SPOTLIGHT
Savills Research

Year-End 2021

Office Market Watch

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CHENNAI

Chennai Market Watch | Office: Year-End 2021

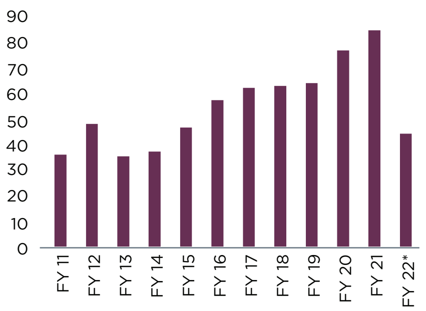
INDIAN ECONOMY 2021

In keeping with the tradition of our Office Market Watch reports, prior to outlining this year's office real estate, we summarise key socio-economic events that impacted society, life and businesses in the country in 2021.

Although India was hit hard by COVID-19 during the dreadful second wave, the recovery on the economic front stayed on course. In fact, leading credit rating agencies and institutions such as IMF have maintained their stance on India being the fastest growing major economy in 2022.

INVESTOR CONFIDENCE IN INDIA REMAINS STRONG

Chart 1: FDI Inflows (USD Bn)



Source: DPIIT

*FY 22 is till Sep. FY 2021 and 22 are provisional
Note: FY refers to Fiscal Year (Apr-Mar)

Click here to read #SavillsRoundUp: A bi-monthly reporting of economic and real estate news

Click here to read

Note: This section contains figures in Indian system of lakhs and crores (refer Appendix for international conversions).
USD 1 = INR 75.60 on December-21, 2021

All facts in the economy section are true as per public sources on 31st December 2021, the date of this report.

RECOVERY UNDERWAY

The year started with the hope of rebuilding a damaged economy. The daily infections had fallen to below 10,000 after witnessing a peak in Q3 2020. Vaccination for medical and frontline personnel began in January 2021, as social restrictions and supply chain bottlenecks were eased. These measures led to a positive GDP growth of 1.6% during Q1 2021.

However, lockdowns and strict social codes returned as the second wave began in March and reached devastating proportions by May, when the daily infection rate overshot the 4-lakh mark (*which was over 4 times the peak of the first wave in 2020*). This period represents the toughest phase since the pandemic started in 2020. Nonetheless, the learnings regarding the steering of economy, were in evidence too as Q2 and Q3 growth rates remained high at 20.1% and 8.4% respectively.

The second wave began a downward trend in late May, plateauing in July-August. However, it kept 'thick-tailing' at a relatively slow pace, reaching 10,000 daily cases only in November. The force of economic recovery, however, retained its course during this phase. FDI inflows into the country clocked USD 43 Bn during Apr-Sep 2021, and is on course to match the USD 82 Bn investments in FY 21.

On the vaccination front, India performed commendably, crossing the 100-crore vaccination milestone in October, having already overtaken the US much earlier in June 2021. By the close of the year, eight vaccines had been approved for emergency use in India: Covishield, Covaxin, Sputnik V, Jannsen (Johnson & Johnson), Moderna, ZyCoV-D, Corbevax and Covovax. Antiviral drug Molnupiravir was also approved for emergency use towards the end of the year.[1]

Improvements in macroeconomic indicators and performance were in evidence across sectors, including the stressed hospitality segment which recorded growth in H2-2021, when compared to last year. It is an important development as this was one of the most strongly hit sectors.

Business Sentiment, Indices and Indicators in 2021

Optimism was clearly reflected in manufacturing activity for most of 2021. Further, services PMI [2] was at a decadal high of 58.4 in October (refer Chart-3). India's GST collections also remained at over INR 1-lakh crore for 9 out of the first 11 months of 2021. Stock markets have remained upbeat with the Sensex breaching 50,000 and 60,000 marks in February and October, respectively. The year witnessed more than 50 IPOs and one office REIT getting listed.

POLICY SUPPORT

The central government's annual budget had considerable focus on infrastructure, affordable housing, disinvestments, monetisation of assets, stressed asset resolution and tax holiday extensions. PLI scheme of INR 2 lakh crores was also a prominent announcement for providing impetus to manufacturing and allied sectors. They cover a wide gamut of industries such as pharmaceuticals, IT hardware, white goods, textile, automotive, drones and semiconductors. (*Please refer annexure for announcement and approval details*).

In a major structural reform, the Government of India launched a Retail Direct Scheme in November for individuals looking to invest directly in the sovereign bond market. This is expected to widen the investor base and provide additional avenues to diversify investment.

Two other notable developments were the **Model Tenancy Act** and INR 1 lakh crore national master plan for **Multi-Modal Connectivity.**

A. ***The Model Tenancy Act*** lays a comprehensive rental framework for landlords and tenants. In the Model act, issues such as subletting, property damages, notice period before eviction or rent increase, compensation terms and grievance redressal mechanism are dealt with efficiently. This has the potential to create a viable rental housing market in India. Together with the ARHC guidelines of 2020 (detailed in our 2020 Year-end Market Watch), these can lay the foundations for residential REITs in the future.

