

# INDIA OFFICE MARKET

Annual Update

---

CY2025



# FORE WORD

The Indian office market has sustained its robust trajectory throughout 2025, achieving significant growth despite global economic uncertainties and ongoing concerns regarding workforce reductions and international trade dynamics. Net office leasing across the top seven cities reached an unprecedented level of approximately 58.2 Mn sf, representing a 17% increase over the 49.9 Mn sf recorded in 2024. Simultaneously, new office completions grew by 8%, rising from 48.1 Mn sf in 2024 to 52 Mn sf in 2025.

The sector composition of demand for Grade A office spaces continued to evolve, with Information Technology and Information Technology Enabled Services (IT-ITeS) maintaining dominance at 27% of overall net absorption, followed by co-working spaces at 23% and Banking, Financial Services and Insurance (BFSI) at 18%. A particularly noteworthy development was the record-breaking performance of Global Capability Centres (GCCs), which accounted for 41% of gross absorption in 2025, a notable increase from 36% in 2024, reflecting India's growing importance as a hub for multinational operations and specialised service delivery.

Office vacancy rates across the top seven cities improved marginally to 16.1% in 2025 from 16.5% in 2024, indicating a healthy balance between supply and demand. Average monthly rentals witnessed a 6% appreciation, rising from INR 87/sf/month in 2024 to INR 92 /sf/month in 2025. The Mumbai Metropolitan Region emerged as the most expensive office market at INR 148/sf/month, whilst Bengaluru recorded the highest annual rental growth at 9%.

These rental trends reflect the premium placed on quality office infrastructure and well-connected business districts.

Looking ahead to 2026, the office market is positioned for continued expansion, supported by India's macroeconomic stability, favourable demographics, and the ongoing digital transformation across industries. The sustained interest from GCCs, combined with the diversification of occupier profiles beyond traditional technology sectors, provides a strong foundation for growth. As organisations increasingly prioritize quality workspace and strategic locations, a healthy leasing activity is anticipated across top cities, with rental growth expected to remain moderate yet steady in line with occupier sentiment and supply dynamics.



**PEUSH JAIN**

Managing Director – Commercial Leasing & Advisory  
peush.jain@anarock.com

KEY HIGHLIGHTS

**52** Mn sf  
**New Office Supply**  
(8% Y-o-Y Change)

**58.2** Mn sf  
**Net Office Absorption**  
(17% Y-o-Y Change)



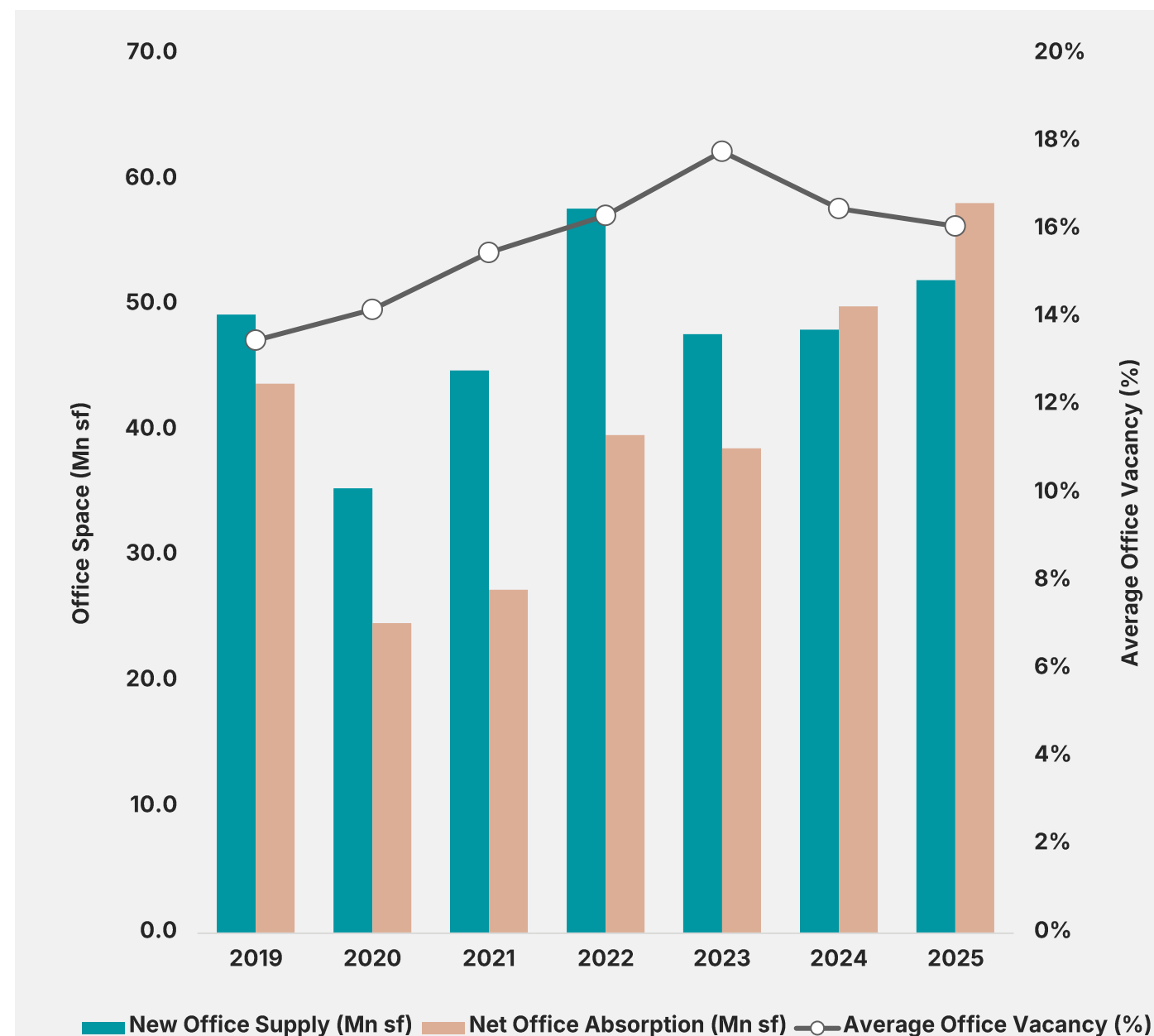
**16.1**%  
**Avg. Office Market Vacancy**  
(-0.4% Y-o-Y Change)

