



PROPERTY ONE ASIA RESEARCH

**PUNE COMMERCIAL REAL ESTATE
MAY 2009 UPDATE**

ASIA RESIDENTIAL

ANALYST : NEHA JAISWAL

PHONE : +91-22-65262307

FAX : +91-22-66756249

EMAIL : neha@propertyoneasia.com

CONTENTS

- Market Outlook
- Lease rental
- Capital Values
- Upcoming Projects
- Latest deals

**PUNE COMMERCIAL REAL ESTATE
MAY 2009 UPDATE**

ASIA RESIDENTIAL

ANALYST : NEHA JAISWAL
PHONE : +91-22-65262307
FAX : +91-22-66756249
EMAIL : neha@propertyoneasia.com

- Major CBD areas of Pune are Bund Garden, MG Road, Koregaon Park, and Kalyani Nagar has witnessed continued demand of offices of areas of 1000-3500 sq. ft.
- A total supply of 5 lakhs sq. ft. of Grade A office is expected to hit this quarter of which demand is only of 20%. This has lead to price gap and softening of lease rentals.
- Peripheral business districts of Pune i.e. Hinjewadi, Kharadi, Magarpatta, Hadapsar is gaining momentum for preferred location of IT and ITES.
- Vacancy rates in peripheral business district have been to an extent of 30% from last month which has lead to correction in lease rentals in these areas.
- Lease rentals in the peripheral business districts is as follows:
 - Magarpatta has a rental of Rs. 35-40 per sq. ft.
 - Kharadi has a rental of Rs. 30-40 per sq. ft.
 - Vimannagar has a rental of Rs. 30-40 per sq. ft.
- Capital Value at these locations has not taken a major shift form the 1st qtr. '09:
 - Magarpatta has a capital value of Rs. 8000 per sq. ft.
 - In Kharadi almost all the projects are on lease basis.
 - Vimannagar has a capital value of Rs. 3000-3200 per sq. ft.
- Major leasing transactions are happening in K. Raheja Commerzone because it is leasing out at a discount of 20-30%. The lease rental prevailing in Commerzone is in the range of Rs. 35-42 per sq. ft.
- Some of the major clients in Commerzone are:

**PUNE COMMERCIAL REAL ESTATE
MAY 2009 UPDATE**

ASIA RESIDENTIAL

ANALYST : NEHA JAISWAL

PHONE : +91-22-65262307

FAX : +91-22-66756249

EMAIL : neha@propertyoneasia.com

Clients	Area (‘000 sq. ft.)
3 Global Services	350
Opus Software	50
Aircel	15
SLK Global	15

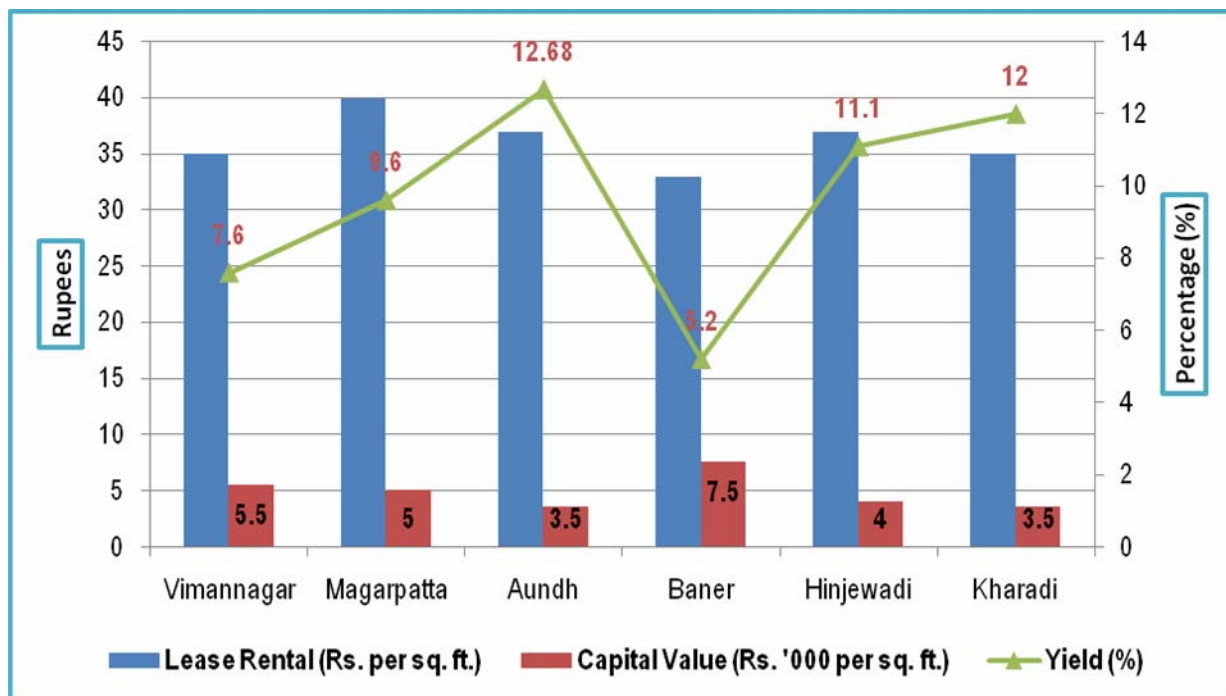
- 5000 sq. ft. of space has been sold out in Lalvani Vaastu in Vimannagar at a capital value of Rs. 5000 per sq. ft.
- 3 floors of 5000 sq. ft. each have been sold out to investment companies in Lalvani Vaastu in Vimannagar and now they are leasing it out.