B. ***The Gati Shakti national multi-modal connectivity plan***, focuses on creation of a nationwide digital platform responsible for integrated planning and coordinated execution between various ministries of the government. The plan can be looked at in conjunction with the National Infrastructure Pipeline and has the potential to reduce logistic costs, increase cargo handling capacity, reduce turnaround time and boost the entire economy.

Institutional Support from RBI and SEBI

The RBI kept the benchmark lending rate unchanged at 4% throughout the year. It has played a key role in bringing the home loan rates in the range of 6.4-6.6%, possibly the most attractive in two decades. Further, the RBI approved a transfer of INR 99,122 crores as surplus to the government, which helps with liquidity improvement and can aid consumption.

SEBI, on its part, had allowed certain relaxations in the wake of the ongoing pandemic. Another key change was the reduction in application value for REITs and InvITs from INR 50,000 and INR 1 lakh to INR 10,000 and INR 15,000 respectively. Also, the trading lot size was reduced to one. This is expected to significantly increase the adoption of real estate-based derivatives by domestic investors and ultimately open additional funding avenues for developers as well.

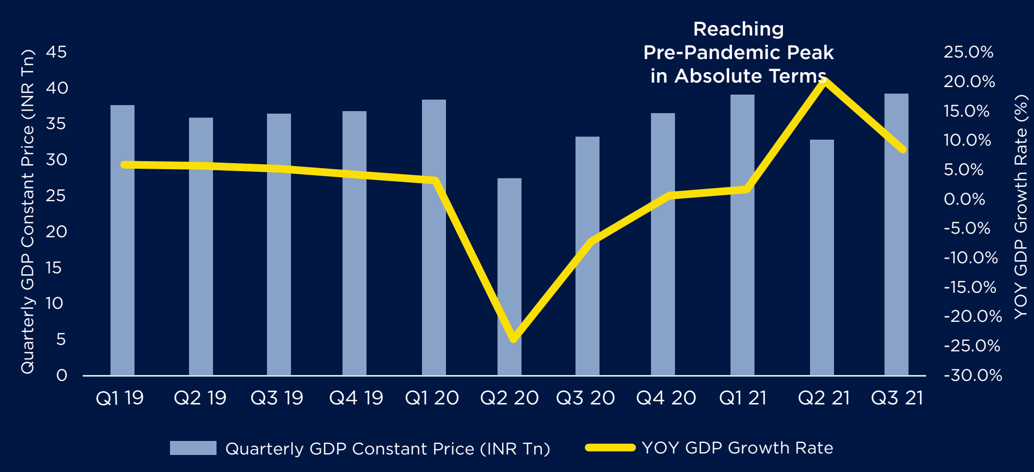
ANOTHER ALARM AT END-2021

However, near the close of the year, a new strain of the virus, called Omicron, surfaced resulting in renewed apprehensions. At the year-end, its eventual scale and impact remain unknown. Despite lurking uncertainties, nevertheless, it is established that policy initiatives will continue to buttress demand.

All sectors, including real estate, will factor in unpredictability and incorporate caution in near term plans. The general sentiment, going forward, remains that of cautious optimism for 2022.

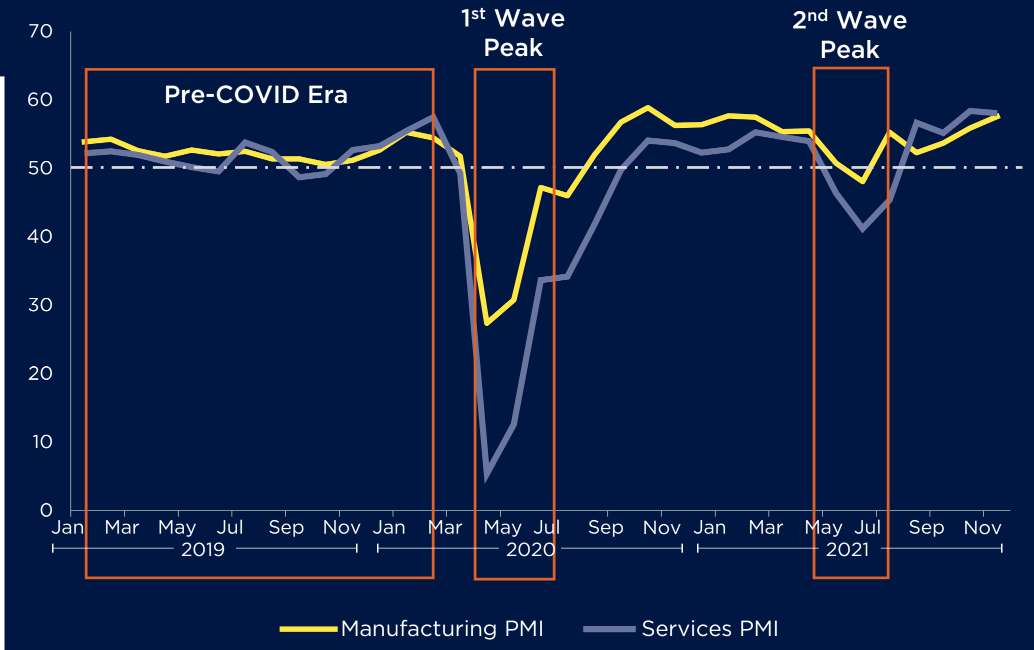
1. As on 29th Dec 2021, Source: https://timesofindia.indiatimes.com/life-style/health-fitness/health-news/coronavirus-as-india-gives-nod-to-two-covid-19-vaccines-and-one-pill-we-tell-you-everything-you-need-to-know/photostory/88562475.cms?picid=88562505
2. PMI or a Purchasing Managers' Index (PMI) is an indicator of business activity, both in the manufacturing and services sectors. A figure above 50 denotes expansion in business activity. Anything below 50 denotes contraction. Higher the difference from this mid-point, greater the expansion or contraction.

