India Office Property Market Overview

Q3 2017

Colliers Quarterly

INDIA | OFFICE

Q3 2017
24 October 2017

Positive outlook despite slowdown in economy

Surabhi Arora Senior Associate Director | India

Although, India's real GDP went further down to 5.7% in Q2 2017, the yearly forecast projection remains above 6.7%. The economy is trying to adjust to the aftermath of several major government reforms executed in 2017 resulting in a temporary slowdown. However, office market remained upbeat with increased investor activity, sustained leasing demand from technology companies and growing leasing interest from various industry occupiers like manufacturing, coworking, logistics and warehousing. We expect the commercial real estate market to remain on track with sustained demand from occupiers in short to medium term.

Forecast at a glance

Demand
Primarily dominated by technology, engineering and banking sector; coworking operators and warehousing to gain traction

Supply
About 90 million sq ft (0.8 million sq m) is under various stage of construction across India which is likely to complete in next three years, a 16% increase in current total stock

Vacancy rate
Vacancy level to remain mostly stable; may shrink by 2-3% in select micromarkets of technology driven cities like Pune, Bengaluru, Chennai and Hyderabad

Rent
RENT

South city rentals continued the upward growth trajectory; average annual increase of 4-5% over the next three years likely

Price
May increase by 2-3% over the next three years as investor activity is set to rise

Sustained leasing momentum in Q3 2017

Notwithstanding the slowdown in the overall economy, the office market has continued to perform well in 2017 so far. With about 10 million sq ft (0.9 million sq m) of office leasing in Q3, gross absorption totalled around 28.9 million sq ft (2.7 million sq m) over the first nine months. Although the number represents a marginal decline of about 1% from last year's absorption during the same period, we expect leasing momentum to pick up in Q4 2017 and maintain our yearly forecast of more than 40 million sq ft (3.7 million sq m) for 2017.

Bengaluru remained the frontrunner in office leasing with a 31% share of overall demand followed by the NCR on 25%, Hyderabad and Chennai on 12% each, Mumbai on 10%, Pune on 8% and Kolkata on 2%. The traditional demand driver of the Indian office market, technology occupiers, represented 39% of total absorption. Banking, Financial Services and Insurance (BFSI) also formed the bulk of transactions and accounted for 17% of total absorption.

With a 7% share of total leasing volume in Q3 2017, coworking operators are making their presence felt in the market. Besides its cost-effectiveness and flexibility, use of coworking space is becoming more popular due to increasing uncertainty among occupiers regarding their future headcount growth. We expect the coworking concept to expand in the short to medium term, notably in cities such as Mumbai, Bengaluru and Gurgaon.

According to Oxford Economics Asia City Outlook report, Indian cities should continue their rapid pace of growth and dominate the top of the growth rankings. Moreover, initial reports over GST collections are encouraging, with the new tax generating larger than anticipated revenues indicating a revival of the economy soon.

In our opinion, the commercial market is set to remain stable despite the economic slowdown and increasing concern about disruption from artificial intelligence, automation and stringent data security laws. In our view, while artificial intelligence has the potential to disrupt the Indian property market significantly, in the long run it should also drive productivity and create new opportunities for developers which embrace it early.

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Leasing activity to gain momentum by Q1 2018

Uttara Nilawar Manager | Mumbai

Mumbai's property market started with a positive note in early 2017, but witnessed a downward trend after that. In Q3, business activities were disrupted by heavy rainfall and infrastructure issues. We expect leasing transaction momentum to pick up in coming quarters with stable rents and quality Grade A new supply. In addition, developers should witness additional demand from coworking players as many local operators are looking to expand their present footprint.

Forecast at a glance

Demand
Coworking demand likely to strengthen along with manufacturing, logistics, warehousing, telecom and fintech sector

Supply
We predict a 3% increase in total stock by the end of 2017; we project new supply of 9-10 million sq ft (0.8-0.9 million sq m) over the next three years

Vacancy rate
Average vacancy rate set to remain stable at 13%; vacancy may rise slightly by 2020 if supply becomes available on time in select micromarkets

Rent
Set to remain stable over the next three years; premium buildings in BKC, Worli, Lower Parel likely to command above-average market rents

Price
Investor activity is picking up; capital values may rise 2-4% over the next three years

Coworking space set to expand

Gross office absorption amounted to only 1.0 million sq ft (0.1 million sq m) in Q3 2017, making it 4.0 million sq ft (0.4 million sq ft) YTD, which is similar to the YTD absorption in the same period last year. Although the average deal size remained constant at 20,000 sq ft (1,860 sq m) as in Q2, the number of deals came down considerably.

In pursuit of space efficiency and cost effectiveness, occupiers in Mumbai are embracing the coworking trend. To cater to the increased demand, various local coworking operators have been expanding fast as they receive funding from investors. In Q3 2017, coworking space accounted for 31% of total gross office absorption. We expect this trend to continue in Q4 2017 as coworking players such as iKeva and Avanta have recently announced expansion plans (*Source: The Hindu Business Line, July & August 2017*). Engineering and manufacturing companies accounted for 21% share of leasing volume. With many banking and financial companies automating operations and office sizes shrinking, we have witnessed subdued demand from this industry. Banking, Financial and Insurance Services (BFSI), technology & technology enabled services (IT/ITeS), consulting, logistics, warehousing, telecom, fintech and other companies accounted for the remaining 48% share of leasing volume.

Rental Values

Micromarkets	Rental Values[1]	q-o-q Change	y-o-y Change
CBD[2]	200 - 250	0.0%	0.0%
Worli/Prabhadevi	170 - 210	0.0%	0.0%
Lower Parel	140 -195	1.8%	1.8%
BKC	225 - 330	1.5%	0.0%
Kalina	140 - 180	0.0%	0.0%
Goregaon/JVLR	100 - 130	0.0%	0.0%
Andheri East	90 - 130	0.0%	-3.0%
Malad	80 - 100	0.0%	-2.6%
Powai	110 - 130	3.0%	3.0%
Navi Mumbai	70 - 100	2.0%	2.0%
Thane	70 - 80	0.0%	0.0%
LBS[3]	90 - 120	3.0%	3.0%

Source Colliers International India Research

[1]Indicative Grade A rentals in INR per sq ft per month (non IT-ITeS)

[2]Nariman Point, Ballard Estate and Fort

[3]Lal Bahadur Shastri Marg

Fig 1. Rental & Capital Values (INR per sq ft per month)

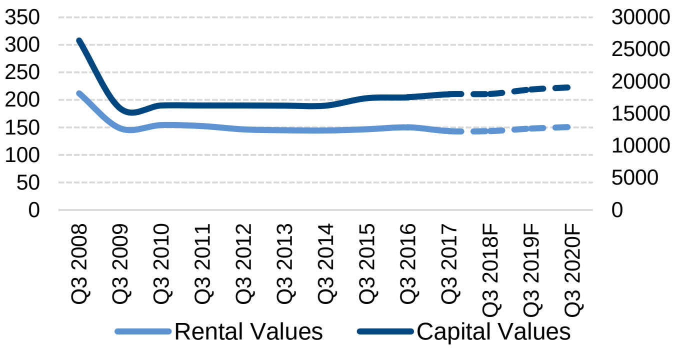
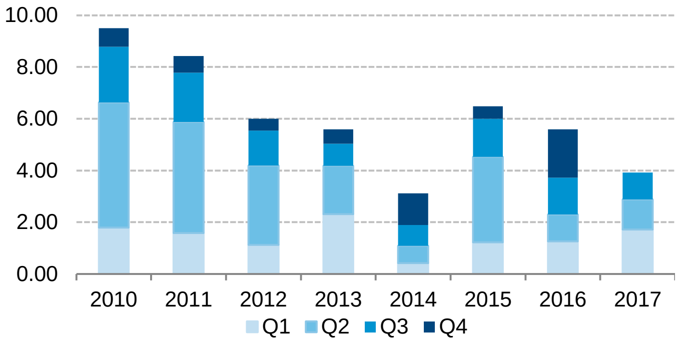


Fig 2. Gross Office Absorption (million sq ft)



Major Lease Transactions in Q3 2017

Client	Building Name	Area (sq ft)	Location
Cipla	Empire Tower	80,000	Airoli
Tata Projects	Transocean House	58,000	Powai
Innov8	Piramal Agastya	50,000	Kurla West
LafargeHolcim	Gigaplex	50,000	Airoli
Aditya Birla Management Services	Empire Tower	40,000	Airoli

Source Colliers International India Research
Notes: All figures are based on market information as on 25th September 2017

Central and western suburbs, Navi Mumbai dominate leasing

The central suburbs (Powai, Vikhroli, Kurla) and western suburbs (Andheri, Goregaon) accounted for 39% and 20% respectively of total absorption. Companies also expanded their footprint in Navi Mumbai and BKC, with a 16% share each, while Central Mumbai (Worli, Prabhadevi) and CBD represented the remaining 9% of gross absorption.