PUNE COMMERCIAL REAL ESTATE
MAY 2009 UPDATE

ASIA RESIDENTIAL

ANALYST : NEHA JAISWAL
PHONE : +91-22-65262307
FAX : +91-22-66756249
EMAIL : neha@propertyoneasia.com

Comparison of Lease Rental, Capital Value and Yield (April '09)



Kharadi is emerging as an IT hub with many IT companies being clustered in this location due to availability of supply as well as affordability of space in this area.

Major CBD areas like Vimannagar have witnessed a correction of 5% from last month in Grade A buildings. The maximum yield is fetched by Aundh (12.68%) which is 20% less than what was earlier witnessed in Aundh (15%).



PROPERTY ONE ASIA RESEARCH

PUNE COMMERCIAL REAL ESTATE MAY 2009 UPDATE

ASIA RESIDENTIAL

ANALYST : NEHA JAISWAL

PHONE : +91-22-65262307

FAX : +91-22-66756249

EMAIL : neha@propertyoneasia.com

Lease rental prevailing in Kharadi is approx. Rs. 30-40 per sq. ft. however a deal of Rs. 65 has been made in this region. Rentals are subject to vary depending upon the location, developer, and client.

**PUNE COMMERCIAL REAL ESTATE
MAY 2009 UPDATE**

ASIA RESIDENTIAL

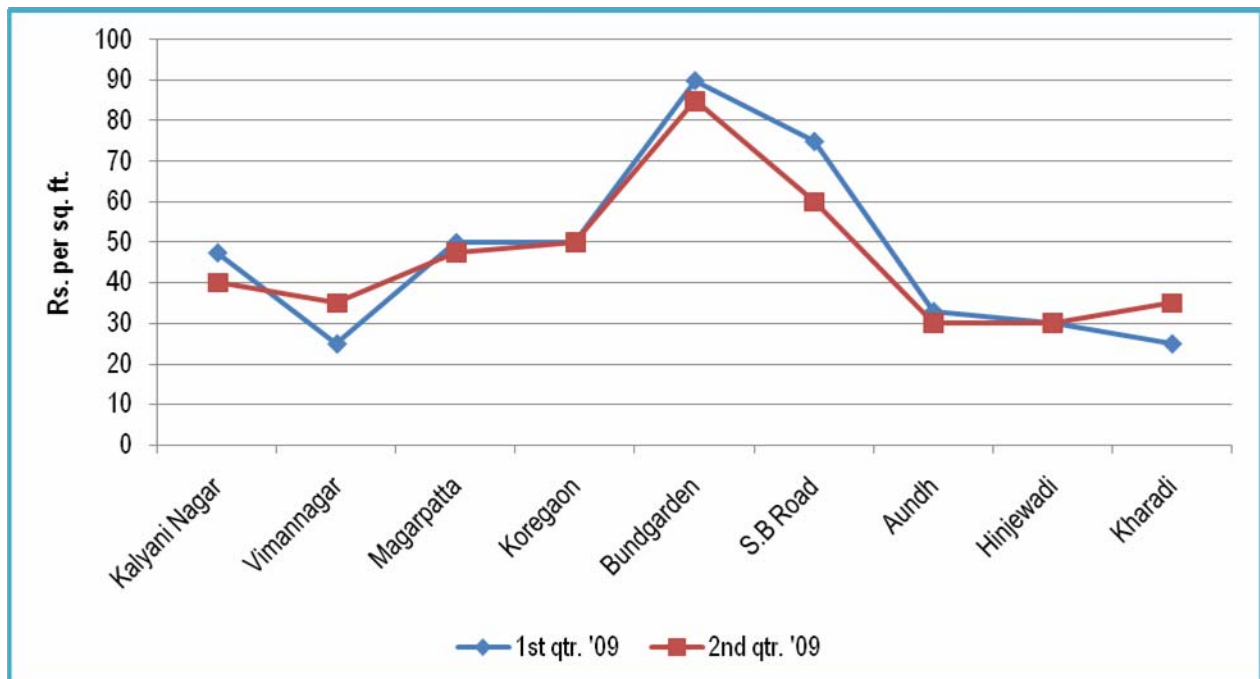
ANALYST : NEHA JAISWAL

PHONE : +91-22-65262307

FAX : +91-22-66756249

EMAIL : neha@propertyoneasia.com

Comparison of Lease Rental (April '09 and March '09)



In most of the commercial business areas there is a drop in lease rental however in places like Kharadi lease rental have increased from Rs. 25 per sq. ft. to Rs. 35 per sq. ft. due to many IT parks coming in this region.

One of the biggest IT Park coming in Kharadi is EON IT Park by Panchashil.