Chart 2: GDP Statistics



Source: MoSPI, FXEmpire

Chart 3: Purchasing Manager's Index



Source: Markit Economics, FXEmpire

The IMF has projected a GDP growth rate of 8.5% for India in FY 22; as the country is poised to retain the tag of fastest growing major economy after the economic slide in 2020.

Production-linked incentives, bulk drug parks, Model Tenancy Act and Gati Shakti multi-modal connectivity plan signify continuous policy push, laying robust economic foundations for the future.

INDIA
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The cautious approach by occupiers and developers in the first half of the year was an accurate reflection of the large-scale devastation caused by the massive second wave of COVID, as leasing and building completions slowed significantly.

However, an equally strong response through accelerated vaccinations thereafter, coupled with the tailing off of the second wave, led to a noticeable improvement in business sentiment. Occupiers began to resume their real estate decisions in the second half of 2021.

In the next few sections, we highlight the performance of the office sector during 2021.

KEY STATISTICS: 2021

Total India Stock
639.9 mn sq. ft.

New Supply
36.8 mn sq. ft.

YOY change
27.7%

Gross Absorption
36.9 mn sq. ft.

YOY change
15.5%

ABSORPTION HIGHLIGHTS: 36.9 mn sq. ft.

India's six major cities[1] registered a 15.5% YOY increase in gross office space absorption at 36.9 mn sq. ft. as occupiers resumed decision-making amid improving confidence. The second half of the year witnessed remarkable growth, with Q3 2021 recording a high of 13.7 mn sq. ft. This is twice the average absorption of the preceding five quarters from Q2 2020 till Q2 2021, which was 6.8 mn sq. ft. Q4 2021 also recorded a healthy absorption of 10.0 mn sq. ft. This shows that demand has risen after remaining subdued for a period of almost 15 months.

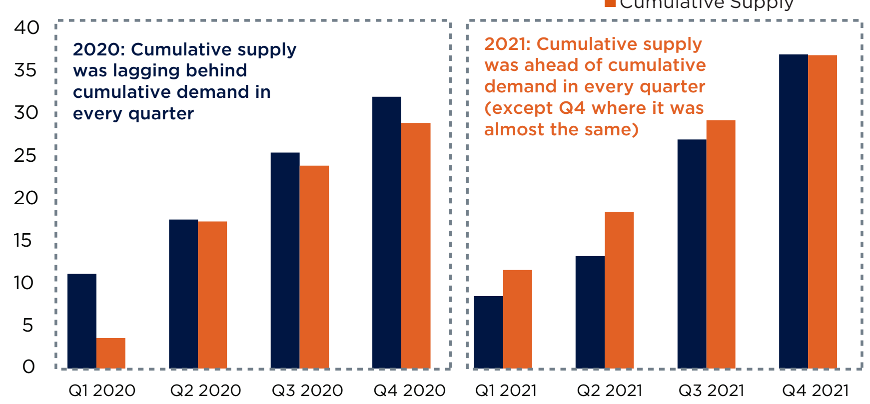
Bengaluru continued to lead with 12.0 mn sq. ft. of leasing activity, 5% higher than 2020; representing a 33% share in overall gross absorption in 2021.

Following Bengaluru in terms of gross leasing, Delhi-NCR witnessed an outstanding annual increase of 79% to register 7.8 mn sq. ft. absorption in 2021. Hyderabad maintained its position among the top three, with approximately 5.7 mn sq. ft. absorption, a marginal annual growth of 4%. The top cities of Bengaluru, Delhi-NCR and Hyderabad together constituted around 69% of the total leasing activity in 2021.

