

GURUGRAM
**MARKET
VIEW
REPORT**

Q2 2023

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India's Economic Sentiment: A Synopsis

In the ever-evolving landscape of the global economy, a significant milestone was reached in 2022 when it surpassed the remarkable \$100 trillion threshold.

At the forefront of this trajectory stands India, a nation primed to elevate itself to a leading position in global economic dynamics. Spearheading this endeavor is none other than Goldman Sachs, envisioning India's ascent to the position of the world's second-largest economy by 2075. This projection is rooted in an anticipated GDP of \$52.2 trillion, a figure set to outshine economic giants like the United States, Germany, and Japan. A convergence of factors is steering this growth: a burgeoning youthful population, rapid strides in innovation and technology, and heightened capital investments, all harmoniously shaping India's prospective prosperity.

The narrative of India's progress is one marked by transformative changes. The previous wave of expansion was marked by the rise of IT and ITeS companies, laying the groundwork

for an industry that garnered over \$200 billion in revenues. Today, the baton of growth has seamlessly passed on to the next generation of tech startups, brimming with global ambitions. These startups are transcending borders, not limiting themselves to the Indian market but innovating for the global stage.

Concrete examples abound. In a remarkable feat, Bengaluru-based Digantara partnered with SpaceX Transporter 6 to launch a micro-satellite engineered to navigate the complex expanse of space debris encircling Earth, symbolizing India's entry into space exploration. Simultaneously, Mumbai's Skillmatics reported a meteoric rise in revenue run rate, surging to \$32 million in 2022, a staggering 100% increase from the previous year, propelled by robust North American sales. This global orientation permeates the startup ecosystem, as evidenced by research indicating that 40% of Indian startups that secured seed funding between \$500,000 and \$5 million in 2022 were devising solutions for international markets.



This trend is anticipated to intensify, with over 50% of upcoming startups expected to inherently possess a global perspective from their inception. A compelling testament to this global shift is Github's forecast, predicting that India's user base of 9.75 million developers will parallel that of the United States by 2025, underscoring the shift towards global perspectives in the Indian tech community.

These advancements take on added significance against the backdrop of elevated interest rates in developed economies, a scenario that can hinder startups by favoring established entities. In contrast, Indian startups have surged ahead, contributing approximately 4.5% to the nation's GDP in 2022. This momentum was fueled by startup funding accounting for around 0.1% to 0.3% of India's GDP in the preceding year, reaffirming their role as a driving force for economic dynamism.

Yet, India's narrative extends beyond emerging tech ventures. Established conglomerates, long associated with Indian enterprise, are attracting substantial investments. Interestingly, traditional investment avenues are broadening, with Singapore taking a leading role. In the latest fiscal year, Singapore directed \$17.2 billion FDI into India, surpassing conventional perceptions of US dominance in capital inflows. Notably, Mauritius contributed \$6.1 billion, and the United States \$6 billion, highlighting the diversified nature of these investments. Singapore's two-decade investment history in India has culminated in over \$140 billion, constituting a significant 23% of the nation's total FDI inflows.

