

SPOTLIGHT

India's office market leasing crosses 20 mn. sq.ft. in first half of 2018

CBRE South Asia Pvt. Ltd, one of India's leading real estate consulting firms, recently announced the findings of its latest India Office Market View - Q2 2018 report. According to the report, the Indian economy struck a high note with a two-year high of 7.7 per cent during the quarter ended March 2018. The upward momentum was largely attributed to the construction and manufacturing sectors, which grew by 11.5 per cent and 9.1 per cent respectively.

Office leasing activity across the country's top nine markets rose by more than 10 per cent, with leasing crossing 20 million sq.ft. during the first half of 2018. Bangalore along with Delhi-NCR, Hyderabad and Mumbai led the leasing activity.

About 16 mn. sq.ft. of supply added, an increase by more than 40 per cent in H1 2018, when compared with H1 2017. Four cities - Bangalore, Mumbai, Hyderabad and Delhi-NCR - accounted for more than 80 per cent of this supply addition, followed by Chennai.

Anshuman Magazine, chairman, India and South East Asia, CBRE said, "Corporates are likely to remain cost-sensitive, develop workplace strategies

for efficient space utilisation, which will impact the office space absorption. We foresee pre-commitments in quality, cost-effective projects nearing completion which will have a significant impact on office leasing activity across key cities."

Bangalore, followed by Delhi-NCR, dominated large-sized deal closures, with a few such deals reported in Hyderabad, Mumbai, and Pune. Sectors such as technology, co-working / business centres, e-commerce and engineering and manufacturing dominated large-scale deal closures. Key transactions included space take-up by corporates/operators such as Atlassian, Genpact, Landis+Gyr and Smartworks.