While Mumbai rose from the bottommost position in 2020 to take the fourth place at 4.6 mn sq. ft; Pune, conversely, declined to approximately 2.9 mn sq. ft. leasing. Chennai recorded 4.0 mn sq. ft., an annual decline of about 6%.

1. Bengaluru, Chennai, Delhi-NCR, Hyderabad, Mumbai and Pune

2020 vs 2021: Comparison of Demand & Supply (mn sq.ft.) Progression



Source: Savills India Research

Large deals constitute almost 50% of transaction activity

Large deals (100,000 sq.ft. or higher) accounted for about 50% of the overall transaction activity compared to 61% in 2020 as occupiers were cautious in expanding operations during H1 2021. Hyderabad witnessed the highest share of large deals at 68%, followed by Bengaluru and Mumbai.

Interestingly, mid-sized occupiers (25,000-99,999 sq. ft.) continued to optimise their portfolios which resulted in a 31% share of the total office leases in 2021 compared to 28% in 2020.

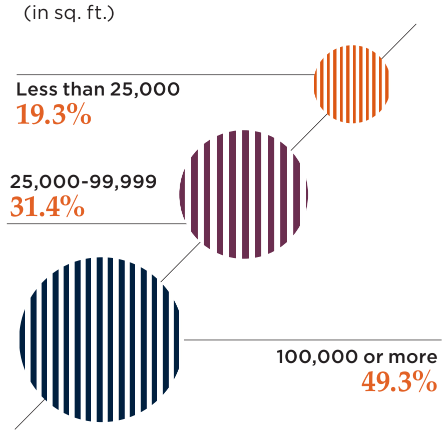
Technology occupiers continue to drive demand; BFSI & Flexible Workspace gain share

Besides the technology sector that continued to be the primary demand driver for office real estate in India with a 49% share, BFSI (Banking, Financial Services and Insurance) and flexible workspace segments' shares increased to 15.2% and 12.7% compared to 12.3% and 8.4% in 2020 respectively.

Engineering and manufacturing, an important constituent of demand, declined to 7.2% share over last year's 12.7%.

Note: The forecast statistics represent our best judgment of the situation as on 31st December 2021. Should there be change in situation leading to another lockdown, these statistics may not be valid.

Deal Distribution: Share in Total Leasing (in sq. ft.)



Demand Split by Sectors

IT-BPM 49%

BFSI 15%

Flexible Workspace 13%

Engineering & Manufacturing 7%

Pharma & Healthcare 4%

Consulting 2%

Others 10%

Note: Others includes consumer goods, real estate, transport and logistics.

Tech companies continue to lead demand, with the share of BFSI, and flexible workspace companies also increasing; the combined share of these top 3 demand drivers is approximately 77%.

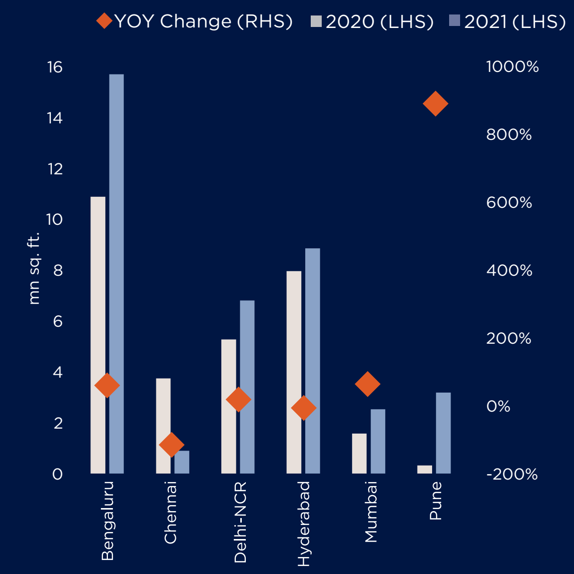
COMPLETIONS & VACANCY HIGHLIGHTS

There was strong supply infusion across all four quarters of 2021 totalling to 36.8 mn sq. ft., a 28% YOY rise. Conversely, 2020 had witnessed lower new completions in every quarter – an obvious impact of the first wave of the pandemic. Bengaluru recorded the highest infusion of new supply, constituting 41% share at 15.2 mn sq. ft., followed by Hyderabad and Delhi-NCR at 23% and 18% respectively.

All cities, except Chennai, saw an increase in new completions compared to the same period last year. This is on account of deferred supply getting completed, since construction activities resumed at an accelerated pace only in the second half.

Overall, India vacancy levels increased to 17.7% at the end of December, owing mainly to supply additions and reassessment of real estate portfolio by some occupiers.