INR **92** /sf/Mo  
**Avg. Office Rental**  
(6% Y-o-Y Change)

**53** % share  
**Large deals (>0.1 Mn sf)**  
**lead Office space Leasing**

**27** % share  
**IT-ITeS dominates Office Space Leasing**

INDIA OFFICE MARKET ACTIVITY



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. Average rental rates are for vacant spaces that provide core facility, high side air conditioning and 100% power back up.

## NEW OFFICE SUPPLY

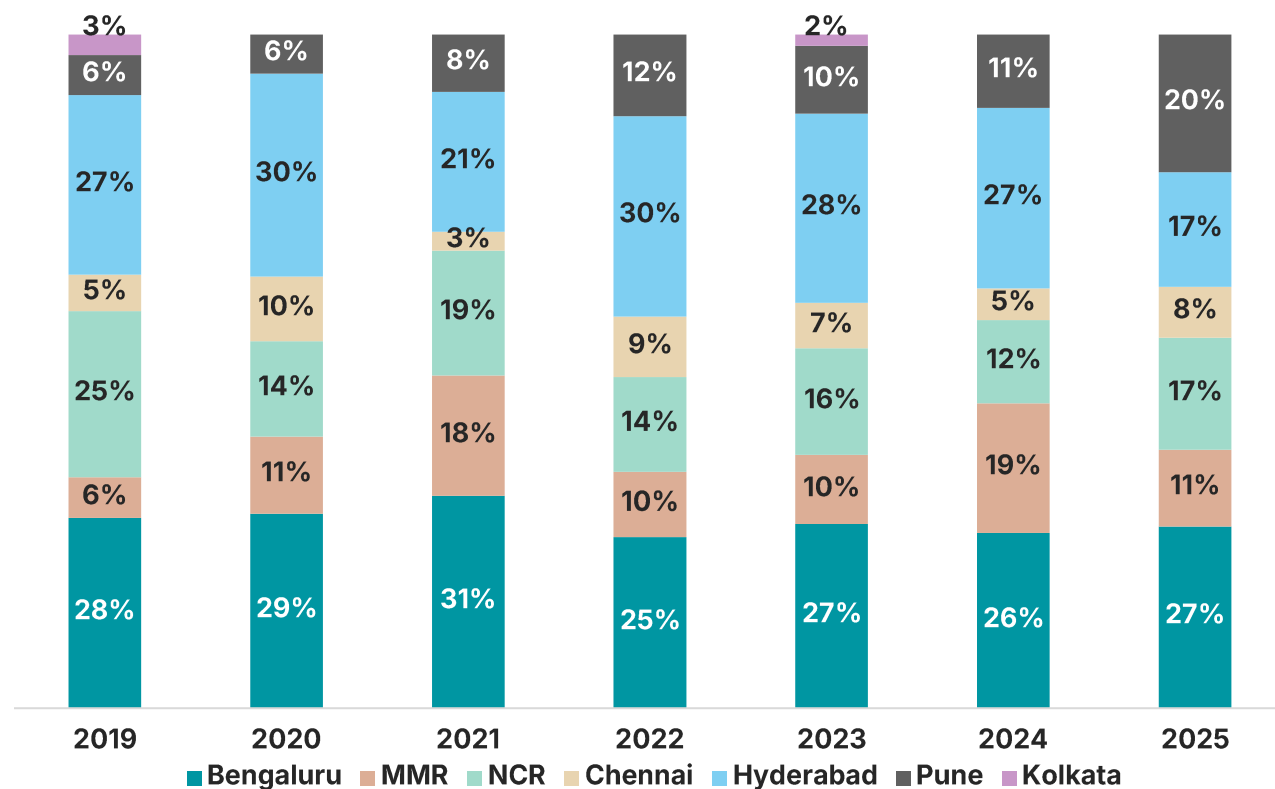
India's office markets delivered 52 Mn sq. ft. in 2025, up 8% year-on-year, with Pune leading growth at 103% and southern cities commanding over half the supply

