

Workplaces 2025

India Commercial Real Estate Reimagined



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FOREWORD



Anuj Puri
Chairman Anarock Group

India's commercial office real estate segment continues its growth trajectory in 2025. This robust growth is marked by structural transformation, renewed focus on quality and sustainability, together with innovative use of technology.

Despite global economic uncertainties and shifting geopolitical dynamics, India's office market has demonstrated remarkable resilience. The year 2025 witnessed net absorption of approximately 58.2 million square feet, registering a growth of 17% over the previous year. Total leasing or gross absorption in 2025 is recorded at 80.5 million square feet, ending the year on a stronger note. This surge is driven by a diverse mix of occupiers, including Global Capability Centres (GCCs), technology firms, BFSI (Banking, Financial Services, and Insurance), and flexible workspace operators. GCCs, in particular, have emerged as the largest occupier group, accounting for nearly 40% of total leasing, with Bengaluru, Pune, and Chennai leading the charge. The sector's ability to attract and retain global talent, coupled with India's cost efficiency and skilled workforce, continues to fuel demand for premium office spaces.

The nature of new office supply in 2025 reflects a decisive shift toward high-quality assets. This trend is not just about aesthetics alone but it is a strategic response to the evolving needs of a digital-first workforce and the increasing importance of environmental, social, and governance (ESG) considerations.

The real estate investment trusts

(REITs) in India have been instrumental in democratising real estate investments. The maturing public markets platform and the rising participation of large real estate players have enabled institutionalising the sector. In India, REIT stock accounts for only 20% of the nation's institutional real estate. It is much lower than the other major economies worldwide. Thus, providing a broad and deep opportunity for institutional real estate asset. REITs in India are at a nascent stage with a combined portfolio of 165 million square feet out of 520 million square feet of stock that is worthy of being added. Thus, we may witness an accelerated transformation from fragmented and individual ownership to institutional assets with transparent governance and regular distribution of cashflows.

The Indian office sector is rapidly growing and is poised to set new milestones in its journey. This report presents a wealth of intriguing and analytically driven discoveries that are enlightening. I trust that you will find the report to be a source of valuable insights and comprehensive information.



Raj Menda
Chairman, FICCI Committee on Urban Development and Real Estate & Chairman, Supervisory Board, RMZ

India is being reimaged in real time.

In a world redefined by shifting supply chains, accelerated digitalization, and changing workplace paradigms, India's commercial real estate sector is rising as a cornerstone of global economic evolution. Despite global uncertainties, ranging from trade tensions to policy disruptions, the country's growth indicators remain robust, reflecting stability, adaptability, and sustained momentum.

In less than a decade, the country has moved from being described as the world's "back office" to being one of its most dynamic centres of growth, innovation and capital formation. Real GDP is projected by the IMF to grow about 6.6% in 2025, keeping India the fastest-growing major economy, with output already around the 4-trillion-dollar mark and expected to cross it in the next couple of years.

When an economy of this scale compounds at that speed, the quality of its physical infrastructure becomes a defining question. Nowhere is that more visible than in the workplaces that power India's story.

For three decades, office real estate in India was largely viewed as a cost line to be managed. Today, it is a strategic lever. It shapes where global capital is deployed, where high-value jobs are created, and where India's young workforce chooses to live its daily life. In that sense, every Grade A building is no longer just a pile of concrete and glass; it is an operating system for productivity, culture, technology and climate resilience.

The numbers tell us why this moment is so consequential. As this report documents, India's top seven cities already host around 800 million square feet of Grade A office stock, with Bengaluru and the National Capital Region together accounting for nearly half of that universe. Net absorption in 2025 is already over 58

million square feet, with gross leasing of over 80 million square feet - putting us on another record breaking year

Behind these aggregate figures lies a structural shift in who is driving demand and how they use space. India is now home to more than 1,700 Global Capability Centres (GCCs), accounting for over half of the world's GCC footprint, with annual revenues of roughly 65 billion dollars and projections to cross 100 billion dollars and 2,100–2,400 centres by 2030. These are no longer "back-office" units; they are global nerve centres for design, engineering, AI, product development and risk management.

At the same time, the capital behind Indian offices is modernising. Since the first REIT listed in 2019, India's REIT market has grown to a capitalisation of about \$18 billion, yet still represents only around 20% of institutional-grade real estate – far below mature markets such as the US, Singapore or Japan. The report estimates that only about 165 million square feet of roughly 520 million square feet of REIT-worthy office stock is currently in listed vehicles. That gap is not a weakness; it is the opportunity. It points to decades of potential institutionalisation ahead, as more assets migrate from fragmented private ownership into transparent, professionally managed platforms.

FICCI- Anarock report on "Workplaces 2025: India's Commercial Real Estate Reimagined" sits at the intersection of all these shifts. For policymakers, the findings reinforce that Grade A offices are not a narrow sectoral story; they are embedded in everything from India's services exports and tax collections to its climate commitments and employment agenda. For global investors, the report is a reminder that India's office market is both deep and still early, with demand for Grade A space in 2025 alone estimated by industry sources at 80 million square feet and a multi-year pipeline of new, institutionally owned assets coming onstream. For occupiers and CEOs, it is an invitation to think of their workplaces as competitive advantage, not just overhead.

Most importantly, for those of us who build and own these assets, it is a call to be more ambitious. To imagine Indian offices that are not "catching up" with global benchmarks but setting them. To design campuses that are as thoughtful about biodiversity as they are about bandwidth. To shape districts where people feel proud, not pressured, to come to work.

India's economic story has already captured the world's attention. Our task now is to ensure that the physical places that host that story are worthy of it. I invite you to read this report with that lens; not just as a snapshot of where India's office market stands today, but as a map of the choices we must make over the rest of this decade.

01.

INDIAN ECONOMY



INDIA'S RISE TO VIKSIT BHARAT - A RESILIENT ECONOMY STEERING A NEW GLOBAL NARRATIVE

Amid the challenges brought on by recent global events, from tariff wars to visa-related disruptions, India's economic momentum remains steady and reassuring. It is impressive that the majority of India's high-frequency indicators have held firm, demonstrating resilience that stands out in the current global climate. Their steady performance reflects an economy that continues to adapt and push forward despite external pressures.

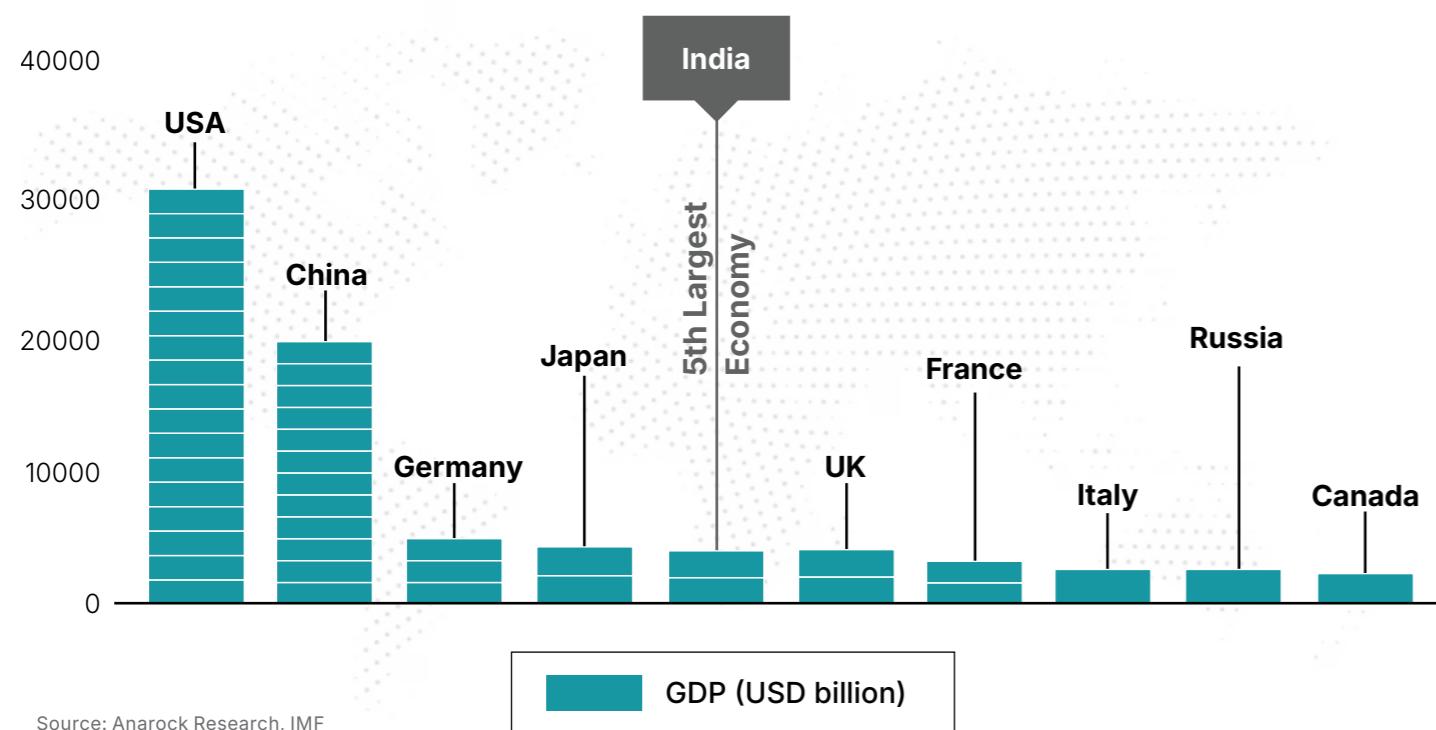
This momentum is well supported by firm domestic demand, substantial public investment, and continued confidence from global and local investors. GDP growth touched 7.8% in Q1 2025, prompting the Reserve Bank of India to raise its FY 2026 forecast to 6.8%, reaffirming the country's position among the fastest-growing major economies. A more balanced tariff structure and government's commitment to implementing structural reforms that encourage private investment, along with a push to expand domestic manufacturing are the key factors that are likely to strengthen the economic base.

India is the Fastest Growing Economy, Set to Become 3rd Largest by 2030

India continues to outpace global peers and remains the fastest-growing major market. It is steadily moving toward becoming the third-largest economy by 2030, with GDP expected to reach around USD 7.3 trillion. This trajectory is supported by firm policy direction, forward-looking reforms, and stronger international cooperation.

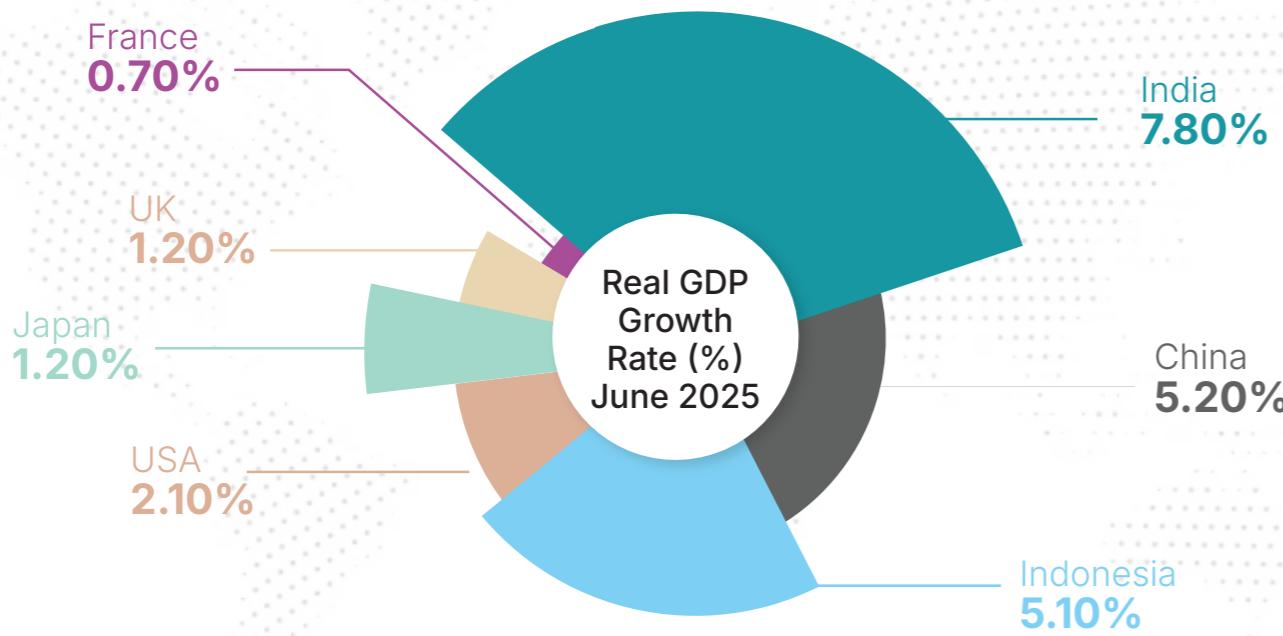
India took 60 years to become a trillion-dollar economy but reached next trillion in only 8 years. Currently, with over USD 4 trillion GDP, India is the fifth largest economy in the world.

Top 10 Economies of the World



India's robust services sector has once again lifted economic performance, pushing GDP growth to a solid 7.8% in April–June 2025, marking the second consecutive quarter of growth surpassing expectations, up from 6.5% growth in same period last year.

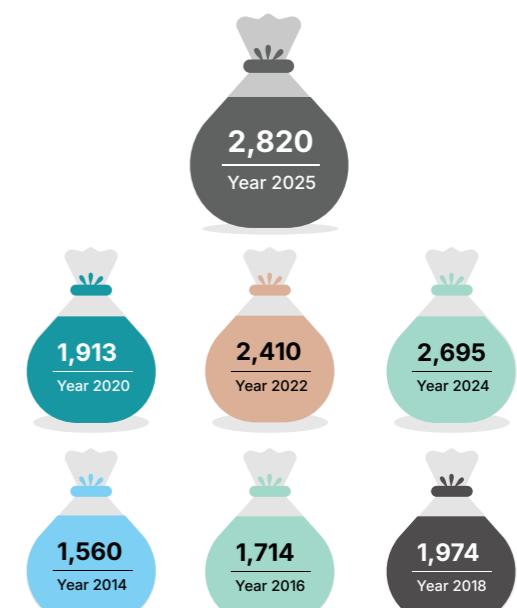
consecutive quarter of growth surpassing expectations, up from 6.5% growth in same period last year.



Strong Growth in Per Capita

India's economy is characterized as being driven by strong consumption and experiencing rapid growth in the entire economy. Over the past several years, the country's per capita income has grown at a healthy rate, surpassing the crucial threshold of USD 2,500 in 2023. Currently, India's estimated per capita income in USD for 2025 is approximately USD 2,820.