Supply Addition: 2021 vs 2020



Source: Savills India Research

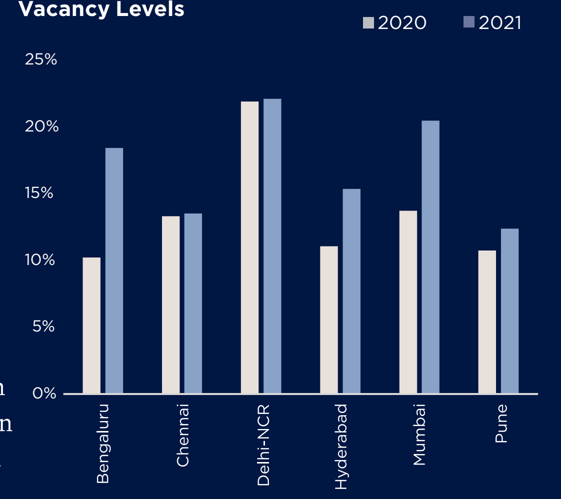
Bengaluru, Hyderabad and Delhi-NCR witnessed large supply infusions; however, Chennai had the smallest volume in 2021.

Rental trends

Most markets have seen a decline of up to 7% in average rental values compared to last year. A few micromarkets have seen a sharper decline as landlords exhibited flexibility to attract new tenants, while prime locations with limited availabilities saw stable rents. Bengaluru submarkets received marginal appreciation in rents while Pune rents remained stable as depicted in the table below.

The rental value change across micromarkets varied within each city, with an average YOY decline of about 2% to 7% in most markets for the representative stock.

Vacancy Levels



Source: Savills India Research

Rental Range in 2021

in INR per sq. ft. pm	Low	High	Average YOY change*
Bengaluru	39	170	1%
Chennai	38	120	-2%
Hyderabad	45	75	-7%
Mumbai	45	425	-4%
NCR-Delhi	95	270	-5%
NCR-Gurugram	48	140	-3%
NCR-Noida	45	93	-6%
Pune	50	115	0%

*Averages do not reflect YOY changes within micromarkets or select premium buildings in certain localities

Source: Savills India Research

CHENNAI
OFFICE MARKET UPDATE

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CHENNAI'S KEY HIGHLIGHTS

Demand revival in second half of the year: The last two quarters of 2021 witnessed an increase in leasing activity as compared to the relative lull of the five quarters preceding Q3 2021. Q3 and Q4 2021 witnessed transaction activity of 1.7 mn sq. ft. and 1.0 mn sq. ft. respectively as compared to average leasing activity of 0.8 mn sq. ft. from Q2 2020 to Q2 2021. As business sentiments and real estate space requirement improved significantly post the peak of second wave of infections, the second half of 2021 witnessed closure of the five largest deals of the year which accounted for 28% of the overall demand of 2021.

Demand driven by mid-sized deals: Leasing activity in 2021 was dominated by mid-sized deals (25,000-99,999 sq. ft.). The share of such deals increased from 18% in 2020 to 39% in 2021. Almost 30% of the mid-sized deals of 2021 were witnessed in the suburban micromarket of Guindy, with IT accounting for more than half of the same. This is a marked deviation from 2020, which had seen more than 60% large-sized deals (100,000 sq. ft. or higher). Large-sized deals have a significantly lower share, at 32% in 2021

KEY STATISTICS: 2021

New Supply	YOY change
0.9 mn sq. ft.	**-76%**

Gross Absorption	YOY change
4.0 mn sq. ft.	**-6%**

LEASING AND COMPLETIONS

Absorption: Chennai witnessed leasing activity of 4.0 mn sq. ft. in 2021, denoting a 6% YOY decline. More than two-thirds of this activity was registered in the second half of the year. Interestingly, 64% of the overall demand in 2021 was concentrated in the secondary business districts of Old Mahabalipuram Road (OMR) pre-toll, Mount Poonamallee Road (MPR) and Guindy. The Central Business District also witnessed significant traction and had a 14% share in citywide demand, an increase from the 10% share in 2020.

Sector Split: Like 2020, the technology sector continued to remain the most significant demand driver in 2021, contributing to more than half of the city's real estate requirement. Manufacturing and financial service sectors were important contributors as well and had a share of 12% and 11% respectively. The coworking segment, aided by innovations and attractive product offerings, meanwhile improved its share from 5% in 2020 to 8% in 2021.

Supply: Chennai is the only city in the top six office markets of the country to have witnessed a drop in incremental supply in 2021 as compared to 2020. Completions of 0.9 mn sq. ft. were recorded in 2021, a significant decline of 76% from the 3.6 mn sq. ft. completions in 2020. An overwhelming 85% of incremental supply in 2021 was concentrated in the suburban micromarket of Guindy and MPR.

It is worthwhile to mention that several prominent buildings in the city are almost nearing delivery. But for the second wave of infections, developers could have completed the construction and received occupancy certificates within 2021 itself.

