



**BNP PARIBAS
REAL ESTATE**

RESEARCH |

CITY REPORT
MUMBAI OFFICE MARKET
Q1 2010



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SUMMARY

Sentiment is turning positive as price points are becoming more affordable

The new year started on a positive note as many commercial office transactions were reported in the Mumbai metropolitan area. Backed by the increase in hiring plan and improved performance on the indices for the quarter ending December 2009, the momentum for Commercial Real Estate (CRE) picked up dramatically in Q1 2010. As commercial prices corrected significantly over the last 12 months, large space occupiers started to buy real estate instead of leasing it. This trend is substantiated by Axis bank buying 400,000 sq.ft. from Wadia group at Worli (Extended CBD). Further, two other corporate end users, reportedly bought 500,000 sq.ft. and 100,000 sq.ft. of space in Airoli (Periphery Business District). These large scale commercial transactions is a signal towards revival of commercial real estate markets in Mumbai and will propel other large space occupiers to fasten their decision making for real estate. Among the various districts, Bandra Kurla Complex (BKC) (part of Alternate CBD) remains the favourite destination for premium occupier. Many multinationals and large Indian companies especially in the banking and financial services are scouting for space in this district. Due to this reason, the Q1 2010 rates for Bandra Kurla Complex (BKC) showed a healthy growth over the last quarter. Airoli, which is part of PBD is another location, which witnessed an increase in rates and generated a lot of interest especially in the SEZ space from export houses and IT/ITES companies. Both of these locations have strong backing of the state government in terms of implementation of various urban planning projects and have relatively better urban services and utilities. In most of the other districts, the rates remained stable in comparison to the last quarter.

The Q1 of 2010 also witnessed heightened interest from developers and landlords to buy new land parcels for development. Key land transactions reported in the city include Bhushan Steel Consortium buying 200 acres of land at Kharghar (PBD) for approximately USD 345 mn.(INR 1530 crores). Further, Sheth developers also reportedly bought the Golden Tobacco land at Vile Parle for USD 130 mn. (INR 591 crores) and Wadhwa Builders reportedly bought 18.18 acres of land at Ghatkopar for USD 128 mn. (INR 571 crores).

These land deals at the beginning of 2010, have encouraged several other land agencies like Railway Land Authority, National Textile Corporation and MMRDA to release more land in the city. However, these agencies, are required to keep a friendly and flexible pricing structure so as to successfully sell as the land investor is not yet ready to pay a premium on these land parcels. A case in point is a recent auction in Alternate Central Business District (ACBD) of Bandra Kurla Complex (BKC), which did not attract any buyers due to very high floor price. Overall, the occupier sentiment for CRE business has turned positive and it is expected that demand for CRE will continue to grow and the CRE prices are expected to rise in the next quarter in certain business districts of Mumbai.

From the small and medium investor point of view, the yields on commercial estate market dropped due to increase in capital values in certain markets as rents remained the same. Further, with the increase in property tax computation and introduction of service tax on commercial rents, the yields for commercial real estate are expected to drop further. However, there is a revival of interest from large private equity players and other real estate funds for commercial properties as they take a long term view on Indian economy on general and also anticipate speedy implementation of upcoming infrastructure projects in Mumbai.

MACROECONOMIC CONTEXT

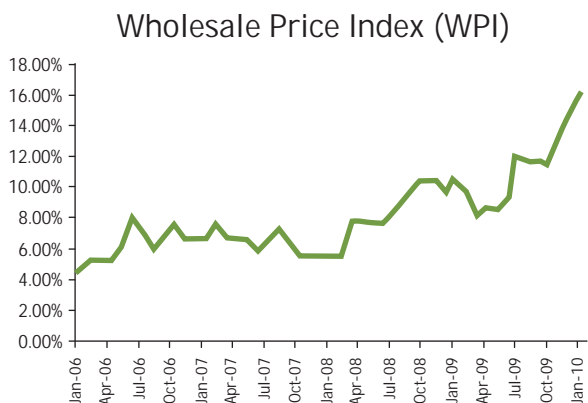
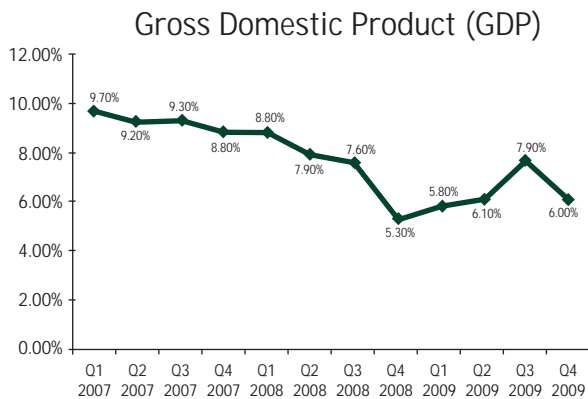
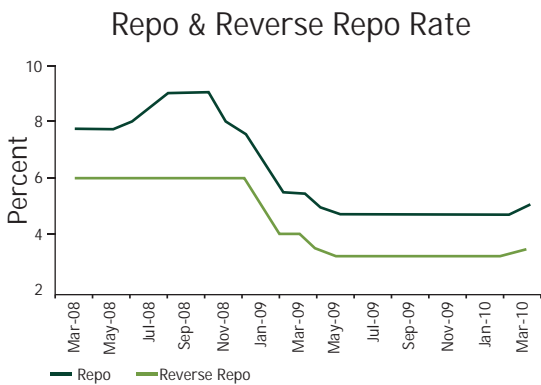
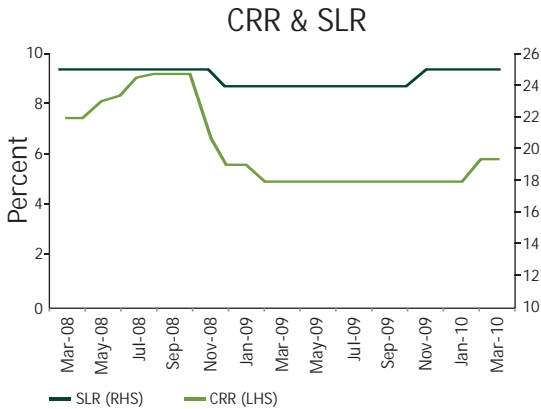
CRR rate Hiked. Focus now to manage growth and balance inflation

