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FIRSTLEASE INSIGHTS

Q1 2023 MARKET VIEW

GURUGRAM

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VSKOUT DATA INTELLIGENCE TEAM

SUMMARY | RE ACTIVITY CORRELATED WITH ECONOMIC SENTIMENT

Is India at a 'Tipping Point' ...

well Tim Cook does seem to think so. He recently made this remark at the Apple Store opening in Mumbai.

We feel that first quarter of 2023 has been a momentous period for India's economy. Touching upon India's success of Industrial Policy and a case in point – for the first time, the country's cellphone sector has transformed from being a net importer to having a net surplus in March-2023, a significant achievement resulting from the substantial growth of exports and muted imports.

In 2022-23, Apple has already exported \$5 billion of its \$7 billion production in India and aims to grow this to \$20 billion mark by 2024. The entry of Apple into the Indian retail market has attracted considerable attention from its

CEO, Tim Cook, who expressed optimism about India's potential as the next China. He believes that India's growing middle class will be a significant market for the company in the coming years.

At the other spectrum Global chief executives of 10 large consumer-facing companies viz. Apple, Coca-Cola, Unilever, Mondelez, Yum! Brands, Mastercard, Pernod Ricard, Skechers, Crocs and Whirlpool said in recent quarterly earnings calls that their India businesses have been resilient.

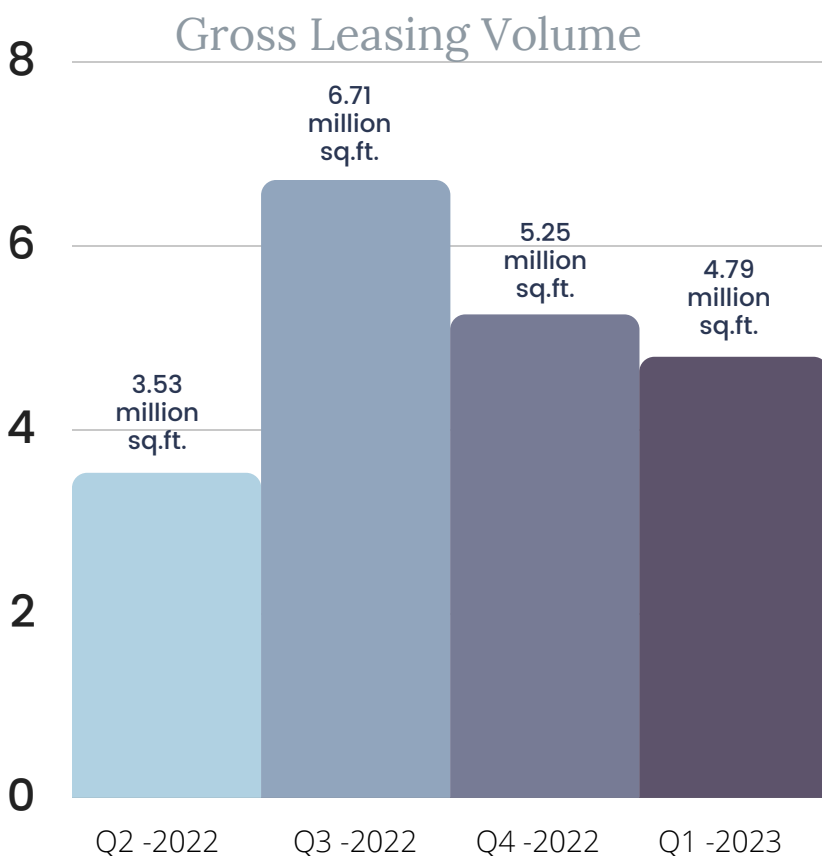
While optimism is in air, it is important to note that the India Commercial Real Estate growth story often gets impacted by US market movements. A recent article by Financial times states, that it is forecasted hybrid working will push US Office vacancies 55% above their pre-pandemic levels to a record 1.1 billion sq.ft. by 2030

Also Gurugram, wherein gross leasing is driven by large space take-ups, seems to have been impacted in Q1-2023

As the numbers stand - gross leasing volume has reduced from **5.25 million sq.ft. in Q4-2022 to 4.79 million sq.ft. in Q1-2023**, almost a 9% dip over the last quarter