India's top 7 office markets maintained a steady delivery pace in 2025, with new supply additions reaching 52 Mn sf, recording an 8% increase compared to 48.1 Mn sf in the previous year.

From a regional perspective, the southern markets remained dominant, contributing a combined share of 52% of total new office supply, with 26.76 Mn sf delivered in 2025. Within the southern region, activity was led by Bengaluru, which accounted for approximately 14 Mn sf of new supply (27% market share). Hyderabad followed with new supply of about 8.8 Mn sf (17% market share), whilst Chennai contributed 3.9 Mn sf (8% market share). Despite being the smallest contributor, Chennai led in year-on-year growth with a remarkable 72% increase in supply compared to the previous year, followed by Bengaluru, which registered a 12% rise. Hyderabad, however, recorded a 31% decline, suggesting a more cautious delivery pipeline shaped by developer consolidation and phased project execution strategies.

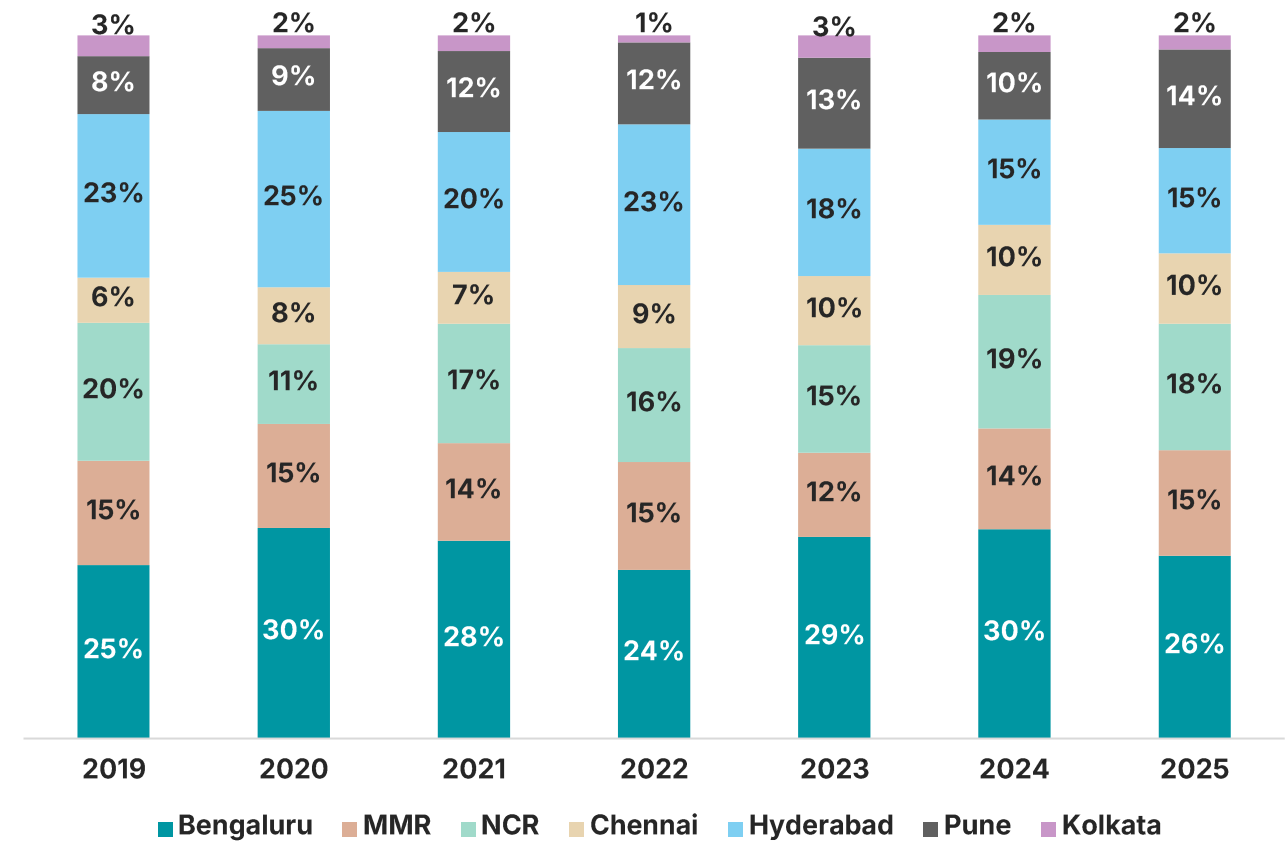
The western region accounted for a 31% share of total supply, with Pune emerging as the star performer. Pune topped the western markets in new supply, delivering 10.6 Mn sf and posting growth of 103% compared to 2024. This surge was primarily driven by the completion of multiple large-scale projects, corporate preference for Pune as a lower-cost expansion base relative to Mumbai, and its increasing positioning as an emerging Global Capability Centre (GCC) hub. In contrast, MMR reported a 36% contraction in supply, with new supply declining to 5.9 Mn sf.