For the last few quarters, supply has sustained demand in Mumbai's micromarkets and rental values have mostly remained stable. In accordance with our earlier projections, we expect 9-10 million sq ft (0.8-0.9 million sq m) of new supply by 2020 leading to a 7-8% increase in total stock. Most of this supply will be concentrated in Navi Mumbai, and the central and western suburbs. In addition, a private equity joint venture between Tata Realty and Standard Chartered has bought a 47.5-acre (0.2 million sq m) land parcel in the Thane-Belapur industrial area for INR3.25 billion (USD0.05 billion). The joint venture plans to use the land to build around 6.5 million sq ft (0.6 million sq m) of Grade A office space.

Colliers' View

While office transactions slowed down in Q3 2017, we expect leasing activity to improve in Q4 as a few major transactions are in the pipeline and likely to conclude soon. As office space demand is being met at most locations, we expect rental values to remain stable. Investor activity is picking up and outright purchases of a few major commercial properties should be completed by the end of 2017.

In Q3 2017, flooding during monsoons disrupted daily life in Mumbai, causing millions of rupees in losses and affecting the already strained infrastructure in several parts of the city. To address infrastructure issues, the Mumbai Metropolitan Region Development Authority (MMRDA) has allocated almost 84% of funds to infrastructure projects from its total budget of INR68 billion (USD1 billion) for 2017-18 *(Source: MMRDA Press Release, March 2017)*. These initiatives should benefit the Mumbai commercial market in the long run.

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Leasing momentum to continue in Q4

Saif Lari Assistant Manager | India

The city witnessed overall absorption of 0.26 million sq ft (0.02 million sq m) with no new supply addition in Q3 2017. Although about 3.0 million sq ft (0.3 million sq m) of new supply is likely to witness completion over the next three years, there will be a dearth of grade A supply in preferred micromarkets such as CP (Connaught Place) and Aerocity. We recommend occupiers to prepare expansion strategies well in advance and keep an eye on Grade A buildings as there is limited space available and rents are increasing.

Forecast at a glance

Demand
Demand for Grade A office space is likely to remain stable.

Supply
We expect about 3.2 million sq ft (0.3 million sq m) of new supply by 2020; only 0.36 million sq ft (0.03 million sq m) of Grade A supply is likely in Q4 2017

Vacancy rate
Vacancy is likely to go down in Grade A office space, whereas Grade B strata-sold space is likely to see a higher vacancy rate

Rent
We expect rents to inch up 1-2% owing to the lack of Grade A stock. Rents to increase by 3-5% annually of the Grade A stock.

Price
Capital values are likely to remain stable due to lacklustre investor activity

Steady increase in rents, BFSI sector led the office take-up

In Q3 2017, total gross leasing volume amounted to 0.26 million sq ft (0.02 million sq m) representing a significant increase of 30% in comparison to Q3 2016. Over the first nine months, the gross absorption was 1.0 million sq ft (0.09 million sq m), up by 61% from 0.62 million sq ft (0.06 million sq m) over the same period of 2016.

Following the trend in Q2, Banking, Financial Services and Insurance (BFSI) took up most of the premium office space, accounting for 56% of total leasing transactions. Engineering & Manufacturing (18%) and pharmaceutical companies (5%) were the other sectors accounting for a high proportion of overall leasing volume. CBD and Aerocity (SBD) accounted for the maximum share (60%) of the total office transactions. Most of the deals in Q3 were a mix of small to mid-sized transactions, with an average transaction size of 30,000 sq ft (2,787 sq m).

In accordance with our forecast in Q2, we observed steady demand and limited supply for Grade A office space across all micromarkets in the city. Continued interest from occupiers led to an average q-o-q increase of 4% in rental values. In our opinion, there will be upward pressure on rents, primarily in the CBD and Aerocity (SBD) premium office markets. We expect the commercial office market to remain stable and slightly favourable towards developers.

Rental Values

Micromarkets	Rental Values	q-o-q Change	y-o-y Change
Connaught Place (CBD)	140 - 425	5%	-4%
Nehru Place	150 - 200	0%	-9%
Saket	110 - 180	4%	-3%
Jasola	80 - 115	5%	-7%
Netaji Subhash Place	60 - 90	3%	-17%
Okhla	40 - 90	13%	-4%
Aerocity	180 - 200	9%	12%

Source Colliers International India Research

[1]Indicative Grade A rentals in INR per sq ft per month (non IT-ITeS)

Fig 1. Rental & Capital Values (INR per sq ft per month)

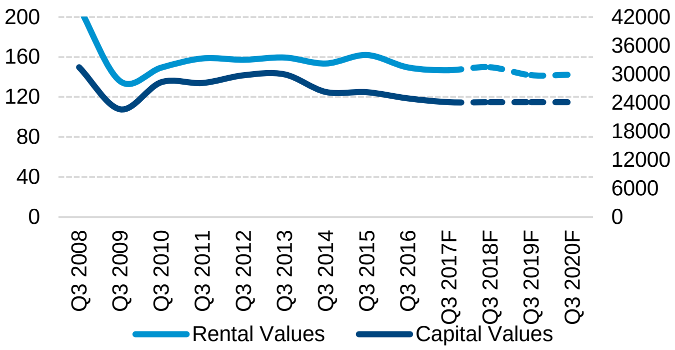
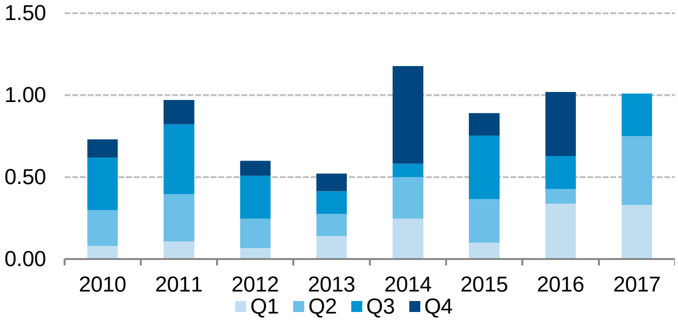


Fig 2. Gross Office Absorption (million sq ft)



Major Lease Transactions in Q3 2017

Client	Building Name	Area (sq ft)	Location
NSDC	Bharti Worldmark	60,000	Aerocity
Andritz	Standalone Building	47,000	Mohan Cooperative
Deutsche Bank	HT Media House	30,000	CBD
Tax Policy Research	Jeevan Bharti Building	20,000	CBD
Industry Buying	Standalone Building	16,000	Dwarka

Source Colliers International India Research
Notes: All figures are based on market information as on 25th September 2017

We also witnessed a rise of 1-2% in capital values across all the major micromarkets on a q-o-q basis. We believe that capital values will remain stable over Q4 and the upcoming quarters to that.

Dearth of new supply to keep a check on vacancy levels

We expect that no new significant supply will hit the market in the near future apart from the redevelopment projects carried on by the state-run NBCC (National Buildings Construction Corporation) in three different colonies of Prime South Market. NBCC has recently won the licence to develop the multi-storey commercial project as "World Trade Center". As reported in our earlier Q2 report, the scale of the office space will span 12 commercial towers providing a sizable development of 3.0 million sq ft (0.3 million sq m) by 2020.

In addition, CBD market (Barakhamba Road, Tolstoy Marg and Bangla Saheb Road) is likely to see completion of small office buildings in the Q4 totalling 0.21 million sq ft (0.02 million sq m).

