes underscores the enduring vibrancy and allure of Chennai's commercial real estate sector, solidifying its status as a dynamic hub for business and leasing activities. Additionally, the market's affordability, as measured in INR per square foot per month, positions Chennai favorably amongst its peer markets, highlighting a balanced and competitive pricing structure in the regional commercial real estate landscape.

CHENNAI OFFICE MARKET VACANCY

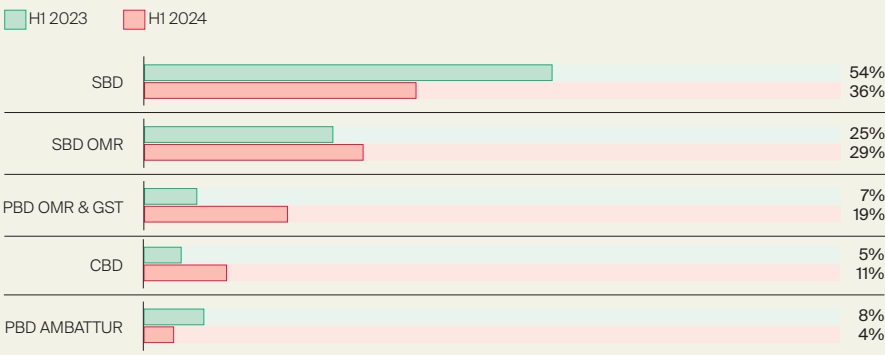


BUSINESS DISTRICT CLASSIFICATION

Business district	Micro markets
Central Business District (CBD and off CBD)	Anna Salai, RK Salai, Nungambakkam, Greams Road, Egmore, T Nagar
Suburban Business District (SBD)	Mount-Poonamallee Road, Porur, Guindy, Nandambakkam
SBD – Old Mahabalipuram Road (OMR)	Perungudi, Taramani
Peripheral Business District (PBD) – OMR and Grand Southern Trunk Road (GST)	OMR beyond Perungudi Toll Plaza, GST Road
PBD – Ambattur	Ambattur

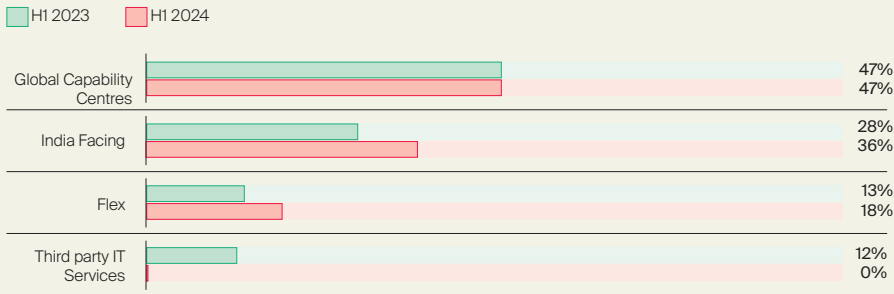
Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT IN H1 2023 AND H1 2024



Source: Knight Frank Research

END-USE SPLIT OF TRANSACTIONS IN H1 2023 AND H1 2024

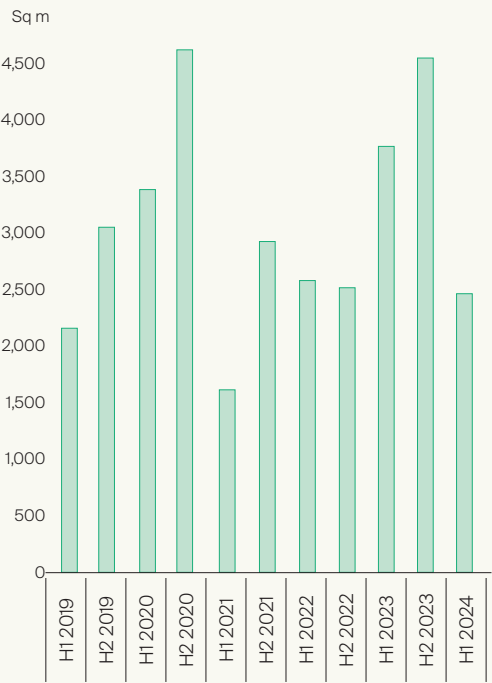


Source: Knight Frank Research

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

	Rental value range in H1 2024 in INR/ sq m/month (INR/sq ft/month)	12-month change	6-month change
CBD	700-1,023 (65-95)	2%	0%
SBD	807-969 (75-90)	8%	2%
SBD OMR	861-1,098 (80-102)	10%	7%
PBD OMR and GST Road	592-700 (55-65)	5%	4%
PBD Ambattur	377-538 (35-50)	2%	1%

AVERAGE DEAL SIZE TREND



Source: Knight Frank Research

HYDERABAD

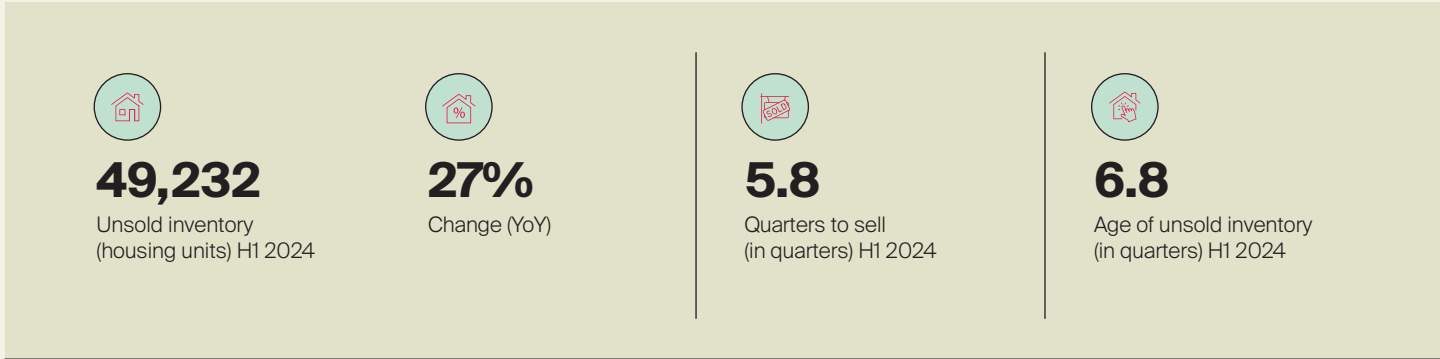


Residential Market

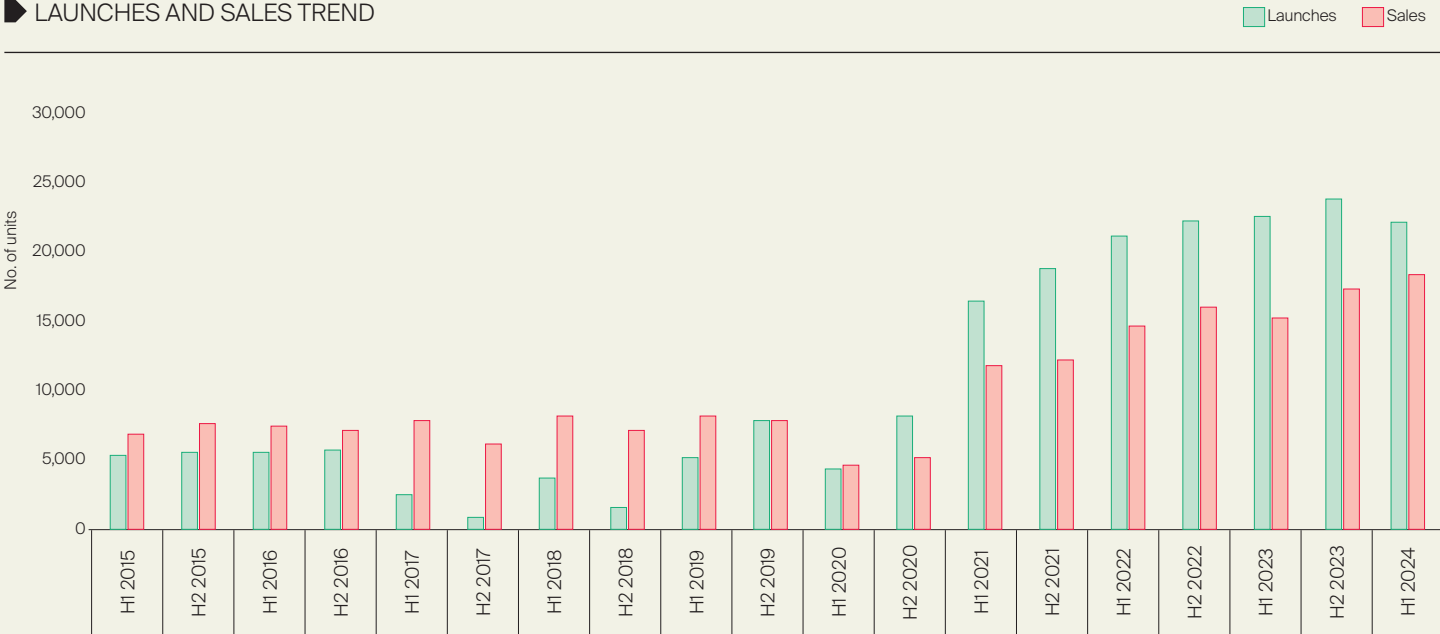
HYDERABAD MARKET SUMMARY

Parameter	2023	2023 Change (YoY)	H1 2024	H1 2024 Change (YoY)	Q2 2024	Q2 2024 Change (YoY)
Launches (housing units)	46,985	7%	22,300	-2%	11,160	-6%
Sales (housing units)	32,880	6%	18,573	21%	9,023	28%
Average price in INR/sq m (INR/sq ft)	INR 59,740 (INR 5,550)	11%	INR 61,146 (INR 5,681)	5%	-	-

Note: 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research



LAUNCHES AND SALES TREND



Source: Knight Frank Research

- The Hyderabad residential market continues to demonstrate strong growth, driven by a combination of economic factors, infrastructural improvements, and evolving buyer preferences. The significant rise in sales by 21% YoY during H1 2024 and by 28% YoY during Q2 2024 underscores the city's growing appeal as a preferred destination for homebuyers seeking lifestyle upgrades and better living environments.
- West Hyderabad remained the preferred choice for homebuyers in H1 2024 constituting 62% of the total sales, a trend consistent with H1 2023. The area's appeal is attributed to its proximity to key office locations such as HITEC City and the Financial District, coupled with robust infrastructure. These factors continue to drive homebuyer demand for West Hyderabad. Coming in second, North Hyderabad accounted for 20% of the sales during H1 2024. The growing popularity of North Hyderabad can be attributed to several factors that include its emerging infrastructure development, relatively low property prices compared to the western part of the city and improving connectivity to major business districts. The area is becoming increasingly attractive to homebuyers who seek more affordable options without compromising on accessibility and convenience.
- The proportion of high-value segment sales, representing homes valued at over INR 10 mn, has increased sharply from 45% in H1 2023 to 62% in H1 2024. More than half of the total sales now occur in this segment, and this upward trend is expected to continue in the coming years. The city's growing economy and sustained demand for luxury housing are key drivers of this

continued shift towards higher-value real estate transactions which have increased by 66% YoY during H1 2024.

- The growing preference for high value homes with bigger spaces and amenities has resulted in a decline in the share of houses in the affordable/mid-range category. The overall share of transactions in homes valued less than INR 5 mn have decreased significantly from 13% in H1 2023 to 9% in H1 2024. Similarly, the share of sales of homes valued between INR 5-10 mn have also seen a sharp decline, dropping from its 42% share in H1 2023 to 29% in H1 2024. In terms of transaction volumes, sale of homes valued at less than INR 5 mn have fallen by 17% YoY, while sale of homes valued between INR 5-10 mn fell by 15% YoY.
- Keeping homebuyer preferences in mind, developers have launched a total of 22,300 units during H1 2024. Of these, 67% were homes valued over INR 10 mn, 25% were homes valued between INR 5-10 mn, and 8% were homes valued at less than INR 5 mn. Launches in West Hyderabad continues to dominate the residential landscape, commanding 63% of the overall launches. Prominent developers such as My Home Constructions, Anvita Group, Aparna Construction, and Prestige Group were active in key locations such as Manikonda, Telhapur, Narsingi, and Kondapur. These areas are close to the Outer Ring Road (ORR) and feature upcoming apartments that are plush with amenities. The North and East zones accounted for 18% and 9% of the total launches, respectively, with significant activity in areas such as Kompally, Pocharam, Medchal, and Uppal.
- Unsold inventory in the Hyderabad

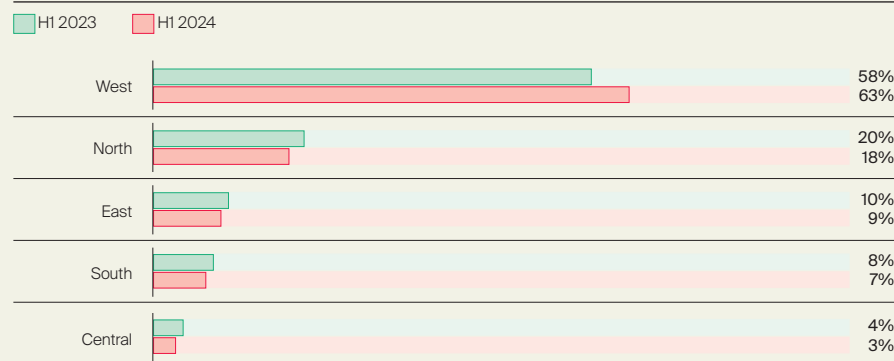
residential market increased by 27% YoY to 49,232 units during H1 2024. Notably, 60% of the unsold inventory comprised houses in the less than INR 5 mn and INR 5-10 mn segments. An intriguing observation is the decline in the quarter to sell (QTS) for higher-valued homes (>INR 10 mn), which dropped from 5.3 in H1 2023 to 4.6 in H1 2024. In contrast, QTS increased for houses in the less than INR 5 mn and INR 5-10 mn segments, rising from 4.6 to 6.9 and from 5.5 to 7.2, respectively. This trend reinforces the prevailing narrative in the Hyderabad housing market, emphasizing a strong preference for luxury or higher-value homes over those in the affordable and mid categories.

- Overall, the residential prices have increased by 5% YoY during H1 2024. The city continues to remain a desirable location for investors as well as end users.
- Hyderabad is known for its relatively affordable cost of living, good educational institutions, healthcare facilities, and a favorable climate, making it a preferred choice for families and professionals. The city boasts a robust and well-planned network of roads, flyovers, underpasses, and wide ring roads. The government's ongoing investments in key infrastructure projects, including the Hyderabad Metro Rail and the Regional Ring Road, are anticipated to enhance the city's appeal as an attractive place for both living and working. These developments are geared to further stimulate the demand for housing in Hyderabad.

► MICRO-MARKET CLASSIFICATION

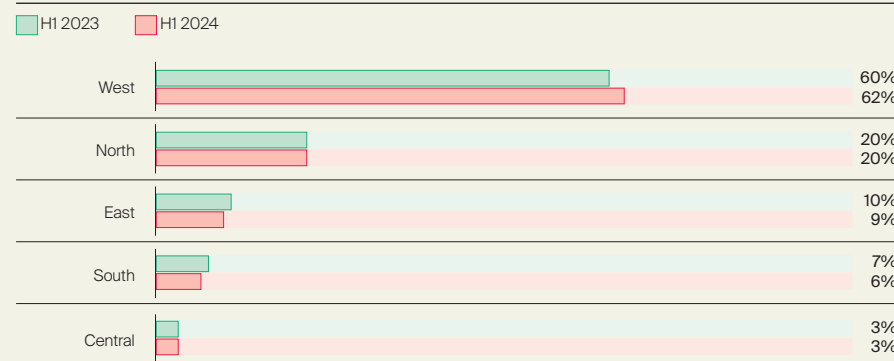
Micro market	Locations
HMR – Central	Begumpet, Banjara Hills, Jubilee Hills, Panjagutta, Somajiguda
HMR – West	Kukatpally, Madhapur, Kondapur, Gachibowli, Raidurgam, Kokapet
HMR – East	Uppal, Malkajgiri, LB Nagar
HMR – North	Kompally, Medchal, Alwal, Quthbullapur
HMR – South	Rajendra Nagar, Shamshabad

► MICRO-MARKET SPLIT OF LAUNCHES IN H1 2023 AND H1 2024



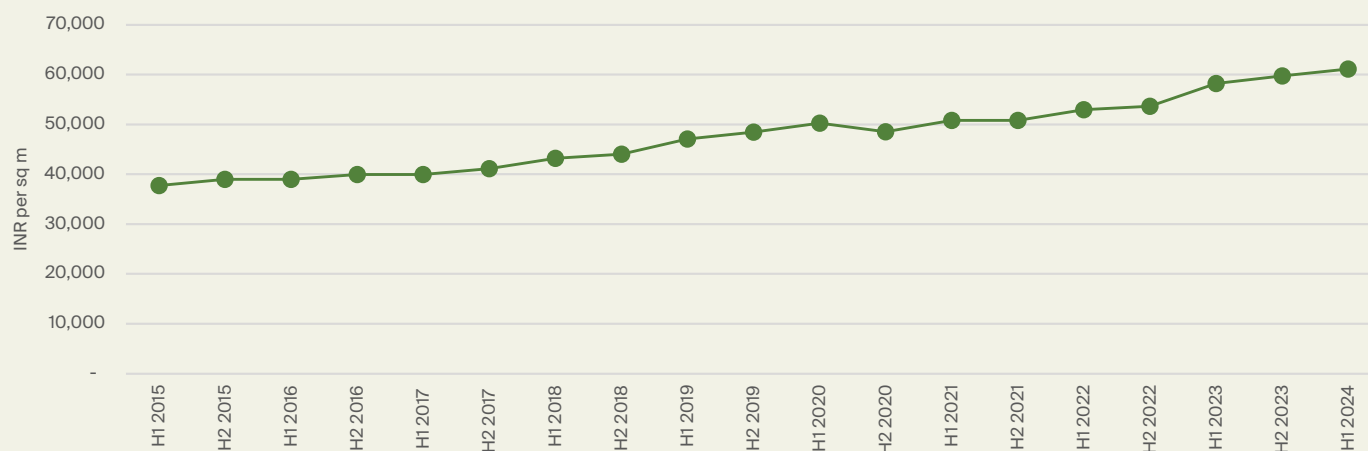
Source: Knight Frank Research

► MICRO-MARKET SPLIT OF SALES IN H1 2023 AND H1 2024



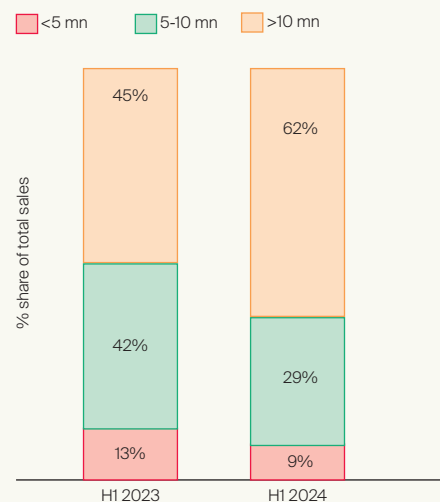
Source: Knight Frank Research

► AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

► HYDERABAD TICKET SIZE SPLIT COMPARISON OF SALES DURING H1 2023 AND H1 2024



Source: Knight Frank Research

► TICKET-SIZE SEGMENT HEALTH

Ticket-size segment	Unsold Inventory (housing units) (YoY change)	Quarters-to-sell (QTS)
0 – 5 mn	6,739 (12%)	6.9
5 – 10 mn	22,831 (26%)	7.2
>10 mn	19,662 (33%)	4.6

Source: Knight Frank Research

► MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
Central	1,494 (21%)	4.9
East	5,050 (34%)	6.2
North	7,619 (18%)	4.6
South	4,442 (45%)	8.8
West	30,626 (26%)	5.9

Source: Knight Frank Research

► RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H1 2022 in INR/sq m (INR/sq ft)	12 month Change	6 month Change
Central	Banjara Hills	1,55,002- 1,72,224 (14,400-16,000)	6%	0%
	Jubilee Hills	144238- 1,61,460 (13,400-15,000)	0%	0%
East	LB Nagar	68,351- 72,657 (6,350-6,750)	6%	4%
	Nacharam	63,508- 66,737 (5,900-6,200)	1%	2%
North	Kompally	53,282- 61,979 (4,950-5,758)	4%	2%
	Sainikpuri	51,667- 54,896 (4,800-5,100)	1%	0%
South	Rajendra Nagar	74,810- 87,285 (6,950-8,109)	6%	1%
	Bandlaguda	72,119- 83,841 (6,700-7,789)	3%	2%
West	Kokapet	1,08,124- 1,34,550 (10,045-12,500)	11%	3%
	Manikonda	91,494- 98,168 (8,500-9,120)	6%	2%