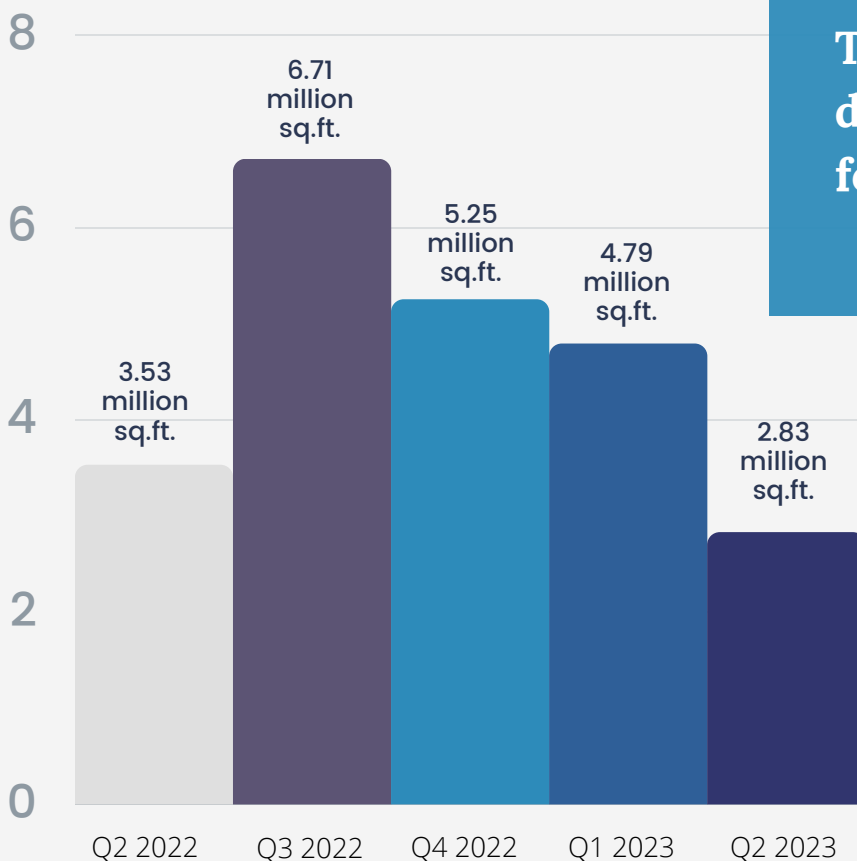
In essence, these monumental achievements resonate within India's ambitious pursuits, underscoring its unequivocal determination to engage with the \$100 trillion global economy.

DECODING GROSS LEASING ACTIVITY

Q2 2023

The Gross leasing volume figures (across office, retail & industrial stock) stands at 2.83 million sq.ft. for Gurugram

