MARKET IN MINUTES
Savills Research

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Hyderabad Market Snapshot Q1 2023

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OFFICE MARKET STATISTICS Q1 2023

Stock	New Supply			Gross Absorption			Rental Range	Vacancy
105.6 mn sq. ft.	3.7 mn sq. ft.	61% YOY increase	39% QOQ decrease	1.8 mn sq. ft.	50% YOY increase	50% QOQ increase	35-78 INR/sq.ft./month	23.7%

ABSORPTION

(mn sq. ft.)

2023F
6.0

YOY increase
3%

Gross absorption represents fresh leases and occupier sale, excludes renewals and pre-commitments

Top Leasing Markets
Q1 2023

SBD I
84%

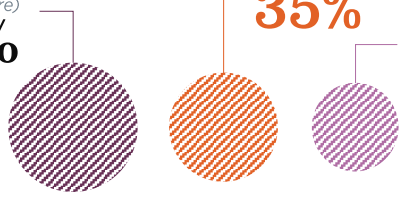
SBD II
16%

Drivers of Absorption Q1 2023

- **49%** IT-BPM
- **21%** BFSI
- **14%** Flexible Workspace

Size of Deals Dominating Q1 2023

- **Large** *(100,000 sq. ft. or more)* **49%**
- **Mid** *(25,000-99,999 sq. ft.)* **35%**
- **Small** *(<25,000 sq. ft.)* **16%**



SUPPLY

(mn sq. ft.)

2023F
13.8

YOY decrease
16%

Category of Supply
2023F

57% IT-Non SEZ

43% IT-SEZ

IT-SEZ: IT buildings in SEZs
IT-Non SEZ/IT: IT buildings outside SEZs
Non-IT: Commercial buildings

MICROMARKET STATISTICS Q1 2023

Micromarket	Stock (mn sq. ft.)	Vacancy	Rental Range (INR/ sq. ft./month)	Rental Outlook 2023F
SBD I	60.2	19.2%	55-78	⟷
SBD II	42.2	28.8%	50-65	⟷
PBD East	2.5	40.0%	35-45	⟷
PBD South	0.7	40.4%	35-40	⟷
Overall	**105.6**	**23.7%**	**35-78**	⟷

OUTLOOK INDICATORS

- ↑ Growth
- ↓ Under pressure
- ⟷ Stable

HYDERABAD MICROMARKETS

Secondary Business District I (SBD I) - HITEC City, Madhapur, Kondapur, Raidurg
Secondary Business District II (SBD II) - Gachibowli, Nanakramguda, Kokapet
Peripheral East (PBD East) - Pocharam, Uppal
Peripheral South (PBD South) - Shamshabad, Adibatla

Note:
#Central Business District areas like Jubilee Hills, Banjara Hills, and Begumpet are not considered on account of historically low absorption volumes.

KEY TRANSACTIONS
Q1 2023

HighRadius
SBD-I
KRC Building 12C
338,000

LSE (TCS)
SBD-I
Capitaland
150,000

Bank of America
SBD-I
KRC Building 2B
145,000

HDFC
SBD-II
Meenakshi Tech Park
125,000

Tenant
Micromarket
Building
Transacted Area* (sq. ft.)

Approximate and indicative areas only | All statistics for Grade A

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