With the significant recovery in the economic scenario in India, the policy makers have changed their focus from "aspiring for growth" to "managing growth" and balancing inflation. The Wholesale Price Index (WPI) for the month of January 2010 picked up sharply with the food inflation touching the average of 20% for the last 3 months. In its quarterly review policy, the Central Bank i.e The Reserve Bank of India has decided to hike the CRR by 0.75%. This move indicates a gradual withdrawal of the accommodative monetary stance and is in the direction of managing growth and balancing inflation. Further, on March 19, 2010, the RBI also raised the repo rate & reverse repo rate by 25 basis points each. The revised Repo Rate & Reverse Repo Rate now stands at 5% and 3.5% respectively. It is expected that these rates will rise further in April 2010.

Due to this rise in rates, it is expected that the home finance companies will also raise their interest rates shortly. This will put pressure on the residential real estate market.

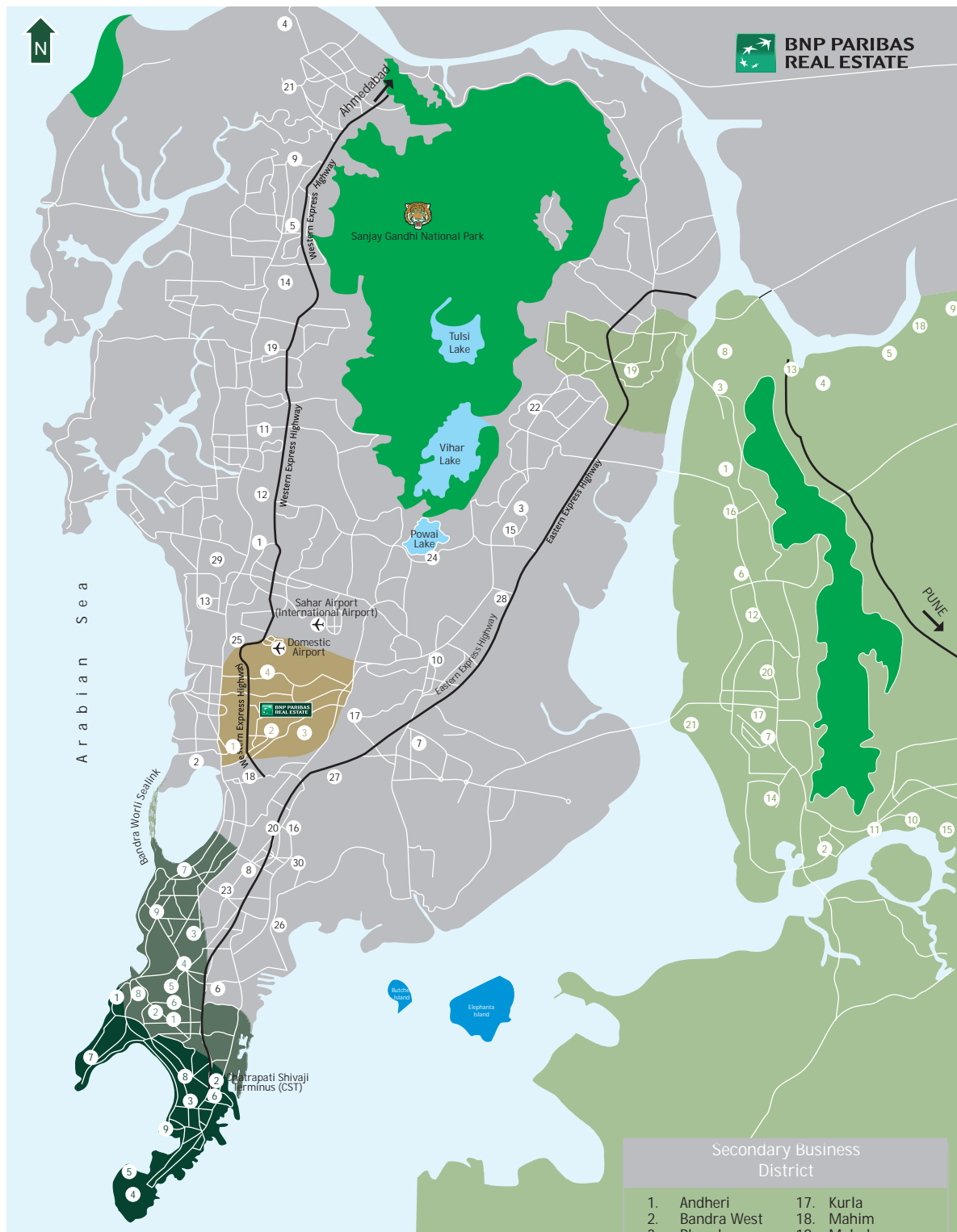
The union budget has also been announced in Feb 2010. From the real estate perspective, the announcements are seen as a mixed bag of cheers and sneers. In an unexpected move, the construction services have now been brought under the ambit of the service tax which will raise cost of apartments that are still under construction. The service tax levy would be 10.3% and would also apply to additional services such as those offering preferential locations for flats in multi-storey buildings where flats in each floor are priced at a premium due to their location. In a nutshell, the tax will have a 3.3% additional burden on prospective home buyer and shall be applicable from July 2010. Further, there is a proposal to bring all lease agreements pertaining to commercial property, including offices, business centers, shop and malls, cold storage facilities and warehouses as well as all other premises used for business purposes under the purview of service tax. This will increase the overall occupancy cost for the commercial space occupier. However since currently it is a buyer's market, it is expected that the property owners will be sharing this additional burden with the occupier. It is also expected that this move will further dissuade the property investor to invest in commercial real estate as most of the state governments have also increased the property tax on commercial property. To put it briefly, the yields on commercial property are expected to fall further.

