India Real Estate

Office and Residential Market - July - December 2024

H2 2024	Knight Frank's ultimate guide to real estate market performance and opportunities in the world's most exciting markets.	knightfrank.co.in/research

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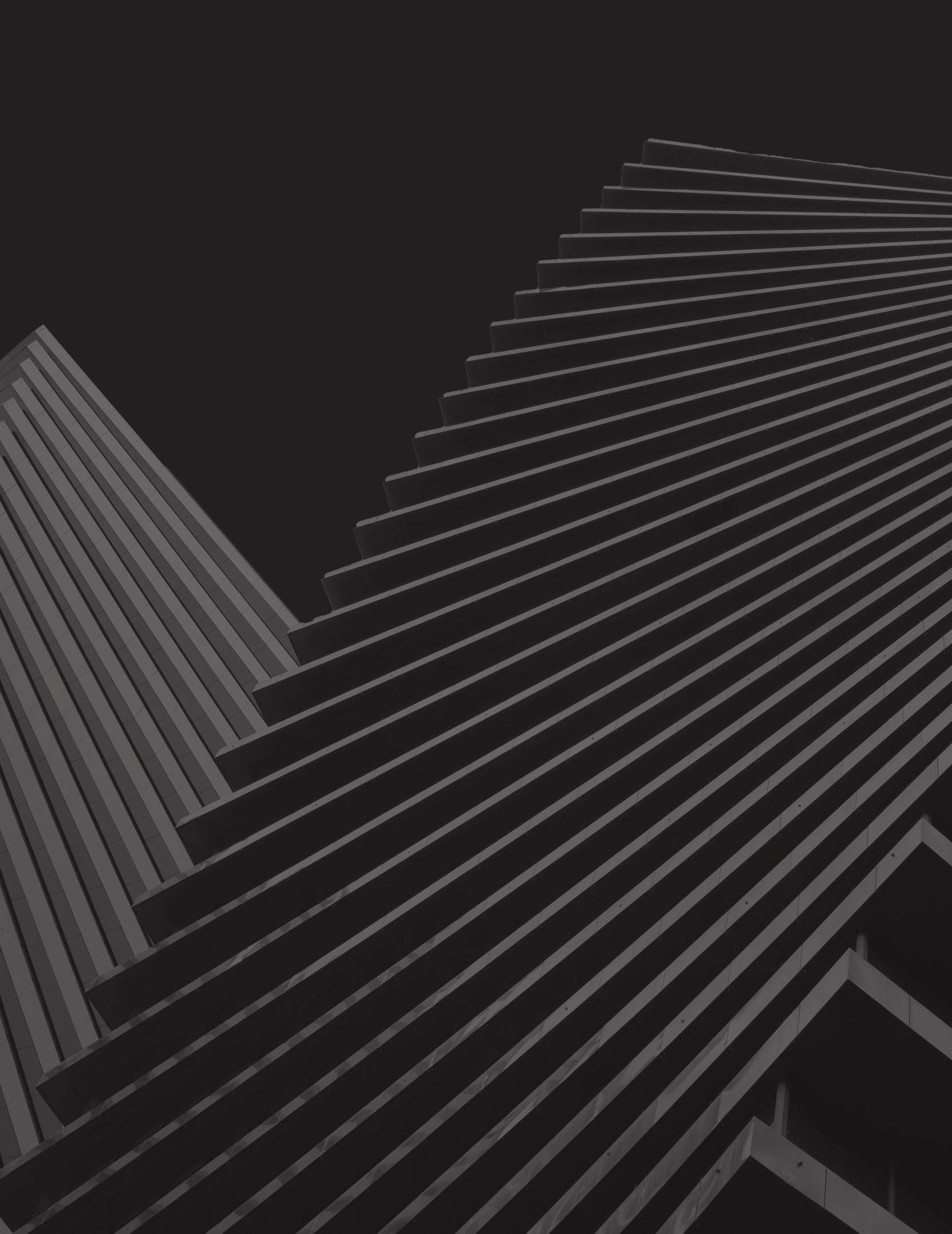


Foreword

Shishir Baijal
Chairman and Managing Director

India continues to consolidate its position as a cornerstone of the global economy, delivering robust growth amidst an otherwise uncertain global landscape. With GDP growth projected at 6.6% in FY 2025, India remains a beacon of growth and opportunity. India stood out as a pivotal player in the global geopolitical and economic landscape. Its balanced foreign policy allowed it to maintain strategic relations with developed and emerging economies while strengthening connections with other key global players. These factors have continued to propel the momentum of the country's real estate markets, which continue to evolve and adapt to changing dynamics.

The office market has sustained its record-breaking momentum, with annual transaction volumes surpassing 71.9 million sq ft – the highest on record. The shift in occupier demand is noteworthy, with Global Capability Centres (GCCs) and India-facing businesses taking centre stage. The robust growth of flex spaces, which saw a 52% YoY rise, highlights the demand for versatile workplace solutions, highlight the market's need for a workplace specialist that provides the flexibility and expertise to improve employee productivity and engagement. Despite challenges on the supply side, rental growth and declining vacancy levels underscore the strong fundamentals of the Indian office market. Cities like Bengaluru, NCR, and Mumbai have led this resurgence, reaffirming their positions as key hubs for global business.

The residential market has also scaled new heights in 2024, achieving a 12-year high in annual sales and recording steady growth across most major cities. A clear shift toward premiumization has become the defining feature of the sector. Homes priced above INR 10 million accounted for nearly half of the total sales, with properties in the INR 20-50 million range witnessing an impressive 62% YoY growth. The evolving buyer preferences driven by aspirations for an enhanced lifestyle and confidence in India's economic trajectory. Developers have responded adeptly to this shift, launching projects that cater to this growing demand for premium and luxury living. However, the rise in inventory levels in high-ticket segments necessitates careful market monitoring to maintain long-term sustainability.

India's real estate sector reflects the broader optimism surrounding the country's economic future. The government's continued focus on housing for all, infrastructure development, and pro-business policies provides a strong foundation for growth across asset classes. As we move into 2025, the market's ability to adapt to evolving consumer preferences and navigate challenges will be critical in sustaining this upward trajectory.

I invite you to explore the insights in this 22nd edition of Knight Frank India's flagship report, India Real Estate H2 2024, which captures the key developments shaping the residential and office segments across the country's top eight cities. We hope you find this report valuable in understanding the current market trends and planning your strategies for the future.

Residential Market

India

INDIA MARKET SUMMARY

Parameter	2024	2024 Change (YoY)	H2 2024	H2 2024 Change (YoY)
Launches (housing units)	372,936	6%	189,535	7%
Sales (housing units)	350,612	7%	177,371	3%

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

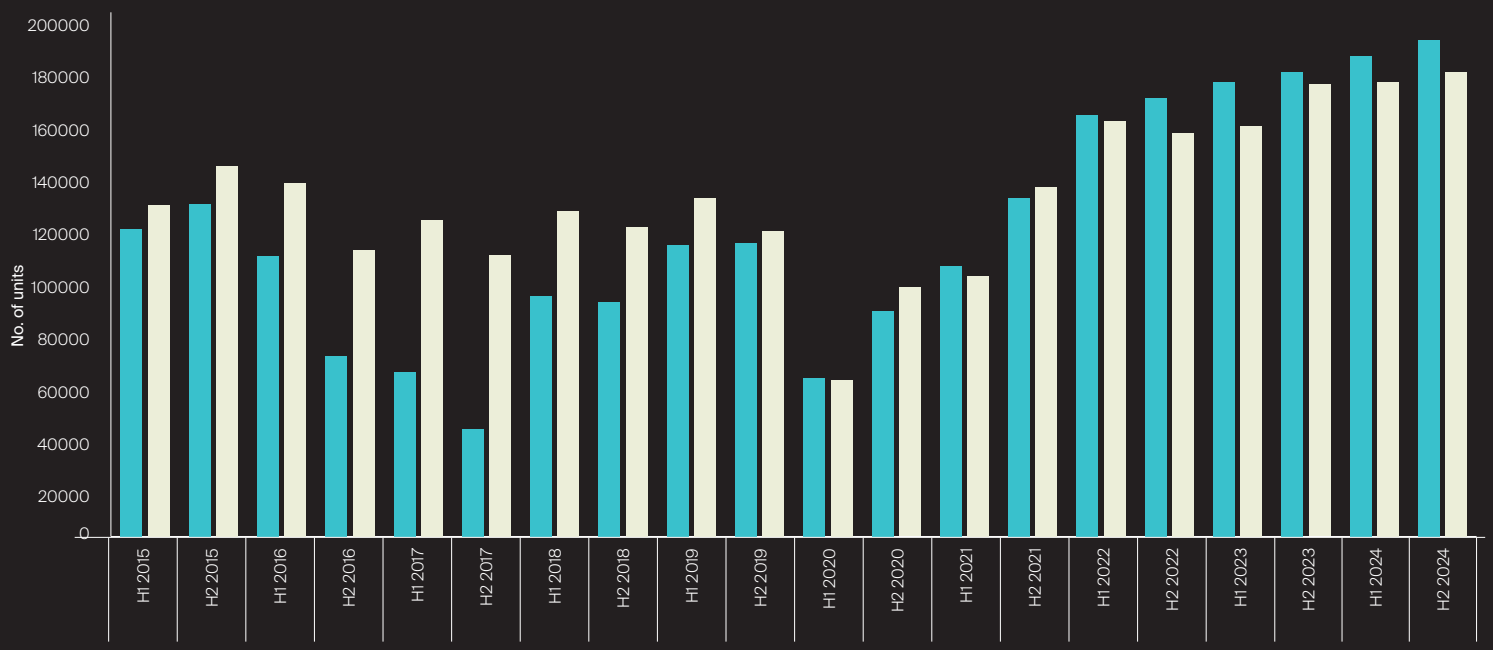
495,839
Unsold inventory (housing units) 2024

5.8
Quarters to sell (in quarters) 2024

5%
Change (YoY)

16.3
Age of unsold inventory (in quarters) 2024

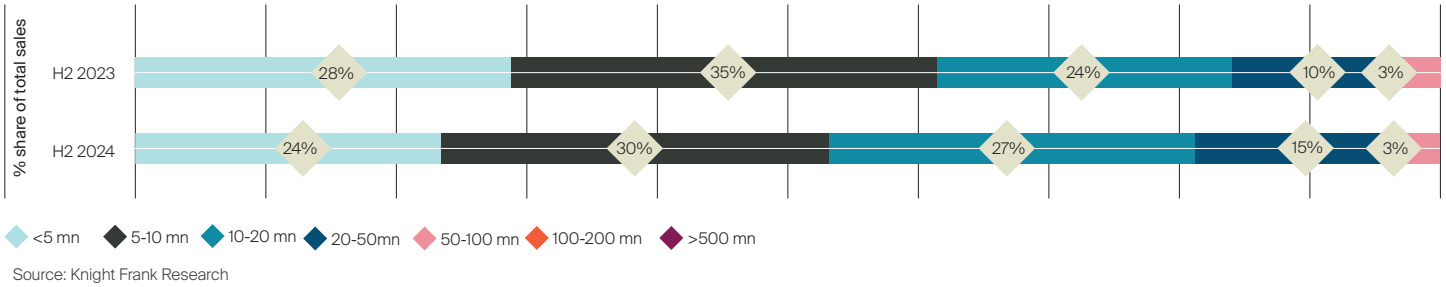
LAUNCHES AND SALES TREND



Source: Knight Frank Research

- The residential market has had a tremendous run since the pandemic with annual sales volumes in the primary market growing at an annualized rate of 23% since 2020. Increased savings during lockdowns, minimal income disruptions in mid and high-income brackets, household wealth creation and robust economic growth have fueled demand in the residential real estate market in India. Market sentiments have also 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 and stability in a still volatile global economic and geopolitical environment.
- The momentum in homebuyer demand has sustained through 2024 with annual sales volumes scaling a 12 year high. The 0.35 mn units sold during the year represent a healthy 7% growth in YoY terms while the 0.18 mn units sold in H2 2024 represent a 3% YoY growth. Most markets are currently at multi-year highs, with Hyderabad and Pune scaling their all-time high in 2024. Home sales in Mumbai also stand at a 13 year high in annual and semi-annual terms. 96,187 units were sold in Mumbai in 2024 constituting a healthy 11% YoY growth, while sales in H2 2024 grew by 6% YoY. NCR was the only market that saw sales dip marginally on the annual and semi-annual time scales by 4% each YoY. However, it must be noted that the base periods in both cases were at multi-year highs. NCR has historically been among the more speculative markets with a relatively higher quantum of investment interest. Coupled with very low inventory levels in mid and affordable categories in the right locations, this weighed down sales in the market. However, the top end of the market with units priced in the INR 20-200 mn range continues to grow at a strong pace.
- While sales have been ramping up since the pandemic, development activity has comfortably outpaced sales since 2022 as developers looked to cash in on the rich vein of demand during this period. The 0.37 mn units launched during the year represent an 11 year high in annual terms while the 0.18 mn units launched in H2 2024 scaled a similar high in terms of units launched in a half-yearly period. Developers have been well aligned with the changing preferences of the homebuyer looking for products that enable an upgraded lifestyle with more space, amenities and differentiated experiences.
- 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 a massive 46% of the total sales in H2 2024 across all the eight markets under our coverage. Sales in this segment have grown by 29% YoY and have been the primary driver for overall sales growth during H2 2024.
- With the units priced over INR 10 mn now constituting almost half the residential market, it is imperative to break it down further for better analysis. On closer observation, it is seen that while units priced in the INR 10-20 mn range constitute 27% of total sales growing by a healthy 15% YoY, it is the INR 20-50 mn range that shows the most growth at 62% YoY. Its share has grown from 10% in H2 2023 to 15% in H2 2024. In fact, sales have grown in all higher ticket-sizes with the exception of the ultra luxurious segment priced over INR 500 mn. Similarly, volumes have also dropped in YoY terms in the sale of units priced under INR 5 mn and in the INR 5-10 mn segment.
- While sales have seen healthy growth overall, the unsold inventory has consistently increased since 2020 as supply levels have exceeded sales. 39% of the inventory is concentrated in units priced under INR 5 mn. This is the most voluminous segment by far but inventory levels have been dropping here despite falling sales as supply levels have fallen by an even greater extent. The higher ticket sizes have largely displayed the opposite trend with sales growing but it has been consistently dwarfed by supply over the past two years. Inventory levels in the higher ticket sizes, particularly those in the INR 20-50 mn and INR 50-100 mn, have grown by 54% and 52% YoY respectively and warrant a closer look in terms of an assessment of whether the market is approaching bubble territory or a potential correction.
- While the rising inventory level may 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 5.8 quarters (less than 18 months) in H2 2024, depicting a market with improving fundamentals despite increasing inventory.
- Regardless of the substantial inventory buildup in the INR 20-50 mn and INR 50-100 mn segments, their QTS levels stand at 3.9 and 4.2 quarters respectively, clearly showing that the rising inventory in these segments is still not a pressing issue. The super-luxury segments of INR 200-500 mn and over INR 500 mn are more nuanced. While the QTS level is just 5.9 quarters in the INR 500 mn and above segment, it is much higher at 20.6 quarters in the INR 200-500 mn segment. However, it must be noted that the market is very shallow at the top end of the market as it is constituted of less than 1,300 units in these two segments combined. Even a small number of units on the sale or supply side could skew the QTS metric and cause it to be very volatile in a relatively short time.
- While sales volumes have been robust in H2 2024, prices have also grown across all markets with Bengaluru growing the most at 12% YoY, and Mumbai and NCR prices at 5% and 6% YoY respectively. This is the sixth consecutive half-yearly period of price growth across all markets.
- With increasing instances of developers enticing homebuyers with financing schemes and other freebies such as subvention schemes, stamp duty waivers, zero floor rise, etc., their ability to move inventory remains strong, especially at the top-end of the market. The government remains steadfast in its commitment to the agenda of 'housing for all' and is taking steps to spur private sector participation and enable easier access to financing for homebuyers in this segment. The stable economic and interest rate scenario along with the still strong momentum hold enough tailwinds for the market as it steps into the new year.

INDIA TICKET SIZE SPLIT COMPARISON OF SALES DURING H2 2023 AND H2 2024



Source: Knight Frank Research

RESIDENTIAL LAUNCHES AND SALES

	SALES		LAUNCHES	
	H2 2024 (YoY change)	2024 (YoY change)	H2 2024 (YoY change)	2024 (YoY change)
Mumbai	48,928 (6%)	96,187 (11%)	49,485 (16%)	96,470 (4%)
NCR	28,656 (-4%)	57,654 (-4%)	30,119 (-8%)	60,699 (-3%)
Bengaluru	27,958 (1%)	55,362 (2%)	30,447 (10%)	56,014 (10%)
Pune	27,821 (1%)	52,346 (6%)	31,501 (49%)	59,548 (40%)
Chennai	8,263 (6%)	16,238 (9%)	8,576 (5%)	17,431 (7%)
Hyderabad	18,401 (5%)	36,974 (12%)	21,713 (-10%)	44,013 (-6%)
Kolkata	8,259 (8%)	17,389 (16%)	5,889 (-34%)	16,718 (6%)
Ahmedabad	9,085 (12%)	18,462 (15%)	11,805 (-1%)	22,043 (-2%)
All India	**177,371 (3%)**	**350,612 (7%)**	**189,535 (7%)**	**372,936 (6%)**

Source: Knight Frank Research

350,612

Twelve-year high (sales)

TICKET-SIZE SEGMENT HEALTH

Ticket-size segment	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
0 – 5 mn	191,105 (-3%)	8.2
5 – 10 mn	140,334 (-2%)	4.9
10 - 20 mn	113,441 (14%)	5.5
20 – 50 mn	37,341 (54%)	3.9
50 – 100 mn	10,035 (52%)	4.2
100 – 200 mn	2,304 (14%)	9.0
200 – 500 mn	974 (67%)	20.6
>500 mn	304 (143%)	5.9

Source: Knight Frank Research

RESIDENTIAL MARKET HEALTH

City	Unsold inventory (YoY change)	QTS
Mumbai	165,678 (0%)	7.2
NCR	106,652 (3%)	7.3
Bengaluru	54,131 (1%)	4.0
Hyderabad	52,544 (15%)	6.0
Pune	46,416 (18%)	3.7
Ahmedabad	32,942 (12%)	7.6
Kolkata	20,746 (-3%)	5.1
Chennai	16,729 (8%)	4.3
All India	495,839 (5%)	5.8

Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT

City	H2 2024 in INR/sq m (INR/sq ft)	12 month change	6 month change
Mumbai	89,091 (8,277)	5%	5%
NCR	54,530 (5,066)	6%	5%
Bengaluru	71,256 (6,620)	12%	7%
Pune	51,426 (4,778)	6%	4%
Chennai	51,726 (4,806)	7%	5%
Hyderabad	64,301 (5,974)	8%	5%
Kolkata	41,066 (3,815)	6%	5%
Ahmedabad	33,336 (3,097)	2%	2%

Source: Knight Frank Research

India Office Market

INDIA MARKET SUMMARY

Parameter	2024	2024 Change (YoY)	H2 2024	H2 2024 Change (YoY)
Completions in mn sq m (mn sq ft)	4.67 (50.3)	17%	2.34 (25.2)	1%
Transactions in mn sq m (mn sq ft)	6.68 (71.9)	21%	3.46 (37.3)	11%

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

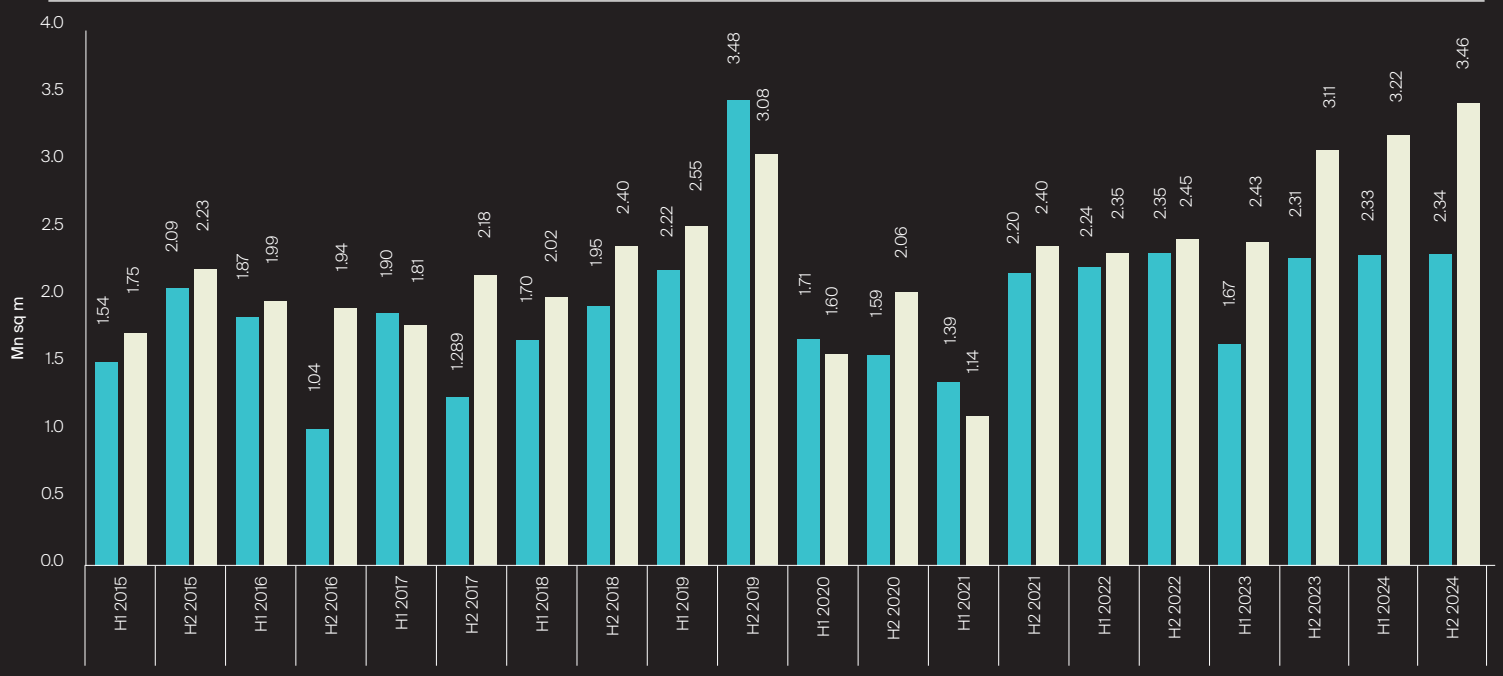
90.37(973)
2024 Stock mn sq m (mn sq ft)

15.0%
2024 Vacancy

5%
2024 Change (YoY)

107 Basis points decrease
2024 Change (YoY)

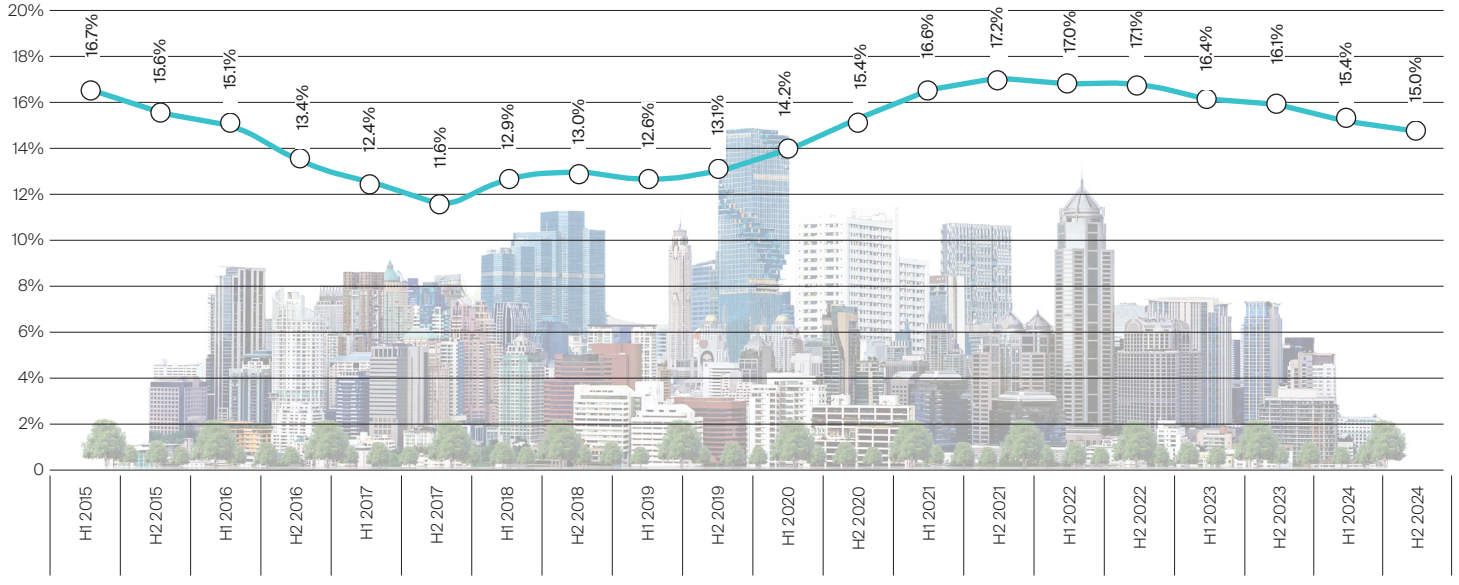
INDIA OFFICE MARKET ACTIVITY



Source: Knight Frank Research

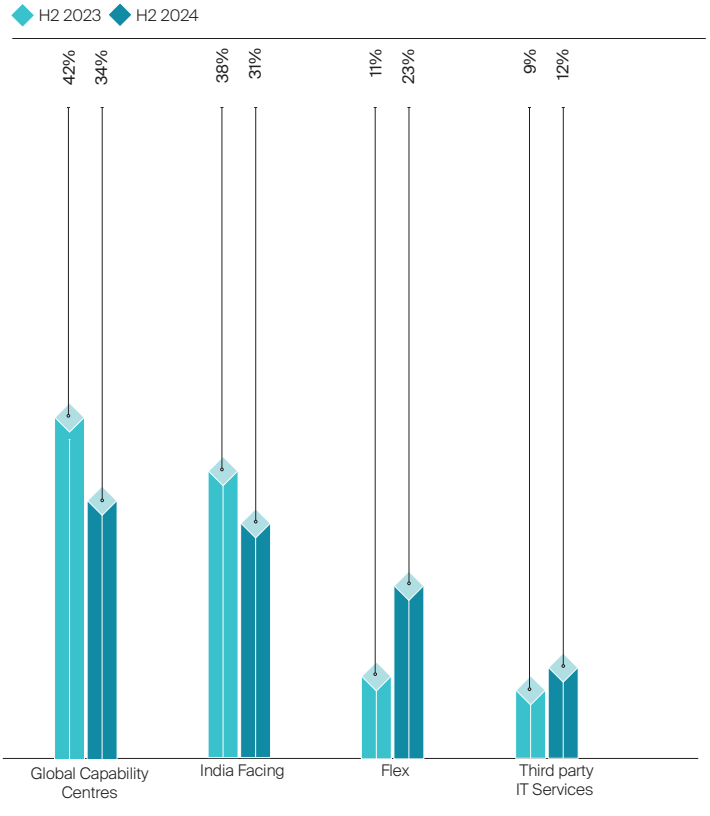
- In 2024, India stood out as a pivotal player in the global geopolitical and economic landscape. Its balanced foreign policy enabled it to maintain strategic relations with both Western powers and emerging economies, while deepening ties with Russia, the US, and the Middle Eastern nations. India's economic growth story remains relatively unimpeded with the RBI forecasting a 6.6% GDP growth rate for FY 2025. This undercurrent of economic stability and growth is also reflected in the strong occupier activity seen in the Indian office market.
- India's growing stature as the largest democracy with long term growth prospects of a stable market for products and services across categories, makes it one of the most attractive destinations to set up businesses. The government's noteworthy handling of the pandemic, the Central Bank's success in controlling inflation while supporting growth and even the precise execution of the incredibly complex Chandrayaan and Gaganyaan missions have been a clarion call to the world at large that India is one of the leaders among growth centres across the globe.
- The positive sentiment around the economy has been the primary driver of occupier activity in the office market, sustaining the momentum gathered since 2022 and culminating in record annual transaction volumes of 6.68 mn sq m (71.9 mn sq ft) in 2024. While the volumes in 2023 came within reach of the previous record high seen in 2019, the 2024 numbers beat the previous high in 2019 by a massive 19% and put the Indian office market firmly back on the growth trajectory it was set on before the pandemic.
- The build-up in market momentum is similarly apparent even in the half-yearly volumes, with the past three periods since H2 2023 hitting successive record highs to reach 3.46 mn sq m (37.3 mn sq ft) in H2 2024. This translates to an 11% growth in YoY terms and 8% in sequential terms. The fact that the record was scaled in three successive periods showcases the growing strength of the Indian office market.
- Transaction volumes in Mumbai, NCR, Bengaluru, Pune and Ahmedabad scaled record highs in terms of annual transacted volumes in 2024, while Bengaluru and NCR achieved the same milestone in half-yearly terms in H2 2024 as well. Bengaluru, NCR and Mumbai are the three largest office markets in the country, and they accounted for 57% of the total transacted area during the year. All three markets saw volumes grow much above the country's growth rate of 21% YoY during 2024 and were the primary volume drivers for the Indian office market.
- Bengaluru led with 0.90 mn sq m (9.7 mn sq ft) in terms of total volume transacted among all markets in H2 2024. Chennai was the only market which saw volumes dip in half-yearly as well as annual timescales. This, however, is largely due to a significant base effect and a lack of viable supply in recent periods.
- While the overall transacted volume has been on a steady uptrend, its underlying constituents have changed substantially over time. Third party IT services had been a prominent driver of office space demand previously, but India facing businesses have been anchoring demand in recent years due to the strategic business need to be aligned with the growing Indian market. India facing businesses accounted for 36% of the total volume transacted during 2024, just shy of the 37% in 2023. Global Capability Centres (GCC) took up 31% of the total transactions.
- With the prodigious growth seen in overall volumes in 2024, all end-use categories have seen a YoY growth in volumes, with flex spaces outperforming with a 52% YoY growth. The 1.47 mn sq m (15.8 mn sq ft) taken up by flex operators represents a record high for this segment and is particularly encouraging as its market share had slipped toward the end of 2023. However, the premise of a workplace specialist that enhances employee productivity held strong in 2024, and 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 substantial 68% of all flex space transactions during 2024 compared to 58% in 2023. The growth of flex spaces was only accentuated in H2 2024 with 0.8 mn sq m (8.6 mn sq ft) taken up by flex space operators translating to a massive 138% growth in YoY terms.
- Global companies based in the western hemisphere have also been increasing their business operations in India, setting up Global Capability Centres (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 the corporates increasingly willing to offshore more business critical activities, including value-added functions and processes, to their Indian GCCs. The 1.18 mn sq m (12.7 mn sq ft) taken up by GCCs in H2 2024 accounted for 34% of the total area transacted during the period.
- 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. 2.34 mn sq m (25.2 mn sq ft) of office space came online across the eight cities in H2 2024, marginally lower by 1% compared to a year ago.
- With completions having lagged transactions consistently since H2 2021, vacancy levels trended down from 17.2% in H2 2021 to a healthy 15.0% in H2 2024. Vacancy levels now stand at single digits in NCR and Chennai at 8.4% and 6.8% respectively. 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. Rents grew between 3% and 7% YoY across all markets in H2 2024 with Hyderabad growing at 7% YoY while Bengaluru and Chennai grew at 6% YoY each respectively.
- While India has always been known for its high quality and low-cost human resource pool, the need for friend-shoring and the China+1 trend, has intensified strategic corporate investments in India. The nature of work executed out of Indian offices has also undergone a vast change over the years. While third party outsourcing centres were initially set up to manage processing activities, to capitalize primarily on the cost arbitrage offered by the Indian markets, Indian operations have now moved up the value chain and actively contribute to the organization's core business and are an integral part of its growth strategy. This also reflects in the demand for higher quality office spaces, and comes with a greater occupier commitment on lease tenure and investment in the workspace.
- The sustained surge in office demand throughout 2024 despite the volatile global economic environment, underscores the positive business sentiment that exists in the country today. Remote working never really took root in the Indian office space market, with some exceptions in technology dominated markets, and almost all other sectors have reverted to a full-time office environment, quite unlike the scenario in most leading markets in the west. Leadership teams across industries, including technology majors such as TCS, Infosys, Wipro, HCL Technologies and Reliance, are aggressively calling for a return to office. Given that the Indian economic juggernaut continues to gain momentum with a pro-business leadership 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 other than a weak supply scenario and looks well poised to sustain its momentum in 2025.

INDIA OFFICE MARKET VACANCY



Source: Knight Frank Research

END-USE SPLIT OF TRANSACTIONS IN H2 2023 AND H2 2024

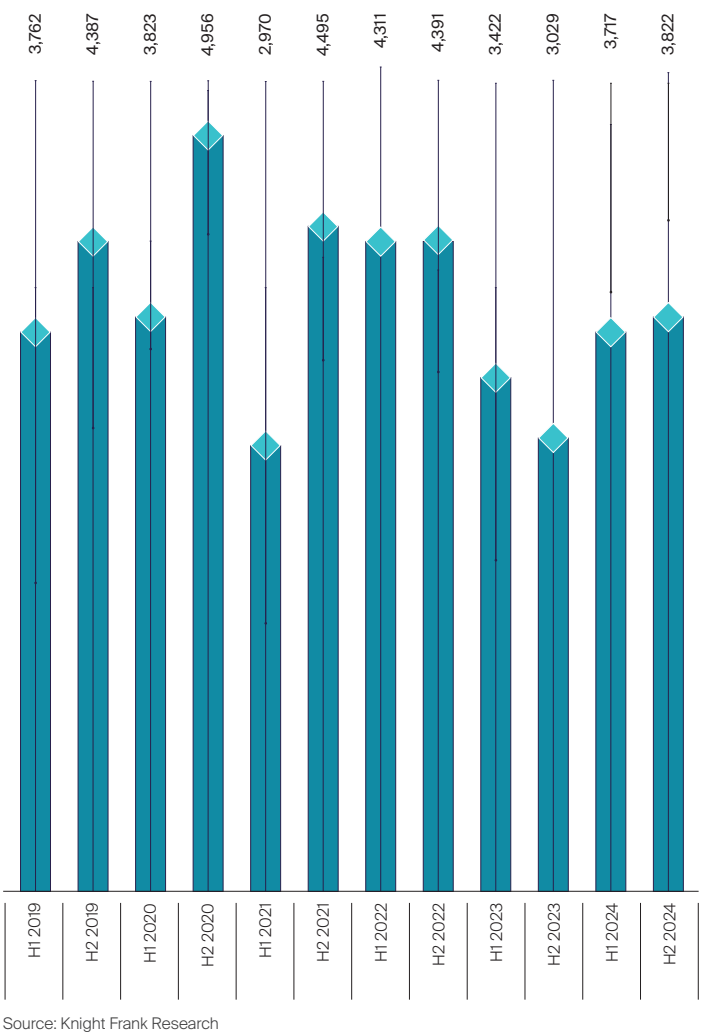


Source: Knight Frank Research

Notes:

1. India facing: These refer to such transactions whose lessees/ buyers are businesses which have an India focused business. i.e: no export or import.
2. Third party IT services: These refer to transactions whose lessees/ buyers are focused on providing IT and IT enabled services to offshore clients. They service multiple clients and are not necessarily owned by any of their clientele.
3. Global Capability Center (GCC): These refer to transactions whose lessees/ buyers are focused on providing various services to a single offshore company. The offshore company has complete ownership of the entity that has transacted the space.
4. Flex space: These refer to transactions by companies that specialise in providing comprehensive office space solutions for other businesses along with the benefits of flexibility of tenure, extent of services provided and the ability to scale higher or lower as required.