There has been a steady reduction in the vacancy rates over the first three quarters of 2017. The available supply of grade A space for Q3 was 1.2 million sq ft (0.1 million sq m), of which most buildings are old and lacking contemporary facilities. The vacancy rate of Grade A office spaces has fallen 7.7% q-o-q. We anticipate that the vacancy rates of Delhi Aerocity will decline further due to reinforced interest from the occupiers.

Colliers View

We expect similar momentum to continue in coming quarters; however, the city has a limited new supply pipeline in short term. Occupiers looking for expansion within Delhi's limits should keep an eye on Grade A buildings as there is limited space available and rents are increasing. We expect average rents to increase by 3-5% annually in the next 3 years for Grade A.

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GURUGRAM (GURGAON) | OFFICE

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Upcoming supply to complement demand

Surabhi Arora Senior Associate Director | India

In view of the expansion plans of occupiers we expect demand to remain firm in the Gurugram market in coming quarters. We are observing increased interest in pre-commitments in under-construction projects from occupiers looking for relocation and consolidation to hedge against likely increases in rents in premium sub-markets in the future. With substantial supply under construction on Golf Course Extension Road and NH8 we expect increased activity in these micro markets.

Forecast at a glance

Demand

Demand likely to improve with several occupiers looking for new space primarily in the technology sector

Supply

We see a robust supply pipeline of 11.0 million sq ft (1.02 million sq m) in next three years

Vacancy rate

Overall vacancy set to remain high around 28% due to continuous addition of new supply in emerging corridors

Rent

We expect average rents to remain stable for the next few years. Cyber City and Golf Course Road should see increases of 2-3% in 2018 due to restricted new supply.

Price

With not many transactions lined up, capital values are likely to remain stable in short term while 5-10% y-o-y increase expected in long term

Occupier Expansion plans point to continued momentum

With approximately 1.58 million sq ft (0.15 million sq m) of gross absorption in Q3, Gurugram remained the most active office market in the national capital region (NCR). Gross absorption over the first nine months accounted to 3.3 million sq ft (0.3 million sq m) which is about 14% up from the same period in 2016. About 30% of the total lease volume was concentrated on Golf Course Road followed by Sohna Road 18%, Cyber City 14%, Golf Course Extension Road 13% and NH8 including Udyog Vihar 16%. MG Road and Institutional sectors represented only 1% and 4%, respectively. The Information Technology and Information Technology Enabled Services (IT-ITeS) accounted for 49% of leasing volume in Q2 followed by Engineering and Manufacturing sector on 20%. Apart from this, the Banking, Financial Services and Insurance (BFSI) sector, coupled with Coworking, media and entertainment firms looking to expand or enter the market, leased smaller office spaces that formed the bulk of transactions.

There is an increased interest from office occupiers to pre-commit office space in buildings under construction to secure themselves against high or rising future rentals. Connectivity and cost will remain the primary deciding factors for occupiers looking large office spaces for relocation and consolidation.

Rental Values

Micromarkets	Rental Values[1]	q-o-q Change	y-o-y Change
MG Road	105 - 140	2%	-2%
Golf Course Road	110-200	-6%	15%
Institutional Sectors (Sectors 44, 32 and 18)	60 - 90	0%	0%
Golf Course Extension/Sohna Road	55 - 80	0%	0%
National Highway 8	50 - 130	0%	0%
Udyog Vihar and Industrial Sectors	50 - 70	0%	0%
Manesar	30 - 45	-6%	-10%
DLF Cyber City (IT)	110 - 120	-2%	10%

Source Colliers International India Research
[1]Indicative Grade A rentals in INR per sq ft per month

Fig 1. Rental & Capital Values (INR per sq ft per month)

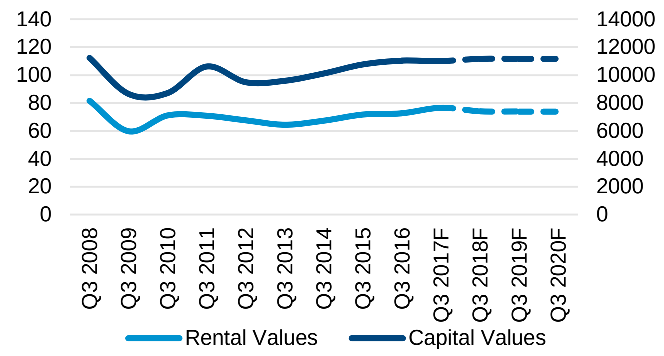
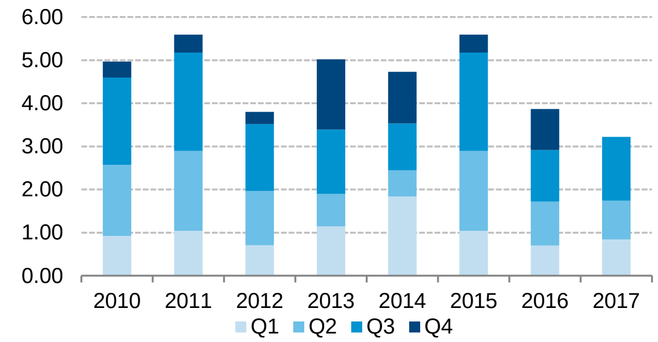


Fig 2. Gross Office Absorption (million sq ft)



Major Transactions in Q3 2017

Client	Building Name	Area (sq ft)	Location
Honeywell	Unitech Trade Centre	65,000	Sohna Road
BCG	Building No. 9	38,000	Cyber City
Samsung	Two Horizon Centre	96,000	Golf Course Road
Finserv India	Spaze IT Park	40,000	Sohna Road
SITA	ASF Centre	36,000	Udyog Vihar

Source Colliers International India Research
All figures are based on market information as on 25th September 2017

We advise such occupiers to explore options at NH8 and Golf Course Road Extension. Premium occupiers will probably continue to prefer Cyber City and Golf Course Road due to enhanced connectivity by completion of the rapid metro corridor.

Rents to remain stable amid high vacancy in peripheral markets

In line with our projections during Q3 2017, 0.4 million sq ft (0.04 million sq m) of new supply was released into the market primarily on Golf Course Extension Road. According to Colliers' survey, about 11 million sq ft (1.02 million sq m) of new supply is under various stages of construction and likely to be completed by 2020. Most of the new supply is located in the Golf Course Extension Road and NH-8 micromarkets. We expect deferment of new supply on Golf Course Extension Road as vacancy levels are already high. However, about 0.5 million sq ft (0.05 million sq m) SEZ supply in Ascendas Singbridge is likely to come in accordance with the in November 2017.

The average rents declined by 3% q-o-q in Q3 2017. High vacancy is likely to keep a check on rents in most of the micromarkets.

Colliers' View

As per our understanding, premium buildings will continue to command a premium over market average rates in supply-restrained locations such as Cyber City and Golf Course Road exerting upward pressure on rents. However, there will be downward pressure on rents in peripheral micromarkets and grade B buildings. Thus, average rents are likely to remain stable over the short to medium term. We expect urban infrastructure to get a boost as work on the widening of the NH8 is going on in full swing and the Hero Honda Chowk Flyover is likely to see completion in 2017.

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Average rents likely to remain stable

Surabhi Arora Senior Associate Director | India

We expect demand to remain firm in coming quarters. Occupiers' interest is likely to remain inclined towards Grade A developments. Despite high vacancy, large floorplate options are limited in well-maintained Grade A buildings. We recommend that developers keep an eye on the high vacancy rate and refrain from speculative construction of Grade B buildings.