Among other proposals, there was no mention of extending the tax exemption limit on software technology parks which was largely anticipated by real estate developers. However, 2% interest subvention on SEZs was extended till March 2011. This extension is till March 2011 with an additional allocation of USD 150 million. There is also a suggestion that the commercial area included in a housing project would now be 3% of the aggregate built-up area of the housing project or 5,000 sq. ft, whichever is higher, compared to the existing limit of 2% and 2,000 sq.ft. respectively.



Source: Confederation of Indian Industries

MUMBAI MAP



Central Business District	
1.	Breach Candy
2.	Chatrapati Shivaji Terminus (CST)
3.	Churchgate
4.	Colaba
5.	Cuffe Parade
6.	Fort
7.	Malabar Hill
8.	Marine Line
9.	Nariman Point

Extended Central Business District	
1.	Gingaoon
2.	Grant Road
3.	Lower Parel
4.	Mahalakshmi
5.	Mumbai Central
6.	Pedder Road
7.	Prabhadevi
8.	Tardeo
9.	Worli

Alternate Central Business District	
1.	Bandra
2.	Bandra East
3.	Bandra Kurla Complex
4.	Santacruz East (Kalina)

Secondary Business District			
1.	Andheri	17.	Kurla
2.	Bandra West	18.	Mahim
3.	Bhandup	19.	Malad
4.	Bhayander	20.	Matunga East
5.	Borivali	21.	Mira Road
6.	Byculla	22.	Mulund
7.	Chembur	23.	Parel
8.	Dadar	24.	Powai
9.	Dahisar	25.	Santacruz
10.	Ghatkopar	26.	Sewri
11.	Goregaon	27.	Sion
12.	Jogeshwari	28.	Vidya Vihar
13.	Juhu	29.	Vikhroli
14.	Kandivali	30.	Vile Parle
15.	Kanjurmarg	31.	Wadala
16.	Kings Circle		

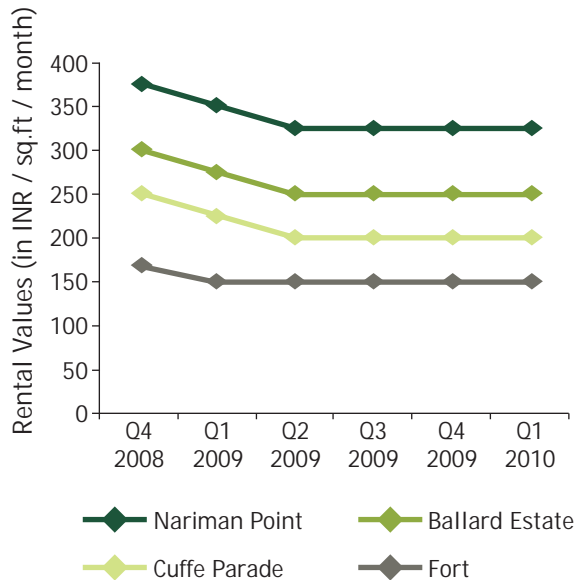
Periphery Business District	
1.	Airoli
2.	Belapur
3.	Dighe
4.	Divia
5.	Dombivali
6.	Ghansoli
7.	Jui Nagar
8.	Kalwa
9.	Kalyan
10.	Khandeshwar
11.	Kharghar
12.	Koper Khairne
13.	Mumbra
14.	Nerul
15.	Panvel
16.	Rabale
17.	Sanpada
18.	Thakurli
19.	Thane
20.	Turbhe
21.	Vashi

CENTRAL BUSINESS DISTRICT (CBD)

Vacancy is increasing at a rapid pace

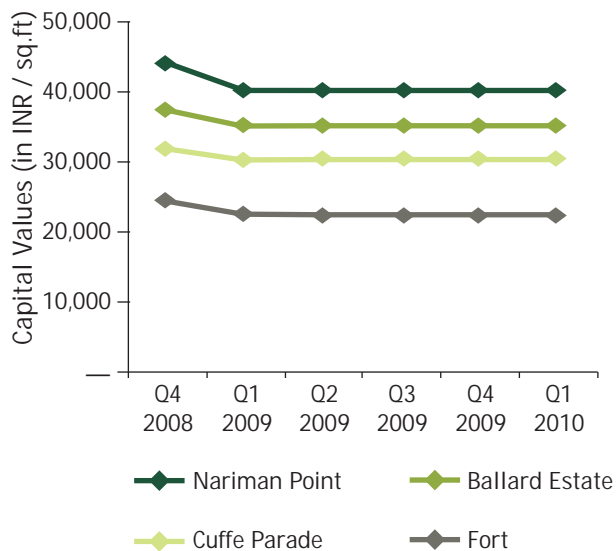
There is a continuous movement of corporate occupiers from CBD to ECBD and ACBD areas of Mumbai, especially in the Banking & Financial Services Industry (BFSI). Due to this, the vacancy level is increasing and is expected that the vacancy will touch 25% by end of June 2010. This will put downward pressure on leasing rents and capital values.