AVERAGE DEAL SIZE TREND



Source: Knight Frank Research

OFFICE TRANSACTIONS AND 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)	
	H2 2024	**2024**	**H2 2024**	**2024**
Bengaluru	0.9 (9.7) (76%)	1.68 (18.1) (45%)	0.44 (4.7) (-32%)	1.15 (12.4) (-7%)
NCR	0.65 (7) (39%)	1.18 (12.7) (25%)	0.25 (2.7) (-13%)	0.52 (5.6) (-20%)
Hyderabad	0.49 (5.3) (-10%)	0.96 (10.3) (17%)	0.98 (10.6) (101%)	1.45 (15.6) (139%)
Chennai	0.47 (5.1) (-19%)	0.76 (8.1) (-25%)	0.12 (1.3) (-71%)	0.19 (2.1) (-69%)
Mumbai	0.42 (4.6) (9%)	0.96 (10.4) (40%)	0.14 (1.6) (-7%)	0.54 (5.8) (89%)
Pune	0.33 (3.6) (-18%)	0.74 (8) (19%)	0.31 (3.3) (210%)	0.53 (5.7) (58%)
Ahmedabad	0.13 (1.4) (3%)	0.28 (3) (64%)	0.1 (1.1) (-35%)	0.26 (2.8) (45%)
Kolkata	0.06 (0.7) (-17%)	0.13 (1.4) (-1%)	0 (0) (-100%)	0.03 (0.3) (-64%)
Total	**3.46 (37.3) (11%)**	**6.68 (71.9) (21%)**	**2.34 (25.2) (1%)**	**4.67 (50.3) (17%)**

Source: Knight Frank Research

MARKET-WISE RENTAL MOVEMENT

	Rental value range in H2 2024 in INR/sq m/month (INR/sq ft/month)	12-month change	6-month change
Mumbai	1,270 (118)	4%	2%
Bengaluru	989 (92)	6%	4%
NCR	945 (88)	3%	1%
Pune	829 (77)	5%	3%
Hyderabad	753 (70)	7%	3%
Chennai	745 (69)	6%	3%
Ahmedabad	470 (44)	5%	4%
Kolkata	442 (41)	5%	2%

Source: Knight Frank Research

Residential Market

Ahmedabad

AHMEDABAD MARKET SUMMARY

Parameter	2024	2024 Change (YoY)	H2 2024	H2 2024 Change (YoY)
Launches (housing units)	22,043	-2%	11,805	-1%
Sales (housing units)	18,462	15%	9,085	12%
Average price in INR/sq m (INR/sq ft)	INR 33,336 (INR 3,097)	2%	-	-

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

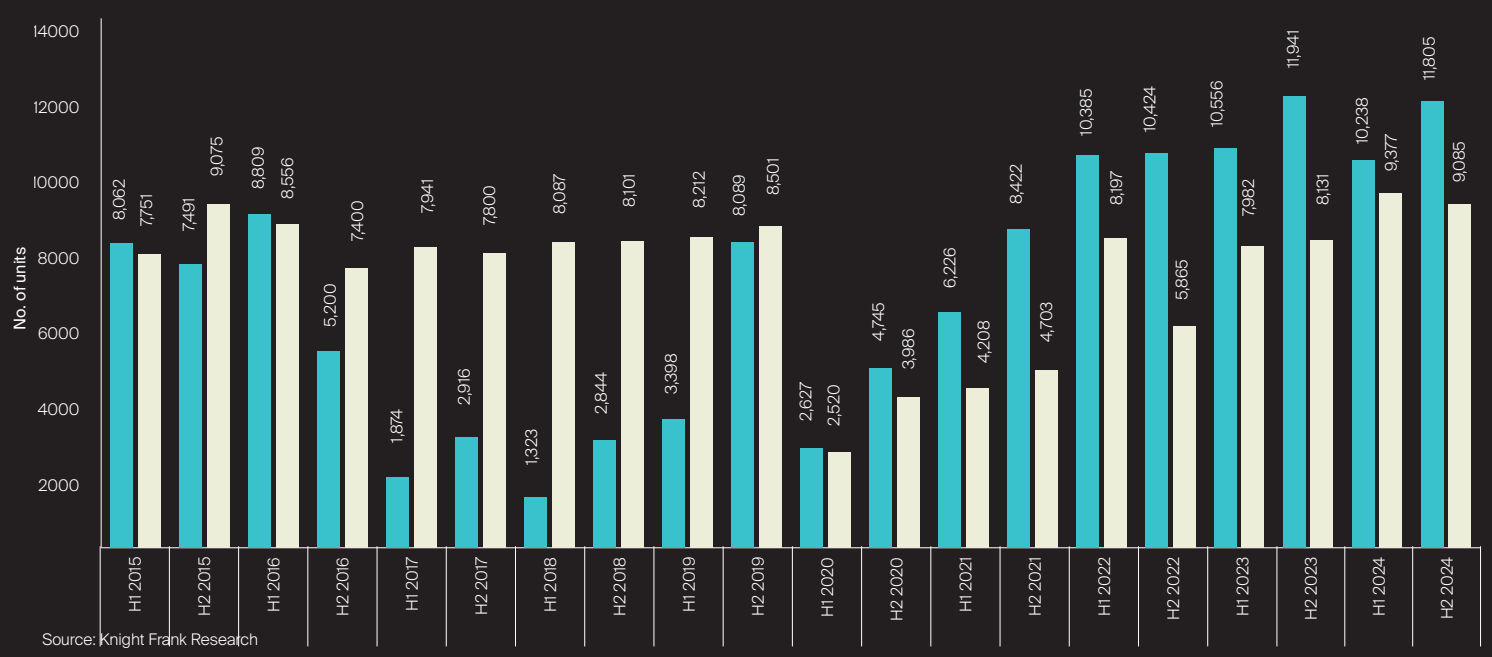
32,942
Unsold inventory (housing units) 2024

7.6
Quarters to sell (in quarters) 2024

12%
Change (YoY)

7.3
Age of unsold inventory (in quarters) 2024

LAUNCHES AND SALES TREND



Source: Knight Frank Research

- Ahmedabad is commonly regarded as the most budget-friendly market among the leading eight cities we assess. This status is largely the result of government-driven efforts in urban planning to manage the city's expanding population. Since 2006, Ahmedabad's municipal boundaries have grown from 186 sq kms to their present expanse of 466 sq kms. This expansion has been instrumental in harmonizing urban infrastructure with population growth, allowing the city to effectively alleviate the congestion typically found in city centres.
- Ahmedabad's residential market has rebounded and demonstrated consistent growth following the slowdown caused by the pandemic. This recovery has been driven by increased homebuyer confidence, leading to a significant rise in sales volumes. Developers have responded to the surge in demand by launching new projects featuring larger spaces and enhanced amenities, accompanied by price adjustments to reflect the sustained interest from buyers. This revitalized demand has propelled annual home sales to a 10-year high of 18,462 units in 2024. H2 2024 also constitutes a 10-year high in terms of half-yearly sales volumes, a 12% growth in YoY terms.
- With robust demand, developers have focused on launching lifestyle-oriented projects featuring upgraded amenities and spacious designs to cater to evolving buyer needs. However, there has been a slight moderation in the rate of new unit launches. During H2 2024, 11,805 units were introduced, representing a marginal 1% YoY decline. Despite this, the number of new launches continues to exceed sales volumes for the period and remains sufficient to sustain the upward trajectory of demand in the market.
- The municipality's expanding boundaries, combined with the city's robust and continuously growing infrastructure, have accelerated development activities along the western edges and areas between SG Highway and SP Ring Road. Rising interest in high-quality office spaces in these regions has further spurred residential growth in the expanding western and northern peripheries of Ahmedabad.
- The state government's initiative to boost skyscraper development by increasing Floor Space Index (FSI) limits has spurred the development of high rise buildings, particularly along SG Highway. These skyscrapers, characterized by their premium pricing, reflect the higher costs of construction and land acquisition. Being a new and unique offering in this budding market, these developments have been well-received by the city's homebuyers, though their long-term appeal is still to be tested.
- Post pandemic, there was a surge in demand for plotted developments due to the increased desire for spacious living areas. However, as we moved away from the pandemic and returned to normalcy, this trend has subsided significantly. 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 segment with units priced below INR 5 mn. However, the macro trend of a deceleration in this segment in tandem with increasing traction in the higher ticket-size segments caught up with the Ahmedabad market in the second half of 2023 and has sustained since then. The share of this ticket-size category has fallen to 35% in H2 2024, below that of the INR 5-10 mn category which accounted for 43% of sales in the Ahmedabad market. The share of sales of units priced over INR 10 mn has grown to 22% in the current period compared to 16% a year ago.
- Developers have increasingly been 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 INR 5-10 mn and above INR 10 mn accounted for 42% and 27% of the total launches in the market during H2 2024.
- Currently, the segment with units priced under INR 5 mn accounts for 45% of the unsold inventory in the market. Despite a 12% YoY increase in 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, and that has led to a build-up of inventory here. Units priced over INR 10 mn constitute 23% of the sales, and 27% of the units launched in the market during H2 2024. While inventory levels have also increased by 49% YoY in this category overall, those in the INR 20-50 mn segment have grown by a much steeper 94% YoY. With the increasing traction seen in higher ticket-sizes, it becomes pertinent to assess the market in these segments more closely.
- 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 overall market has a QTS level of 7.6 quarters, implying that it holds just under two years of inventory at the current sales velocity which is considered healthy. Units priced over INR 10 mn also have a QTS level of 8.1. The sub-segment of units priced between INR 20-50 mn witnessed inventories rise by 94% YoY and has a QTS level of 9.4 quarters. This is also well within the time taken for a residential project of reasonable scale to get completed and hence it is not a matter of concern.
- The evolving preferences of homebuyers veering toward spacious apartments in modern high-rises is a significant development in the evolution of this market. 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 as it steps into 2025.

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

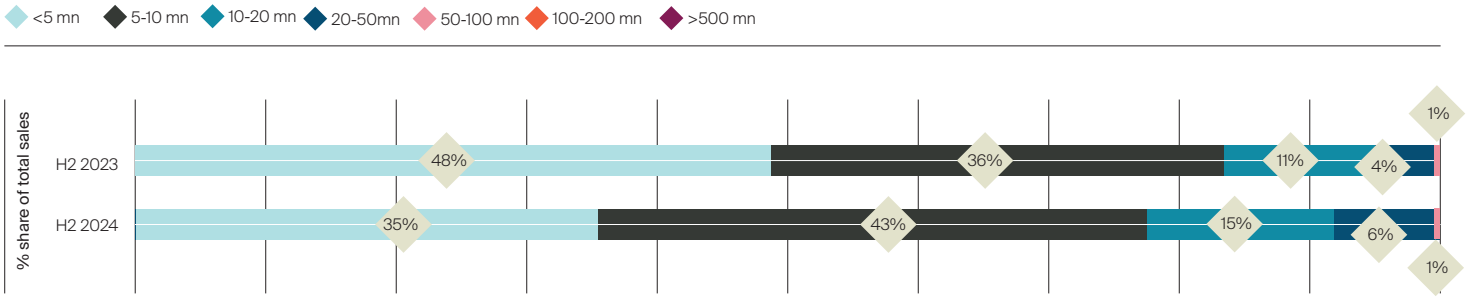
Source: Knight Frank Research

MICRO-MARKET SPLIT OF LAUNCHES IN H2 2023 AND H2 2024

MICRO-MARKET SPLIT OF SALES IN H2 2023 AND H2 2024

Source: Knight Frank Research

AHMEDABAD TICKET SIZE SPLIT COMPARISON OF SALES DURING H2 2023 AND H2 2024



Source: Knight Frank Research

18,462

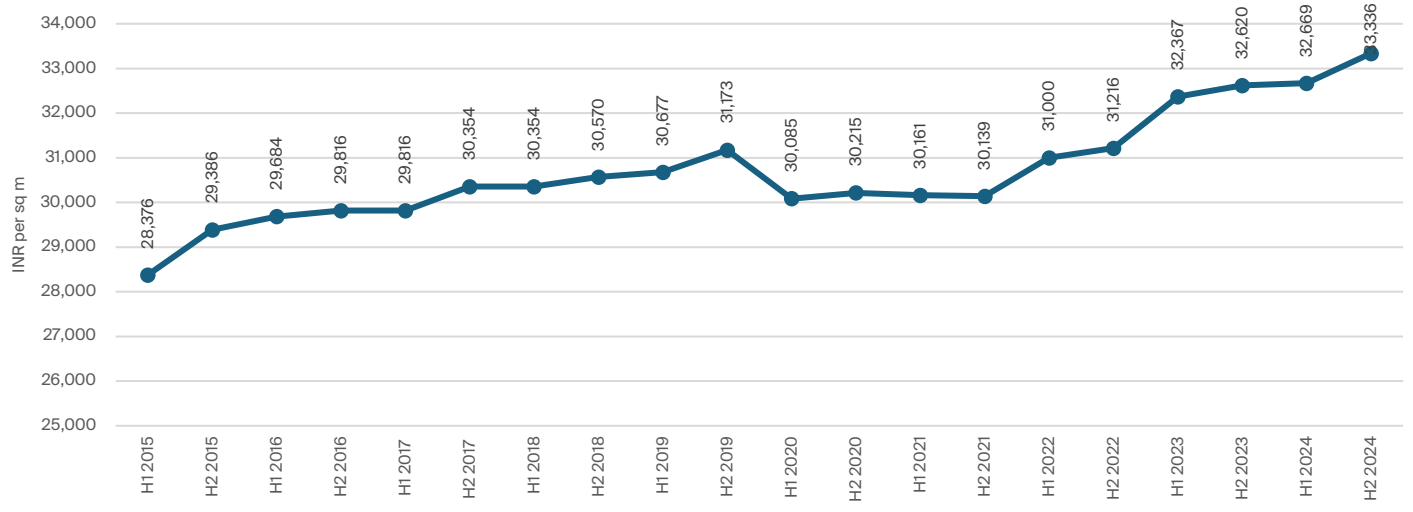
Ten year high (sales)

TICKET-SIZE SEGMENT HEALTH

Ticket-size segment	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
0 – 5 mn	14,771 (-3%)	7.9
5 – 10 mn	10,960 (21%)	7.1
10 - 20 mn	4,280 (40%)	7.9
20 – 50 mn	1,785 (94%)	9.4
50 – 100 mn	107 (-41%)	3.2
100 – 200 mn	40 (60%)	19.4
200 – 500 mn	-	-
>500 mn	-	-

Source: Knight Frank Research

AVERAGE RESIDENTIAL PRICE MOVEMENT (INR/SQ M)



Source: Knight Frank Research

MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
Central	3,581 (-2%)	6.8
East	4,961 (17%)	5.9
North	9,165 (13%)	6.9
South	4,036 (11%)	10.2
West	11,200 (13%)	9.2

Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H2 2023 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	28,000-35,500 (2,600-3,300)	1%	1%
	Vastral	25,800-31,200 (2,400-2,900)	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	18,300-21,530 (1,700-2,000)	3%	2%
	Vatwa	19,380-24,760 (1,800-2,300)	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

AHMEDABAD MARKET SUMMARY

Parameter	2024	2024 Change (YoY)	H2 2024	H2 2024 Change (YoY)
Completions in mn sq m (mn sq ft)	0.26 (2.8)	45%	0.10 (1.1)	-35%
Transactions in mn sq m (mn sq ft)	0.28 (3.0)	64%	0.13 (1.4)	3%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	470 (44)	5%	-	-

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

3.73 (40.2)
2024 Stock mn sq m (mn sq ft)

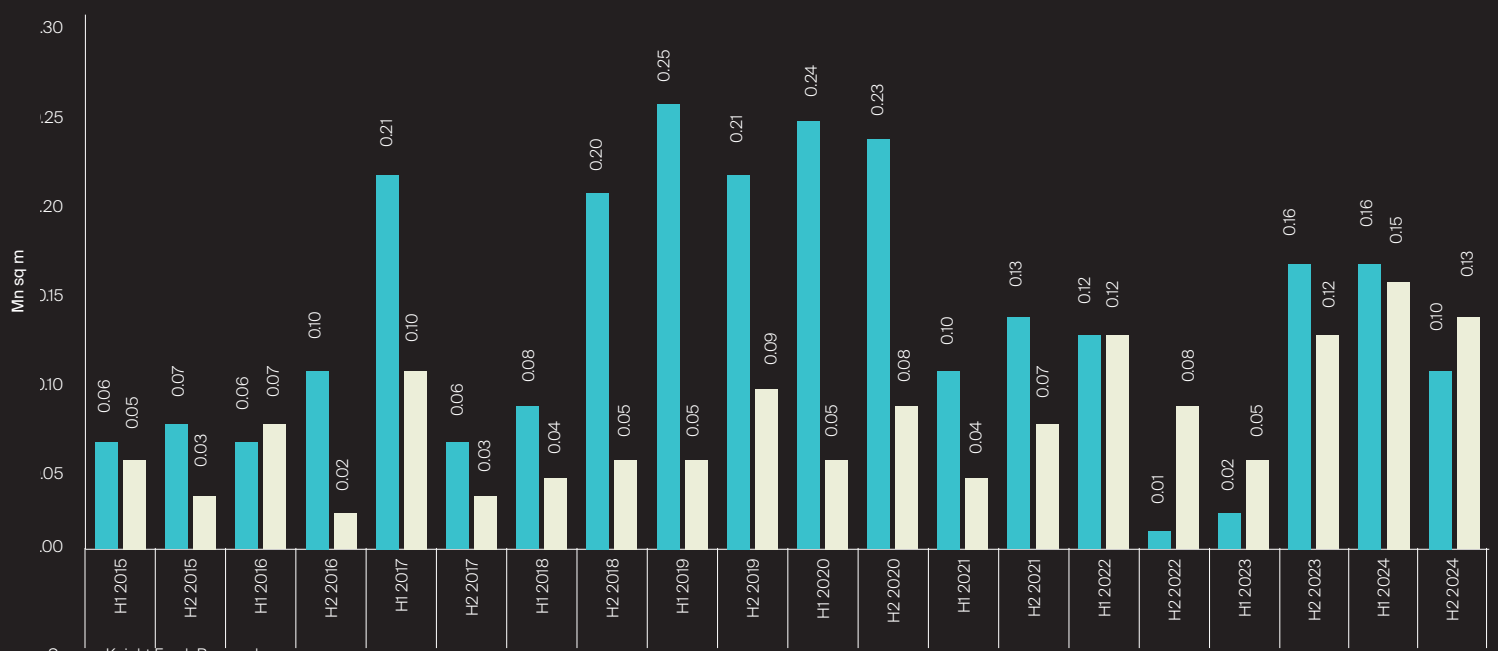
38.4%
2024 Vacancy

7%
2024 Change (YoY)

299 Basis points decrease
2024 Change (YoY)

AHMEDABAD OFFICE MARKET ACTIVITY

Completions *Transactions*



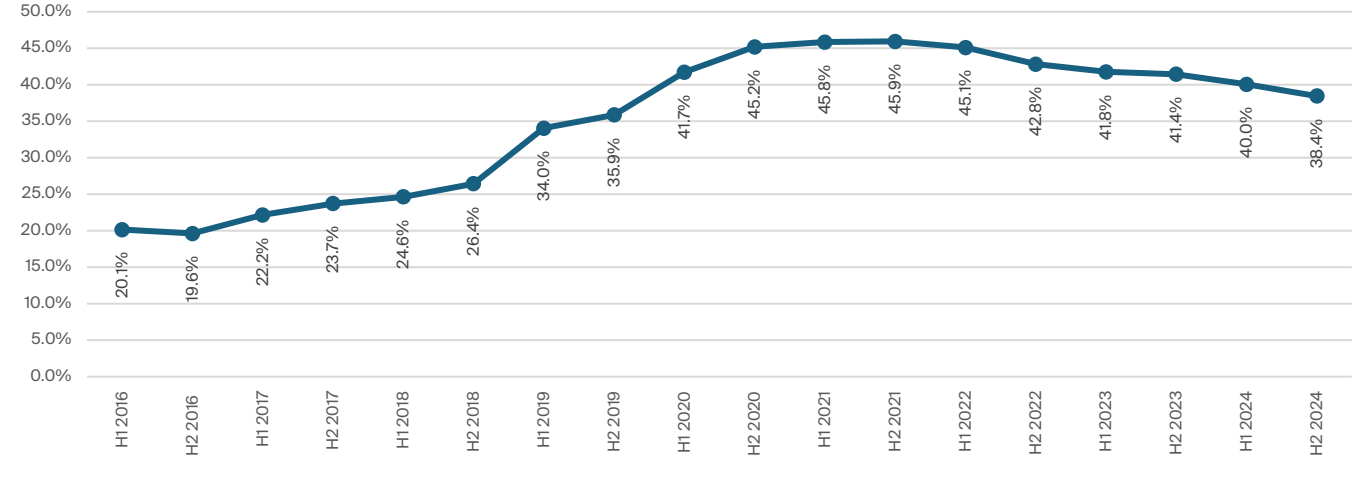
Source: Knight Frank Research

- Annual transaction volumes in the Ahmedabad office market had ranged between 1 to 1.5 mn sq ft until the pandemic era. Since 2022, however, the market has turned a corner and rallied steadily as businesses expanded operations in the city. Its stature as a growing economic hub increased 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 played an important role in improving the business dynamics in this budding office market.
- 2024 ended on a strong note with the city achieving the highest volumes ever seen in an annual period. 0.28 mn sq m (3.0 mn sq ft) were transacted during the year, a 64% growth compared to the previous period. To put things in perspective, this translates to almost twice the volumes seen in any year before the pandemic. Even in half-yearly terms, the 0.13 mn sq m (1.4 mn sq ft) transacted in H2 2024 stands second only to the levels seen in the preceding period of H1 2024.
- 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 normally attract occupier interest. There is also a high incidence of office properties which are strata-sold to investors, restricting the upkeep and maintenance standards that are commonplace in more evolved markets such as Bengaluru, Gurgaon and Mumbai. This high prevalence of speculative take-up also 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 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 Sindhu Bhavan constitute newer and growing office locations in the city.
- Supply volumes have been ramping up in recent periods with 0.26 mn sq m (2.8 mn sq ft) being delivered in 2024, the highest level seen since the pandemic. This has played a significant role in spurring occupier activity to a new high during the year. The increased occupier traction has caused vacancy levels to trend down from 45.9% in 2022 to 38.4% currently.
- Occupier activity that had traditionally been concentrated in the CBD West, was broad based in H2 2024 with the Peripheral Business District (PBD) attracting 65% of the total area transacted during the period. GIFT City emerged as the hot spot during the period, accounting for 82% of the area transacted in the business district and a substantial 53% of the area transacted in the entire market. While mapped as part of the PBD, GIFT City's ample infrastructure, high grade environmentally compliant properties and business friendly policies position it as an office market unique in its own right. Occupier activity here was concentrated primarily in the three properties of Pragya-II, Fintech One and GIFT One and premier corporates such as Infosys, Wipro, Accenture and Oracle India were the primary volume drivers in this location.
- CBD West locations such as Sindhu Bhavan Road, and locations along the SG Highway, Shyamal Cross Road and the Bopal-Ambli Road stretch accounted for 35% of the total area absorbed by the Ahmedabad market in H2 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 54% of the transacted space during H2 2024. Occupiers from the manufacturing sector such as Adani Cement and Infineon Technologies accounted for 36% of the area taken up by India facing businesses. Third Party IT outsourcing businesses were the other significant contributors to the total space taken up during H2 2024 with a market share of 29%, thanks largely to the aforementioned deals at GIFT City.
- The increasing depth and diversity of Ahmedabad's occupier base are an encouraging mark of its rapidly evolving 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. Rent growth has also picked up, pushed by the record volumes seen during the year. Given the recent momentum seen in occupier activity, especially the growing occupier interest in GIFT City, the Ahmedabad office market looks well positioned for further growth in 2025.

BUSINESS DISTRICT CLASSIFICATION

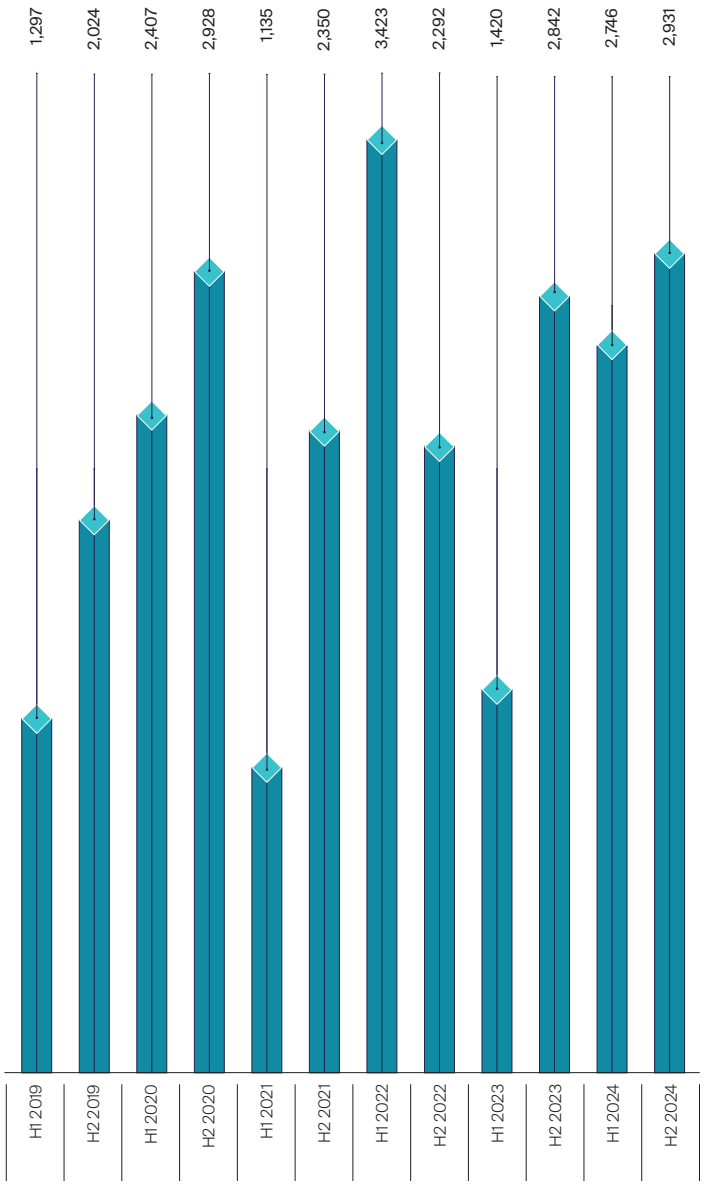
Business district	Micro markets
CBD West	Bodakdev, Keshav Baug, Prahladnagar, Satellite, SG Highway, Thaltej
PBD	Gandhinagar, GIFT City
CBD	Ashram Road, Ellisbridge, Paldi

AHMEDABAD OFFICE MARKET VACANCY



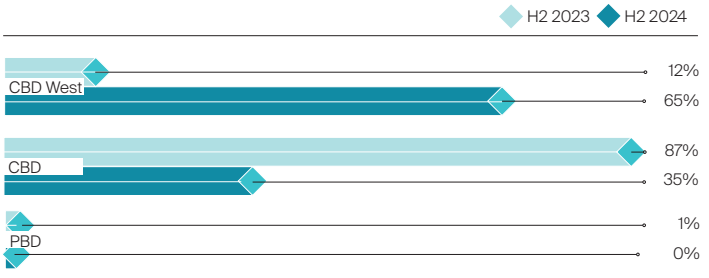
Source: Knight Frank Research

AVERAGE DEAL SIZE TREND (SQ M)



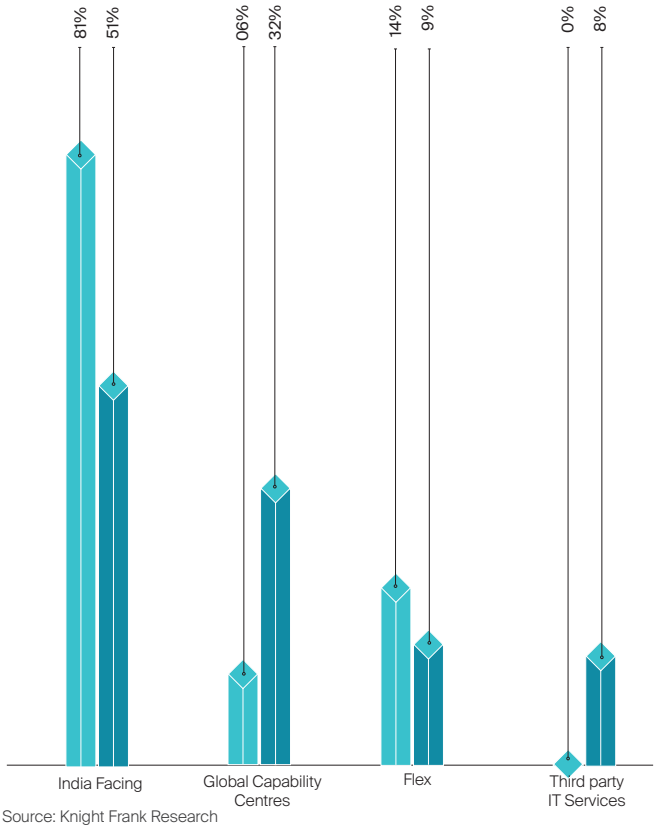
Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT IN H2 2023 AND H2 2024



Source: Knight Frank Research

END-USE SPLIT OF TRANSACTIONS IN H2 2023 AND H2 2024

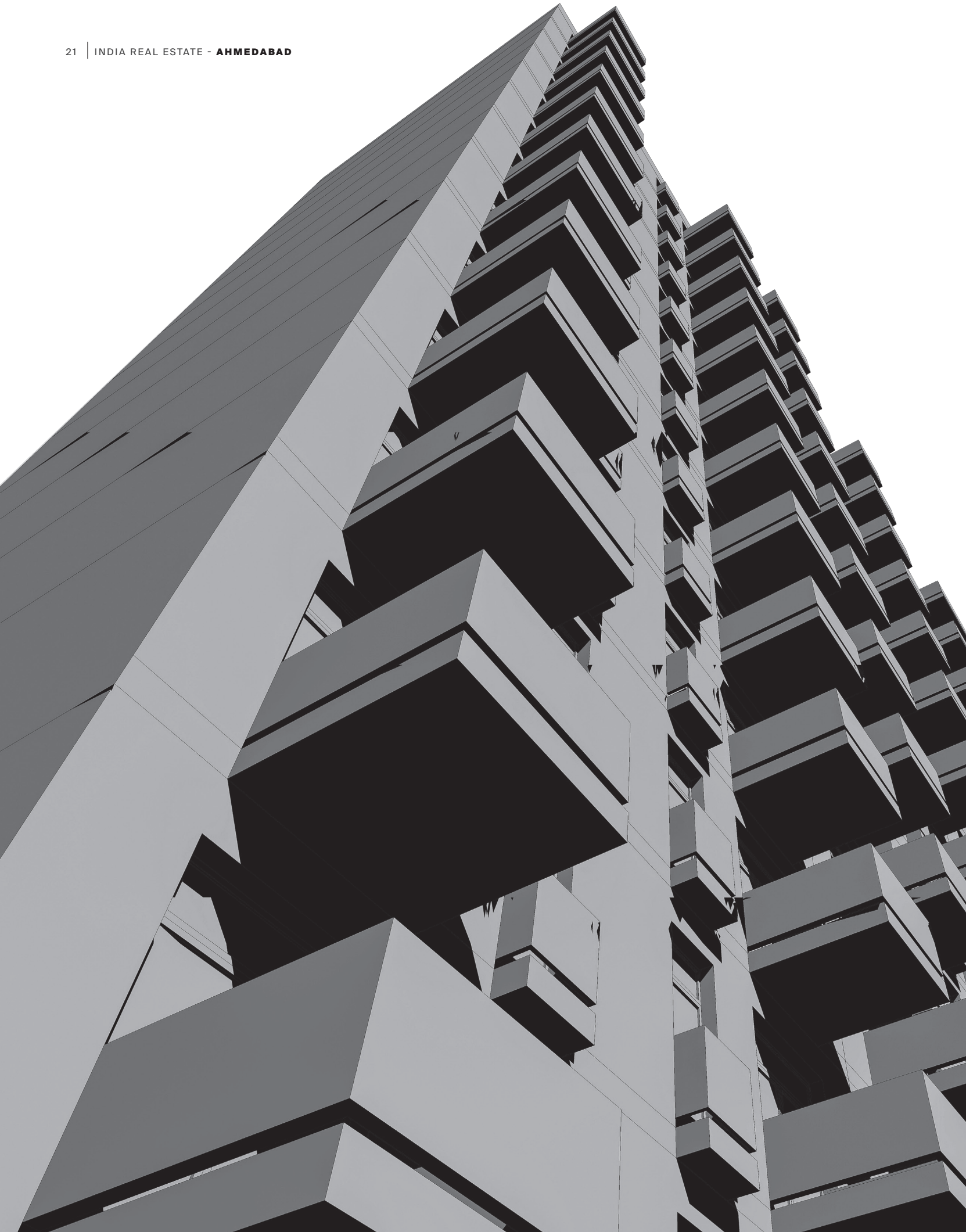


Source: Knight Frank Research

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

	Rental value range in H2 2024 in INR/sq m/month (INR/sq ft/month)	12-month change	6-month change
CBD	431-538 (40-50)	3%	2%
CBD West	484-592 (45-55)	5%	3%
PBD	538-646 (55-60)	6%	3%

Source: Knight Frank Research



Residential Market

Bengaluru

BENGALURU MARKET SUMMARY

Parameter	2024	2024 Change (YoY)	H2 2024	H2 2024 Change (YoY)
Launches (housing units)	56,014	10%	30,447	10%
Sales (housing units)	55,362	2%	27,958	1%
Average price in INR/sq m (INR/sq ft)	INR 71,256 (INR 6,620)	12%	-	-

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

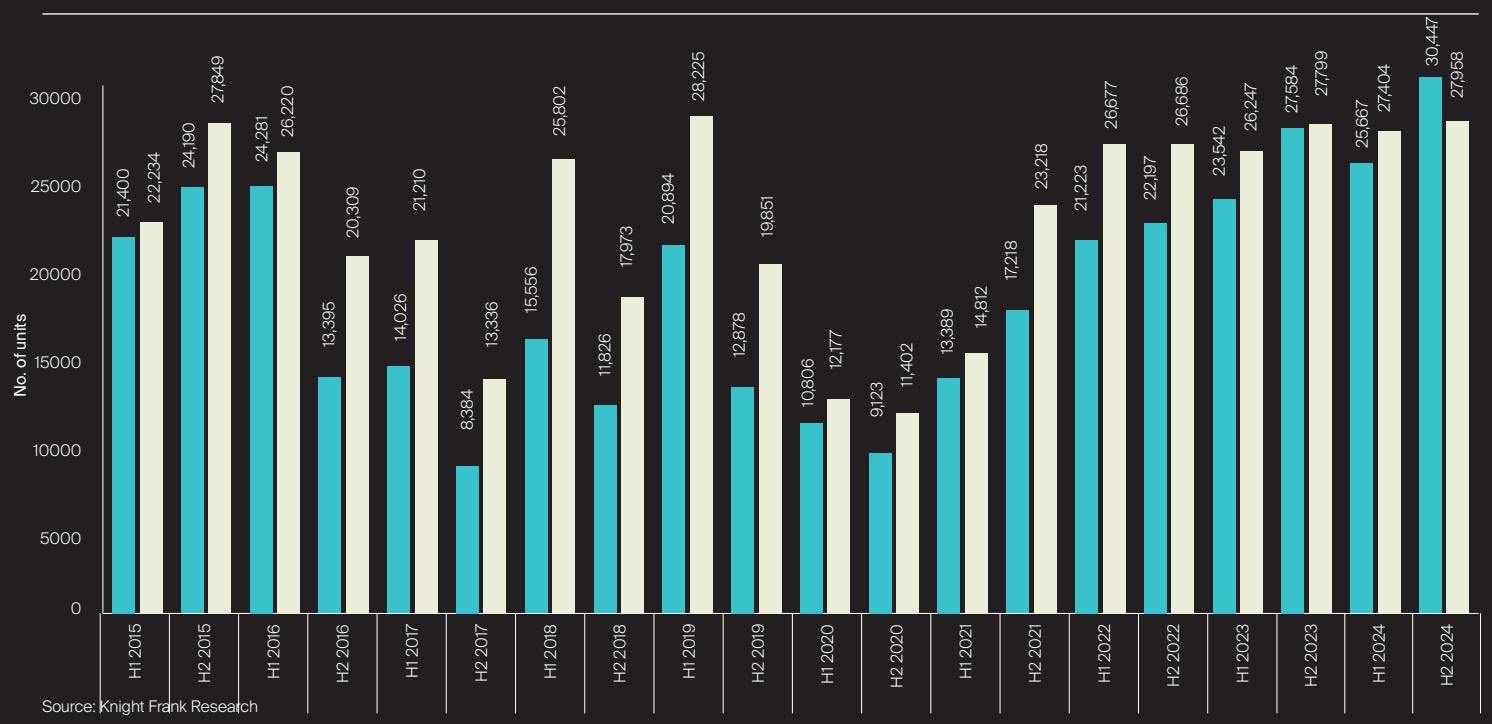
54,131
Unsold inventory (housing units) 2024

4.0
Quarters to sell (in quarters) 2024

1%
Change (YoY)

16
Age of unsold inventory (in quarters) 2024

LAUNCHES AND SALES TREND



Source: Knight Frank Research

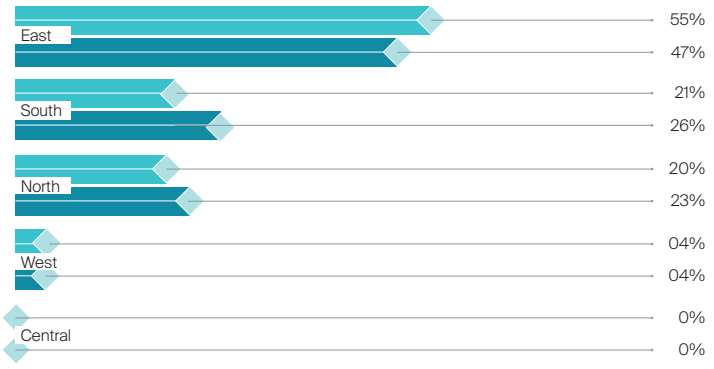
- Bengaluru's residential real estate market in H2 2024 has continued its trajectory of robust performance, bolstered by consistent demand across various segments. The market has demonstrated resilience with volumes growing steadily since the pandemic, consistently scaling new highs and culminating in a 10-year high in terms of annual sales in 2024. Sales volumes in H2 2024 recorded a modest 1% YoY increase, indicative of sustained buyer interest in homeownership within the city. The city's strategic infrastructural developments, coupled with its dynamic economic profile, remain central to this positive momentum.
- One of the key highlights of H2 2024 has been the heightened activity across premium housing segments, particularly in the INR 10-20 mn and INR 20-50 mn segments, which together accounted for 56% of total sales. The INR 10-20 mn segment emerged as the largest contributor with 35% of sales, reflecting its dominance in the market. Meanwhile, the INR 20-50 mn category saw a significant surge, growing from 11% of total sales in H2 2023 to 21% in H2 2024. This indicates a shift in buyer preferences towards upscale housing, driven by Bengaluru's affluent demographic, including high-income professionals and entrepreneurs from its thriving IT and startup ecosystems.
- Developers have responded to this demand with luxury projects, offering expansive layouts and premium amenities, and these have received a positive response from homebuyers. The greater volume of units launched in the higher priced categories have caused unsold inventories to rise by 38% YoY in the INR 10-20 mn segment, 122% YoY in the INR 50-100 mn segment and by a steep 154% YoY in the units priced over INR 100-200 mn segment. The inventory spikes in these segments seem alarmingly high compared to the overall growth of inventory in the market which is a marginal 1% YoY. However, one must look at the demand momentum in conjunction with inventory levels to arrive at a more prudent assessment of market health.
- The QTS levels for the INR 10-20 mn, INR 50-100 mn and INR 100-200 mn segments are at 2.2, 6.2 and 9.1 quarters respectively and imply that it will take less than three years to absorb the existing inventory at the current sales velocity. The QTS for the market reflects its stable character and has sustained at the same level as last year at 4 quarters. The units priced under INR 5 mn have been losing momentum as the market shifts focus to the higher priced products and this is also reflected in its QTS level of 11.5 quarters.
- South Bengaluru has maintained its position as a leading micro-market, contributing significantly to both launches and sales. This area's appeal stems from its proximity to major employment hubs like Electronic City, Koramangala, and Outer Ring Road, as well as its well-established social infrastructure. Ongoing metro developments, such as the Yellow Line on Hosur Road, have further enhanced connectivity, making the region highly desirable for end-users and investors alike. The emergence of luxury housing in this predominantly mid-segment market highlights the growing appetite for high-end residential options among the city's affluent population.
- East Bengaluru has also shown remarkable growth, driven by its reputation as the city's prime IT hub. Areas like Whitefield and KR Puram continue to attract both end-users and investors, supported by robust commercial activity and improved metro connectivity through the Purple Line extension. The expansion of residential demand into peripheral regions such as Budigere Cross and Hoskote reflects the market's gradual outward shift, as buyers seek more affordable yet well-connected housing options. This trend is further reinforced by the area's ability to accommodate luxury and ultra-luxury projects, catering to the city's growing cohort of high-net-worth individuals.
- North Bengaluru stands out as one of the fastest-growing residential clusters, recording significant increases in both launches and sales during H2 2024. The region's development is underpinned by its strategic location near the Kempegowda International Airport and ongoing infrastructure projects such as the Blue Line metro. These developments are transforming areas like Hebbal, Devanahalli, and Bellary Road into vibrant residential and commercial hubs. The launch of premium villas, plotted developments, and apartments in this cluster has particularly resonated with high-income buyers seeking exclusivity and larger living spaces. Additionally, the establishment of new economic zones and business parks has reinforced the region's appeal, making it a key driver of Bengaluru's residential growth.
- West Bengaluru, while smaller in scale compared to other micro-markets, has continued to perform steadily, with sales and launches concentrated in mid and premium segments. The region benefits from its accessibility to major industrial areas and a strong presence of social infrastructure, including schools and healthcare facilities. Micro-markets such as Rajajinagar and Malleshwaram have seen price appreciation driven by limited land availability and sustained demand for residential properties in these well-established neighborhoods.
- In conclusion, Bengaluru's residential real estate market in 2024 has demonstrated remarkable resilience and adaptability. The city's robust economic fundamentals, coupled with strategic infrastructural developments, have supported strong demand across all residential segments throughout the year. As developers aligned supply with evolving buyer preferences, particularly for luxury and spacious homes, the market showcased its potential for sustained growth. With continued expansion of the metro network and ongoing enhancements to road and airport connectivity, Bengaluru's residential market continues to demonstrate its vibrancy and growth potential.