In the northern region, NCR recorded completions of 8.65 Mn sf, marking notable growth of 46% year-on-year, driven by improved infrastructure connectivity, competitive pricing, and occupier demand from both IT-ITeS and BFSI sectors. The eastern region, represented by Kolkata, remained marginal with just 0.13 Mn sf of new supply, indicating limited corporate demand and subdued economic activity in this relatively smaller and less developed office market.



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

## NET OFFICE ABSORPTION



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

## India's office market surges to 58.2 Mn sf in 2025, driven by 17% growth and strong multi-city momentum

India's office market maintained healthy absorption levels in 2025, with net absorption reaching 58.2 Mn sf, reflecting a significant 17% year-on-year increase over 49.95 Mn sf in 2024. This sustained growth highlights strong occupier demand across top office markets, driven by continued business expansion, scaling operations by global capability centres, and an improving leasing environment supported by steady economic fundamentals.

From a regional lens, the southern markets continued to anchor demand, collectively absorbing 29.35 Mn sf across Bengaluru, Hyderabad, and Chennai, accounting for half of India's total net office absorption. Bengaluru retained its position as the single-largest contributor, recording 14.95 Mn sf with a 26% national share, though growth remained relatively stable at 1% year-on-year, while Hyderabad recorded 8.5 Mn sf with 14% YoY growth and Chennai stood at 5.9 Mn sf, rising 18% YoY, reflecting sustained strength in office demand across the southern markets.

The western region saw net absorption contributing 16.94 Mn sf, led by MMR at 8.7 Mn sf with a 22% YoY increase. Pune emerged as a standout performer with 8.2 Mn sf, registering a notable 72% year-on-year surge—the highest growth rate amongst all 7 cities. This exceptional performance in Pune reflects accelerated occupier interest driven by competitive rental structures, improving infrastructure connectivity, and the city's growing appeal as a cost-effective alternative to MMR for technology firms, engineering centres, and manufacturing-linked service operations.

In the north, NCR sustained strong momentum with 10.7 Mn sf absorption, marking a 13% YoY increase and ranking second nationally with an 18% share of India's total absorption. The eastern region remained comparatively modest, with Kolkata recording 1.2 Mn sf and a marginal 3% YoY rise, indicating steady absorption but contributing a limited 2% share to the overall national total.