The average headline rentals & capital values for the last 6 quarters are as follows:-



RENTAL VALUES (INR / SQ.FT / MONTH)						
	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
Ballard Estate	300	275	250	250	250	250
Cuffe Parade	250	225	200	200	200	200
Fort	170	150	150	150	150	150
Nariman Point	375	350	325	325	325	325

Source: BNP Paribas Real Estate, India



CAPITAL VALUES (INR / SQ.FT)						
	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
Ballard Estate	38,000	35,000	35,000	35,000	35,000	35,000
Cuffe Parade	32,000	30,000	30,000	30,000	30,000	30,000
Fort	25,000	22,500	22,500	22,500	22,500	22,500
Nariman Point	45,000	40,000	40,000	40,000	40,000	40,000

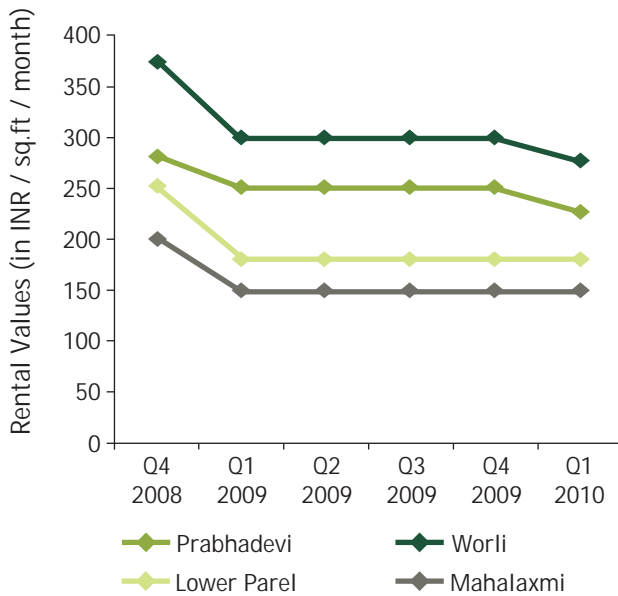
Source: BNP Paribas Real Estate, India

EXTENDED CENTRAL BUSINESS DISTRICT (ECBD)

Price correction is needed to satiate the increasing supply

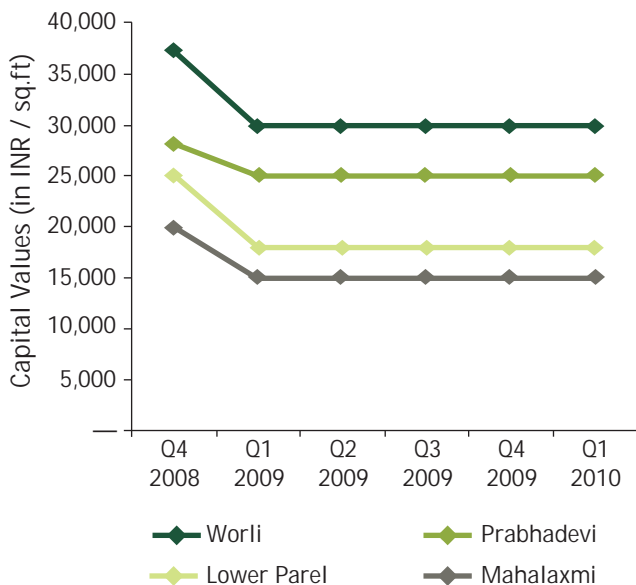
This district has seen a few transactions in the past quarter; however, the supply still outstrips the demand. The lease rental and capital values therefore have not increased. Further, a lot of new supply to the tune of 2 million sq. ft. will be added by end of 2010 and this will keep the prices in check.

The average headline rentals & capital values for the last 6 quarters are as follows:-



RENTAL VALUES (INR / SQ.FT / MONTH)						
	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
Lower Parel	250	180	180	180	180	180
Mahalaxmi	200	150	150	150	150	150
Prabhadevi	280	250	250	250	250	225
Worli	375	300	300	300	300	275

Source: BNP Paribas Real Estate, India



CAPITAL VALUES (INR / SQ.FT)						
	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
Lower Parel	25,000	18,000	18,000	18,000	18,000	18,000
Mahalaxmi	20,000	15,000	15,000	15,000	15,000	15,000
Prabhadevi	28,000	25,000	25,000	25,000	25,000	25,000
Worli	37,500	30,000	30,000	30,000	30,000	30,000

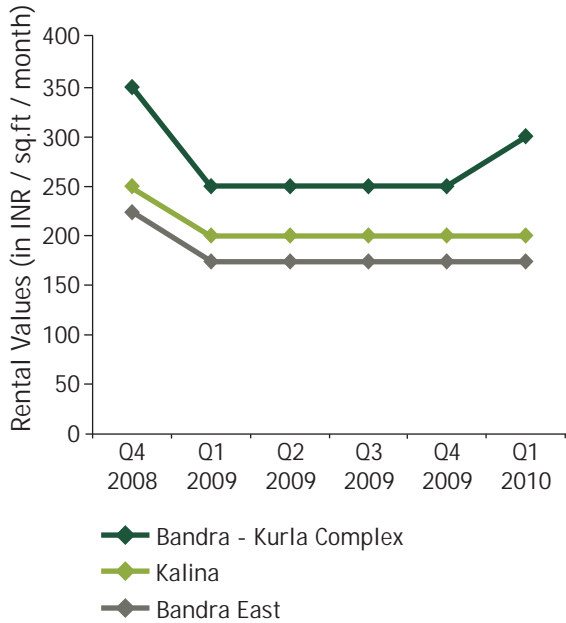
Source: BNP Paribas Real Estate, India

ALTERNATE CENTRAL BUSINESS DISTRICT (ALTERNATE CBD)