MICRO-MARKET CLASSIFICATION

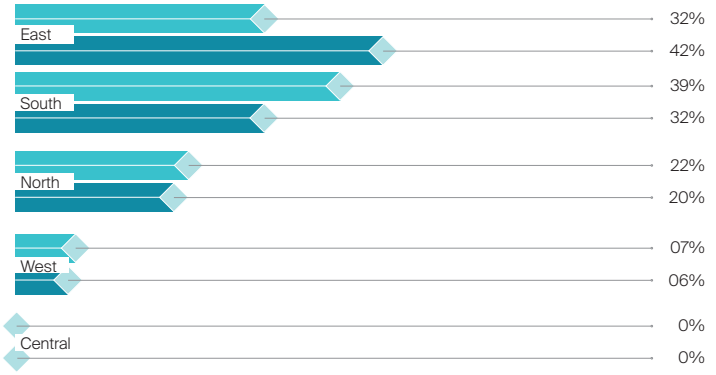
Micro market	Locations
Central	MG Road, Lavelle Road, Langford Town, Vittal Mallya Road, Richmond Road
East	Whitefield, Old Airport Road, Old Madras Road, KR Puram, Marathahalli
West	Malleshwaram, Rajajinagar, Yeswanthpur, Tumkur Road, Vijayanagar
North	Hebbal, Bellary Road, Hennur, Jakkur, Yelahanka,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

Source: Knight Frank Research

MICRO-MARKET SPLIT OF LAUNCHES IN H2 2023 AND H2 2024

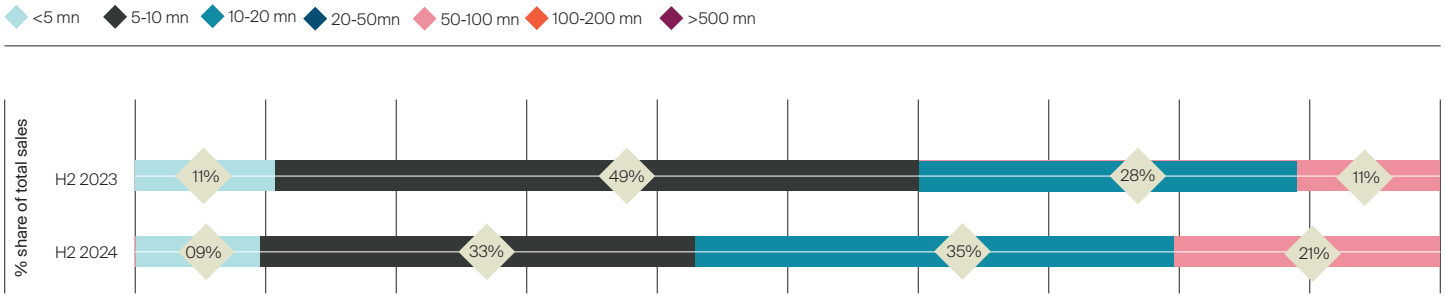


MICRO-MARKET SPLIT OF SALES IN H2 2023 AND H2 2024



Source: Knight Frank Research

BENGALURU TICKET SIZE SPLIT COMPARISON OF SALES DURING H2 2023 AND H2 2024



Source: Knight Frank Research

55,362

Ten-year high in annual sales in 2024

TICKET-SIZE SEGMENT HEALTH

Ticket-size segment	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
0 – 5 mn	18,056 (01%)	11.5
5 – 10 mn	23,201 (-06%)	3.9
10 - 20 mn	9,092 (38%)	2.2
20 – 50 mn	2813 (-26%)	1.5
50 – 100 mn	699 (122%)	6.2
100 – 200 mn	186 (154%)	9.1
200 – 500 mn	84 (-06%)	64.7
>500 mn	-	-

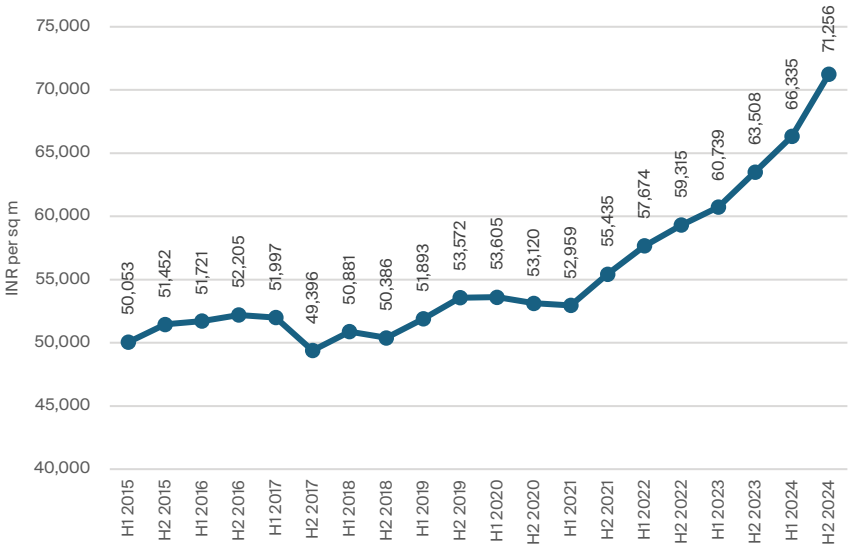
Source: Knight Frank Research

MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
Central	209 (-17%)	10.2
East	17,817 (7%)	3.6
North	10,493 (15%)	3.3
South	24,331 (-5%)	5.1
West	2,280 (-20%)	2.7

Source: Knight Frank Research

AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H2 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	55,972-96,875 (5,200-9,000)	22%	10%
	Whitefield	64,583-1,18,403 (6,000-11,000)	20%	7%
	Marathahalli	51,667-99,028 (4,800-9,200)	18%	3%
North	Hebbal	67,813-1,39,931 (6,300-13,000)	10%	2%
	Yelahanka	49,514-86,111 (4,600-8,000)	5%	0%
	Thanisandra	55,972-1,17,327 (5,200-10,900)	10%	0%
	Hennur	62,431-1,11,945 (5,800-10,400)	11%	0%
South	Sarjapur Road	53,820-1,18,403 (5,000-11,000)	14%	10%
	Kanakpura Road	45,208-94,722 (4,200-8,800)	2%	0%
	Electronic City	53,820-80,729 (5,000-7,500)	15%	2%
	Bannerghatta Road	64,583-91,493 (6,000-8,500)	11%	6%
West	Yeshwantpur	78,576-1,33,472 (7,300-12,400)	7%	2%
	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	2024	2024 Change (YoY)	H2 2024	H2 2024 Change (YoY)
Completions in mn sq m (mn sq ft)	1.2 (12.4)	-7%	0.4 (4.7)	-32%
Transactions in mn sq m (mn sq ft)	1.7 (18.1)	45%	0.9 (9.7)	76%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	988.6 (91.8)	6%	-	-

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

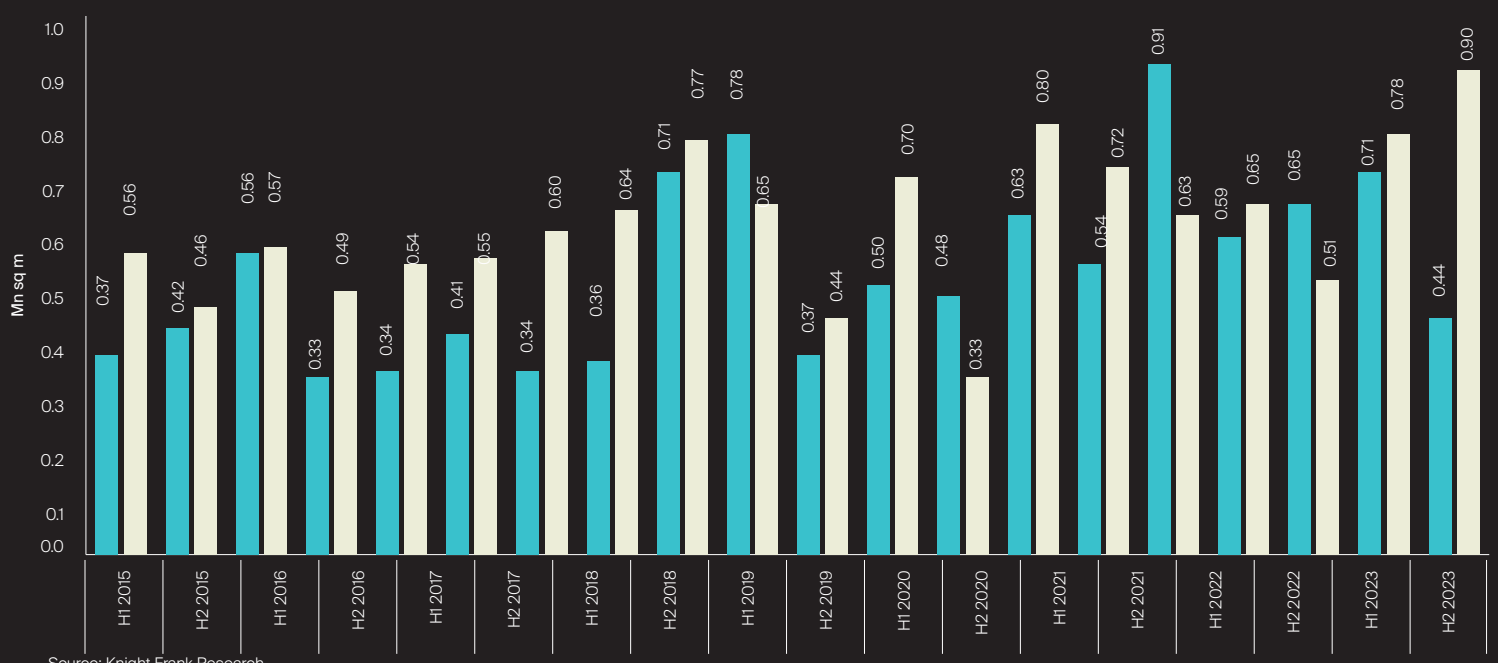
21.1 (227.4)
2024 Stock mn sq m (mn sq ft)

11.9%
2024 Vacancy

6%
2024 Change (YoY)

324 Basis points decrease
2024 Change (YoY)

BENGALURU OFFICE MARKET ACTIVITY



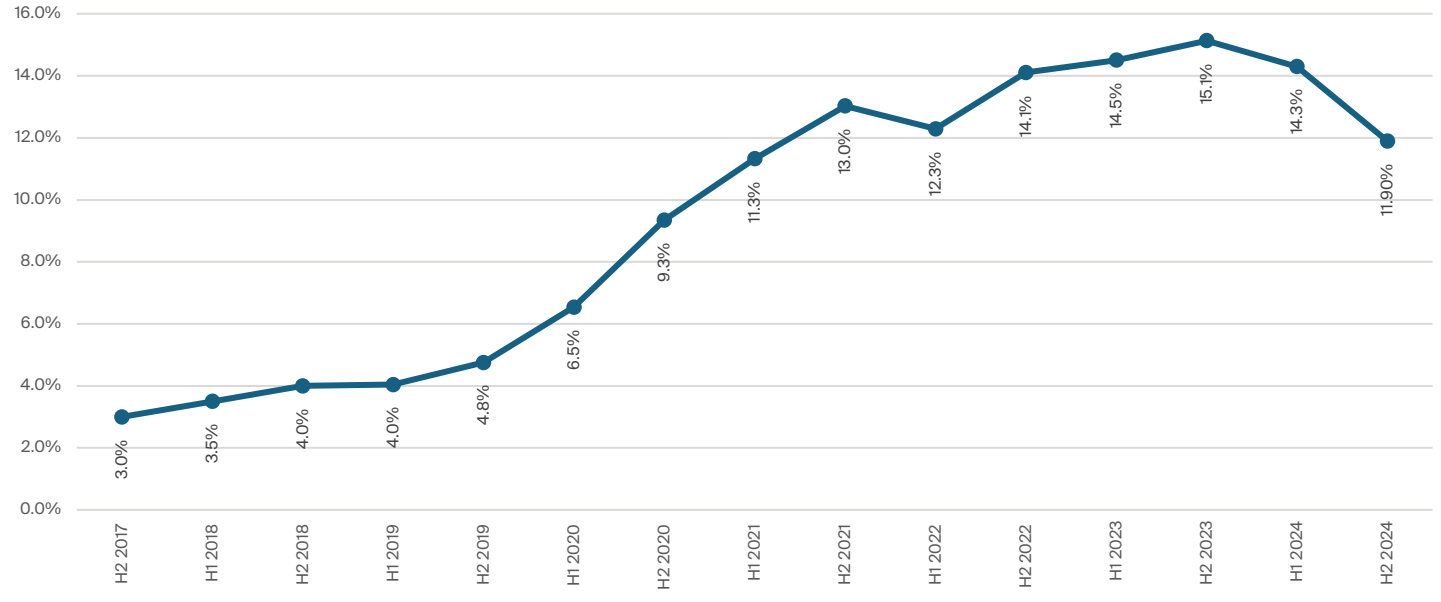
Source: Knight Frank Research

- In 2024, Bengaluru office market achieved a record-breaking performance in the Indian commercial real estate sector, witnessing its highest-ever annual and half-yearly transaction volumes. The city recorded an impressive 1.7 mn sq mt (18.1 mn sq ft) of transactions for the year, with 0.9 mn sq m (9.7 mn sq ft) transacted in the second half alone. Bengaluru continued to lead the Indian commercial real estate market, contributing over one-fourth of the country's total transactions. This remarkable achievement reflects the city's resilience and consistent growth, driven by robust activity across its business districts. On a yearly basis, transaction volumes surged by 45% compared to 2023, while the second half of 2024 saw an extraordinary 76% increase in transactions over the same period in 2023. These figures underscore Bengaluru's position as a premier hub for commercial real estate in India, attracting occupiers with its dynamic business environment, highly skilled workforce, and continually improving infrastructure.
- Global Capability Centers emerged as a dominant force driving the market. These centers accounted for a significant portion of leasing activity as multinational corporations expanded their operations in Bengaluru, drawn by its established reputation as a technology hub and access to a highly skilled talent pool. Companies like Amazon, Bosch, and Walmart have reaffirmed the city's status as a prime location for setting up innovation-driven and large-scale operational centers. This trend is anticipated to sustain long-term demand for Grade A office spaces, particularly in the Outer Ring Road (ORR) and Peripheral Business District (PBD) North & East, where the ecosystem of technology parks continues to flourish.
- The flexible workspace sector also played a pivotal role, aligning with the evolving hybrid work culture adopted by many companies. While the co-working sector witnessed a slight moderation compared to its earlier peak, its overall contribution remained significant, highlighting the sector's role in catering to businesses seeking operational flexibility and cost efficiency. This demand was particularly evident among start-ups and global firms adjusting to market uncertainties.
- Infrastructure enhancements have been instrumental in supporting the market's performance. Key projects, such as metro extensions and expressway developments, have improved connectivity across Bengaluru, further boosting the appeal of micro-markets like PBD East and PBD North. These regions have benefitted from large-scale investments in office parks and urbanization initiatives. The operational Purple Line metro and ongoing construction of the Silk Board-Hebbal metro corridor have made these locations more accessible, attracting significant occupier interest and investments.
- In terms of supply, the market maintained a healthy balance with 1.2 mn sq m (12.4 mn sq ft) of completions in 2024. This brought Bengaluru's total office stock to 21.1 mn sq m (227.4 mn sq ft), a 6% increase from the previous year. Simultaneously, the vacancy rate reduced significantly, dropping by 324 basis points to 11.9%, indicating strong absorption of newly added spaces and robust occupier activity. This balance between supply and demand highlights the market's capacity to accommodate growth.
- Rental values continued to rise, with an average increase of 6% year-on-year to 988.6 INR/sq m/month (91.8 INR/sq ft/month). This upward trajectory was particularly prominent in high-demand locations such as the Central Business District (CBD) and Off-CBD, where limited supply pushed rental values higher. Similarly, the ORR and PBD North & East experienced pleasant rental growth, underpinned by sustained demand for quality spaces.
- Several factors contributed to the strong performance of Bengaluru's office market. Economic resilience played a critical role, as India's growing economy bolstered business confidence and led to increased investments in the commercial real estate sector. Additionally, the city's technological advancements and its reputation as a hub for innovation attracted a steady influx of global tech companies and start-ups, further driving office space demand. Supportive government policies and infrastructure projects also provided a conducive environment for business expansion, cementing Bengaluru's position as a preferred destination for occupiers.
- The second half of 2024 saw some shifts in occupier preferences, with a noticeable inclination towards long-term leases over flexible arrangements. This trend reflects renewed confidence in the market and a gradual stabilization of corporate real estate strategies post-pandemic. Business districts such as ORR, with its established tech parks, and PBD East, benefiting from metro connectivity and proximity to residential hubs, remained at the forefront of leasing activity.
- Bengaluru's office market exhibited remarkable growth in H2 2024, supported by strong occupier demand, infrastructure improvements, and robust economic fundamentals. Major infrastructural advancements such as the operational Purple Line metro and the ongoing Silk Board-Hebbal metro corridor have significantly enhanced connectivity. Additionally, the Peripheral Ring Road project and upgrades around the Kempegowda International Airport, including new expressways and logistics hubs, are expected to further improve accessibility and reduce travel times. These developments not only increase the attractiveness of emerging micro-markets but also encourage occupiers and developers to explore new opportunities in these areas. As these projects reach completion, they are poised to drive the next phase of growth in Bengaluru's commercial real estate sector, reinforcing the city's status as a top destination for global and domestic businesses alike.

BUSINESS DISTRICT CLASSIFICATION

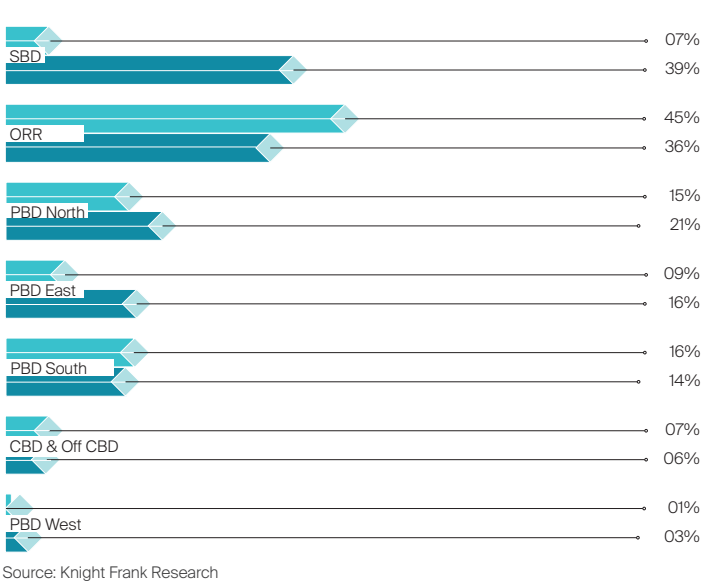
Micro market	Locations
Central Business District (CBD) and Off CBD	MG Road, Residency Road, Cunningham Road, Lavelle Road, Richmond Road, Infantry Road
Secondary Business District (SBD)	Indiranagar, Koramangala, Airport Road, Old Madras Road
Peripheral Business District (PBD) East	Whitefield
Peripheral 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

BENGALURU OFFICE MARKET VACANCY



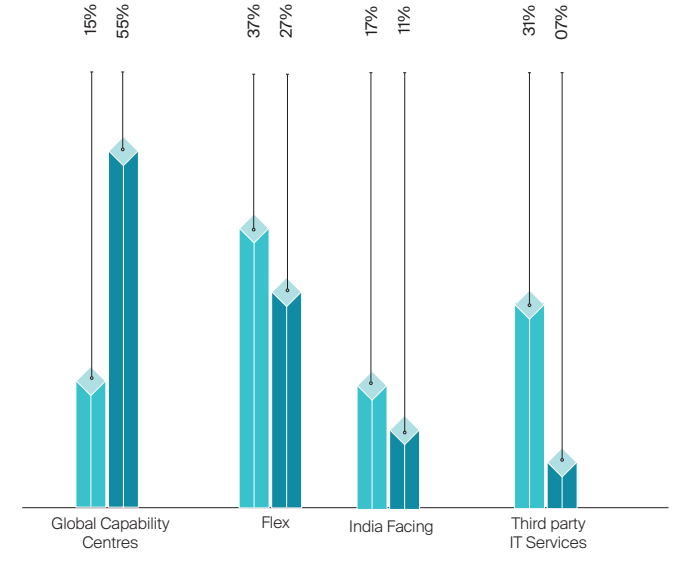
Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT IN H2 2023 AND H2 2024



Source: Knight Frank Research

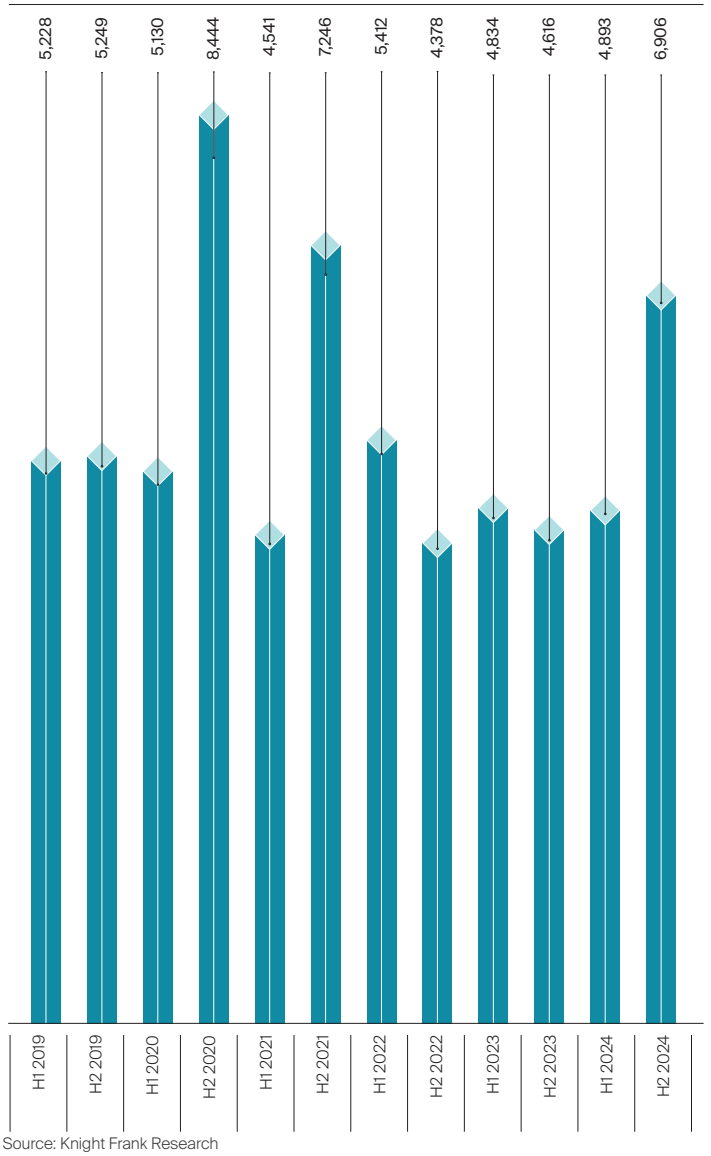
END-USE SPLIT OF TRANSACTIONS IN H2 2023 AND H2 2024



Source: Knight Frank Research

Annual transactions have reached an all-time high in 2024.

AVERAGE DEAL SIZE TREND (SQ M)



Source: Knight Frank Research

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

	Rental value range in H2 2024 in INR/sq m/month (INR/sq ft/month)	12-month change	6-month change
CBD & Off-CBD	1,399 - 2,260 (130 - 210)	11%	6%
SBD	1,076 - 1,938 (100 - 180)	12%	8%
PBD East	700 - 915 (65 - 85)	3%	3%
PBD South	592 - 969 (55 - 90)	4%	0%
PBD North	592 - 1,023 (55 - 95)	3%	3%
ORR	1,076 - 1,345 (100 - 125)	2%	2%

Source: Knight Frank Research

Residential Market

Chennai

CHENNAI MARKET SUMMARY

Parameter	2024	2024 Change (YoY)	H2 2024	H2 2024 Change (YoY)
Launches (housing units)	17,431	7%	8,576	5%
Sales (housing units)	16,238	9%	8,263	6%
Average price in INR/sq m (INR/sq ft)	INR 51,726 (INR 4,806)	7%	-	-

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

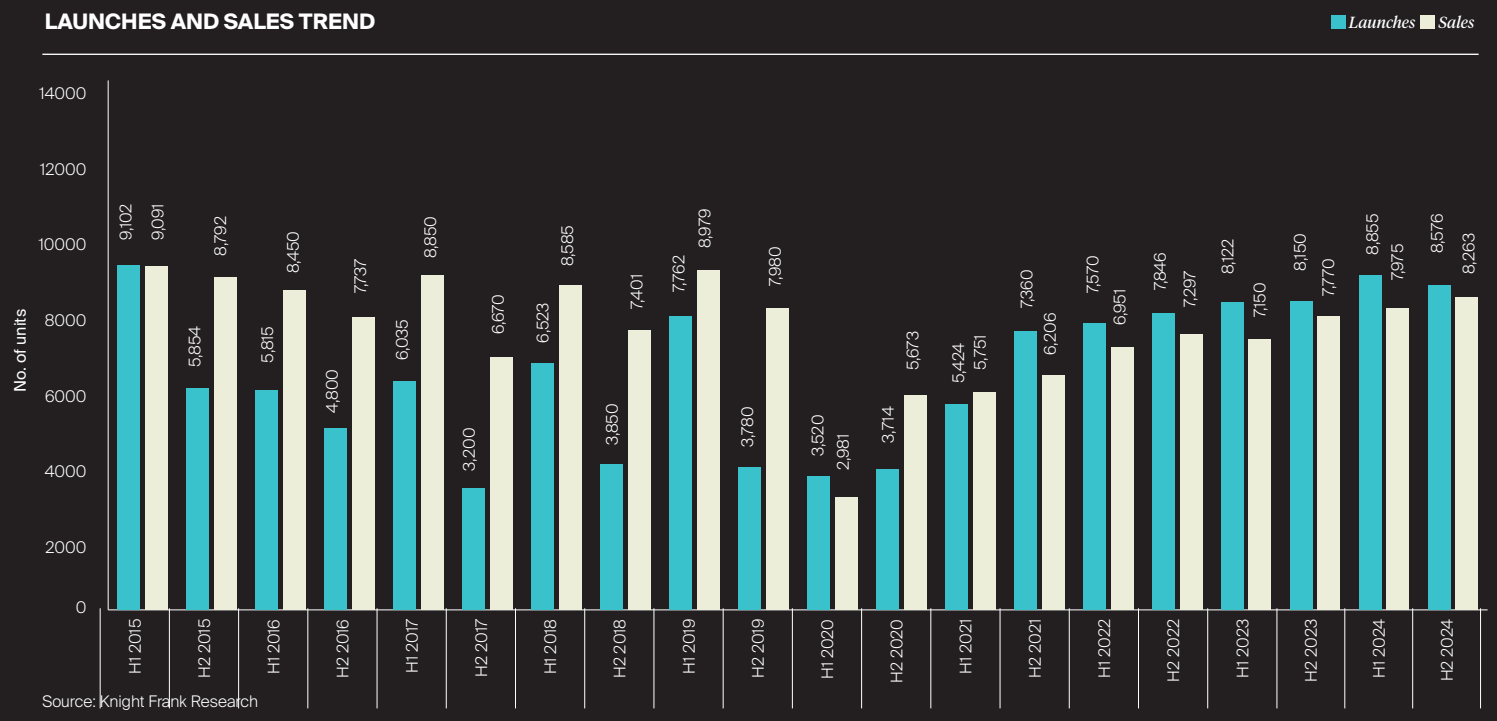
16,729
Unsold inventory (housing units) 2024

4.3
Quarters to sell (in quarters) 2024

8%
Change (YoY)

8.1
Age of unsold inventory (in quarters) 2024

LAUNCHES AND SALES TREND



Source: Knight Frank Research

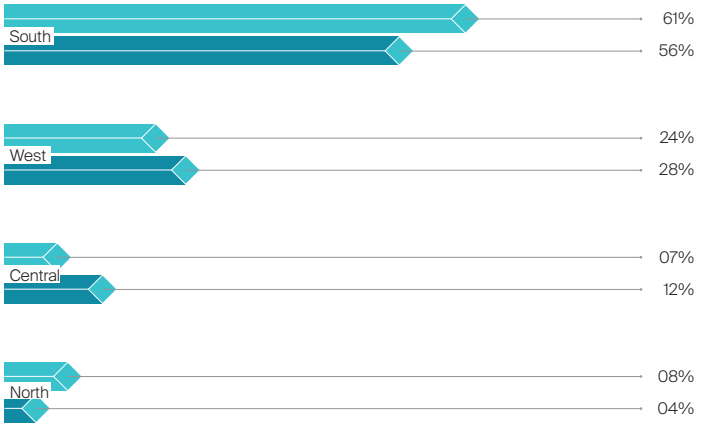
- The Chennai residential market demonstrated a 9% YoY increase in sales, reaching 16,238 housing units in 2024. During H2 2024, sales totaled 8,263 units, reflecting a 6% YoY growth. Although sales remained below pre-pandemic levels, the continued momentum suggests that they are likely to surpass pre-COVID levels in the coming quarters, if sustained.
- Sales in the Chennai residential market during H2 2024 were predominantly concentrated in the South and West micro-markets, collectively accounting for 84% of the total sales. The South Chennai zone contributed 57%, maintaining its position as a vibrant IT hub and knowledge center, housing renowned IT parks like TIDEL Park and SP Infocity. The zone is further bolstered by thriving healthcare and engineering sectors, modern infrastructure, and cultural landmarks. The West Chennai zone, which accounted for 27% of sales in H2 2024, up from 25% in H2 2023, is steadily emerging as a dynamic IT corridor, evolving from its industrial roots to a diversified area attracting IT investments and fostering a skilled workforce. Central Chennai saw an increase in sales share from 7% in H2 2023 to 10% in H2 2024.
- In H2 2024, homes priced between INR 5-10 mn in Chennai continued to lead the market, accounting for 43% of total sales, up from 40% in H2 2023. This reflects the sustained demand for mid-segment housing, appealing to middle-income buyers seeking value-for-money options. However, the share of relatively affordable homes priced under INR 5 mn, declined sharply to 27% in H2 2024 from 35% in H2 2023. This shift may be attributed to rising input costs, changing buyer preferences, and affordability challenges. Conversely, high-value homes, priced between INR 10-20 mn, experienced growing demand, capturing 23% of sales in H2 2024, up from 19% in the previous year. Similarly, homes priced in the INR 20-50 mn range saw a modest increase, accounting for 7% of total sales in H2 2024 compared to 6% in H2 2023, reflecting an emerging preference for premium housing with superior amenities. The luxury and ultra-luxury segments including homes priced above INR 50 mn, maintained a stable share, collectively contributing 1% of sales across both periods, signaling steady but niche demand for high-end properties. These trends underline an evolving residential market in Chennai with increasing buyer interest in mid-to-premium segment homes, and a noticeable decline in demand for relatively affordable housing.
- In 2024, Chennai saw the launch of 17,431 residential units, a 7% YoY increase, with 8,576 units introduced in H2 2024, reflecting 5% YoY growth. The southern and western micro-markets dominated, contributing 84% of the total launches in 2024, with South Chennai accounting for 56% and West Chennai 28% in H2 2024. The Central zone saw notable growth, rising from a 7% share in H2 2023 to 12% in H2 2024, while the North zone's share declined from 8% to 4%. Prominent developers, including Casagrand Builder, Jain Housing & Constructions, Puravankara, and NCC Urban, were active in launching projects during 2024. Mid-segment homes (INR 5-10 mn) dominated launches in H2 2024, constituting 49%, up from 39% in H2 2023. High-value homes (INR 10-20 mn) also increased to 24% from 18%, while affordable housing (<INR 5 mn) dropped to 19% from 35%. Luxury and ultra-luxury segments (above INR 50 mn) remained niche.
- In H2 2024, unsold inventory in Chennai rose by 8% YoY reaching 16,729 units. The INR 5-10 mn category, which accounts for the majority of sales in Chennai, experienced the most significant increase in inventory, surging by 47% YoY. Despite this, the category maintained a strong quarters-to-sell (QTS) ratio of 3.5, reflecting high sales velocity. The INR 10-20 mn category saw a 7% YoY increase in inventory, with a QTS of 5.8, indicating steady absorption. Conversely, the INR 20-50 mn and below INR 5 mn categories recorded YoY declines in inventory of 14% and 13% respectively. The QTS for these segments stood at 2.6 and 4.7 respectively. High-ticket residential segments showed notable increases in inventory, with homes priced between INR 50-100 mn and INR 100-200 mn experiencing a YoY rise of 129% and 91% respectively, albeit from a smaller base. These segments recorded QTS values of 2.4 and 9.6 respectively. Overall, despite an increase in inventory levels, Chennai's QTS ratio of 4.3 remains one of the lowest in the country, reflecting robust sales momentum. The mid-to-premium price categories, particularly INR 5-10 mn and INR 20-50 mn, drive market resilience, while the luxury and ultra-luxury segments exhibit varying sales velocities.
- Residential prices have increased by 7% YoY during 2024, underscoring the resilience and stability of Chennai's property market. This trend highlights sustained demand for real estate, with notable rises observed in neighborhoods like Kelambakkam, Mogappair, Perambur and Kilpauk.
- 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

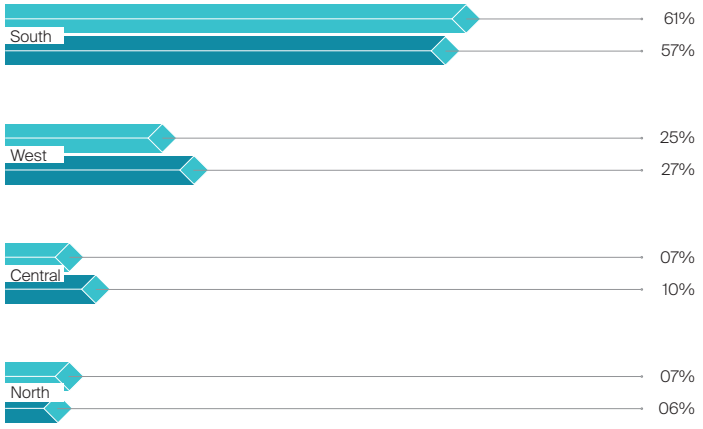
Micro market	Locations
Central Chennai	T. Nagar, Alandur, Nungambakkam, Kodambakkam, Kilpauk
West Chennai	Porur, Ambattur, Mogappair, Iyyappanthangal, Sriperumbudur
South Chennai	Perumbakkam, Chrompet, Sholinganallur, Guduvancheri, Kelambakkam
North Chennai	Tondiarpet, Kolathur, Madhavaram, Perambur

Source: Knight Frank Research

MICRO-MARKET SPLIT OF LAUNCHES IN H2 2023 AND H2 2024

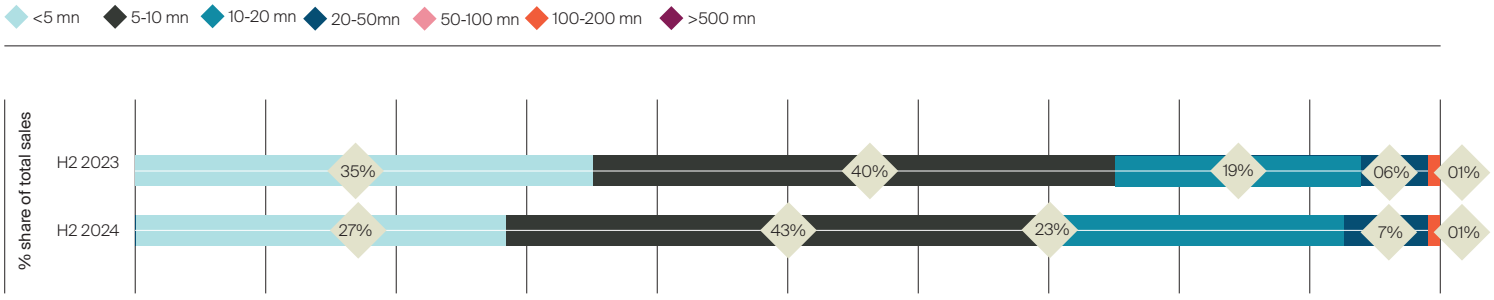


MICRO-MARKET SPLIT OF SALES IN H2 2023 AND H2 2024



Source: Knight Frank Research

CHENNAI TICKET SIZE SPLIT COMPARISON OF SALES DURING H2 2023 AND H2 2024



Source: Knight Frank Research

47%

Despite a 47% YoY rise in inventory, homes priced at INR 5-10 mn maintain a strong QTS of 3.5.