Source: Knight Frank Research

HYDERABAD

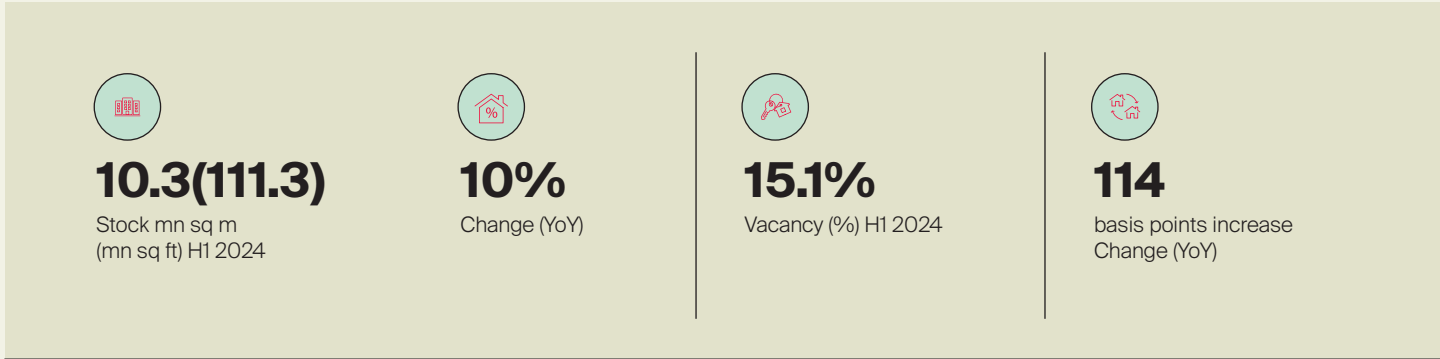


Office Market

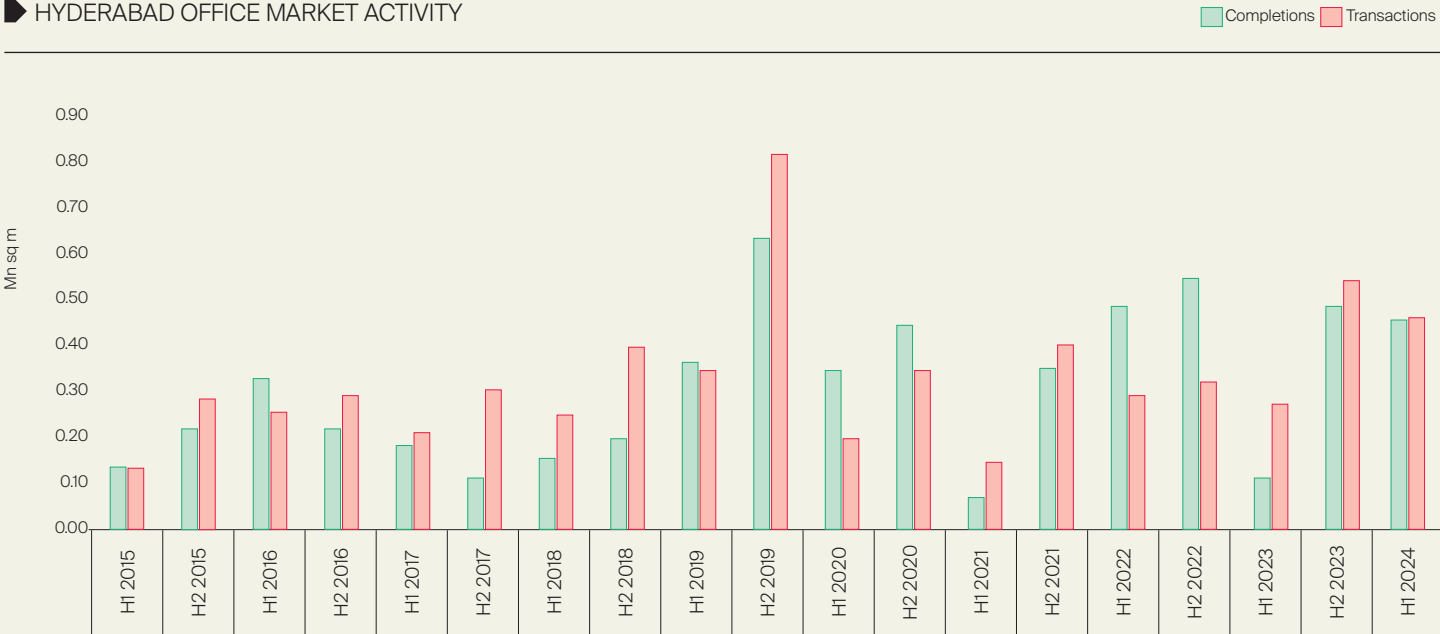
HYDERABAD MARKET SUMMARY

Parameter	2023	2023 Change (YoY)	H1 2024	H1 2024 Change (YoY)	Q2 2024	Q2 2024 Change (YoY)
Completions in mn sq m (mn sq ft)	0.61 (6.5)	-42%	0.46 (5.0)	300%	0.12 (1.3)	6%
Transactions in mn sq m (mn sq ft)	0.82 (8.8)	32%	0.47 (5.0)	71%	0.19 (2.0)	-4%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	705 (65.5)	1%	732 (68.0)	4%	-	-

Note: 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research



HYDERABAD OFFICE MARKET ACTIVITY



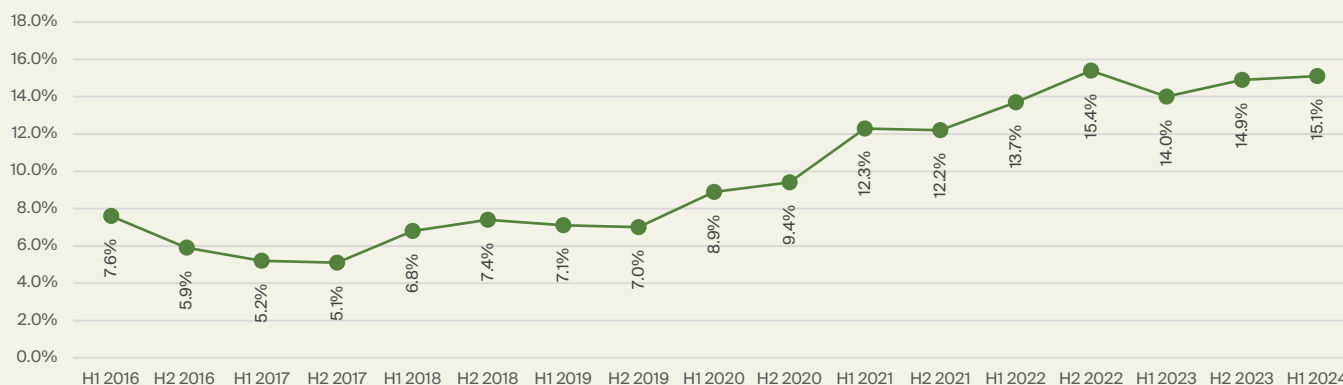
- The Hyderabad office leasing market experienced a sharp 71% YoY growth, with a total of 0.47 mn sq m (5.0 mn sq ft) transacted during H1 2024. This growth can be attributed primarily to increased absorption by Global Capability Centers (GCCs) and flex space operators. In H1 2023, the Information Technology sector which has been the mainstay of Hyderabad's economic landscape, experienced a significant slowdown due to the economic downturn in the West, resulting in a drastic drop-in occupier activity from the sector during this period. Fast forward to 2024, the sector has been showing signs of recovery, with hiring on the rise for profiles in emerging information technology such as Artificial Intelligence/Machine Learning (AI/ML) and GCCs taking the lead resulting in an increase in space take up.
- The occupier demand landscape in Hyderabad has undergone a significant transformation compared to H1 2023. Offshore units of multinational corporations known as GCCs, have dramatically increased their footprint in the office leasing market, with space take-up rising sharply by 1655% YoY during H1 2024. GCCs accounted for a substantial 60% of the leased office space, a marked increase from the 6% recorded in H1 2023. This surge underscores the growing importance of Hyderabad as a hub for global operations. Key tenants driving this trend include prominent names such as Sanofi and Cigna which have established or expanded their footprint in the city.
- Flex space operators have taken up the second highest amount of space in Hyderabad. Although flex spaces accounted for 15% of the total leased office space during H1 2024, a slight decrease from

18% in H1 2023, there was a noteworthy 45% YoY increase in transaction volume. Key players in this sector such as Isprout, WeWork, Awfis, and The Headquarters, were particularly active during this period. The increasing popularity of flex spaces, due to the flexibility of scale and tenure that they provide to burgeoning businesses and new market entrants, has led to flex space operators expanding their operations across the city.

- Businesses with a primary focus on catering to the Indian market, accounted for 14% of the leased office space during H1 2024. While this represents a decline from the 25% share recorded in H1 2023, the drop in volume was only 1%. Within this category, tenants in the Information Technology sector followed by tenants in the Other Services sector such as education and consulting, were the most dominant and accounted for the bulk of transactions. The average deal size for occupiers with an India-facing business orientation during H1 2024, was approximately 0.006 mn sq m (0.06 mn sq ft), an increase compared to H1 2023 from the average deal size of approximately 0.004 mn sq m (0.04 mn sq ft). This indicates a trend towards demand for larger office spaces for businesses focused on the domestic market.
- Third-party IT, a significant segment of the Information Technology sector, is still recovering from the challenges of 2023, and this has led to the decline in their transaction volumes. Occupiers from this segment, primarily engaged in outsourcing services to clients abroad, constituted 11% of the total share of transactions during H1 2024, a major decline from the 65% recorded in the previous period.

- Office completions increased sharply by 300% YoY during H1 2024. New supply by major developers such as Vasavi, Raheja, and Prestige entered the market in key areas such as Gachibowli (PBD West), HITEC City (SBD), and the financial district (SBD). This influx of new space led to a slight increase in the vacancy rate from 14.0% in H1 2023 to 15.1% during H1 2024.
- Occupiers have shown a strong preference for leasing office spaces in the SBD, with nearly all of the transactions occurring there in H1 2024. HITEC City continues to stand out as the primary hub in the Hyderabad office market within the SBD, accounting for 87% of the overall transactions.
- Rental rates in Hyderabad have increased by 4% YoY during H1 2024, with HITEC City experiencing a 5% YoY rise. This uptick can be attributed to the increased demand for office spaces particularly from GCCs, which has driven up rentals in these areas. In fact, the improvements in infrastructure and connectivity within HITEC City have also made it more attractive for businesses, thereby driving up rents. In contrast, rents in other business districts such as the CBD, PBD West, and PBD East have remained flat.
- Hyderabad continues to see a surge in demand for office spaces, solidifying its status as a preferred destination for businesses. This demand is driven by the city's outstanding quality of life, robust infrastructure, and consistent influx of top-tier talent. Going forward, the recovery of the Information Technology sector in 2024, coupled with rising hiring activities, particularly by GCCs, is expected to further bolster commercial leasing demand in the coming months.

HYDERABAD OFFICE MARKET VACANCY



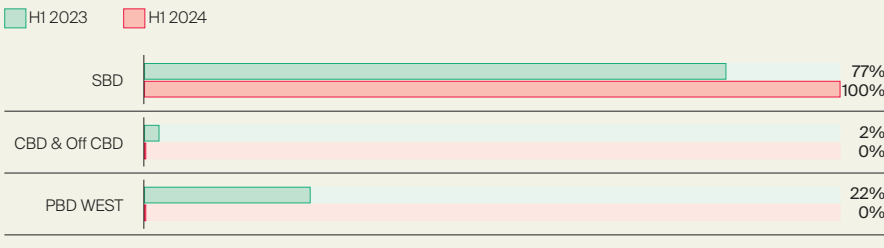
Source: Knight Frank Research

BUSINESS DISTRICT CLASSIFICATION

Business district	Micro markets
Central Business District (CBD and off CBD)	Banjara Hills, Jubilee Hills, Begumpet, Ameerpet, Somajiguda, Himayat Nagar, Raj Bhavan Road, Punjagutta
Suburban Business District (SBD)	HITEC City, Kondapur, Manikonda, Kukatpally, Raidurg
Peripheral Business District (PBD) West	Gachibowli, Kokapet, Madinaguda, Nanakramguda, Serilingampally
Peripheral Business District (PBD) East	Uppal, Pocharam

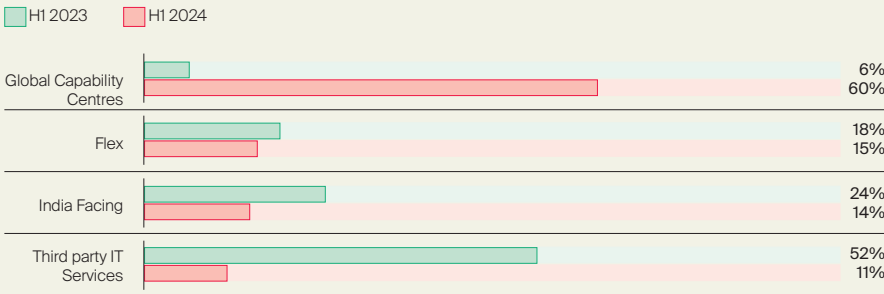
Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT IN H1 2023 AND H1 2024



Source: Knight Frank Research

END-USE SPLIT OF TRANSACTIONS IN H1 2023 AND H1 2024



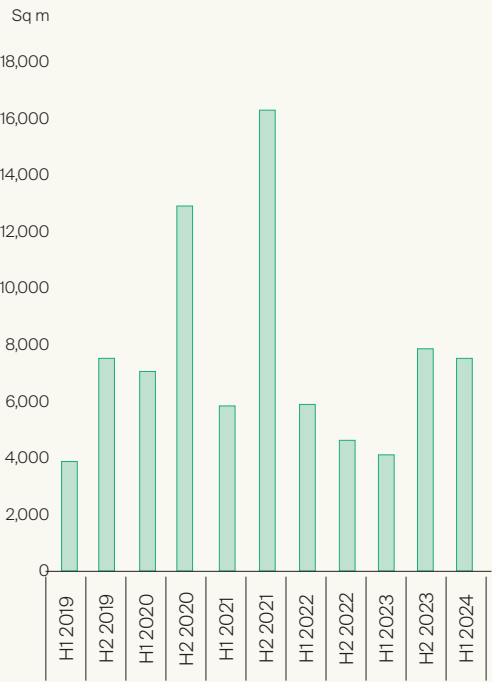
Source: Knight Frank Research

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

	Rental value range in H1 2024 in INR/sq m/month (INR/sq ft/month)	12-month change	6-month change
CBD and Off-CBD	592-646 (55-60)	1%	0%
SBD	732-829 (68-77)	5%	3%
PBD West	592-646 (55-60)	1%	0%
PBD East	323-377 (30-35)	1%	0%

Source: Knight Frank Research

AVERAGE DEAL SIZE TREND



Source: Knight Frank Research

KOLKATA

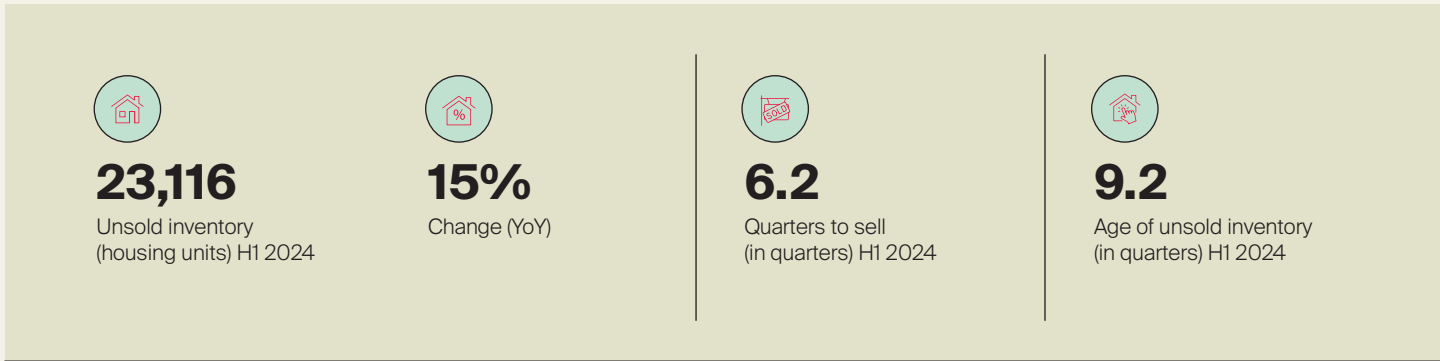


Residential Market

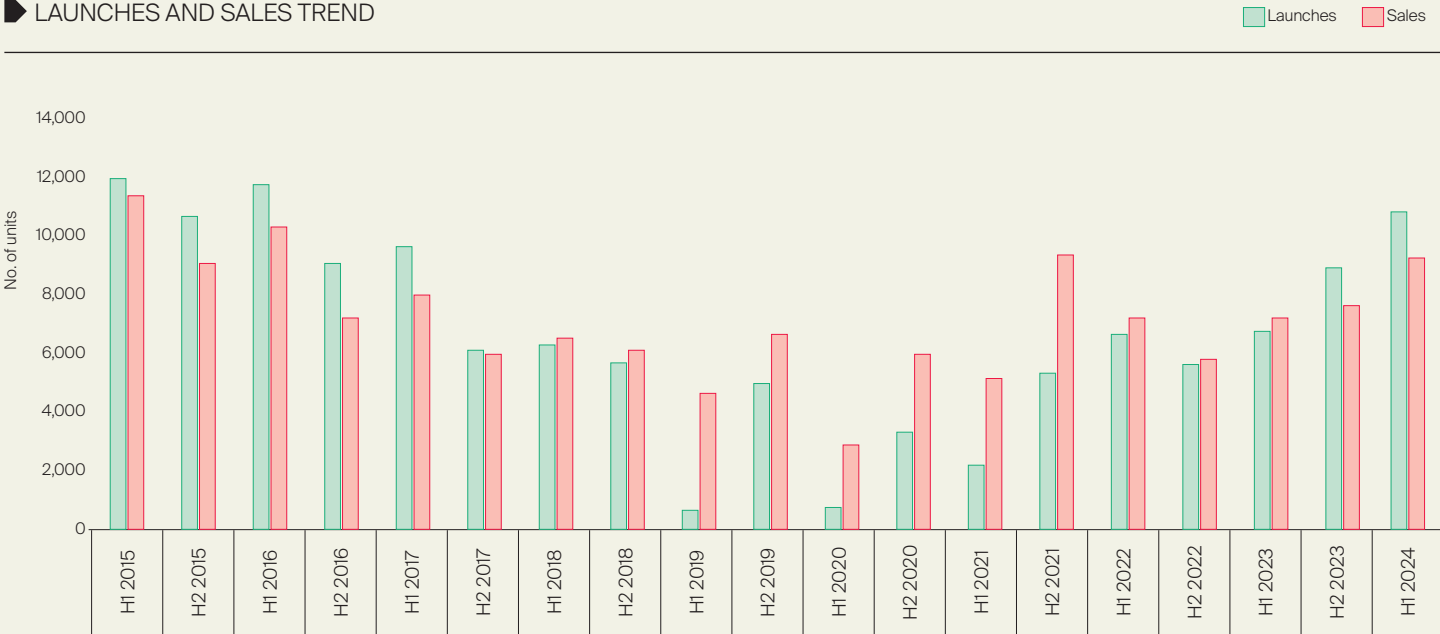
KOLKATA MARKET SUMMARY

Parameter	2023	2023 Change (YoY)	H1 2024	H1 2024 Change (YoY)	Q2 2024	Q2 2024 Change (YoY)
Launches (housing units)	15,730	28%	10,829	60%	4,808	34%
Sales (housing units)	14,999	16%	9,130	25%	5,193	36%
Average price in INR/sq m (INR/sq ft)	INR 38,632 (INR 3,589)	7%	INR 39,267 (INR 3,648)	6%	-	-