This translates to an overall decline of 41% over Q1 2023 for Gurugram



Steepest decline in Gross Leasing Volume at Gurugram over last 5 quarters

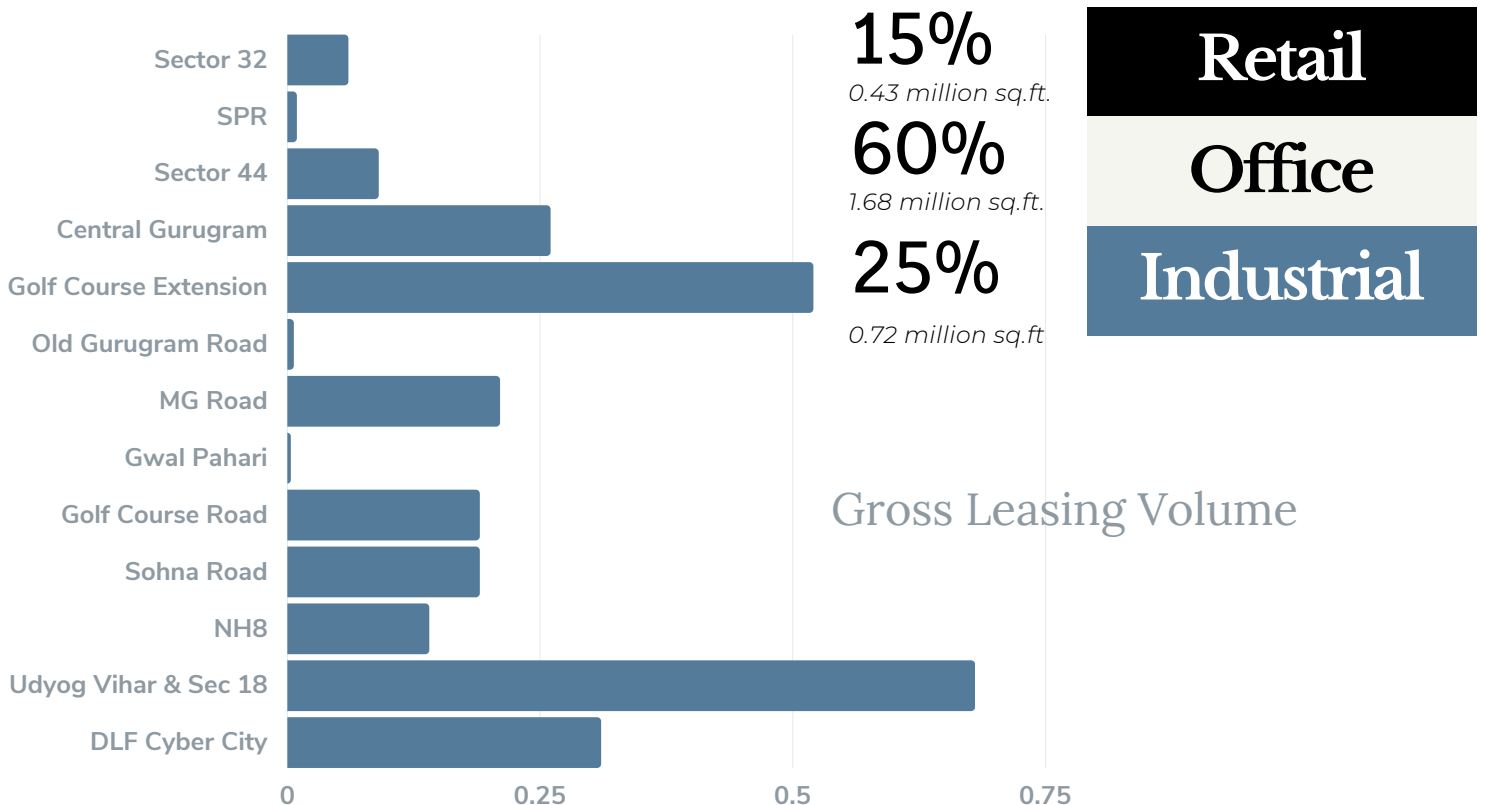


DISTRIBUTION OF TRANSACTION SIZE

59% Share of Pie by Volume - Transactions done within Q2 2023 with area size 10,000+ sq.ft. or more