Preferred District for corporate occupiers

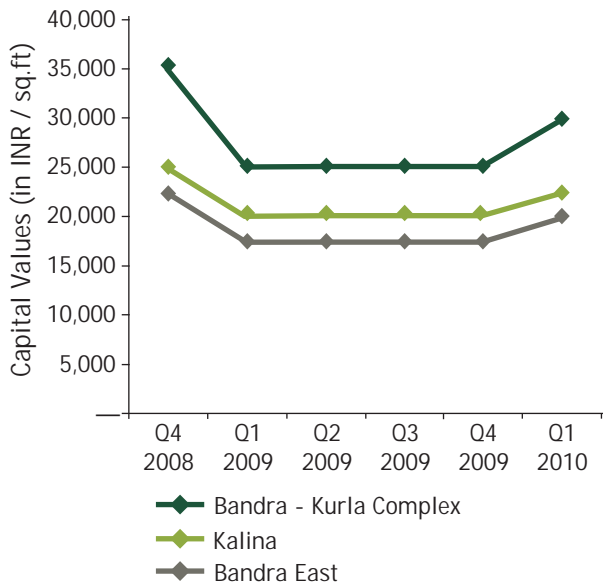
The leasing and the capital values have improved as compared to the last quarter. The occupancy levels in most of the ready to move in buildings improved to an average of 70%. The demand is mainly from banking and financial services companies, to occupy large format offices in the range of 25,000 - 50,000 sq.ft. However, there is also demand from the telecom & pharmaceutical sector to occupy small and medium offices. In this quarter, a lot of small and medium size investors bought space in upcoming commercial towers.

The average headline rentals & capital values for the last 6 quarters are as follows:-



RENTAL VALUES (INR / SQ.FT / MONTH)						
	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
Bandra - Kurla Complex	350	250	250	250	250	300
Bandra East	225	175	175	175	175	175
Kalina	250	200	200	200	200	200

Source: BNP Paribas Real Estate, India



CAPITAL VALUES (INR / SQ.FT)						
	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
Bandra - Kurla Complex	35,000	25,000	25,000	25,000	25,000	30,000
Bandra East	22,500	17,500	17,500	17,500	17,500	20,000
Kalina	25,000	20,000	20,000	20,000	20,000	22,500

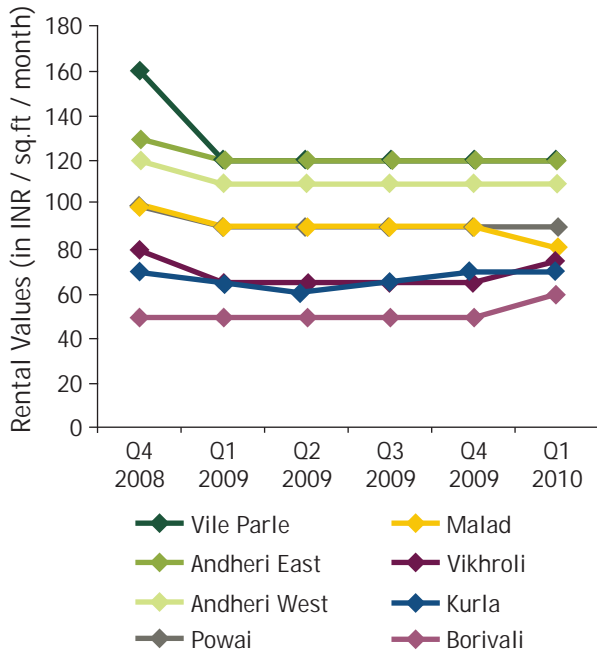
Source: BNP Paribas Real Estate, India

SECONDARY BUSINESS DISTRICT (SBD)

Supply is still outstripping demand

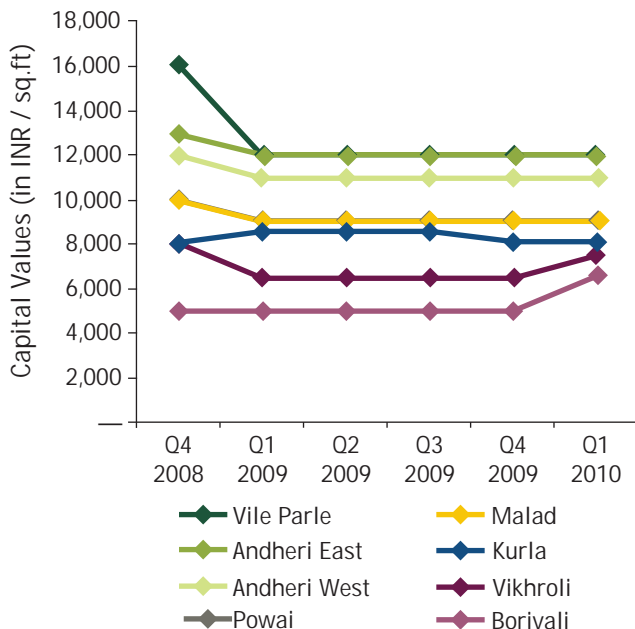
Although this market saw a few occupiers confirming their requirement, supply still exceeds the demand. Further, a lot of second hand supply is expected to come up in this market as large occupiers relocate to cheaper alternative locations in the PBD. This will further put pressure on the prices. This quarter witnessed some activity in Powai & Vikhroli wherein occupiers confirmed spaces in excess of 100,000 sq. ft.