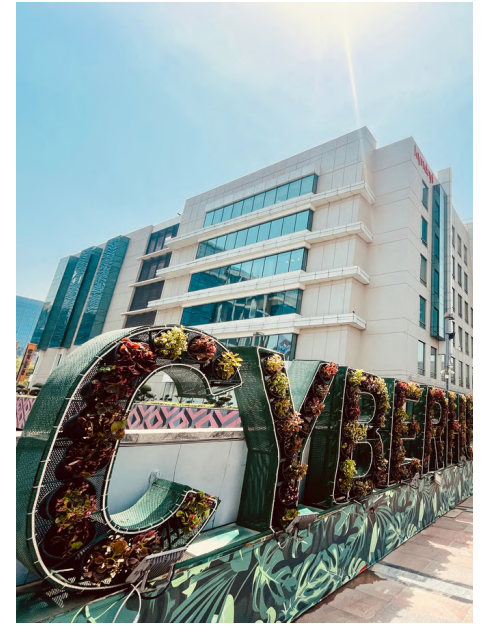


Decoding Gross Leasing Activity



The Gross leasing volume figures (encompassing office, retail & industrial stock) stands at **4.79 million sq.ft. for Gurugram** in Q1-2023.

This translates to a **significant 21% decrease** in gross leasing volume as compared to the Q1-2022 figures.