Note: 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research



LAUNCHES AND SALES TREND



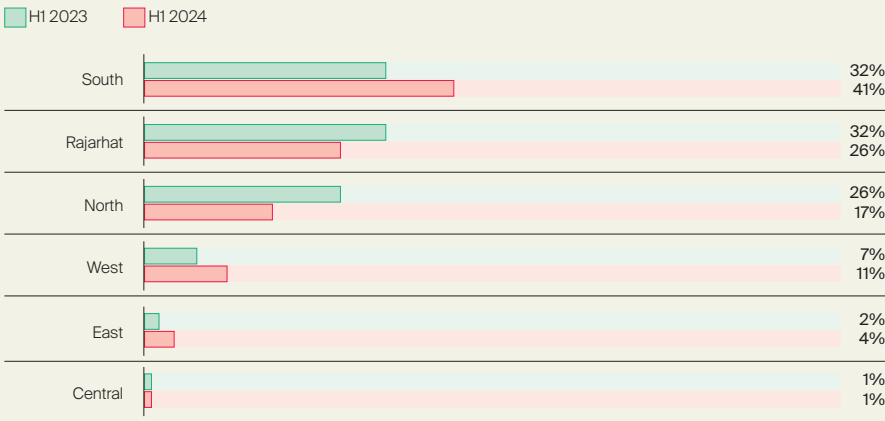
Source: Knight Frank Research

- Kolkata's primary residential market continued to witness strong homebuying demand in H1 2024. During this half yearly period, 9,130 residential units were sold in the market, recording a healthy 25% year-on-year (YoY) growth in the sales volume. Continuation of stamp duty rebate coupled with new launches across price segments helped the market maintain an upward sales momentum in this period. In particular, the mid segment ticket size category of INR 5-10 mn witnessed an expansion in sales volume during the first half of the year. This is a marked improvement over H1 2023 which had noted a 3% annual growth over H1 2022. With The Reserve Bank of India's (RBI) stance to keep repo rate stable during the first half of 2024, sales volume witnessed an upward trajectory.
- In terms of the micro-market split, South (37%), North (26%) and Rajarhat (21%) remained the most popular micro-markets from a homebuying perspective. Locations in the Northern micro-market fared better than others, and this micro-market's share expanded from 17% in H1 2023 to 26% at the end of this review period.
- In the past one year, the share of ticket sizes < INR 5 mn in Kolkata's total sales volume has shrunk from 49% in H1 2023 to 45% in H1 2024. This is largely due to the previous impact of repo rate hikes impacting the price sensitive homebuyers in this category more than the other categories. Interestingly, the share of projects with ticket sizes of INR 5-10 mn increased from 34% in H1 2023 to 37% in H1 2024. The share of residential products in > INR 10 mn category also inched up from 17% in H1 2023 to 18% in H1 2024. Since the buyer profile in mid and high-end segments are less sensitive to changes in EMIs due to fluctuation in lending costs, the sales in these ticket size segments have bucked the trend noted in the < INR 5 mn segment.
- Driven by healthy homebuying demand, a robust upswing in new residential launches in the market was witnessed in H1 2024. New launches witnessed a 60% YoY growth over H1 2023, which is marginally lesser than the YoY upswing witnessed in H2 2023. The launch of 10,829 units in H1 2024 is also the highest in the past seven years. Developers have launched new inventory in the market to cater to the demand surge in the mid-segment and premium categories. While both residential sales and launches witnessed a positive annual growth in H1 2024, the annual growth percentage in launches outpaced sales in line with the trend in H2 2023.
- Of all the micro-markets, South Zone constituted 41% of the total units launched in H1 2024. Rajarhat (26%) and North Zone (17%) and secured the second and third spots respectively. Despite a seven year high in launches, the share of both Rajarhat and North shrunk compared to H1 2023 as locations in other prominent micro-markets of South, West and Central zones noted an increase in the launch of new residential projects.
- As the sales trajectory for residential projects has been on an upswing, average residential prices rose by 6% YoY in H1 2024. The launch of new projects at higher prices than before contributed to this price rise at a city level. Despite the strengthening of residential prices, the continuation of the stamp duty rebate will continue to provide relief to homebuyers.
- Due to a healthy growth in new launches, the unsold inventory rose by 15% YoY to 23,116 units in H1 2024. However, the stamp duty rebate and delivery of ready to move in inventory ensured that even older projects found significant take-up from homebuyers. This led to a decline in the age of inventory to 9.2 in H1 2024 which is indicative of the improving market health.
- The quarters-to-sell (QTS) for the city inched up from 5.5 in H1 2023 to 6.2 in H1 2024. QTS is the number of quarters required to exhaust the existing unsold inventory in the market. The existing unsold inventory is divided by the average sales velocity of the preceding eight quarters to arrive at the QTS number for the current quarter.
- Despite homebuying demand skewed in favor of products in the < INR 5 mn and INR 5-10 mn categories, the QTS for both these ticket-size segments stood at 6.5 which is marginally higher than the market level QTS of 6.2 as indicated above. This is largely because of a significant pile up of unsold inventory for these ticket-size segments due to a spate of new launches in the recent past. For ticket size segments of > INR 10 mn, there has been a 30% annual reduction in unsold inventory despite its smaller share compared to the other two segments. Consequently, the QTS for this particular segment stands the lowest at 4.5, which is also lesser than the market level, indicating better health.

► MICRO-MARKET CLASSIFICATION

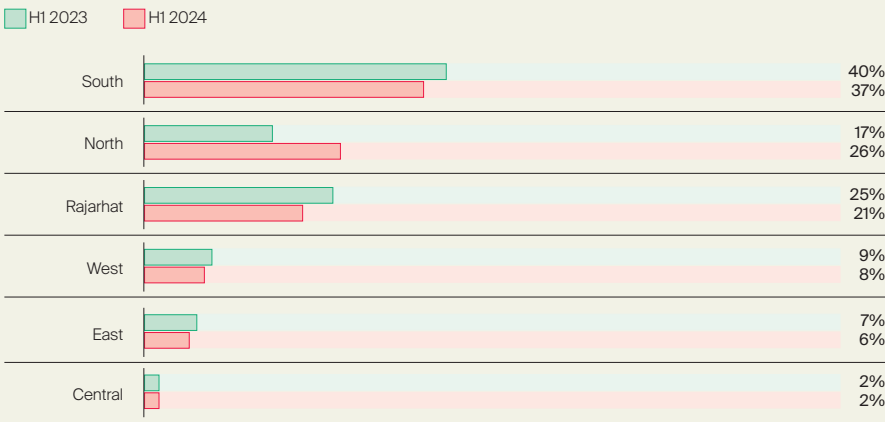
Micro market	Locations
Central	Park Street, Rawdon Street, AJC Bose Road, Minto Park, Elgin Road
East	Kankurgachi, Beliaghata, Salt Lake, Narkeldanga, Keshtopur, EM Bypass (eastern parts)
North	Baguiati, Ultadanga, Jessore Road, Shyambazar, Lake Town, BT Road, VIP Road
Rajarhat	Rajarhat New Town
West	Howrah, Rishra, Hooghly, Uttarpara, Chandan Nagar, Rajpur, Kona Expressway
South	Ballygunge, Alipore, Tollygunge, Narendrapur, Behala, Garia, Maheshtala, EM Bypass (southern parts)

MICRO-MARKET SPLIT OF LAUNCHES IN H1 2023 AND H1 2024



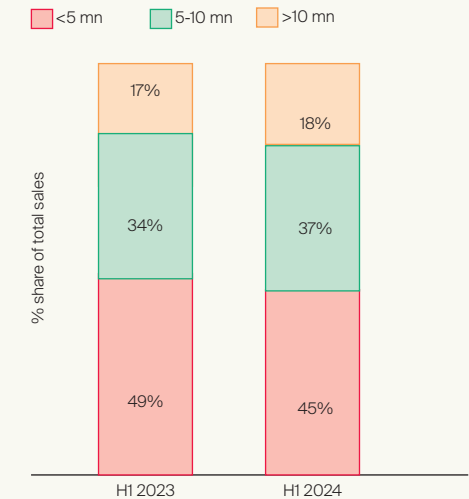
Source: Knight Frank Research

MICRO-MARKET SPLIT OF SALES IN H1 2023 AND H1 2024



Source: Knight Frank Research

KOLKATA TICKET SIZE SPLIT
COMPARISON OF SALES DURING H1
2023 AND H1 2024

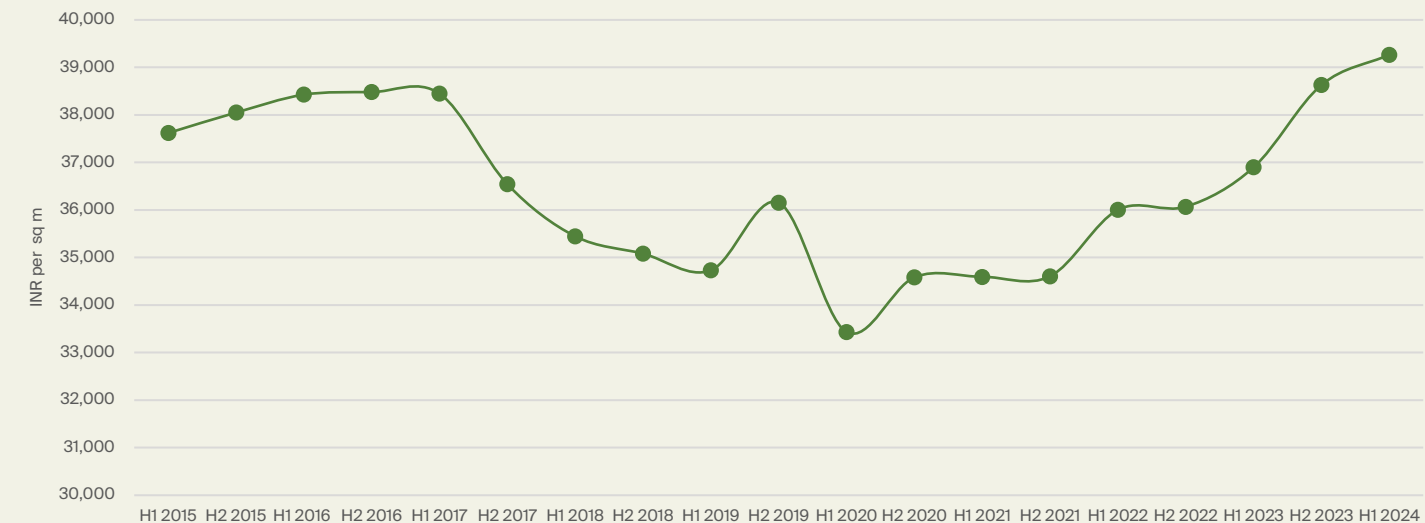


Source: Knight Frank Research

TICKET-SIZE SEGMENT HEALTH

Ticket-size segment	Unsold Inventory (housing units) (YoY change)	Quarters-to-sell (QTS)
0-5 mn	11,960 (11%)	6.5
5-10 mn	8,350 (57%)	6.5
>10 mn	2,805 (-30%)	4.5

AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

► MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
Central	244 (133%)	3.7
East	310 (-55%)	1.3
North	6,433 (17%)	7.8
Rajarhat	9,084 (11%)	10.3
South	5,635 (14%)	4.0
West	1,411 (105%)	4.4

Source: Knight Frank Research

► RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H1 2024 in INR/sq m (INR/sq ft)	12 month Change	6 month Change
Central	Park Street	145,314-231,426 (13,500-21,500)	6%	0%
	Rawdon Street	107,640-215,280 (10,000-20,000)	8%	0%
East	Kankurgachi	59,202-91,494 (5,500-8,500)	2%	0%
	Salt Lake	53,820-96,876 (5,000-9,000)	10%	0%
North	Madhyamgram	27,986-39,289 (2,600-3,650)	5%	0%
	BT Road	32,292-44,132 (3,000-4,100)	1%	0%
	Jessore Road	37,674-59,202 (3,500-5,500)	2%	0%
Rajarhat	Rajarhat New Town	37,674-78,577 (3,500-7,300)	2%	0%
South	Ballygunge	87,188-209,898 (8,100-19,500)	1%	0%
	Tollygunge	55,973-159,307 (5,200-14,800)	2%	0%
	Behala	34,445-49,514 (3,200-4,600)	0%	0%
	Narendrapur	27,986-48,976 (2,600-4,550)	0%	0%

Source: Knight Frank Research

KOLKATA

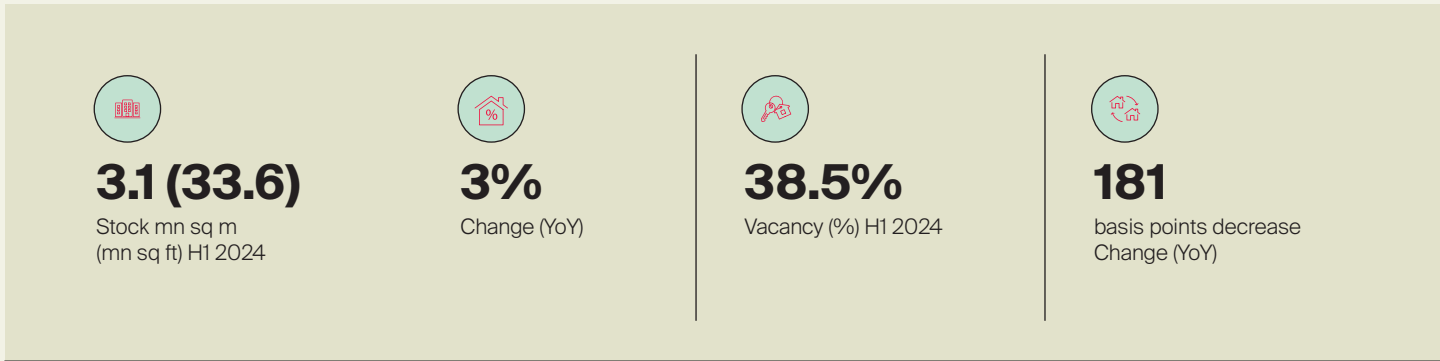


Office Market

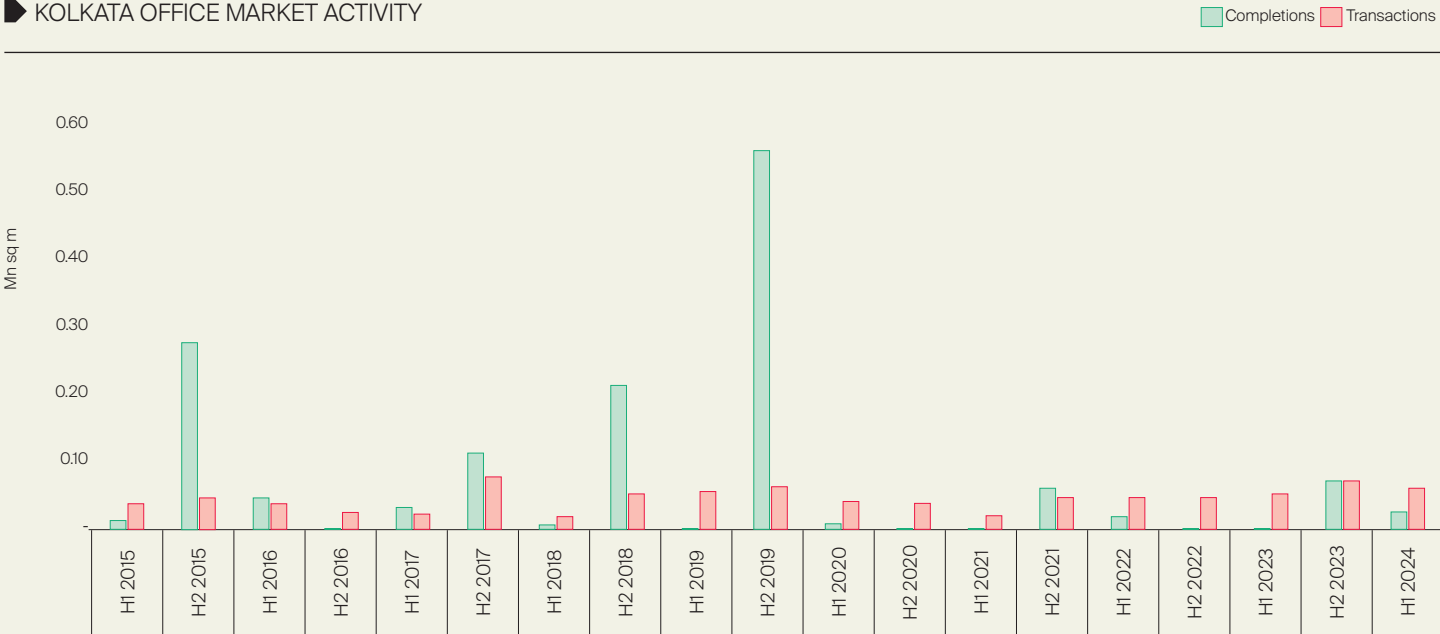
KOLKATA MARKET SUMMARY

Parameter	2023	2023 Change (YoY)	H1 2024	H1 2024 Change (YoY)	Q2 2024	Q2 2024 Change (YoY)
Completions in mn sq m (mn sq ft)	0.1 (0.8)	332%	0.03 (0.3)	-	0.03 (0.3)	-
Transactions in mn sq m (mn sq ft)	0.1 (1.4)	20%	0.06 (0.7)	23%	0.05 (0.5)	43%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	414 (38.5)	11%	434.7 (40.4)	6%	-	-

Note: 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research



KOLKATA OFFICE MARKET ACTIVITY



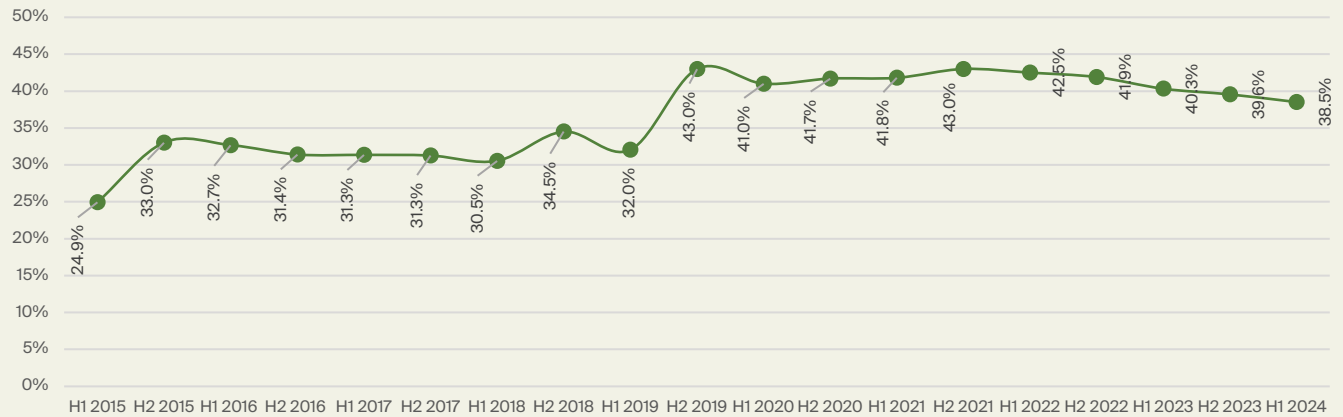
Source: Knight Frank Research

- In H1 2024, Kolkata's office market witnessed a healthy increase in office leasing volume and recorded a 23% year-on-year (YoY) growth compared to H1 2023. At 0.06 mn sq m (0.7 mn sq ft), strong occupier interest for office spaces came to the fore from diverse sectors. In particular, occupiers in the information technology sector expanded real estate footprint in Kolkata's prime business districts. For Kolkata, this is the highest half-yearly transaction volume recorded in the first half of any year since H1 2019.
- Bucking past trends, the Peripheral Business District of Rajarhat (New Town) emerged at the top position in office transactions with a 49% share in this period. This is attributed to a few large sized office space deals from IT sector occupiers in this business district. Compared to its 26% share in H1 2023, this business district's share has expanded to 49%, relegating PBD -1 (Salt Lake City) to the second spot for the first time in 10 years. PBD -1 (Salt Lake City) witnessed its share shrink from 67% in H1 2023 to 46% in H1 2024. Occupier interest in Kolkata's other business districts has been increasing with the availability of new supply in some locations, whereas limited availability of spaces in Salt Lake Sector V has also prompted prospective tenants to evaluate other markets intra city. Suburban Business District (SBD -2 Rashbehari Connector) comprised 3% of the city's leasing and CBD and Off CBD Business Districts accounted for 2% of the total.
- In terms of the end-use split of office spaces transacted, the share of India facing businesses has expanded substantially from 79% in H1 2023 to 97% in H1 2024. Strengthening domestic economic environment has led to a focus on serving India based businesses and clients locally which reflects in Kolkata's office transactions. Global Capability Centres (GCC) accounted for only 3% of the overall leasing in H1 2024.
- In H1 2024, 0.03 mn sq m (0.3 mn sq ft) of new office space completions became available in Kolkata. PBD-2 (Rajarhat New Town) witnessed the infusion of all of the new office space completions which will further boost the prospects of this business district as it will give more affordable options to occupiers who are looking at establishing or expanding its office space footprint in Kolkata.
- A healthy jump in office space leasing led to a 181 basis points decline in Kolkata's office space vacancy compared to the year ago period. From 40.3% in H1 2023, office space vacancy reduced to 38.5% at the end of H1 2024. This vacancy threshold is the lowest that has prevailed in Kolkata's office market since the pre-covid period of H1 2019. The upward momentum in office leasing, particularly in the past two years has been instrumental in bringing down the high vacancy levels sequentially. From 42.5% in H1 2022, the office vacancy in Kolkata shrunk to 40.3% in H1 2023, before reducing to 38.5% in H1 2024. Despite this significant correction, Kolkata continues to record the second highest vacancies in India's top eight markets, after Ahmedabad.
- The average office space rents have increased by 6% YoY in H1 2024 largely due to the high demand for office spaces in Rajarhat (New Town) and Salt Lake City Sector V. In both these peripheral business districts, average rents have grown by 9% and 6% YoY which have pushed the overall average up. Quality office spaces in this business district have become expensive due to limited space options and desired tenant profile.