01 Gurugram Q2 2023 figures

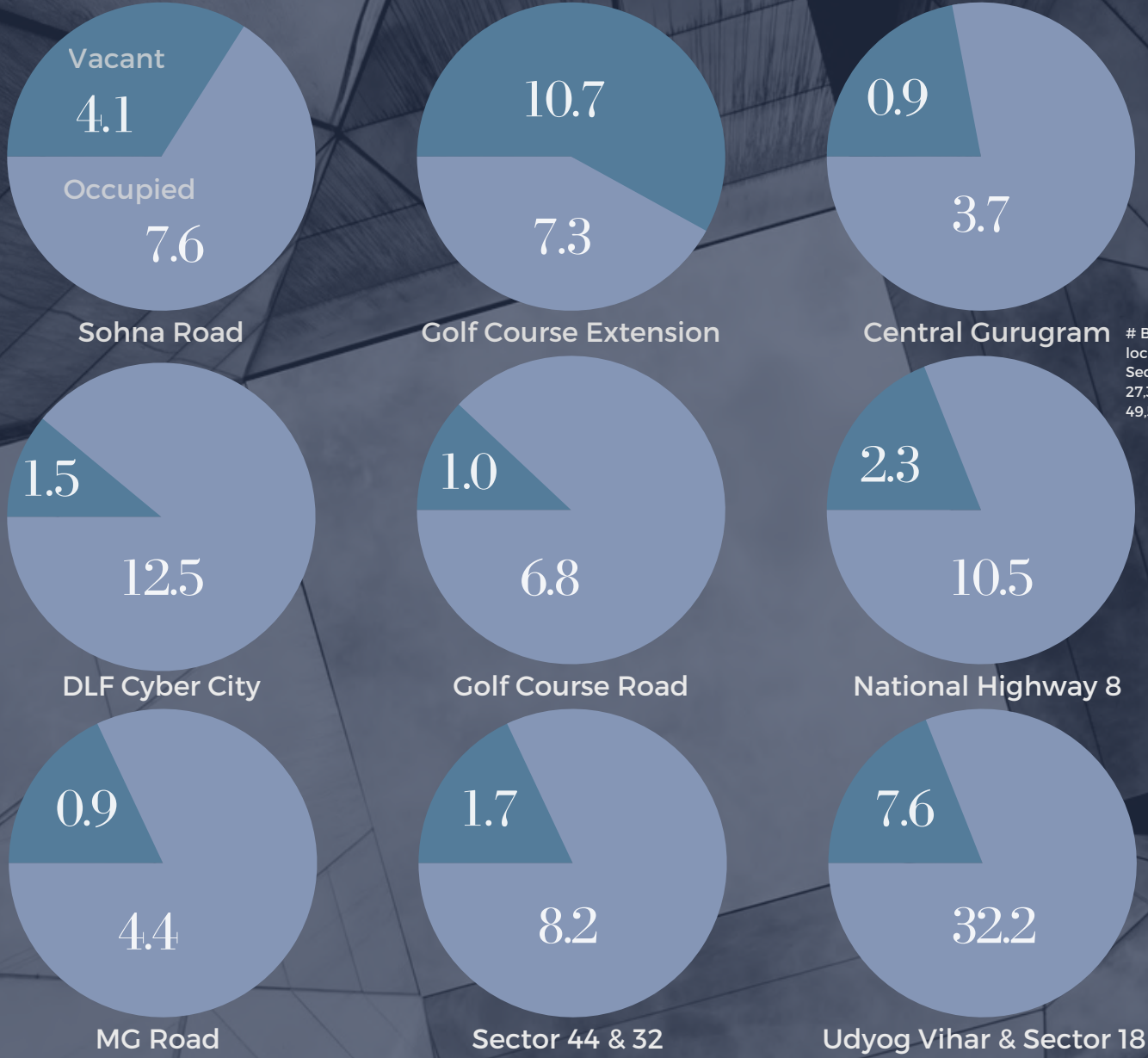
Drilldown - Total Leasing Volume - 2.83 million sq.ft.



Gross Leasing Volume

OFFICE

Occupancy & Vacancy Trends



Buildings located in Sectors 27,39,41,43,45,47, 49,50,51,52 & 57

■ Vacant
 ■ Occupied

As the rate of leasing activity decreases, Gurugram's market for commercial real estate is revisiting its previous state, **with vacancy rates reaching the levels last recorded in the fourth quarter of 2022, at 26%**. This market's maturation has revealed an interesting pattern: tenants are shifting towards more modern properties. A prominent illustration of this trend is the upcoming DLF Downtown Block 4. The demand for this space has exceeded its availability, leading to a remarkable 80% pre-leased status even before the construction of the building has been finalized.

02 Key Transactions

Gurugram | Q2 2023



TaskUs

iLabs, Udyog Vihar (60,000 sq.ft.)

Mamaearth

Capital Cyberscape (71,379 sq.ft.)

Rockman Group

Emaar Capital Tower (19,146 sq.ft.)

NLB Services

CapitaLand ITPG (28,608 sq.ft.)

Fresenius Medical Care

SAS Towers (25,000 sq.ft.)

HFCL

Plot No 229, Udyog Vihar (74,000 sq.ft.)

Dotpe

Unitech Cyber Park (28,608 sq.ft.)

Star Cement

Oberoi Corporate Tower (9,831 sq.ft.)



Key Office Takeups

Key Transactions

Gurugram | Q2 2023



Pall Mall

Mega City Mall (6,050 sq.ft.)

Starbucks

M3M IFC (3,332 sq.ft.)

Manbhavan Thali

Elan Town Centre (3,114 sq.ft.)

One8 Commune

M3M IFC (7,720 sq.ft.)

Sandoz Restaurant
Suncity Business Tower (5,800 sq.ft.)

Centre for Sight
M2K Corporate Park (8,128 sq.ft.)

GAP
Reach Airia (7,397 sq.ft.)

Kazo
Ambience Mall (2,620 sq.ft.)

Key Retail Takeups

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