Forecast at a glance

Demand
Likely to remain concentrated in Sector 62-65 and Noida Expressway; technology and media companies to drive absorption

Supply
Supply likely to remain restricted in short term; about 13 million sq ft (1.2 million sq m) is under various stages of construction

Vacancy rate
Set to decline marginally in grade A developments given developer's concern over the high vacancy rates

Rent
Despite upward bias for grade A buildings, average city rents are likely to remain stable over next three years

Price
Likely to remain under pressure due to lower transaction activity in medium term

Sector 62 to 65 and Noida Expressway to remain favoured

In line with our projection, the NOIDA commercial market witnessed improved occupier interest in Q3 2017. The market recorded about 0.6 million sq ft (0.05 million sq m) of gross absorption which was 20% up from the previous quarter. With this, the YTD absorption in Noida reached to about 1.48 million sq ft (0.14 million sq m). The technology sector, the traditional demand driver of the city, contributed about 55% of total absorption, followed by media (14%), energy (12%), Banking Financial Services and Insurance (BFSI) (10%) and others (9%). Notable transactions included the lease of 45,000 sq ft (4,180 sq m) office space by Tech Mahindra and the lease of 48,000 sq ft (4,459 sq m) by Kalptaru Power in sector 63 and 62 respectively.

Following the previous quarter's trend, demand was concentrated in the institutional and industrial Sectors 62 to 65 and Noida Expressway. Recently, the connectivity of the Sector 62-65 micromarket with the national capital has been significantly enhanced by the completion of a signal-free 6 kilometre elevated road stretch. This stretch connects the DND (Delhi-Noida-Delhi) toll road to Sector 62 via the Sector 18 underpass and has exit points at Vishwa Bharti School (Sector 28), City Centre (Sector 32) and Shopprix Mall (Sector 61). We expect that the completion of the metro line extension from the city centre to sector 62 will further improve occupier confidence in this micromarket.

Rental Values (INR per sq ft per month)

Micromarkets	Rental Values[1]	q-o-q Change	y-o-y Change
Commercial Sectors[1]	75 - 110	2.8%	3.0%
Institutional Sectors (Non IT)[2]	75 - 95	-5.6%	-6.0%
Institutional Sectors (IT)[2]	45 - 50	0.0%	18%
Industrial Sector (IT)[3]	35 - 50	0.0%	-6%

Source Colliers International India Research
[1]Sector 18 (hotels, shopping centres, banks, cinemas)
[2]Sector 16 A,62, 125,126,127,132,135,136,142,143,144,153,154 (Educational, healthcare, technology & Government offices)
[3]Sector 1-9,57-60, 63-65 (factories, warehouses and IT services)

Fig 1. Rental & Capital Values (INR per sq ft per month)

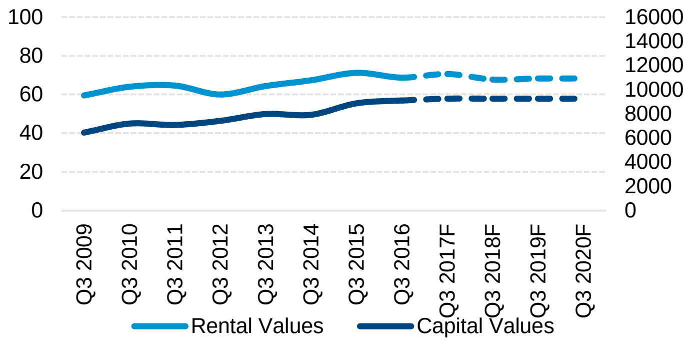
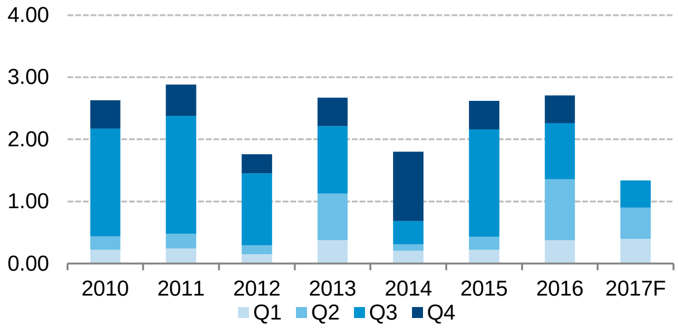


Fig 2. Gross Office Absorption (million sq ft)



Major Transactions in Q3 2017

Client	Building Name	Area (sq ft)	Location
3Tillans	Brookfield	60,000	Sector 63
Kalptaru Power	Okaya Blue Silicon	48,000	Sector 62
Tech Mahindra	Stand Alone Building	45,000	Sector 63
Times of India	Stand Alone Building	40,000	Film City
Pacific BPO	Symphony	33,000	Sector 63

Source Colliers International India Research
All figures are based on market information as on 25th September 2017

Due to limited availability of grade A stock, we expect that cost-conscious tenants looking for large floorplates at affordable rents will continue to expand in nearby industrial sectors while occupiers looking for quality Grade A spaces will state on the NOIDA Expressway.

Rents for grade A properties continue to command a marginal premium over market rents; however, overall rents are likely to remain stable amid high vacancy levels.

Supply likely to remain restricted

We maintain our view that new supply will be limited in the short term and come mainly from Grade A developers. According to Colliers' survey, about 2.2 million sq ft (0.2 million sq m) of office space is in an advanced stage of construction, and there are is approximately 13 million sq ft (1.2 million sq m) of supply that is in various stages of development.

We expect that local small players dependent mostly on strata sales for construction financing will continue to defer the completion of projects under construction and refrain from launching new projects. Less speculative development should help in keeping rising vacancy levels in check.

Colliers' View

We expect the market to remain tilted in favour of occupiers. The high vacancy level is likely to keep rents stable. We anticipate that leasing will stay concentrated in the Sector 62 -65 and Noida Expressway micromarkets. The Sector 62-65 micro market is likely to be driven by companies looking for affordable space. However, businesses looking for relocation from Jasola and Okhla in Delhi are likely to prefer the Noida-Greater Noida Expressway due to proximity to Delhi.

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Colliers Quarterly

BENGALURU | OFFICE

Q3 2017
24 October 2017

Accelerating success.

Strong upcoming supply to keep up with demand

Teni Alice Abraham Analyst | Bengaluru

Despite a marginal drop in q-o-q absorption, Q3 2017 has witnessed a substantial 16.5% increase y-o-y in leasing activity. In view of the office deal pipeline, we expect leasing to pick up further towards the year-end. Forthcoming supply is likely to complement demand. We advise occupiers to prepare expansion strategies well in advance as limited options are available in preferred locations.

Forecast at a glance

Demand
The dominance of the technology sector is likely to continue with a slight increase in demand from sectors such as engineering and manufacturing and banking sector

Supply
City has robust supply pipeline of 26 million sq ft (2.4 million sq m) under various stages of construction for the next 3 years leading to a 19-20% increase in the city's total inventory

Vacancy rate
Supply demand equilibrium should keep the vacancy level at around 8% in medium to long term.

Rent
Rents to witness marginal increase in Q4. We expect overall city rents to rise up to 8-10% in total over the next three years.

Price
In proportion to rental forecast, capital value is set to increase in next 3 years.

Demand to pick up further in Q4

In Q3 2017, Bengaluru witnessed gross absorption of 3.0 million sq ft (0.27 million sq m) indicating a drop of 5% q-o-q. However, the city recorded gross absorption of 10.0 million sq ft (0.9 million sq m) over the first nine months, representing a considerable increase of 16.5% from the same period last year. We are positive about gross absorption in Q4 as well in view of a robust deal pipeline and keep our yearly forecast of 13.0 million sq ft (1.2 million sq m) for the Bengaluru office market, marginally up from last year.

Leasing activity was highest in Information Technology and Information Technology Enabled Services (IT-ITeS) Sector (39%), followed by Engineering & Manufacturing (24%), Banking and Financial Services (BFSI) (18%) and Coworking (9%). Average rents inched up by 1.2% q-o-q driven by micromarkets such as EPIP Zone/Whitefield, Bannerghatta Road and the Outer Ring Road (ORR).

As in Q3 2017, ORR remains the preferred location with a major contribution of 74% in total absorption followed by SBD (8%), CBD (5%) and EPIP Zone/Whitefield (4%). Occupiers such as Paypal, Span Infotech and Paytm chose to relocate and expand their office spaces to ORR. We expect this micromarket to remain Bengaluru's most sought-after office destination as the supply pipeline is likely to complement strong demand.