PROPERTY ONE ASIA RESEARCH

PUNE COMMERCIAL REAL ESTATE MAY 2009 UPDATE

ASIA RESIDENTIAL

ANALYST : NEHA JAISWAL

PHONE : +91-22-65262307

FAX : +91-22-66756249

EMAIL : neha@propertyoneasia.com

Similarly there are 3-4 IT parks coming up in Magarpatta. Amanora IT Park is coming up by Citi Group in Magarpatta.

Lease rental prevailing in Commerzone at Yerawada by K. Raheja is 20-30% less than what it was prevalent last quarter.

Both the developers and the buyers have a different opinion to the lease rates and the capital values. One of the developers in Pune is of the opinion that the market is stable and will not be corrected much. They are ready to keep their plot vacant but not negotiate.

The buyers are of the opinion that the lease rates will further go down by approx. 15-20%.

**PUNE COMMERCIAL REAL ESTATE
MAY 2009 UPDATE**

ASIA RESIDENTIAL

ANALYST : NEHA JAISWAL

PHONE : +91-22-65262307

FAX : +91-22-66756249

EMAIL : neha@propertyoneasia.com

CAPITAL VALUE

Capital value at some of the major locations in Pune is as follows:

Location	Capital Value (Rs. '000 per sq. ft.)
Vimannagar	5
Magarpatta	5.5
Yerawada	5
Aundh	4
Hinjewadi	3.6
Kharadi	3

- Capital value prevailing in Lalvani Vaastu in Vimannagar is Rs. 5000 per sq. ft.
- Capital value prevailing in Gigaspace in Vimannagar is Rs. 6000 per sq. ft.
- Capital value prevailing in Marvel Group's 11 acres land project is Rs. 9000 per sq. ft.
- There has been a softening of approx. 10% with capital value at subsidiary locations such as Kharadi, Magarpatta.