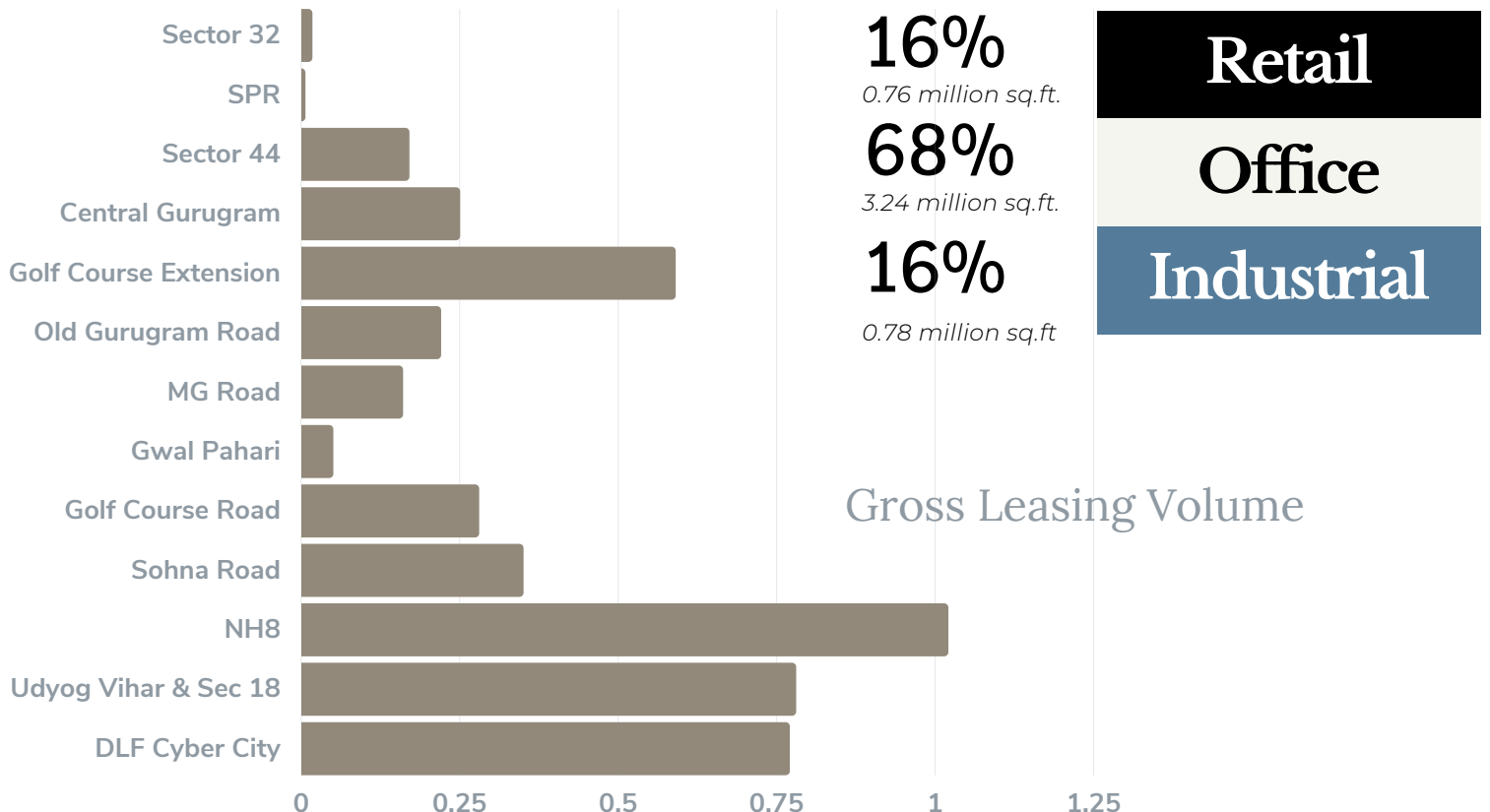


DISTRIBUTION OF TRANSACTION SIZE

72% Share of Pie by Volume - Transactions done within Q1-2023 with area size 10,000+ sq.ft. or more