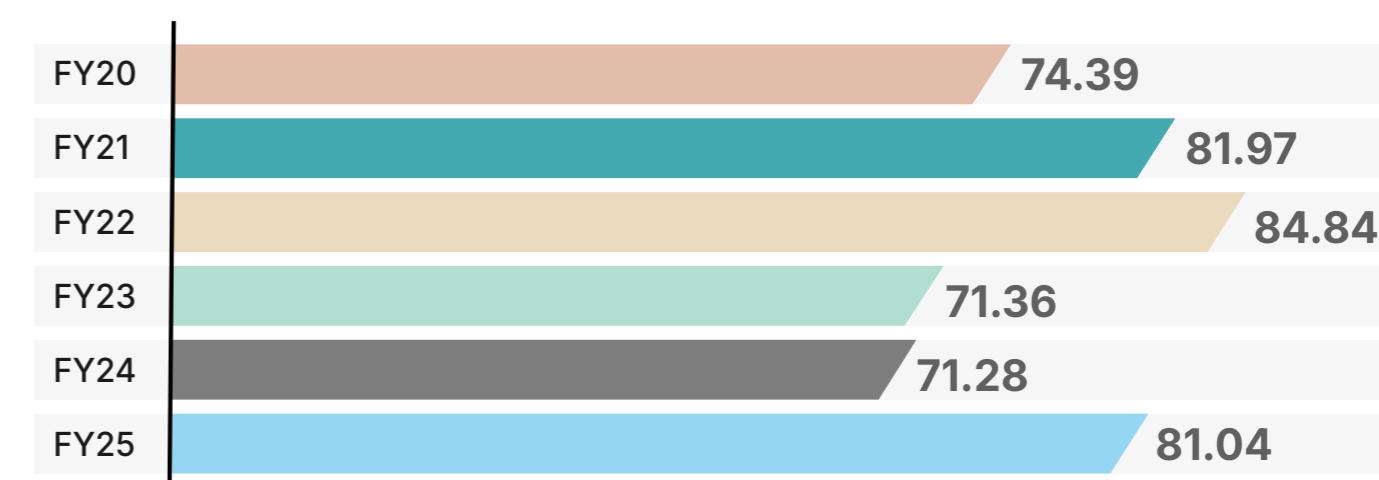
GDP Per Capita (USD) - India



Foreign Direct Investment is Growing at a Healthy Pace

FDI inflows rose to a provisional USD 81.04 billion in FY 2024–25, a 14% increase from USD 71.28 billion in FY 2023–24, underscoring India's continued appeal as a preferred investment destination.

FDI (USD) - India



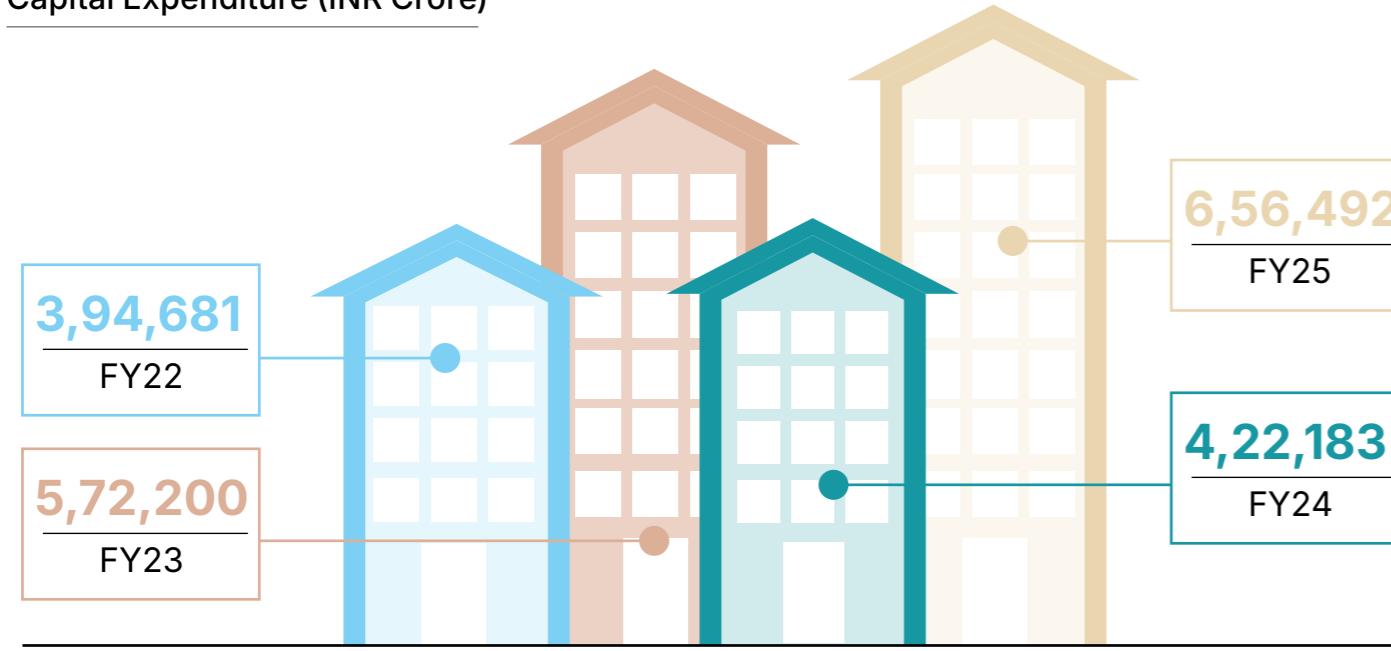


Capital Expenditure (CAPEX): Key Driver of National Investment Enabling Creation of Physical Assets

India's Growing Capital Expenditure

Development of mega projects are capable of enhancing efficiency, productivity and generate a continued revenue stream for the economy. Aggregate CAPEX grew 66% over the reference period of last four years (FY 2021-22 to 2024-25).

Capital Expenditure (INR Crore)



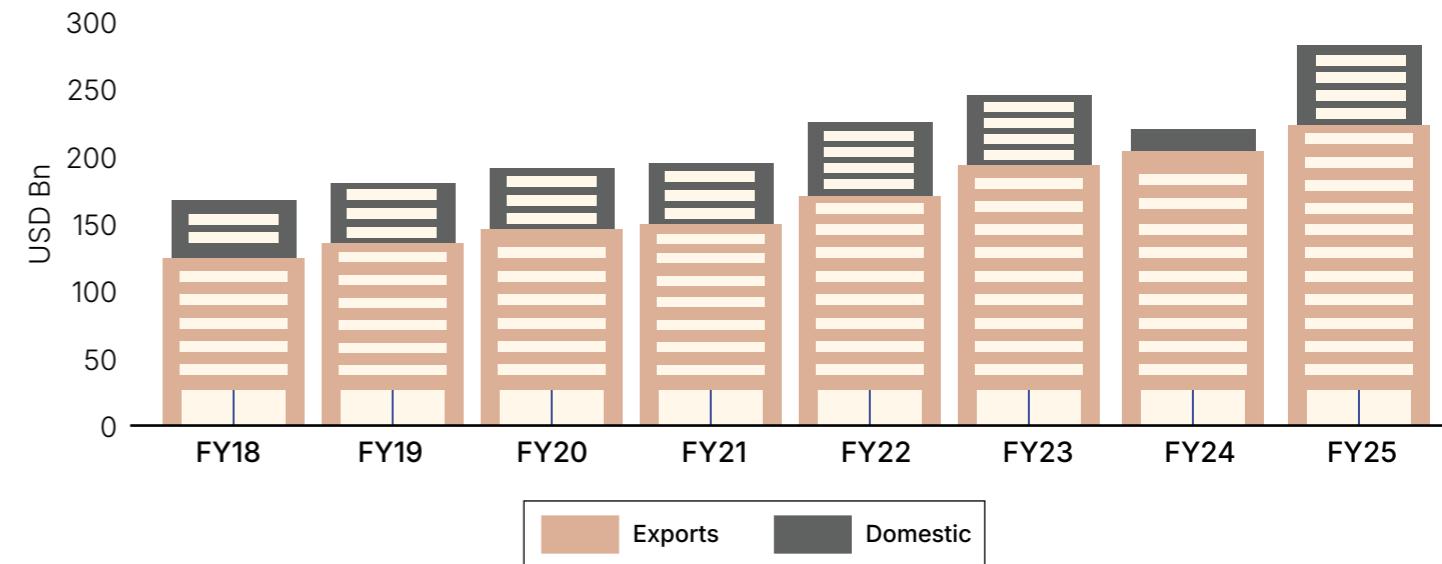
Source: MOSPI

IT-ITeS Sector Dominates Demand for Real Estate

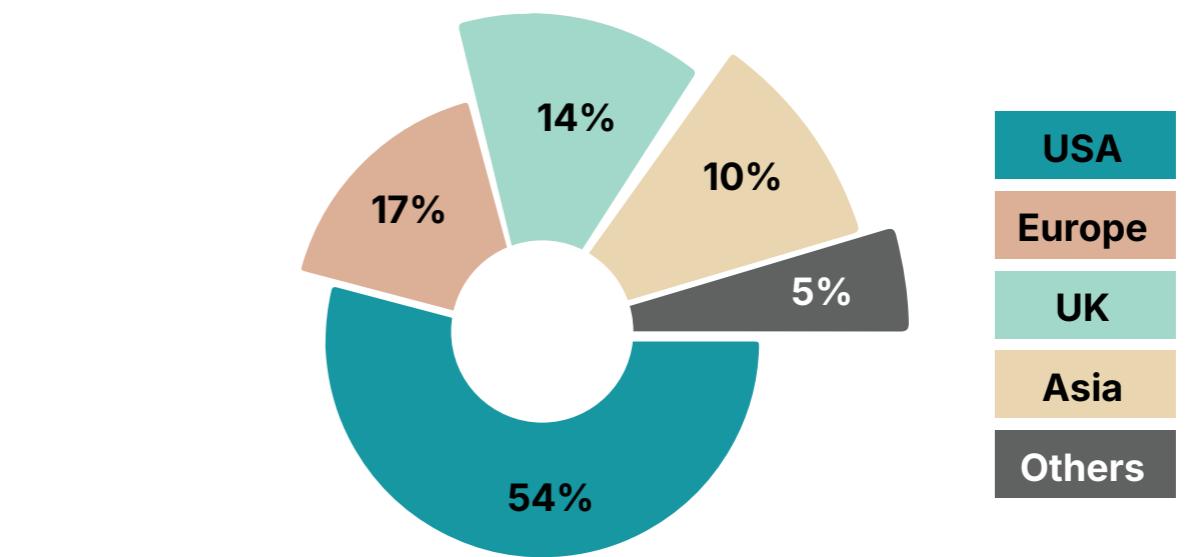
The IT-ITeS sector has been instrumental in the growth of the economy. Increased global reliance on the technology services together with the rising exports and domestic consumption further

propelling the sector. The export revenues have grown at a CAGR of 8% in the last 5 years with the domestic sector's share at nearly 25% in each year, barring FY24. Nearly 85% of the export revenue comes from the major economies of the USA and Europe.

IT-ITeS Revenue Trends



IT-ITeS Exports by Region



Source: Anarock Research, NASSCOM

“

India's economic upswing is clearly reflecting in the real estate landscape, in both residential as well as commercial. Rising demand and a renewed flow of investments are driving steady growth across every major real estate segment—commercial, retail, warehousing, and residential. This broad-based momentum points to a healthy outlook for the sector and a strong foundation for future expansion.

02.

INDIAN COMMERCIAL OFFICE REAL ESTATE OVERVIEW



India's commercial office real estate sector has witnessed remarkable growth over the past decade, steadily emerging as a key pillar underpinning the nation's economic progress. This evolution has transformed major metropolitan cities of Bengaluru, Mumbai, the National Capital Region, Chennai, Hyderabad, and Pune into prominent office hubs that attract both global corporations and leading domestic enterprises. Apart from being the most preferred residential cities, these urban centers have established themselves as bustling epicenters of business activity, offering world-class infrastructure and connectivity that appeal to organizations seeking to expand their operations. The consistent demand for Grade A office spaces continues to be fueled by several dynamic factors such as the expansion of IT and IT-enabled Services (IT-ITeS), the rise of co-working operators, GCC hubs, increasing startups and freelancers. Financial institutions are also increasingly seeking premium office locations to support their expanding operations in India's fast-growing economy.

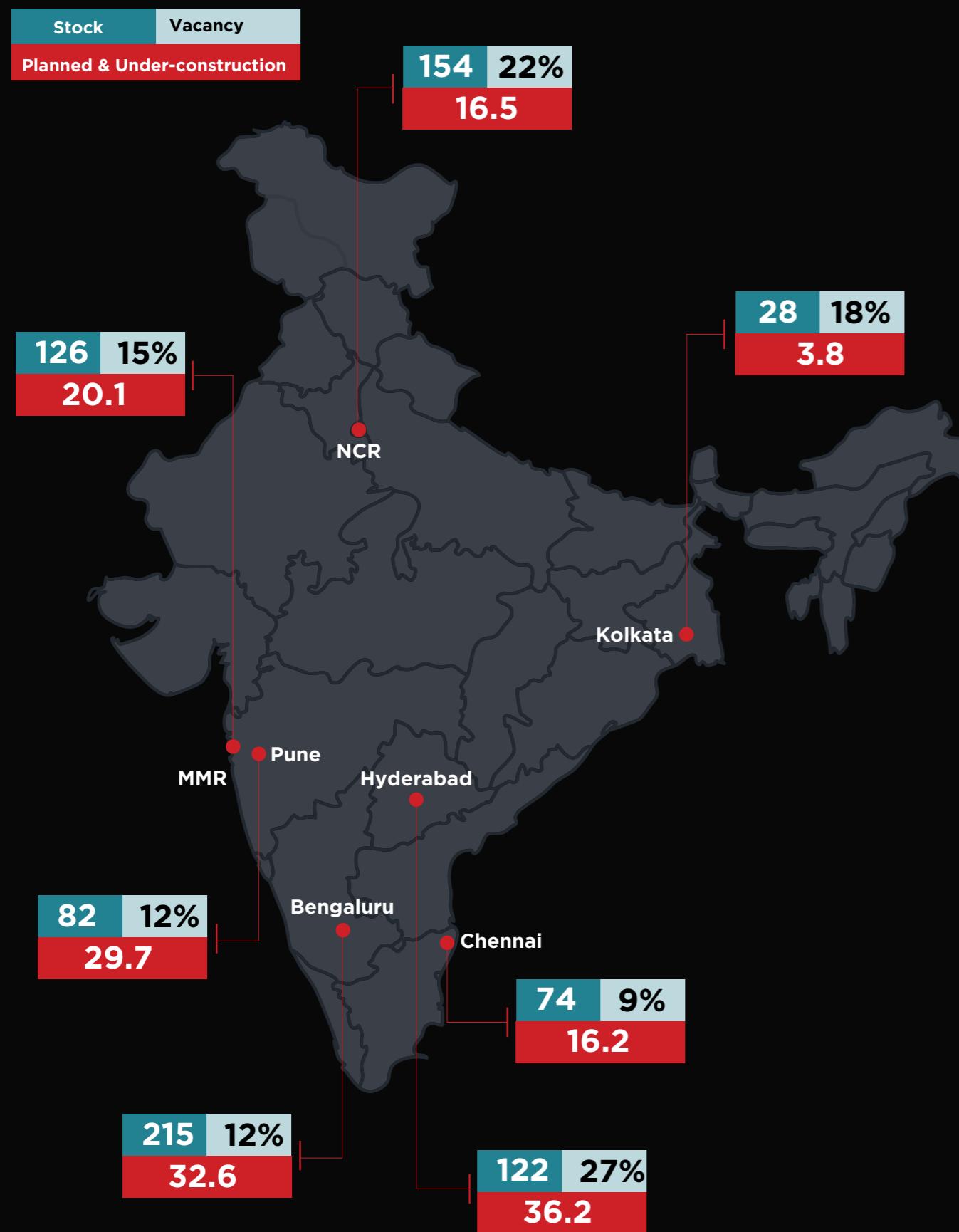
Furthermore, multinational corporations continue to set up large campuses within these urban centers to tap into India's vast talent pool and leverage cost efficiencies. Collectively, these trends underscore how commercial office real estate not only supports but actively accelerates India's transformation into a global business powerhouse.

With the end of another benchmark year of 2025, which distinguished itself as a pivotal period for the commercial office sector in India with record-high leasing activity and an influx of new supply over recent years, we have observed significant transformations in the commercial real estate landscape across the top seven cities. The sector has gradually transformed into an occupier-driven and demand-led market.

As we step into a new year, India's economy continues to grow and diversify, with demand steadily outpacing supply. This momentum is now translating into a visible shortage of quality, premium office spaces across key markets. To address this disparity, it is imperative for the market to focus not only on new developments but also on the strategic enhancement of existing assets to align with evolving occupier expectations and ensure sustained long-term value.