The average headline rentals & capital values for the last 6 quarters are as follows:-



RENTAL VALUES (INR / SQ.FT / MONTH)						
	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
Andheri E	130	120	120	120	120	120
Andheri W	120	110	110	110	110	110
Borivali	50	50	50	50	50	60
Kurla	70	65	60	65	70	70
Malad	100	90	90	90	90	80
Powai	100	90	90	90	90	90
Vikhroli	80	65	65	65	65	75
Vile Parle	160	120	120	120	120	120

Source: BNP Paribas Real Estate, India



CAPITAL VALUES (INR / SQ.FT)						
	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
Andheri E	13,000	12,000	12,000	12,000	12,000	12,000
Andheri W	12,000	11,000	11,000	11,000	11,000	11,000
Borivali	5,000	5,000	5,000	5,000	5,000	6,500
Kurla	8,000	8,500	8,500	8,500	8,000	8,000
Malad	10,000	9,000	9,000	9,000	9,000	9,000
Powai	10,000	9,000	9,000	9,000	9,000	9,000
Vikhroli	8,000	6,500	6,500	6,500	6,500	7,500
Vile Parle	16,000	12,000	12,000	12,000	12,000	12,000

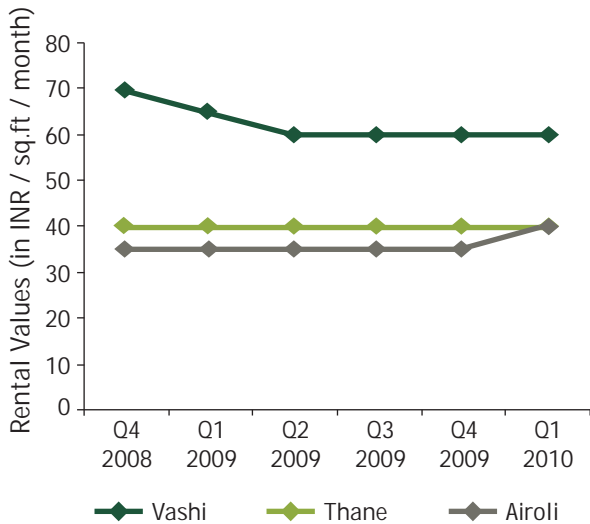
Source: BNP Paribas Real Estate, India

PERIPHERY BUSINESS DISTRICT (PBD)

Increase in demand from BPOs/ ITES sector for SEZ space

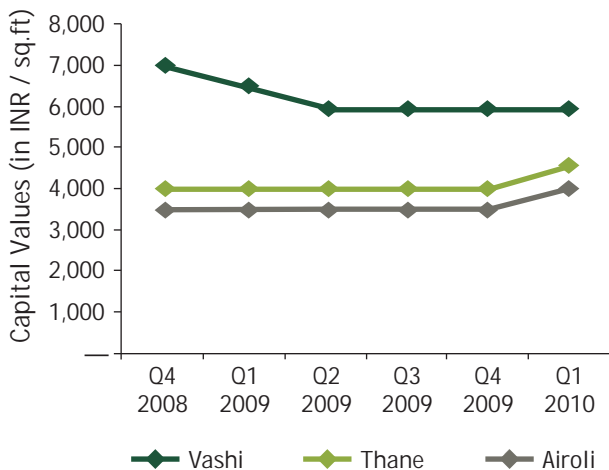
For the Q1 of 2010, the PBD was undoubtedly the most vibrant region in the Mumbai CRE market. It recorded land transaction worth USD 344 million (INR 1530 Crores) & also recorded 500,000 sq ft of purchase transaction in Airoli. The SEZ space is expected to be fully absorbed in this area by end of 2010 as corporates showed clear intent to move their back office in this district.

The average headline rentals & capital values for the last 6 quarters are as follows:-



RENTAL VALUES (INR / SQ.FT / MONTH)						
	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
Airoli	35	35	35	35	35	40
Thane	40	40	40	40	40	40
Vashi	70	65	60	60	60	60

Source: BNP Paribas Real Estate, India



CAPITAL VALUES (INR / SQ.FT)						
	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
Airoli	3,500	3,500	3,500	3,500	3,500	4,000
Thane	4,000	4,000	4,000	4,000	4,000	4,500
Vashi	7,000	6,500	6,000	6,000	6,000	6,000

Source: BNP Paribas Real Estate, India

RENTAL VALUES FOR Q1 2010

CBD			
Region	Rent INR/ sq.ft/ month	Q on Q Change	
Ballard Estate	250	0%	→
Cuffe Parade	200	0%	→
Fort	150	0%	→
Nariman Point	325	0%	→

Extended CBD			
Region	Rent INR/ sq.ft/ month	Q on Q Change	
Lower Parel	180	0%	→
Mahalaxmi	150	0%	→
Prabhadevi	250	0%	→
Worli	275	-8%	↘

Alternate CBD			
Region	Rent INR/ sq.ft/ month	Q on Q Change	
Bandra - Kurla Complex	300	20%	↗
Bandra East	175	0%	→
Kalina	200	0%	→

SBD			
Region	Rent INR/ sq.ft/ month	Q on Q Change	
Andheri E	120	0%	→
Andheri W	110	0%	→
Borivali	60	20%	↗
Kurla	70	0%	→
Malad	80	-11%	↘
Powai	90	0%	→
Vikhroli	75	15%	↗
Vile Parle	120	0%	→