# INDIA OFFICE MARKET VACANCY LEVELS

## India's average office vacancy eases to 16.1% in 2025 amid sustained leasing momentum across top 7 office markets

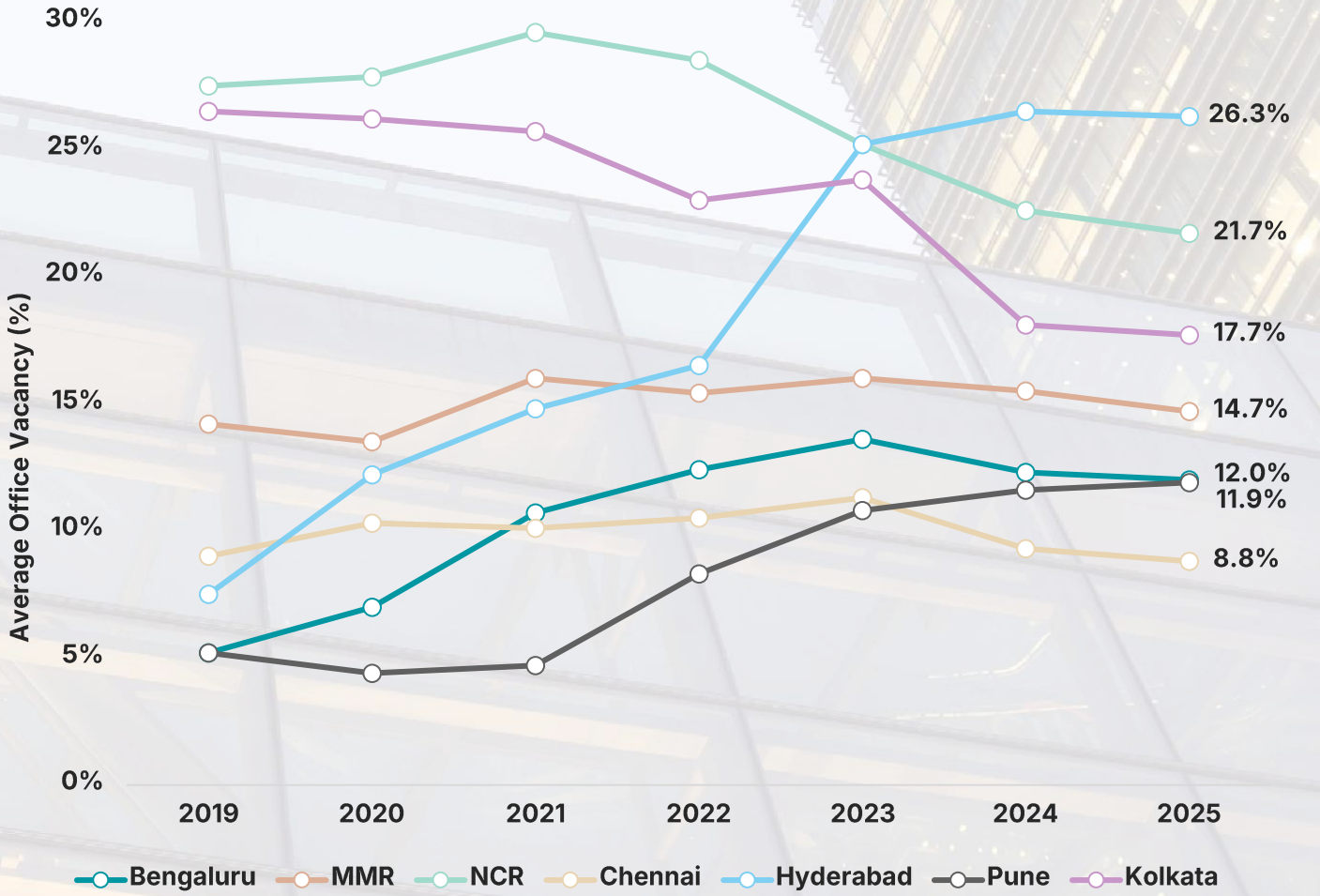
India's office vacancy levels improved modestly across the top 7 cities in 2025, with the pan-India average declining to 16.1%, representing a 0.4% reduction from 16.5% in 2024. Vacancy declined across most cities, indicating a gradual improvement in occupier absorption and space utilisation during the period. Only one market recorded a year-on-year increase, while the overall trend at the national level remained positive.

Bengaluru also witnessed a measured improvement with vacancy dropping to 12% from 12.3% in 2024, registering a decline of 0.3% and reflecting sustained leasing momentum and steady occupier demand. Kolkata similarly displayed a 0.3% decline in the average vacancy, bringing the current vacancy rate down to 17.7%, supported by improved corporate take-up in established business districts.

