



Q2 2022 Market View

July 2022 | Noida

SUMMARY | RE ACTIVITY CORRELATED WITH ECONOMIC SENTIMENT

For the period between April 2022 and June 2022



This Q2 2022 report was much anticipated and we at FirstLease were also eager to see how the market has fared compared to Q1 2022. The start of this year was full of optimism, C-19 impact was ebbing and it felt after a long wait of almost 2 years that things were coming back to normalcy. Commercial Real Estate Industry's wait was the hardest, empty offices, renegotiated contracts and growing vacancy levels were troubling most asset owners and Q1 2022 was finally looking like the light at the end of the tunnel.

Summary | RE Activity Correlated with Economic Sentiment (Cont.)

For the period between April 2022 and June 2022



However changing world conditions viz. Inflation fears and Russia-Ukraine war have had a major impact on the economic trajectory of the world as a whole. The US inflation figures that were published recently were more than expected, 9.1% as against anticipated 8.8% in turn making it almost certain that the key rate will be increased drastically by FED. This anticipated move to soften inflation figures is making US dollar stronger (to put things in perspective, for the first time in last 20 years Euro has come at par with US Dollar), shaving off foreign revenue value from balance sheets of most US firms and in turn putting more pressure on Trade deficit of most countries across the world.

Rising Food & Fuel prices and rise in Interest rates across all major economies is making global economic activity slowdown fears real. Whether this slowdown will translate into recession is for time to tell.

Economic Data Source - Wion Gravititas 2022

India continues to remain a resilient economy but cautionary sentiment was bound to impact the economic activity and looking at the numbers it does feel so. This report covers commercial real estate activity across a major India city - Noida and we have tried to drill down the numbers to bring out the true picture and have benchmarked these with the Q1 2022 figures to provide a comparative view.

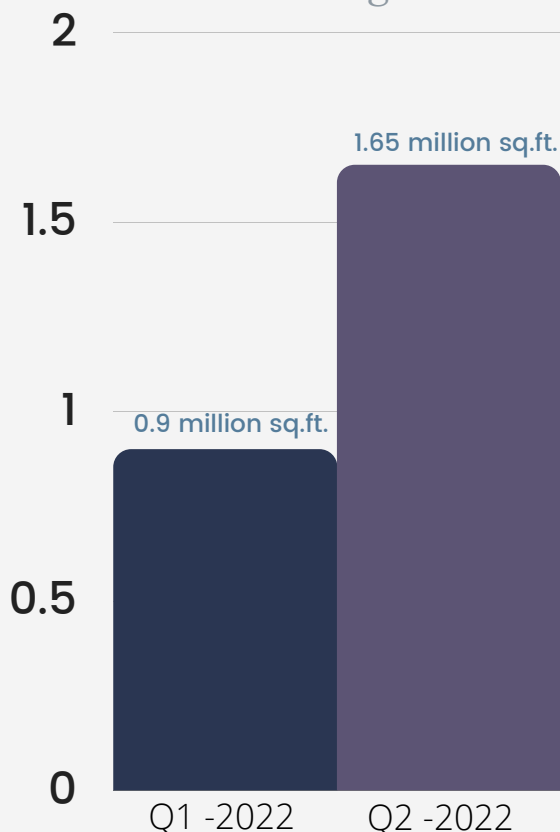


Decoding Gross Leasing Activity

The Gross leasing volume figures (encompassing office, retail & industrial stock) stands at **1.65 million sq.ft. for Noida** (covering key micro-markets) in **Q2-2022**.

There is a marked increase in the Q2-2022 figure for Noida when compared to Q1-2022 figure - it increased by 45%.

Gross Leasing Volume



Total office stock stands at 43.9 million sq.ft. for the micro-markets in Noida considered for this study.

This means that a small no. of large transactions in Noida can show a growth impact on the overall market. This is exactly what happened in Q2-2022, when top 10 transactions in Noida by size added upto 50% of total leasing volume.

01 Noida Q2-2022 figures

Drilldown - Total Leasing Volume ~ 1.65 million sq.ft.



Film City & Sec 16B

0.37 million sq.ft.

Noida Expressway

0.59 million sq.ft.

Sector 62

0.69 million sq.ft.

0 0.25 0.5 0.75

Zone of focus for this study of Noida is limited to Sector 16A (Film City), Sector 16B, Sector 62 & Noida Expressway (Sectors 98, 125, 126, 127, 129, 132, 135, 136, 142, 144A)

Equal Leasing Volume at both Noida Expressway & Sector 62 in Q2-2022

1%

0.01 million sq.ft

98%

1.62 million sq.ft

1%

0.02 million sq.ft

Retail

Office

Industrial

Occupancy & Vacancy View

KEY MICROMARKETS | NOIDA



73%

3.5 million sq.ft. - Occupied

Film City & Sector 16B



61%

15 million sq.ft. - Occupied

Noida Expressway



73%

10.6 million sq.ft. - Occupied

Sector 62

Noida Expressway has emerged as a strategic & preferential location for occupiers. The vacancy levels are fairly high ~ 39% and they are expected to continue an upward trajectory on account of multiple projects that are in completion stage of construction. Newer Grade Construction, Competitive Rentals, Seamless connectivity to Central Delhi & aspirational value for clients

already occupying space in older Grade B sectors of Noida – have all cumulatively added to the focus on this micro-market.

Whilst the transaction share in Q2-2022 for Noida Expressway stands at 35%, it is noteworthy that in last quarter it had a lion’s share of pie at 51%.

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Key Transactions

Noida | Q2 2022

KEY SPACE TAKEUPS - NOIDA

Smartworks

World Trade Tower (251,623 sq.ft.)

Judge Group

Tapasya Corporate Heights (32,000 sq.ft.)

Trade India

Riana Tower, Sector 136 (22,300 sq.ft.)

Axtria

Candor N2 Techspace (41,332 sq.ft.)

Pentair Water

Candor N1 Techspace (45,197 sq.ft.)

Innovaccer

Candor N1 Techspace (25,550 sq.ft.)

DLT Labs

Candor N1 Techspace (35,273 sq.ft.)

Schoolnet

World Trade Tower (27,833 sq.ft.)

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