 BUSINESS DISTRICT CLASSIFICATION

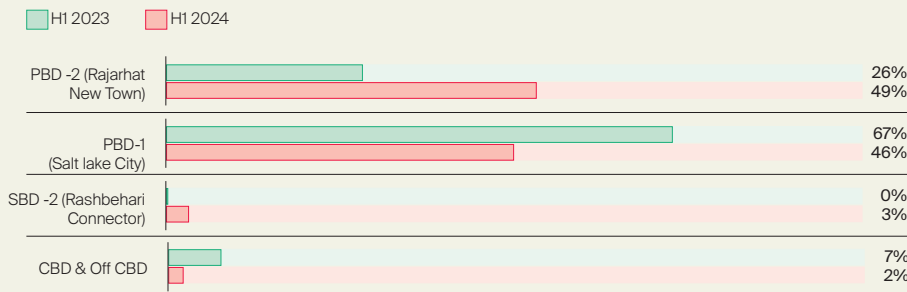
Business district	Micro markets
Central Business District (CBD) and Off CBD	Park Street, Camac Street, Theatre Road, AJC Bose Road, Elgin Road, Rabindra Sadan, Esplanade, Lenin Sarani, S N Banerjee Road, Central Avenue, Dalhousie Square, Mangoe Lane, Brabourne Road, Chandni Chowk, Rawdon Street, Loudon Street, Lee Road, Lord Sinha Road, Hastings, Hare Street, Kiran Shankar Ray Road, Upper Wood Street, Hungerford Street, Circus Avenue, Syed Amir Ali Avenue, Chowringhee
Suburban Business District (SBD-1) Park Circus Connector	Topsia, JBS Haldane Avenue, EM Bypass-Park Circus Connector
Suburban Business District (SBD-2) Rashbehari Connector	EM Bypass-Rashbehari Connector, Anandapur Main Road, Rajdanga, South Ballygunge, Ashutosh Mukherjee Road, Gariahat, Hazra, Chetla, Jessore Road, Nagerbazar
Peripheral Business District (PBD-1) Salt Lake City	Salt Lake Sector V
Peripheral Business District (PBD-2) Rajarhat New Town	Rajarhat New Town, BT Road, Bantala

KOLKATA OFFICE MARKET VACANCY



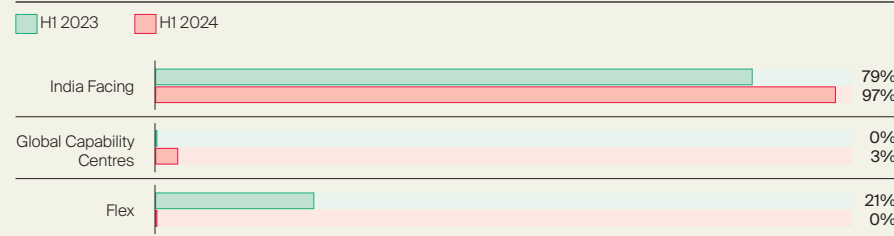
Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT IN H1 2023 AND H1 2024



Source: Knight Frank Research

END-USE SPLIT OF TRANSACTIONS IN H1 2023 AND H1 2024



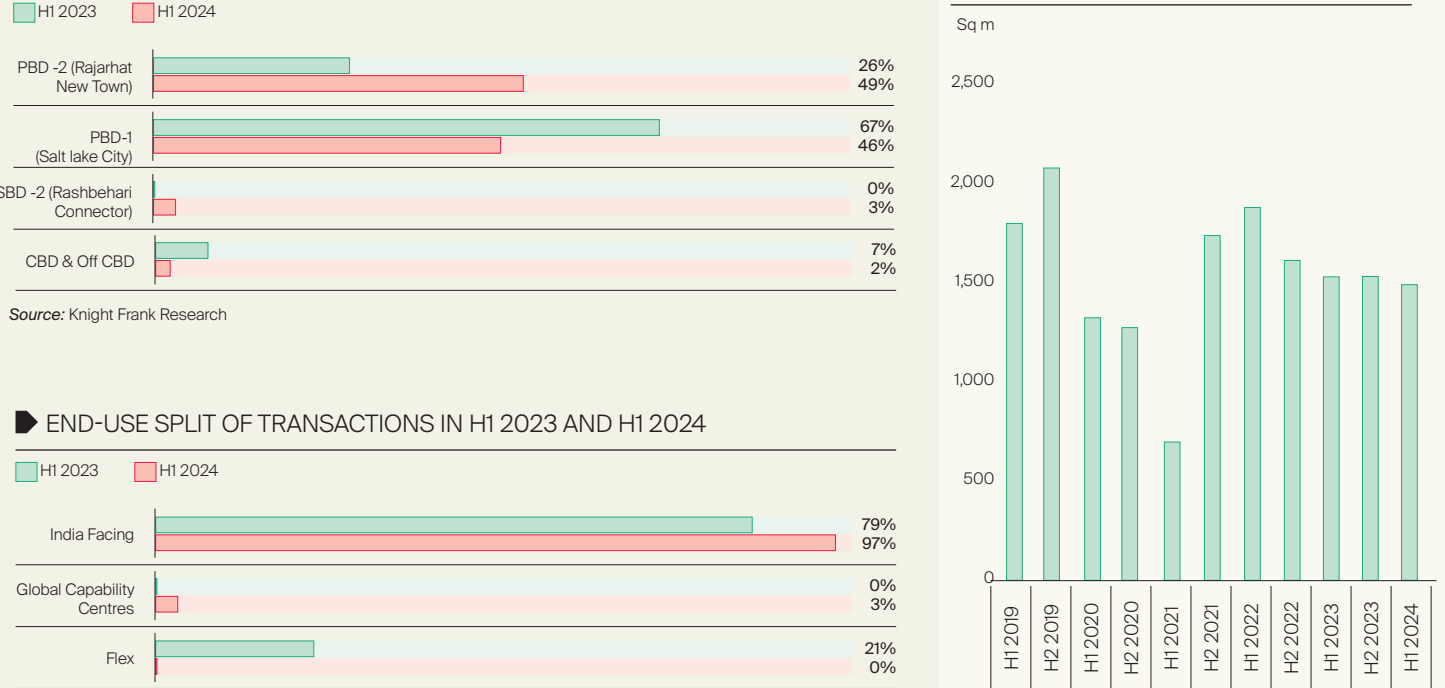
Source: Knight Frank Research

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

	Rental value range in H1 2024 in INR/sq m/month (INR/sq ft/month)	12-month change	6-month change
CBD & Off CBD	700-1,023 (65-95)	0%	0%
SBD-I (Park Circus Connector)	538-753 (50-70)	0%	0%
SBD-II (Rashbehari Connector)	538-915 (50-85)	0%	0%
PBD-I (Salt Lake City)	323-646 (30-60)	6%	2%
PBD-II (Rajarhat New Town)	269-538 (25-50)	9%	3%

Source: Knight Frank Research

AVERAGE DEAL SIZE TREND



Source: Knight Frank Research

NCR

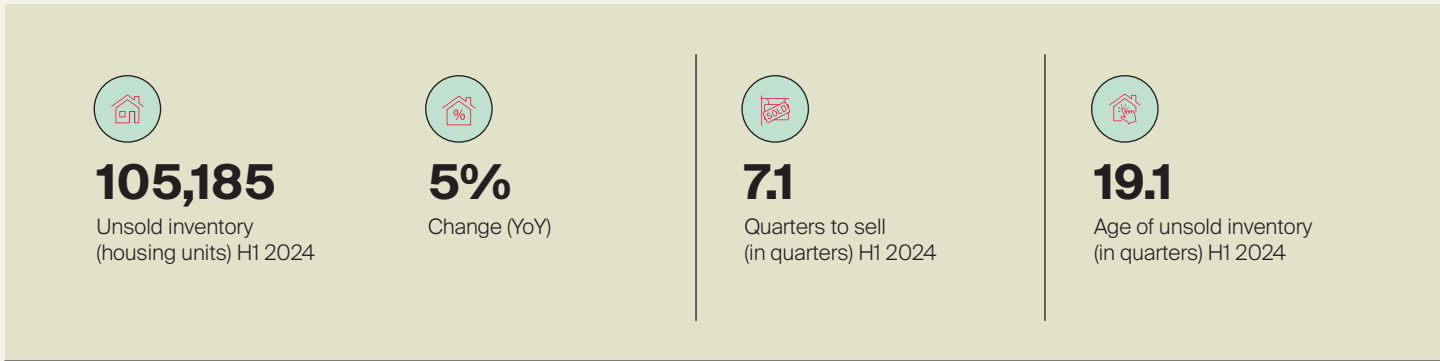


Residential Market

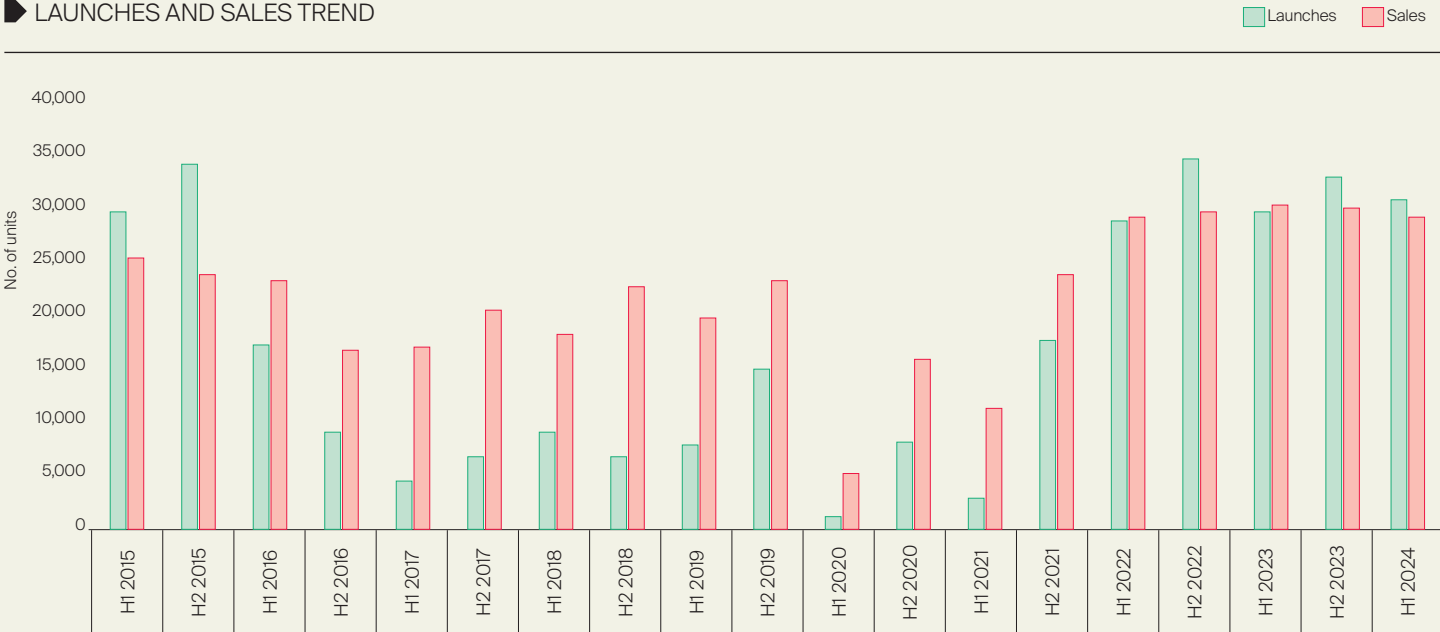
NCR MARKET SUMMARY

Parameter	2023	2023 Change (YoY)	H1 2024	H1 2024 Change (YoY)	Q2 2024	Q2 2024 Change (YoY)
Launches (housing units)	62,649	-1%	30,580	3%	15,687	3%
Sales (housing units)	60,002	3%	28,998	-4%	13,471	-8%
Average price in INR/sq m (INR/sq ft)	INR 51,226 (INR 4,759)	6%	INR 52,043 (INR 4,835)	4%	-	-

Note: 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research



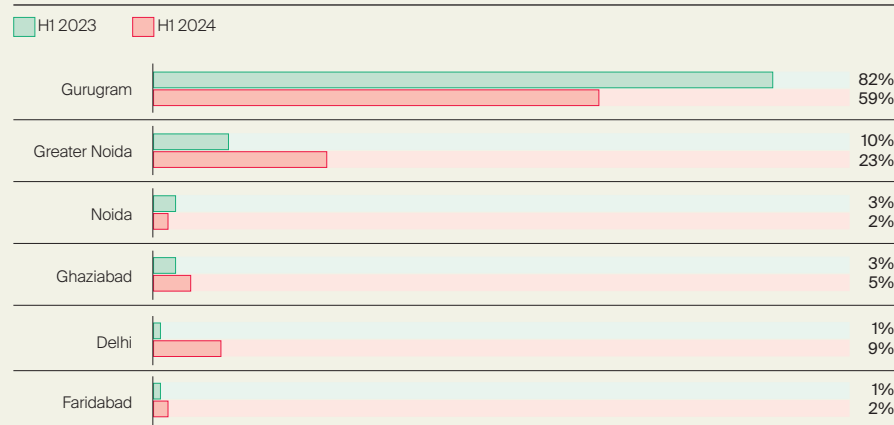
LAUNCHES AND SALES TREND



- In H1 2024, the National Capital Region (NCR)'s primary residential market remained a hotbed for real estate action. During this half yearly period, 30,580 residential units were launched across the region. On the homebuying front, despite healthy sales velocity in the past eight quarters, the half yearly sales volume moderated to 28,998 units, which is sequentially lower than H1 2023 and H2 2023. The successive growth in average residential prices in the past 2.5 years has started reflecting in the sales momentum as many new micro-markets and locations which were earlier within the homebuyers' reach have become expensive due to lack of ready to move in inventory and infrastructure upgrades.
- For the second consecutive half yearly period, NCR's new launches outstripped the sales volume. In H1 2024, the new launches witnessed a 3% year-on-year (YoY) uptick over H1 2023. This is primarily due to the steady stream of large-scale residential projects launched on land parcels acquired in the recent past by developers. These land deals have propelled residential development across various sectors in Gurugram, Noida and Greater Noida, amongst others.
- In H1 2024, Gurugram accounted for the highest share of 59% in NCR's total half yearly launches. Infrastructure upgrades, enhanced connectivity and growing homebuyer appetite for the ecosystem of Gurugram's high-end projects led to many new launches in locations such as Sector 56, 76, 79, 80, 85, 90, 93, 99 A, 36 A and 113. Greater Noida comprised 23% of the total launches in this period as government focus on dispute resolution for projects in this region helped to revitalize new residential development to meet the latent homebuying demand. Delhi (9%), Ghaziabad (5%), Noida (2%) and Faridabad (2%) accounted for the remaining 18% share of the region's new launches.
- In terms of half yearly sales, NCR's residential sales volume in H1 2024 represented a 4% YoY degrowth over H1 2023 due to the base effect. With the Reserve Bank of India's (RBI) unchanged stance on repo rate in June 2024, homebuyers will continue to enjoy low interest rates which will improve affordability and in turn help improve housing sales in the second half of the year.
- Of the total units sold in H1 2024, Gurugram accounted for the lion's share of 51%. With the recent inauguration of the Haryana stretch of Dwarka Expressway in March 2024, this major residential hub witnessed an increase in homebuyer confidence in this belt. The nearby residential clusters such as Central Peripheral Road and Southern Peripheral Road also witnessed healthy absorption of units in residential projects in the vicinity. The continued expansion of this submarket on the back of enhanced connectivity between Delhi and Gurugram has played a vital role in Gurugram's overall sales volume. Many high-end projects in Gurugram's key locations continue to draw a substantial number of homebuyers who are looking for contemporary amenities and new addresses that are synonymous with luxury.
- Greater Noida (21%), Ghaziabad (14%) and Noida (8%) cumulatively accounted for a 43% share of the total sales pie. The Uttar Pradesh government's dispute redressal mechanism has brought relief to thousands of homebuyers and helped tackle prolonged issues with respect to stalled projects. This has helped credible developers attract homebuyers for newly launched projects and inventory nearing completion.
- Delhi and Faridabad comprised a share of 4% and 2% in the total sales pie respectively as the supply of new residential projects in these primary markets remain limited.
- For the past five consecutive half yearly periods, the share of residential products with ticket sizes > INR 10 mn in NCR's total sales volume has surged sequentially. From a mere 37% share in H2 2021, the share of this category has expanded gradually to account for 72% in H1 2024. NCR's primary residential market sales have pivoted to products > INR 10 mn in the past three years solely as homebuyer preference for spacious homes with high-end amenities continues amongst high-net-worth individuals.
- In the same period, the sales volume in the INR 5-10 and < 5 mn category continued to reduce as homebuyers considering purchase of these products have been sensitive to the escalating equated monthly installments (EMI) burden due to previous repo rate revisions. For the INR 5-10 mn category, the percentage share in total sales volume has declined from 36% in H2 2021 to 17% in H1 2024. For products priced < INR 5 mn, the percentage share has shrunk from 27% to 11% in the same period. This category has been the hardest hit by repo rate revisions as the buyer profile for such products usually look at affordable home ownership options and any change to lending cost hampers decision-making much sooner than with other categories.
- In the past 2.5 years, average residential prices have continued to appreciate across NCR. In H1 2024, the average residential prices rose by 4% YoY over H1 2023. This price growth is largely led by the launch of new inventory at higher prices and a continued homebuying spree. However, this price rise is lower compared to the 7% YoY percentage growth noted in H1 2022.
- In H1 2024, NCR's unsold inventory rose by 5% YoY to 105,185 units. Due to a healthy upswing in new launches, the available units rose despite healthy sales velocity.
- Despite a 5% annual increase in the unsold inventory, the quarters-to-sell (QTS) scaled down marginally from 7.2 in H1 2023 to 7.1 in H1 2024. This is indicative of a healthy sales momentum in the first six months of this calendar year as the homebuying demand has sustained despite inflationary pressures. QTS is the number of quarters required to exhaust the existing unsold inventory in the market. The existing unsold inventory is divided by the average sales velocity of the preceding eight quarters to arrive at the QTS number at the end of the current quarter.
- As the homebuying demand is skewed in favor of products > INR 10 mn, the QTS for this ticket-size segment stands at 4.6 which is the lowest compared to other ticket size categories and much below the market level QTS of 7.1. A lower QTS than the overall market signals a healthy scenario as sales velocity remains strong supporting the uptake of these products. On the other hand, a high QTS of 17.2 for products < INR 5 mn signifies that the unsold inventory in this segment will take more than double the time to exhaust compared to products of all segments in NCR cumulatively.
- As per this half yearly period assessment, the age of inventory (AOI) for residential projects in NCR has scaled down from 24.6 to 19.1 within a span of one year. Such a downward shift in AOI is uncommon and the sign of a healthy market. During H1 2024, rapid sales was witnessed in a few projects in prominent locations such as Sector 111, Sector 37 D and Sector 79 in Gurugram.

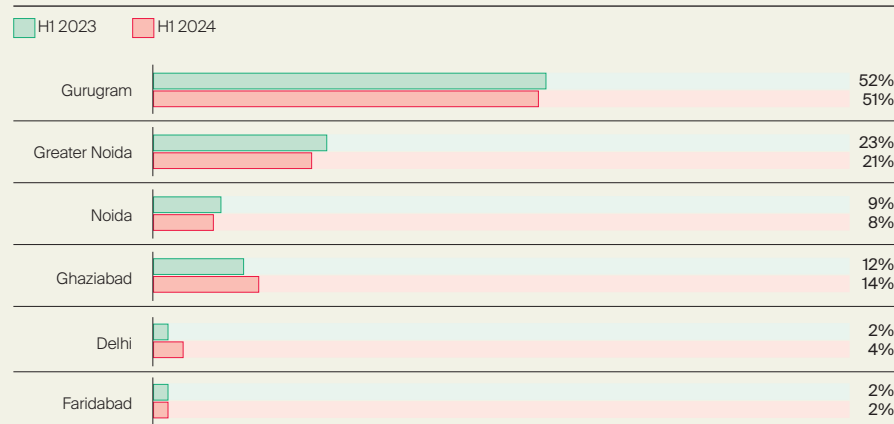
Similarly, locations such as NH-24 Bypass and Raj Nagar Extension in Ghaziabad and a few sectors in Greater Noida and Noida also fared well during this period. Due to the healthy weight of these projects in the NCR available unit portfolio, the AOI reduced at market levels, signaling healthier project lifecycles than witnessed in the region in the past.