GRADE A OFFICE STOCK

India's Grade A Office Stock Nears ~ 800 Mn Sq Ft, Led by Bengaluru and NCR



Source: Anarock Research

Note: Grade A stock only, Stock and Planned supply in Mn Sq Ft

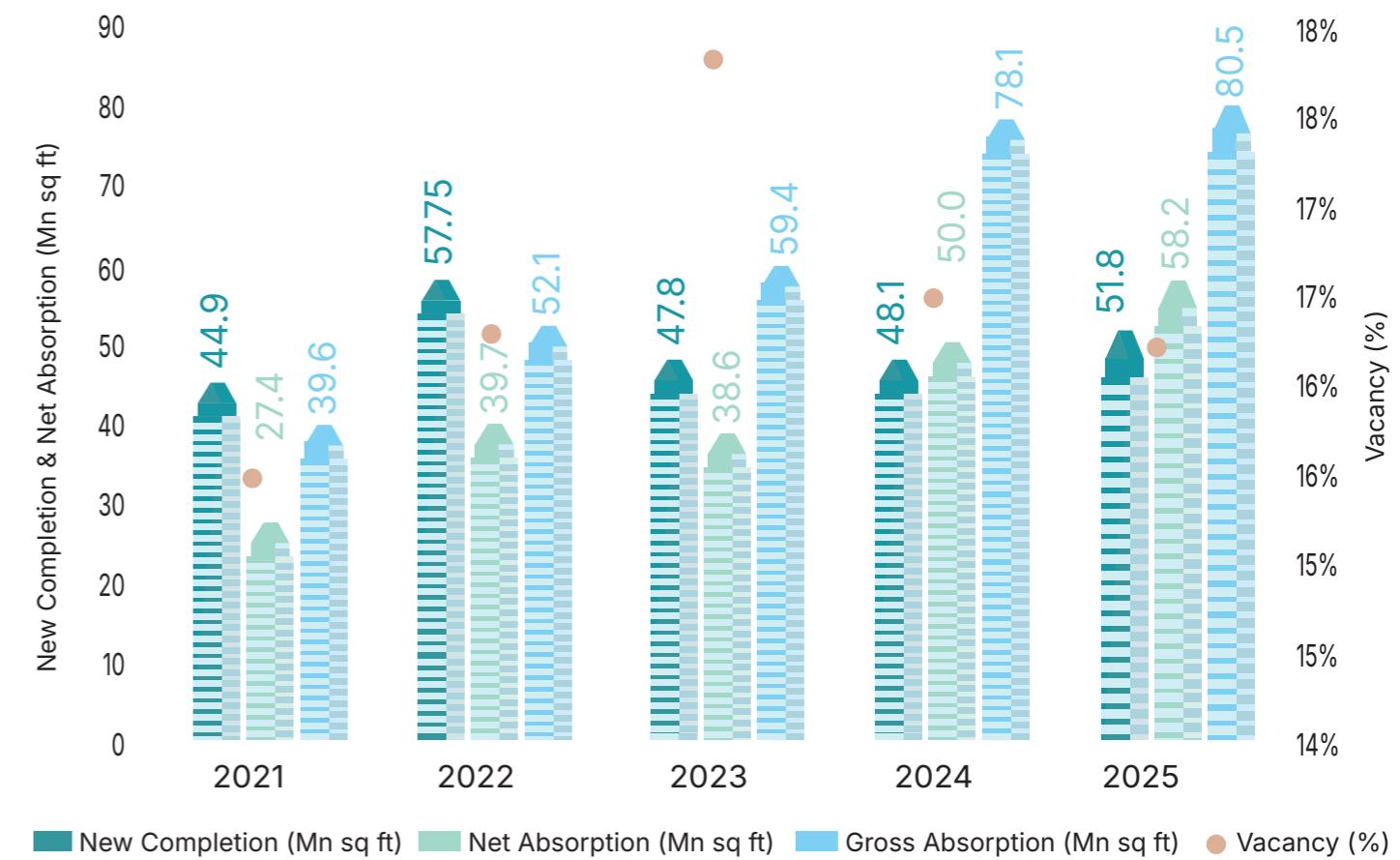
As of December 2025, the total Grade A office stock across India's top seven cities reached approximately 800 Mn sq ft, reflecting the sustained strength of the commercial office market. Bengaluru continues to lead with the largest share of around 27%, reinforcing its position as the country's dominant office hub. The National Capital Region (NCR) follows closely with about 154 Mn sq ft, contributing nearly 19% to the overall stock.

Across the top seven cities, gross leasing crossed 80 Mn sq ft in 2025, while net absorption stood at around 58.2 Mn sq ft, supported by steady expansion and fresh leasing by global and domestic firms. New completions during the year reached nearly 52 Mn sq ft, led by Bengaluru and Pune, which together accounted for a significant share of the new supply.

The market's continued resilience highlights strong business confidence and sustained occupier demand across a wide range of sectors. Leasing momentum has remained healthy across major office hubs, supported by expansion plans and consolidation activity. As a result, 2025 has emerged as one of the strongest years in recent times, recording high net absorption levels and gross leasing volumes that have comfortably surpassed last year's benchmark.

DEMAND-SUPPLY DYNAMICS

Building on the exceptional leasing performance of 2024, India's office market went on to set a new benchmark in 2025. Both gross leasing and net absorption remain at robust levels with slight uptick in new supply despite broader global uncertainties, including the U.S. tariff and visa policies that have had little bearing on occupier activity so far.



Note: The data is on calendar year and represents Grade A office developments.

Pan-India refers to top 7 cities of India only.

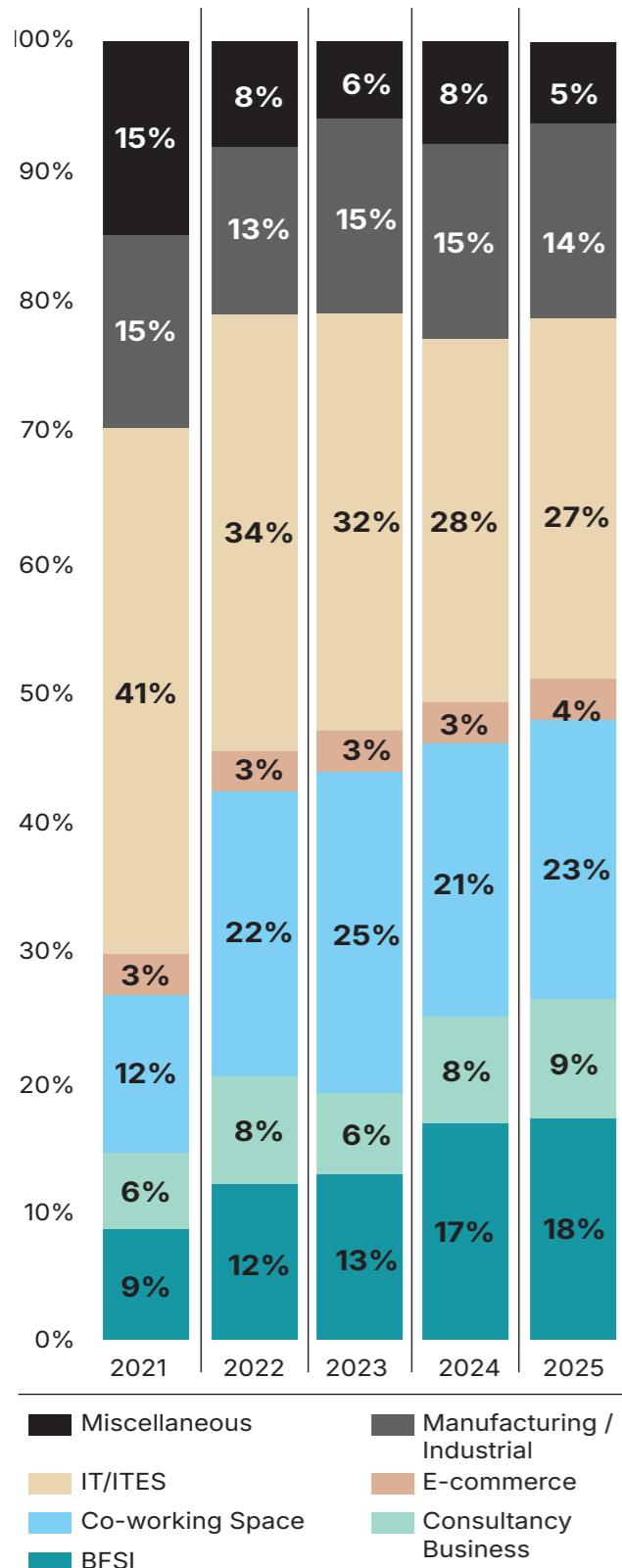
Rounding may result in minor variations between the stated and calculated values.

Net office absorption refers to the incremental new space take-up.

Source: Anarock Research

SECTOR-WISE OFFICE TRANSACTIONS SPLIT

IT-ITeS Maintains Market Leadership at 27%, Followed by Co-working Space



India's office leasing market in the year 2025 continued to reflect a healthy mix of occupier activity across sectors, showcasing the evolving dynamics of corporate demand. The IT/ITES sector continued to be the largest occupier, though saw its share taper marginally to 27% from 28% last year and from 41% in 2021, reflecting a more balanced market as other sectors gain traction.

Co-working operators retained a strong foothold with a 23% share, underscoring the growing appeal of flexible workspace models amid evolving hybrid work strategies and enterprise demand for plug-and-play options.

The BFSI sector strengthened its position, maintaining an 18% share, a marginal rise from the previous year, supported by the ongoing expansion of domestic banks, fintech players, and global capability centers. Consultancy firms also displayed steady improvement, rising to 9%, as increased business advisory and professional services activity drove space take-up.

The manufacturing and industrial segment remained stable at 14%, buoyed by continued investment in engineering, electronics, and auto components. E-commerce share rose marginally to stand at 4%, indicating sustained but measured growth. Overall, the diversification of leasing activity across sectors highlights the maturing nature of India's office market, with strong participation from financial, consulting, and flexible workspace operators complementing the IT-led demand base.



CITY WISE NEW SUPPLY

India's Office Market Records over 51 Mn sq ft of New Supply in 2025; Bengaluru and Pune Lead the Surge

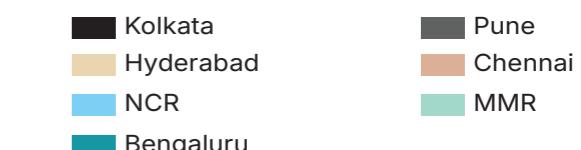
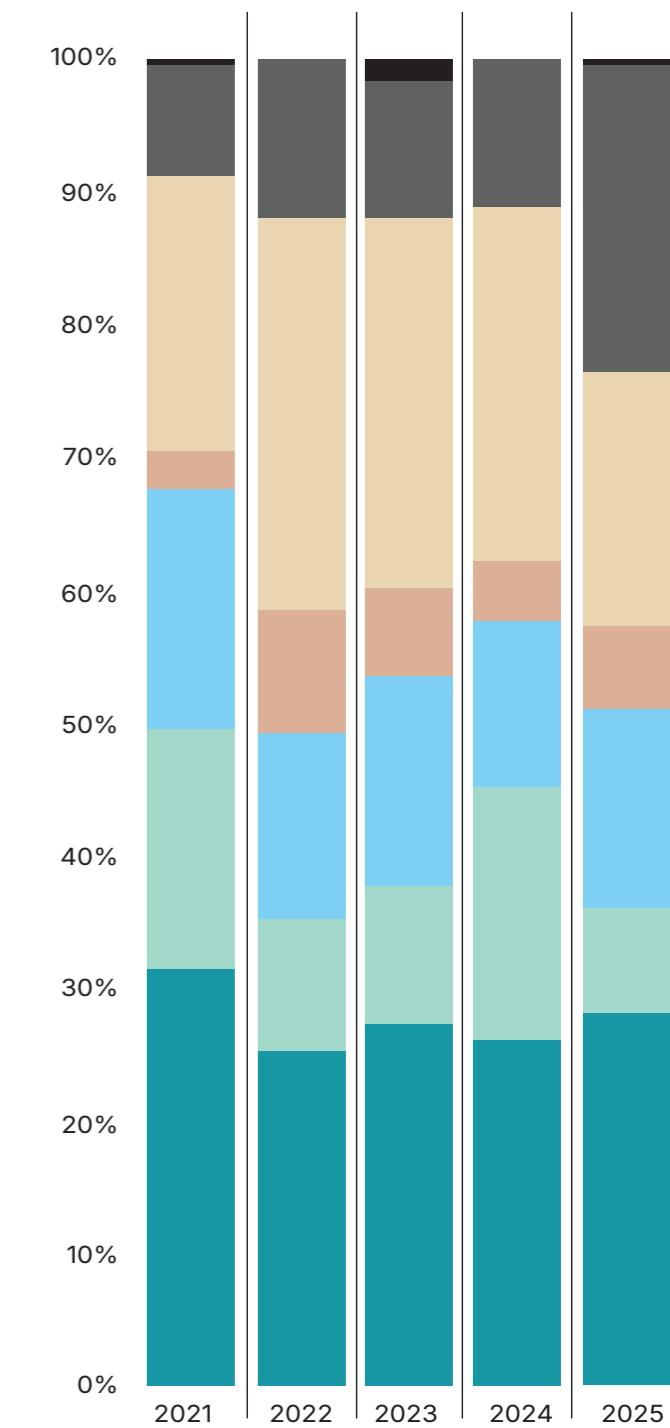
India's office real estate market maintained its strong development pace through the year 2025, with new completions surpassing 51 Mn sq ft, registering an 8% rise of new completions from the supply of 2024. This sustained construction activity reflects the sector's resilience and developers' continued confidence in long-term occupier demand, despite broader global headwinds.

Regionally, the southern markets continued to dominate India's office supply pipeline, collectively contributing around 51% of the total new additions. Bengaluru remained the frontrunner, delivering 13.5 Mn sq ft, contributing 26% of total completions. The city's dominance is well supported by steady pre-commitments and a strong technology and GCC ecosystem.

Hyderabad followed with approximately 9 Mn sq ft with 17% share, while Chennai added 3.9 Mn sq ft, contributing 8% to the total supply across the top-7 cities, reflecting consistent traction across the southern corridor.

Pune emerged as the second-largest contributor across the top seven cities, recording more than 10.6 Mn sq ft of new supply, 20% share of the total. The city recorded a sharp rise of more than 103% over the supply recorded in the year 2024, which was driven by the completion of large IT and business parks and increasing occupier preference for Pune as a cost-effective alternative to Mumbai. In contrast, the MMR witnessed new supply of 6.05 Mn sq ft, constrained by land availability, regulatory delays, and a shift toward redevelopment in the city's saturated core markets.

NCR accounted for a 17% share of the total new completions, adding nearly 8.65 Mn sq ft of new office space to the region.



Note: Miscellaneous sectors include Telecommunication, Real Estate, Healthcare, Education and logistics, amongst others

Source: Anarock Research

Note: The data represents Grade A office developments only. Rounding may result in minor variations between the stated and calculated values.