VACANCY

Overall vacancy in the city increased marginally and stood at 13.2% at the end of 2021. Even though demand outpaced the additional supply by more than four times, vacancy levels across the city have increased slightly on account of businesses constantly reassessing their real estate requirements, which has led to some space being surrendered as well as relocations to smaller or flexible spaces.

RENTS

Average rentals in the city have been rangebound for much of 2021 except select locations. While micromarkets such as MPR and pre-toll OMR have witnessed a 3% decline in average rentals, Ambattur and CBD have witnessed an upward movement in average rentals by 3%. The post-toll OMR market has meanwhile remained stable as compared to 2020.

CHENNAI MARKET OUTLOOK

DEMAND

Despite concerns around the new strain of the virus and the consequent economic disruption, we expect leasing activity to improve marginally as compared to 2021. 2022 is likely to witness around 4.5 mn .sq. ft. of transactions across micromarkets. Precommitments will be highly critical in 2022 especially, as the city is likely to witness high volume of supply infusion.

SECTORS

Like recent years, leasing activity in 2022 is expected to be driven by the IT sector, along with the engineering and manufacturing, and BFSI segments. Flexible spaces are expected to witness increasing interest from occupiers. They are likely to bounce back to a double-digit share in the citywide absorption in 2022.

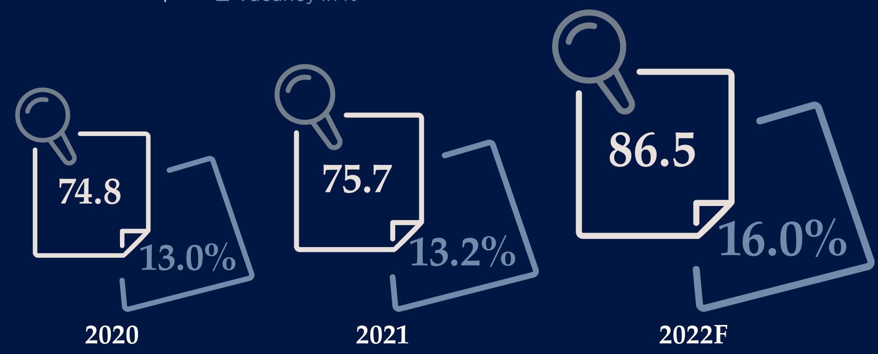
RENT & VACANCY

Developers are likely to focus on projects nearing completion. Around 4.5 mn sq. ft. of projects are close to receiving OC in Q1 2022. The overall supply is expected to outpace demand by more than 2 times in 2022 and result in further increase of vacancy levels. However, despite healthy supply, average rentals are likely to remain stable across micromarkets, on account of sustained occupier interest in the short to medium term.

SUPPLY

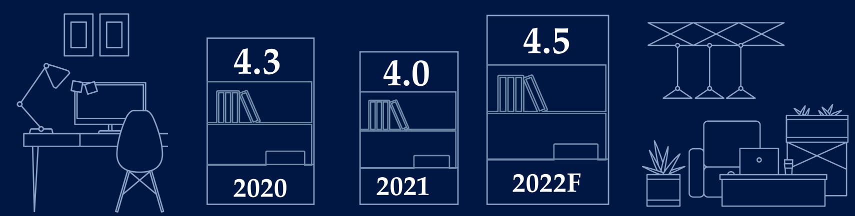
2022 is likely to witness incremental supply of around 10-11 mn sq. ft. A vast majority of the upcoming supply is expected in the key micromarkets of Pallavaram–Thoraipakkam Road (PTR), OMR pre-toll and MPR. Interestingly, around 40% of planned supply for 2022 is a spill-over from the pipeline of 2021. The overall stock of Grade-A office buildings in the city is most likely to cross 86 mn sq. ft. in 2022.

Grade – A Office Stock & Vacancy



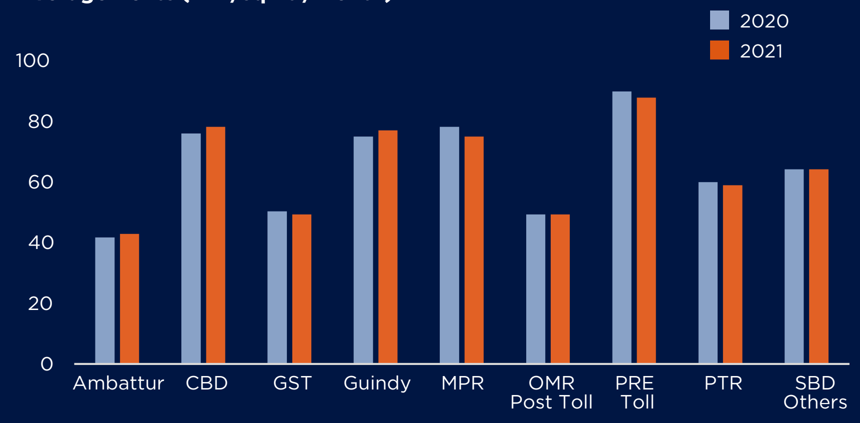
Source: Savills India Research

Office Absorption (mn sq. ft.) in Chennai



Source: Savills India Research

Average Rents (INR/sq. ft./month)