► MICRO-MARKET SPLIT OF LAUNCHES IN H1 2023 AND H1 2024



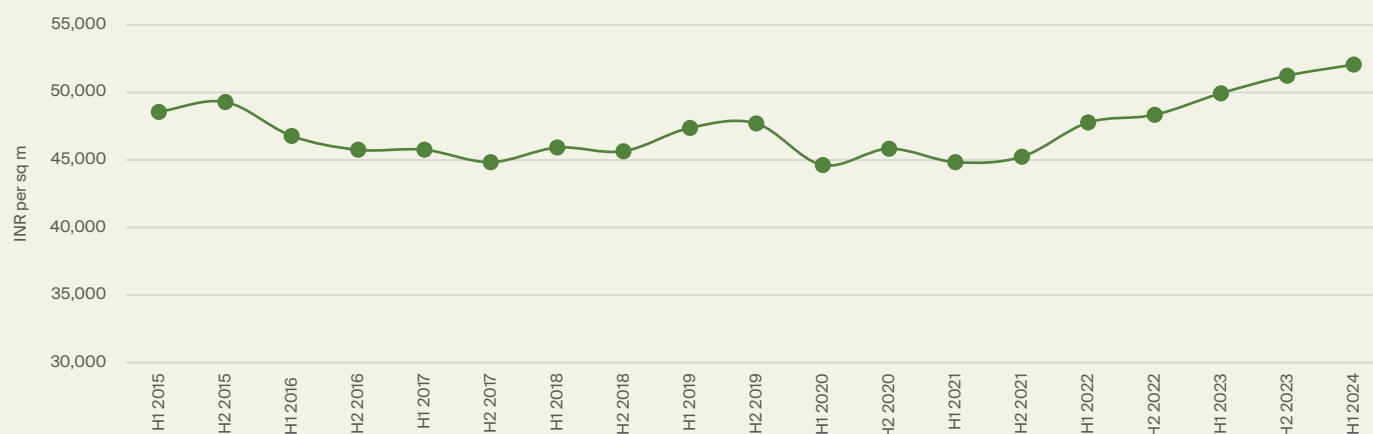
Source: Knight Frank Research

► MICRO-MARKET SPLIT OF SALES IN H1 2023 AND H1 2024



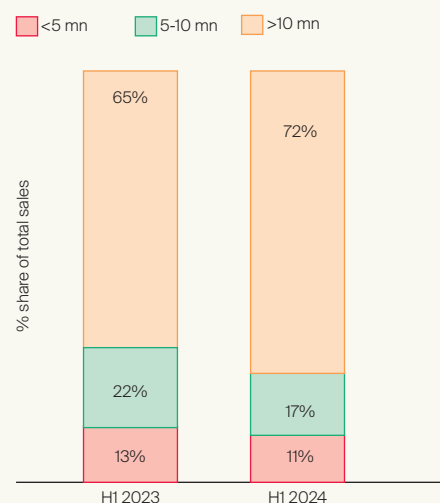
Source: Knight Frank Research

► AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

► NCR TICKET SIZE SPLIT COMPARISON OF SALES DURING H1 2023 AND H1 2024



Source: Knight Frank Research

► TICKET-SIZE SEGMENT HEALTH

Ticket-size segment	Unsold Inventory (housing units) (YoY change)	Quarters-to-sell (QTS)
0-5 mn	35,494 (-11%)	17.2
5-10 mn	27,075 (-22%)	7.9
>10 mn	42,616 (63%)	4.6

► MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
Delhi	4,931 (65%)	13.4
Faridabad	2,568 (-10%)	8.4
Ghaziabad	8,847 (-30%)	4.7
Greater Noida	25,875 (-13%)	15.1
Gurugram	55,349 (26%)	8.0
Noida	7,615 (-8%)	4.8

Source: Knight Frank Research

► RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H1 2024 in INR/sq m (INR/sq ft)	12 month Change	6 month Change
Delhi	Dwarka	75,348–118,404 (7,000–11,000)	6%	3%
	Greater Kailash -II	247,572–398,268 (23,000–37,000)	1%	0%
Faridabad	Sector 82	34,445–40,903 (3,200–3,800)	3%	3%
	Sector 88	34,445–36,597 (3,200–3,400)	2%	2%
Ghaziabad	NH-24 Bypass	31,754–34,445 (2,950–3,200)	2%	2%
	Raj Nagar Extension	31,754–37,674 (2,950–3,500)	3%	3%
Greater Noida	Sector 1	34,606–48,438 (3,215–4,500)	3%	0%
	Omicron 1	33,368–39,827 (3,100–3,700)	2%	2%
Gurugram	Sector 77	57,049–82,883 (5,300–7,700)	7%	2%
	Sector 81	58,395–79,654 (5,500–7,400)	5%	3%
Noida	Sector 78	51,667–66,737 (4,800–6,200)	5%	4%
	Sector 143	46,285–57,049 (4,300–5,300)	4%	3%

Source: Knight Frank Research

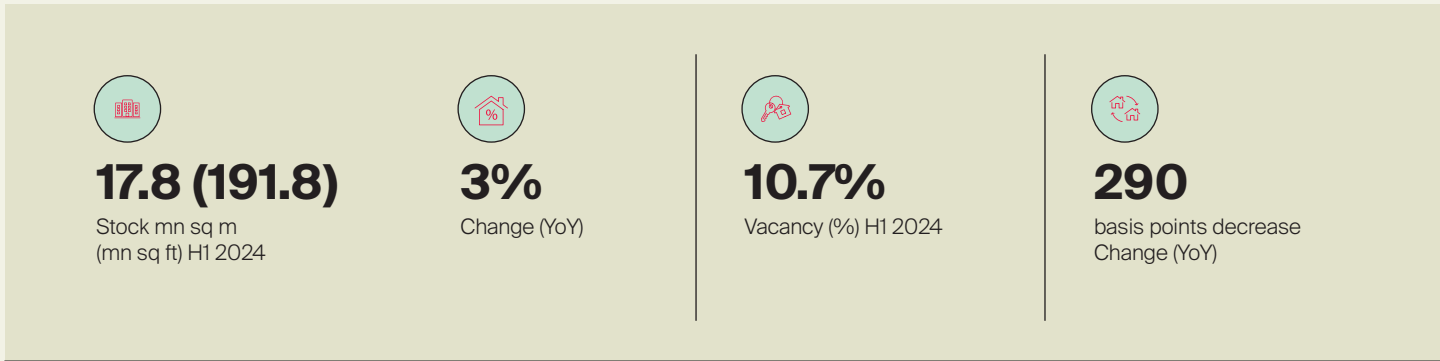
NCR

Office Market

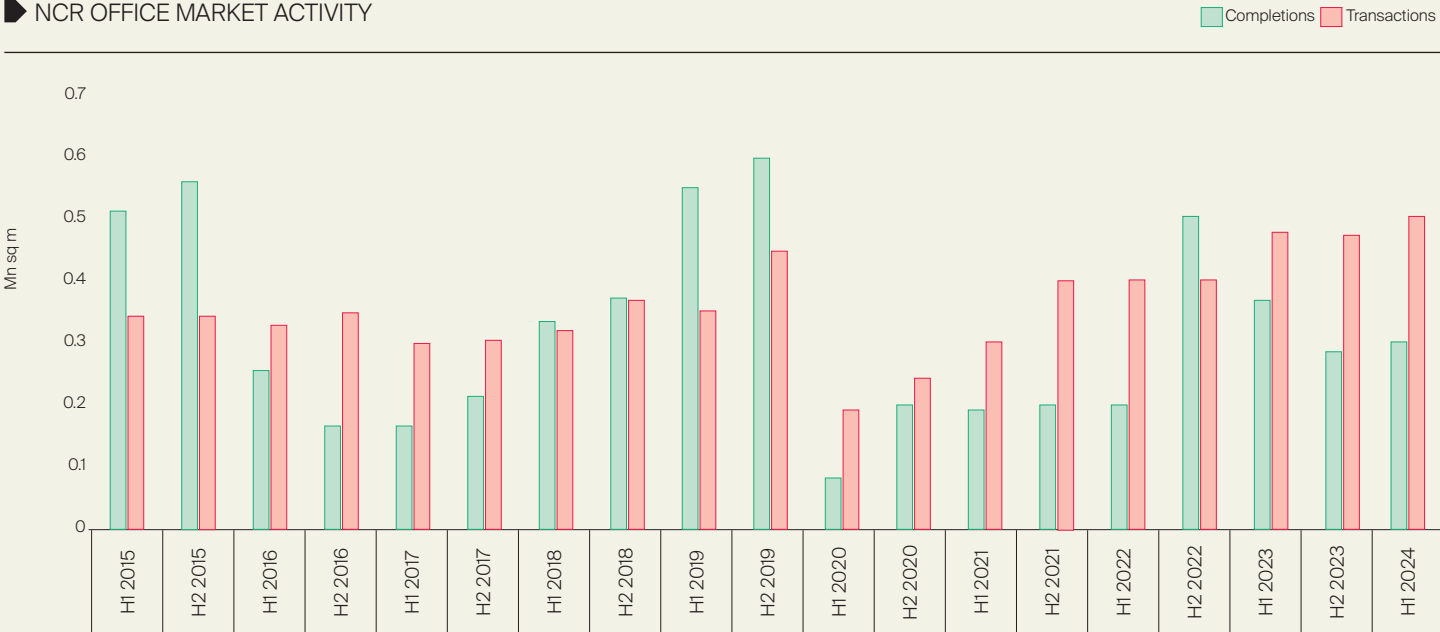
NCR MARKET SUMMARY

Parameter	2023	2023 Change (YoY)	H1 2024	H1 2024 Change (YoY)	Q2 2024	Q2 2024 Change (YoY)
Completions in mn sq m (mn sq ft)	0.7 (7.0)	-11%	0.3 (2.9)	-26%	0.1 (1.3)	-30%
Transactions in mn sq m (mn sq ft)	0.9 (10.1)	14%	0.5 (5.7)	12%	0.2 (2.6)	3%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	917.1(85.2)	2%	934.3 (86.8)	4%	-	-

Note: 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research



NCR OFFICE MARKET ACTIVITY



Source: Knight Frank Research

- The National Capital Region (NCR) emerged as one of the country's top markets in terms of gross leasing activity, yet again in H1 2024. With a leasing volume of 0.5 mn sq m (5.7 mn sq ft), H1 2024 witnessed the highest ever office market performance for NCR, and also the third highest across the top 8 cities. This represents a 12% year-on-year (YoY) growth in office leasing largely on the back of strong domestic occupier demand coupled with return-to-work mandates. Resilience of the Indian economy has been instrumental in supporting occupier demand from diverse sectors and underscores the continued positive trend for office space absorption despite weak global cues. This impressive performance of NCR highlights the region's attractiveness as a commercial real estate market with behemoths such as Gurugram and Noida witnessing continuous expansion beyond the established office market locations as they add quality office spaces beyond their contours.
- Amongst the various business districts in NCR, Gurugram accounted for 56% share of the total leasing pie in H1 2024, largely at par with H1 2023. Gurugram showcased the highest leasing activity, a trend consistent for the past decade, as this business district, with its multiple micro-markets has emerged as a prime destination for businesses garnering immense interest from occupiers. Noida's share has increased from 33% of NCR's total leasing in H1 2023 to 41% in H1 2024. On the other hand, the share of Secondary Business District (SBD) Delhi decreased from 9% in H1 2023 to 2% in H1 2024.
- In Gurugram, DLF Cyber City, Golf Course

Extension Road, NH-48 and Udyog Vihar garnered a lot of occupier interest, and many deals were sealed in these four locations during this half yearly period. In Noida, locations along the Noida-Greater Noida Expressway such as Sectors 135 and 142 as well as Sector 18 witnessed a lot of occupier interest.

- In terms of utilisation of spaces, businesses catering to India facing operations comprised 55% of the total spaces leased followed by flexible space operators that accounted for 26% of the end usage. The share of global capability centres (GCCs) has degrown from 22% in H1 2023 to 11% in H1 2024. In the second half of 2023, GCCs leased nearly 29% of the total space, which explains this short-term moderation in share in the first half of this year. Space take-up by third-party IT services accounted for 8% of the H1 2024 leasing. Despite global headwinds, the share of this end-usage occupiers increased from 4% in H1 2023 to the current levels in the span of one year.
- In the first half of this calendar year, flexible space operators largely leased office spaces in the various locations of Gurugram, followed by Noida. With the pandemic now completely out of the picture, flex operators are bullish on scaling up real estate footprint as global market conditions improve, and going forward, a likely revival is expected in tech and IT outsourcing. In Gurugram, locations such as Golf Course Extension Road and DLF Cyber City were much sought after by flexible space operators and witnessed a majority of the leasing deals in H1 2024.
- In H1 2024, new office space completions of

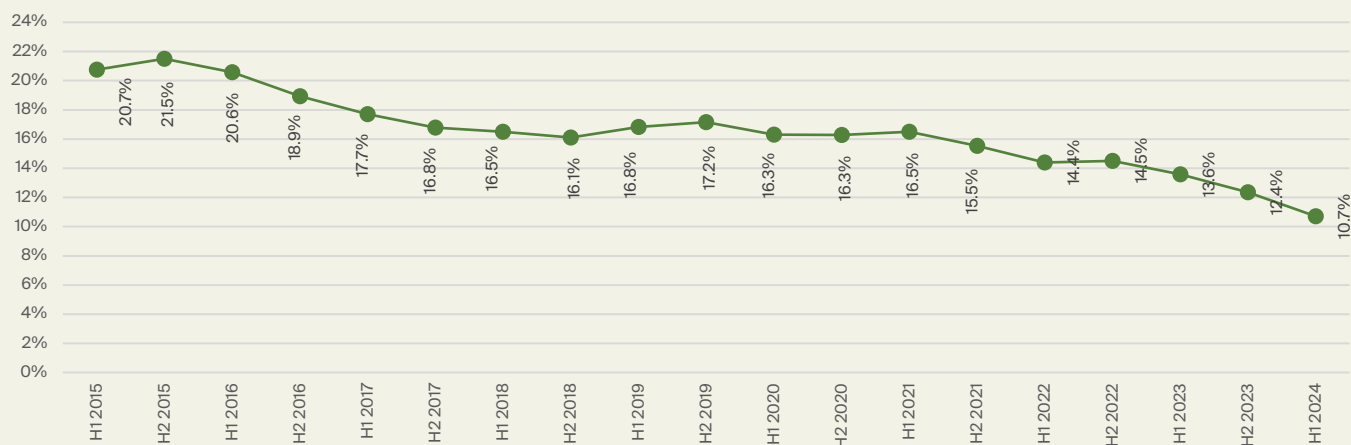
0.3 mn sq m (2.9 mn sq ft) were witnessed in NCR. This represents a 26% YoY decline as limited office buildings received occupancy certificates during the period. In line with past trends, Gurugram (54%) and Noida (40%) comprised maximum infusion of new supply. In Gurugram, Udyog Vihar, Sector 62 and 65 witnessed new supply infusion. In Noida, Sectors 125, 126, 135, 140 and 142 witnessed many new office assets become operational in this review period.

- As H1 2024 emerged as the record half-yearly period for NCR, it also witnessed a notable decline of 290 basis points in vacancy. From 13.6% in H1 2023, NCR's office vacancy has shrunk to 10.7% at the end of H1 2024. Consistently rising occupier demand, however, may lead to a further correction in office space vacancies which is good news for the overall health of the NCR office market.
- In H1 2024, NCR's average transacted office rents witnessed a 4% YoY increase over H1 2023. With H1 2024 transaction volumes for office leasing setting a new record high, rents inched up on the back of reduced availability of quality spaces. Despite infusion of new supply, the demand for quality office spaces has continued to outstrip completions sequentially since H1 2023. While transaction volume has grown by 12% YoY, office stock has grown by just 3% in the same period. Going forward, we expect new completions to expand in the second half of 2024 as many developers have fast tracked construction in view of strong occupier demand.

BUSINESS DISTRICT CLASSIFICATION

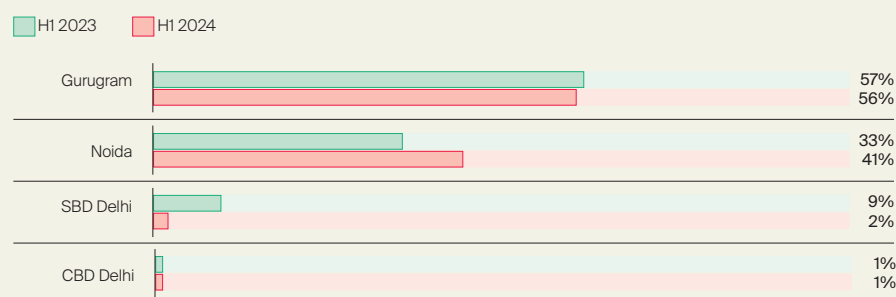
Business district	Micro markets
CBD Delhi	Connaught Place, Barakhamba Road, Kasturba Gandhi Marg and Minto Road
SBD Delhi	Nehru Place, Saket, Jasola, Bhikaji Cama Place, Mohan Cooperative, Okhla and Aerocity
Gurugram Zone A	M G Road, NH-8, Golf Course Road and Golf Course Extension Road
Gurugram Zone B	DLF CyberCity, Sohna Road, Udyog Vihar and Gwal Pahari
Gurugram Zone C	Manesar
Noida	Sectors 16, 18, 62, 63 and the Noida-Greater Noida Expressway
Greater Noida	Sectors Alpha, Beta, Gamma and Tech Zone

► NCR OFFICE MARKET VACANCY



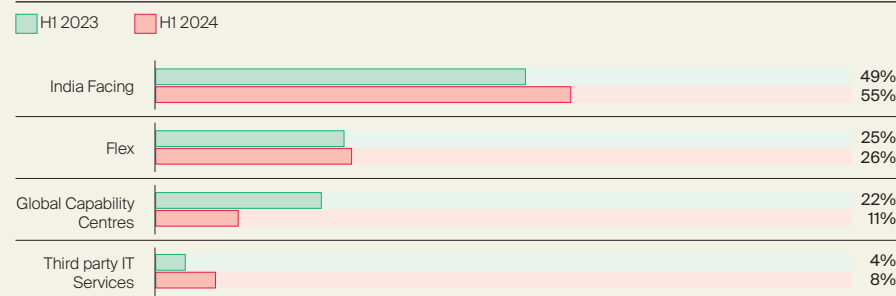
Source: Knight Frank Research

► BUSINESS DISTRICT WISE TRANSACTIONS SPLIT IN H1 2023 AND H1 2024



Source: Knight Frank Research

► END-USE SPLIT OF TRANSACTIONS IN H1 2023 AND H1 2024

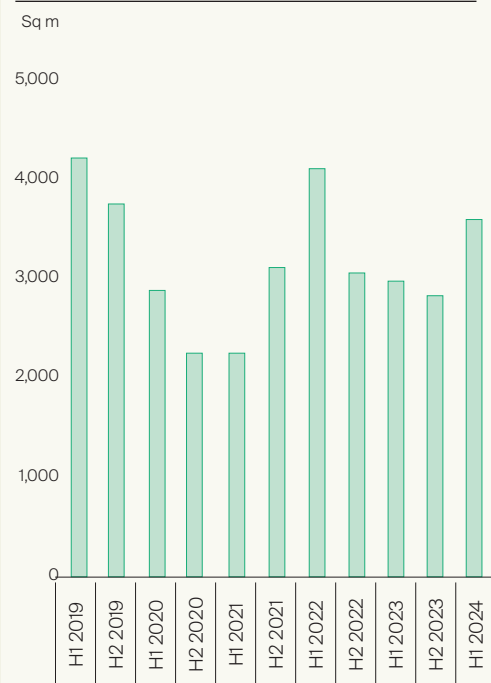


Source: Knight Frank Research

► BUSINESS DISTRICT-WISE RENTAL MOVEMENT

	Rental value range in H1 2024 in INR/ sq m/month (INR/sq ft/month)	12-month change	6-month change
CBD Delhi	2,347-3,767 (218-350)	0%	0%
SBD Delhi	915-2,153 (85-200)	0%	0%
Gurugram Zone A	1,184-1,938 (110-180)	7%	5%
Gurugram Zone B	915-1,507 (85-140)	2%	0%
Gurugram Zone C	269-377 (25-35)	0%	0%
Noida	538-969 (50-90)	2%	2%
Faridabad	484-592 (45-55)	0%	0%