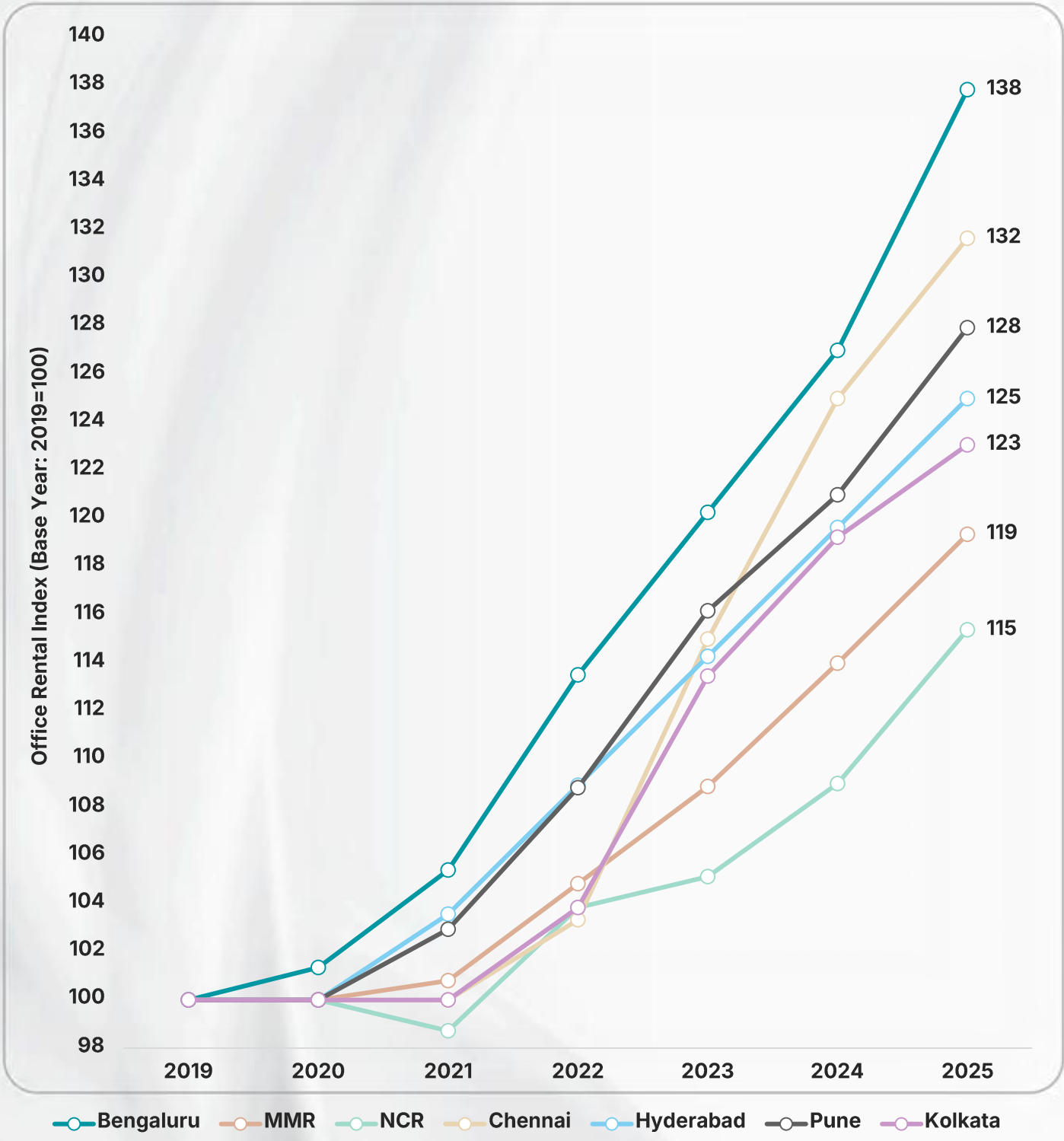
Chennai retained its position as the strongest performing market with a vacancy rate of 8.8%, it's lowest since 2019. On a year-on-year basis, it recorded a decline of 0.4%. At the other end of the spectrum, Hyderabad recorded the highest vacancy rate of 26.3% yet registered a 0.2% decline compared to 2024, indicating stable absorption alongside ongoing supply additions.

Pune was the only market to observe a rise in vacancy levels, increasing by 0.3% to 11.9%, signaling that new office supply outpaced net absorption. Despite this uptick, Pune continues to maintain one of the lower vacancy rates nationally, reflecting its underlying market strength and emerging status as a preferred business location for technology and engineering firms.

The National Capital Region and Mumbai Metropolitan Region recorded the sharpest vacancy compression, each improving by 0.8% to 21.7% and 14.7%, respectively, indicating stronger occupier activity.



# INDIA OFFICE MARKET RENTAL MOVEMENT



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

## India's office average rentals rise to INR 92/sqft/month in 2025, marking 6% annual growth, with Bengaluru leading at INR 102/sqft/month

Pan India office rentals strengthened in 2025, with the average climbing to INR 92/sf/month, representing a 6% increase compared to 2024. When measured against the 2019 baseline of INR 73/sf/month, rentals have risen by 26%, reflecting sustained upward momentum across India's top office markets.

Bengaluru emerged as the strongest performer, with rentals reaching INR 102/sf/month in 2025. The city recorded year-on-year growth of 9% and a notable 38% increase since 2019, driven by robust demand from technology occupiers and continued Global Capability Centre expansion.

The rental growth trajectory across other cities varied, with NCR and Pune achieving year-on-year increases of 6%, followed by MMR and Chennai at 5%. Hyderabad and Kolkata witnessed modest growth of 4% and 3% respectively, suggesting that previously elevated supply levels are being gradually absorbed, thereby tempering near-term price momentum.