Source: Anarock Research

CITY WISE ABSORPTION

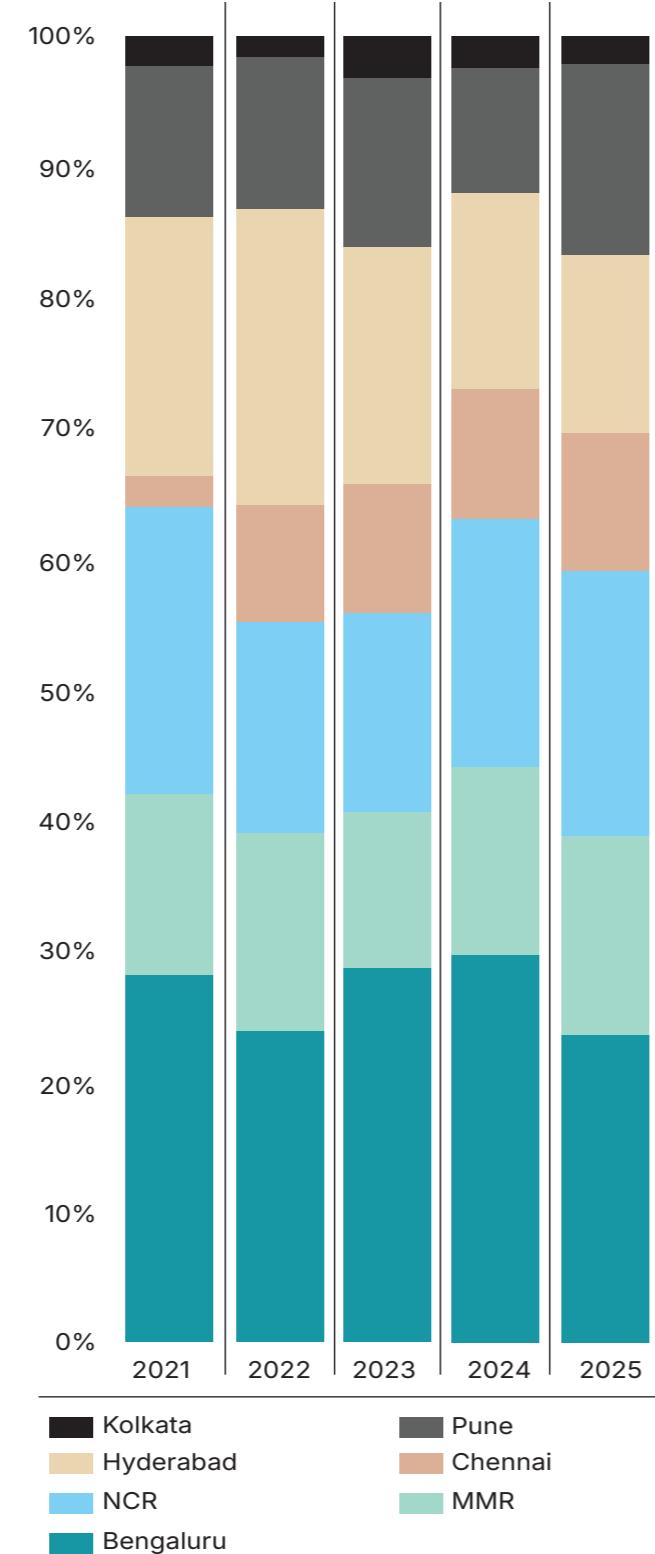
Bengaluru Continues to Command India's Office Landscape as Activity Broadens Across Key Metros

India's office market maintained its strong growth trajectory through the year 2025, with net absorption reaching 58.2 Mn sq ft, registering a growth of 17% over the previous year. This performance underscores the continued recovery in corporate real estate demand, supported by business expansion, a stronger return-to-office trend, and steady hiring across sectors such as technology, financial services and manufacturing.

Bengaluru led the market with nearly 15 Mn sq ft of net absorption, contributing nearly one-fourth of the total leasing of top – 7 cities. The southern markets - Bengaluru, Hyderabad, and Chennai—together accounted for nearly 51% of the overall activity, fuelled by strong IT/ ITeS demand, co-working spaces and the rapid growth of Global Capability Centres (GCCs). The National Capital Region (NCR) followed as the second-largest contributor, with 10.7 Mn sq ft of net absorption, contributing a share of 18% to the total leasing.

The western markets of MMR and Pune together added nearly 17 million sq ft, accounting for about 30% of total absorption. MMR recorded a 21% year-on-year increase in leasing, with around 8.7 million sq ft leased in 2025, supported by its strong financial ecosystem and ongoing connectivity upgrades. Pune, meanwhile, witnessed the sharpest rise in leasing activity, with over 8.2 million sq ft, driven largely by expansion in the manufacturing and services sectors.

Kolkata continued to play a relatively modest role in India's overall office leasing landscape, accounting for just about 3% of total net absorption during 2025.



Note: The data represents Grade A office developments only. Net absorption refers to the incremental new space take-up

Source: Anarock Research



CITY WISE VACANCY LEVELS

India Office Market Vacancy Drops to 16.1% in 2025, Demonstrates Divergent Trends – with Certain Cities Experiencing Improvement while Others Faced Challenges

India's office market displayed a mixed performance across the top seven cities during the year 2025, with the Pan India average vacancy rate easing to 16.1%, a marginal decline from 16.5% at the end of 2024. While some cities witnessed improvement backed by strong leasing activity, others experienced slight increases due to new supply entering the market.

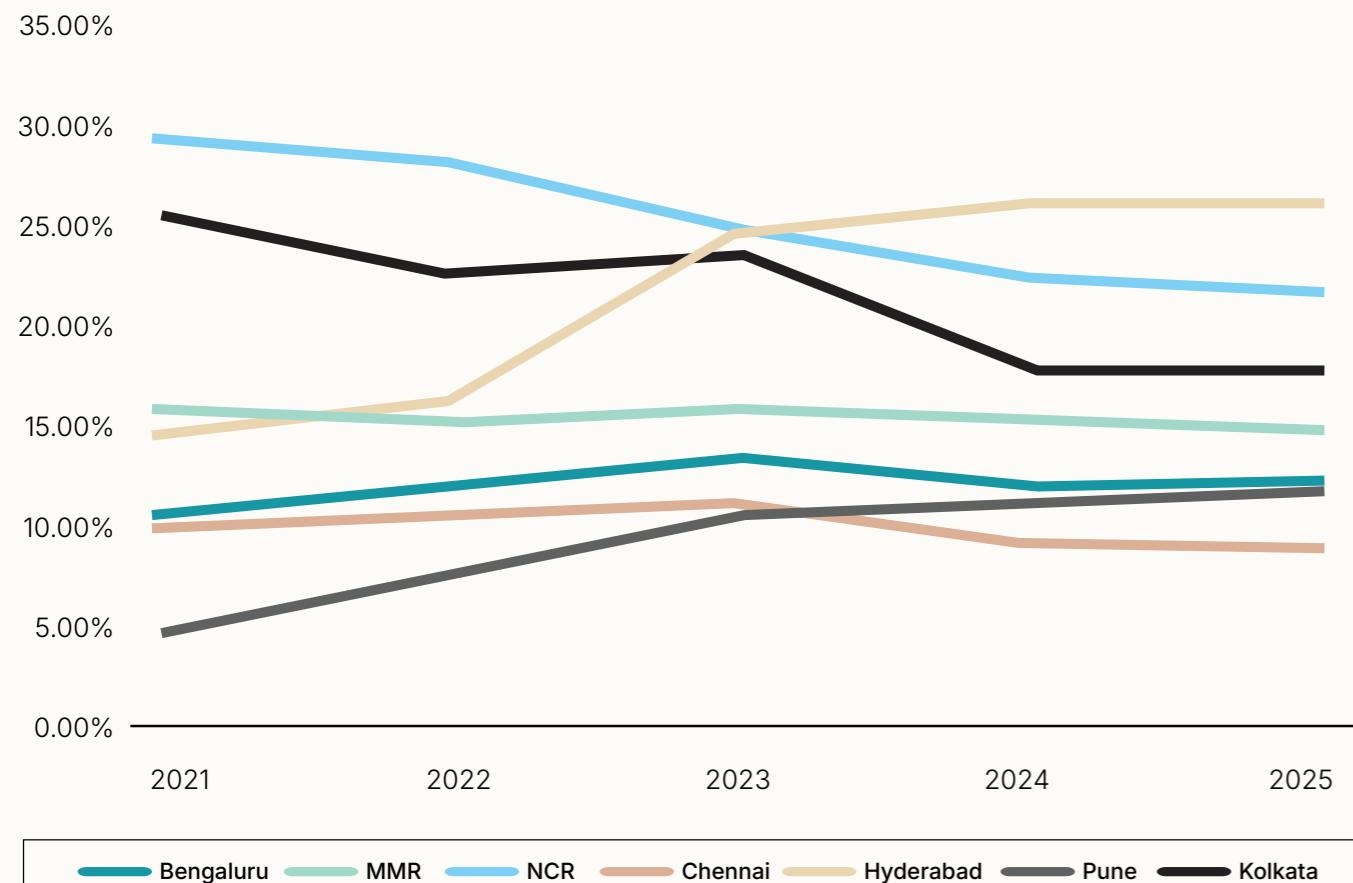
Hyderabad continued to record the highest vacancy rate at 26.3%, a marginal change from 26.5% in 2024. This was largely a result of substantial new completions in key IT-ITeS corridors outpacing short-term absorption levels. In contrast, Chennai maintained its position as the country's most stable office market, with vacancy rate improving to 8.8%, down by 0.4 points, supported by sustained occupier

demand and limited new supply.

NCR, despite recording the second highest vacancy rate of approximately 21.7%, saw a modest improvement from 22.5% in 2024, aided by increased corporate relocations and expansion activity.

Pune recorded slight uptick to 11.9%, reflecting that absorption is slightly trailing new project deliveries. Meanwhile, the average vacancy rate in Bengaluru and MMR improved marginally to 12% and 14.7% respectively, benefiting from continued leasing in select micro-markets.

Kolkata witnessed a slight year-on-year decline of 0.25%, indicating gradual stability in its office demand.



Note: The data represents Grade A office developments only
Source: Anarock Research

CITY WISE RENTAL TRENDS

India Office Rentals Climb to INR 92/sf/month in 2025, Records 6% Pan India Growth Compared to the End of 2024

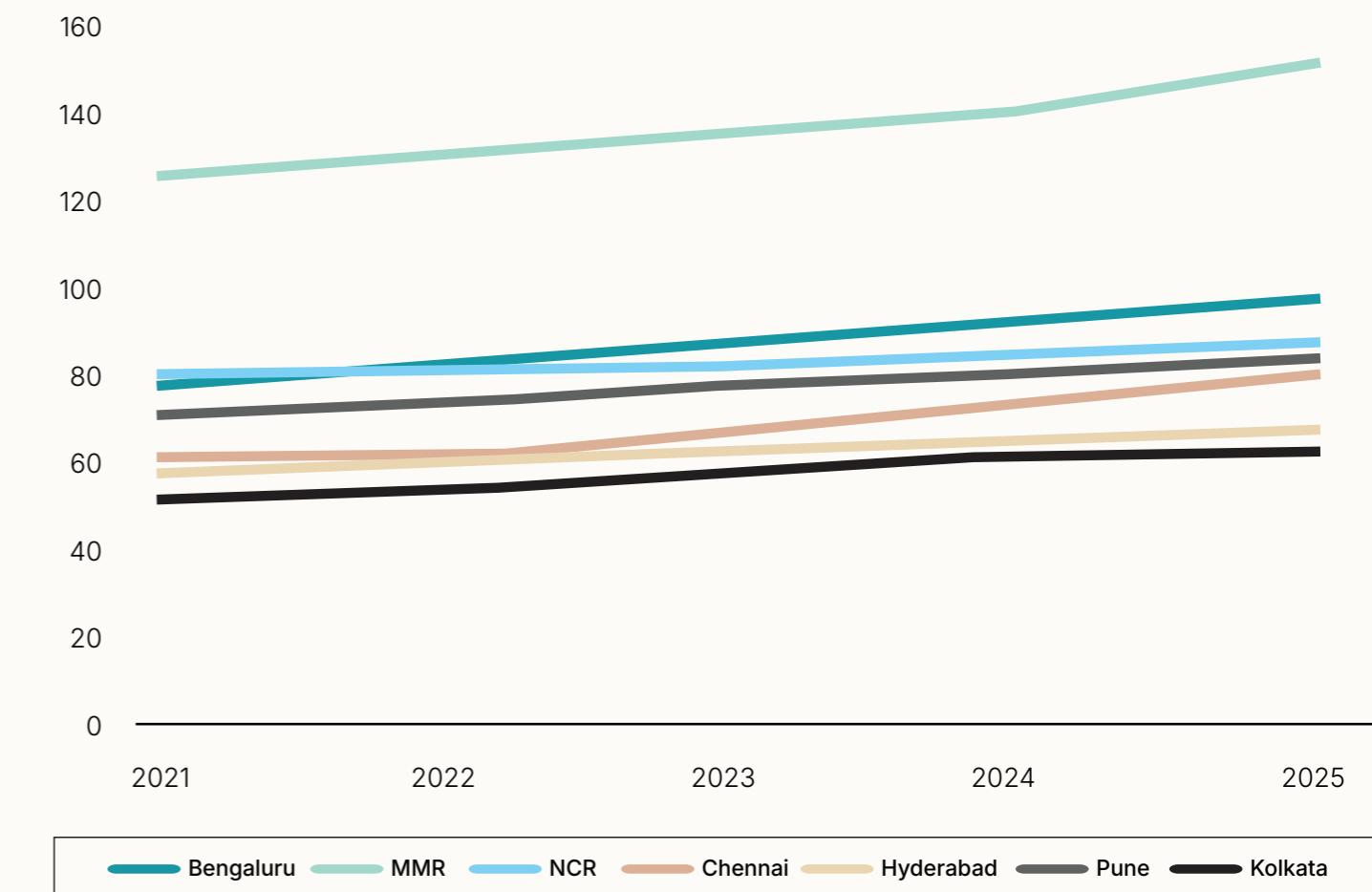
India's office market continued to reflect healthy fundamentals in 2025, with Pan India average rentals rising by 6% in 2025 to INR 92 per sq ft per month, up from INR 87 at the end of 2024. Over the past five years, rentals have climbed nearly 22%, signaling consistent value growth and strong occupier demand for quality office spaces.

Chennai and Bengaluru stood out as top performers, registering rental growth of 32% and 31% respectively since 2021. On one hand, Bengaluru continues to benefit from its strong positioning as technology and innovation hubs, supported by steady expansion from GCCs and domestic enterprises. Chennai, on the other hand, benefited from its strong occupancy levels and

growing prominence as a preferred destination for data centre developments.

MMR retained its position as India's costliest office market, with average rentals touching INR 148 per sq ft and recording a 5% rise in last twelve months.

Meanwhile, Hyderabad and NCR experienced relatively modest rental growth, constrained by higher vacancy levels. Nonetheless, rental appreciation across cities ranging between 3% and 9% highlights the market's overall strength. The rise is underpinned by sustained tech sector activity, return-to-office trends, and limited supply of premium Grade A offices, which is further reinforced by new infrastructure and business district development in key metros.



Note: Average rental rates are for vacant spaces that provide core facility, high side air conditioning and 100% power back up
Source: Anarock Research

03.