TICKET-SIZE SEGMENT HEALTH

Ticket-size segment	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
0 – 5 mn	5,939 (-13%)	4.7
5 – 10 mn	5,674 (47%)	3.5
10 - 20 mn	4,343 (7%)	5.8
20 – 50 mn	648 (-14%)	2.6
50 – 100 mn	72 (129%)	2.4
100 – 200 mn	48 (91%)	9.6
200 – 500 mn	6 (31%)	225.0
>500 mn	-	-

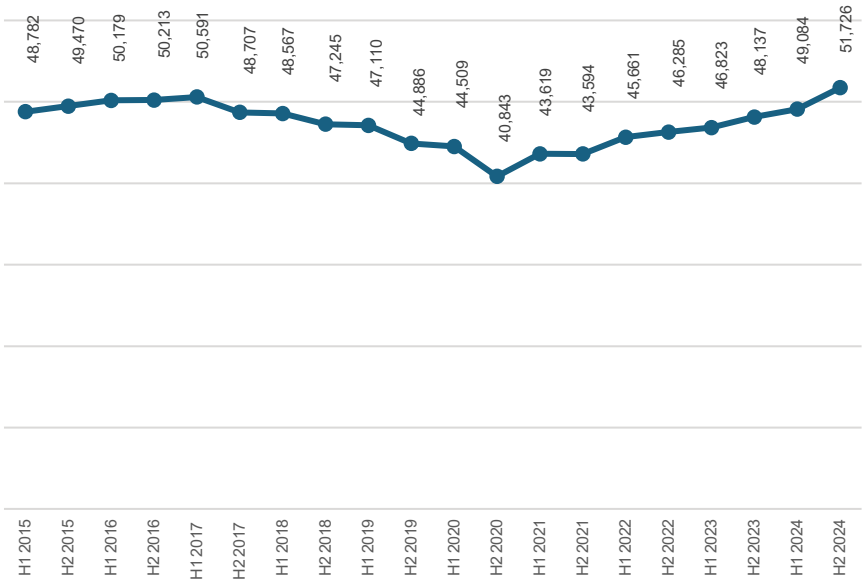
Source: Knight Frank Research

MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
Central	632 (410%)	2.2
North	565 (-17%)	2.4
South	6,095 (1%)	2.6
West	9,436 (9%)	9.1

Source: Knight Frank Research

AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H2 2024 in INR/sq m (INR/sq ft)	12 month Change	6 month Change
Central	Anna Nagar	1,41,310- 1,50,158 (13,128-13,950)	2%	0%
	Kilpauk	1,51,299- 1,68,758 (14,056-15,678)	7%	-7%
North	Kolathur	66,737- 77,501 (6,200-7,200)	5%	2%
	Perambur	71,247- 77,684 (6619-7217)	9%	-1%
South	Perumbakkam	57,049- 58,847 (5300-5467)	5%	3%
	Kelambakkam	54,283- 55,618 (5043-5167)	12%	1%
West	Porur	64,530- 71,538 (5995-6646)	2%	0%
	Mogappair	81,268- 86,790 (7550-8063)	9%	0%

Source: Knight Frank Research

Chennai Office Market

CHENNAI MARKET SUMMARY

Parameter	2024	2024 Change (YoY)	H2 2024	H2 2024 Change (YoY)
Completions in mn sq m (mn sq ft)	0.19 (2.1)	-69%	0.12 (1.3)	-71%
Transactions in mn sq m (mn sq ft)	0.76 (8.1)	-25%	0.47 (5.1)	-19%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	745 (69.2)	6%	-	-

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

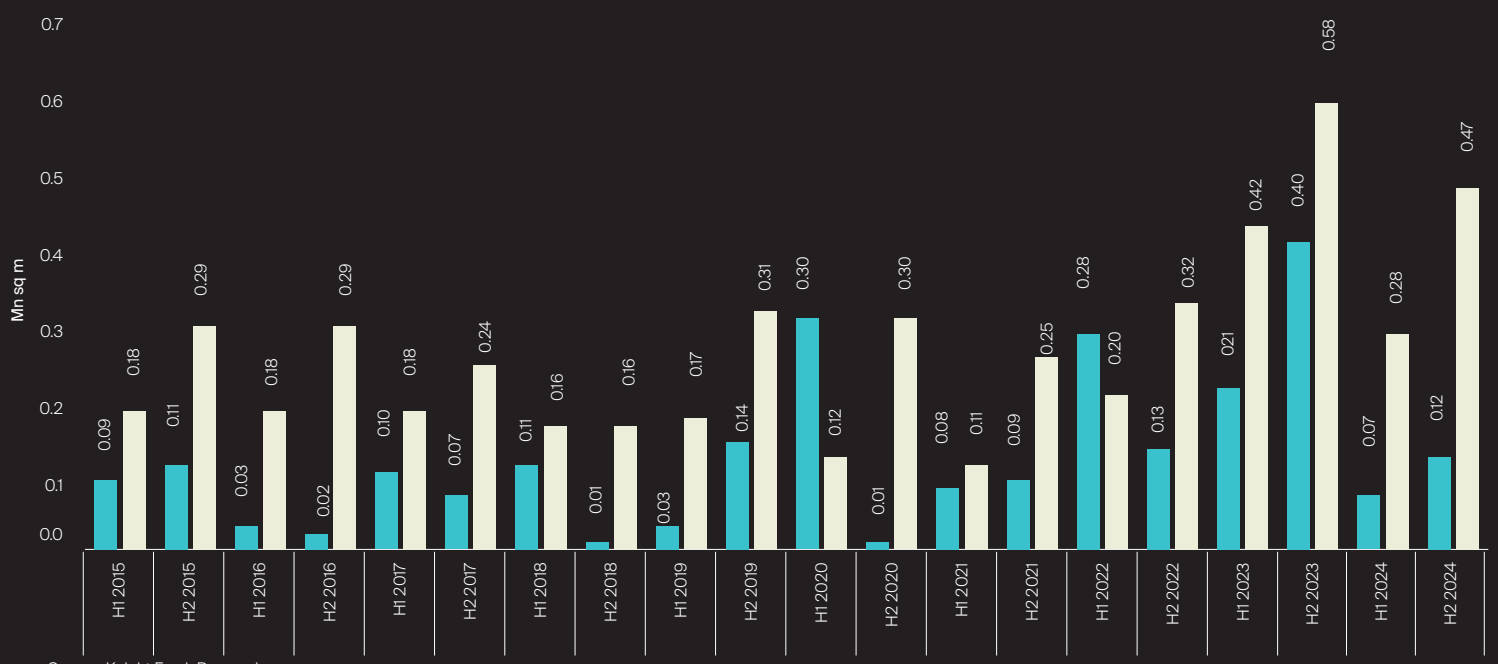
8.46 (91)
2024 Stock mn sq m (mn sq ft)

6.8%
2024 Vacancy

2%
2024 Change (YoY)

370 Basis points decrease
2024 Change (YoY)

CHENNAI OFFICE MARKET ACTIVITY



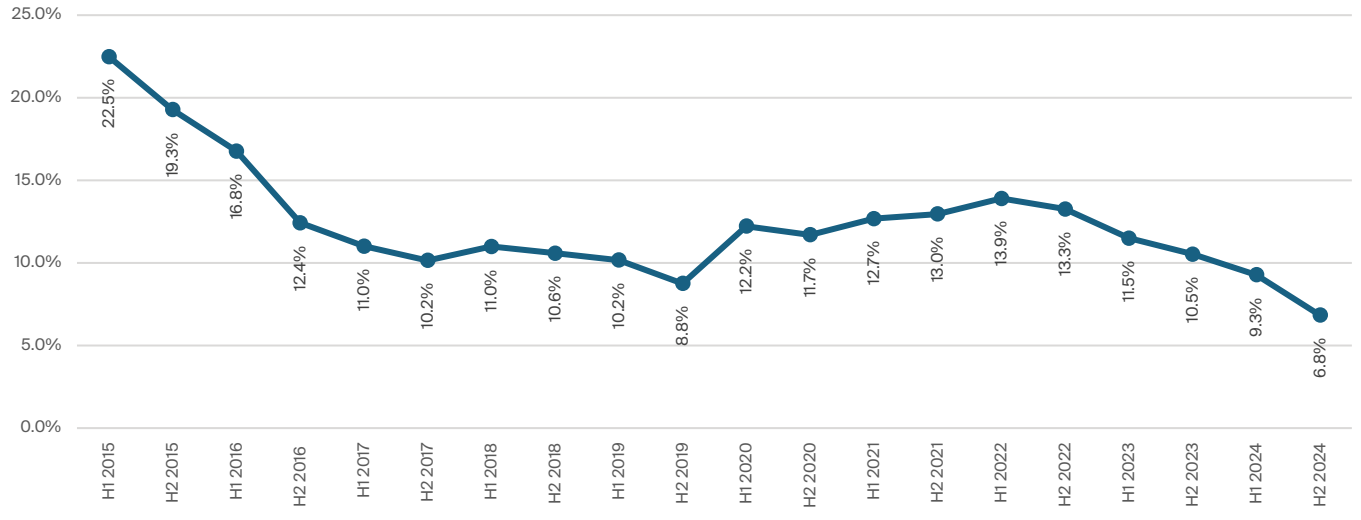
Source: Knight Frank Research

- Chennai's office absorption volumes in 2024 registered a 25% YoY decline, reaching 0.76 mn sq m (8.1 mn sq ft). While this may appear as a slowdown, it is important to contextualize the dip. The preceding year witnessed exceptionally high leasing activity, driven by several large-scale transactions that set a record benchmark. When viewed in this light, 2024 still stands out as the second-highest year in terms of transacted volumes, with H2 2024 also ranking amongst the strongest half-year periods on record, excluding the previous year's peak. This indicates that the current market activity is not a sign of actual deceleration but rather a normalization after an exceptional high.
- Third-party IT services have made a comeback in H2 2024, with transaction volumes surging by 204% YoY. This sector now claims the largest share of end-user activity, accounting for 35% of total leasing during the period. A key highlight of this resurgence is the significant influence of a single occupier, that alone absorbed 0.11 mn sq m (1.2 mn sq ft) of space. L&T Mindtree and TCS are the notable occupiers in this segment, having transacted during the period.
- Trailing close behind, Global Capability Centres (GCCs) accounted for 34% of total leasing activity, reaffirming Chennai's position as a preferred destination for GCCs. The state government's proactive measures to attract top talent have further bolstered this trend. Within the sub-categories of GCC absorption, Other Services sector, including engineering, healthcare, and logistics, led with a 39% share. This was followed by BFSI and manufacturing, each accounting for 21%, while Information Technology contributed 18% of the total absorption. Noteworthy occupiers during H2 2024 include prominent corporations such as Barclays, Citibank, Kookmin Bank, AstraZeneca, Siemens, BCG, and Renault, reflecting the city's continued appeal as a strategic hub for global business operations.
- During H2 2024, India-focused businesses leased 16% of the total office space in Chennai, reflecting the growing prominence of domestic market-driven demand. Among these occupiers, companies from the Information Technology sector led the way, accounting for 53% of the total India-facing transactions. This was followed by firms from the Other Services sector, including logistics and engineering, which contributed 31%, while BFSI players made up 12%. Notable occupiers in this category included prominent names such as Equitas, HDFC Ergo, L&T Metro, and Pernia, highlighting the diverse mix of industries driving domestic demand in Chennai's commercial real estate landscape. Transaction volumes by India facing businesses increased by 5% YoY during H2 2024.
- The remaining 15% of the transaction volumes in H2 2024 were taken up by flexible workspace operators. Key players such as Symbyont, WeWork, Awfis, Tablespace, and 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.
- During H2 2024, 50% of Chennai's leasing activity was concentrated in the SBD region, marking a significant rise from 27% in H2 2023. Key micro-markets driving this growth include Manapakkam and Guindy, which are prime leasing hubs due to their strategic location and excellent connectivity to major highways, Chennai International Airport, and the city's key residential neighborhoods. Following closely, the SBD-OMR region accounted for 26% of the total leasing activity. Within this corridor, micro markets such as Taramani, Perungudi, Kottivakkam, and Kandanchavadi witnessed substantial leasing traction. The robust physical and social infrastructure, seamless access to IT corridors, and proximity to residential catchments have made these locations attractive to businesses, particularly in the IT, BFSI, and GCC segments. This shift in leasing preferences reflects a growing demand for well-connected, high-quality office spaces in emerging commercial hubs.
- New supply or completions in Chennai's office market witnessed a sharp decline in 2024, falling by 69% YoY. The decline was even more pronounced in H2 2024, with a 71% YoY reduction. Only 0.19 mn sq m (2.1 mn sq ft) of new office space was recorded for the year. Of this supply, 63% was concentrated in the SBD, primarily in Guindy, followed by 29% in the PBD-Ambattur, 8% in the SBD-OMR region, and 5% in the CBD Chennai.
- Limited office supply, coupled with relatively higher occupier leasing activity, has led to a continuous decline in vacancy rates. Since H2 2022, vacancy rates have been on a downward trajectory, reaching 6.8% in H2 2024.
- During 2024, rentals in Chennai increased by 6% YoY, with the SBD OMR and SBD areas experiencing the sharpest surges of 7% and 6% YoY, respectively. The key drivers of this upward trend include robust leasing momentum and heightened occupier activity by GCCs, IT outsourcing, and India-facing businesses. Combined with limited available stock, these factors have further fueled rental growth in the Chennai market.
- Tamil Nadu's economic strength is driven by its diverse industrial base, robust services sector, and progressive state policies. The state excels in manufacturing industries like automobiles, textiles, engineering goods, and electronics, while its services sector is anchored by education, healthcare, BFSI, and tourism. As a key economic hub, Chennai hosts over 25 IT parks, supported by SEZs, skilled talent, efficient connectivity, and a strong BFSI presence. The city's office market is bolstered by a robust economy, a skilled workforce, and well-established infrastructure. These robust fundamentals coupled with the city's relatively lower occupancy costs, position Chennai as a competitive and attractive destination for occupiers within the regional commercial real estate landscape.

BUSINESS DISTRICT CLASSIFICATION

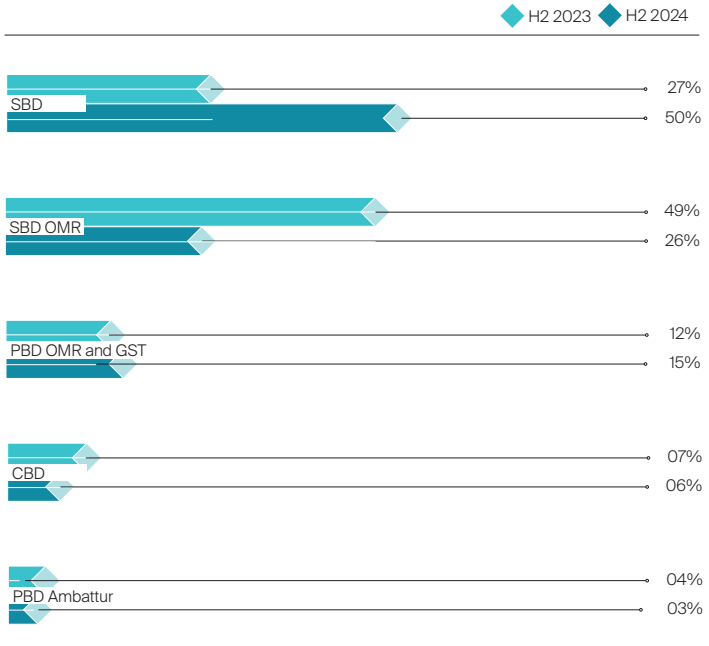
Micro market	Locations
Central Business District (CBD and off CBD)	Anna Salai, RK Salai, Nungambakkam, Greams Road, Egmore, T Nagar
Suburban Business District (SBD)	Mount – Poonamallee Road, Porur, Guindy, Nandambakkam
SBD – Old Mahabalipuram Road (OMR)	Perungudi, Taramani
Peripheral Business District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

CHENNAI OFFICE MARKET VACANCY



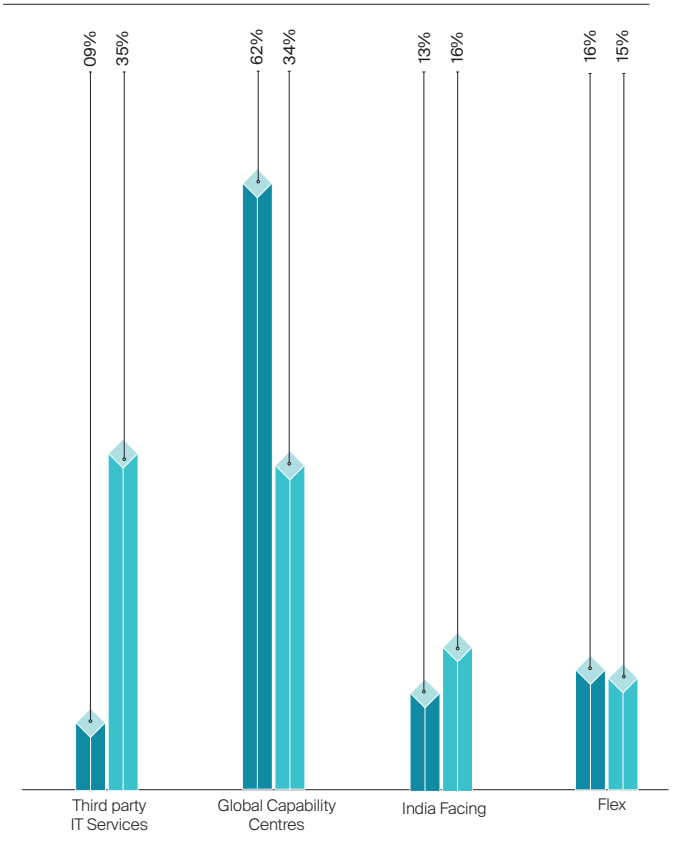
Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT IN H2 2023 AND H2 2024



Source: Knight Frank Research

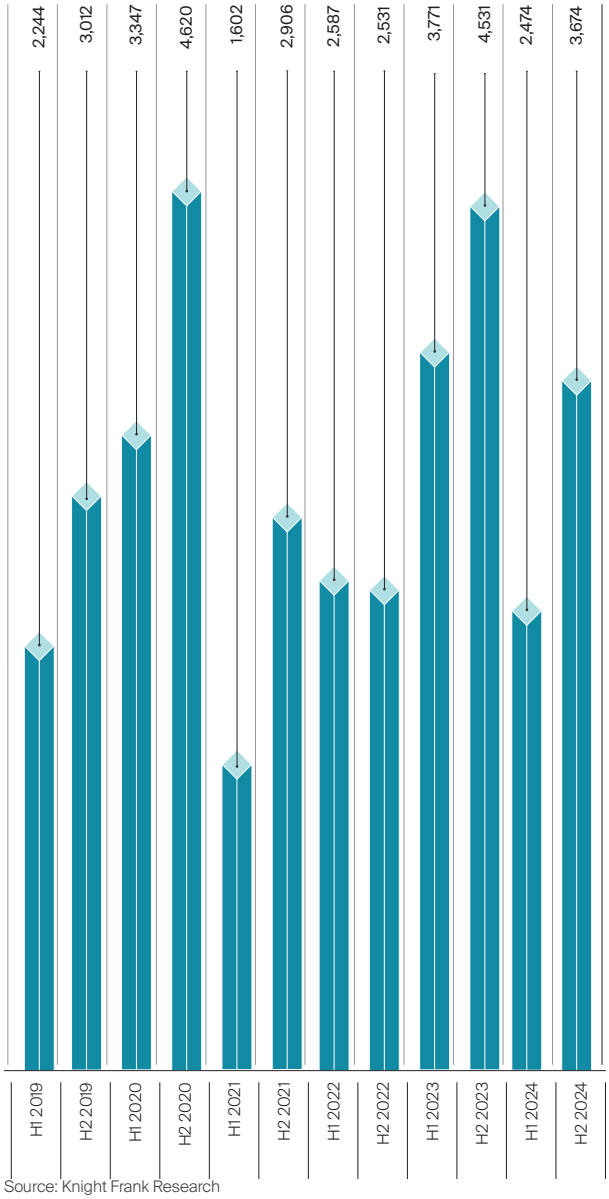
END-USE SPLIT OF TRANSACTIONS IN H2 2023 AND H2 2024



Source: Knight Frank Research

2024 stands out as the second-highest year for transacted volumes.

AVERAGE DEAL SIZE TREND



Source: Knight Frank Research

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

	Rental value range in H2 2024 in INR/sq m/month (INR/sq ft/month)	12-month change	6-month change
CBD	753 – 1023 (70-95)	2%	1%
SBD	807 – 969 (75-90)	6%	0%
SBD OMR	861 – 1130 (80-105)	7%	2%
PBD OMR and GST Road	592- 700 (55-65)	2%	0%
PBD Ambattur	409- 538 (38-50)	5%	3%

Source: Knight Frank Research

Residential Market

Hyderabad

HYDERABAD MARKET SUMMARY

Parameter	2024	2024 Change (YoY)	H2 2024	H2 2024 Change (YoY)
Launches (housing units)	44,013	-6%	21,713	-10%
Sales (housing units)	36,974	12%	18,401	5%
Average price in INR/sq m (INR/sq ft)	INR 64,301 (INR 5,974)	8%	-	-

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

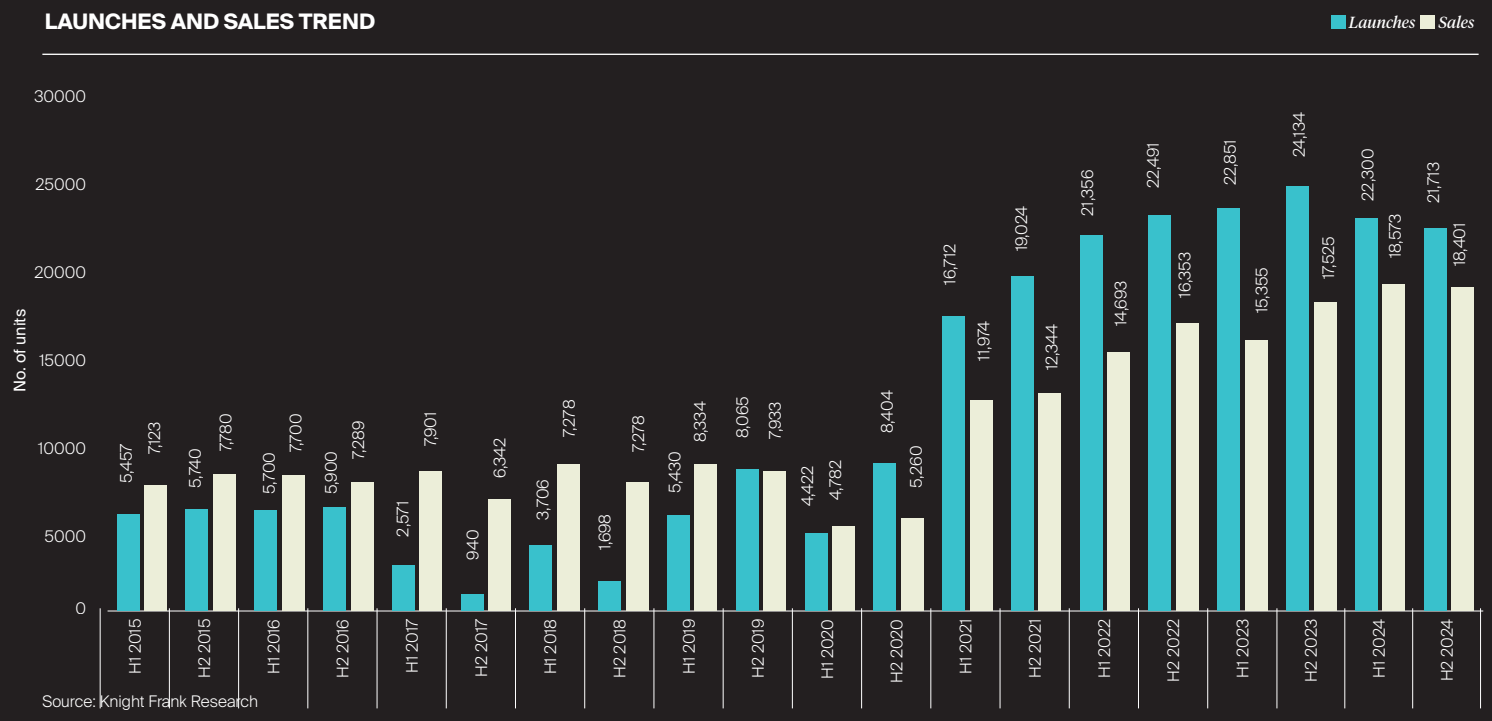
52,544
Unsold inventory (housing units) 2024

6.0
Quarters to sell (in quarters) 2024

15%
Change (YoY)

7.3
Age of unsold inventory (in quarters) 2024

LAUNCHES AND SALES TREND



Source: Knight Frank Research

- The Hyderabad residential market continues to exhibit robust growth, driven by a combination of strong economic fundamentals, infrastructural advancements, and shifting buyer preferences. 2024 achieved an all-time high residential sale of 36,974 units marking a notable 12% YoY increase, highlighting the city's enduring appeal among homebuyers seeking lifestyle upgrades and enhanced living conditions. In H2 2024 alone, sales grew by 5% YoY to 18,401 units, reinforcing the sustained momentum in the market.
- West Hyderabad maintained its status as the preferred choice for homebuyers in H2 2024 constituting 63% of total sales, up from 61% in H2 2023. This sustained demand is attributed to the area's proximity to key office hubs like HITEC City and the Financial District, along with robust infrastructure. North Hyderabad accounted for 20% of sales during the same period, consistent with H2 2023 figures. The area's growing popularity is due to emerging infrastructure developments, relatively affordable property prices compared to the western part of the city and improving connectivity to major business districts.
- The Hyderabad residential market is witnessing a notable premiumization trend, with a significant shift toward higher-value homes. In H2 2024, properties priced above INR 10 mn accounted for 63% of the total sales, up from 52% in H2 2023. The INR 10-20 mn segment saw a remarkable increase, rising from 38% in H2 2023 to 46% in H2 2024, representing a 28% YoY growth in sales. Similarly, the INR 20-50 mn segment experienced an uptick from 11% to 13% during the same period, with sales volumes increasing by 26% YoY.
- Simultaneously, the share of homes priced below INR 5 mn dropped sharply from 10% in H2 2023 to 5% in H2 2024, marking a significant 41% YoY decline. The INR 5-10 mn segment also experienced a downturn, with its share declining from 38% to 31%, representing a 13% YoY decrease. These figures highlight a clear divergence in demand within Hyderabad's housing market. While the premium housing segment continues to flourish, driven by rising incomes, evolving buyer preferences, and a strong appetite for upscale amenities, demand for homes in the lower price segments appears comparatively subdued. The robust growth in high-value properties underscores the city's alignment with the preferences of high-net-worth individuals and professionals, signaling a market shift toward premiumization.
- Residential launches in Hyderabad during 2024 saw a decline of 6% YoY, with H2 2024 witnessing a sharper drop of 10% YoY. The moderation in new launches can be attributed to increased regulatory oversight by the Hyderabad Disaster Response and Asset Protection Agency (HYDRAA), recently established to address the problem of illegal constructions on encroached lands, including lakes, canals, and government property. HYDRAA's active efforts, including the demolition of several non-compliant structures, have prompted developers to adopt a cautious approach, delaying new project launches until there is greater clarity and alignment with the updated regulatory framework.
- Unsold inventory in Hyderabad's residential market rose to 52,544 units in H2 2024, reflecting a YoY increase of 15%. Homes priced below INR 10 mn collectively accounted for over 55% of the unsold inventory, attributable to the lower sales traction in these segments. The QTS for homes priced below INR 5 mn increased to 8.2, and for those in the INR 5-10 mn range, it rose to 7.4, suggesting a longer timeline for clearing stock in these price categories. In contrast, higher-value segments showed robust demand, as indicated by favorable QTS metrics. Homes priced in the INR 10-20 mn range recorded a QTS of 4.8, while those in the INR 20-50 mn range achieved an even lower QTS of 4.3, highlighting strong absorption despite inventory increases of 29% and 230% YoY, respectively. Ultra-luxury homes priced between INR 200-500 mn, despite a sharp 250% increase in inventory, saw a significantly higher QTS of 21.0, reflecting niche demand for this segment. These dynamics underline Hyderabad's ongoing shift toward premium housing options, where homes priced above INR 10 mn are witnessing sustained interest and quicker sales cycles, while segments priced below this threshold face relatively slower absorption rates. This trend underscores the city's growing appeal among high-income buyers seeking upscale living experiences.
- Residential prices in Hyderabad have witnessed an 8% YoY increase during 2024, reflecting the city's sustained appeal among both investors and end-users. While Hyderabad remains a highly desirable location, the steady rise in property prices raises concerns about potential affordability challenges in the future, particularly for mid-income buyers.
- Hyderabad is renowned for its top-tier educational institutions, quality healthcare facilities, and pleasant climate, making it a favored destination for families and professionals alike. The city features well-designed infrastructure, including an extensive network of roads, flyovers, underpasses, and ring roads. Ongoing government investments in key projects like the Hyderabad Metro Rail and the Regional Ring Road are expected to further boost its attractiveness for living and working. With a flourishing IT sector, steady infrastructure improvements, and a continual influx of skilled professionals, the demand for residential properties in Hyderabad remains robust and is likely to strengthen, reinforcing its reputation as a prime choice for homebuyers seeking better living standards.