► AVERAGE DEAL SIZE TREND



Source: Knight Frank Research

MUMBAI

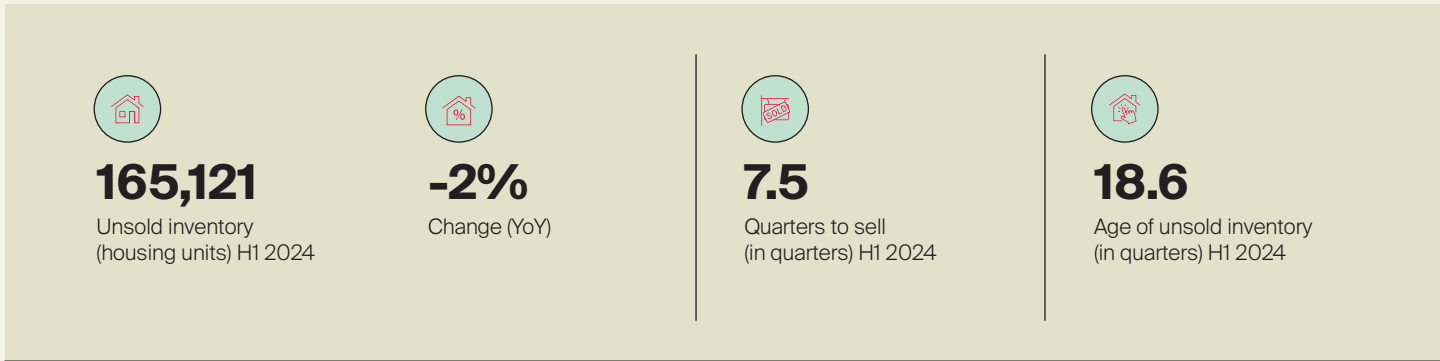


Residential Market

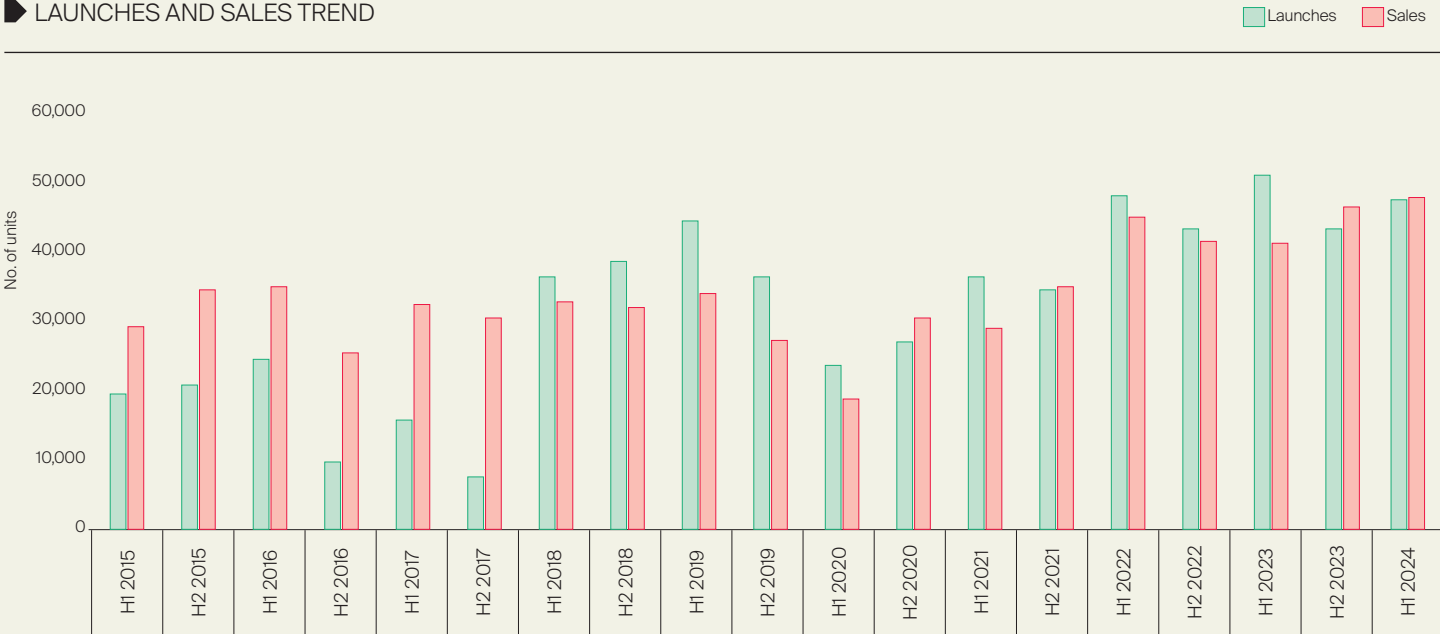
MUMBAI MARKET SUMMARY

Parameter	2023	2023 Change (YoY)	H1 2024	H1 2024 Change (YoY)	Q2 2024	Q2 2024 Change (YoY)
Launches (housing units)	93,051	3%	46,985	-7%	21,722	-12%
Sales (housing units)	86,871	2%	47,259	16%	23,516	15%
Average price in INR/sq m (INR/sq ft)	INR 84,849 (INR 7,883)	7%	INR 85,036 (INR 7,900)	4%	-	-

Note: 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research



LAUNCHES AND SALES TREND



Source: Knight Frank Research

- In the first half of 2024, Mumbai's real estate market continued to thrive, achieving the highest half-yearly sales volume since H1 2012 with 47,259 units sold, up 16% YoY. This remarkable growth was driven by a combination of factors, including a favorable economic climate, rising disposable income, a growing preference for larger homes, and a sense of urgency among buyers to invest in property before prices rise further. These trends reaffirm Mumbai's position as the top real estate market in India.
- Sales volumes were comparable in both the quarters of H1 2024 signifying a stable market which felt little impact of the elections in Q2 2024. Sales in Q2 2024 were 15% higher in YoY terms, in line with the growth seen during H1 2024. This sustained growth reinforces the fact that the fundamental factors driving market demand continued to hold sway throughout the period.
- The momentum in launches has been comparatively tempered in Mumbai, except in the >INR 10 mn ticket-size category where launches have grown by 61% YoY as this segment has seen the most homebuyer traction in recent periods. Overall, the units launched in the Mumbai market have dropped by 7% YoY to 46,985 units. At a market level, development activity seems to be well aligned with market demand thus far.
- The suburban areas of Mumbai, particularly the Peripheral Central Suburbs, Peripheral Western Suburbs, and Thane, accounted for roughly 60% of the new housing projects launched in the first half of 2024. The

Peripheral Central Suburbs led the way with 29% of the total launches. Improved infrastructure and connectivity to these areas make these suburbs increasingly attractive to homebuyers seeking a better quality of life at a lower cost.

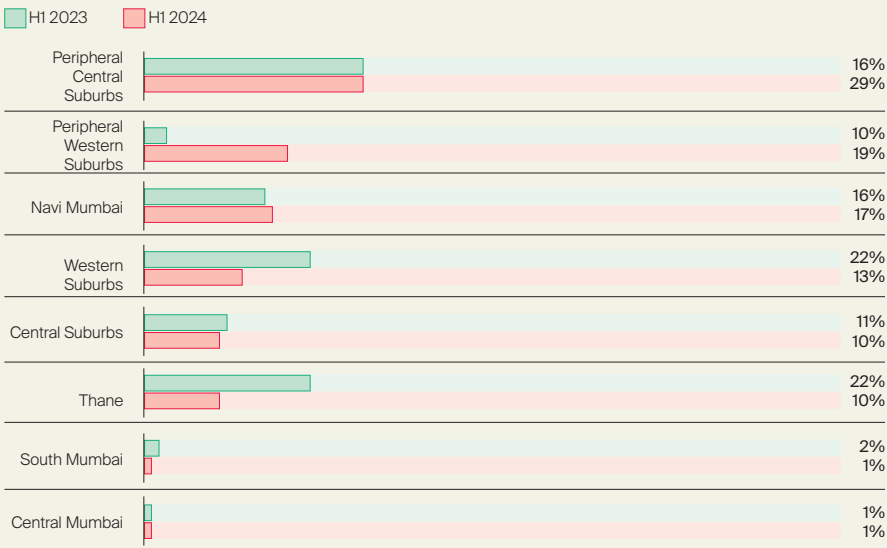
- In H1 2024, a significant portion of properties transacted in Mumbai belonged to the less than INR 5 mn ticket size category. Despite this, its share decreased from 46% in H1 2023 to 44% in H1 2024. There was also a noticeable shift in the INR 5-10 mn category, as the share declined to 24% in H1 2024 compared to 37% in H1 2023. The >INR 10 mn category witnessed an increase in share from 17% in H1 2023 to 31% in H1 2024 due to rising demand for larger homes despite escalating prices.
- Residential property prices demonstrated an upward movement in H1 2024 rising by 4% YoY, with sustained demand continuing to support price growth.
- In the first half of 2024, Mumbai's unsold inventory saw a slight decrease of 2%, indicating a healthier market balance between supply and demand. This was accompanied by a notable reduction in the Quarters to Sell (QTS) metric, which fell from 8.4 quarters in H1 2023 to 7.5 quarters in H1 2024. This suggests that the market continues to remain healthy, further supporting the positive market sentiment and sustained demand.
- The Mumbai residential market is on track for sustained growth, driven by strong consumer demand and a favorable

economic outlook. The completion of key infrastructure projects like the Atal Setu bridge, the coastal roads, and upcoming metro lines will significantly improve connectivity and boost demand for properties in adjoining areas. Rising affluence and evolving consumer preferences towards larger homes and modern amenities are also expected to fuel the market's momentum in the foreseeable future. This positive trajectory underscores Mumbai's enduring appeal as a prime real estate destination.

MICRO-MARKET CLASSIFICATION

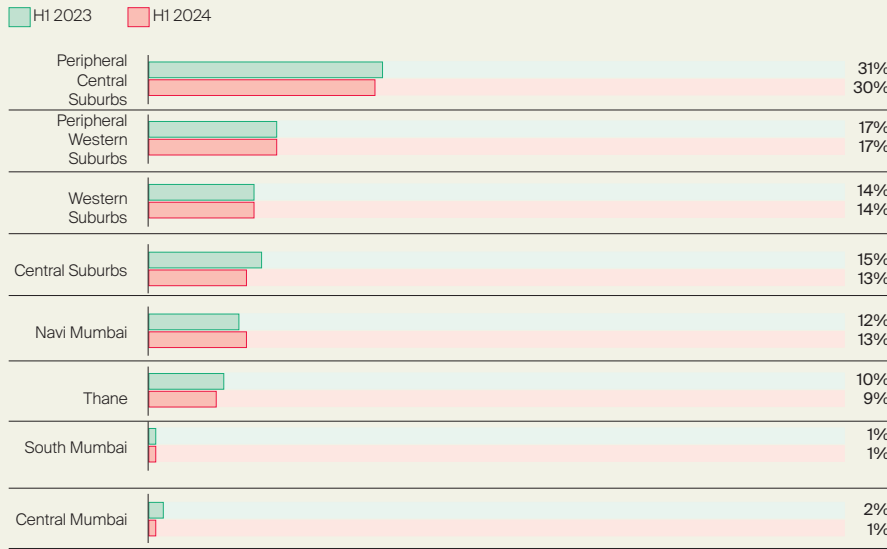
Micro market	Locations
Central Mumbai	Dadar, Lower Parel, Mahalaxmi, Worli, Prabhadevi
Central Suburbs	Sion, Chembur, Wadala, Kurla, Ghatkopar, Vikhroli, Bhandup, Mulund
Navi Mumbai	Vashi, Nerul, Belapur, Kharghar, Airoli, Panvel, Ulwe, Sanpada
Peripheral Central Suburbs	Kalyan, Kalwa, Dombivli, Ambernath, Bhiwandi, Mumbra, Karjat
Peripheral Western Suburbs	Vasai, Virar, Boisar, Palghar, Bhayandar, Nalasopara
South Mumbai	Malabar Hill, Napean Sea Road, Walkeshwar, Altamount Road, Colaba
Thane	Naupada, Ghodbunder Road, Pokhran Road, Majiwada, Khopat, Panchpakhadi
Western Suburbs	Bandra, Andheri, Goregaon, Kandivali, Borivali, Santacruz, Vile Parle

MICRO-MARKET SPLIT OF LAUNCHES IN H1 2023 AND H1 2024



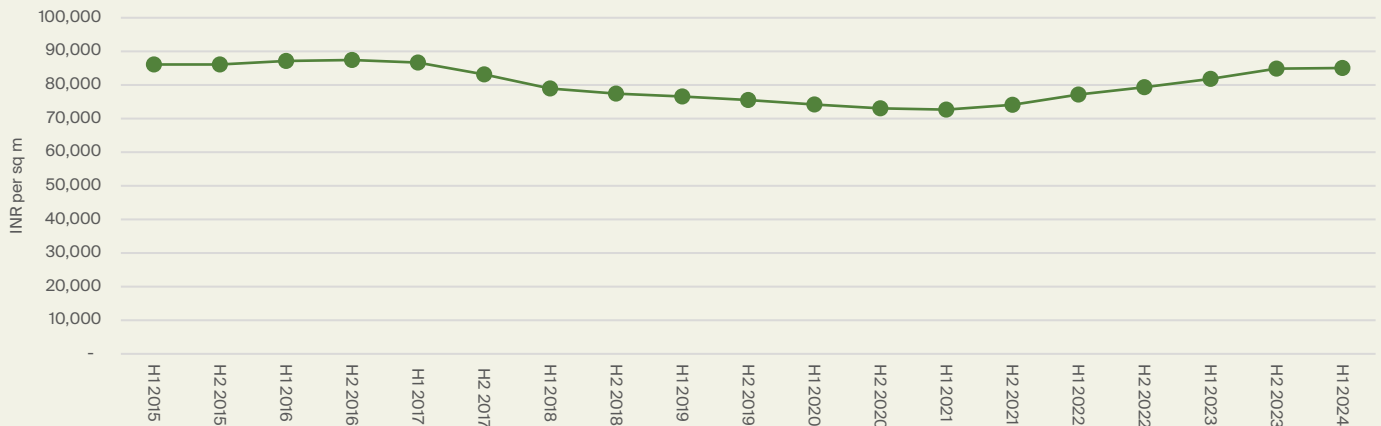
Source: Knight Frank Research

MICRO-MARKET SPLIT OF SALES IN H1 2023 AND H1 2024



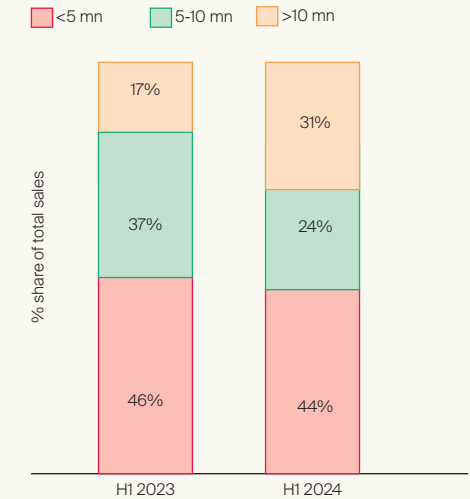
Source: Knight Frank Research

AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

MUMBAI TICKET SIZE SPLIT
COMPARISON OF SALES DURING H1
2023 AND H1 2024



Source: Knight Frank Research

TICKET-SIZE SEGMENT HEALTH

Ticket-size segment	Unsold Inventory (housing units) (YoY change)	Quarters-to-sell (QTS)
0-5 mn	79,286 (-4%)	8.0
5-10 mn	37,537 (-6%)	5.8
>10 mn	48,298 (3%)	8.8

► MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
Central Mumbai	7,149 (-1%)	22.8
Central Suburbs	30,034 (-11)	9.8
Navi Mumbai	32,294 (10%)	12.2
Peripheral Central Suburbs	5,794 (-28%)	0.9
Peripheral Western Suburbs	7,896 (1%)	2.1
South Mumbai	5,851 (-4%)	23.1
Thane	38,148 (1%)	17.7
Western Suburbs	37,954 (-1%)	12.0

Source: Knight Frank Research

► RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H2 2022 in INR/sq m (INR/sq ft)	12 month Change	6 month Change
Central Mumbai	Lower Parel	359,410-411,928 (33,390-38,269)	4%	1%
	Worli	677,400-948,276 (62,932-88,097)	4%	1%
Central Suburbs	Ghatkopar	192,342-262,663 (17,869-24,402)	4%	1%
	Mulund	231,243-243,126 (21,483-22,587)	4%	1%
	Powai	302,070-339,271 (28,063-31,519)	5%	1%
Navi Mumbai	Panvel	60,774-78,825 (5,646-7,323)	5%	1%
	Kharghar	76,672-147,919 (7,123-13,742)	5%	1%
	Vashi	189,016-207,444 (17,560-19,272)	4%	1%
Peripheral Central Suburbs	Badlapur	46,823-49,923 (4,350-4,638)	4%	1%
	Dombivali	77,232-93,044 (7,175-8,644)	4%	1%
Peripheral Western Suburbs	Mira Road	77,372-93,249 (7,188-8,663)	4%	1%
	Virar	61,818-88,093 (5,743-8,184)	5%	1%
South Mumbai	Tardeo	550,310-835,276 (51,125-77,599)	3%	1%
Thane	Ghodbunder Road	95,552-134,066 (8,877-12,455)	4%	1%
	Naupada	234,634-247,916 (21,798-23,032)	3%	1%
Western Suburbs	Andheri	222,987-296,656 (20,716-27,560)	3%	1%
	Bandra(W)	564,690-712,286 (52,461-66,173)	3%	1%
	Borivali	229,930-281,371 (21,361-26,140)	4%	1%
	Dahisar	118,404-184,280 (11,000-17,120)	6%	1%
	Goregaon	226,421-279,003 (21,035-25,920)	5%	1%

Source: Knight Frank Research

MUMBAI

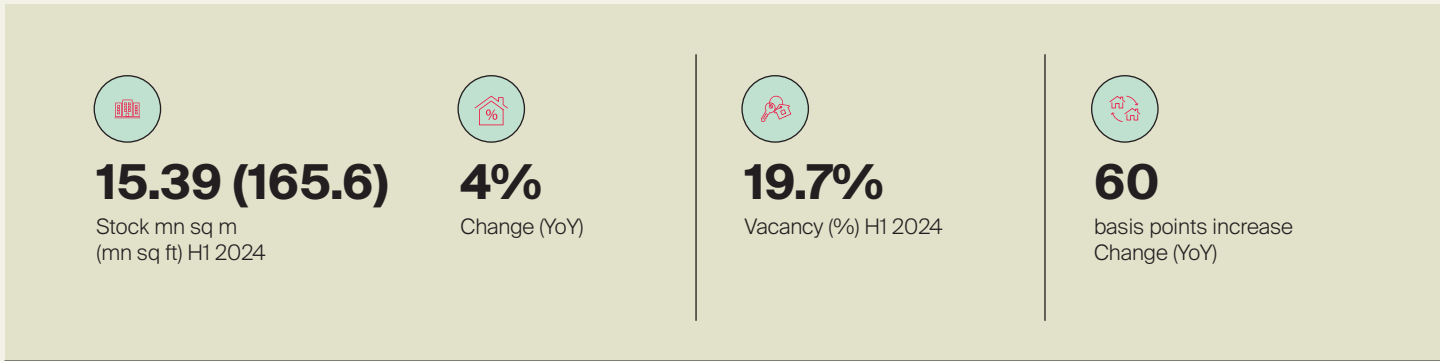


Office Market

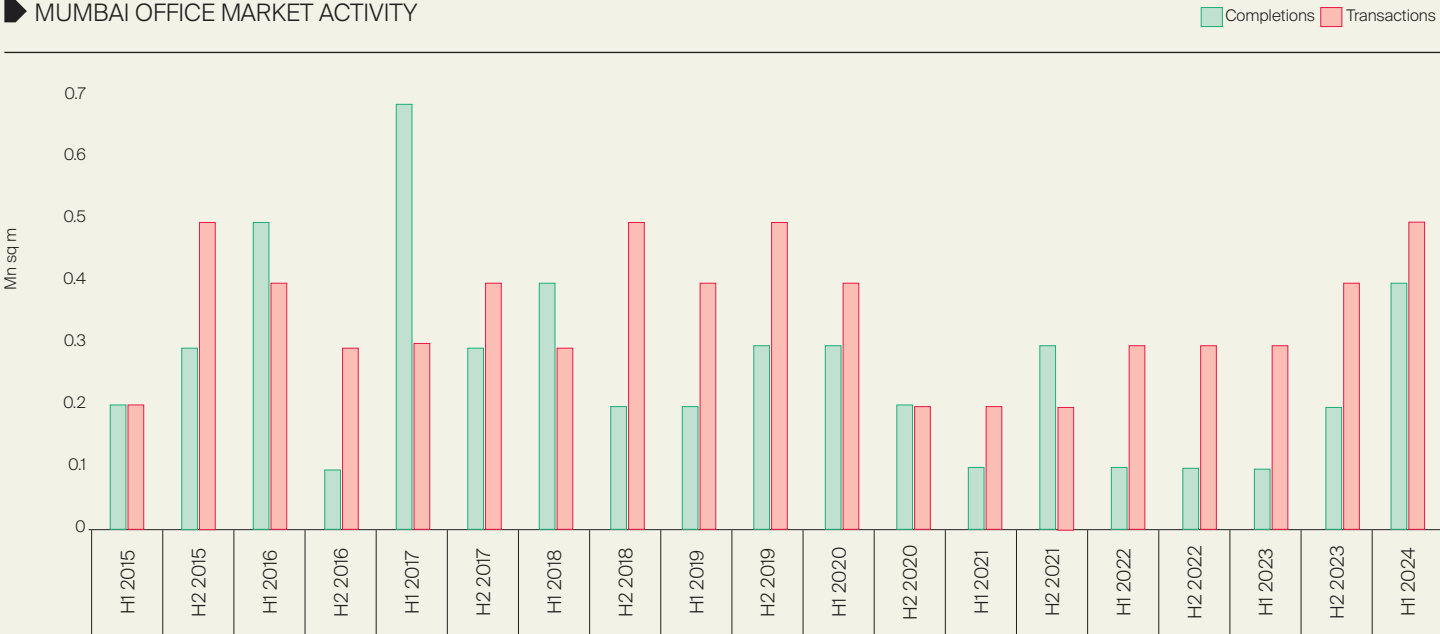
MUMBAI MARKET SUMMARY

Parameter	2023	2023 Change (YoY)	H1 2024	H1 2024 Change (YoY)	Q2 2024	Q2 2024 Change (YoY)
Completions in mn sq m (mn sq ft)	0.28 (3.1)	52%	0.39 (4.3)	205%	0.36 (3.9)	185%
Transactions in mn sq m (mn sq ft)	0.69 (7.4)	16%	0.54 (5.8)	79%	0.28 (3.0)	183%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	1,227 (114)	4%	1,243 (116)	4%	-	-