**PUNE COMMERCIAL REAL ESTATE
MAY 2009 UPDATE**

ASIA RESIDENTIAL

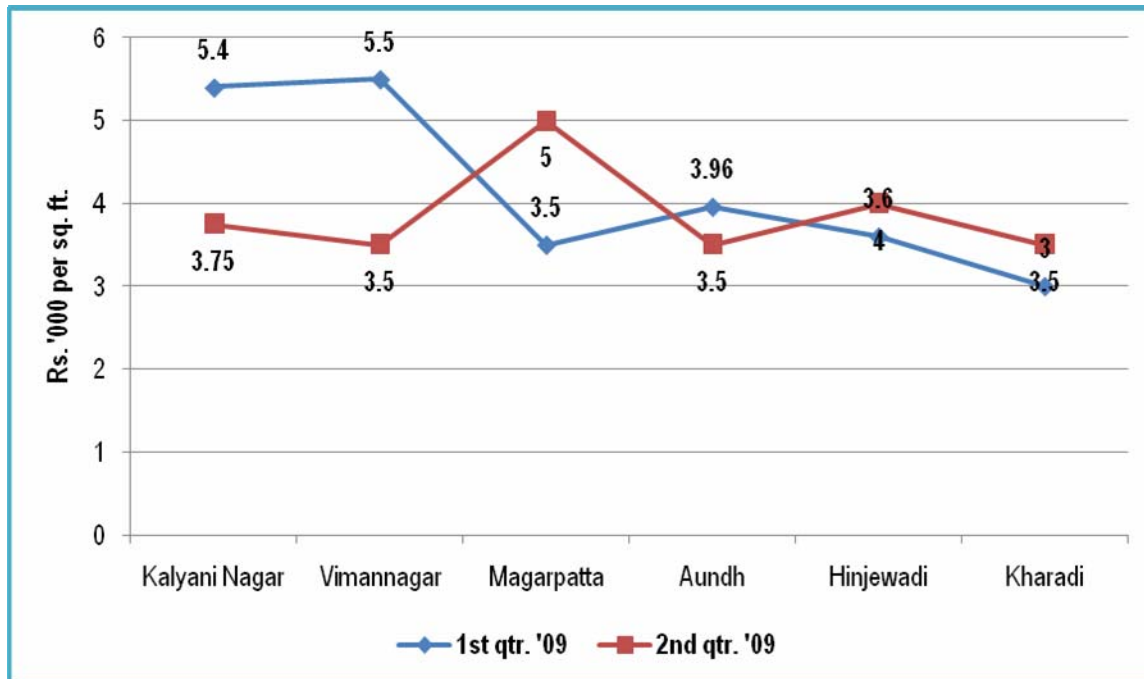
ANALYST : NEHA JAISWAL

PHONE : +91-22-65262307

FAX : +91-22-66756249

EMAIL : neha@propertyoneasia.com

Comparison of Capital value (April '09 and March '09)



Magarpatta emerging as an IT hub has seen an escalation in capital value from Rs. 3500 per sq. ft. to Rs. 5000 per sq. ft. This shows it has increased to an extent of 30% because of more IT offices and commercial offices coming in this region.

All other places have seen a decline to an extent of 15-20%.

**PUNE COMMERCIAL REAL ESTATE
MAY 2009 UPDATE**

ASIA RESIDENTIAL

ANALYST : NEHA JAISWAL

PHONE : +91-22-65262307

FAX : +91-22-66756249

EMAIL : neha@propertyoneasia.com

UPCOMING PROJECTS

Project/Developer	Location	Area (sq. ft.)	Status
Commerzone	Yerawada	2.5 million	2 nd qtr. '09
Gigaspace	Vimannagar	130000 (vacant)	Completed
Marvel	Magarpatta Road	11 acres	300000 sq. ft. in May '09
Panchashil Tech Park	Hinjewadi	225000	
Panchashil Tech Park	Vimannagar	140000	
Business Bay (Panchashil)	Airport Road	1.65 million	2009
Phoenix Market City	Nagar Road	300000	2009
Embassy Tech Zone	Hinjewadi	300000	1 st qtr. '09
Kumar Cerebrum	Kalyani Nagar	200000	July '09
SP Infocity	Sholapur Road	180000	1 st . qtr. '09
Vascon Engineering			
Weikfield IT Citi Info Park	Nagar Road	550000	Ongoing
Phoenix	Hinjewadi	500000	Ongoing
Matrix	Wakdewadi	250000	Ongoing
Almonte IT Park	Kharadi	332000	Ongoing
Business @ Mantri	Kalyani Nagar	450000	Complete