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, Quthbullanpur
HMR – South	Rajendra Nagar, Shamshabad

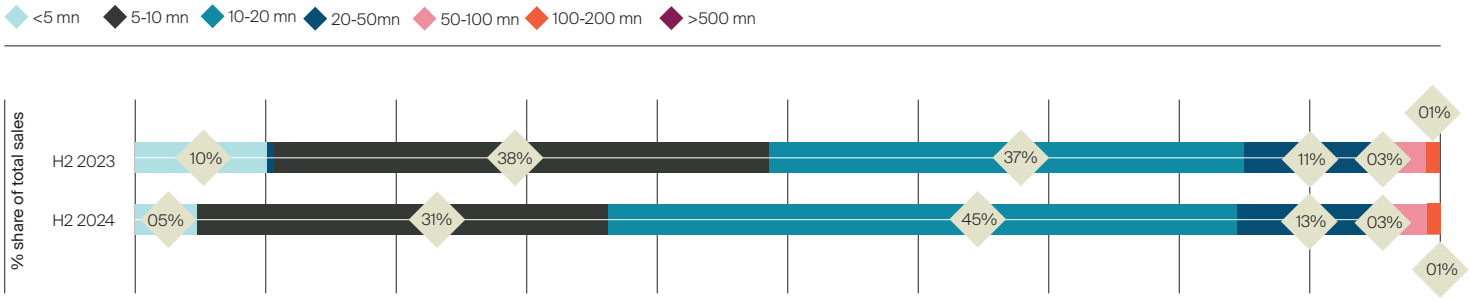
Source: Knight Frank Research

MICRO-MARKET SPLIT OF LAUNCHES IN H2 2023 AND H2 2024

MICRO-MARKET SPLIT OF SALES IN H2 2023 AND H2 2024

Source: Knight Frank Research

HYDERABAD TICKET SIZE SPLIT COMPARISON OF SALES DURING H2 2023 AND H2 2024



Source: Knight Frank Research

36,974

Total sales at an all-time high in 2024

TICKET-SIZE SEGMENT HEALTH

Ticket-size segment	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
0 – 5 mn	6,493 (-2%)	8.2
5 – 10 mn	22,413 (-1%)	7.4
10 - 20 mn	17,251 (29%)	4.8
20 – 50 mn	4,458 (230%)	4.3
50 – 100 mn	1,613 (38%)	7.0
100 – 200 mn	195 (-16%)	3.0
200 – 500 mn	121 (250%)	21.0
>500 mn	-	-

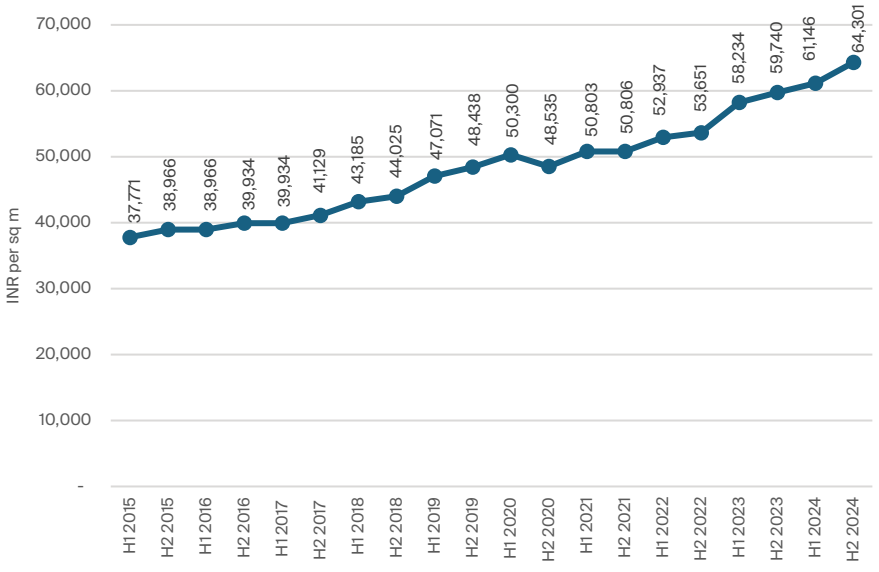
Source: Knight Frank Research

MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
Central	1,342 (-6%)	4.6
East	4,819 (0%)	5.8
North	8,357 (14%)	4.9
South	4,546 (16%)	8.7
West	33,479 (20%)	6.2

Source: Knight Frank Research

AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H2 2024 in INR/sq m (INR/sq ft)	12 month Change	6 month Change
Central	Banjara Hills	1,55,002-1,72,439 (14,400-16,020)	8%	5%
	Jubilee Hills	1,44,238-1,51,062 (13,400-14,034)	0%	0%
East	LB Nagar	69,428-78,653 (6,450-7,307)	11%	0%
	Nacharam	63,508-66,737 (5,900-6,200)	5%	2%
North	Kompally	61,979-66,952 (5,758-6,220)	10%	2%
	Sainikpuri	51,667-55,381 (4,800-5,145)	5%	0%
South	Rajendra Nagar	74,810-85,132 (6,950-7,909)	-6%	-11%
	Bandlaguda	83,841-94,605 (7,789-8,789)	3%	2%
West	Kokapet	1,08,124-1,34,550 (10,045-12,500)	7%	0%
	Manikonda	91,494-99,244 (8,500-9,220)	6%	0%

Source: Knight Frank Research

Hyderabad Office Market

HYDERABAD MARKET SUMMARY

Parameter	2024	2024 Change (YoY)	H2 2024	H2 2024 Change (YoY)
Completions in mn sq m (mn sq ft)	1.45 (15.6)	139%	0.98 (10.6)	101%
Transactions in mn sq m (mn sq ft)	0.96 (10.3)	17%	0.49 (5.3)	-10%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	753 (70)	7%	-	-

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

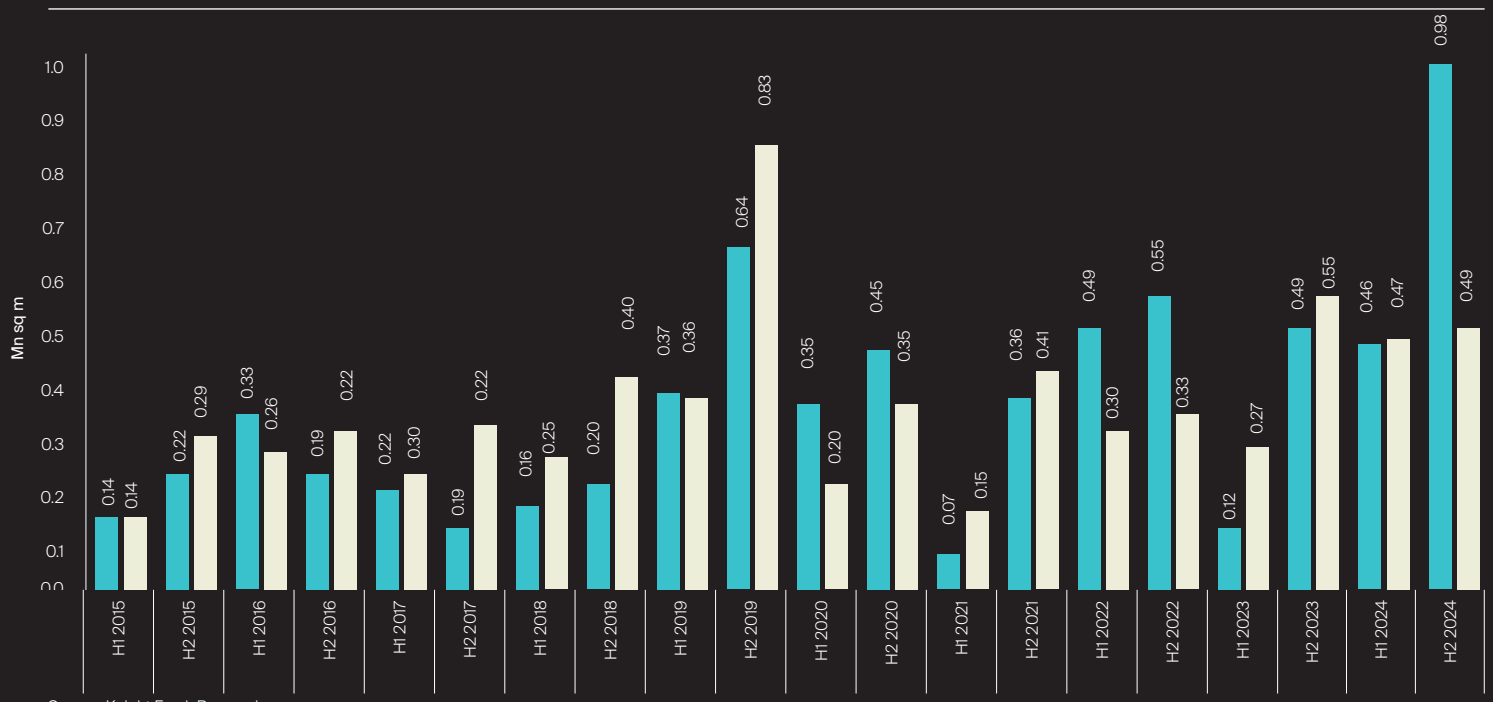
11.32 (121.9)
2024 Stock mn sq m (mn sq ft)

18.3%
2024 Vacancy

15%
2024 Change (YoY)

341 Basis points Increase
2024 Change (YoY)

HYDERABAD OFFICE MARKET ACTIVITY



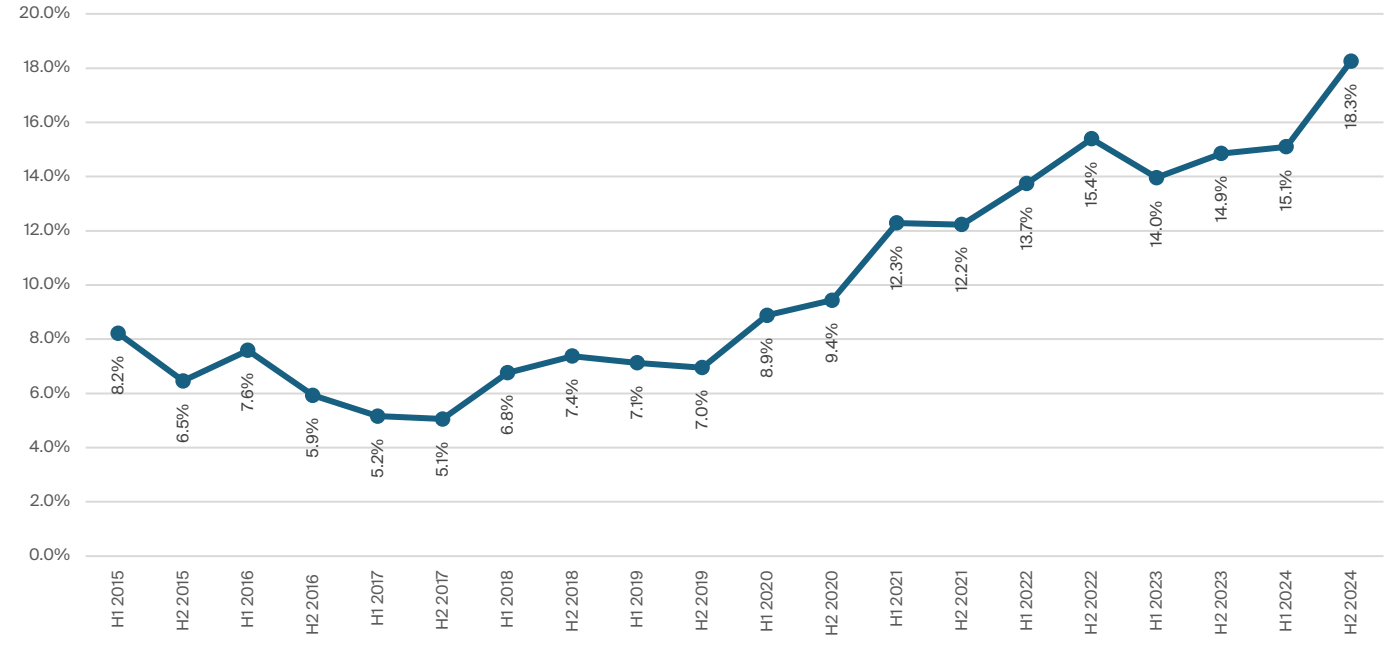
Source: Knight Frank Research

- Hyderabad's office market concluded 2024 on a strong note, with transaction volumes rising by 17% to 0.96 mn sq. m. (10.3 mn sq. ft). Office completions reached an all-time high, with new supply totaling 1.45 mn sq. m. (15.6 mn sq. ft), marking a sharp 139% YoY increase. Hyderabad stands out as the only market in 2024 where supply exceeded demand. This surge in supply was anticipated, as office absorption has been on a consistently upward trajectory, reflecting the city's growing prominence as a hub for businesses and corporate expansions.
- The occupier demand landscape in Hyderabad has evolved notably since H2 2023, showcasing a balanced distribution of occupiers across sectors. Global Capability Centers (GCCs) of multinational corporations continue to favor Hyderabad due to its skilled talent pool. In terms of end-use, 38% of the total area transacted was taken up by GCCs in Hyderabad and the 0.19 mn sq m (2.0 mn sq ft) leased by them is second only to Bengaluru in H2 2024. Industry-wise, the GCCs are predominantly from healthcare and pharma sectors (50%), followed by information technology (32%) and BFSI (18%). Notable occupiers in these segments include Eli Lilly and Lloyds Bank.
- Businesses primarily focused on the Indian market accounted for 31% of leased office space during H1 2024, with transaction volumes witnessing a significant 189% YoY increase. Within the India-facing segment, the industry breakdown reveals occupiers from Other Services sector such as Consulting, HR Solutions, Engineering, and Healthcare, leading with 54%, followed by BFSI at 26%, Information Technology at 14%, and Manufacturing at 6%. Notable occupiers in this category include DDB Mudra, Policybazaar, Leap India, and Spandana Sphoorty, reflecting the robust demand from domestic-focused enterprises.
- The share of transactions by flex space operators surged from 8% in H2 2023 to 19% in H2 2024, with transaction volumes witnessing a remarkable 116% YoY growth, driven primarily by managed office providers. Key players like Smartworks, IndiQube, Table Space, and Awfis played a pivotal role in this expansion. The growing popularity of flex spaces, attributed to their scalability and flexible lease tenures, has made them an attractive option for emerging businesses and new market entrants. This demand has fueled the rapid expansion of flex space operators across Hyderabad, reinforcing the city's appeal as a dynamic business hub.
- Third-party IT services, a key segment within the Information Technology sector, accounted for 16% of occupiers. These occupiers are primarily involved in providing outsourcing of services to international clients. Notable tenants in this category include L&T Mindtree, which continues to leverage Hyderabad's robust infrastructure and talent pool to cater to its global clientele.
- In 2024, major developers such as Vasavi, Raheja, Prestige, RMZ, Vamsiram, Kalyani Constructions, Pranava, and Phoenix contributed significantly to Hyderabad's new office supply, with key areas including HITEC City, Financial District, Raidurg, Kondapur, and Madhapur in the SBD, along with Gachibowli in PBD West and Irrumanzil in the CBD and Off-CBD. The SBD dominated, accounting for 90% of the new supply, followed by PBD West at 6% and CBD/Off-CBD at 4%. The influx of new space led to a rise in the overall vacancy rate from 14.9% in 2023 to 18.3% in 2024, though vacancy in HITEC City remains lower at 10%, and Grade A buildings show exceptionally strong demand with just 2-3% vacancy. Occupiers have shown a clear preference for SBD locations with 93% of transactions in H2 2024 occurring there, and HITEC City leading with 67% of the transactions.
- Rental rates in Hyderabad have risen by 7% YoY in 2024 with the SBD witnessing a more pronounced increase of 8% YoY. This upward trend is driven by the growing demand for office spaces from a broad spectrum of occupiers.
- Hyderabad continues to experience a robust surge in demand for office spaces, further solidifying its position as a premier destination for businesses. This demand is fueled by a combination of factors, including the city's exceptional quality of life which offers a balance of modern amenities and a relatively affordable living environment compared to other major cities. Additionally, Hyderabad's state-of-the-art infrastructure, including well-connected transport networks and growing business districts, enhances its appeal to both national and international companies. The city is also a hub for top-tier talent, driven by its renowned educational institutions and thriving tech ecosystem. Together, these factors make Hyderabad an attractive location for businesses seeking growth opportunities, contributing to the consistent expansion of its office market and reinforcing its status as a leading commercial hub.

BUSINESS DISTRICT CLASSIFICATION

Micro market	Locations
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

HYDERABAD OFFICE MARKET VACANCY

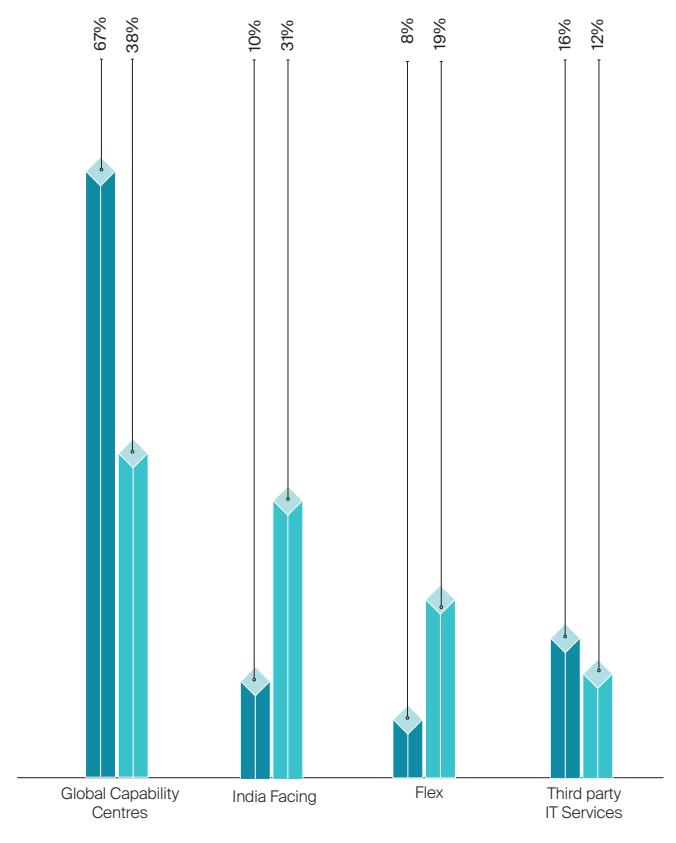


Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT IN H2 2023 AND H2 2024

Source: Knight Frank Research

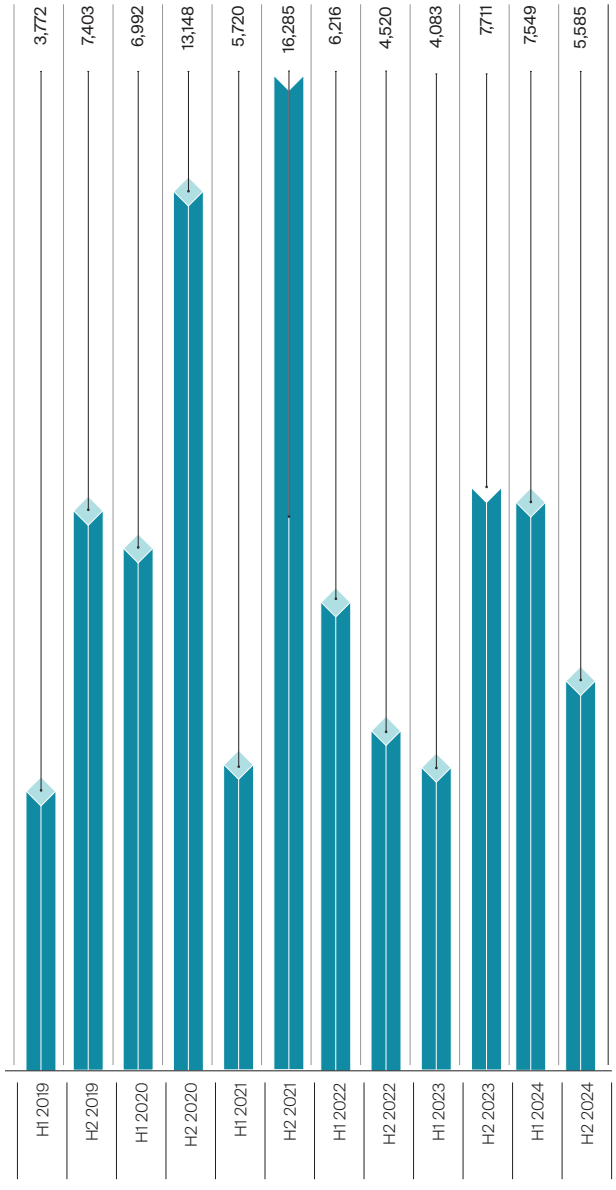
END-USE SPLIT OF TRANSACTIONS IN H2 2023 AND H2 2024



Source: Knight Frank Research

Hyderabad stands out as the only market in 2024 where supply exceeded demand

AVERAGE DEAL SIZE TREND



Source: Knight Frank Research

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

	Rental value range in H2 2024 in INR/sq m/month (INR/sq ft/month)	12-month change	6-month change
CBD and Off-CBD	592- 700 (55-65)	3%	0%
SBD	732- 969 (68-90)	8%	3%
PBD West	592- 646 (55-60)	1%	0%
PBD East	323- 377 (30-35)	1%	0%

Source: Knight Frank Research

Residential Market

Kolkata

KOLKATA MARKET SUMMARY

Parameter	2024	2024 Change (YoY)	H2 2024	H2 2024 Change (YoY)
Launches (housing units)	16,718	6%	5,889	-34%
Sales (housing units)	17,389	16%	8,259	8%
Average price in INR/sq m (INR/sq ft)	INR 41,065 (INR 3,815)	6%	-	-

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

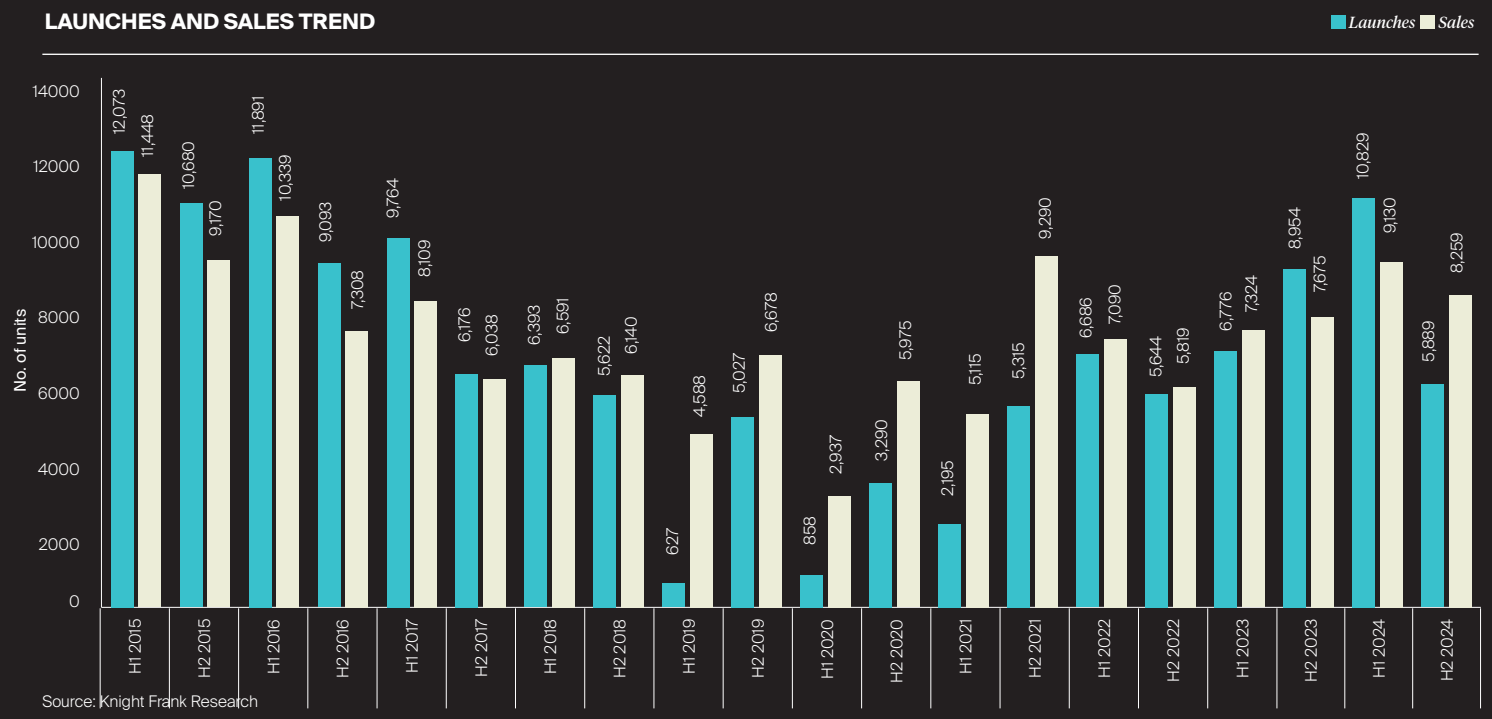
20,746
Unsold inventory (housing units) 2024

5.1
Quarters to sell (in quarters) 2024

-3%
Change (YoY)

10.2
Age of unsold inventory (in quarters) 2024

LAUNCHES AND SALES TREND



Source: Knight Frank Research

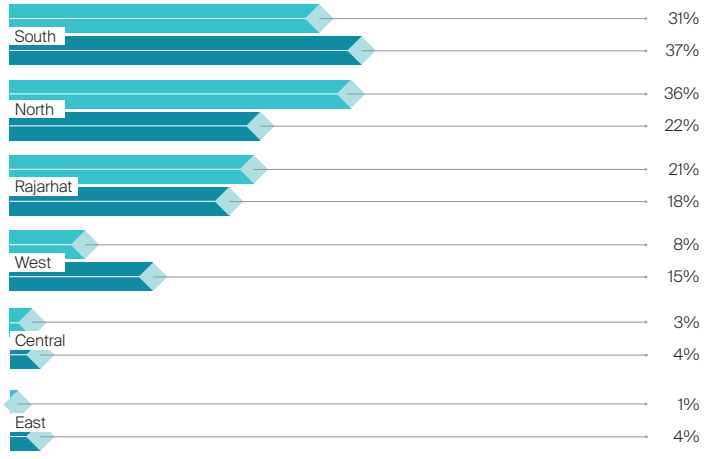
- The Kolkata residential market demonstrated a healthy growth in H2 2024. Residential sales in H2 2024 reached 8,259 units marking an 8% YoY increase, underscoring the market's resilience amidst evolving buyer preferences. However, sales have dropped in sequential terms compared to H1 2024 as the stamp duty rebate and circle rate reductions were withdrawn effective July 1, 2024, impacting buyer sentiment. New launches saw a sharp decline of 34% YoY in H2 2024, totaling 5,889 units, indicative of a cautious stance among developers due to market saturation in select segments and lingering uncertainties in certain micro-markets.
- The city's micro-market distribution continued to shape buyer behavior. South Kolkata maintained its dominance in sales, capturing a substantial share due to its robust social infrastructure and ongoing metro connectivity projects. Locations such as Garia, Narendrapur, and Tollygunge remained favorites, driven by a blend of affordability and accessibility. Rajarhat, a planned satellite town, witnessed steady sales, supported by its strategic location near business hubs and a mix of mid to premium residential options. North Kolkata also performed admirably, with improved infrastructure and relatively affordable ticket sizes attracting buyers.
- Residential prices in Kolkata increased by 6% YoY, with the average price reaching INR 41,065 per sq m (INR 3,815 per sq ft). This price appreciation was driven by new launches at higher price points and sustained demand in premium segments. However, this upward trajectory poses potential affordability challenges for price-sensitive segments, particularly in North and East Kolkata, where entry-level housing options dominate.
- H2 2024 saw a noticeable uptick in demand for higher ticket size residential units in Kolkata. Sale of units priced above INR 10 mn experienced significant growth, with the INR 20-50 mn segment particularly standing out, expanding by an impressive 53% YoY. This ongoing shift toward premiumization highlights a clear evolution in buyer preferences, driven by rising disposable incomes, lifestyle aspirations, and a growing influx of professionals seeking upscale living options. Moreover, in H2 2024, the lower ticket size segments such as INR 2.5-5 mn and INR 5-10 mn also registered modest growth of 7% and 5% YoY respectively, despite the steady price increases and withdrawal of stamp duty benefits in mid-2024 continuing to weigh on price-sensitive buyers.
- Unsold inventory in the city stood at 20,746 units by the end of H2 2024, reflecting a marginal 3% YoY decline, underscoring steady absorption rates. The QTS metric improved significantly, declining to 5.1 from 6.1 in H2 2023, signaling healthier market dynamics and quicker inventory turnover. Interestingly, higher ticket sizes such as INR 20-50 mn and INR 50-100 mn demonstrated healthy absorption rates, with QTS figures reaching a low of 1.9 and 1.1 quarters, respectively. On the other hand, lower ticket sizes of INR 5-10 mn still faced a slower pace of absorption due to a supply overhang from recent years. That said, a positive trend emerged in the INR 5-10 mn category where the QTS, rising to over 13 quarters during the pandemic, now reached its lowest level at 4.7 quarters, highlighting steady improvement in this segment's health.
- Despite a decline in launches, developers showed a strategic focus on addressing unsold inventory while catering to the shifting demand for premium and luxury segments. Rajarhat led in launches, constituting a significant share of the city's new supply, followed by the South Zone, which continued to attract interest due to its established infrastructure and livability quotient. Central Kolkata, despite its limited land availability, remained a niche market for ultra-luxury developments targeting high-net-worth individuals.
- Infrastructure development remains a key driver of Kolkata's residential market growth. The East-West Metro Corridor, nearing full operational status by mid-2025, is set to enhance connectivity and boost demand in adjacent areas. Similarly, the Joka-Esplanade Metro Corridor, with the Joka-Taratala stretch inaugurated in late 2022 and its extension to Majerhat completed in 2024, is expected to improve accessibility in southern Kolkata, further stimulating residential interest. The Eastern Metropolitan Bypass is undergoing comprehensive upgrades, including road relaying, sewer desilting, and enhanced LED lighting, aimed at improving the appeal of surrounding zones. In New Town, the Smart City project continues to attract end-users and investors with its focus on sustainable urban development, receiving accolades for green buildings and smart energy initiatives. Collectively, these advancements are poised to significantly elevate Kolkata's connectivity, livability, and residential market prospects.
- The Kolkata residential market is poised for steady growth, albeit with some challenges following the withdrawal of government incentives such as the stamp duty rebate and circle rate reductions in July 2024. While affordability concerns persist, particularly for price-sensitive segments, the city's evolving infrastructure, strategic location advantages, and growing demand for premium housing options underline its resilience. As connectivity and urban development projects continue to bolster the city's appeal, Kolkata remains a significant destination for homebuyers seeking a balance of modern amenities and value-driven investments.

MICRO-MARKET CLASSIFICATION

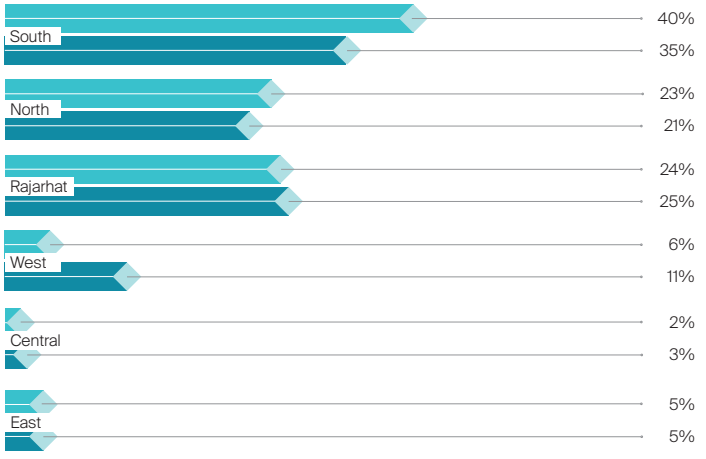
Micro market	Locations
Central	Park Street, Rawdon Street, AJC Bose Road, Minto Park, Elgin Road
East	Kankurgachi, Beliaghata, Salt Lake, Narkeldanga, Keshtopur, EM Bypass (eastern parts)
North	Baguiati, Ultadanga, Jessore Road, Shyambazar, Lake Town, BT Road, VIP Road
Rajarhat	Rajarhat New Town
West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

Source: Knight Frank Research

MICRO-MARKET SPLIT OF LAUNCHES IN H2 2023 AND H2 2024

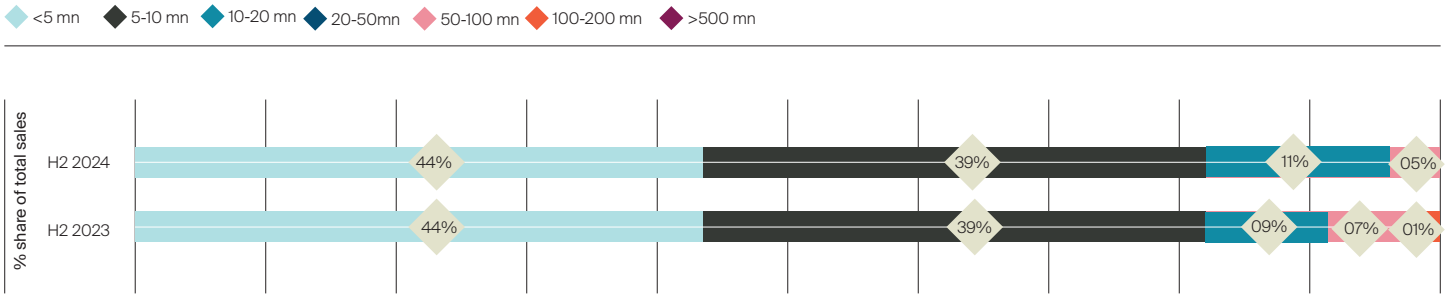


MICRO-MARKET SPLIT OF SALES IN H2 2023 AND H2 2024



Source: Knight Frank Research

KOLKATA TICKET SIZE SPLIT COMPARISON OF SALES DURING H2 2023 AND H2 2024



Source: Knight Frank Research

18,462

Ten-year high in annual sales in 2024

TICKET-SIZE SEGMENT HEALTH

Ticket-size segment	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
0 – 5 mn	10,228 (28%)	5.5
5 – 10 mn	7,069 (-16%)	4.7
10 - 20 mn	2,852 (-26%)	7.2
20 – 50 mn	518 (-50%)	1.9
50 – 100 mn	24 (-81%)	1.1
100 – 200 mn	2 (-93%)	0.3
200 – 500 mn	52 (192%)	46.1
>500 mn	-	-

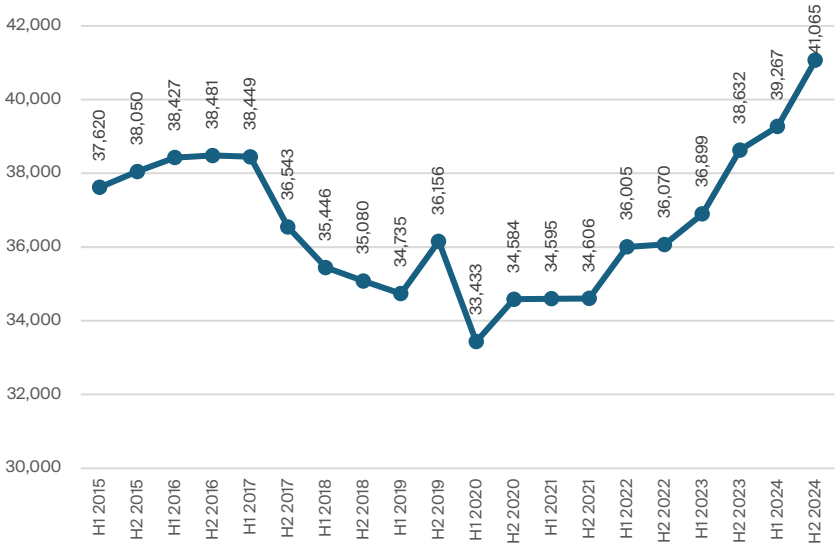
Source: Knight Frank Research

MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
Central	1,342 (-6%)	4.6
East	4,819 (0%)	5.8
North	8,357 (14%)	4.9
South	4,546 (16%)	8.7
West	33,479 (20%)	6.2

Source: Knight Frank Research

AVERAGE RESIDENTIAL PRICE MOVEMENT



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	Park Street	1,45,851-2,34,653 (13,550-21,800)	1%	1%
	Rawdon Street	1,15,174-2,27,118 (10,700-21,100)	5%	3%
East	Kankurgachi	61,354-94,722 (5,700-8,800)	3%	2%
	Salt Lake	57,049-1,02,257 (5,300-9,500)	6%	2%
North	Madhyamgram	27,986-43,056 (2,600-4,000)	6%	3%
	BT Road	32,292-45,208 (3,000-4,200)	2%	1%
	Jessore Road	37,674-64,583 (3,500-6,000)	4%	1%
Rajarhat	Rajarhat New Town	37,674-83,958 (3,500-7,800)	5%	2%
South	Ballygunge	87,188-2,26,042 (8,100-21,000)	7%	3%
	Tollygunge	55,972-1,61,459 (5,200-15,000)	1%	0%
	Behala	36,597-51,667 (3,400-4,800)	8%	3%
	Narendrapur	27,986-48,976 (2,600-4,550)	5%	1%

Source: Knight Frank Research

Kolkata Office Market

KOLKATA MARKET SUMMARY

Parameter	2024	2024 Change (YoY)	H2 2024	H2 2024 Change (YoY)
Completions in mn sq m (mn sq ft)	0.03 (0.3)	-64%	-	-
Transactions in mn sq m (mn sq ft)	0.1 (1.4)	-1%	0.1 (0.7)	-17%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	441.6 (41.0)	5%	-	-