Rental Values

Micromarkets	Rental Values[1]	q-o-q change	y-o-y change
CBD	110 - 170	0.0%	16.7%
Outer Ring Road (Sarjapur - Marathahalli)	75 - 85	0.0%	0.0%
Outter Ring Road (K.R. Puram - Hebbal)	70 - 80	2.7%	7.1%
Bannerghatta Road	55 - 70	1.6%	1.6%
Hosur Road	30 - 40	0.0%	7.7%
EPIP Zone/Whitefield	35 - 45	3.9%	6.7%
Electronic City	30 - 40	0.0%	2.9%

Source Colliers International India Research
[1]Indicative Grade A rentals in INR per sq ft per month

Fig 1. Rental & Capital Values (INR per sq ft per month)

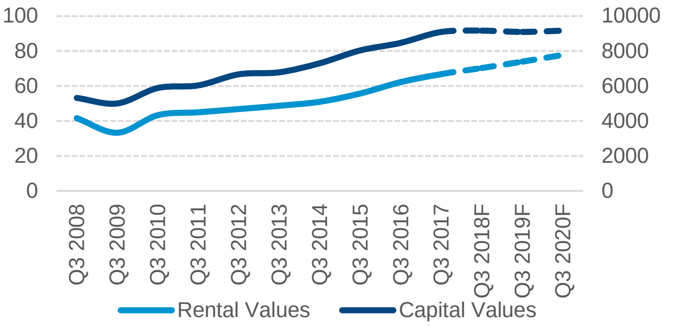
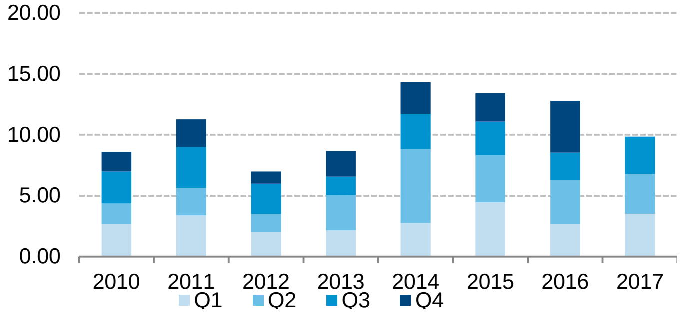


Fig 2. Gross Office Absorption (million sq ft)



Major Lease Transactions in Q3 2017

Client	Building Name	Area (sq ft)	Location
Quintiles	Prestige Tech Park	277,300	ORR
Broadcom Limited	Global Technology Park	277,000	ORR
Avila Capital	I works	228,000	ORR
State Street Global Services	RMZ Ecoworld Block 6A & 6B	220,334	ORR
Quest Global	Embassy Tech Village	330,000	ORR

Source Colliers International India Research
Notes: All figures are based on market information as on 25th September 2017

2.4 million sq ft Grade A office space likely to be added in Q4

Q3 witnessed new supply of 1.4 million sq ft (0.13 million sq m), implying a year-to-date number of about 7 million sq ft (0.65 million sq m). About 2.4 million sq ft (0.2 million sq m) of Grade A office space is likely to be further added to Bengaluru's inventory in line with our previous prediction of 26.0 million sq ft (2.6 million sq m) by 2020, a 19-20% increase to the current total stock. Another 24.0 million sq ft (2.4 million sq m) of office space is projected to be completed in the form of built-to-suit space in the next three years.

Q3 witnessed new launches of a handful of new projects amounting to 6.4 million sq ft (0.5 million sq m) in the ORR. Over the next three years, we expect that the ORR will retain its position in terms of demand as well as supply with a 50% share of total upcoming supply followed by EPIP/Whitefield (18%).

A minor drop was witnessed in vacancy rates from 8.5% in Q2 to 8.0% in Q3. In our opinion, supply-demand equilibrium in Bengaluru should keep the vacancy level at around 8% over the medium to long term.

Colliers' View

The Karnataka state government has launched "Vision 2025", a seven-year governance strategy to promote overall development of the state. The Asian Infrastructure Investment Bank (AIIB) has planned to invest USD336 million (INR 21,000 million) in the Namma Metro Phase 2 (Bayapanahalli to Whitefield). Also, a signal-free 17 km road extension of the ORR (Silk Road to Mysore Road) is progressing towards completion.

All these initiatives should help in improving the infrastructure of the city; however, timely completion will remain the key. In our opinion, real estate development may be adversely impacted in the event of delays in planned infrastructure projects.

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CHENNAI | OFFICE

Q3 2017
24 October 2017

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Stable demand scenario likely

Karthiga Ravindran Analyst | Chennai

Sustained demand from Information Technology and Information Technology enabled Service (IT-ITeS) occupiers is likely to continue in the medium to long term with significant SEZ supply scheduled in next three years. We recommend occupiers to strategize their preference for office space locations based on their business needs. Companies looking for immediate space can opt for upcoming new supply in Guindy. Corporates with clear visibility over increases in their future headcount should consider pre-commitments in the forthcoming supply at Pallavaram-Thoraipakkam Road.

Forecast at a glance

Demand
We anticipate constant occupier inclination towards Special Economic Zone (SEZ) spaces; Off CBD area to gain traction due to upcoming supply in Guindy

Supply
About 11.5 million sq ft (1.06 million sq m) of office supply likely be added to city inventory by 2020 leading to about 20% increase in total office stock

Vacancy rate
With steady demand outlook, vacancy likely to remain around 10-11% in 2018 in spite of the upcoming supply

Rent
We expect a small increase of 2-3% in the Old Mahabalipuram Road (OMR) Pre-Toll district; Additional supply in Guindy likely to increase the pressure on developers to make corrections in rent

Price
Capital values likely to increase steadily in proportion to constant leasing activities

Steady demand on the cards; OMR dominates the leasing market

With about 1.23 million sq ft (0.1 million sq m) Q3 gross absorption, Chennai has reached around 3.25 million sq ft (0.28 million sq m) office leasing so far this year, indicating sustained demand. Gross absorption recorded an increase of 7% compared to Q3 2016.

Despite continuous upward pressure on rents and low vacancy, the OMR Pre-Toll district maintains its preference among occupiers with a 51% share of the total absorption. The increase in share of this micromarket is owing to large deal of 0.45 million sq ft (0.04 million sq m) space leased by Amazon in Ramanujam IT SEZ. However, the space is likely to be occupied in phases. We expect occupier preference on OMR Pre-Toll to change slightly in coming months with cost-conscious companies looking for options beyond Perungudi Toll. The Off-CBD micromarket turned out to be the second preference of occupiers and accounted for about 22% of total leasing volume. The shares of other micromarkets were as follows: CBD (10%), OMR Post-Toll (9%), Mount Poonamalle High (MPH) Road (4%), Ambattur (3%) and GST Road (2%).

Special Economic Zone (SEZ) spaces accounted for a notable share of 31% of gross leasing volume with significant deals by companies such as Amazon, Ntrust, NTT Data and SPI Global in Ramanujam IT SEZ at OMR Pre-Toll and DLF IT SEZ at MPH Road. We expect the trend to continue with significant SEZ supply scheduled for completions by Q1 2020.

