

B'luru, Hyd Drive Premium Office Space Leasing Activity in Jan-Mar

Account for over half of India's leasing activity for first time; Delhi-NCR, Mumbai markets too see surge in demand

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Bengaluru: Bengaluru and Hyderabad have emerged as the top demand generators for Grade A office space in the first three months of the current calendar year (January-March quarter), accounting for more than half of leasing activity in the country for the first time.

Large deals closed this quarter included Tablespace, Samsung, ANSR, and TATA Agratas, leasing floor spaces exceeding 150,000 sq ft each across Hyderabad and Bengaluru.

"Hyderabad continues to strengthen its role as a prominent commercial office market in the country. The city offers occupiers, including Global Capability Centers, considerable price arbitrage compared to other markets. This demand was driven by the healthcare, pharmaceutical, and technology sectors," said Arpit Mehrotra, managing director, office services, India, Colliers.

Office markets in Bengaluru and Hyderabad saw 4 million sq ft and 2.9 million sq ft of absorption, respectively, followed by Delhi-NCR at 2.5 million sq ft in Q1 2024. Among other major office markets, Mumbai too experien-

ced a notable surge in leasing activity, with an impressive 90% on-year rise in the quarter.

"The city of Hyderabad has emerged as a lucrative investment destination for businesses, thanks to its government's proactive policies, ongoing infrastructure enhancements, and favourable business environment. With robust demand for commercial office spaces, we anticipate a strong year ahead in terms of office absorption across our assets," said Bijay Agarwal, MD, Sattva Group.

Within Hyderabad, the trifecta of Hi-Tec City, Gachibowli, and Madhapur continued to drive leasing activity this quarter. Of the 2.9 million sq ft of Grade A space uptake in the quarter, more than 80% of demand was from these three localities, the report said.

Bengaluru and Delhi-NCR, which contributed about 59% of office demand in the last four years, typically drive the office market in India.

The quarter began on a strong note,

registering total leasing of 13.6 million sq ft across the top six cities, a 35% rise compared to the same period last year, indicative of upbeat occupier sentiment.

During Q1 of CY24, occupiers from technology, engineering and manufacturing, and BFSI sectors collectively accounted for 58% of total leasing activity across the top six cities. The report said the cur-

TOP SIX CITIES

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rent momentum, along with the resurgence in GCC demand, sets the stage for the rest of the year.

According to Colliers, demand-supply dynamics are likely to prevail throughout 2024, as business sentiment and the economic outlook remain positive, with domestic occupiers driving office demand.

Leading the Race

Large Deals Closed in Jan-March 2024

Tablespace, Samsung, ANSR and TATA Agratas lease floor spaces of more than **150,000 sq ft** each in Hyderabad and Bengaluru

Office Space Absorption in Q1 2024

- ▶ Bengaluru **4 million sq ft**
- ▶ Hyderabad **2.9 million sq ft**
- ▶ Delhi-NCR **2.5 million sq ft**
- ▶ Mumbai too saw an impressive **90% YoY** surge in leasing activity during the period

Top six cities registered leasing of **13.6 million sq ft**, a 35% rise compared to the same period last year



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