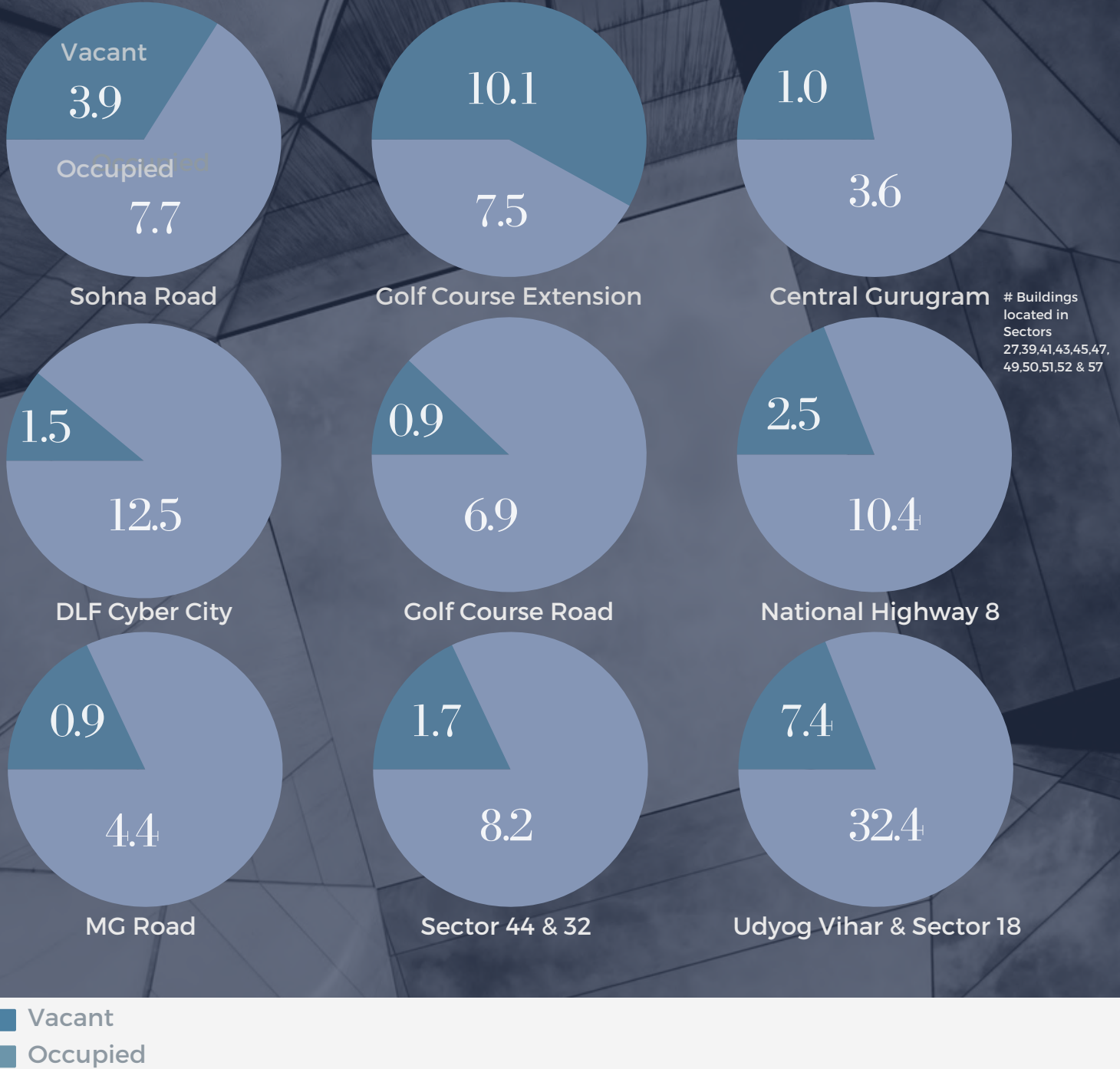
01 Gurugram Q1-2023 figures

Drilldown - Total Leasing Volume - 4.79 million sq.ft.



OFFICE

Occupancy & Vacancy Trends



Gurugram's real estate market is showing a promising trend, **as cumulative vacancy rates have dropped by 1% in the last quarter and stands at 25% presently**. This trend is expected to drive rental prices higher. Among the nine key micro-markets in the city, only Sohna Road experienced an increase in vacancy rates, while the others saw a decline over last quarter. Also NH8 zone has retained its top position for gross leasing for two consecutive quarters, confirming its status as a highly sought-after location.

RETAIL

Occupancy & Vacancy Trends



KEY GURUGRAM MALLS/ RETAIL DESTINATION

Ambience Mall

Vacancy - 12%

DLF Galleria

Vacancy - 5%

Metropolitan Mall

Vacancy - 11%

DLF Cyber Hub

Vacancy - 2%

Ardee Mall

Vacancy - 10%

Worldmark

Vacancy - 7%

DLF City Centre

Vacancy - 5%

Reach Airia

Vacancy - 8%

BRAND MIX & COMMENTARY | DLF CYBER HUB

As the second-largest retail destination in Gurugram, DLF Cyber Hub is a highly sought-after, boasting a **total catchment of approx. 470,000 sq. ft. of retail space**. Contrary to popular belief, the zone is not solely a food and beverage destination, as **43% of the space is leased by prominent consumer brands** like Nike, Hamleys, Adidas, Uniqlo, Marks & Spencer, Kia Motors, Levis, and Decathlon. The **F&B share of the space is 50%**, and share of service brands is 5% such as salons, bank branches, and tattoo shops.

02 Key Transactions

Gurugram | Q1 2023

KEY SPACE TAKEUPS (OFFICE)- GURUGRAM

Air India

Vatika One On One (339,950 sq.ft.)

Shree Cement

Building No 5B (26,697 sq.ft.)

ICFAI Business School

JMD Empire (120,406 sq.ft.)

AltF Coworking

MPD Towers (25,380 sq.ft.)

Netcraker

Building No 8A (26,552 sq.ft.)

Colt

DLF Downtown (44,459 sq.ft.)

Consilio

Candor G2 - Tower 6B (34,246 sq.ft.)

Kotak Mahindra Bank

Vatika First India Place (16,669 sq.ft.)

Key Transactions

Gurugram | Q1 2023

KEY SPACE TAKEUPS (RETAIL)- GURUGRAM

Pantaloons

M3M 65th Avenue (24,495 sq.ft.)

Azorte

Reach Airia (28,787 sq.ft.)

Reliance Digital

Ambience Mall (19,202 sq.ft.)

Croma

Capital Business Park (10,000 sq.ft.)

FabIndia

JMD Megapolis (17,170 sq.ft.)

Reliance Smart

VSR 114 Avenue (26,807 sq.ft.)

Zudio

JMD Suburbio (16,895 sq.ft.)

Smaaash

Radisson, Udyog Vihar (14,960 sq.ft.)

ABOUT FIRSTLEASE

'A Decade and Counting'

FirstLease is the Country's Leading Commercial Space Leasing firm representing tenants, landlords, sellers and buyers in Office, Coworking, Retail, Warehousing, Industrial Leasing, Sales, and Investments for a decade and counting. Our integrated team of Dedicated, Experienced, and Highly Reputed Industry Professionals collaborates in unison to provide Organizations with Smart, Sound and Creative Commercial Real Estate solutions that enable our clients to thrive.

At FirstLease, we are fully committed to bringing value to our clients and their businesses. We believe that our clients' best interests come first and foremost in all we do. In this process, we have built a respected and trusted brand in FirstLease and continue to grow geographically and in the volume of services delivered.

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+91 97 7388 0555

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