Rental Values

Micromarkets	Rental Values[1]	q-o-q Change	y-o-y Change
CBD	70 - 90	0%	7%
Off-CBD	60 - 75	0%	4%
GST Road	35 - 45	0%	7%
MPH Road	50 - 65	0%	11%
OMR Pre-Toll	55 - 78	2%	4%
OMR Post-Toll	30 - 40	0%	5%
Ambattur	30 - 45	0%	0%

Source: Colliers International India Research
[1]Indicative Grade A rentals in INR per sq ft per month (non SEZ)

Fig 1. Rental & Capital Values (INR per sq ft per month)

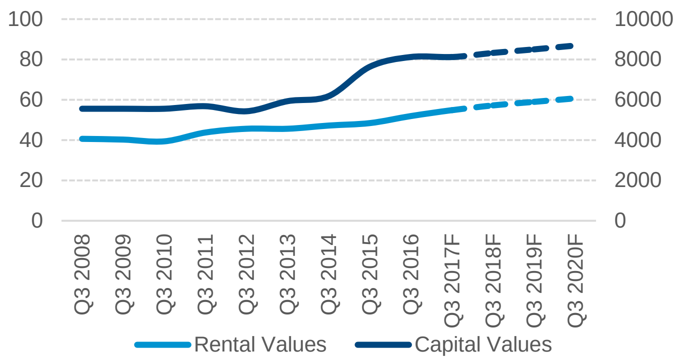
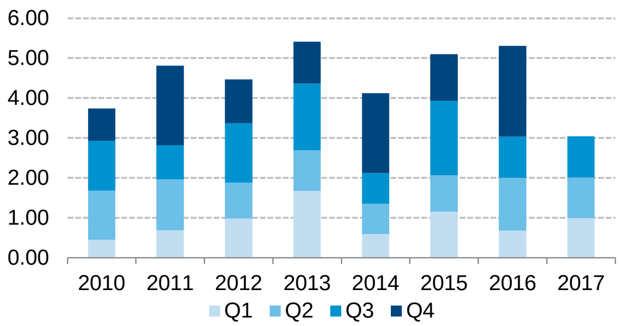


Fig 2. Gross Office Absorption (million sq ft)



Major Lease Transactions in Q3 2017

Client	Building Name	Area (sq ft)	Location
Amazon	Ramanujan IT SEZ	450,000	Taramani
BNP Paribas	SP Infocity	62,000	Perungudi
HDFC Bank Ltd.	Chozha Foundation	45,000	Ashok Nagar
Smartworks	Bharathi Nivas	45,000	Guindy
Banca Sella	Tyche Towers	32,000	Taramani

Source Colliers International India Research
Notes: All figures are based on market information as on 25th September 2017

3 million sq ft supply likely in Q4 2017; YTD supply 1.15 million sq ft

As forecasted in our earlier report, Q3 2017 witnessed negligible supply. However about 3 million sq ft (0.28 million sq m) of new supply is scheduled for completion in Q4 2017. The upcoming supply in Q4 consists of about 2.4 million sq ft (0.22 million sq m) in SEZs located in the OMR Post-Toll, MPH Road and GST Road micromarkets. In addition, about 0.52 million sq ft (0.05 million sq m) supply is in the final stages of construction completion in IT parks around Guindy in Off CBD micromarket.

In line with our earlier forecasts, Chennai is likely to see about 11.5 million sq ft (1.06 million sq m) of new office supply by the end of 2020. About 80% of the total upcoming supply for the next three years is concentrated in the southern micromarkets (OMR Pre-Toll, OMR Post-Toll and GST Road) followed by MPH Road (16%) and Off CBD (4%). We believe the high concentration of upcoming supply in the southern quadrant of the city indicates that growth in the office market should continue predominantly in this region. Moreover, of all locations in the south, Pallavaram-Thoraipakkam Road in OMR Post-Toll micromarket is gaining maximum momentum with about 6.65 million sq ft (0.61 million sq m) of office space scheduled for completion by 2020.

Colliers' View

With public infrastructure being the major challenge faced by office occupiers in recent times, we recommend developers to collaborate with government bodies to seek support in the form of local infrastructure development in order to improve project economics and avoid risks during monsoons. The expected completion of the Chennai metro rail link between Saidapet to AG DMS and Nehru Park to Central by the year-end should facilitate public commute to the CBD and Off CBD micromarkets.

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HYDERABAD | OFFICE

Q3 2017

24 October 2017

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IT-ITeS expansions to drive demand

Karthiga Ravindran Analyst | Chennai

The market witnessed a slight slowdown in demand in Q3 2017 as the developers and occupiers are busy adjusting their business processes following the passage of the Goods and Services Tax (GST). However we foresee a healthy demand outlook for next 3 years with increasing pre-commitments and expansion plans of large size occupiers. With about 26 million sq ft (2.4 million sq m) of office space under various stages of construction, we advise developers to keep a close eye on demand and plan the construction timelines.

Forecast at a glance

Demand
Should be driven by expansion of large-scale technology companies; demand from healthcare, e-commerce and energy sectors should also stay positive

Supply
1.5 million sq ft (0.14 million sq m) of office space slated for completion in Q4 2017. Heavy supply of about 26 million sq ft (2.4 million sq m) in various stages of construction likely to increase the total office stock to about 45% by 2020.

Vacancy rate
Grade A vacancy to remain at 4% in 2017. Vacancy likely to go up in medium to long term due to robust supply pipeline

Rent
Secondary Business District (SBD) rents to see a rise of 3-4% annually by 2020. Likely to remain stable in other micromarkets

Price
Steady raise likely in capital values, owing to sustained interest from institutional investors

Technology companies' expansion to continue in the SBD

Commercial leasing witnessed a drop of about 21% in Q3 2017 with about 1.24 million sq ft (0.12 million sq m) of gross absorption. The YTD absorption is recorded as 3.32 million sq ft (0.31 million sq m). The market performance continued to be intense in the SBD as about 80% of the total leasing volume was concentrated in this micromarket. A few notable transactions above 0.1 million sq ft (9300 sq m) were witnessed in SBD with space taken up by companies such as Microsoft, Ness Technologies and Karvy Corporate. The Off-Central Business District (Off-CBD) accounted 11% of the absorption pie while CBD and PBD continued with a stable trend of about 4% share by each of the micromarkets.

The total share of space taken up by Information Technology and Information Technology enabled Services (IT-ITeS) companies dropped from 92% in Q2 2017 to 64% in Q3. However, with large size deals sealed by Banking Financial Service and Insurance (BFSI) players, the sector accounted for a notable 17% share while health care and consulting companies contributed about 6% and 4% each respectively.

In our opinion, the market should make further progress in leasing transactions after a short-term dip and the demand is likely to gain pace over 2018. We expect demand to remain concentrated in the SBD micromarket in short to medium term given the robust expansion plans of prominent technology players such as Google, Accenture, Deloitte, Amazon etc. Also, due to increasing developments in the Kokapet district and its proximity to Nehru Outer Ring Road it is likely to be an emerging location to attract commercial investments in upcoming quarters.

Rental Values

Micromarkets	Rental Values[1]	q-o-q change	y-o-y change
CBD	45 - 50	0%	0%
Off-CBD	45 - 50	0%	0%
SBD	55 - 65	4%	8%
PBD	25 - 30	0%	0%

Source Colliers International India Research
[1]Indicative Grade A rentals in INR per sq ft per month

Fig 1. Rental Values (INR per sq ft per month)

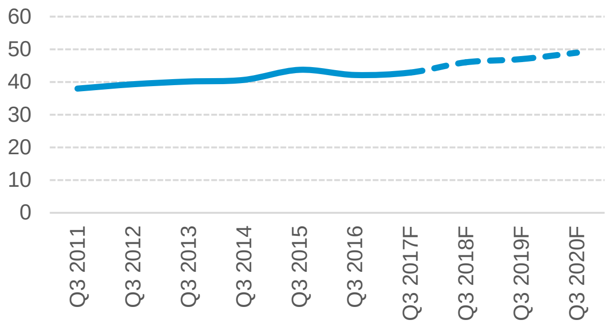
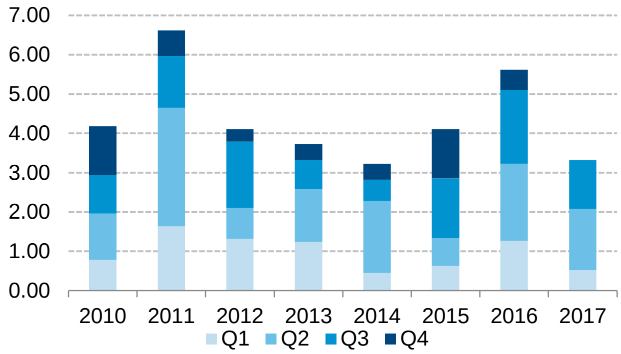


Fig 2. Gross Office Absorption (million sq ft)



Major Lease Transactions in Q3 2017

Client	Building Name	Area (sq ft)	Location
Microsoft	Knowledge City	166,000	Hitech City
HDFC Ltd.	Meghna Infratech	105,000	Himayat Nagar
Ness Technologies	Divyasree Orion	102,500	Raidurg
Axis Bank	Raheja Mindspace – East	50,000	Pocharam
Digital Domain	Wave Rock	40,000	Gachibowli

Source Colliers International India Research
Notes: All figures are based on market information as on 25th September 2017

Upcoming supply pipeline to ease vacancy

Reflecting the completion of projects such as Ascendas Atria, Meenakshi IT campus and Phoenix Primea, the market witnessed an addition of 1.9 million sq ft (0.18 million sq m) of supply in Q3 2017 in the SBD. The year-to-date supply in the city reached about 4.05 million sq ft (0.38 million sq m). We expect a few projects under construction in Hi Tech City, Pocharam, Nanagramkuda and Banjara Hills to be completed by Q4 2017, leading to the addition of 1.54 million sq ft (0.14 million sq m) to the city's office stock by the end of 2017.