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

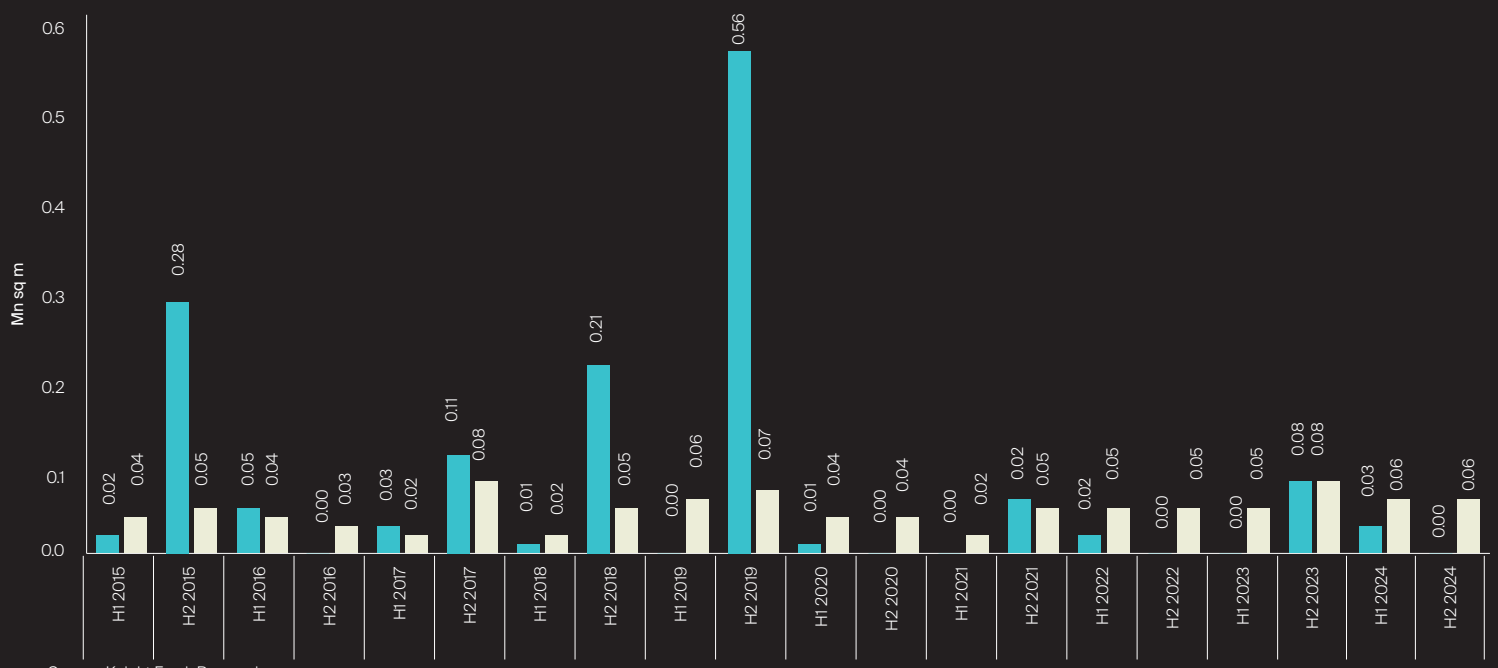
3.1 (33.6)
2024 Stock mn sq m (mn sq ft)

36.2%
2024 Vacancy

1%
2024 Change (YoY)

339 Basis points decrease
2024 Change (YoY)

KOLKATA OFFICE MARKET ACTIVITY



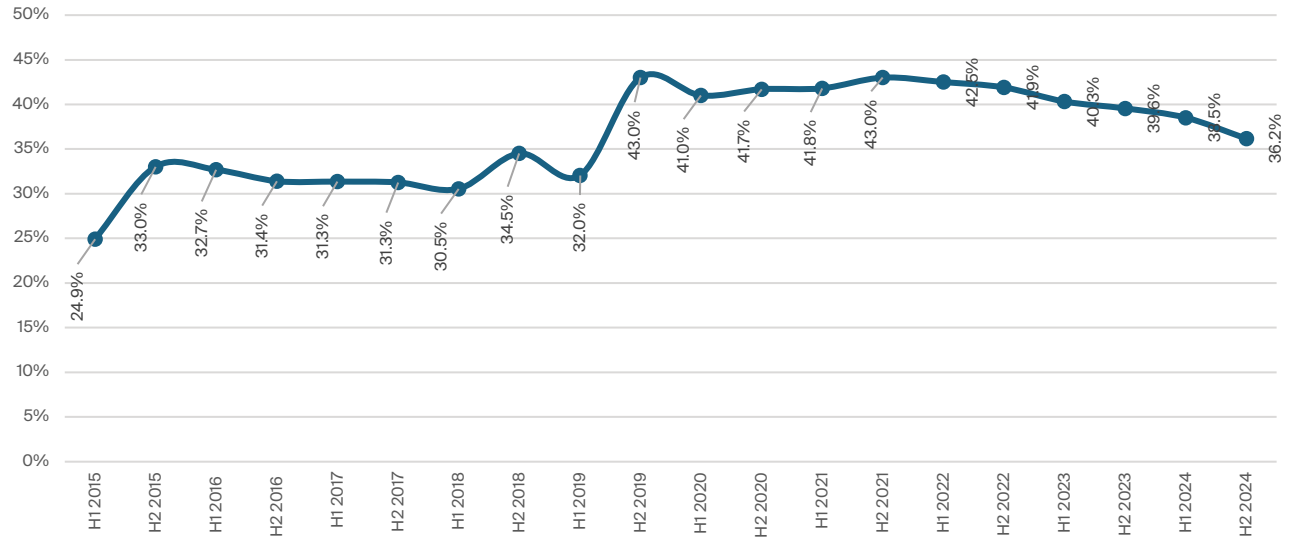
Source: Knight Frank Research

- H2 2024 recorded a total transaction volume of 0.1 mn sq m (1.4 mn sq ft), representing a marginal 1% YoY decline compared to H2 2023. This is largely attributed to subdued leasing activity in the latter part of the year, reflecting cautious expansion plans by occupiers amid global and domestic economic uncertainties. Notably, Q4 2024 experienced a 5% YoY dip in transactions, underscoring the tempered demand in the office leasing sector.
- Despite this marginal decline, Kolkata remains a significant destination for office space demand, particularly for sectors such as IT, BFSI, and healthcare. These sectors collectively bolstered leasing volumes with peripheral business districts continuing to attract the majority of occupiers.
- The Peripheral Business Districts maintained their dominance in leasing activity. PBD-1 Salt Lake City accounted for the lion's share of transactions, reflecting its well-established infrastructure and connectivity. PBD II Rajarhat New Town emerged as the second most preferred location, benefiting from its affordability and availability of quality office spaces. Average rents in PBD-2 grew by 7% YoY, reinforcing its growing appeal among occupiers looking to expand or establish their presence in Kolkata.
- On the other hand, the Central Business District and Off-CBD areas recorded limited leasing activity, contributing a minor share to the overall transactions. The subdued performance in these districts can be linked to their higher rental values and limited availability of modern office stock.
- No new supply was added to Kolkata's office market in H2 2024, a continuation of the trend seen in recent years. However, a robust supply pipeline of approximately 0.2 mn sq m (2 mn sq ft) is slated for completion in 2025 or early 2026. This upcoming stock is expected to be heavily concentrated in PBD-1 Salt Lake City and PBD-2 Rajarhat New Town, further solidifying their positions as key business districts. Developers continue to exercise caution in launching speculative projects, considering the city's persistently high vacancy levels.
- Vacancy rates in Kolkata showed a notable improvement, declining by 339 basis points YoY to reach 36.2% by the end of H2 2024. This reduction, while encouraging, highlights the significant volume of unoccupied space that continues to weigh on the market. The easing of vacancy levels is attributed to steady leasing activity over the past two years and the absence of large speculative completions.
- The average transacted rent in H2 2024 increased by 5% YoY to 441.6 INR/sq m/month (41.0 INR/sq m/month). This growth is primarily driven by high demand for quality office spaces in established micro-markets such as Salt Lake City and Rajarhat New Town. Limited availability in these districts has exerted upward pressure on rents, particularly for properties catering to premium occupiers.
- Kolkata's office market is undergoing a gradual recovery, underpinned by consistent demand from occupiers across diverse sectors. However, challenges persist, particularly the high vacancy rates that rank among the highest in India. The city's ability to attract and retain occupiers will hinge on continued infrastructure improvements and competitive rental values.
- The increasing traction in Rajarhat New Town, combined with the robust performance of Salt Lake City, indicates a shift in occupier preference toward peripheral areas with modern amenities and cost efficiencies. This trend, coupled with cautious optimism among developers, is expected to shape the market's trajectory in 2025. In conclusion, while H2 2024 presented a mixed bag of outcomes, the underlying demand dynamics and infrastructural advancements position Kolkata as a market with significant growth potential in the Indian commercial real estate landscape.

BUSINESS DISTRICT CLASSIFICATION

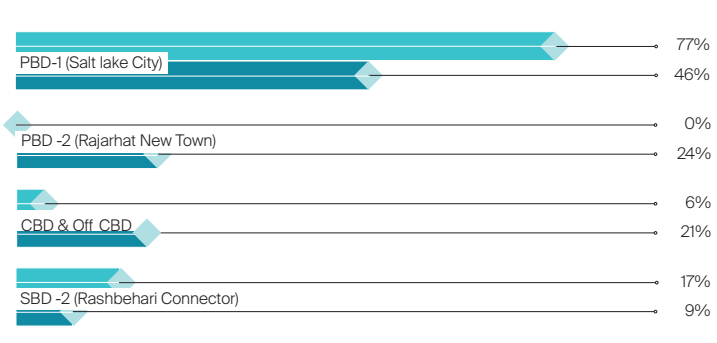
Micro market	Locations
Central Business District (CBD) and Off CBD	Park Street, Camac Street, Theatre Road, AJC Bose Road, Elgin Road, Rabindra Sadan, Esplanade, Lenin Sarani, S N Banerjee Road, Central Avenue, Dalhousie Square, Mangoe Lane, Brabourne Road, Chandni Chowk, Rawdon Street, Loudon Street, 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



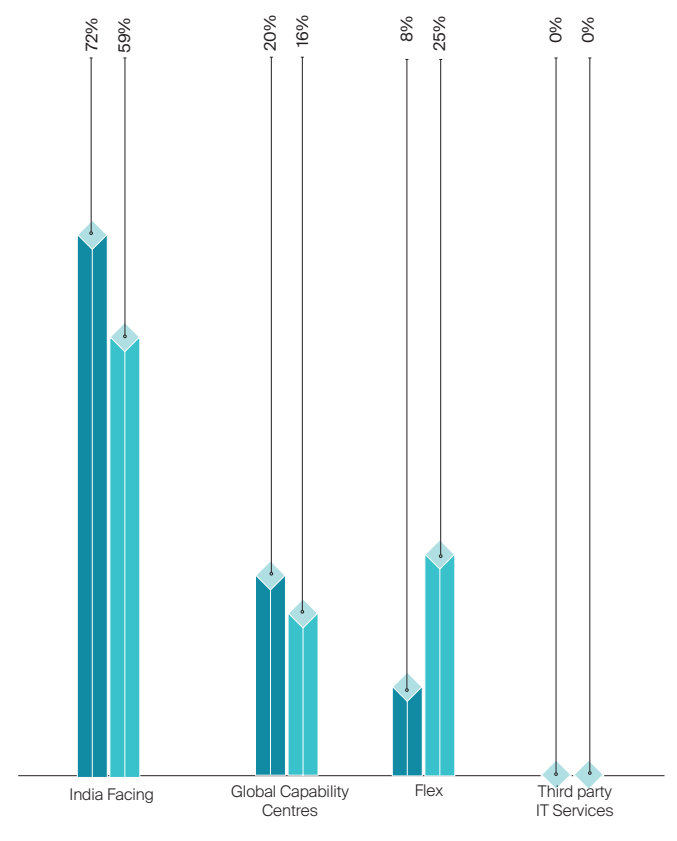
Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT IN H2 2023 AND H2 2024



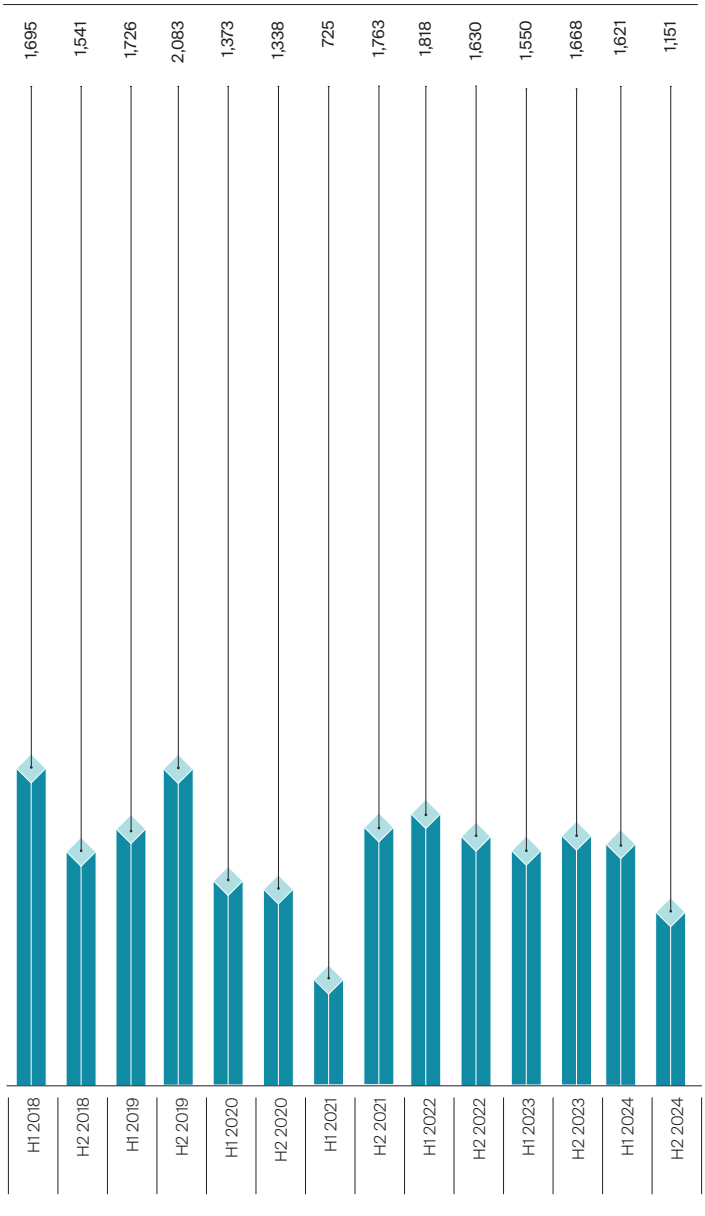
Source: Knight Frank Research

END-USE SPLIT OF TRANSACTIONS IN H2 2023 AND H2 2024



Source: Knight Frank Research

AVERAGE DEAL SIZE TREND



BUSINESS DISTRICT-WISE RENTAL MOVEMENT

	Rental value range in H2 2024 in INR/sq m/month (INR/sq ft/month)	12-month change	6-month change
CBD & Off CBD	700 - 1,076 (65 - 100)	3%	3%
SBD-I (Park Circus Connector)	538 - 753 (50 - 70)	0%	0%
SBD-II (Rashbehari Connector)	538 - 969 (50 - 90)	4%	4%
PBD-I (Salt Lake City)	377 - 700 (35 - 65)	11%	14%
PBD-II (Rajarhat New Town)	269 - 592 (25 - 55)	7%	10%

Source: Knight Frank Research

Residential Market

Mumbai

MUMBAI MARKET SUMMARY

Parameter	2024	2024 Change (YoY)	H2 2024	H2 2024 Change (YoY)
Launches (housing units)	96,470	4%	49,485	16%
Sales (housing units)	96,187	11%	48,928	6%
Average price in INR/sq m (INR/sq ft)	INR 89,091 (INR 8,277)	5%	-	-

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

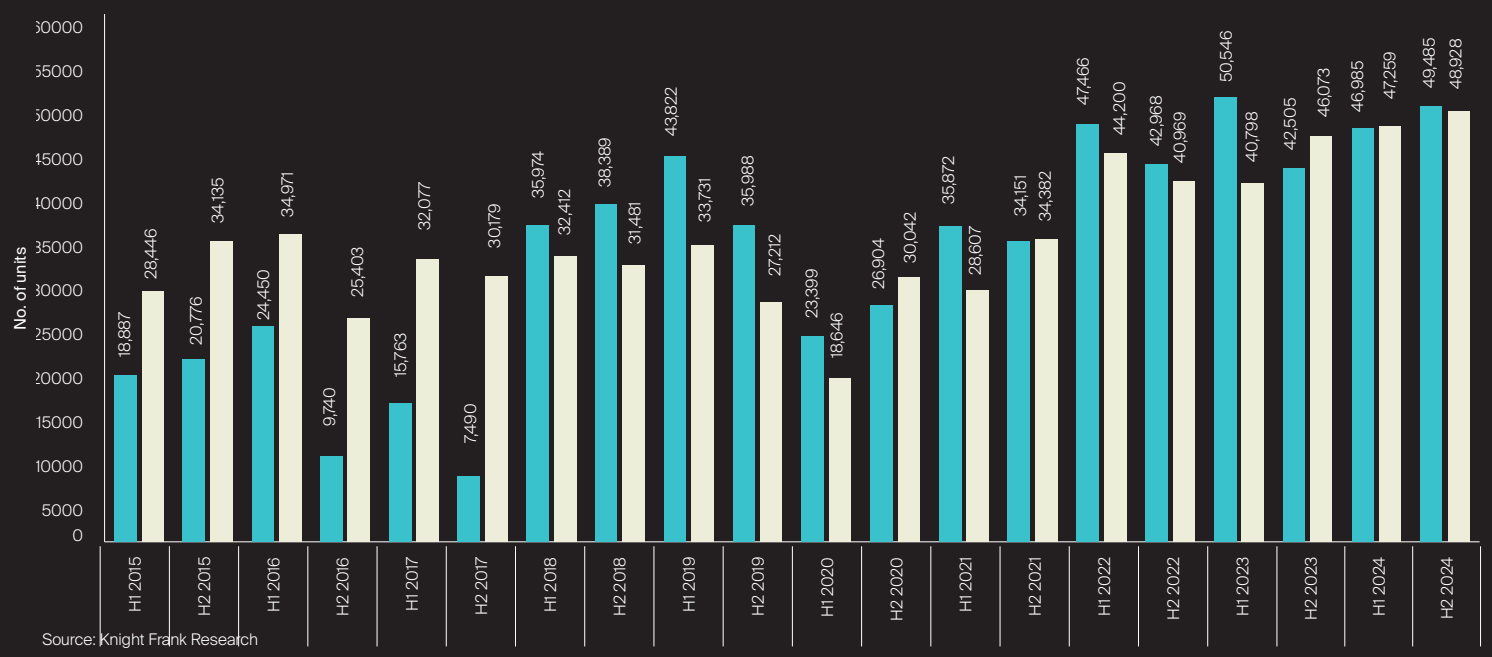
165,678
Unsold inventory (housing units) 2024

7.2
Quarters to sell (in quarters) 2024

0.2%
Change (YoY)

17.9
Age of unsold inventory (in quarters) 2024

LAUNCHES AND SALES TREND



Source: Knight Frank Research

- Mumbai's residential market continued its upward trajectory in H2 2024, reaching a significant milestone and reflecting strong buyer sentiment. Tagged as India's financial hub, Mumbai benefits from a thriving economic ecosystem driven by its position as the centre for finance, commerce, and industry. Paired with transformative infrastructure projects such as the Mumbai Coastal Road, Metro Line 3 and the Mumbai Trans Harbour Link (MTHL), the city continues to solidify its standing as the country's leading real estate market.
- Mumbai's residential sales in 2024 stood at 96,187 units, marking an 11% YoY growth, and representing a 13-year annual peak. The 48,928 units sold during H2 2024 also constituted a 6% YoY growth, signaling continued buyer confidence despite rising property prices. Sales have been buoyed by a growing preference for premium homes and infrastructure-driven accessibility in suburban areas.
- New residential launches in Mumbai surged to a multi-year high in 2024 with the city recording 96,470 launches, an increase of 4% YoY and the highest in 11 years. Launch activity in H2 2024 was particularly strong as well, growing by 16% YoY.
- Developers prioritized high-ticket housing to meet evolving buyer preferences. Launches in the above INR 20 mn category experienced significant growth, with their share rising from 8% in H1 2018 to 18% in H2 2024. This trend underscores a clear shift toward accommodating affluent homebuyers seeking modern amenities and enhanced living experiences.
- Properties priced above INR 10 mn dominated Mumbai's residential market in H2 2024, contributing 34% of the total sales. The INR 20-50 mn segment recorded an impressive 34% YoY growth, reflecting rising demand for high-value properties. Conversely, sales in the <INR 5 mn category declined, caused by limited supply and a market shift toward mid-range and high-ticket housing segments.
- Launches mirrored the sales trends, with developers focusing heavily on the INR 20-50 mn range. This segment's share has grown from 12% in H2 2023 to 15% in H2 2024, indicating a strong alignment of supply with buyer preferences for larger and better-equipped homes.
- Residential prices in Mumbai grew by 5% YoY in H2 2024, marking the sixth consecutive bi-annual increase. This consistent price appreciation reflects strong demand across the city and highlights Mumbai's status as a resilient and premium real estate market.
- Although inventory levels in Mumbai have risen, the Quarters to Sell (QTS) metric improved to 7.2 quarters in 2024, reflecting robust absorption rates. Notably, inventory in the INR 20-50 mn segment grew by 49% YoY but maintained a QTS of 5.1, indicating strong market fundamentals and healthy demand dynamics.
- However, the QTS for properties in the INR 100-200 mn and INR 200-500 mn segments stands at 17.9 and 19.6 quarters, respectively, indicating that projects in these segments could take between four to five years to get absorbed and may warrant closer attention.
- Peripheral areas, including the Central Suburbs and Thane, accounted for the majority of launches and sales in H2 2024, offering buyers better affordability and lifestyle options. Improved infrastructure connectivity in these regions has made them attractive hubs for residential development.
- Key infrastructure projects, such as the Mumbai Coastal Road and Metro Lines, have significantly enhanced connectivity and spurred demand in suburban areas. These developments continue to drive optimism in the market, encouraging both buyers and developers.
- Mumbai's residential market remains on a steady growth trajectory, supported by sustained demand for premium housing and transformative infrastructure projects. While high QTS levels in higher ticket sizes warrant close observation, the market's strong fundamentals ensure stability and long-term growth potential.

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

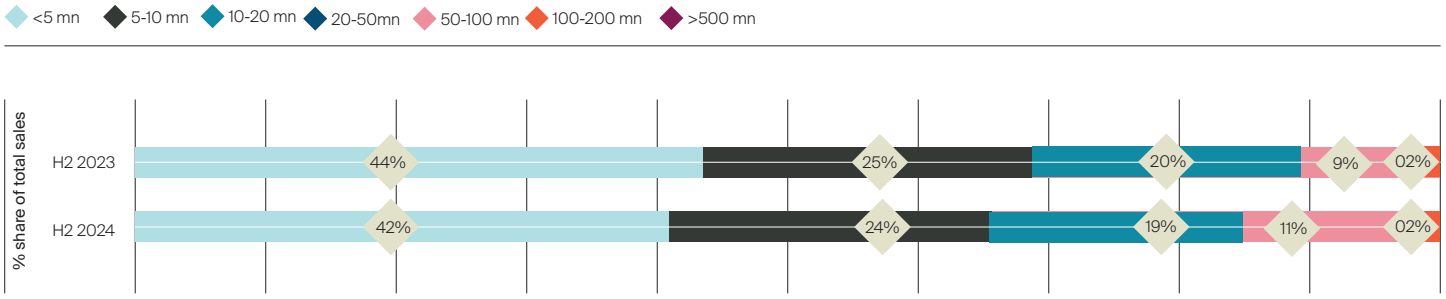
Source: Knight Frank Research

MICRO-MARKET SPLIT OF LAUNCHES IN H2 2023 AND H2 2024

MICRO-MARKET SPLIT OF SALES IN H2 2023 AND H2 2024

Source: Knight Frank Research

MUMBAI TICKET SIZE SPLIT COMPARISON OF SALES DURING H2 2023 AND H2 2024



Source: Knight Frank Research

11%

Mumbai's residential market hit a 13-year high in 2024, with 11% YoY sales growth and rising demand for premium homes, driven by transformative infrastructure projects.

TICKET-SIZE SEGMENT HEALTH

Ticket-size segment	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
0 – 5 mn	76,938 (-4%)	7.6
5 – 10 mn	37,117 (-3%)	5.9
10 - 20 mn	46,771 (9%)	9.0
20 – 50 mn	160,826 (-)	5.1
50 – 100 mn	2,659 (7%)	7.7
100 – 200 mn	1,283 (2%)	17.9
200 – 500 mn	6,64 (70%)	19.6
>500 mn	245 (116%)	5.5

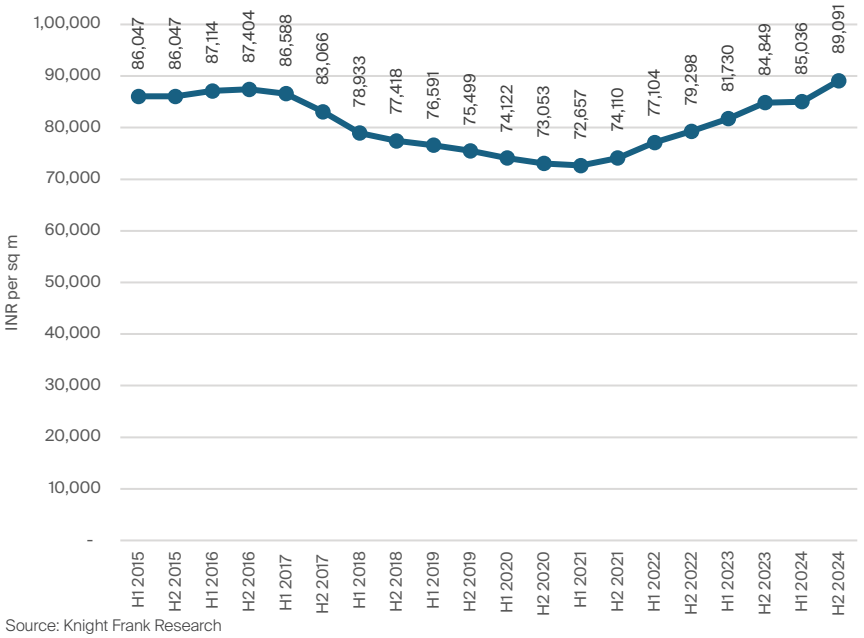
Source: Knight Frank Research

MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
Central Mumbai	7,203 (1%)	21.6
Central Suburbs	29,499 (-7%)	9.9
Navi Mumbai	33,849 (12%)	11.5
Peripheral Central Suburbs	4,007 (-38%)	0.6
Peripheral Western Suburbs	8,854 (27%)	2.3
South Mumbai	5,543 (-7%)	18.0
Thane	39,130 (2%)	18.8
Western Suburbs	37,593 (-2%)	11.2

Source: Knight Frank Research

AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H2 2024 in INR/sq m (INR/sq ft)	12 month Change	6 month Change
Central Mumbai	Lower Parel	362,370-399,807 (33,665-37,143)	6%	3%
	Worli	755127-981967 (70,153-91,227)	8%	2%
Central Suburbs	Ghatkopar	228391-240037 (21,218-22,300)	1%	0%
	Mulund	238202-247421 (22,129.5-22,986)	3%	2%
	Powai	305730-337236 (28,403-3,1330)	1%	0%
Navi Mumbai	Panvel	67899-80752 (6,308-7,502)	2%	0%
	Kharghar	102204-118372 (9,495-10,997)	5%	1%
	Vashi	190663-205119 (17,713-19,056)	4%	3%
Peripheral Central Suburbs	Badlapur	51495-54886 (4,784-5,099)	1%	1%
	Dombivali	93335-103447 (8,671-9,610)	3%	1%
Peripheral Western Suburbs	Mira Road	125907-139566 (11,697-12,966)	5%	1%
	Virar	71624-82813 (6,654-7,693)	6%	1%
South Mumbai	Tardeo	659812-879247 (61,298-81,684)	7%	3%
Thane	Ghodbunder Road	151023-174988 (14,030-16,256)	6%	2%
	Naupada	231157-245118 (21,475-22,772)	1%	0%
Western Suburbs	Andheri	251216-265376 (23,338-24,654)	1%	0%
	Bandra(W)	783608-888482 (72,799-82,542)	0%	0%
	Borivali	268492-290440 (24,943-26,982)	5%	2%
	Dahisar	156046-168376 (14,497-15,642)	1%	0%
	Goregaon	236641-265230 (21,984-24,640)	6%	2%

Source: Knight Frank Research

Mumbai Office Market

MUMBAI MARKET SUMMARY

Parameter	2024	2024 Change (YoY)	H2 2024	H2 2024 Change (YoY)
Completions in mn sq m (mn sq ft)	0.54 (5.8)	89%	0.14 (1.6)	-7%
Transactions in mn sq m (mn sq ft)	0.96 (10.4)	40%	0.42 (4.6)	9%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	1,270 (118)	4%	-	-

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

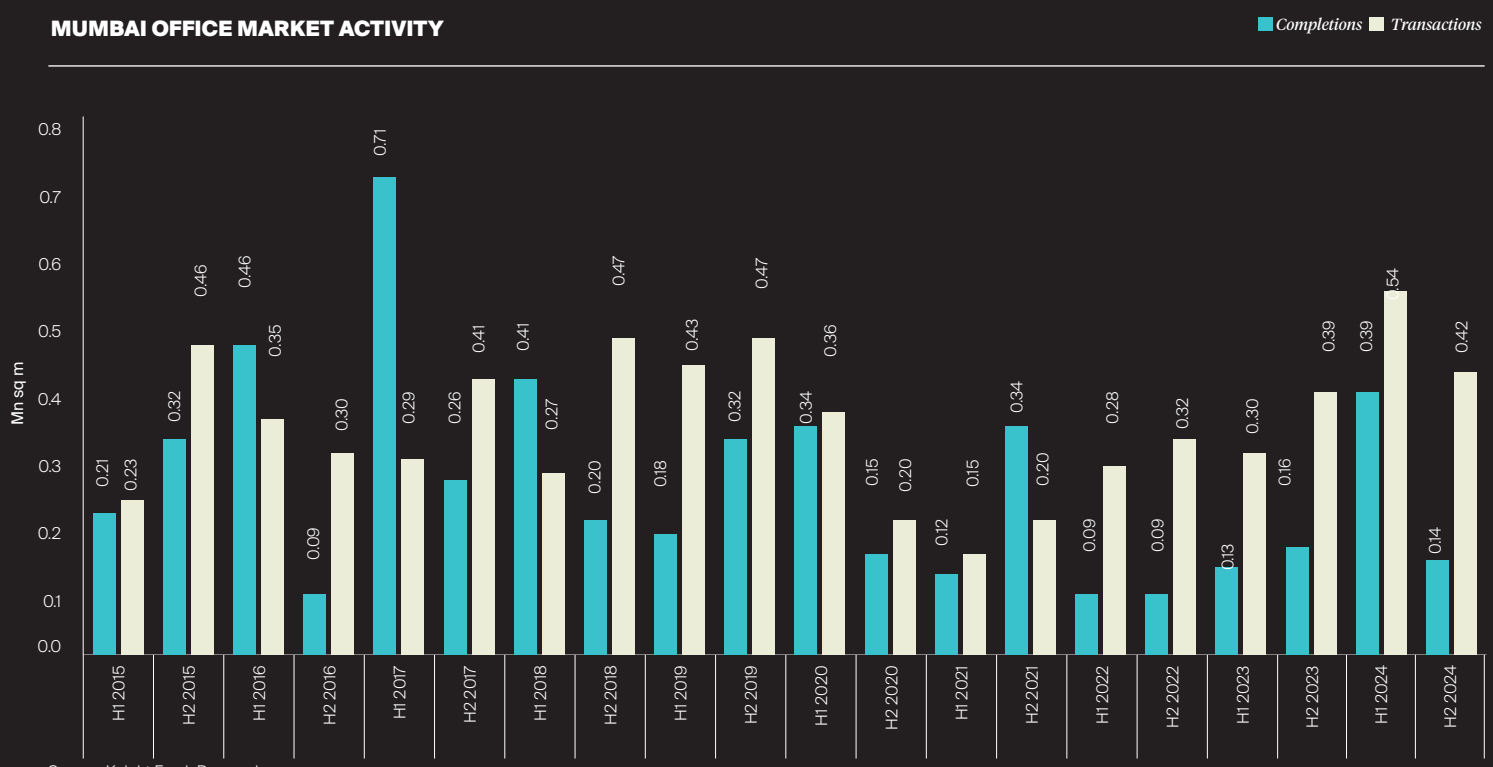
15.53 (167.2)
2024 Stock mn sq m (mn sq ft)

18.5%
2024 Vacancy

4%
2024 Change (YoY)

191 Basis points decrease
2024 Change (YoY)

MUMBAI OFFICE MARKET ACTIVITY



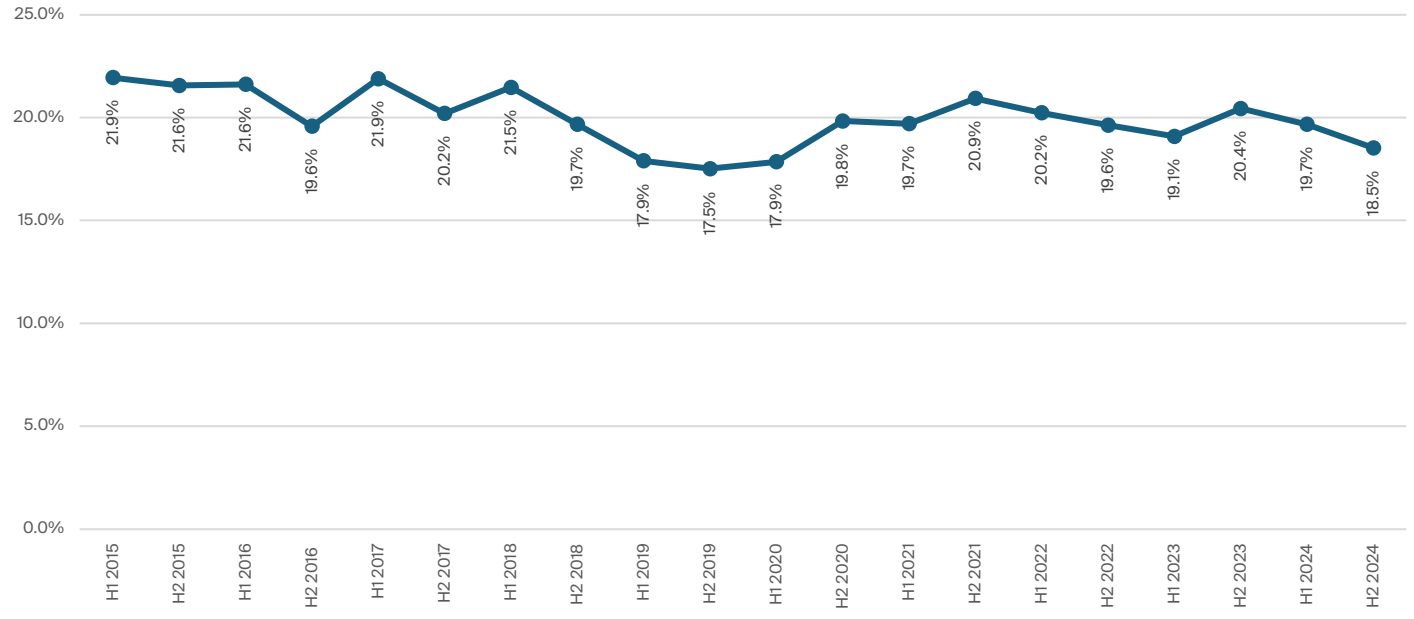
Source: Knight Frank Research

- Mumbai's office leasing market maintained its strong momentum in H2 2024, driven by high leasing volumes, increased new supply, and steady rental growth, reflecting the market's resilience and continued growth.
- In H2 2024, Mumbai witnessed office space transactions amounting to approximately 0.42 mn sq m (4.6 mn sq ft), reflecting a 9% YoY growth. This strong leasing activity was fueled by a healthy pipeline of deals across various sectors, with India facing transactions leading the demand. H2 2024 also marked the fifth consistent half-yearly transaction volume rise in second half since H2 2020, solidifying the city's position as a key commercial hub.
- For the full year of 2024, Mumbai achieved total leasing volumes of 0.96 mn sq m (10.4 mn sq ft), a 40% YoY increase, marking its best annual performance in over a decade. The BFSI sector emerged as one of the key contributors followed by technology firms and flex workspaces. This sectoral diversification underscores the city's ability to cater to a wide range of occupier needs.
- India-facing businesses continued to dominate the leasing landscape, contributing to 72% of transactions in H2 2024, underscoring their sustained confidence in the Mumbai office market. Meanwhile, the flex workspace sector expanded its share to 15%, driven by the growing popularity of hybrid work models.
- PBD maintained its leadership as one of the largest contributors to Mumbai's office leasing activity, despite a decline in its share from 26% in H2 2023 to 32% in H2 2024, reflecting the appeal of locations like Thane and Airoli for large-scale occupiers. SBD West, including Andheri and Goregaon, saw a notable rise in leasing activity, growing from 21% in H2 2023 to 31%, as occupiers sought cost-efficient, well-connected spaces. BKC & Off-BKC retained its premium appeal with a steady share of 8%, cementing its position as the preferred destination for high-profile occupiers.
- H2 2024 also witnessed a substantial addition of 0.14 mn sq m (1.6 mn sq ft) of new office supply, reflecting developers' confidence in market fundamentals. Most of this supply was concentrated in SBD West and PBD micro-markets, which have become attractive due to enhanced infrastructure and improving connectivity.
- In 2024, Mumbai added a total of 0.54 mn sq m (5.8 mn sq ft) of new office supply, registering a 89% YoY growth compared to 2023. Most of this supply was delivered in SBD West, aligning with the growing preference for submarkets offering high-quality spaces and improved connectivity.
- Rents in Mumbai's office market experienced a steady growth trajectory, with a YoY increase of 4.1% in H2 2024. The operationalization of new metro lines and other infrastructure upgrades has significantly bolstered occupier confidence and demand for premium locations.
- Occupier sentiment in 2024 remained buoyant, supported by an improving economic environment, rising physical occupancy levels, and transformative infrastructure developments. The operationalization of key metro lines, including the BKC metro, has significantly enhanced accessibility, making Mumbai's office market more attractive to occupiers. The market's strength and resilience, highlighted by consistent growth in leasing volumes, rental levels, and new supply, set a positive tone for sustained growth in the coming years.
- Mumbai's office leasing market is poised for continued momentum in 2025, supported by diverse occupier demand, infrastructure-driven growth, and developers' confidence in the city's long-term potential. Mumbai's ability to adapt to changing workplace dynamics and meet evolving occupier preferences ensures its status as a premier commercial destination.