Note: 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research



MUMBAI OFFICE MARKET ACTIVITY



Source: Knight Frank Research

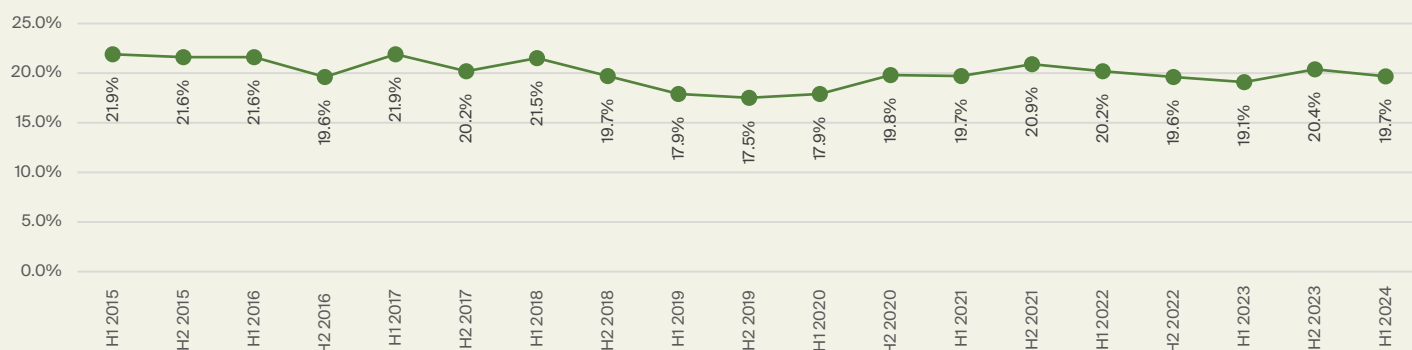
- Mumbai's office leasing market experienced a remarkable surge in the first half of 2024, with approximately 0.54 mn sq m (5.8 mn sq ft) of space leased, marking a 79% YoY increase. This impressive growth, driven largely by a significant number of BFSI transactions, propelled Mumbai to its highest half-yearly leasing volume since 2012. The PBD and SBD Central submarkets emerged as key hubs, accounting for half of all transactions. This upsurge in leasing activity is attributed to a positive market sentiment and substantial investments in infrastructure development. Notably, India-facing businesses led the charge, contributing around 80% to the total transactions in H1 2024, followed by the flex sector, which accounted for 10% of transactions.
- In the second quarter of 2024, Mumbai's office leasing market continued its upward trajectory with approximately 0.28 mn sq m (3.0 mn sq ft) of space leased, representing a remarkable 183.1% YoY increase.
- Expansion and relocation deals dominated Mumbai's office leasing market, accounting for 65% and 20% of the total transaction volume respectively. This trend reflects a growing number of companies reevaluating their space utilization and expansion plans, with a notable shift towards hybrid working models to optimize office efficiency.
- In the first half of 2024, Andheri emerged as the most sought-after location for office leasing in Mumbai, recording transactions totaling 0.09 mn sq m (1.0 mn sq ft). Airoli followed closely with 0.09 mn sq m (0.96 mn sq ft) of transactions. Additionally, Goregaon accounted for transactions of 0.06 mn sq m (0.67 mn sq ft), while BKC observed transactions of 0.03 mn sq m (0.36 mn sq ft).
- Mumbai's office market is experiencing a remarkable surge in new supply, driven by increased transactions and growing developer confidence. In the first half of 2024, 0.39 mn sq m (4.3 mn sq ft) of new office space was added, marking a significant 205% YoY increase. Notably, the second quarter alone witnessed the addition of 0.36 mn sq m (4 mn sq ft). As leasing activity continues to gain momentum, developers are expected to maintain this trend of introducing new supply in the coming months.
- Most of the new supply in H1 2024 attained completion in the SBD West micro market, constituting 87% of the total supply.
- Rents in the Mumbai office market have consistently risen since the beginning of 2022. In the first half of 2024, rents experienced a YoY growth of 3.7%. With the recent operationalization of Metro lines 2A and 7, coupled with ongoing infrastructure enhancements, rental levels are expected to continue their upward trend.
- Due to a higher volume of office completions in H1 2024, the vacancy rate increased by 60 basis points to 19.7%.
- Occupier sentiments in Mumbai remained optimistic in the first half of 2024, driven by a steadily improving economic environment, rising physical occupancy levels, and ongoing infrastructure development. The upcoming launch of the new BKC metro line is expected to further boost market activity. The consistent growth in transaction volumes and rental levels underscore the market's strength and resilience, setting a positive trajectory for the rest of the year.

► BUSINESS DISTRICT CLASSIFICATION

Business district	Micro markets
Central Business District (CBD and Off CBD)	Nariman Point, Cuffe Parade, Ballard Estate, Fort, Mahalaxmi, Worli
Bandra Kurla Complex & Off Bandra Kurla Complex (BKC & Off BKC)	BKC, Bandra (E), Kalina and Kalanagar
Central Mumbai	Parel, Lower Parel, Dadar, Prabhadevi
Secondary Business District (SBD) West	Andheri, Jogeshwari, Goregaon, Malad
Secondary Business District (SBD) Central	Kurla, Ghatkopar, Vikhroli, Kanjurmarg, Powai, Bhandup, Chembur
Peripheral Business District (PBD)	Thane, Airoli, Vashi, Ghansoli, Rabale, Belapur

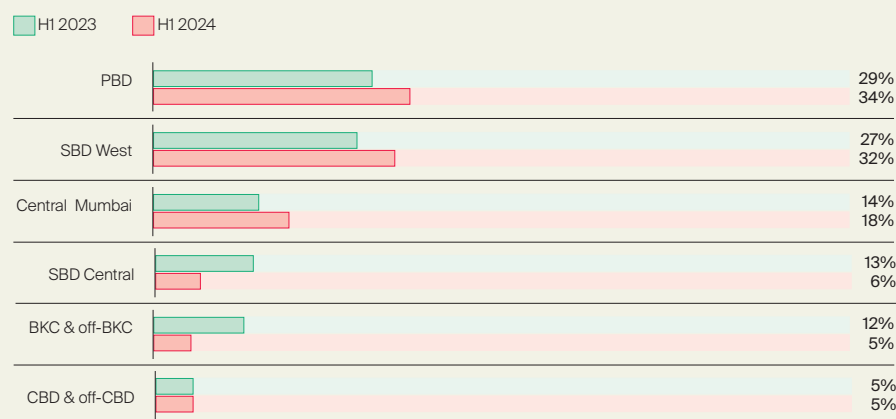
Source: Knight Frank Research

MUMBAI OFFICE MARKET VACANCY



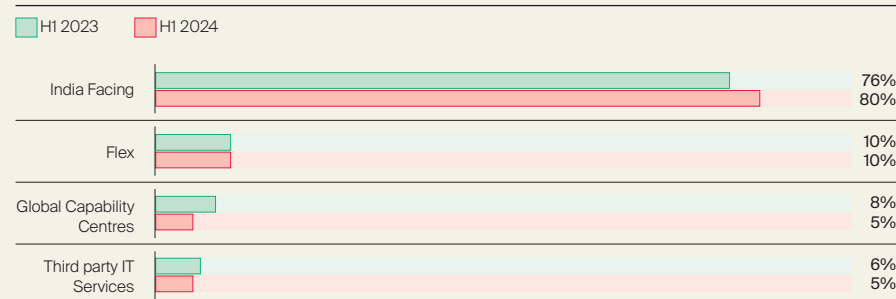
Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT IN H1 2023 AND H1 2024



Source: Knight Frank Research

END-USE SPLIT OF TRANSACTIONS IN H1 2023 AND H1 2024

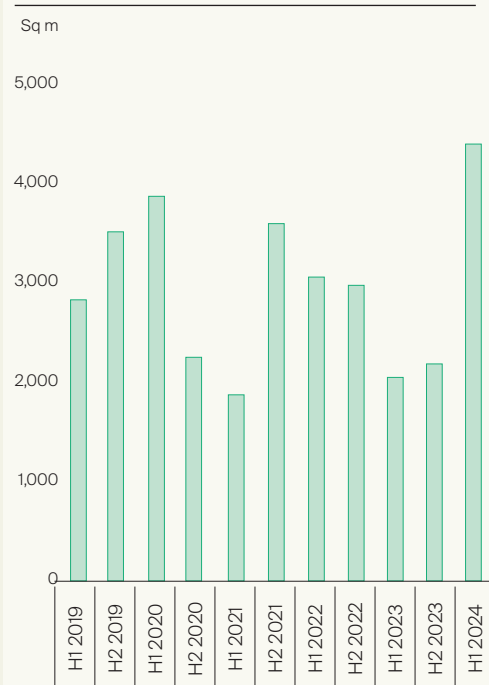


Source: Knight Frank Research

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

	Rental value range in H1 2024 in INR/sq m/month (INR/sq ft/month)	12-month change	6-month change
BKC & Off-BKC	2,099-3,929 (195-365)	3%	1%
CBD & Off-CBD	1,938-2,691 (180-250)	4%	1%
Central Mumbai	1,722-2,476 (160-230)	4%	1%
PBD	538-969 (50-90)	4%	-
SBD Central	1,184-2,099 (110-195)	4%	1%
SBD West	915-1,776 (85-165)	3%	1%

AVERAGE DEAL SIZE TREND



Source: Knight Frank Research

PUNE

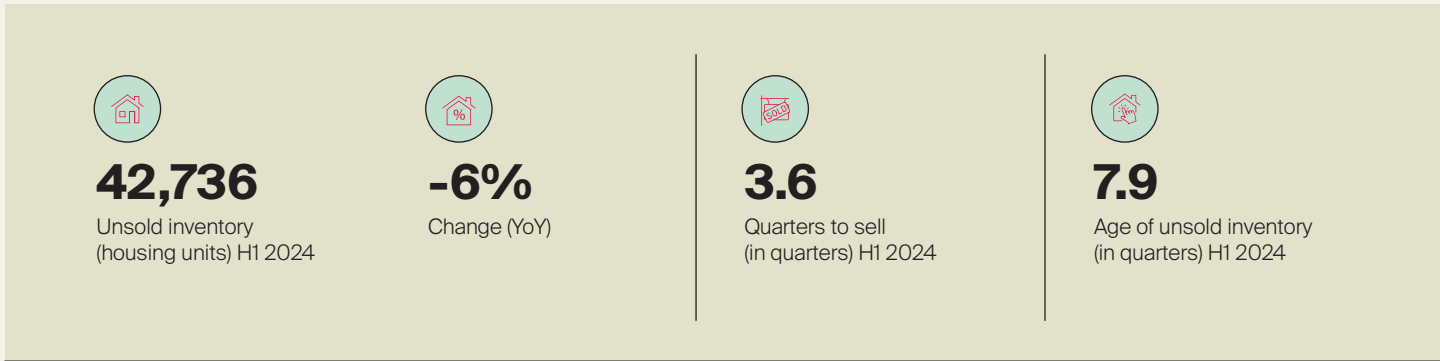


Residential Market

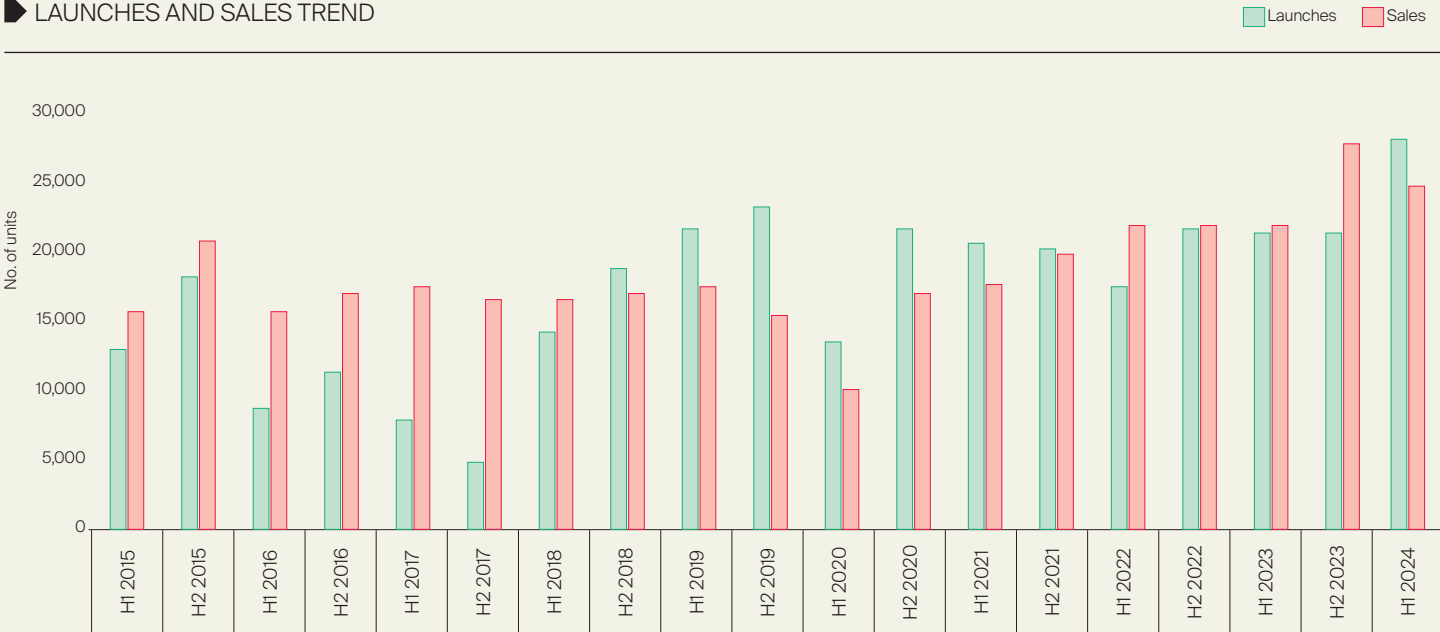
PUNE MARKET SUMMARY

Parameter	2023	2023 Change (YoY)	H1 2024	H1 2024 Change (YoY)	Q2 2024	Q2 2024 Change (YoY)
Launches (housing units)	42,437	10%	28,047	32%	14,754	52%
Sales (housing units)	49,266	13%	24,525	13%	12,693	12%
Average price in INR/sq m (INR/sq ft)	INR 48,515 (INR 4,507)	5%	INR 49,294 (INR 4,580)	4%	-	-

Note: 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research



LAUNCHES AND SALES TREND



Source: Knight Frank Research

- The Pune residential real estate market experienced remarkable growth in the first half of 2024, reaching a record-breaking sales volume of 24,525 units – the highest half-yearly figure since H1 2013. This impressive 13% YoY increase indicates a robust demand for housing in the city, driven by factors such as the growing IT sector, infrastructure development, and attractive pricing compared to other metropolitan areas.
- Sales in the Pune residential real estate market surged by 12% YoY in the second quarter of 2024, primarily fueled by increased demand. This indicates that the market's strong momentum observed in H1 2024 was supported by the sustained demand in Q2 2024.
- In H1 2024, Pune's residential market witnessed a significant increase in new project launches, with 28,047 units introduced, marking a 32% YoY growth. This surge in new projects suggests a high level of developer confidence in the Pune's market's potential. There is a clear preference among Pune buyers for larger homes and apartments with dedicated workspaces, reflecting the changing needs and lifestyles of residents. Additionally, gated communities offering various amenities and green spaces continue to be popular choices, highlighting the desire among buyers for a balanced and comfortable living environment.
- During the first half of 2024, Pune's real estate market experienced a significant shift in new project launches, with the

Western Zone leading the way, contributing 38% of the total. This surge in the Western Zone can be attributed to its proximity to major workplaces, particularly in areas like Hinjewadi and Baner. As the 'Return to Office' effort gains traction, these areas are expected to see increased sales activity, as homebuyers prioritize convenient commutes and easy access to their workplaces.

- In H1 2024, Pune's real estate market saw a concentration of sales activity in the West, North, and East regions. The Western Zone led the way with a 40% share of total sales, followed by the North (24%) and East (22%) zones. This concentration indicates strong demand and heightened market activity in these areas, likely fueled by factors such as proximity to employment hubs, infrastructure development, and the availability of diverse housing options.
- The sale of properties in the INR 5-10 mn ticket size category remained stable at 46% in H1 2024, while properties below INR 5 mn witnessed a decline from 42% to 34% YoY during the same time. Additionally, properties exceeding INR 10 mn saw a significant rise in share, from 12% in H1 2023 to 20% in H1 2024, indicating a growing demand for high-value properties.
- Residential prices in Pune grew by 4% YoY in H1 2024, aligning with robust demand and allowing developers to raise prices accordingly.
- Pune's residential market in H1 2024 witnessed a significant improvement

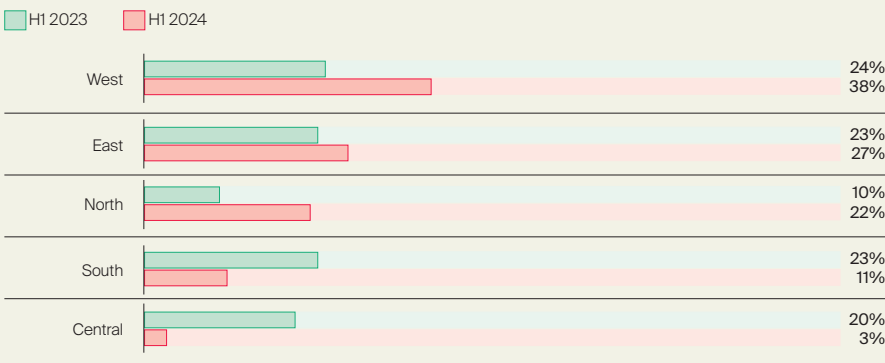
in terms of sales velocity and inventory turnover. The QTS metric decreased from 4.3 quarters in H1 2023 to 3.6 quarters in H1 2024, indicating that properties were selling at a faster pace. Additionally, the age of unsold inventory decreased from 10.9 quarters in H1 2023 to 7.9 quarters in H1 2024. These trends suggest strong market demand and increased buyer interest in both new and existing projects.