Source: Savills India Research

MAJOR TRANSACTIONS 2021

Tenant	Micromarket	Building	Transacted Area* (sq. ft.)
Trimble	SBD- OMR Pre Toll	Varalakshmi Tech Park	350,000
Saipem	SBD - OMR Pre Toll	RMZ Millenia	250,000
Citi	SBD-MPR	DLF Cybercity	220,000
HP	CBD	Prestige Metropolitan	180,000
Maersk	SBD-MPR	RMZ One Paramount	136,000

CHENNAI MICROMARKETS

CBD - Anna Salai, Nungambakkam, R K Salai, Egmore, T Nagar, Greams Road
PTR - PBD - Pallavaram Link Road
SBD - Guindy & MPR- Guindy Estate, Little Mount, Ekatuthangal, Mount Poonamallee Road, Manapakkam
SBD - Pre Toll OMR- Tharamani, Perungudi, MGR Salai
PBD - Post Toll OMR- Thoraipakkam, Shollinganallur, Navalur, Siruseri
PBD - Ambattur - Ambattur
SBD Others - Velachery, Arcot Road, Arumbakkam, Anna Nagar
PBD - GST Road - Perungalathur, Maraimalai Nagar

*Approximate and indicative areas only

ANNEXURE:
KEY BUDGETARY ANNOUNCEMENTS AND REAL ESTATE IMPLICATIONS

Jan 2021

50% Reduction in Realty Development Premium by Maharashtra Govt - The decision to reduce premium on real estate development by 50% is until December 31, 2021. It aims to support the property sector by reviving stalled projects, avoiding delays and controlling speculative price rise in the state.

Feb 2021

PLI Scheme for Pharma & IT Hardware – The Government approved PLI Schemes for the Pharma & IT Hardware sectors, entailing an outlay of INR 15,000 crore and INR 7,350 crore, respectively. The PLI scheme for Pharma will benefit domestic manufacturers, help create employment and is expected to contribute towards the availability of a wider range of affordable medicines to consumers. India is also well positioned as a global hub for Electronics System Design and Manufacturing (ESDM) on account of integration with global value chains, thereby becoming a destination of IT Hardware exports.

Mar 2021

1% Stamp Duty Concession for women buyers – The Maharashtra government, in its budget for 2021-22, announced a women specific concession of 1% over the prevailing stamp duty rate on property transactions. It is expected to boost housing sales in the state.

ARHC scheme in Delhi Master Plan 2021 – To provide affordable rental housing to the urban poor and migrant workers in the national capital, the Delhi Development Authority (DDA) authorised the inclusion of the Affordable Rental Housing Complexes (ARHC) scheme in Delhi's Master Plan 2021.

Apr 2021

PLI Scheme for White Goods (AC & LED Lights) – The government approved PLI scheme for white goods (AC & LED Lights) with a budgetary outlay of INR 6,238 crore to boost domestic manufacturing. The scheme is expected to attract global investments, generate large scale employment opportunities and enhance exports substantially.

May 2021

PLI Scheme for ACC Battery Manufacturing – The government approved the PLI scheme for manufacturing advanced chemistry cell (ACC) battery at an estimated outlay of INR 18,100 crore with an objective of making Indian manufacturers globally competitive, boosting exports, achieving economies of scale and producing cutting edge

Jun 2021

Model Tenancy Act, 2021 – The government approved the Model Tenancy Act, 2021. It aims to create an effective regulatory ecosystem in India to govern landlord-tenant relationships benefiting the urban middle class, working professionals, students and floating population.

INR 6,28,933 crore Stimulus Package – The government announced a total of 17 measures amounting to INR 628,993 crores to provide relief to diverse sectors affected by the second wave of COVID-19 pandemic. The measures were also aimed at preparing the health system for emergency response and providing impetus for growth and employment.

Change in Application Value for REITs and InvITs – SEBI announced a change in application value for REITs and InvITs to INR 10,000 and INR 15,000 respectively, from INR 50,000 and INR 100,000 earlier. It is expected to enhance liquidity and price discovery. The measure will result in increased adoption of REITs amongst retail investors.

Aug 2021

National Monetisation Pipeline (NMP) – The government announced an INR 600,000 crore National Monetisation Pipeline to unlock the value in infrastructure assets across sectors ranging from power to road and railways. Under NMP, the government plans to monetise real estate assets with an estimated value of of INR 15,000 crore, including several housing colonies in the National CapitalRegion and 8 hotels of India Tourism Development Corporation (ITDC).