PROPERTY ONE
ASIA RESEARCH

**PUNE COMMERCIAL REAL ESTATE
MAY 2009 UPDATE**

ASIA RESIDENTIAL

ANALYST : NEHA JAISWAL

PHONE : +91-22-65262307

FAX : +91-22-66756249

EMAIL : neha@propertyoneasia.com

**PUNE COMMERCIAL REAL ESTATE
MAY 2009 UPDATE**

ASIA RESIDENTIAL

ANALYST : NEHA JAISWAL
PHONE : +91-22-65262307
FAX : +91-22-66756249
EMAIL : neha@propertyoneasia.com

LATEST DEALS

- 11400 sq. ft. of outright deal of office space with Clearing Corporation of India at a capital value of Rs. 5000 per sq. ft.
- 3 floors of office space of 5000 sq. ft. each has been sold to investment companies at Rs. 5000 sq. ft. each and now they are planning to lease out the property.
- A lease deal at Rs. 65 per sq. ft. has been done by Jones Lang LaSalle. Some of the clients in this building are HSBC, ITC, John Deere.
- 350000 sq. ft. of office space has been leased out at Commerzone in Yerwada to 3Global Services at a rental of Rs. 35-42 per sq. ft.
- 50000 sq. ft of office space has been leased out to Opus Software at Commerzone in Yerwada at a rental of Rs. 35-42 per s. ft.
- 15000 sq. ft. of office space has been leased out to Aircel at Commerzone in Yerwada at a rental of Rs. 35-42 per sq. ft.
- 15000 sq. ft. of office space has been leased out to SLK Global at Commerzone in Yerawada at a rental of Rs. 35-42 per sq. ft.
- 8000 sq. ft. has been leased out to Vodafone in Commerzone at Yerawada.
- 7500 sq. ft. has been leased out to an insurance company in Sohrab Hall.
- 50000 sq. ft. has been leased out to Aegis BPO in Commerzone at a lease rate of approx. Rs. 25-28 per sq. ft.
- A lease deal of 20000 sq. ft. is done in Giga Space at a lease rate of approx. Rs. 36 per sq. ft.



PROPERTY ONE ASIA RESEARCH

PUNE COMMERCIAL REAL ESTATE MAY 2009 UPDATE

ASIA RESIDENTIAL

ANALYST : NEHA JAISWAL
PHONE : +91-22-65262307
FAX : +91-22-66756249
EMAIL : neha@propertyoneasia.com

ABOUT PROPERTYONE ASIA

PropertyONE is Asia's preferred Real Estate Broker and provides Real Estate Sales & Leasing Services through owned offices or through its franchises. PropertyONE specializes in Real Estate Sales & Leasing Services, Real Estate Investment Advisory & Research services

SERVICES

Asset Services

- Real Estate Brokerage Services
- Real Estate Research Services
- Real Estate Consulting
- Real Estate Investment Advisory Services
- Real Estate Investment Management Services
- Real Estate Franchise Services

PRACTICES

- Residential
- Commercial
- Retail
- Hospitality
- Industrial & Logistics
- IT Parks

CONTACT INFORMATION:

Franchise Information: Hari Vishwanath –
Real Estate Investment Practice: Yesha Mehta -
Institutional Sales & Leasing: Purnima Oswal -

hari@propertyoneasia.com
yesha@propertyoneasia.com
purnima@propertyoneasia.com



PROPERTY ONE ASIA RESEARCH

PUNE COMMERCIAL REAL ESTATE MAY 2009 UPDATE

ASIA RESIDENTIAL

ANALYST : NEHA JAISWAL
PHONE : +91-22-65262307
FAX : +91-22-66756249
EMAIL : neha@propertyoneasia.com

India Office
R-501, Remi Bizcourt
Shah Industrial Area
Off Veera Desai Road
Andheri (West), Mumbai 400 053
India

Tel: +91-22-6675-6612
Fax: +91-22-6675-6249

Website: www.propertyoneasia.com

DISCLAIMER

- This information is for Institutional Investors and Northbridge Capital clients only. It is not meant for public circulation
- No transmission of this information in any form or medium is allowed without the written authorization of Northbridge Capital
- This is not a solicitation to buy or sell any security in any jurisdiction