PBD			
Region	Rent INR/ sq.ft/ month	Q on Q Change	
Airoli	40	14%	↗
Thane	40	0%	→
Vashi	60	0%	→

CAPITAL VALUES FOR Q1 2010

CBD			
Region	INR / sq.ft	Q on Q Change	
Ballard Estate	35,000	0%	→
Cuffe Parade	30,000	0%	→
Fort	22,500	0%	→
Nariman Point	40,000	0%	→

Extended CBD			
Region	INR / sq.ft	Q on Q Change	
Lower Parel	18,000	0%	→
Mahalaxmi	15,000	0%	→
Prabhadevi	25,000	0%	→
Worli	30,000	0%	→

Alternate CBD			
Region	INR / sq.ft	Q on Q Change	
Bandra - Kurla Complex	30,000	20%	↗
Bandra East	20,000	20%	↗
Kalina	22,500	14%	↗

SBD			
Region	INR / sq.ft	Q on Q Change	
Andheri E	12,000	0%	→
Andheri W	11,000	0%	→
Borivali	6,500	30%	↗
Kurla	8,000	0%	→
Malad	9,000	0%	→
Powai	9,000	0%	→
Vikhroli	7,500	15%	↗
Vile Parle	12,000	0%	→

PBD			
Region	INR / sq.ft	Q on Q Change	
Airoli	4,000	14%	↗
Thane	4,500	14%	↗
Vashi	6,000	13%	↗

Source: BNP Paribas Real Estate, India

KEY TRANSACTIONS

Building	Occupiers	Space (in sq.ft)	District	Location
Mafatlal Centre	Bank Of America	15,000	CBD	Nariman Point
One Indiabulls Centre	Bloomberg	15,000	Extended CBD	Lower parel
Peninsula Corporate Park	KBC Bank NV	14,000	Extended CBD	Lower Parel
Wadia Plaza	Axis Bank	400,000	Extended CBD	Worli
Maker Maxity	Citrix Systems	6,000	Alternate CBD	Bandra Kurla Complex
Maker Maxity	Trafigura	8,000	Alternate CBD	Bandra Kurla Complex
Kohinoor City	GTL	100,000	SBD	Kurla
R Tech Park	Reliance Media	120,000	SBD	Goregaon
Nirlon Knowledge Park	Morgan Stanley Advantage Services	39,204	SBD	Goregaon
Silver Metropolis	Phase Forward	17,000	SBD	Jogeshwari
Leela Business Park	Anglo Eastern Shipping	27,000	SBD	Andheri
Godrej IT Park	Cap Gemini	75,000	SBD	Vikhroli
Oberoi Commerz	Group M	75,000	SBD	Goregaon
Mindspace	eClerx	90,000	PBD	Airoli
Mindspace	WNS	200,000	PBD	Airoli
Mindspace	Accenture	400,000	PBD	Airoli

KEY PROJECTS

New Supply – Year 2010				
Building	Micro Market	Location	Space (in sq.ft.)	Completion date (expected)
One India Bulls Centre	Extended CBD	Lower Parel	700,000	Ready
India Bulls Financial Centre	Extended CBD	Lower Parel	500,000	Q2 2010
Cynergy	Extended CBD	Prabhadevi	400,000	Q3 2010
Peninsula Business Park	Extended CBD	Lower Parel	1,300,000	Q3 2010
Wadia Plaza	Extended CBD	Worli	400,000	Q3 2010
Cresenzo	Alternate CBD	Bandra Kurla Complex	577,000	Ready
Ackruti Iris	Alternate CBD	Andheri East	700,000	Q1 2011
Pooja Constructions	Alternate CBD	Bandra Kurla Complex	160,000	Ready
Ackruti Gold	Alternate CBD	Bandra Kurla Complex	100,000	Ready
Rustomjee Natraj	SBD	Andheri East	286,000	Q2 2010
Silver Uthopia	SBD	Andheri East	400,000	Q2 2010
Rustomjee Aspire	SBD	Sion	124,000	Ready
IT Park, Ajmera	SBD	Andheri East	1,100,000	Q2 2010
Supreme Chambers	SBD	Andheri West	240,000	Ready
Ackruti Star	SBD	Andheri East (MIDC)	400,000	Q2 2010
Boomrang	SBD	Chandivali	1,000,000	Q2 2010
Western Edge	SBD	Borivali	400,000	Ready
Ruby	SBD	Dadar	1,000,000	Q4 2010
Sunteck Grandeur	SBD	Andheri West	100,000	Q2 2011
Reliable Tech Park	PBD	Airoli	1,000,000	Q2 2010
Mindspace,	PBD	Airoli	600,000	Q1 2011
Amruta	PBD	Thane	42,000	Q2 2010
Gesco IT Park	PBD	Thane	700,000	Ready
Mindspace SEZ	PBD	Airoli	600,000	Ready
Gigaplex	PBD	Airoli	300,000	Ready
Nitco Business Park	PBD	Thane	170,000	Ready
Grande Palladium	Alternate CBD	Kalina	150,000	Ready

BNP Paribas Real Estate Key Figures*

*Key Figures 2009

€554
million
gross
turn-over

Close to
€10 billion of
assets under management

Close to
140 offices*
around the world

4,100
housing units
reserved and sold

37 million
euros in gross turnover
in Consulting

Close to 100,000 m²
of commercial property
under construction in Europe

28.5 million m²
managed in
commercial real
estate
in Europe

5,800 units under
management in
serviced residences

78,000
valuations

1,830 housing units started in France

*Alliances included

GLOSSARY

Absorption: Occupied Stock (n) – Occupied Stock (n-1); Where “n” is the specified period (quarter, year etc.)