REITs AND THEIR EXPANDING FOOTPRINT



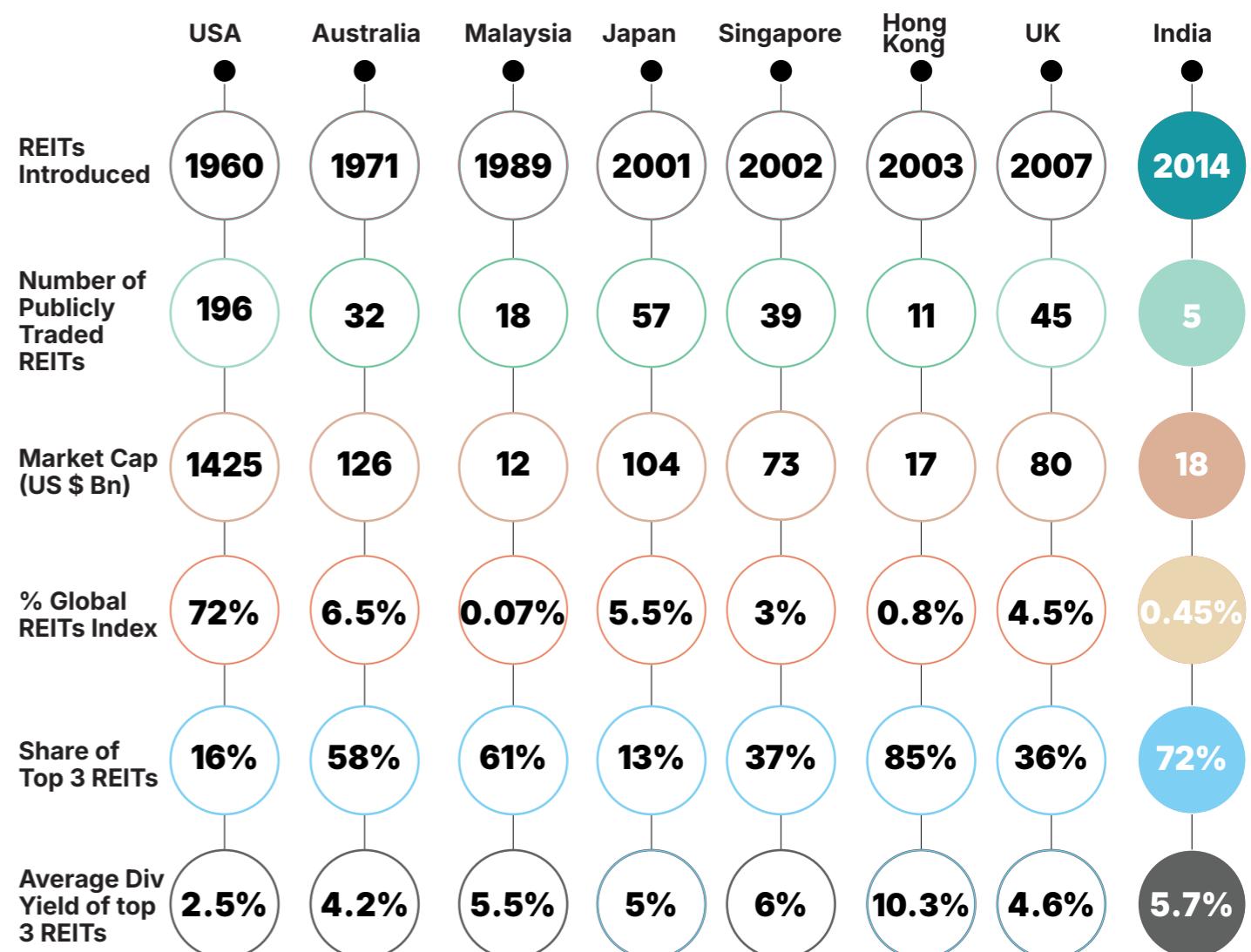
INDIA ON GLOBAL REIT MAP

India's commercial real estate sector has witnessed a structural transformation with the introduction of five listed Real Estate Investment Trusts (REITs), which have effectively democratized property investments by allowing retail investors to participate in what was once an institutional-dominated asset class. These REITs have not only enhanced transparency and liquidity in the market but also provided investors with

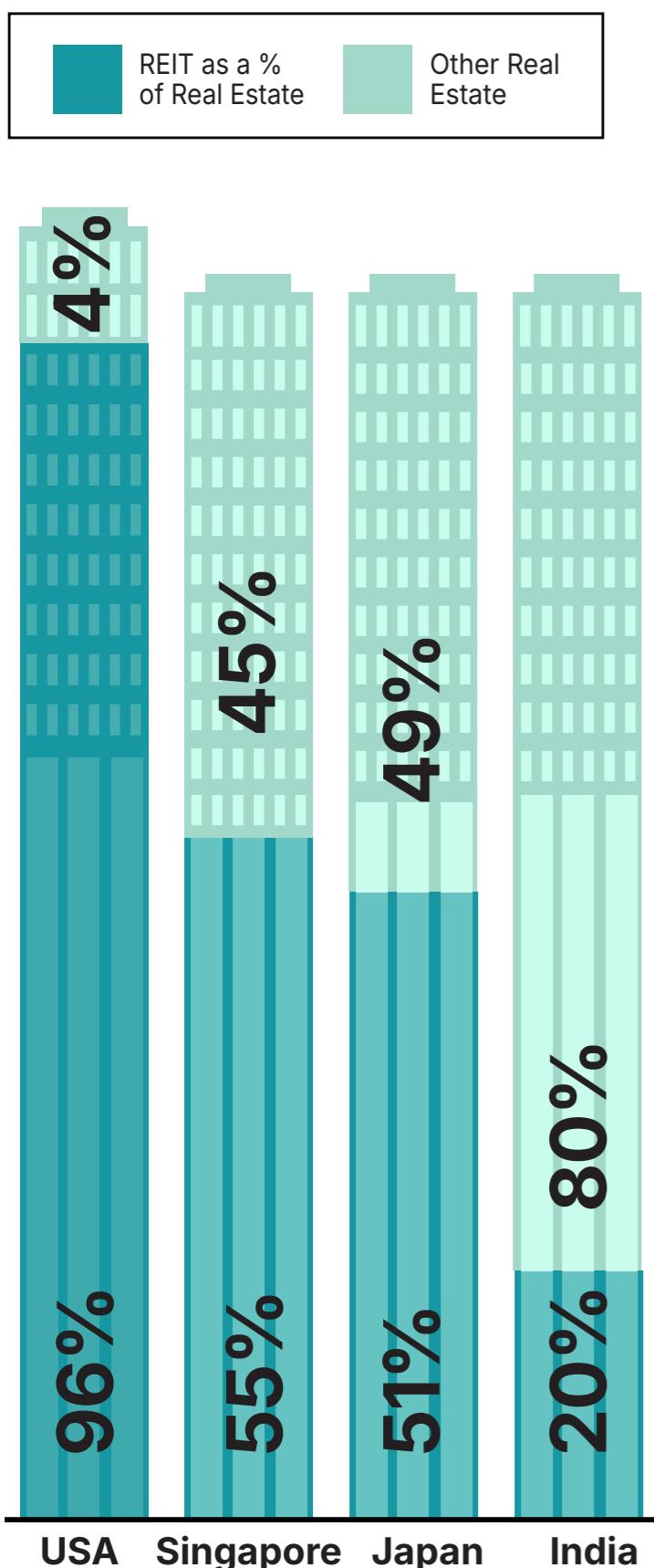
stable, income-generating opportunities. Over time, they have continued to expand their portfolios, acquiring premium Grade-A assets across major cities. By adding marquee office spaces and diversifying their holdings, India's REITs are deepening market depth and reinforcing investor confidence in the sector's long-term potential.

India's REIT Vs Global REIT

Indian REITs Performance Across Global Peers



REIT as a % Real Estate



India entered the REIT landscape much later than many global counterparts; the country's first REIT was listed only in 2019. It has swiftly reached an impressive market capitalization of nearly USD 18 billion, driven by just five listed REITs.

Although global markets display greater diversification across retail, industrial, and niche segments like data centers, Industrial REITs are also gaining traction, driven by e-commerce growth, supply chain shifts, and last-mile logistics demand. In contrast, Indian REITs remain largely focused on office assets, supported by stable lease structures, strong credit profiles, and steady yields led by the IT-ITeS sector.

Share of REITs in the Real Estate Market

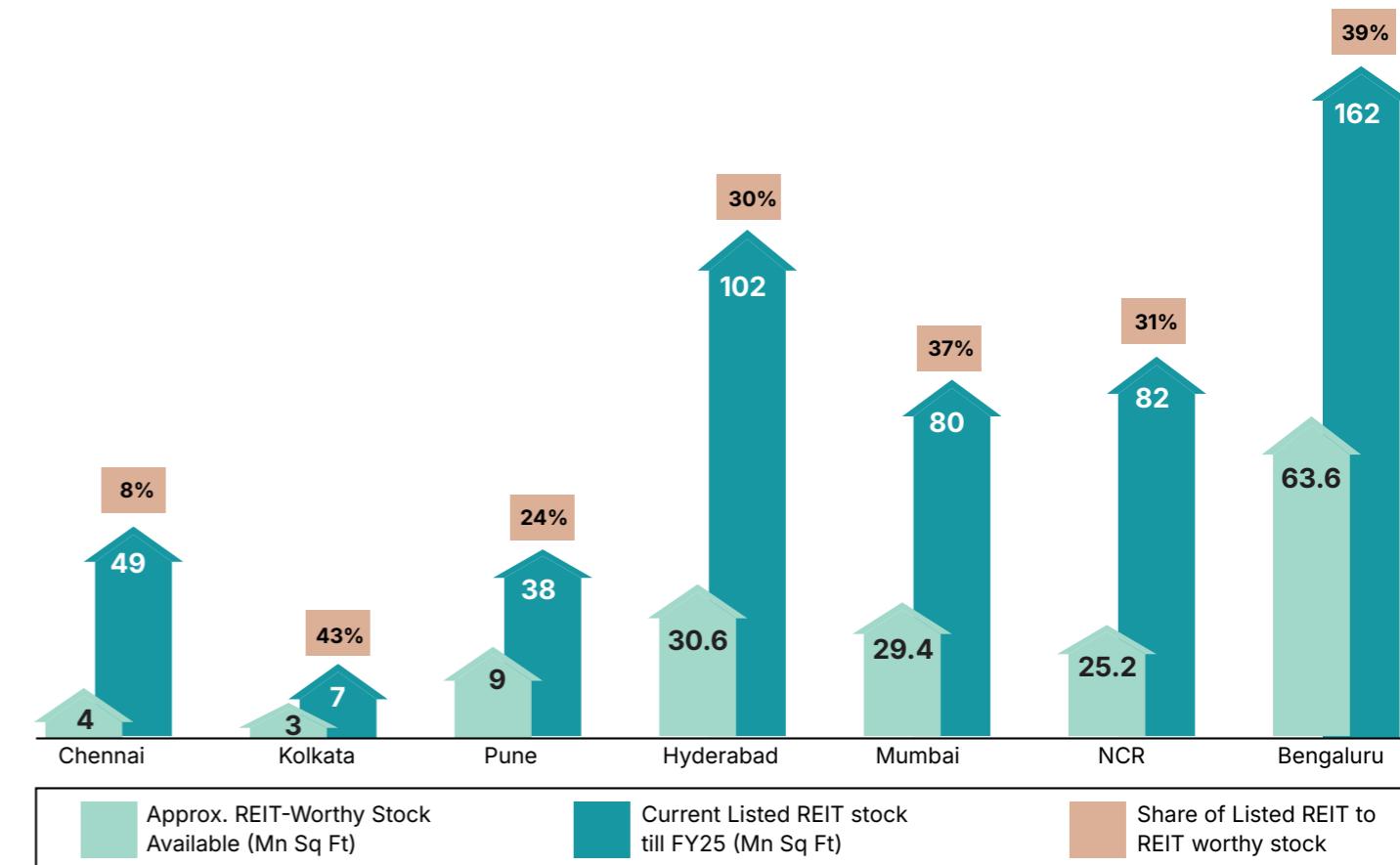
India's REIT market, though growing steadily, still accounts for only about 20% of the country's total institutional real estate-significantly lower than mature markets such as the U.S., Singapore, and Japan. This relatively limited presence is largely due to its concentrated focus on Grade A office assets, which offer scale, income stability, and consistent demand from high-quality tenants. However, the landscape is set to broaden as the market evolves. Future growth is expected to be driven by diversification into alternative asset classes such as data centers, logistics parks, and retail malls, reflecting changing investor preferences and occupier trends. While residential REITs may take longer to materialize due to regulatory and market complexities, gradual progress in this direction appears likely. With increasing institutional participation, policy support, and expanding asset inclusion, India's REIT penetration could climb to 25%–30% by 2030, positioning it among the world's most dynamic and rapidly expanding REIT ecosystems.

REIT POTENTIAL OFFICE STOCKS

Introduced in 2019, the Real Estate Investment Trust (REIT) framework in India has rapidly gained traction, with its market capitalization already exceeding that of several mature global markets. Despite this progress, only about 32% i.e 165 Mn sq ft of the total 520 Mn sq ft of REIT-worthy office stock across the top 7 cities is currently listed under the four active REITs: Embassy Office Parks, Mindspace Business Parks, Brookfield India, and Nexus Select Trust. This highlights significant headroom for future expansion.

The southern cities led by Bengaluru, followed by Hyderabad and Chennai, collectively account for around 313 Mn sq ft of this potential stock, with only 31% currently listed, signaling strong opportunities for future REIT growth and portfolio diversification.

REIT - Worthy Stock Vs Listed REITs



04.

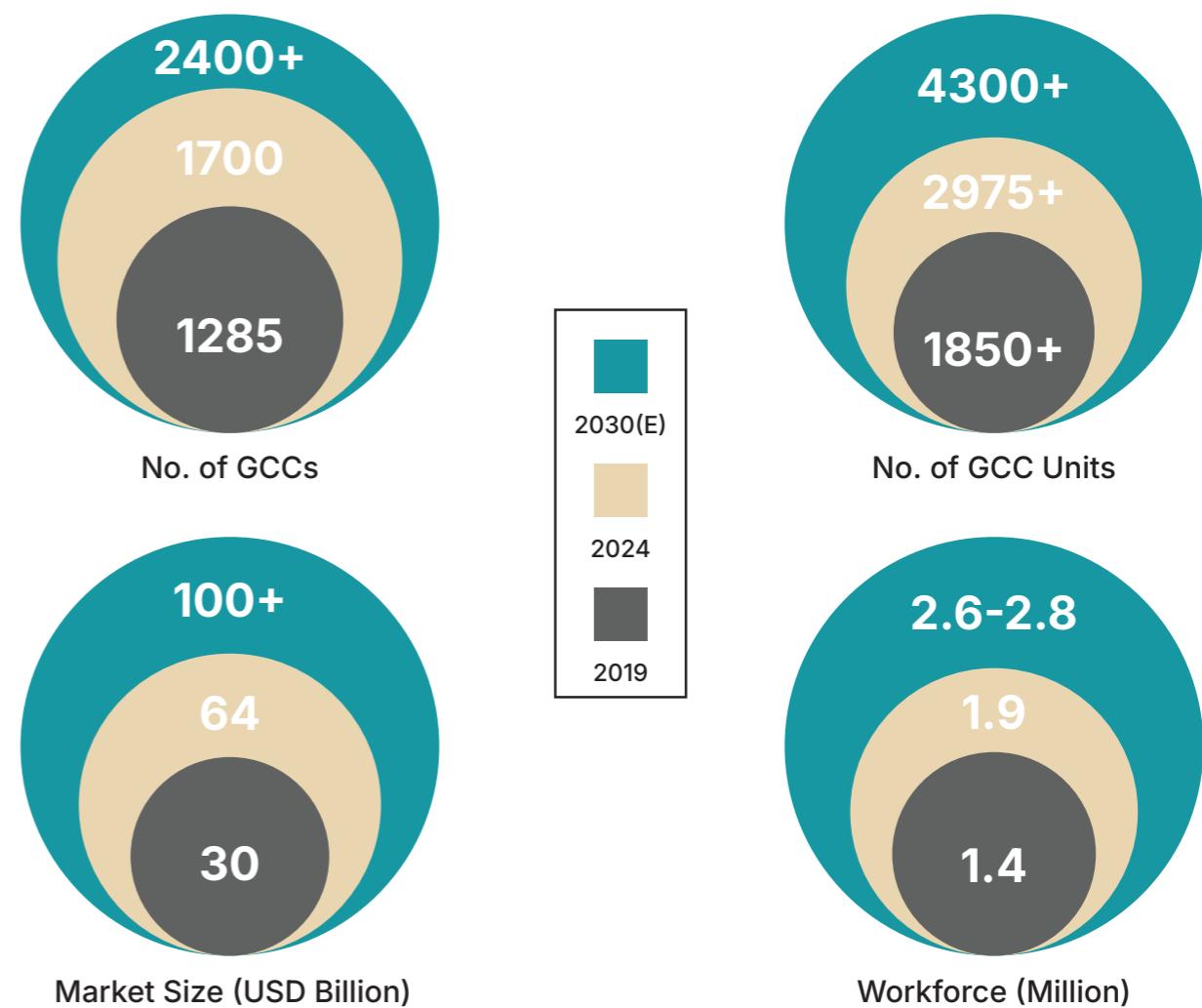
GCC LANDSCAPE IN INDIA



As the world's fourth-largest economy, India has emerged as a preferred hub for Global Capability Centres (GCCs). Its vast working-age population, competitive labour costs, and relatively low cost of living have created an environment that strongly favours global enterprises. While these fundamentals give India an edge over its peers, challenges such as infrastructure gaps and comparatively modest FDI inflows continue to weigh on its full potential.

