



Market Overview

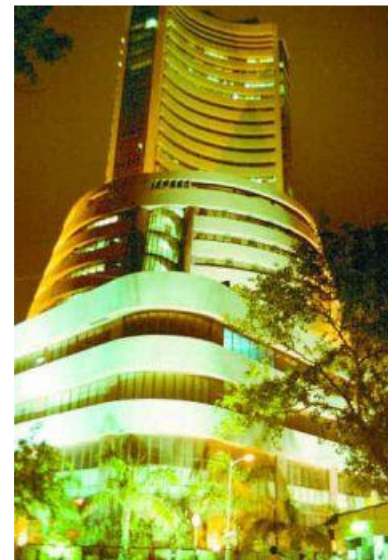
- During 2005, rental rates witnessed a 15-20% increase over the previous year across all business districts of Mumbai
- The forecast for industry growth is 8.1% for 2006
- Mumbai is expected to gain an additional supply of 6 million sq. ft. of office space by 2007
- Mumbai is home to India's National Stock Exchange

Economic Indicators

- Mumbai's projected GDP for 2006 is 9.2%
- Inflation rate is 4.5%

Multinational Companies

- Companies that absorbed office space during 2005 include:
 - J.P Morgan Chase
 - NCR
 - Atos Origin
 - Glenmark Pharmaceutical
 - Transworld
 - Cognizant
 - Capita
 - DSP Merrill Lynch
 - Prudential Process Management
 - Lehman Brothers



Mumbai Stock Exchange Building

Average Office Rental Rates

(US\$/sq .ft/month)

Location	Low	High
CBD	3.38	3.95
Malad	0.79	0.90
Bandra-Kurla Complex	2.48	3.16

Office Market

- Bandra-Kurla Complex and Andheri-Kurla will be receiving between 1.2-2 million sq. ft of office space by the end of Q1 2006
- Developers in Malad are constructing a large supply of commercial office space catering to IT/ITES companies
- Vacancy rates in the CBD are between 5 to 7 %

Industrial

- Zone II of Mumbai Metropolitan Region Development Authority is one of the major industrial belts in India
- Industrial sector includes Kalyan Complex Notified Area, Thane-Belapur Industrial Zone, Talaja Industrial Zone and Airoli Knowledge Park
- Airoli Knowledge Park caters to the electronic, biotechnology, telecommunication and IT companies



Pulsecho Systems Facility

Average Retail Rental Rates

(US\$/sq. ft/month)

Location	Low	High
Nariman Point	1.91	5.25
Lower Parcel	2.08	3.33
Malad West	0.83	1.33

Retail

- 4.4 million sq. ft of retail space is currently under construction for 2006
- By 2007, Mumbai is expected to have 9.1 million sq. ft of total retail space
- Main retail centers are in Nariman Point, Vashi, Lower Parcel and Malad West
- Retail rental rates are high due to high demand and lack of supply

Advantages and Incentives

- Mumbai, formerly known as Bombay, is the capital of the state of Maharashtra, and the most populous city of India
- There are many investment incentives for the Maharashtra state such as Special Capital Incentives for small-scale industries (including IT and BT units), Sales Tax Incentives for Medium/Large/Small Scale Units, and Interest Subsidy to New Textile, Hosiery and Knitwear SSI Unit. *(Please contact AsiaPac Intl for more details)*
- The metro rail link system which has over 60 stops throughout the business districts, will play a major role in 2006's demand and prices for offices along its proposed routes
- Chhatrapati Shivaji International Airport has both international and domestic terminals and is located in the suburb of Mumbai.



Chhatrapati Shivaji International Airport



University of Mumbai

Labor

- The city is home to the University of Mumbai, which has the highest graduate rate in the world.
- Indian Institute of Technology provides employees for many of the emerging IT/ITES companies in the city.
- Mumbai’s literacy rate is 77%

PROs

- The city has many fly-over rail ways that have reduced congestion in the streets
- Electricity is primarily made through hydro-electric and nuclear power making blackouts and brownouts uncommon
- Cell phone coverage is extensive and has become one of the main modes of communication in the city

CONs

- Environment Act of 1986 makes obtaining environmental clearance mandatory before any construction projects can break ground and the permit can take anywhere from 6-9 months to obtain.

Outlook 2006

Office



- Office space will remain in short supply compared to demand, as a result rental rates are expected to increase by 10 to 15% over the next couple of months
- Due to sustained interest in the CBD, rents may escalate over the next few months

Retail

- Rents in suburban locations are expected to remain stable due to additional supply being added to existing stock

Short Term Outlook

Rental Rates

Office	
Industrial	
Retail	