BUSINESS DISTRICT CLASSIFICATION

Micro market	Locations
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, Goregoan, Malad
Secondary Business District (SBD) Central	Kurla, Ghatkopar, Vikhroli, Kanjurmarg, Powai, Bhandup, Chembur
Peripheral Business District (PBD)	Thane, Airoli, Vashi, Ghansoli, Rabale, Belapur

MMR OFFICE MARKET VACANCY

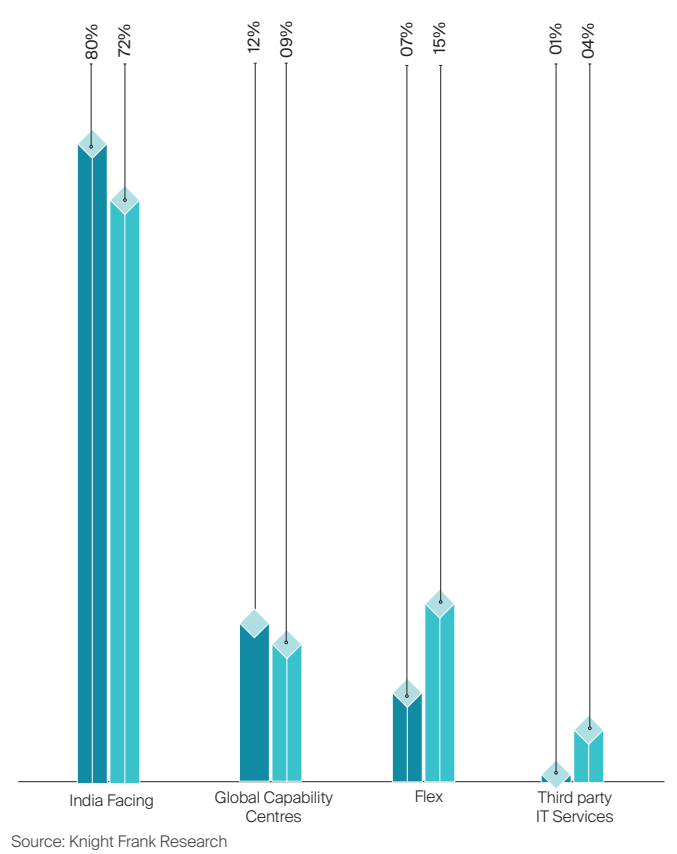


Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT IN H2 2023 AND H2 2024

Source: Knight Frank Research

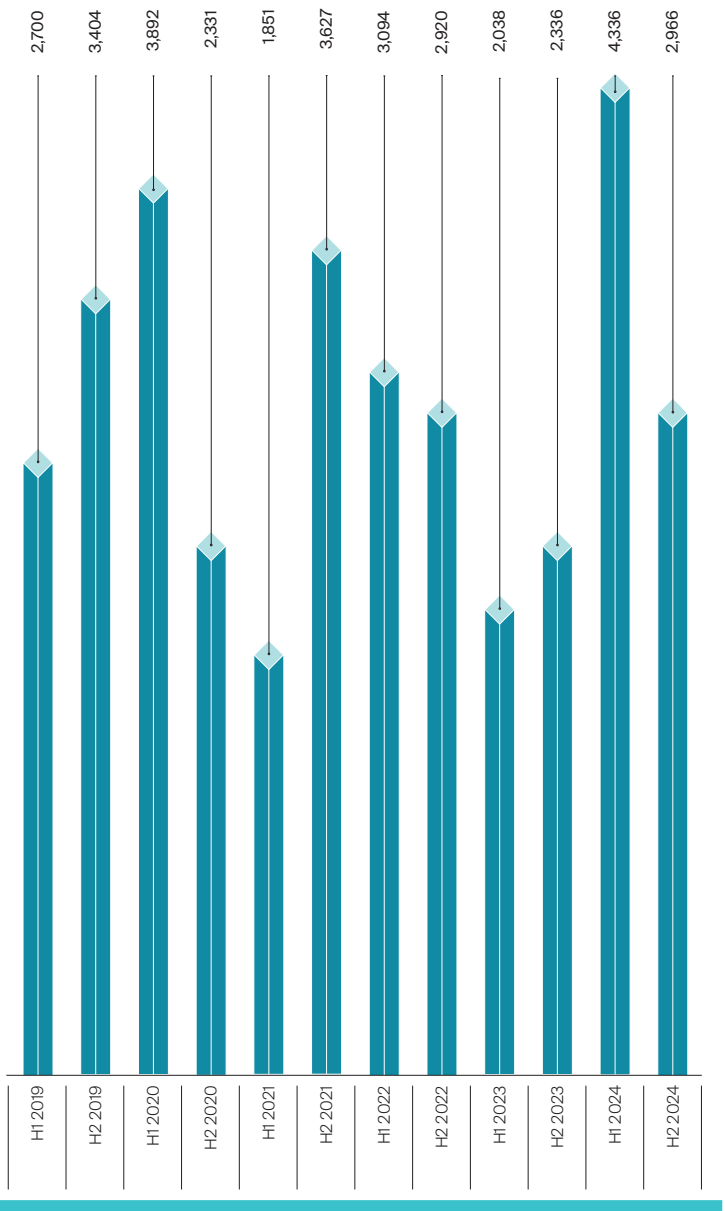
END-USE SPLIT OF TRANSACTIONS IN H2 2023 AND H2 2024



Source: Knight Frank Research

Mumbai's office leasing market reached a decade-high in 2024, with 40% YoY growth in leasing volumes, supported by sectoral diversification, rising flex workspace demand, and steady rental growth.

AVERAGE DEAL SIZE TREND (SQ M)



BUSINESS DISTRICT-WISE RENTAL MOVEMENT

	Rental value range in H2 2024 in INR/sq m/month (INR/sq ft/month)	12-month change	6-month change
BKC & Off-BKC	2,152 – 3,992 (200-370)	4%	2%
CBD & Off-CBD	1,995-2,738 (185-255)	3%	2%
Central Mumbai	1,790-2,549 (166-237)	4%	2%
PBD	538-969 (50-90)	3%	-
SBD Central	1,220-2,152 (113-200)	3%	2%
SBD West	944-1,830 (88-170)	3%	2%

Source: Knight Frank Research

Residential Market

NCR

NCR MARKET SUMMARY

Parameter	2024	2024 Change (YoY)	H2 2024	H2 2024 Change (YoY)
Launches (housing units)	60,699	-3%	30,119	-8%
Sales (housing units)	57,654	-4%	28,656	-4%
Average price in INR/sq m (INR/sq ft)	INR 54,530 (INR 5,066)	6%	-	-

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

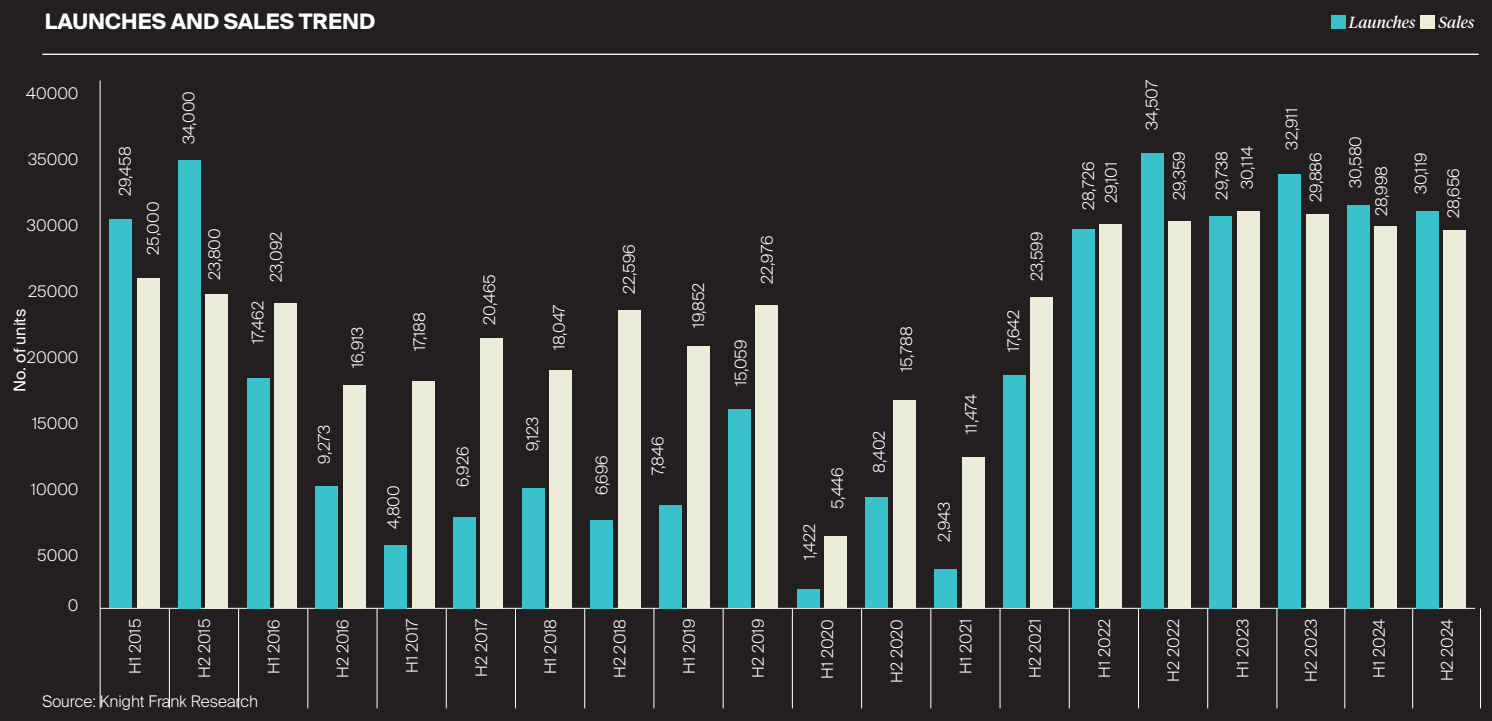
1,06,652
Unsold inventory (housing units) 2024

7.3
Quarters to sell (in quarters) 2024

3%
Change (YoY)

26
Age of unsold inventory (in quarters) 2024

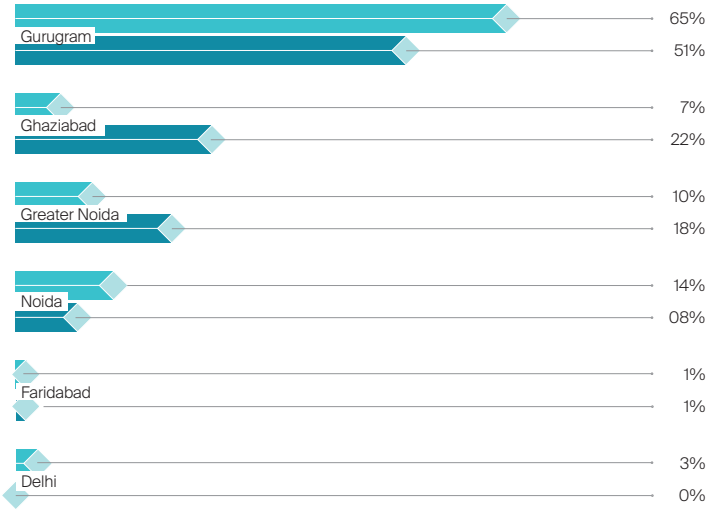
LAUNCHES AND SALES TREND



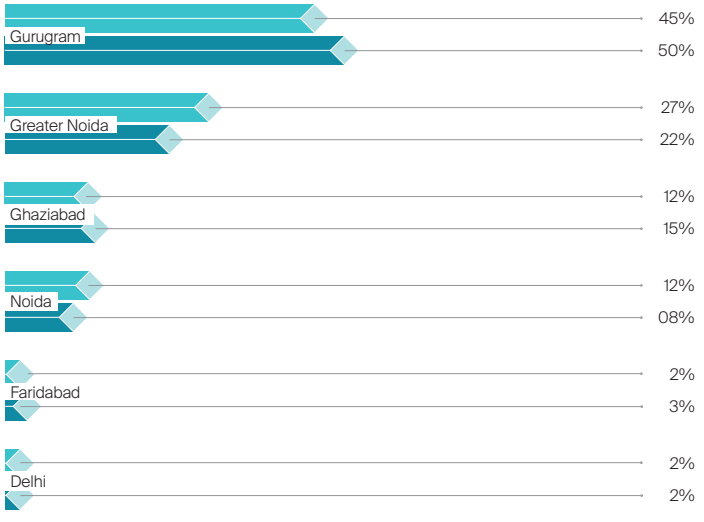
Source: Knight Frank Research

- The residential real estate market in the National Capital Region (NCR) has taken a pause after growing consistently since 2020. Developers launched 30,119 housing units during H2 2024, reflecting a strategic alignment with buyer preferences and emerging infrastructure projects. Although sales witnessed a slight adjustment to 28,656 units, the region's robust fundamentals and growing demand for upscale living spaces continue to highlight its enduring appeal among homebuyers seeking lifestyle upgrades and strategic investments.
- Gurugram retained its dominance as the preferred micro-market in NCR, accounting for 51% of the total launches and a substantial 49% of sales during H2 2024. The continuous development of the Dwarka Expressway, along with the anticipated completion of key infrastructure projects, has significantly enhanced the area's connectivity and appeal. The Southern and Central Peripheral Roads continue to draw interest, fueled by a mix of premium projects that cater to high-net-worth individuals seeking lifestyle upgrades.
- Noida and Greater Noida collectively contributed to 33% of NCR's total sales in H2 2024. The Uttar Pradesh government's dispute resolution mechanisms have rejuvenated buyer confidence, resolving long-standing issues with stalled projects. Greater Noida, in particular, witnessed notable traction owing to improved infrastructure, including the Noida International Airport and the extension of metro connectivity. However, the dearth of new launches in Noida reflects the developers' cautious approach, possibly influenced by rising construction costs.
- Ghaziabad maintained its position with a 13% share in total sales during this period. The area's affordability, coupled with improved connectivity via NH-24 and the Delhi-Meerut Expressway, is an increasingly attractive market for mid-income buyers. In contrast, Delhi and Faridabad saw limited activity, together accounting for less than 6% of total sales. This is largely due to restricted land availability and a lack of large-scale new projects in these mature markets. It is important to note that units launched by the Delhi Development Authority (DDA) in locations such as Dwarka, Jasola, Loknayak Puram, Narela, Rohini, and Siraspur, totaling over 38,000 units with nearly 20% sales, have not been included in this analysis. This significant supply plays a major role in the substantial infusion of housing stock in such a mature market.
- The shift toward premium housing remains a defining trend in NCR's residential market. Properties priced above INR 10 mn accounted for 88% of the total sales in H2 2024, representing a 30% growth in YoY terms. This growth is indicative of sustained demand for spacious homes with state-of-the-art amenities, driven by affluent homebuyers prioritizing quality living spaces. Within this segment, the INR 10-20 mn and INR 20-50 mn bracket saw the most significant activity, supported by well-established developers offering projects in strategic locations.
- Conversely, the affordable housing segment of <INR 5 mn has continued to face challenges, with its share shrinking to less than 5% of total sales in H2 2024. Rising borrowing costs and escalating equated monthly installment (EMI) burdens have deterred budget-conscious buyers, contributing to slower absorption in this category. Similarly, the INR 5-10 mn segment has seen declining momentum, further highlighting the market's premiumization.
- The unsold inventory in NCR rose marginally by 3% YoY to 106,652 units in H2 2024. While this increase reflects the sustained momentum in launches, it also signals a slower absorption rate in certain segments, particularly in affordable and mid-segment housing. The quarters-to-sell (QTS) metric stood at 7.3, slightly higher than the previous year, suggesting a cautious market sentiment. Premium and luxury homes of >INR 10 mn displayed relatively healthier QTS values of 4.2 and 3.0 for INR 20-50 mn and INR 50-100 mn categories, respectively, underlining robust demand in these segments. However, the affordable segment of <INR 5 mn reported a QTS of 23.6, indicating prolonged inventory challenges.
- Residential prices across NCR rose by 6% YoY in H2 2024, with the average price reaching INR 54,530 per sq m (INR 5,066 per sq ft). This consistent price appreciation is largely attributed to a steady demand for high-value properties and the launch of premium inventory at elevated price points. Locations such as Dwarka in Delhi and Golf Course Extension Road in Gurugram have seen significant price growth due to their strategic connectivity and premium offerings. Despite this upward trend, affordability concerns for mid-income buyers persist, potentially impacting the sales momentum in future.
- The market's trajectory is also influenced by significant infrastructure developments in NCR. Projects such as the Delhi-Mumbai Expressway, Regional Rapid Transit System (RRTS), and metro expansions have enhanced regional connectivity creating new growth corridors and increasing the desirability of peripheral areas. These developments, coupled with initiatives like the Noida International Airport and Gurgaon Metro expansion, are expected to bolster long-term growth in the residential sector by unlocking latent demand in emerging micro-markets.
- NCR's residential market is among the more investment-oriented markets in the country and tends to be more prone to speculative tendencies. While the market trajectory plateaued in 2024, it was the top-end of the market that has continued to show strength and drive volumes. Looking ahead, NCR's residential market is poised for cautious yet steady growth. Developers are likely to focus on aligning new launches with evolving buyer preferences, emphasizing premium and mid-segment housing in well-connected locations. While affordability remains a concern for entry-level buyers, the region's strong economic fundamentals and infrastructural advancements are expected to sustain its appeal among both end-users and investors. The market's performance, however, will largely depend on regulatory stability, financing conditions, and the timely execution of planned infrastructure projects.

MICRO-MARKET SPLIT OF LAUNCHES IN H2 2023 AND H2 2024

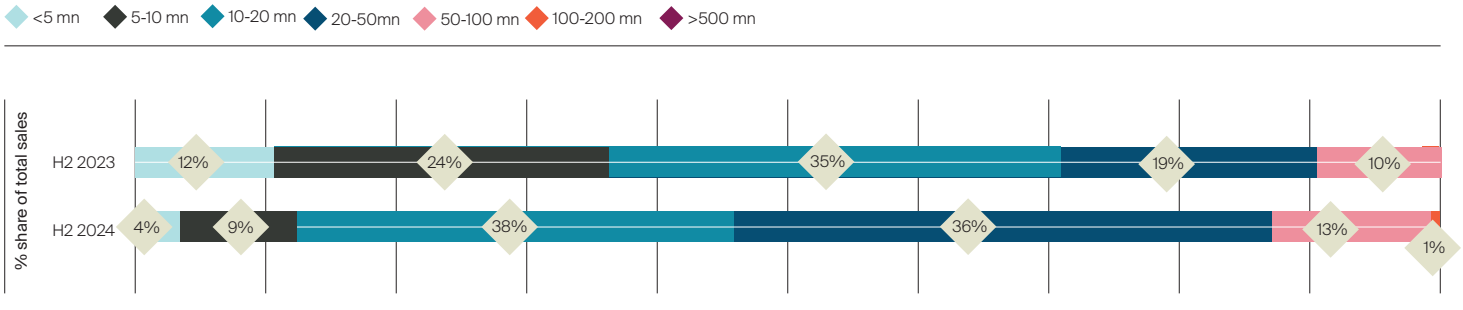


MICRO-MARKET SPLIT OF SALES IN H2 2023 AND H2 2024



Source: Knight Frank Research

NCR TICKET SIZE SPLIT COMPARISON OF SALES DURING H2 2023 AND H2 2024



Source: Knight Frank Research

57,654

Ten-year high in annual sales in 2024

TICKET-SIZE SEGMENT HEALTH

Ticket-size segment	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
0 – 5 mn	34,607 (-5%)	23.6
5 – 10 mn	24,578 (-20%)	9.3
10 - 20 mn	26,510 (7%)	5.1
20 – 50 mn	15,493 (70%)	4.2
50 – 100 mn	4,842 (112%)	3.0
100 – 200 mn	519 (43%)	6.2
200 – 500 mn	44 (-8%)	8.6
>500 mn	59 (392%)	8.6

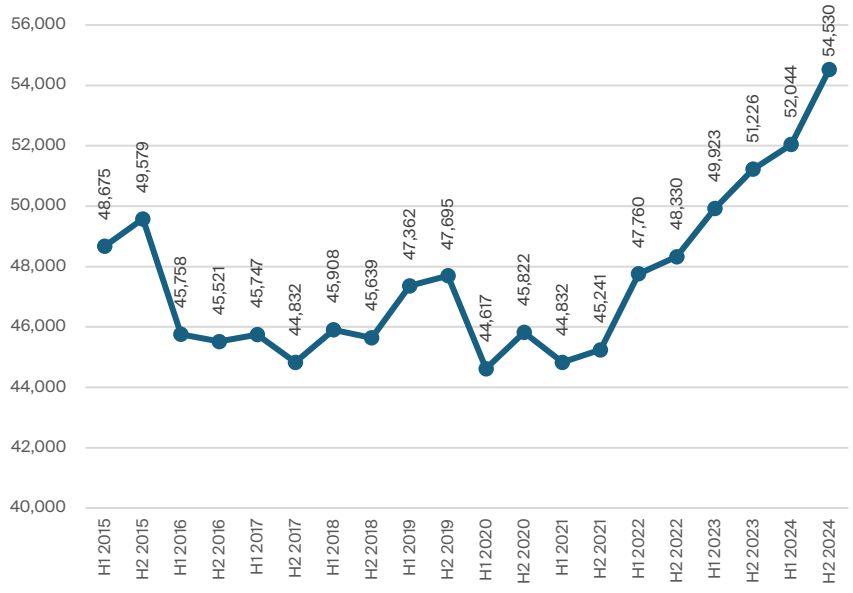
Source: Knight Frank Research

MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
Delhi	4,270 (33%)	10.9
Faridabad	2,252 (-17%)	10.1
Ghaziabad	11,028 (-3%)	5.5
Greater Noida	24,794 (-1%)	7.1
Gurugram	56,433 (9%)	7.7
Noida	7,874 (-14%)	5.8

Source: Knight Frank Research

AVERAGE RESIDENTIAL PRICE MOVEMENT



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
Delhi	Dwarka	75,347-1,23,785 (7,000-11,500)	6%	3%
	Greater Kailash -II	2,47,570-3,98,264 (23,000-37,000)	0%	0%
Faridabad	Sector 82	34,445–38,750 (3,200–3,600)	3%	0%
	Sector 88	33,368–36,597 (3,100–3,400)	2%	0%
Ghaziabad	NH-24 Bypass	31,754-37,135 (2,950-3,450)	6%	4%
	Raj Nagar Extension	31,754-39,504 (2,950-3,670)	5%	3%
Greater Noida	Sector 1	34,606–48,438 (3,215–4,500)	0%	0%
	Omicron 1	32,238–39,827 (2,995–3,700)	2%	0%
Gurugram	Sector 77	57,049-86,111 (5,300-8,000)	4%	2%
	Sector 81	59,201-82,882 (5,500-7,700)	6%	2%
Noida	Sector 78	51,667-68,889 (4,800-6,400)	6%	2%
	Sector 143	46,285-58,125 (4,300-5,400)	4%	1%

Source: Knight Frank Research

NCR Office Market

NCR MARKET SUMMARY

Parameter	2024	2024 Change (YoY)	H2 2024	H2 2024 Change (YoY)
Completions in mn sq m (mn sq ft)	0.5 (5.6)	-20%	0.2 (2.7)	-13%
Transactions in mn sq m (mn sq ft)	1.2 (12.7)	25%	0.7 (7.0)	39%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	944.9 (88)	3%	-	-

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

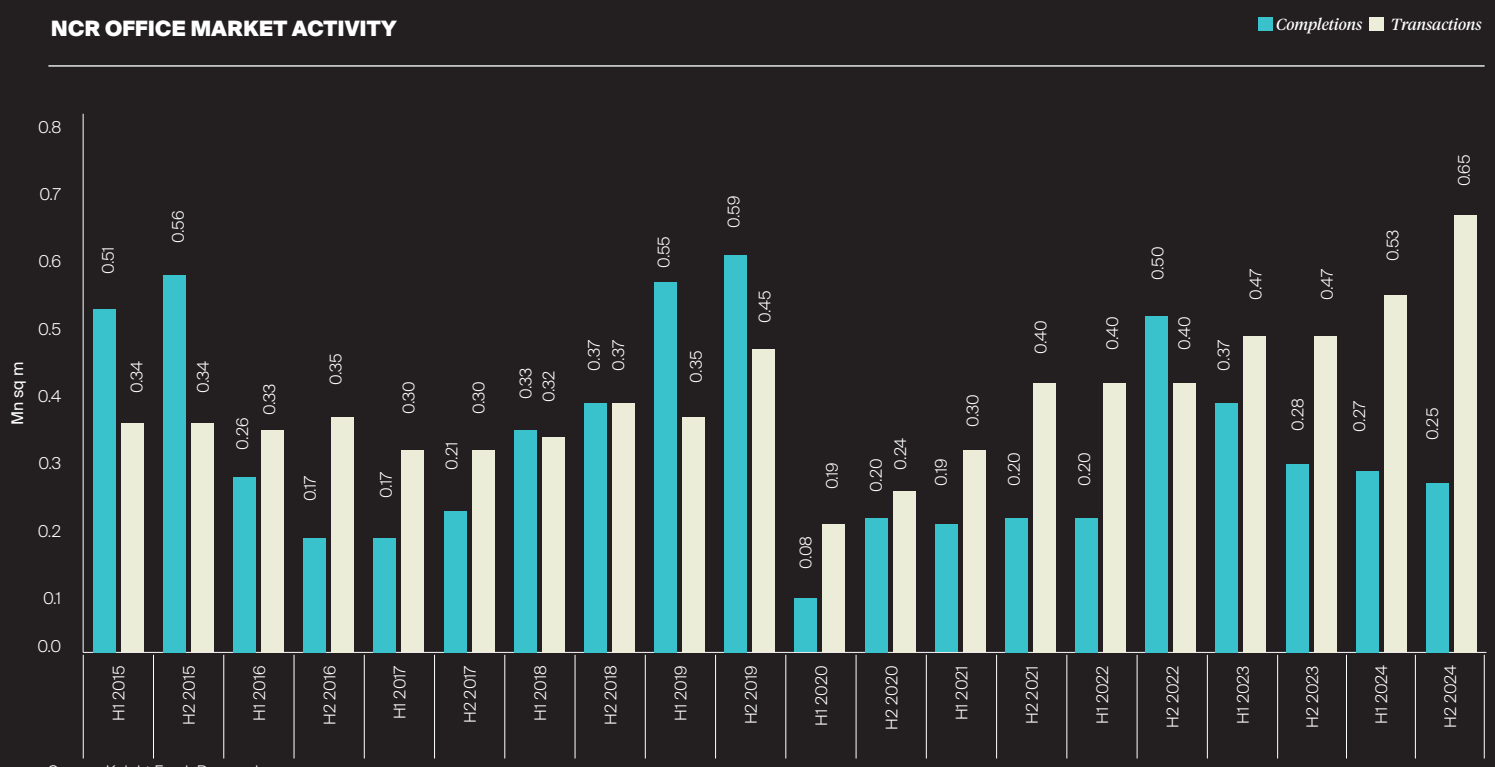
18.1 (194.5)
2024 Stock mn sq m (mn sq ft)

10.4%
2024 Vacancy

3%
2024 Change (YoY)

193 Basis points decrease
2024 Change (YoY)

NCR OFFICE MARKET ACTIVITY



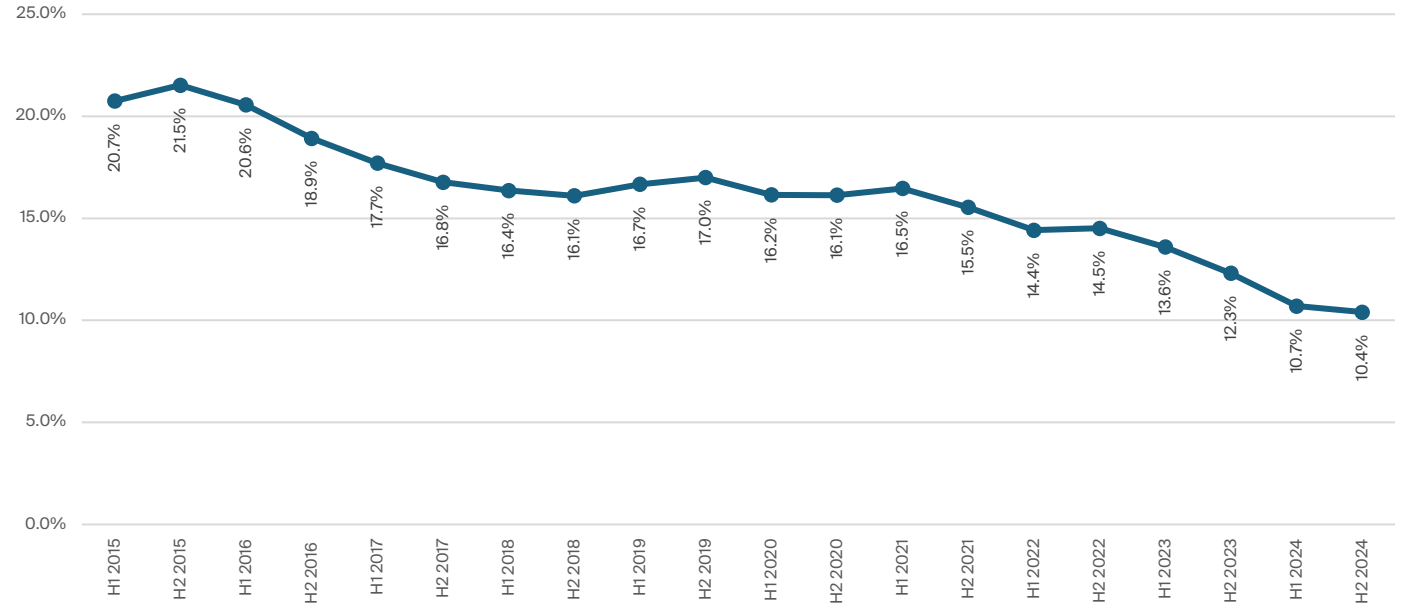
Source: Knight Frank Research

- In 2024, the National Capital Region (NCR) recorded exceptional growth in office space leasing, achieving a transaction volume of 1.2 mn sq m (12.7 mn sq ft) for the year , a 25% increase over 2023. The second half of 2024 was particularly remarkable with 0.7 mn sq. m. (7.0 mn sq. ft.) leased, reflecting a 39% YoY growth. This resurgence is driven by robust domestic economic conditions, increased corporate confidence, and a diverse occupier base. The shift towards office-based work and hybrid models has further boosted demand for quality office spaces.
- Gurugram continued to dominate the leasing activity, capturing a significant share of 64% in overall transactions. Key micro-markets such as DLF Cyber City, Golf Course Extension Road, and Udyog Vihar remained highly sought-after by occupiers. Noida followed as a strong performer, with the Noida-Greater Noida Expressway — Sectors 144, 58, and 62 — emerging as preferred locations for occupiers seeking well-connected office spaces.
- The Secondary Business District (SBD) of Delhi also witnessed increased activity as its share in total leasing rose steadily. Occupiers are increasingly valuing accessibility and infrastructure in this business district, which has encouraged a rise in demand for traditional office spaces.
- The completion of new office spaces in H2 2024 amounted to 0.5 mn sq m (5.6 mn sq ft), marking a 20% YoY decline. Despite the reduced supply, the market recorded a significant 395 basis points reduction in vacancy rates, bringing the overall vacancy to 8.4%. This improvement indicates a sustained demand for high-quality, ESG-compliant office spaces that align with occupier expectations for sustainability and functionality.
- In H2 2024, spaces catering to India-facing businesses accounted for 55% of the total leasing activity, while Flexible Space operators and Global Capability Centers (GCCs) contributed 26% and 11%, respectively. The prominence of India-focused operations underscores the growing domestic market's role in driving demand.
- The demand for flexible workspace operators showed significant recovery in H2 2024, particularly in Gurugram and Noida. After experiencing a downturn in 2023, the segment regained momentum as occupiers adapt to evolving workplace models. The hybrid work model, which blends remote and in-office operations, has led to a re-evaluation of office space requirements, resulting in a preference for flexibility. Operators like Tablespace and Smartworks have been at the forefront of this recovery, leasing large spaces in prominent locations such as Golf Course Road, Udyog Vihar, and Aerocity. These spaces cater to occupiers looking for cost-effective, scalable, and collaborative environments, offering the flexibility to expand or contract based on business needs. The appeal of these operators lies in their ability to provide fully serviced, plug-and-play offices with premium amenities, enabling businesses to optimize their operational efficiencies.
- The average transacted rents in NCR increased by 3% YoY, reaching INR 944.9 per sq m per month (INR 87.8 per sq ft). Gurugram Zone A and SBD Delhi led the rental growth, reflecting heightened demand for premium office spaces. The steady rental appreciation highlights the mismatch between supply and demand, particularly in high-demand submarkets.
- The NCR office market is poised for sustained growth, bolstered by significant infrastructure developments enhancing regional connectivity. Notably, the approval of the 'New Noida' city project aims to create a modern urban environment, fostering industrial and commercial opportunities. Additionally, the completion of expressways like the Delhi-Mumbai Expressway and the DND-KMP Expressway is set to improve accessibility across NCR. These advancements are expected to attract occupiers seeking quality office spaces, potentially reducing vacancy rates and exerting upward pressure on rents. However, challenges such as delays in occupancy certificates and global economic uncertainties may impact this trajectory. Occupiers' growing preference for ESG-compliant spaces and long-term leasing strategies will continue to shape the market's evolution.