Over the years, India's GCC landscape has expanded rapidly. The market size has surged from USD 30 billion in 2019 to about USD 64 billion in 2024. This

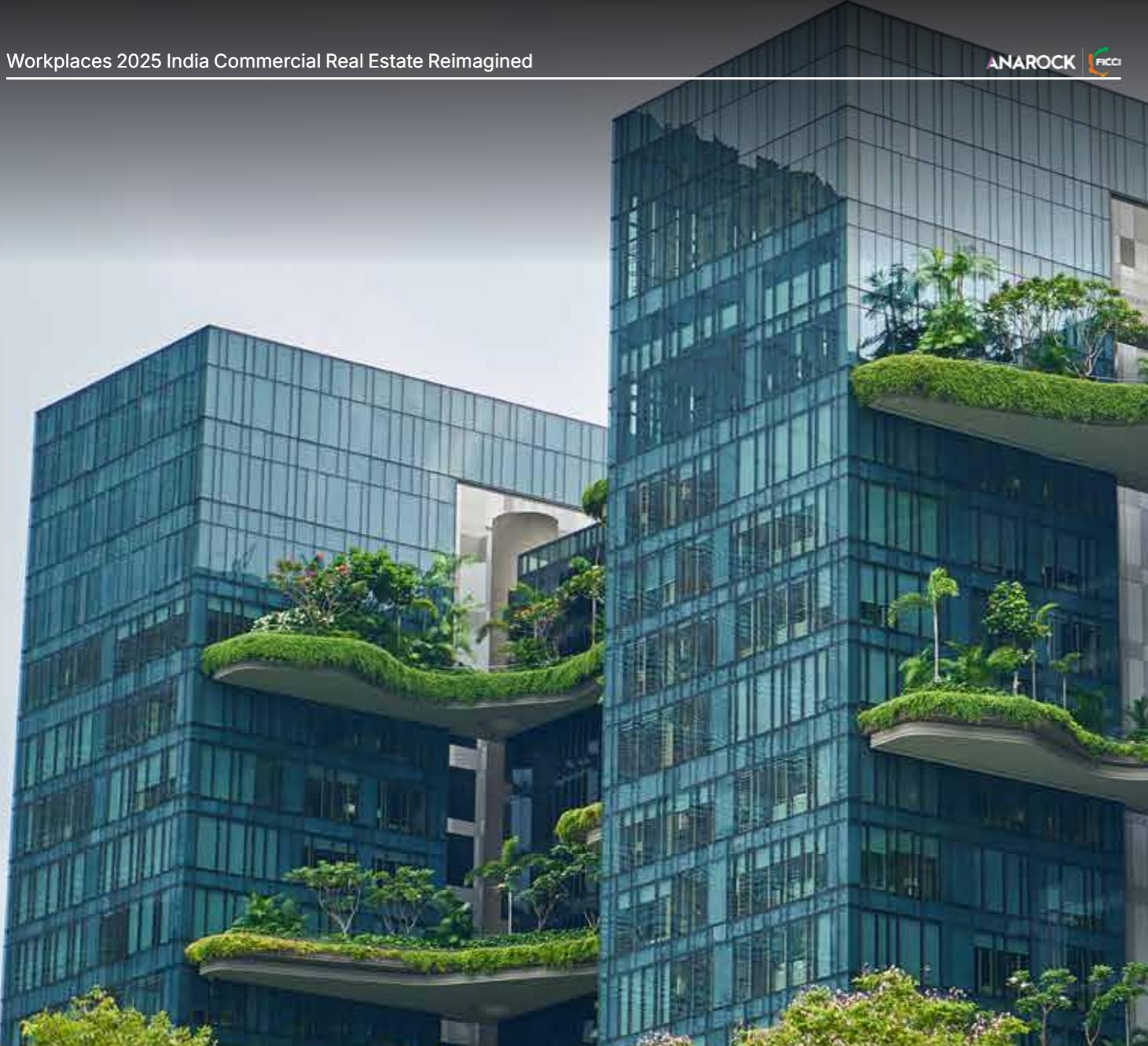
growth has been fuelled by increasing demand from key sectors including IT-ITeS, BFSI, healthcare and life sciences, and engineering research and development (ER&D). Today, India hosts over 1,700 GCCs, employing more than 1.9 million professionals. Looking ahead, the momentum is expected to continue, with projections suggesting the market could reach USD 105 - 110 billion by 2030, growing at a CAGR of 10%. The number of GCCs is also likely to exceed 2,400 by 2030, supported by an expanding talent pool and deepening sectoral diversification.



Source: Industry Estimates, Compiled by Anarock Research

Interestingly, the GCC footprint in India has expanded beyond the traditional Tier-1 markets, spreading steadily into Tier-2 cities. While established metros like Bengaluru, Hyderabad, Chennai, Mumbai, Pune, NCR,

and Kolkata continue to lead the landscape, emerging locations such as Jaipur, Indore, Surat, Kochi, and Coimbatore are fast gaining prominence as the next wave of GCC destinations.



GCC LEASING IN TOP 7 CITIES

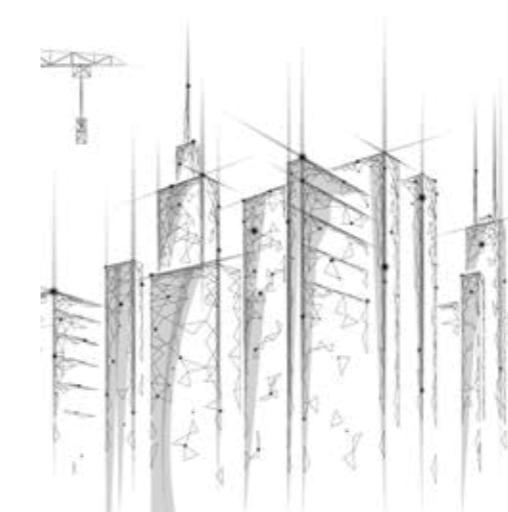
India's office market has continued its strong upward trajectory, reflecting a period of steady expansion and renewed confidence. In 2025, leasing activity across the top seven cities crossed a significant mark of 80 Mn sq ft, setting a milestone for the top 7 cities. The continued rise highlights the depth of occupier demand and the resilience of India's commercial real estate sector, the reason being the growing footprints of GCCs share in overall leasing. In 2025, GCCs accounted for a little over 32 Mn sq ft of the total office leasing across the top 7 cities.

Leasing (Mn sq ft) | Top - 7 Cities

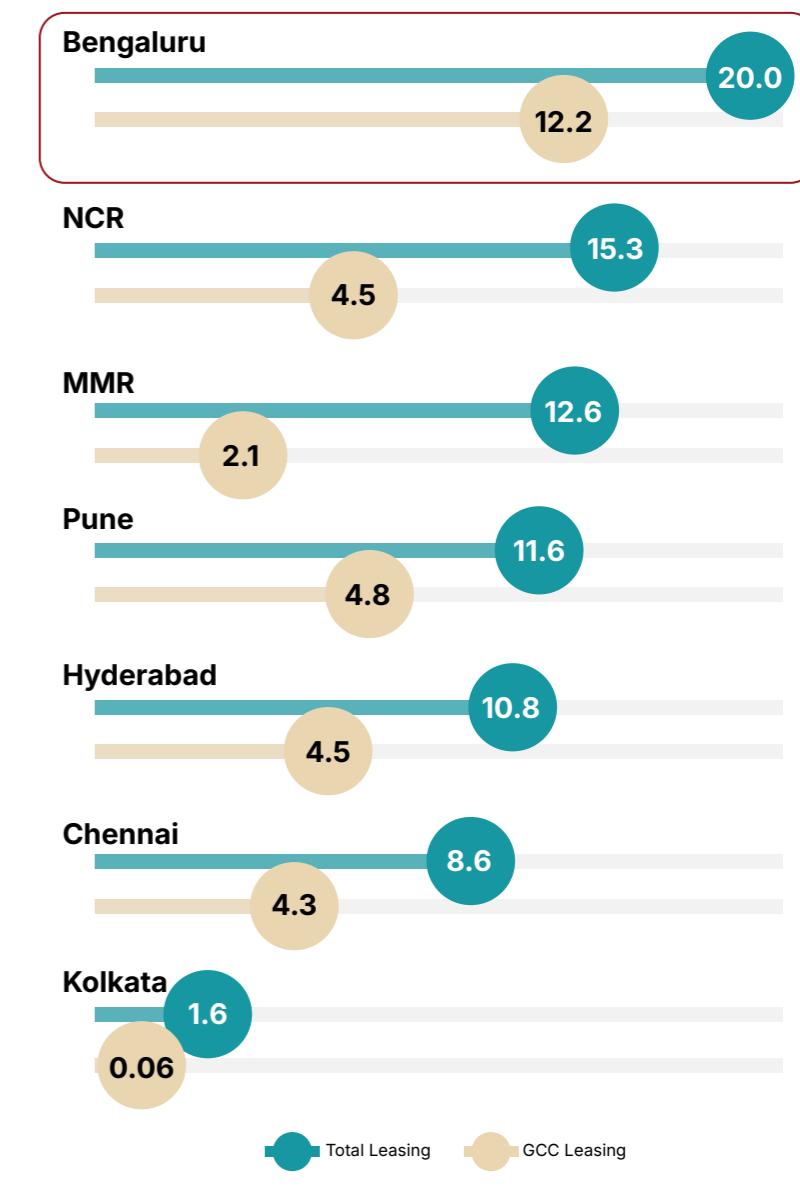


GCC LEASING – CITY WISE

Bengaluru continues to lead India's GCC landscape, backed by its deep talent pool, well-developed ecosystem, and sustained global investment interest. During the year 2025, the city captured more than one-third of the country's total GCC leasing, maintaining a clear edge over other markets. Pune followed with a 15% share, while Delhi-NCR and Hyderabad accounted for 14%, reflecting their growing appeal but still trailing Bengaluru's dominant position.



City Wise Leasing (Mn Sq Ft) 2025



05.

BENGALURU – THE GCC CAPITAL OF INDIA



Capital of Karnataka

Population
13.6 Mn-2023
20.3 Mn-2031 (E)

City Area
741 sq.km

Urban District Area
2,208 sq.km

Projected GDP of Bengaluru
8.5% (2020-2035)

1 Most Millennial Friendly City in India and 18th in Asia Pacific

2nd Highest Employability Rate of 72.46% in India

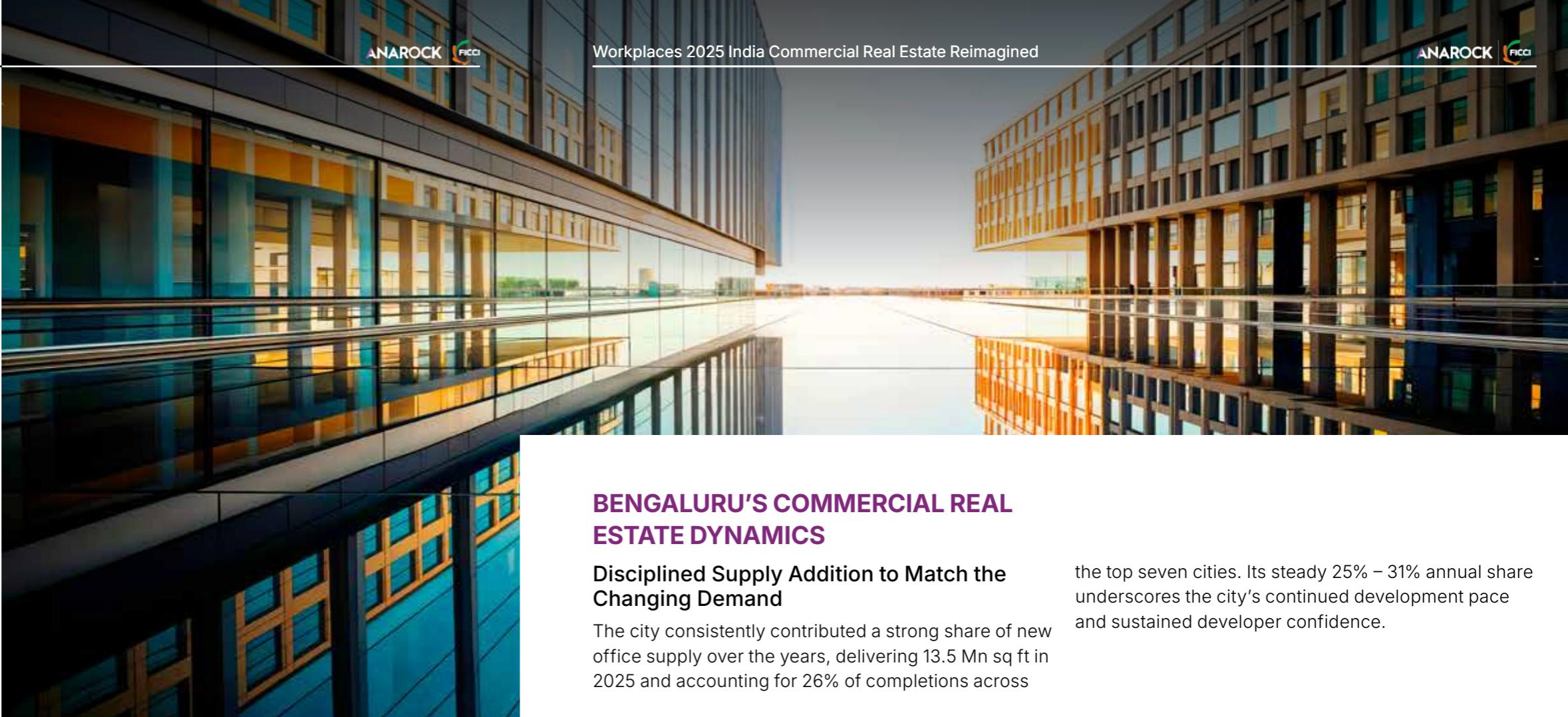
Home to India's largest Grade-A Office Market