Sep 2021

PLI Scheme for Textile – The government approved PLI scheme of INR 10,683 crores for the textiles industry to boost domestic manufacturing of man-made fibres(MMF), garments, and technical textiles.

PLI Scheme for Auto & Drone – The government approved INR 26,058 crores PLI scheme for auto, auto-component and drones to enhance India's manufacturing capabilities. The scheme will incentivise the emergence of advance automotive technologies and global supply chain in India.

Reduction in Stamp Duty by Karnataka Govt. – The state has reduced the stamp duty on properties priced between INR 35-45 lakhs from 5% to 3% . It is expected to boost sales of affordable housing properties in the state. The reduced rate is only applicable on new properties and not on resale properties.

Oct 2021

National Master Plan for Multi-Modal Connectivity – The government launched an INR 100 lakh crore Gati Shakti national master plan for multi-modal connectivity aimed at improving coordination between various departments of the government. The plan is expected to expedite infrastructure development and reduce logistic cost.

7 Mega Textile Parks– The government approved the setting up of 7 mega textile parks under Pradhan Mantri Mega Integrated Textile Region and Apparel (PM-MITRA) Yojana with a total outlay of INR 4,445 crores for 5 years to position India strongly on the global textiles map. The parks will be set up at green-field/brownfield sites located across different sates of the country.

Reduction in Circle Rates in Delhi – The Delhi government extended the 20% reduction in circle rate till December 31; a move to boost housing sale in the national capital.

Circle Rates, Stamp Duty Rebates in West Bengal – The state extended the 10% reduction in prevailing circle rates on all immovable properties and a 2% rebate on stamp duty till 31st January 2022. The measure aims at creating demand for housing. Stamp duty now stands at 4% and 3% in urban and rural areas respectively for properties up to INR 1 crore and 5% and 4% respectively for properties above INR 1 crore.

Dec 2021

PLI Scheme for Semiconductors – The government approved PLI scheme for semiconductor and display board production, with an outlay of INR 76,000 crores. This will promote higher domestic value addition in domestic manufacturing.

APPENDIX

Glossary

Model Tenancy Act, 2021,
Model Tenancy Act, 2021 aims to create an effective regulatory ecosystem in India to govern landlord-tenant relationship benefiting the urban middle class, working professionals, students and floating population.

Affordable Rental Housing Complex (ARHC) Scheme
This provides guidelines for affordable rental accommodation targeted at migrant workers and the urban poor. Under the scheme, existing vacant government-funded housing complexes across major cities will be converted into ARHCs and offered to concessionaires for 25 years to rent out the units to urban poor and migrant workers. The government will incentivise private and public entities to develop such housing complexes on their own available vacant land also.

Production Linked Incentive (PLI) Scheme
The PLI Scheme aims to provide incentives to companies on incremental sales from products manufactured in domestic units to boost domestic manufacturing. The scheme also aims to invite foreign companies to set up shop in India.

Gati Shakti National Multi-Modal Connectivity Plan
It is an INR 100 trillion national master plan for the development of multi-modal connectivity to economic zones of the country boosting last mile connectivity. It seeks to transform Indian infrastructure and logistic connectivity and aims to maximise inter ministerial coordination and minimise decision making time.

Abbreviations & Acronyms

BFSI - Banking, Financial Services and Insurance
Bn. - Billion
GDP - Gross Domestic Product
GST - Goods & Service Tax
InvITs - Infrastructure Investment Trust
INR - Indian Rupee
IT - Information Technology
IT-BPM - Information Technology - Business Process Management
IMF - International Monetary Fund
IPO - Initial Public Offering
Mn. - Million
MoSPI - Ministry of Statistics & Programme Implementation
PE - Private Equity
PLI - Production Linked Incentive
PMI - Purchasing Manager's Index
RBI - Reserve Bank of India
REIT - Real Estate Investment Trust
Sq. Ft. - Square Feet
SEBI - Securities Exchange Board of India
USD - United States Dollar
YOY - Year over Year

Key Definitions

Term	Definition
Stock/Inventory	• This includes area of existing buildings plus new completions (supply) in each quarter/half year/full year. • This includes existing building square footage plus new completions (supply) in each quarter/half year/full year.
Supply	• New office buildings that have received their certificates of occupancy within the quarter/half year/full year OR • Buildings that have their structure ready and have occupier/s operating out of them or fit-outs being carried out
Gross absorption/Gross Leasing/ Leasing activity	• Sum of all leases including expansion, relocation and consolidations • Does not include full-term renewals which are after the nine-year lease expiry • Includes leasing of entire tower by an occupier within an IT park/development
Average Rental Values/ Rents	• A fair estimation of asking rent and deal closure rent
Vacancy	• Total vacant space as a percentage of inventory/stock

Term	International Definition
Crore	• Ten Million (10,000,000)
Lakh	• One Hundred Thousand (100,000)

Savills

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