BUSINESS DISTRICT CLASSIFICATION

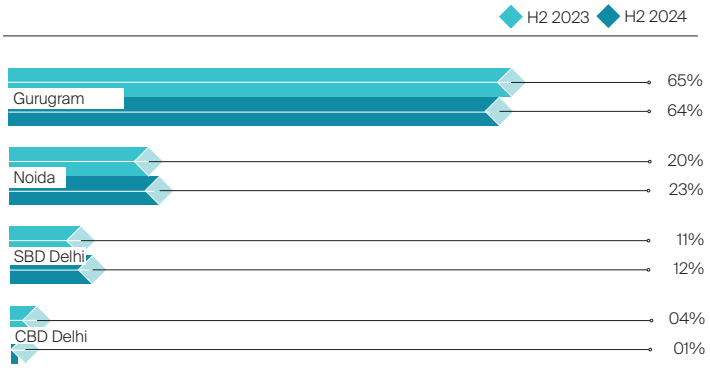
Micro market	Locations
CBD Delhi	Connaught Place, Barakhamba Road, Kasturba Gandhi Marg and Minto Road
SBD Delhi	Nehru Place, Saket, Jasola, Bhikaji Cama Place, Mohan Cooperative, Okhla and Aerocity
Gurugram Zone A	M G Road, NH-8, Golf Course Road and Golf Course Extension Road
Gurugram Zone B	DLF CyberCity, 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



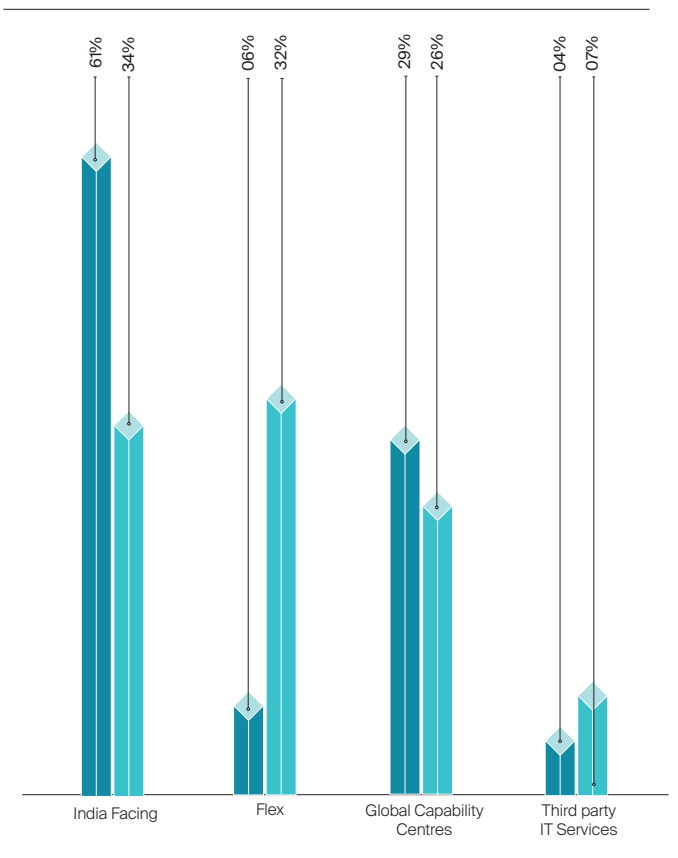
Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT IN H2 2023 AND H2 2024



Source: Knight Frank Research

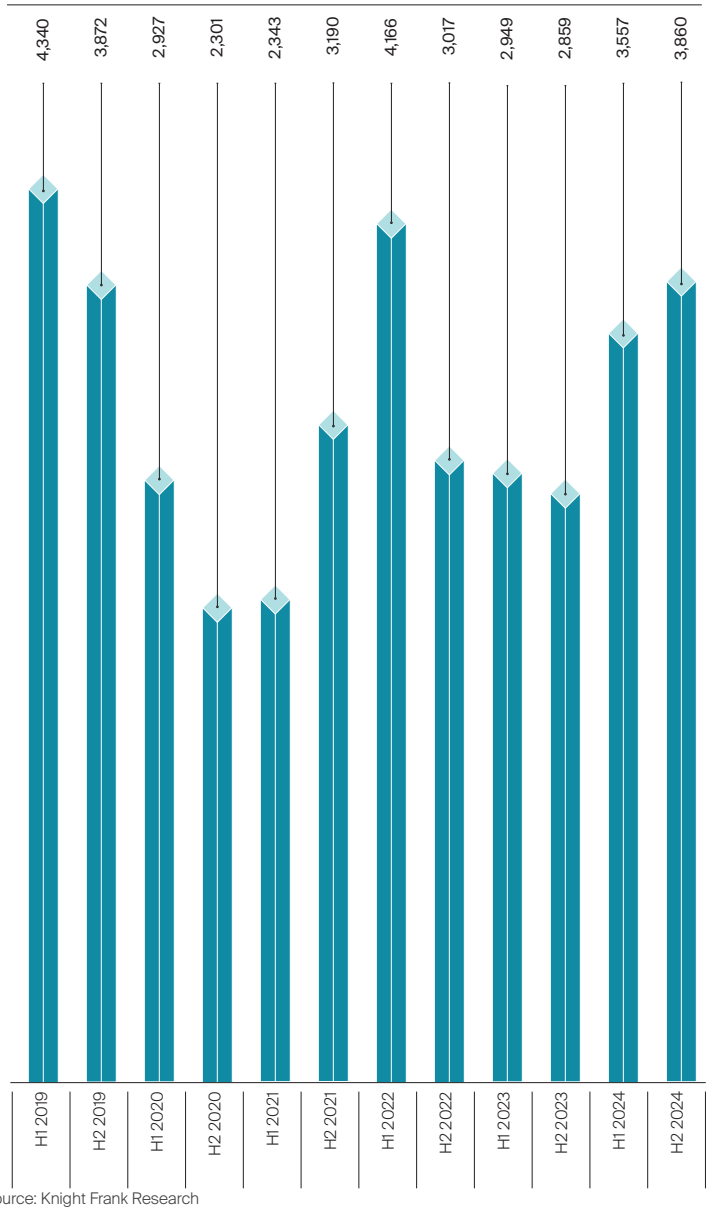
END-USE SPLIT OF TRANSACTIONS IN H2 2023 AND H2 2024



Source: Knight Frank Research

Annual transactions have reached an all-time high in 2024.

AVERAGE DEAL SIZE TREND (SQ M)



Source: Knight Frank Research

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

	Rental value range in H2 2024 in INR/sq m/month (INR/sq ft/month)	12-month change	6-month change
CBD Delhi	2,347–3,875 (218–360)	2%	2%
SBD Delhi	915–2,368 (85–220)	7%	7%
Gurugram Zone A	1,238–1,991 (115–185)	9%	3%
Gurugram Zone B	915–1,507 (85–140)	0%	0%
Gurugram Zone C	269–409 (25–38)	5%	5%
Noida	538–1023 (50–95)	5%	4%
Faridabad	484–592 (45–55)	0%	0%

Source: Knight Frank Research

Residential Market

PUNE

PUNE MARKET SUMMARY

Parameter	2024	2024 Change (YoY)	H2 2024	H2 2024 Change (YoY)
Launches (housing units)	59,548	40%	31,501	49%
Sales (housing units)	52,346	6%	27,821	1%
Average price in INR/sq m (INR/sq ft)	INR 51,426 (INR 4,778)	6%	-	-

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

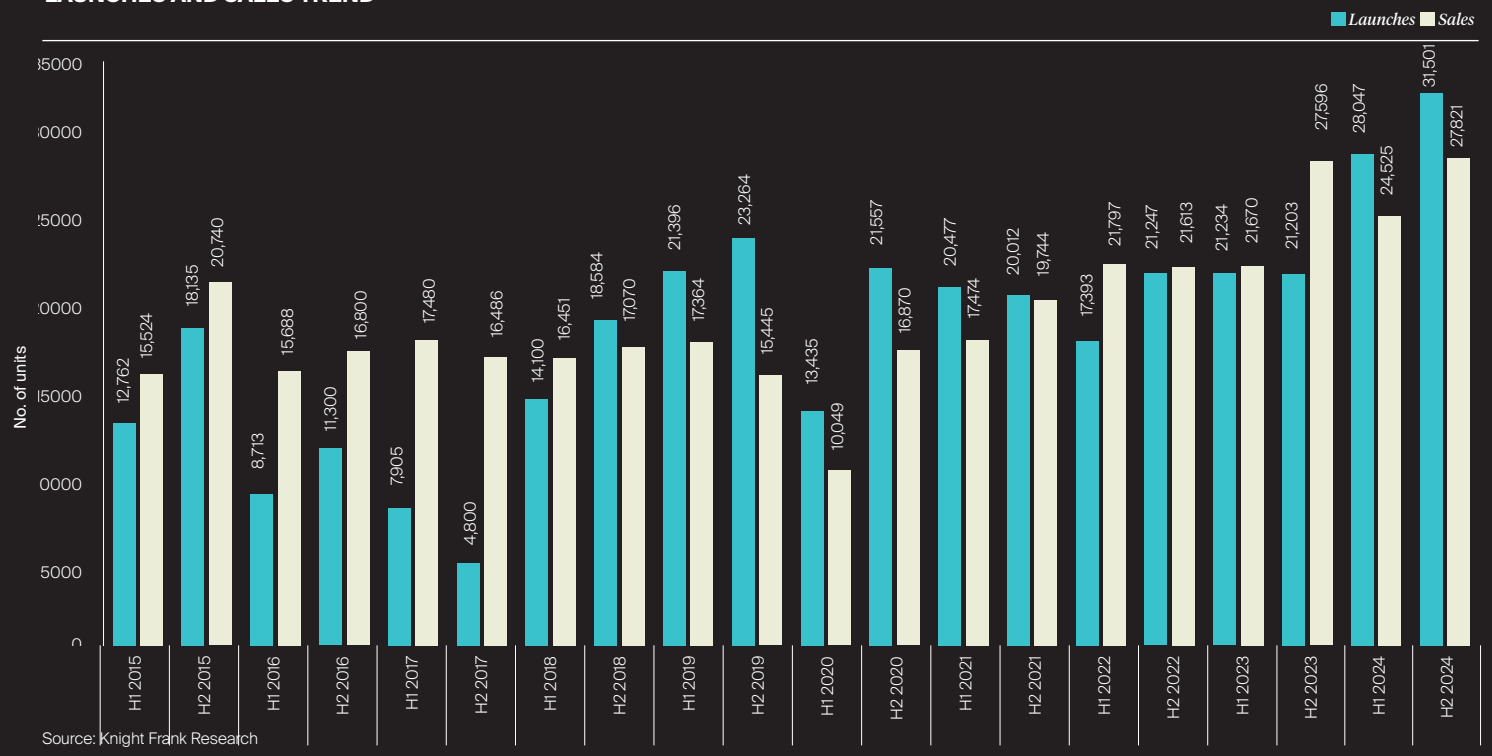
46,416
Unsold inventory (housing units) 2024

3.7
Quarters to sell (in quarters) 2024

18%
Change (YoY)

11.3
Age of unsold inventory (in quarters) 2024

LAUNCHES AND SALES TREND



Source: Knight Frank Research

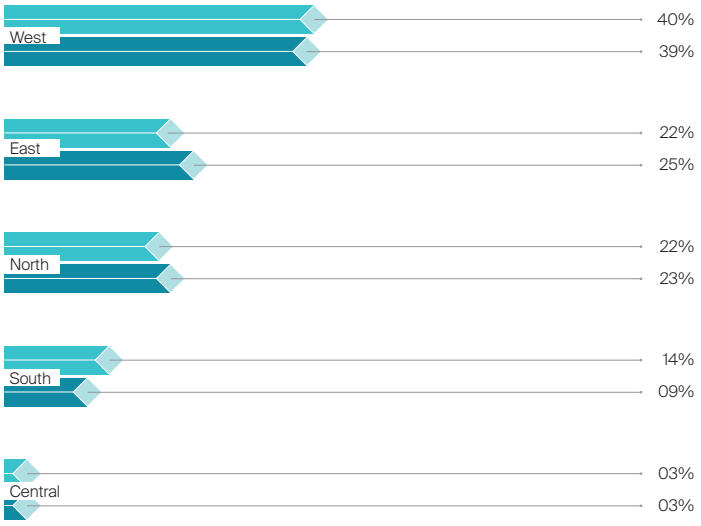
- Pune recorded all-time high residential sales in H2 2024 supported by strong demand from IT professionals, infrastructure development, and evolving buyer preferences. The city continues to emerge as a dynamic real estate destination, balancing affordability with premium offerings.
- Residential sales in Pune achieved the height in sales in 2024 with a notable contribution from H2 2024. While half-yearly sales in H2 2024 recorded a modest 1% YoY growth, annual sales volumes increased by 6% YoY. This growth was primarily fueled by robust demand for mid-range and higher-priced properties, especially in areas located near employment hubs.
- Pune witnessed a remarkable surge in launches that peaked in H2 2024. Half-yearly launches increased by 49% YoY, while annual launches grew by 40% YoY, highlighting rising developer confidence. The Western Zone, including prominent areas such as Hinjewadi and Baner, dominated with a significant share of total launches, leveraging its proximity to IT hubs and enhanced connectivity.
- The mid-range segment (INR 5-10 mn) continued to lead Pune's market, representing 45% of total sales in H2 2024. Meanwhile, the share of properties priced above INR 10 mn rose to 23%, up from 18% in H2 2023 and 9% in H2 2022, signaling a clear shift in buyer preferences toward high-value homes with modern amenities.
- New launches have been well-aligned with market demand. Developers are catering to buyers seeking gated communities, larger homes, and lifestyle-centric features, which have become top priorities in Pune's evolving market landscape.
- Residential prices in Pune grew by 6% YoY in H2 2024, supported by sustained demand and rising buyer confidence. This steady appreciation highlights Pune's appeal as an affordable yet premium housing market compared to other metropolitan cities.
- Pune's inventory levels increased by 18% YoY in 2024. Despite this, the Quarters to Sell (QTS) metric remained healthy at 3.7 quarters, reflecting quicker absorption rates and strong buyer demand. In the INR 5-10 mn category, the QTS stood at 1.4 quarters, while the INR 20-50 mn range recorded a slightly higher QTS of 4.6 quarters, indicating steady sales momentum across mid-range and high-ticket segments. This underscores Pune's ability to sustain a healthy supply-demand balance despite the surge in new launches, particularly in high-demand price brackets.
- The Western Zone led sales and launches, accounting for the largest market share in H2 2024. Other regions, including the North and East zones, also witnessed heightened activity, driven by improving infrastructure and proximity to key employment corridors.
- Infrastructure projects such as the Metro Corridor and expanded road networks have significantly improved connectivity across Pune, fostering greater buyer interest in emerging residential hubs. These developments continue to elevate Pune's market dynamics.
- Pune's residential market is poised for sustained growth, supported by robust demand from IT professionals, ongoing infrastructure advancements, and a focus on lifestyle-driven housing solutions. With developers aligning supply to meet evolving buyer preferences, Pune remains a key player in India's real estate landscape.

MICRO-MARKET CLASSIFICATION

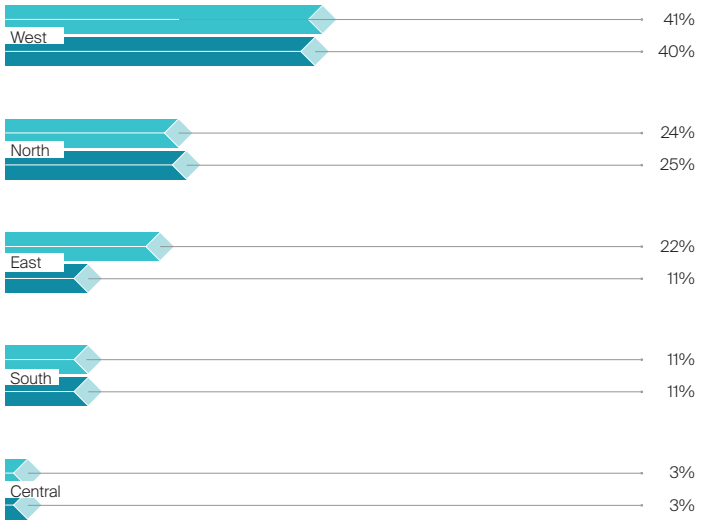
Micro market	Locations
Central	Koregaon Park, Boat Club Road, Erandwane, Deccan, Kothrud, Model Colony
East	Viman Nagar, Kharadi, Wagholi, Hadapsar, Dhanori
West	Aundh, Baner, Wakad, Hinjewadi, Bavdhan, Pashan
North	Pimpri, Chinchwad, Moshi, Chikhali, Chakan, Talegaon
South	Kondhwa, Ambegaon, Undri,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

Source: Knight Frank Research

MICRO-MARKET SPLIT OF LAUNCHES IN H2 2023 AND H2 2024

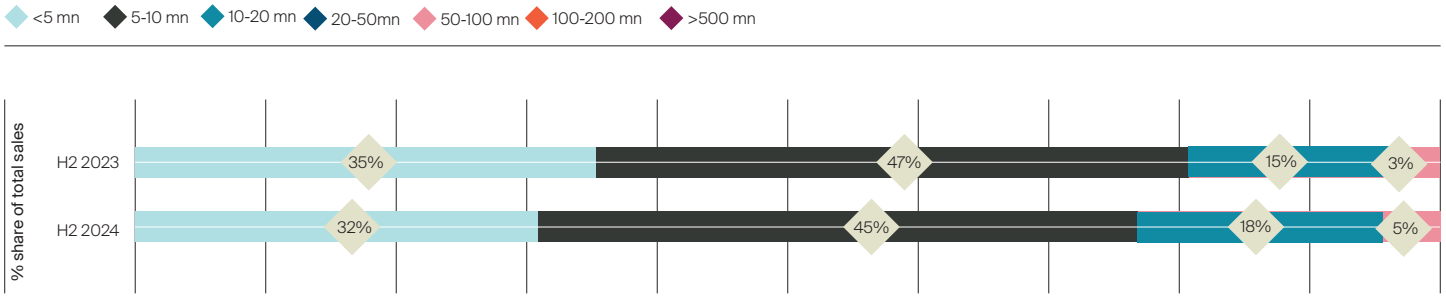


MICRO-MARKET SPLIT OF SALES IN H2 2023 AND H2 2024



Source: Knight Frank Research

PUNE TICKET SIZE SPLIT COMPARISON OF SALES DURING H2 2023 AND H2 2024



Source: Knight Frank Research

49%

Pune's residential market set a new benchmark in 2024, with record-high sales and a 49% YoY surge in H2 launches, driven by strong demand near IT hubs and evolving housing preferences.

TICKET-SIZE SEGMENT HEALTH

Ticket-size segment	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
0 – 5 mn	24,072 (-9%)	5.3
5 – 10 mn	8,322 (74%)	1.4
10 - 20 mn	11,971 (65%)	6.3
20 – 50 mn	1,997 (162%)	4.6
50 – 100 mn	19 (224%)	1.1
100 – 200 mn	32 (28%)	10.0
200 – 500 mn	4 (710%)	-
>500 mn	0 (-)	-

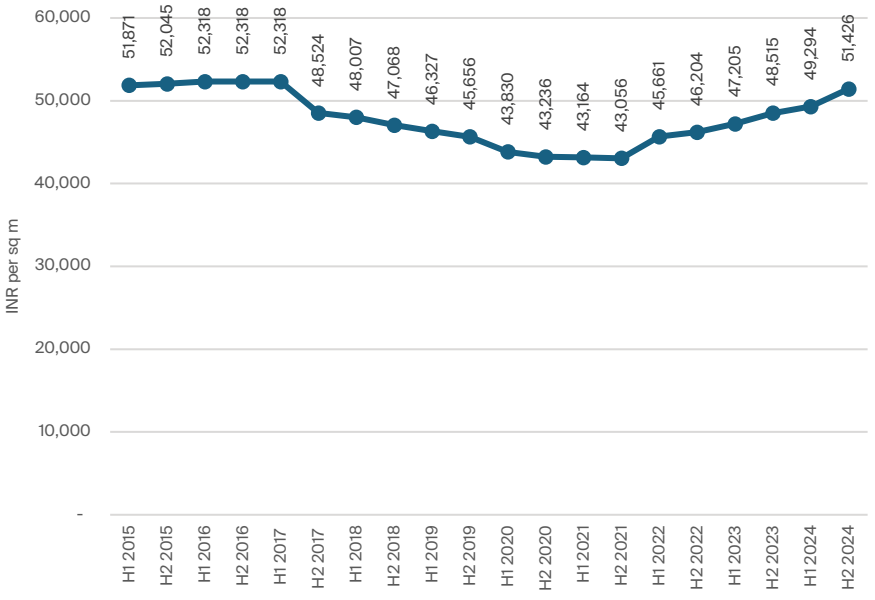
Source: Knight Frank Research

MICRO-MARKET HEALTH

Micro-market	Unsold Inventory (housing units) (YoY Change)	Quarters-to-sell (QTS)
Central	8,928 (2%)	22.2
East	13,398 (44%)	4.4
West	18,685 (14%)	3.9
North	5,108 (12%)	1.7
South	230 (130%)	0.1

Source: Knight Frank Research

AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	Location	Price range in H2 2024 in INR/sq m (INR/sq ft)	12 month Change	6 month Change
Central	Koregaon Park	165,034-191,707 (15,332-17,810)	6%	3%
	Kothrud	144,421-190,038 (13,417-17,655)	6%	3%
	Erandwane	179,845-200,985 (16,708-18,672)	1%	1%
	Boat Club Road	209,209-223,956 (19,436-20,806)	0%	1%
East	Kharadi	91,289-116,380 (8,481-10,812)	8%	1%
	Wagholi	53,723-85,897 (4,991-7,980)	3%	1%
	Dhanori	72,011-89,675 (6,690-8,331)	5%	2%
	Hadapsar	84,971-107,296 (7,894-9,968)	1%	1%
West	Aundh	165,120-173,247 (15,340-1,6095)	1%	1%
	Baner	111,526-178,349 (10,361-16,569)	7%	2%
	Hinjewadi	82,345-113,151 (7,650-10,512)	8%	2%
	Wakad	87,027-109,965 (8,085-10,216)	6%	2%
North	Moshi	63,884-73,346 (5,935-6,814)	2%	1%
	Chikhali	55,176-66,188 (5,126-6,149)	3%	0%
	Chakan	39,192-40,989 (3,641-3,808)	1%	1%
South	Ambegaon	67,770-84,067 (6,296-7,810)	2%	1%
	Undri	57,727-69,256 (5,363-6,434)	1%	1%
	Kondhwa	46,974-65,671 (4,364-6,101)	6%	1%

Source: Knight Frank Research

Pune Office Market

PUNE MARKET SUMMARY

Parameter	2024	2024 Change (YoY)	H2 2024	H2 2024 Change (YoY)
Completions in mn sq m (mn sq ft)	0.53 (5.7)	58%	0.31 (3.3)	210%
Transactions in mn sq m (mn sq ft)	0.74 (8.0)	19%	0.33 (3.6)	-18%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	829 (77)	5%	-	-

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

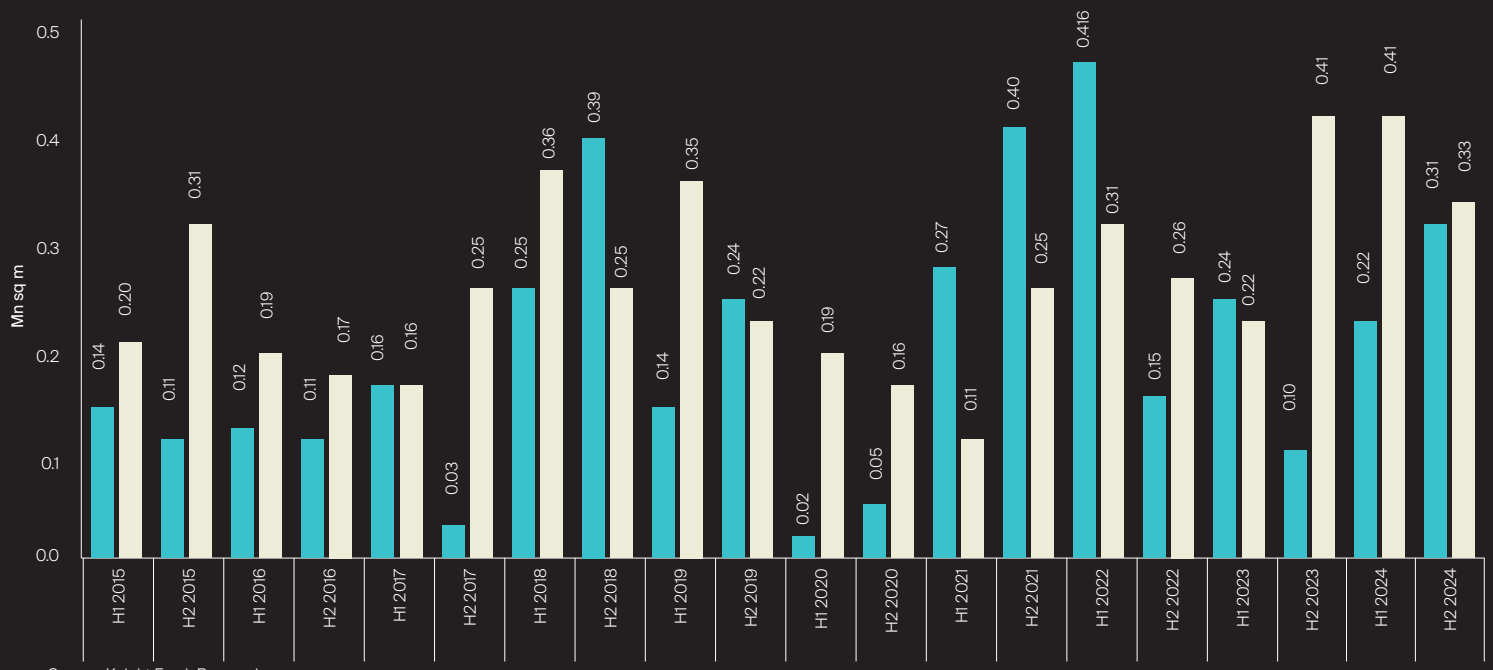
9.01 (97.0)
2024 Stock mn sq m (mn sq ft)

12.4%
2024 Vacancy

6%
2024 Change (YoY)

590 Basis points increase
2024 Change (YoY)

PUNE OFFICE MARKET ACTIVITY



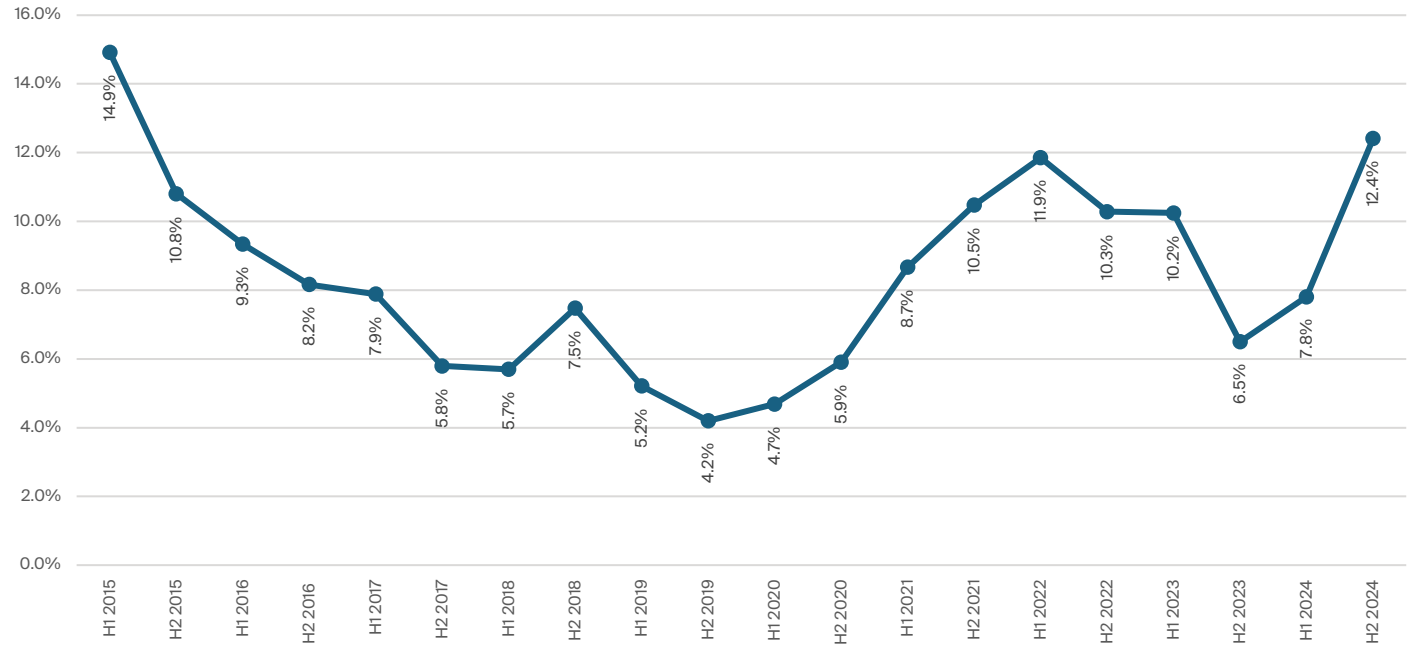
Source: Knight Frank Research

- Pune's office market showcased remarkable resilience and growth throughout 2024, with a total leasing activity of 0.74 mn sq m (8.0 mn sq ft), reflecting a 19% YoY increase. The market's performance was driven by a robust first half and consistent demand in the second half despite some recalibration. In H2 2024, leasing activity totaled 0.33 mn sq m (3.6 mn sq ft).
- Pune's micro-markets demonstrated varying levels of activity, with PBD East and SBD East leading the way, accounting for 33% and 28% of H2 transactions, respectively. PBD West, driven by emerging hubs like Hinjewadi and Balewadi, captured 20%, reflecting increasing occupier interest in peripheral locations.
- The preference for flexible office spaces continued to grow, with the Flex sector accounting for 25% of total transactions in H2 2024, a testament to Pune's thriving startup ecosystem and the adoption of hybrid work models. India-facing businesses remained dominant, contributing 32% of H2 leasing volumes. Pune has seen a steady increase in GCC setups, especially in SBD East and Kharadi, driven by its talent pool and cost advantages. GCCs accounted for 32% of total share in transactions in H2 2024.
- In terms of new supply, Pune added 0.31 mn sq m (3.3 mn sq ft) of office space in H2 2024, a significant 210% YoY increase, signaling growing developer confidence. This surge brought the city's total stock to 9.01 mn sq m (97 mn sq ft), a 6% YoY growth, although it also raised the vacancy rate to 12.4%, up by 590 basis points YoY, as the market absorbed the new supply. Despite this short-term increase, steady demand in high-growth micro-markets such as PBD West and SBD East suggests normalization of vacancy rates in the near term.
- Pune's rental values rose significantly, with average transacted rent reaching INR 829/sq m/month (INR 77/sq ft/month), a 5% YoY increase, surpassing pre-pandemic levels. This upward trend reflects sustained occupier interest, particularly in premium locations. These locations benefitted from ongoing infrastructure developments, including metro rail expansions and improved road connectivity, which have enhanced accessibility and occupier appeal.
- Pune's office market continues to thrive on its ability to adapt to changing occupier dynamics. With a growing emphasis on flexible workspaces, hybrid models, and sustainability, the market is well-positioned to meet future challenges. Infrastructure enhancements, coupled with steady demand from sectors like GCCs, BFSI, and IT/ITES, are expected to drive further growth in 2025, reinforcing Pune's status as one of India's most vibrant and resilient office markets.

BUSINESS DISTRICT CLASSIFICATION

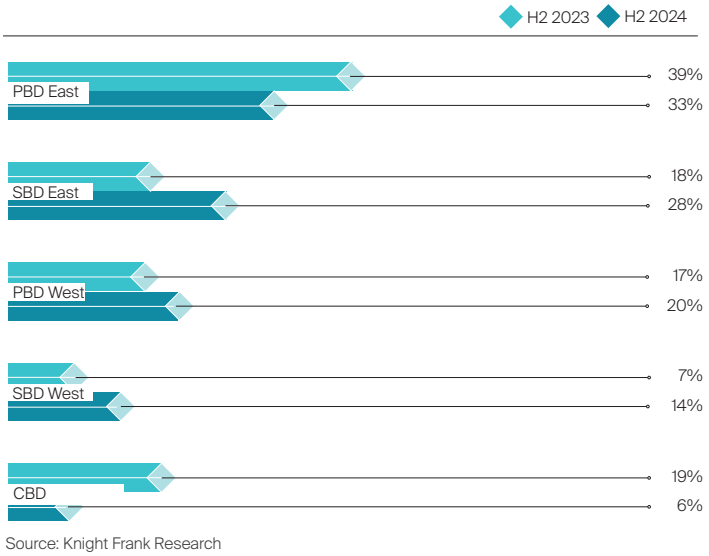
Micro market	Locations
Central Business District (CBD and Off-CBD)	Bund Garden Road, S B Road, Camp, Deccan, University Road, Shankar Sheth Road
Secondary Business District (SBD) East	Kalyani Nagar, Yerwada, Nagar Road, Hadapsar
Peripheral Business District (PBD) East	Kharadi, Phursungi
Secondary Business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

PUNE OFFICE MARKET VACANCY



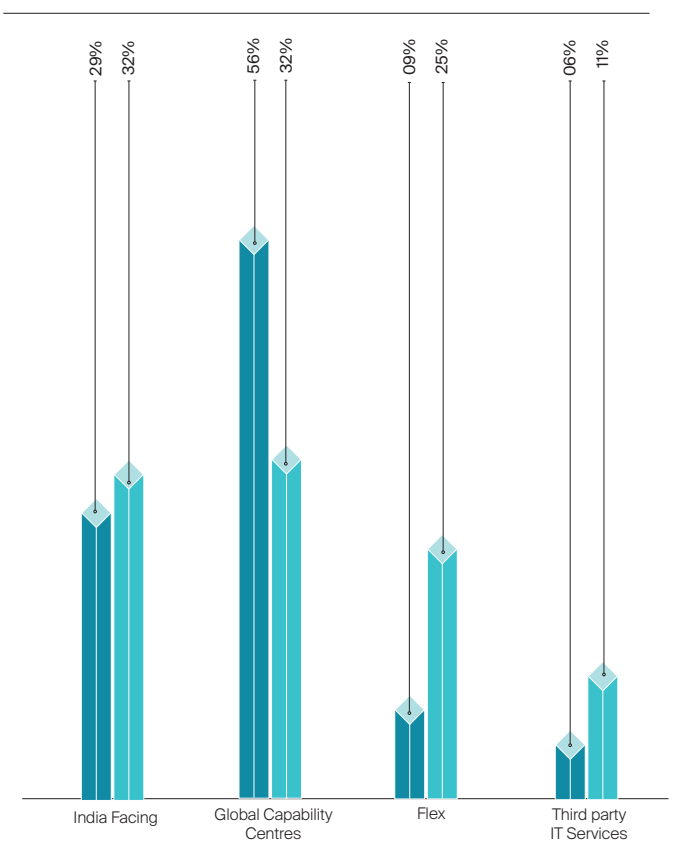
Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT IN H2 2023 AND H2 2024



Source: Knight Frank Research

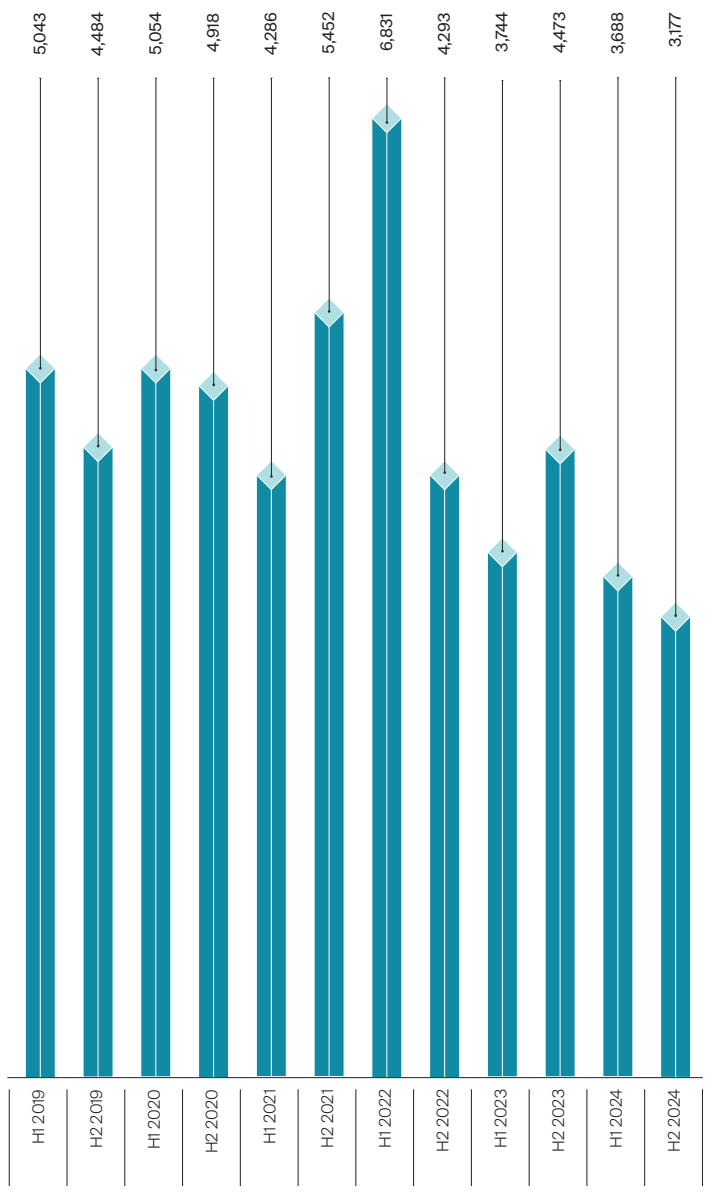
END-USE SPLIT OF TRANSACTIONS IN H2 2023 AND H2 2024



Source: Knight Frank Research

Pune's office market recorded 19% YoY leasing growth in 2024, driven by flex workspace demand, GCC expansions, and a 210% YoY surge in new supply, supported by ongoing infrastructure upgrades.

AVERAGE DEAL SIZE TREND (SQ M)



Source: Knight Frank Research

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

	Rental value range in H2 2024 in INR/sq m/month (INR/sq ft/month)	12-month change	6-month change
CBD & off CBD	860-1,491 (80-139)	5%	2%
SBD East	698-1,342 (65-125)	5%	2%
SBD West	675-1,081 (63-100)	4%	2%
PBD East	691-1,148 (64-107)	4%	2%
PBD West	501-855 (47-79)	3%	1%

Source: Knight Frank Research

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