High-street shopping capital of India

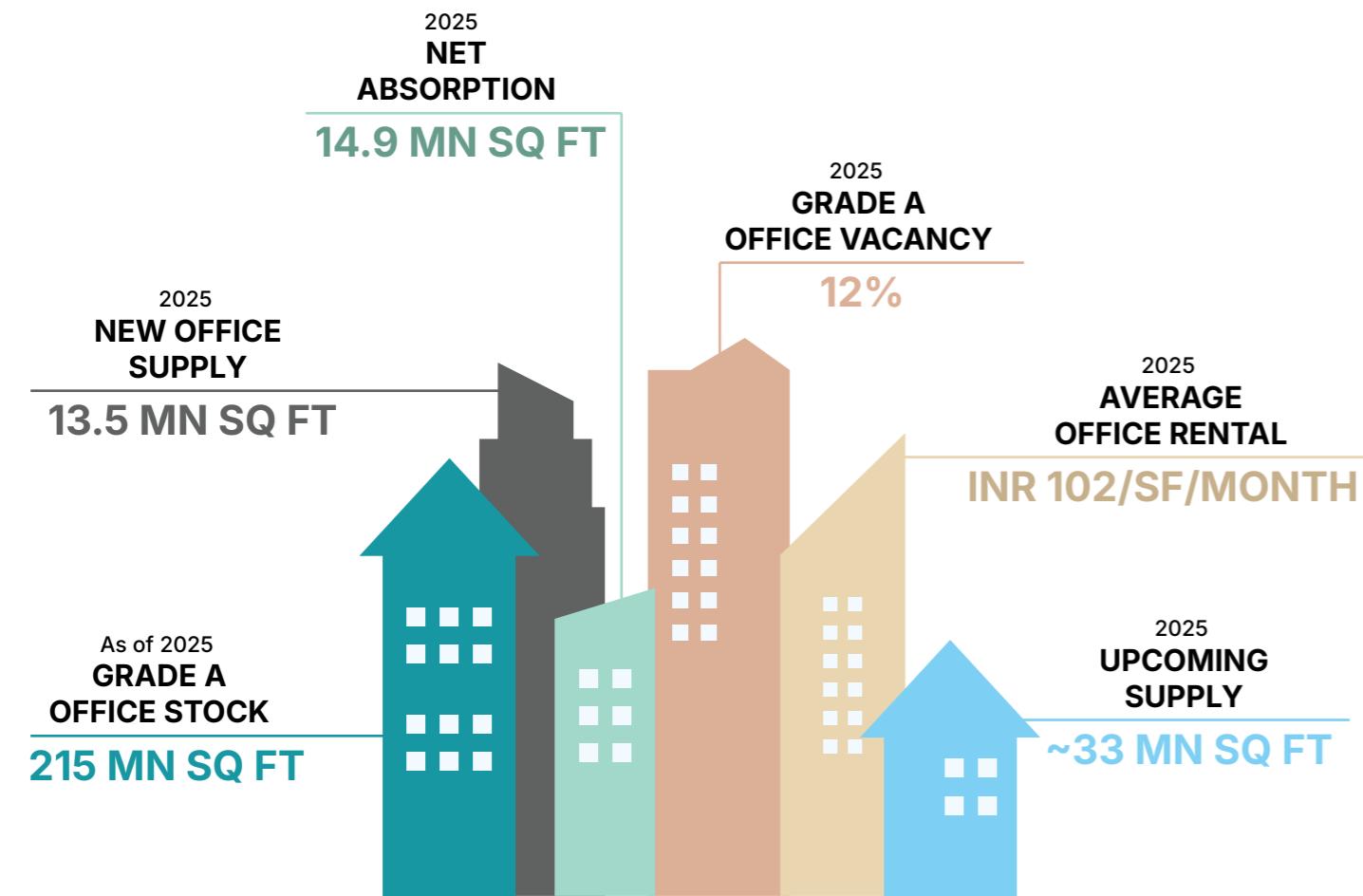
BENGALURU: OFFICE MARKET GROWTH STORY

The commercial office real estate segment of Bengaluru has been historically dominated by the IT-ITeS sector. The global and national technology companies have been the largest occupiers that have consistently ensured the sustainability of demand and a major enabler of urbanization. The city's urban landscape, as it stands today, has been catalysed by the spread of the emergence of modern, scalable office solutions and sustainable tech supported workplaces.

This sudden surge in commercial real estate in Bengaluru has successfully attracted tech talent from across the country. Currently, it is estimated that there are over a million people employed in the IT-ITeS sector across the country. The city's demography shows that the working population accounts for nearly 75.5% of the total population. This increased by 2.4% between 2019 and 2024. This demographic advantage is one of the key drivers of the city's expanding tech ecosystem.



Key Highlights

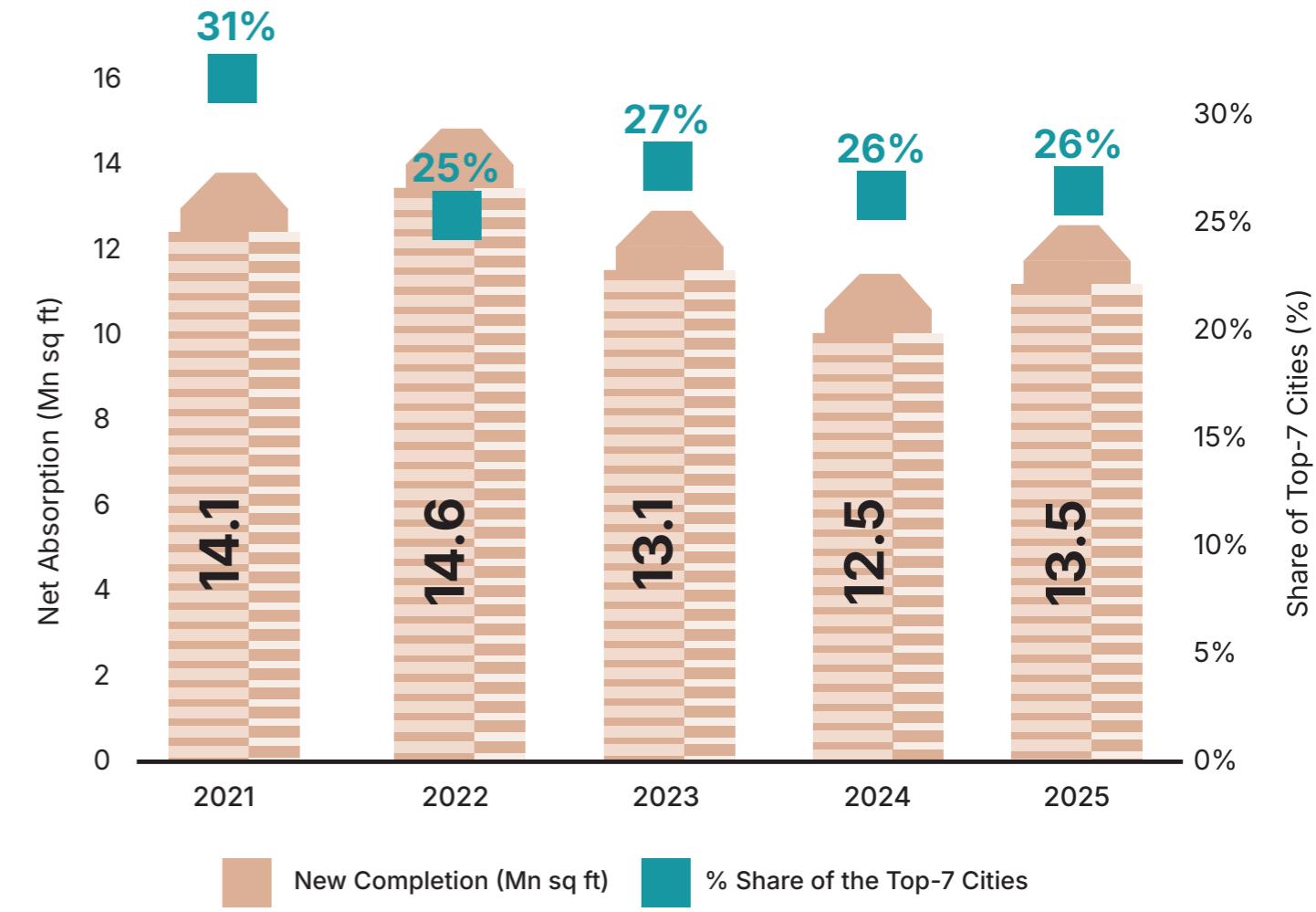


BENGALURU'S COMMERCIAL REAL ESTATE DYNAMICS

Disciplined Supply Addition to Match the Changing Demand

The city consistently contributed a strong share of new office supply over the years, delivering 13.5 Mn sq ft in 2025 and accounting for 26% of completions across

the top seven cities. Its steady 25% – 31% annual share underscores the city's continued development pace and sustained developer confidence.

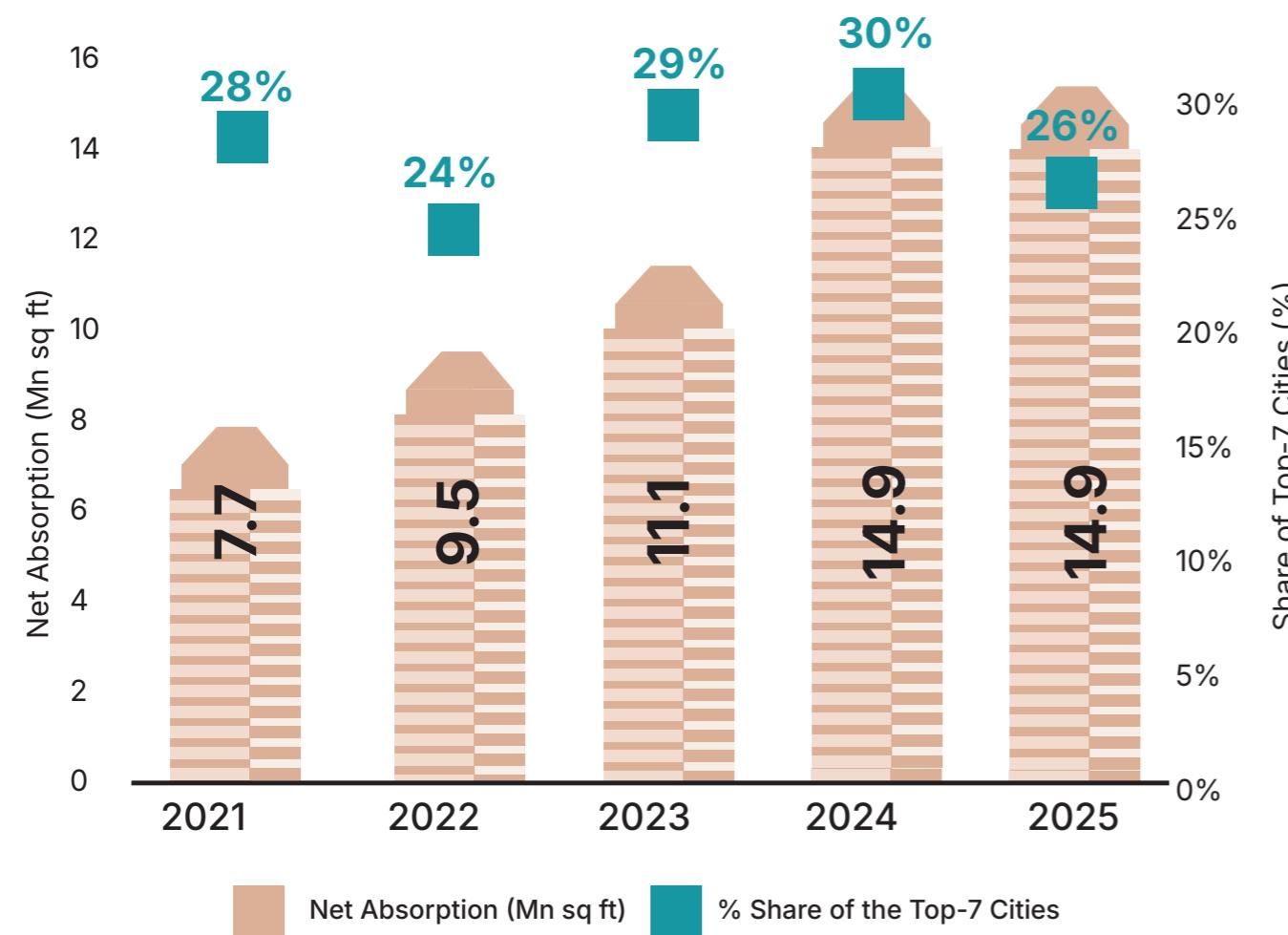




2025 a Benchmark Year with the Highest Net Absorption

Bengaluru's office absorption has grown steadily, rising from 7.7 mn sq ft in 2021 to 14.93 mn sq ft in

2025, supported by strong occupier demand. Its share among the top seven cities has largely stayed between 24% and 30%, reflecting the city's consistent appeal through 2025 as well.



Source: Anarock Research

TOP 3 DEMAND DRIVERS OF BENGALURU'S OFFICE LEASING

Bengaluru's office market continues to draw strength from three core sectors that consistently anchor demand. IT-ITeS remains the city's largest driver, contributing around one-third of leasing activity every year and inching up to 35% in 2025. Co-working operators follow closely, supporting flexible, hybrid-led workspace needs with a steady share of 25% in

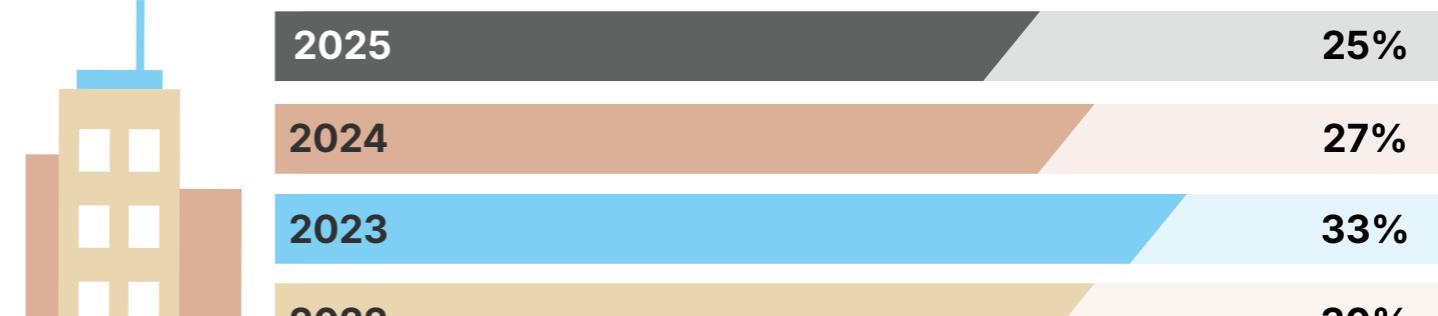
2025. Meanwhile, the manufacturing and industrial segments have expanded its presence over the years, rising from 12% in 2022 to a stronger foothold in 2024 before stabilising in 2025. Together, these sectors highlight Bengaluru's balanced and resilient demand base.