Bare Shell: Premises consisting of basic structure with lifts, power supply to junction box, water supply line, toilets

BPO: Business Process Outsourcing

BUA: Built up area is carpet area + area occupied by walls & it varies from building to building.

Super Built-up Area (SBUA): Built-up area + common area including lifts area, common passages, utilities, terrace etc. & varies from building to building.

Carpet Area: Actual usable area, and does not include any common areas, area occupied by walls etc.

Completed Stock: Either the building has received occupancy certificate or the client has moved in and occupied space and started working in a particular premises

DU: Dwelling Unit

EPIP: Export Promotion Industrial Park

FAR: Floor Area Ratio (BUA/ Plot Area)

Grade A Space: Office Space with efficiency in excess of 75%, floor plate in excess of 15,000 sq. ft., Car Parking ratio of atleast 1 per 1000 sq. ft., Floor-to-ceiling height in excess of 3.75 m, Power provision of 1.25KVA per 100 sq. ft. with 100% power-backup wherever applicable and professionally managed facilities

Ground Coverage: It is the total covered area on ground by the built component and is expressed as a percentage of the plot area

Hard Option: Real estate space reserved by the lessee for future occupation within a particular time frame and at a pre-decided rental

INR: Indian National Rupees

Pre-lease: Space committed for lease before completion of construction

Speculative Stock: The stock which can be leased and excludes Built-to-Suit (BTS) and Campus facilities.

Stock: Cumulative Supply

Supply: New construction in a particular specified period

Transaction Volumes: Total number of transaction in a particular specified period

Vacancy: Total vacant space in the completed stock

Warm Shell: Premises consisting of power backup, high side A.C., common area fit outs and fitted out toilets

Q on Q: Quarter on Quarter

y-o-y: year-on-year (All growth figures in this report are y-o-y unless otherwise mentioned)

IT: Information Technology

ITES: Information Technology Enabled Services (includes various services ranging from call centres, claims processing, medical transcription, e-CRM, SCM to back-office operations such as accounting, data processing, and data mining)

Repo Rate: Rate that an eligible depository institution (such as a bank) is charged to borrow short term funds directly from the central bank through the discount window

Reverse Repo Rate: Interest rate that a bank earns for lending money to the Reserve Bank of India in exchange for government securities

SEC A, B, C & D Socio: Economic Classification; SEC A represents the highest propensity to spend and SEC D represents the lowest propensity to spend.

Sq.ft: Square Feet

Sq.mt: Square Meter

Stamp Duty: Form of tax charged on instruments (written documents) requiring a physical stamp (for government legality) to be attached to or impressed.

New: Building built within the last 5 years.

Recent: Building less than 10 years old.

MMRDA: Mumbai Metropolitan Region Development Authority

BFSI: Banking & Financial Services Industry

Major Refurbishment: Building which has undergone structural alteration less than 5 years ago, subject to planning permission.

Mn: Million

SEZ: Special Economic Zone

CRR: Cash Reserve Ratio

Renovated: Building which has undergone renovation work not requiring for planning permission less than 5 years ago.

Modern: High-performance building over 10 years old.

Old: Low-performance building over 10 years old.

CCI (Cost of construction index): Index that makes quarterly measurements of construction prices for new house building. It is the price after VAT paid by the owner to construction companies. It excludes land-related prices and costs (site development, special foundations, etc.), fees and financial costs.

Demand: A search for premises expressed to BNP Paribas Real Estate. The analysis pertains only to the flow of new demand expressed.

For the occupier: Operation undertaken by an occupier for its own purposes.

New Supply: Any new building and/or heavily refurbished building that adds to the existing stocks. These are analysed according to progress.

Completed new supply: Buildings on which construction work is finished.

Under construction: Buildings on which construction has effectively begun. Prior demolition work is not taken into account.

Planning permission granted: Authorisation to build obtained, generally booked after settlement of third party claims.

Planning permission submitted: Planning permission requested, being processed.

Pre-letting: Transaction by an occupier more than 6 months before the delivery of the building.

Headline rent: Monthly rent per square feet, charged on super built-up area basis, featured on the lease, and expressed excluding fitouts, taxes, deposits, advances, maintenance charges and does not take into account building efficiency (super built up area - carpet area ratio). Further it does not include attached premises such as parking areas, archives, staff canteens, etc. If the rental is progressive, the value applied is the average for the first 3 years or the fixed term of the lease.

Average headline rent: Weighted average of rented area. The average featured is a moving average over the quarter, to smooth out the changes, exclusive of all taxes deposits, advances & maintenance charges.

Underlying rent: Manual rent per square feet expressed free of tax and charges and excluding advantages agreed by the owners (rent incentive building works, etc).

Prime rents: Represents the top headline rent (excluding non significant transactions) for an office unit:- of standard size, of the highest quality and specification, in the best location in each market.

Top rent: Represents the top headline rent for an office unit. It is not necessarily a prime rent.

Second hand premises: Premises that have been previously occupied by an occupier for vacant for more than 5 years.

Renovated: Premises that have been renovated for the new occupier.

Very good condition: High-performance premises of high quality.

Existing state of repair: Low-performance premises that can be rented as they are.

To be renovated: Low performance premises that need renovation.

Supply available within 1 year: All premises and buildings available within 1 year including the supply available immediately, new supply that has not been pre-let and second hand supply that will be vacated definitively (notable terminated leases).

Take-up: Rental or sale of a property asset, finalised by the signature of a lease or a bill of sale including turnkey transactions and owner-occupier. The transaction is only taken into account once any existing conditional clauses have been lifted.

Vacancy rate: Ration measuring the relationship between the supply immediately available and the existing stock.

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