As an indication of healthy demand, about 0.8 million sq ft (0.07 million sq m) of upcoming supply has been pre-committed. New project launches in Q3 2017 include Rajpushma Summit in Nanagramkuda with about 0.5 million sq ft (0.05 million sq m) of office space scheduled to be completed by 2018. The city is also witnessing a healthy supply pipeline for the next three years concentrated predominantly in the SBD micromarket. In our opinion, the upcoming supply should entice the attention of large-scale IT occupiers as Q3 2017 vacancy levels are as low as 4% in Grade A office spaces and are likely to continue until the end of 2017.

Colliers' View

In our opinion, the city outlook is positive in medium to long term. According to the study conducted by the Associated Chambers of Commerce and Industry of India (ASSOCHAM), the Telangana state has noted 79% growth rate in investments from 2012 to 2017. The city is planning to conduct a 'Global Entrepreneurship Summit' in November 2017 which should further boost the investment outlook. The Hyderabad Metro Rail (HMR) for the routes Miyapur-Ameerpet (13 km) and Ameerpet to Nagole (17 km) planned to be operational from Nov 2017. However, the impact of the metro rail on commercial micromarkets should take time to become visible as other key metro lines are yet to be completed.

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Colliers Quarterly

PUNE | OFFICE

Q3 2017

24 October 2017

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Optimistic outlook driven by upcoming supply

Uttara Nilawar Manager | Mumbai

We expect the addition of new supply to address the supply crunch in the short term. The dwindling vacancy rates are also set to stabilise over the next three years, driven by an improved supply pipeline. After witnessing continued rental growth in 2016 and Q1 2017, rents started settling down in Q2 and Q3 this year. We advise occupiers to be proactive in leasing as new supply is likely to get absorbed as soon as it hits the market due to low vacancy levels.

Forecast at a glance

Demand

Transaction volume to remain healthy especially in Off-CBD locations like SB Road, Yerwada and Kalyani Nagar

Supply

We expect a supply infusion of around 1.0 million sq ft (0.09 million sq m) by the end of 2017. By 2020, 5.85 million square feet (0.5 million sq m) should be added, leading to an 9-10% increase to the city's Grade A stock

Vacancy rate

Vacancy to stabilise at 5% in upcoming quarters if impending project timelines are met

Rent

RENT

We expect a rise of 3-4% in the short term in high-demand micromarkets such as Baner, Kharadi and Hadapsar/Fursungi; rents to stabilise in long term

Price

Sluggish sales volume likely to keep the prices in check

Off-CBD locations at the forefront in leasing demand

In Q3 2017, leasing activity gained momentum with 0.82 million sq ft (77,100 sq m) of gross absorption, bringing the total for the first nine months of 2017 to 2.0 million sq ft (0.2 million sq m), a 24% YOY decline. Due to shortage of supply, the average deal size came down to 16,000 sq ft (1500 sq m) from 20,500 sq ft (1900 sq m) in Q3 2016. Off-CBD locations such as Yerwada, SB Road, Kalyani Nagar dominated the leasing activity with a 66% share of total absorption. Suburban (Baner, Viman Nagar, Kharadi), peripheral (Hinjewadi) and CBD (Dhole Patil Road, Koregaon Park) locations also maintained their pace in the transaction race with remaining 34% share.

Technology occupiers remained upbeat in leasing with the maximum share (43%) of absorption. Other industries like banking, insurance and financial services, engineering, manufacturing and healthcare maintained status quo in terms of demand. Coworking operators, logistics and warehousing also made a visible appearance. In our opinion, Pune is set to witness continued firm demand from coworking operators along with logistics and warehousing companies. According to the Economic Times, the global furniture group, IKEA, is set to open a 0.1 million sq ft (9,300 sq m) of warehousing facility in Pune by December 2017.

Rental values

Micromarkets	Rental Values[1]	q-o-q change	y-o-y change
Baner	52 - 61	4.3%	10.9%
Bund Garden	55 - 69	0.8%	4.2%
Airport Road/Pune Station	60 - 90	0.0%	4.9%
Aundh	50 - 64	4.3%	5.3%
Senapati Bapat Road	65 - 110	0.0%	5.7%
Bavdhan	39 - 50	3.3%	6.7%
Kalyani Nagar	52 - 65	0.0%	0.0%
Nagar Road	52 - 65	2.6%	2.6%
Hinjewadi	44 - 55	0.0%	2.1%
Hadapsar/Fursungi	55 - 72	0.0%	10.2%
Kharadi	52 - 92	0.0%	10.1%

Source Colliers International India Research

[1]Indicative Grade A rental in INR per sq ft per month

Fig 1. Rental & Capital Values (INR per sq ft per month)

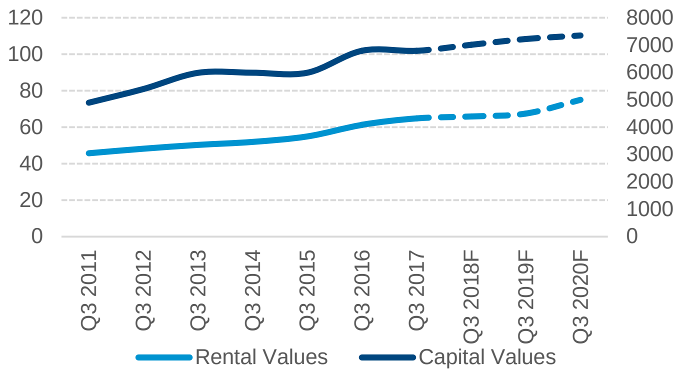
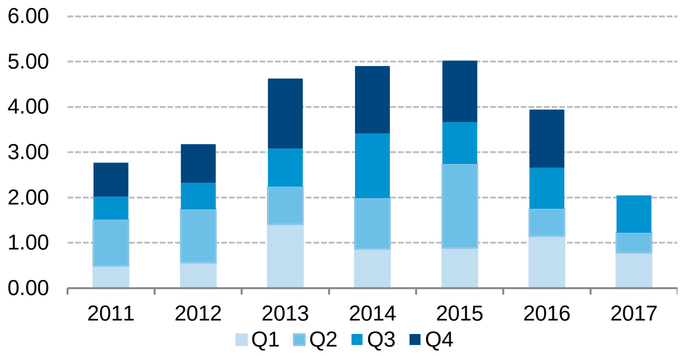


Fig 2. Gross Office Absorption (in million sq ft)



Major Transactions in Q3 2017

Client	Building Name	Area (sq ft)	Location
Western Union	Business Bay Phase 1	90,000	Yerwada
Schlumberger India Technology	Commerzone - B6	54,000	Yerwada
Tibco	Commerzone - B4	50,000	Yerwada
John Deere	Magarpatta Cybercity		Hadapsar/ Fursungi
Saba Software	Cerebrum - 2	33,000	Kalyani Nagar

Source Colliers International India Research
Notes: All figures are based on market information as on 25th September 2017

Supply rising

Based on our earlier projection, no new supply was expected in the Pune market until Q1 2018. However, facing continuous pressure from occupiers, we are expecting a supply infusion of at least 1.0 million sq ft (0.09 million sq m) by the end of 2017. In addition, according to Colliers' research database, 5.85 million sq ft (0.5 million sq m) of new developments are slated for completion over the next three years. This would lead to a 9-10% increase in the city's current total Grade A stock.