Top 3 Demand Drivers

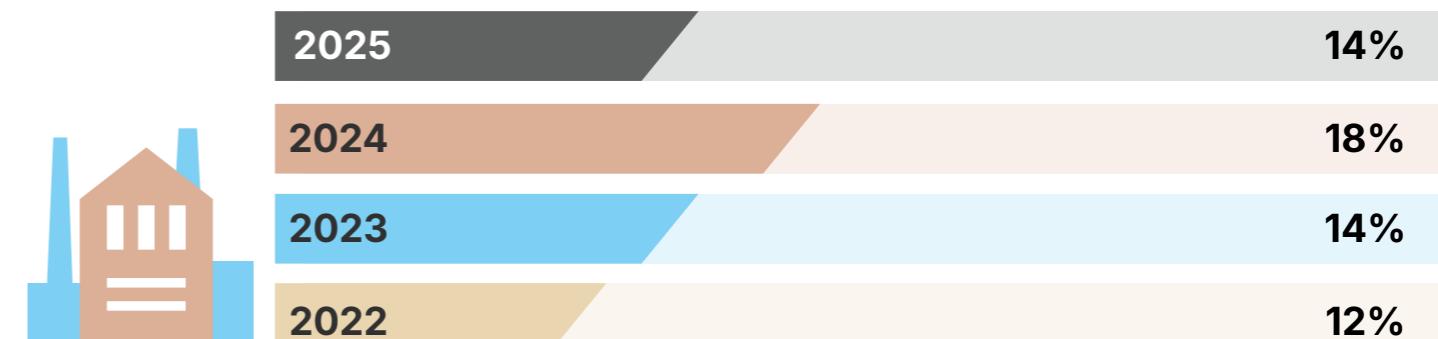
IT-ITeS



Co-Working Space Providers



Manufacturing/Industrial



Source: Anarock Research

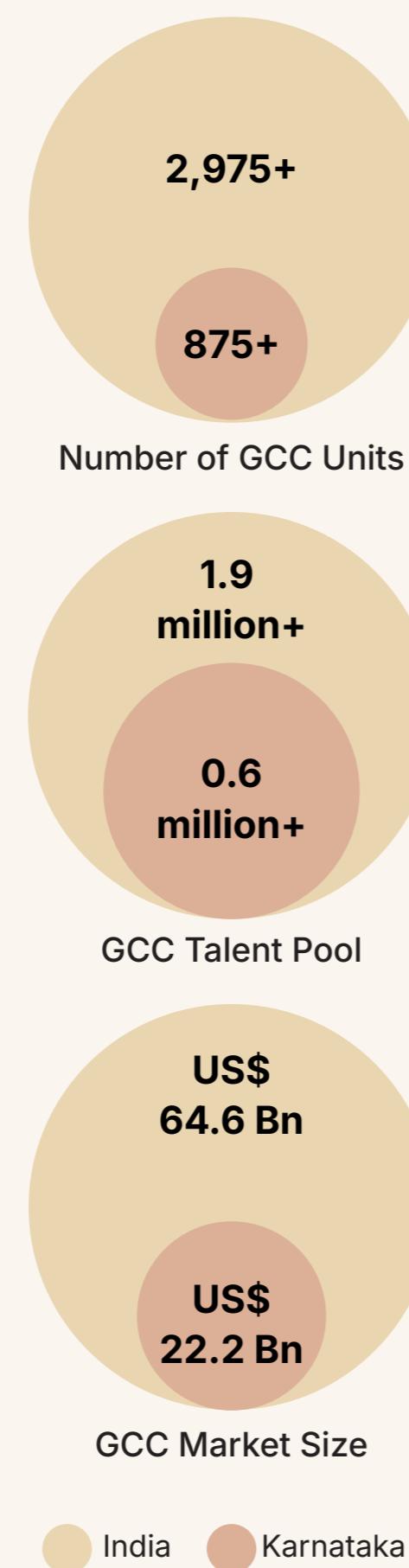
BENGALURU'S GCC GROWTH STORY

Bengaluru, famously called the 'Silicon Valley of India,' has been a center of innovation and technology for decades. It became the birthplace of India's Global Capability Centres (GCCs) when Texas Instruments set up the first one here in 1985, kickstarting a vibrant ecosystem for offshore operations. Since then, major global companies like JPMorgan Chase, Goldman Sachs, Walmart, HSBC, and Tesco have expanded their presence, reinforcing Bengaluru's leading role in the GCC domain. Today, the city attracts one out of every three new GCC setups in India, thanks to its supportive ecosystem, strategic location, and diverse talent pool. This winning combination continues to make Bengaluru the preferred choice for global companies looking to establish offshore operations.

Bengaluru's GCC sector has evolved beyond basic outsourcing to becoming innovation-driven hubs focusing on research and development, product engineering, and digital transformation initiatives. These centres are increasingly seeking premium, green-certified office spaces that support flexible work environments, contributing to rising standards in the city's commercial real estate offerings.

Presence of GCCs in Bengaluru

Today, with the presence of 875 GCC centres, the city stands out as the dominant hub for Global Capability Centre (GCC) office leasing in India, holding a robust share of over 35% of the nation's GCC leasing activity in 2025. This leadership underscores Bengaluru's continued appeal as a preferred destination for global corporations to establish their back-end operations, technology development, and business support centers. The city's deep talent pool, especially in technology and digital domains, coupled with its mature ecosystem of innovation and connectivity, makes it an attractive option for multinational companies looking to optimize costs and access skilled professionals.



Source: Karnataka GCC Policy 2024-2029

BENGALURU'S MAJOR GCC PLAYERS

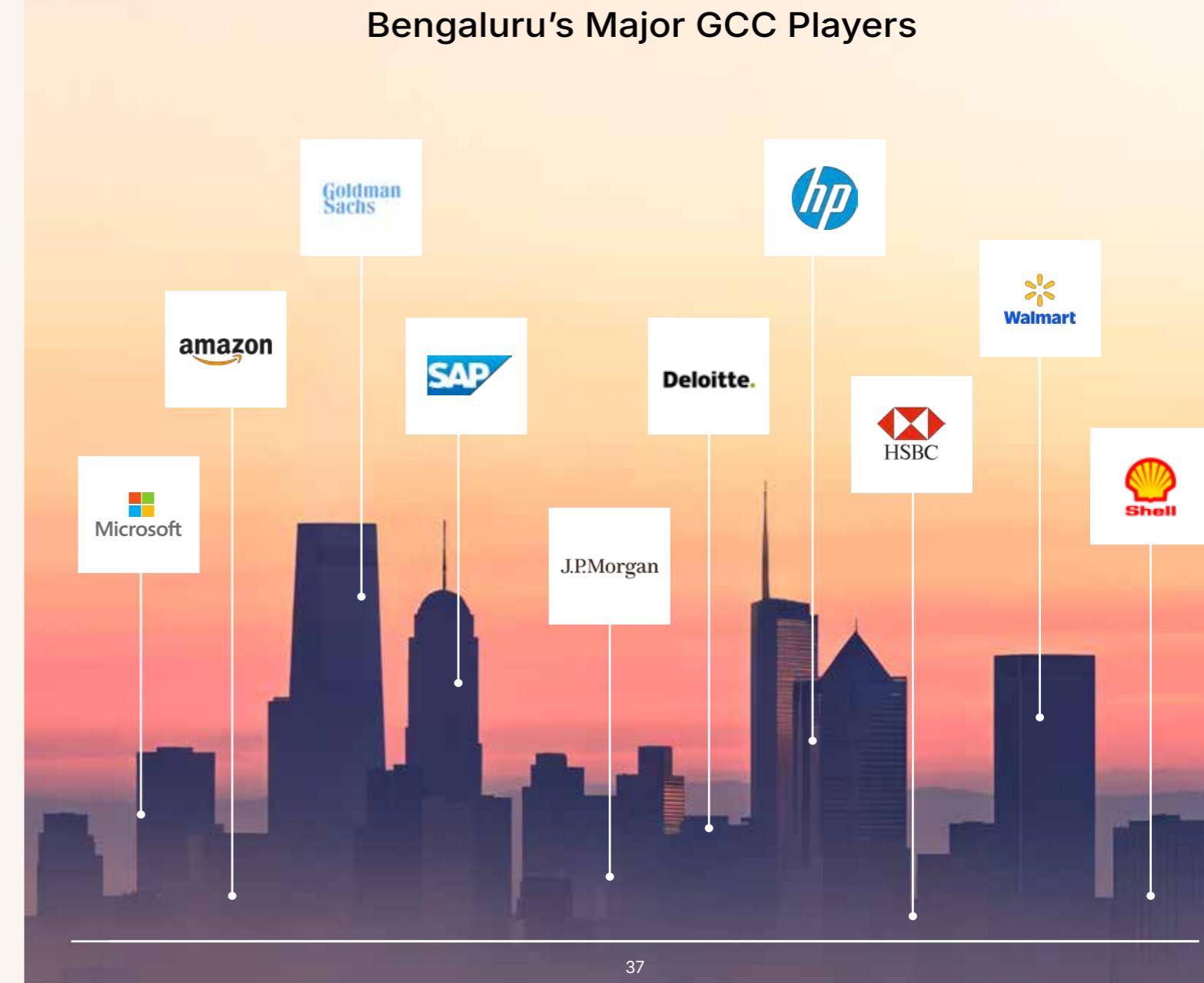
Bengaluru continues to solidify its position as India's leading hub for Global Capability Centers (GCCs), housing 29% of the country's total GCCs. The city's ecosystem is supported by a strong base of global enterprises, including Google, Bank of America, Dell, Qualcomm, Microsoft, Airbus, Accenture, IBM, Intel, Adobe, and PayPal—each contributing to its deep technology and innovation landscape.

Several multinational firms are expanding their footprint further, reinforcing Bengaluru's dominance as a preferred destination for high-value operations. Carl Zeiss AG inaugurated its first GCC in November 2024

and plans to double its workforce to 5,000 within three years, alongside a USD 356 million investment in a new manufacturing facility by 2025. Cargill is set to expand its digital and technology teams by 500 professionals over the next few years, while Delta Electronics is establishing its largest R&D center and relocating its India headquarters to the city. Additionally, RTX Corp intends to grow its Indian workforce by adding around 1,000 new jobs by 2027.

These continued investments reflect Bengaluru's unmatched talent ecosystem, advanced infrastructure, and strong policy support, all of which make it a cornerstone of India's GCC expansion story.

Bengaluru's Major GCC Players



BENGALURU'S GCC SHARE OF LEASING

Bengaluru continues to cement its position as India's undisputed leader in GCC leasing, maintaining a commanding edge over all other major cities.

In 2025, Bengaluru recorded over 12 Mn sq ft of GCC leasing, far ahead of its nearest competitors — Pune with 4.8 Mn sq ft and Hyderabad & NCR with 4.5 Mn sq ft. Its share consistently outpaces the combined total of several other cities, highlighting the city's unmatched ecosystem of skilled talent, modern office infrastructure, and robust connectivity.

While all the other cities have witnessed steady gains, none come close to Bengaluru's scale or consistency. With its deep technology base, diverse talent pool, and established innovation clusters along the Outer Ring Road, Whitefield, and North Bengaluru, the city remains the epicentre of India's GCC growth story, continuing to attract the world's top enterprises for long-term expansion.



KARNATAKA GCC POLICY 2024-2029

Launched in November 2024, the Karnataka Global Capability Center (GCC) Policy aims to strengthen the state's technology and innovation ecosystem. It focuses on advancing AI, fostering academia-industry collaboration, promoting R&D, and developing local talent while encouraging investments beyond Bengaluru. Backed by fiscal, regulatory, and tax incentives, the policy seeks to create a self-sustaining, innovation-led GCC ecosystem across both Bengaluru and emerging cities in Karnataka.

Key Highlights:

- Key Focus Cities:** The policy targets both Bengaluru and emerging urban centers such as Mangaluru, Mysuru, Hubballi-Dharwad-Belagavi, Kalaburagi, Tumakuru, and Shivamogga to promote balanced regional growth.
- Global Innovation Districts:** Three new technology parks, branded as Global Innovation Districts, will be established—one in Bengaluru and two in Mysuru and Belagavi—to foster research, innovation, and global collaboration.

3. Center of Excellence (CoE): Bengaluru will host a new CoE built on the triple-helix model, encouraging close partnerships between academia, industry, and government institutions.

4. Talent Development Support: The government will reimburse up to 20% of total expenses incurred on workforce skilling initiatives.

5. Internship Incentives: Companies can claim reimbursement of up to 50% of internship stipends, with a target of supporting one lakh students during the policy's tenure.

6. Innovation Lab Funding: Financial assistance of up to 40% of total capital expenditure (capped at INR 4 crore) will be provided to establish innovation labs.

7. Startup Support: Startups will receive 100% reimbursement for costs incurred while using GCC facilities, up to a ceiling of INR 40 lakh per GCC.

BENGALURU'S SWOT ANALYSIS

Strengths

- Tech & Startup Hub – Nearly 2,500 start ups
- Established GCC ecosystem – Dedicated GCC policy
- Strong Office Demand – Presence of large corporate
- Skilled Workforce - Large pool of IT-ITeS, fintech, & biotech talent
- Quality Infrastructure – Business districts houses world class development
- Government Support – SEZ, IT Parks with good connectivity

Opportunities

- Flexible Workspaces – Coworking and hybrid office models
- Dedicated GCC policy to stimulate growth in Bengaluru and other emerging cities
- Increasing demand for artificial intelligence and machine learning
- Expansion of Metro –Enhance connectivity
- Increased Foreign Investments –Global firms setting up offices
- Emerging Micro-Markets –North Bengaluru and Sarjapur Road
- Green & Smart Offices –sustainable, tech-enabled office spaces

Weakness

- Traffic Congestion – leading to high commute time
- High Rentals in Prime Areas – CBD & Outer Ring Road are expensive.
- Infrastructure Gaps – Slow metro expansion
- Water & Power Issues – Dependence on groundwater and erratic power supply

Threats

- Economic Uncertainty – Global recessions and IT sector slowdowns can impact demand
- Remote Work Trends – WFH and hybrid work models may reduce office space requirements.
- Environmental Concerns – Water scarcity and pollution issues



06.

WAY FORWARD



India's commercial office real estate sector is set to consolidate its position with demand for Grade A space projected to be 80 million square feet across the top cities. Despite the plan to add another 155 million square feet in the next two years, indicating a robust pipeline, vacancy is expected to be compressed. This resilience is underpinned by structural drivers such as Global Capability Centre's expansion, occupiers' preference for quality, and India's growing attractiveness as a global services hub.

This projected trend of demand exceeding supply may lead to rental appreciation in newly developed assets. Pre-lease commitments are gaining popularity and the same is likely to be more pronounced in the short term. These new developments are expected to be well amenitised, technology enabled and sustainable, which is the preference of the tenants in the present day.

Leading office developments now integrate features like smart energy management systems, recycled materials, and biophilic design to reduce carbon footprints and operational costs. This focus on sustainability not only aligns with regulatory and environmental goals but also delivers tangible value—attracting high-quality occupiers, improving employee productivity, and supporting companies' net zero ambitions.

Investment options through REITs gaining popularity and increased participation are expected to gain further momentum in the coming years. Institutional participation for income-yielding assets is likely to see increased attention as the trusts focus on increasing and diversifying their portfolios.

Favourable government policies and the states' proactive stance to formulate the GCC policy showcase the country's preparedness to leverage the demand driver. This is likely to propel the demand for office real estate in the near future.

However, one should also be mindful of the global geo-political scenario that is evolving rapidly with many advanced countries under pressure of rising inflation and sluggish growth. Any adverse change in the economic climate may dampen the demand. Despite the global uncertainties, the Indian companies are well on their growth path which may augment the demand, albeit at a lower scale, keeping the growth momentum on.

ANAROCK

Anarock is the leading independent real estate services company with a visible presence across India, Middle East, USA and Singapore. The Company has diversified interests across the real estate lifecycle and deploys its proprietary technology platform to accelerate marketing and sales on behalf of its clients.

Over the last eight years, Anarock has expanded from being a residential-focused organization to complementary sectors including retail, commercial, hospitality, logistics & data centres, industrial and land. The firm also specialises in strategic advisory, investment banking, research & valuations and offers app based flexible workspaces and society management services. Anarock has developed proprietary technology that is adopted across all its businesses.

Anarock has a team of over 2200+ experienced real estate professionals who operate across all major markets in India, Middle East, USA and Singapore.



Established in 1927, FICCI is the largest and oldest apex business organisation in India. Its history is closely interwoven with India's struggle for independence, its industrialisation, and its emergence as one of the most rapidly growing global economies. A not-for-profit organisation, FICCI is the voice of India's business and industry. From influencing policy to encouraging debate, engaging with policy makers and civil society, FICCI articulates the views and concerns of industry. It serves its members from the Indian private and public corporate sectors and multinational companies, drawing its strength from diverse regional chambers of commerce and industry across states, reaching out to over 250,000 companies. FICCI provides a platform for networking and consensus building within and across sectors and is the first port of call for Indian industry, policy makers and the international business community.

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