The Mumbai Metropolitan Region (MMR) retained its position as India's highest-priced office market at INR 148/sf/month, recording a 5% year-on-year rental increase. This performance reflects continuing occupier demand despite premium pricing in this mature, price-sensitive market.

The consistent rental appreciation across all cities, ranging from 3% to 9%, demonstrates a broadly supportive pricing environment throughout 2025. This positive trend has been underpinned by sustained occupier activity, improving space utilisation across portfolios, and measured availability of quality Grade-A inventory in established business districts. Further momentum has been provided by significant infrastructure and connectivity improvements across major metropolitan centres, which continue to enhance the attractiveness and accessibility of prime office locations.



## SECTOR-WISE OFFICE TRANSACTIONS SPLIT

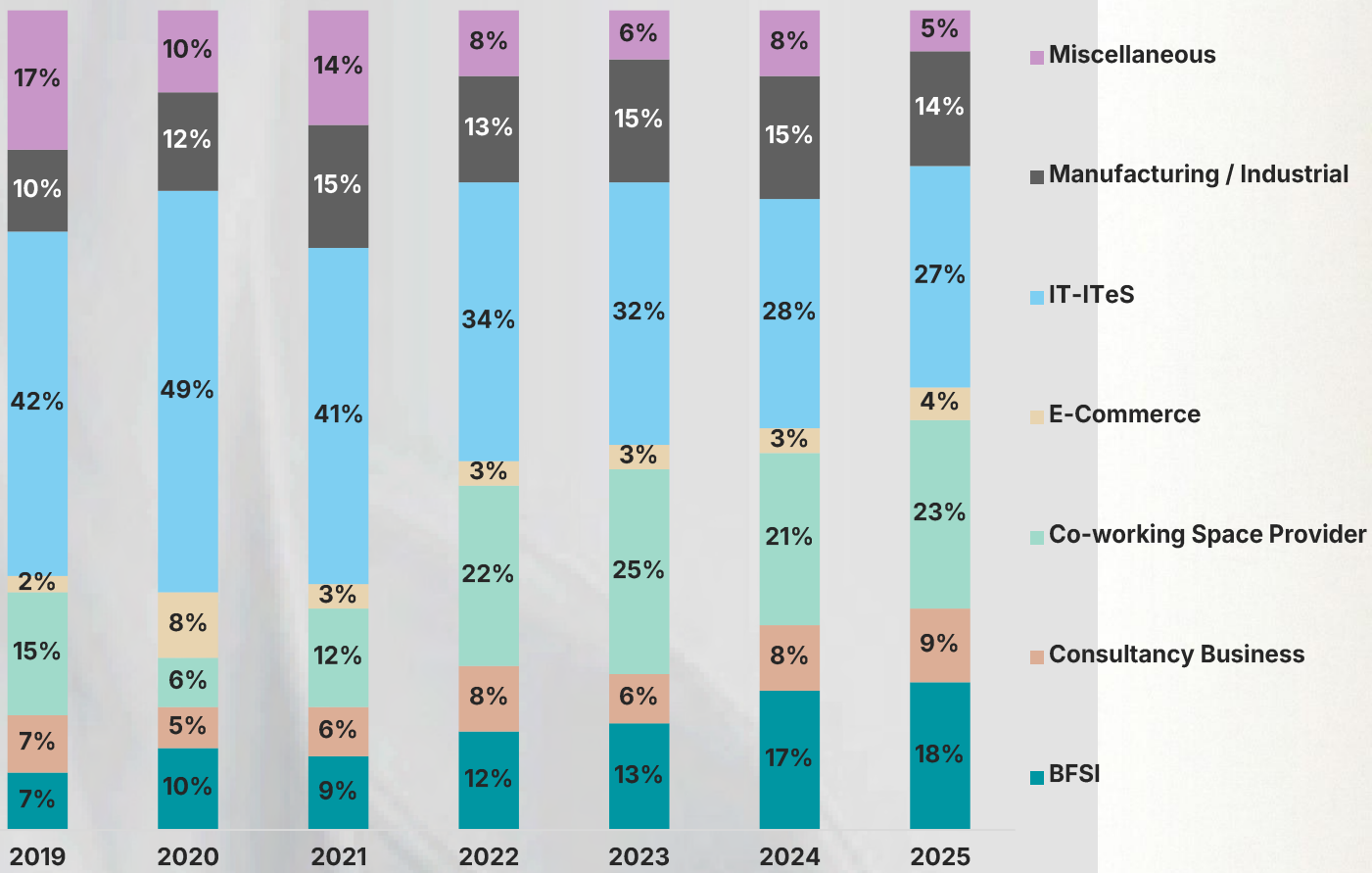
### Co-working space demand surges to 23% as IT-ITeS maintains market leadership at 27% in 2025

The Indian office market in 2025 demonstrates a measured recalibration in sectoral leasing activity compared to the preceding year. The IT-ITeS sector continues to anchor leasing activity with a 27% share, though this represents a marginal decline of 1% from 2024, reflecting a slight tempering in technology-driven absorption even as the sector retains its position as the dominant occupier category.