Investor activity on the rise

Investor activity picked up during Q3 2017 with two prime land transactions and one outright purchase of a commercial building. Ascendas-Singbridge bought a 16-acre land parcel for INR2 billion (USD30 million) for a possible IT SEZ (Special Economic Zone) development. CPPIB (Canada Pension Plan Investment Board) and Phoenix Mills' retail platform also bought a land parcel in West Pune for INR1.6 billion (USD4 million). In an outright purchase, Milestone Capital Advisors acquired half of an IT Park building in Kharadi for INR 1.6 billion (USD 24 million).

Colliers' View

The supply scenario is likely to improve in next few quarters. Due to sustained demand from technology occupiers in the future, we expect developers to expedite supply addition. Increased number of land transactions for commercial development projects should also facilitate additional office stock infusion. We expect, rental and capital values to stabilise barring marginal increase in select micromarkets in the next few quarters.

Recently, the Pimpri-Chinchwad area which comes under a separate jurisdiction was incorporated in the list of smart cities. Pune is one of the first few cities where smart city projects have already picked up, and we believe that the smart city tag is going to bode well for the commercial market in Pune.

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Colliers Quarterly

KOLKATA | SECTOR

Q3 2017
24 October 2017

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Stable leasing momentum to persist

Uttara Nilawar Manager | Mumbai

In 2017, transaction volume in Kolkata remained stable. We observed improved enquiries from occupiers indicating an increase in absorption in coming quarters. Peripheral locations are likely to remain most favoured due to availability of grade A supply at affordable rents. We advise developers to remain flexible in lease terms in view of high vacancy.

Forecast at a glance

Demand
Demand to remain strong from technology occupiers especially in Sector V and peripheral areas

Supply
While no new supply is likely in 2017, we expect a supply addition of 0.5 million sq ft (0.05 million sq m) by Q2 2018, a 2% increase in total stock; 4.2 million sq ft (0.4 million sq m) of supply infusion expected by 2020

Vacancy rate
Average city vacancy set to remain stable at 25% in the short term; vacancy may shrink marginally if the upcoming supply is deferred

Rent
Rentals may go up by 2-3% by 2020 if there is a decline in vacancy levels

Price
Prices are set to remain stable in the short term; sellers will be in a position to negotiate in the long run

Technology occupiers dominate leasing activity in Q3 2017

During Q3 2017, commercial market demand in Kolkata was in line with Q1 and Q2 absorption numbers, leading to a gross absorption of 0.2 million sq ft (18,150 sq m). While the number of deals declined, the average deal size increased significantly to 15,000 sq ft (1,400 sq m) in Q3 from 9,000 sq ft (840 sq m) in Q2 due to a few major transactions. We are likely to witness increased demand for large floor areas in upcoming quarters.

Tenant appetite remained high for establishments in Sector V (39%) and peripheral areas like New Town, Rajarhat, and Salt Lake City (27%). Hence developers are also shaping their strategies based on occupier preferences and giving priority to project completions in these locations. The CBD (Park Street) and the SBD (Topsia) areas accounted for the remaining 34% of the total share in absorption. Most transactions were in the form of relocations and expansions. We expect the trend of relocation from the congested CBD and SBD districts to continue among occupiers.

Technology occupiers dominated the leasing demand with a 65% share of total absorption. Transactions from Banking, Financial Services and Insurance (BFSI) companies also remained upbeat with a 20% share of leasing while coworking, engineering, manufacturing and healthcare companies accounted for a combined 15% share of total leasing. Technology companies are likely to continue to dominate the leasing activity; however, we may witness increased traction from coworking operators as they try to make a mark in the Kolkata commercial market.

Rental Values

Micromarkets	Rental Values[1]	q-o-q Change	y-o-y Change
CBD[2]	80 - 110	0%	-5%
SBD[3]	60 - 70	0%	0%
Sector V	38 - 45	0%	-2%
PBD[4]	34 - 35	0%	0%

Source Colliers International India Research
[1] Indicative Grade A rentals in INR per sq ft per month
[2] Park Street, Camac Street, Chowranghee Road, AJC Bose Road
[3] EM Bypass, Topsia, Ruby
[4] Salt Lake, New Town, Rajarhat

Fig 1. Rental & Capital Values (INR per sq ft per month)

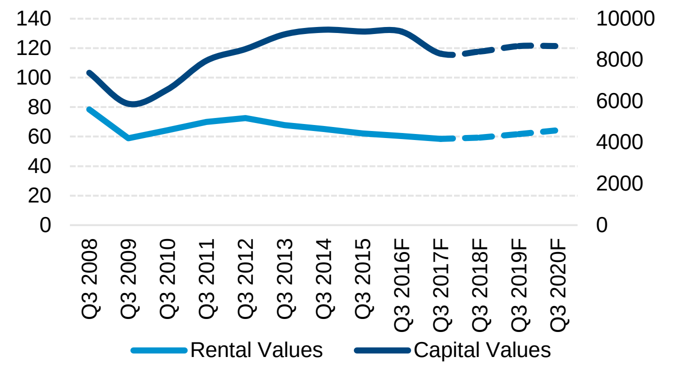
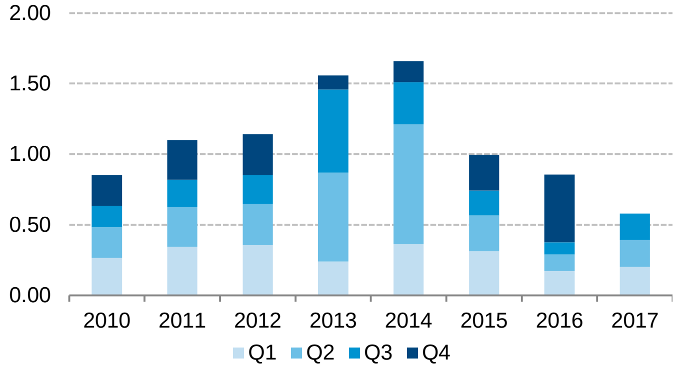


Fig 2. Gross Office Absorption (million sq ft)



Major Transactions in Q3 2017

Client	Building Name	Area (sq ft)	Location
Foster Wheeler	Infinity Benchmark	42,000	Sec V
Reliance Capital	Thapar House	40,000	Rashbehari
Samsung Electronics	DLF IT Park	40,000	New Town
PwC India	Millenium	25,000	Sec V
Awfis	BioWonder	20,000	SBD

Source Colliers International India Research
Notes: All figures are based on market information as on 25th September 2017

Supply infusion of 0.5 million sq ft (0.05 million sq m) expected by Q2 2018

In accordance with our earlier projection, no new supply is scheduled for completion in 2017. However, completion of projects such as Aurora Waterfront measuring 0.5 million sq ft (0.05 million sq m) may lead to supply addition by Q2 2018 if the project timelines are met leading to a 2% increase in the city's total stock. With the average city level vacancy hovering at around 25%, office demand is still relatively subdued. Hence several developers are deferring their projects.

In Q3 2017, a y-o-y dip of 2-5% was witnessed in rental values in the CBD and Sector V micromarkets as property owners remained flexible on rents in order to boost their occupancy levels. Rentals are set to continue stable in the short term may go up by 2-3% by 2020 if there is a decline in vacancy levels. Vacancy levels may come down if project timelines are not met, and there is limited supply in the market Capital values are set to remain stable in most micromarkets in the short term due to subdued investor activity.

Colliers' View

The West Bengal government remains one of the very few states which have not yet finalised Real Estate (Regulation & Development) Act (RERA) norms. Although lease transactions do not come under the ambit of RERA, this delay has affected several commercial sale transactions.

Infosys is set to start the construction of its proposed development centre at Rajarhat where it purchased a 50 acre (0.2 million sq m) land parcel back in 2010. *(Source: Livemint)* This new development will have the capacity to seat around 1000 people and ought to act as a huge motivation for the current commercial market.

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India

396 offices in **68** countries on **6** continents

United States: **153**
Canada: **29**
Latin America: **24**
Asia : **36**
ANZ: **43**
EMEA: **111**

$2.6
billion in annual revenue

2
billion square feet under management

15,000
professionals and staff

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