► MICRO-MARKET CLASSIFICATION

Micro market	Locations
Central	Koregaon Park, Boat Club Road, Erandwane, Deccan, Kothrud, Model Colony
East	Viman Nagar, Kharadi, Wagholi, Hadapsar, Dhanori
West	Aundh, Baner, Wakad, Hinjewadi, Bavdhan, Pashan
North	Pimpri, Chinchwad, Moshi, Chikhali, Chakan, Talegaon
South	Kondhwa, Ambegaon, Undri, Dhayari, Warje, Sinhgad Road

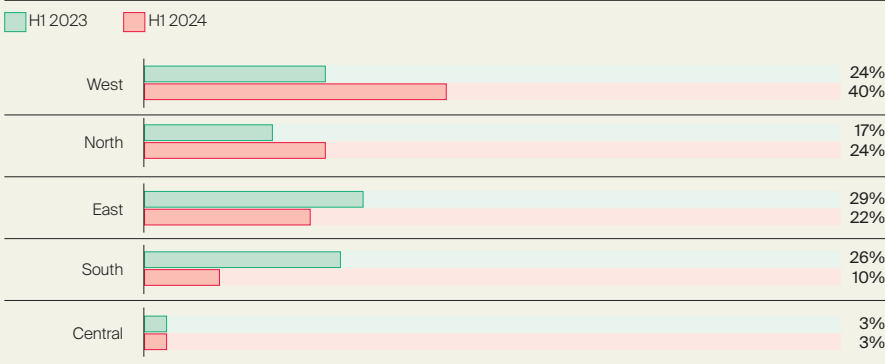
Source: Knight Frank Research

► MICRO-MARKET SPLIT OF LAUNCHES IN H1 2023 AND H1 2024



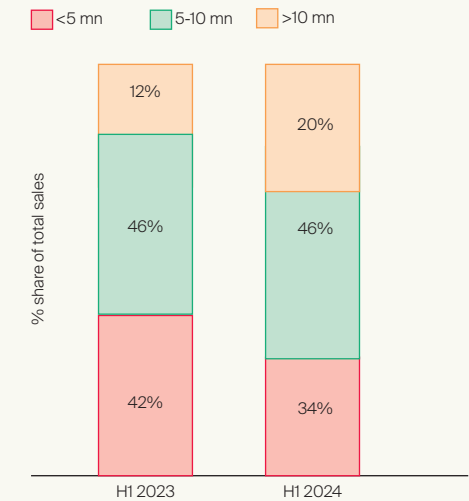
Source: Knight Frank Research

► MICRO-MARKET SPLIT OF SALES IN H1 2023 AND H1 2024



Source: Knight Frank Research

► PUNE TICKET SIZE SPLIT
COMPARISON OF SALES DURING H1
2023 AND H1 2024

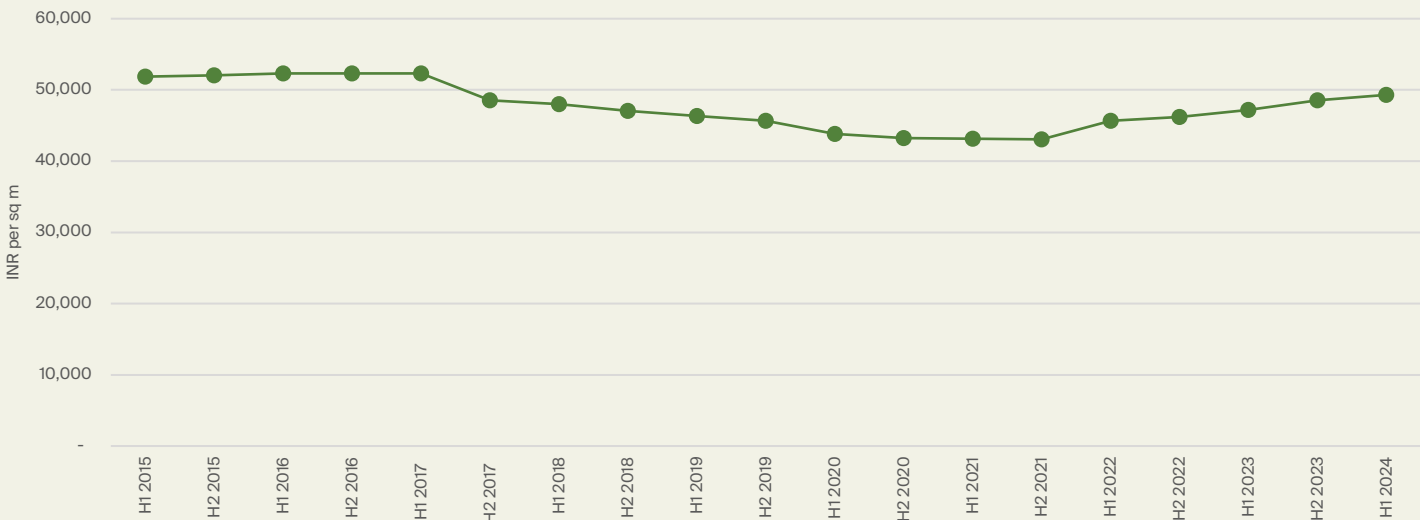


Source: Knight Frank Research

► TICKET-SIZE SEGMENT HEALTH

Ticket-size segment	Unsold Inventory (housing units) (YoY change)	Quarters-to-sell (QTS)
0-5 mn	29,892 (-17%)	5.6
5-10 mn	6,766 (-13%)	1.2
>10 mn	10,079 (48%)	5.6

► AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
Central	8,681 (-3%)	24.3
East	11,138 (4%)	3.7
West	17,920 (-7%)	4.3
North	4,518 (-30%)	1.8
South	479 (135%)	0.2

Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H1 2023 in INR/sq m (INR/sq ft)	12 month Change	6 month Change
Central	Koregaon Park	165,034-192,073 (15,332-17,844)	3%	1%
	Kothrud	143,603-158,672 (13,341-14,741)	4%	1%
	Erandwane	152,580-203,440 (14,175-18,900)	5%	1%
	Boat Club Road	162,321-215,280 (15,080-20,000)	4%	1%
East	Kharadi	88,695-113,905 (8,240-10,582)	3%	1%
	Wagholi	53,702-93,345 (4,989-8,672)	4%	1%
	Dhanori	65,015-87,619 (6,040-8,140)	5%	1%
	Hadapsar	84,820-107,769 (7,880-10,012)	5%	1%
West	Aundh	107,769-172,224 (10,012-16,000)	4%	1%
	Baner	107,640-167,520 (10,000-15,563)	5%	1%
	Hinjewadi	82,463-112,807 (7,661-10,480)	5%	1%
	Wakad	72,377-98,125 (6,724-9,116)	6%	1%
North	Moshi	62,550-66,522 (5,811-6,180)	3%	1%
	Chikhali	54,950-68,416 (5,105-6,356)	3%	1%
	Chakan	33,261-42,130 (3,090-3,914)	3%	1%
South	Ambegaon	70,784-76,123 (6,576-7,072)	4%	1%
	Undri	54,003-66,199 (5,017-6,150)	3%	1%
	Kondhwa	51,000-63,195 (4,738-5,871)	3%	1%

Source: Knight Frank Research

PUNE

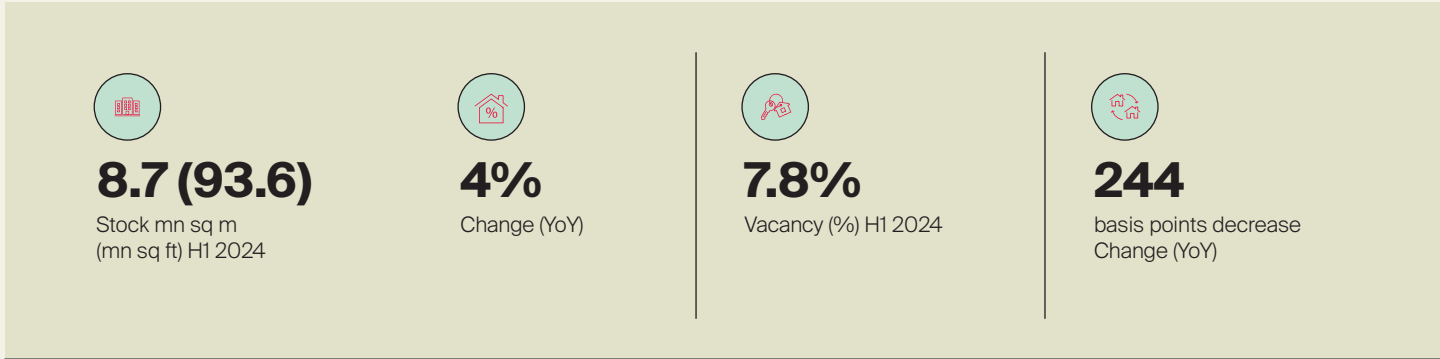


Office Market

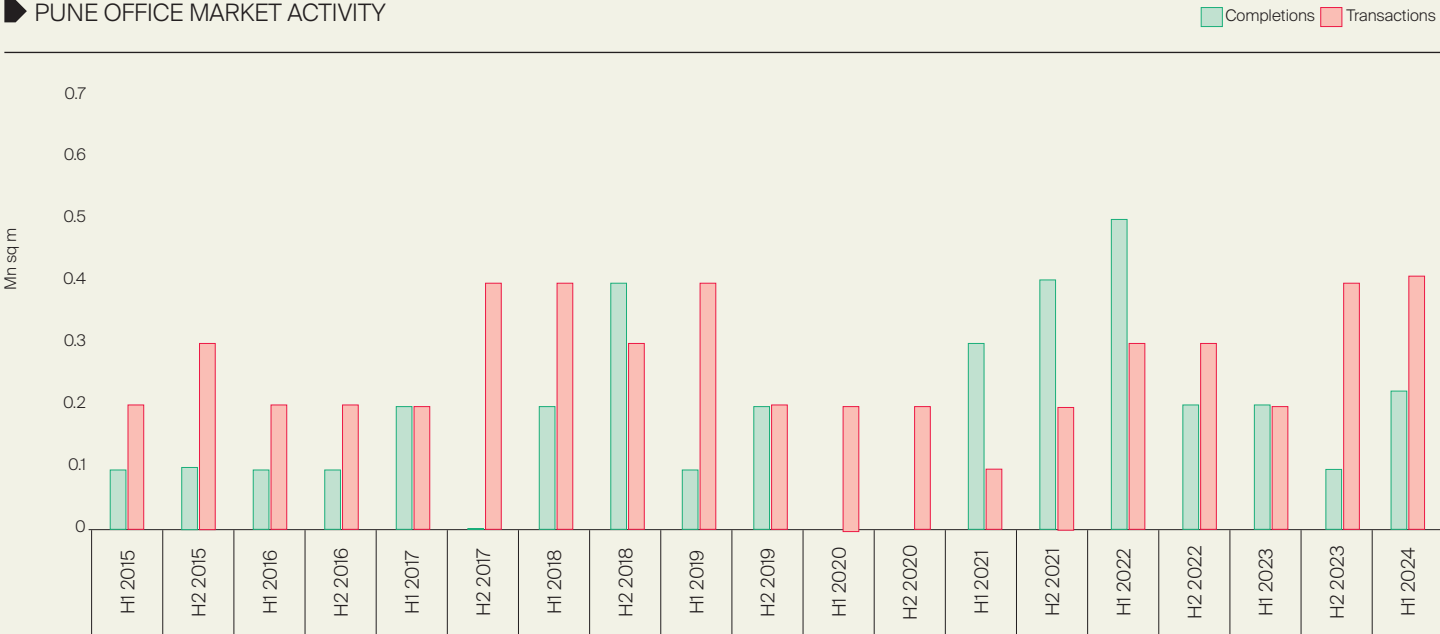
PUNE MARKET SUMMARY

Parameter	2023	2023 Change (YoY)	H1 2024	H1 2024 Change (YoY)	Q2 2024	Q2 2024 Change (YoY)
Completions in mn sq m (mn sq ft)	0.34 (3.6)	-46%	0.22 (2.4)	-5%	0.06 (0.7)	-66%
Transactions in mn sq m (mn sq ft)	0.62 (6.7)	9%	0.41 (4.4)	88%	0.22 (2.4)	58%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	791.2 (73.5)	2%	807 (75)	4%	-	-

Note: 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research



PUNE OFFICE MARKET ACTIVITY



Source: Knight Frank Research

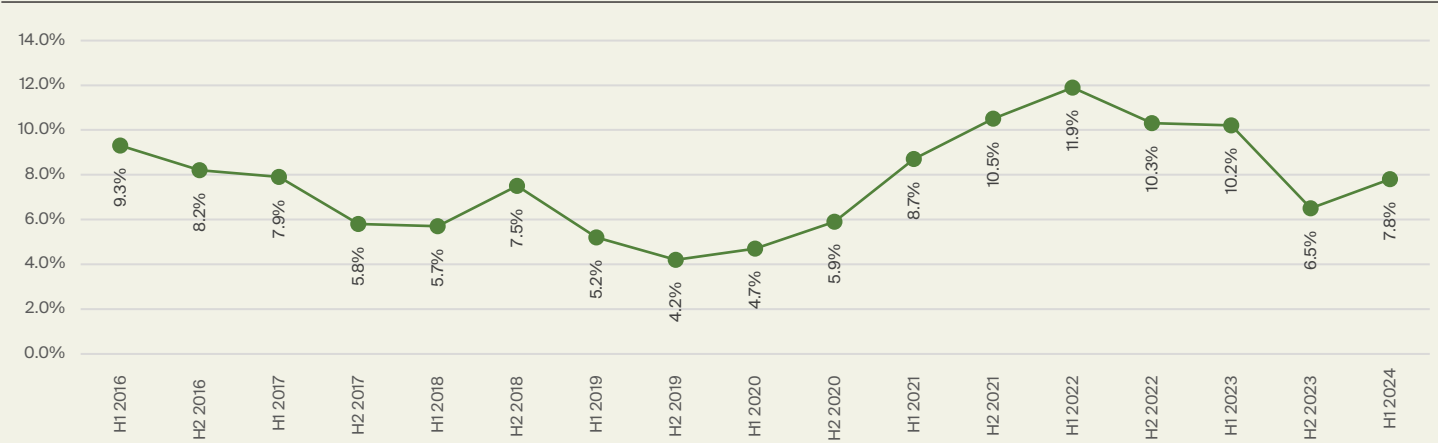
- Pune's office market experienced significant growth in the first half of 2024, with 0.41 mn sq m (4.4 mn sq ft) of office space leased, marking a strong 88% increase. This figure represents Pune's second-highest half-yearly leasing activity in the past decade, nearly matching the record set in the second half of 2023. The flex sector, followed by India-facing businesses, were the primary drivers of this demand surge. Pune's surge in flex transactions is driven by the growing startup ecosystem and the increasing adoption of hybrid work models. Meanwhile, India-facing businesses are fueling demand for traditional office spaces as they expand operations in the city. Ongoing infrastructure development projects such as the metro rail expansion, are further boosting real estate activity by improving connectivity and accessibility.
- Pune's office market maintained its momentum in the second quarter of 2024 with 0.22 mn sq m (2.4 mn sq ft) of office space transacted, marking a substantial 58% YoY increase.
- Throughout the first half of 2024, Pune's Secondary Business Districts (SBDs) experienced significant demand, with SBD East and SBD West together accounting for 66% of all office transactions.
- Baner led Pune's office market, accounting for 31% of the total transactions. Kharadi followed with a 12% share, while Yerwada contributed 9%.
- Flex transactions accounted for a significant 43% of the total office leasing volume in Pune during the first half of 2024. The city's vibrant startup ecosystem and expanding SME sector are the key drivers behind the rising demand for flexible office spaces.
- With office completions totaling 0.22 mn sq m (2.4 mn sq ft), Pune witnessed a slight decline of 5% YoY. However, the outlook remains positive with new projects nearing completion, signaling a potential increase in office supply in the coming months.
- Pune's PBD West micro-market led the new office supply in H1 2024, accounting for 48% of the total additions. SBD East followed with a significant 28% share.
- Rents in Pune's office market experienced significant growth in the first half of 2024, surpassing pre-pandemic levels and reaching their highest point in the last decade. This upward trajectory is primarily fueled by a surge in demand coupled with the relatively limited supply of office space in the city.
- Due to limited new completions in H1 2024, the vacancy rate in Pune's office market decreased significantly by 244 basis points to 7.8% in the first half of the year. With increasing demand, the city is anticipating new supply in 2024 to alleviate potential pressure on vacancy rates.
- Pune's office market is thriving, driven by a surge in demand. The market is adapting to the changing dynamics, notably embracing flexible workspaces and sustainability as key emerging trends.

► BUSINESS DISTRICT CLASSIFICATION

Business district	Micro markets
Central Business District (CBD and Off-CBD)	Bund Garden Road, S B Road, Camp, Deccan, University Road, Shankar Sheth Road
Secondary Business District (SBD) East	Kalyani Nagar, Yerwada, Nagar Road, Hadapsar
Peripheral Business District (PBD) East	Kharadi, Phursungi
Secondary Business District (SBD) West	Wakdevadi, Aundh, Baner, Kothrud, Balewadi
Peripheral Business District (PBD) West	Hinjewadi, Bavdhan, Wakad
Secondary Business District (SBD) North	Pimpri, Chinchwad, Khadki, Moshi and Bhosari

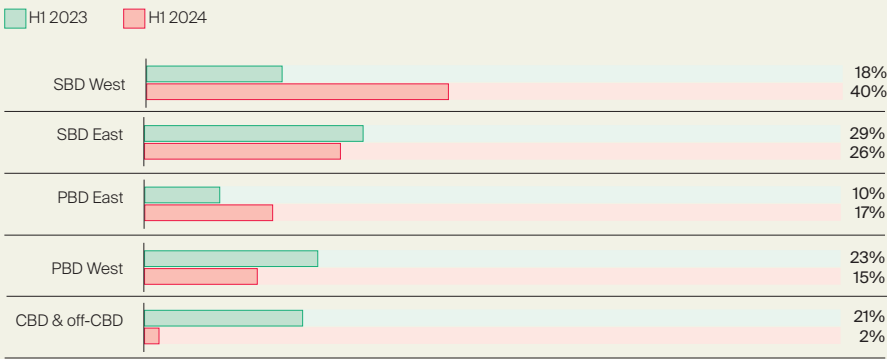
Source: Knight Frank Research

► PUNE OFFICE MARKET VACANCY



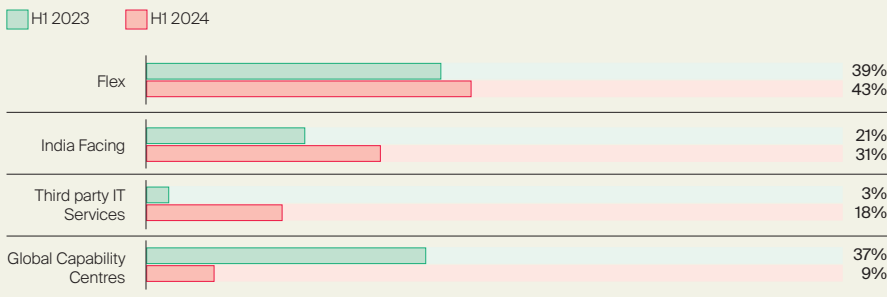
Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT IN H1 2023 AND H1 2024



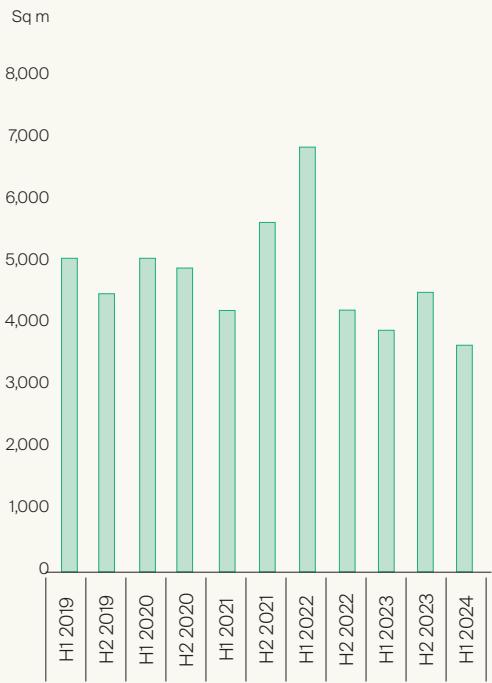
Source: Knight Frank Research

END-USE SPLIT OF TRANSACTIONS IN H1 2023 AND H1 2024



Source: Knight Frank Research

AVERAGE DEAL SIZE TREND



Source: Knight Frank Research

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

	Rental value range in H1 2024 in INR/sq m/month (INR/sq ft/month)	12-month change	6-month change
CBD & off CBD	840-1,464 (78-136)	4%	1%
SBD East	678-1,324 (63-123)	4%	1%
SBD West	678-1,066 (63-99)	4%	1%
PBD East	678-1,130 (63-105)	4%	1%
PBD West	495-829 (46-77)	3%	1%

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