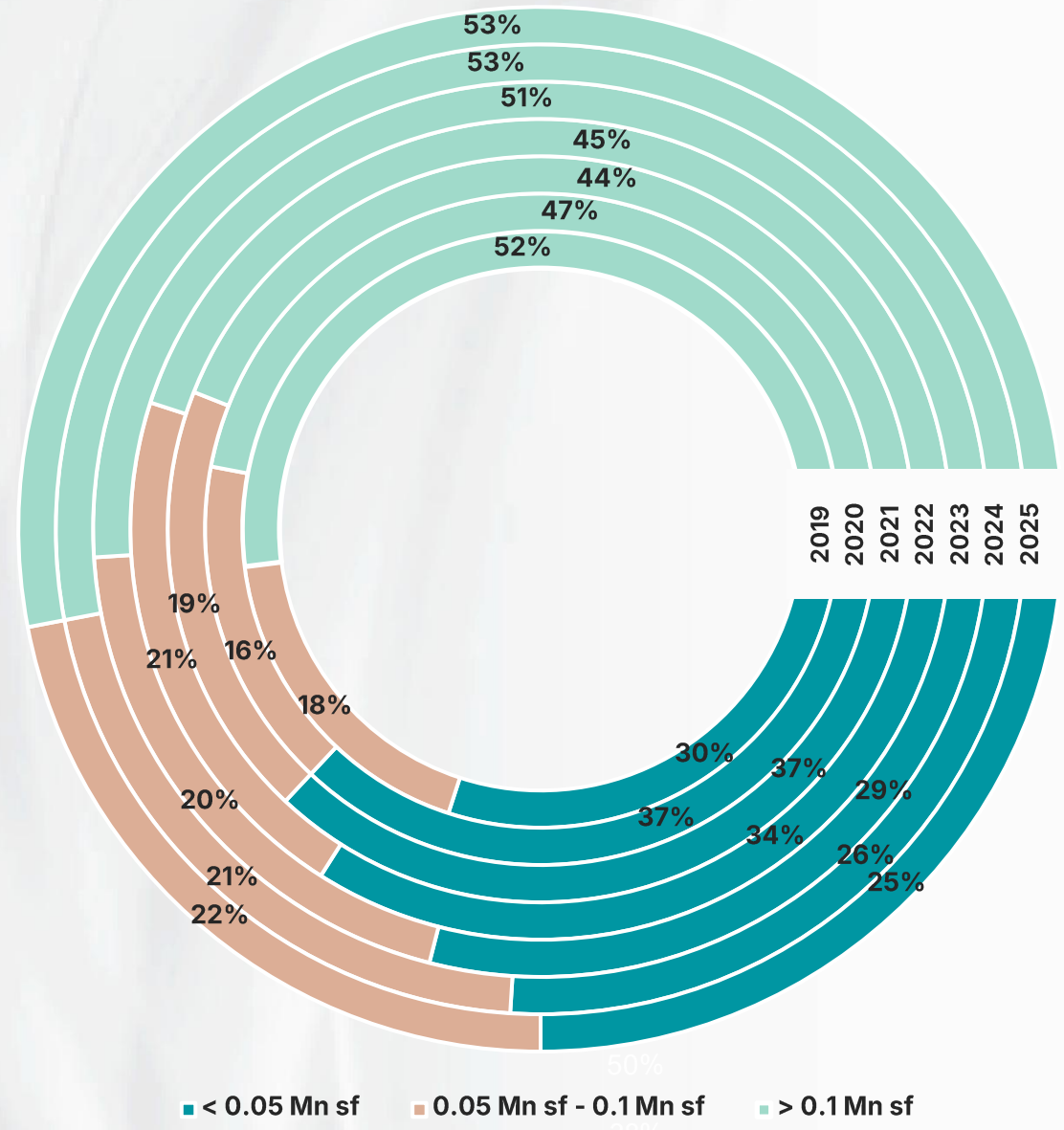
Co-working space has emerged as the second-largest segment, rising to 23% and registering a year-on-year growth of 2%. This growth trajectory reflects sustained occupier appetite for flexible workplace solutions, alongside portfolio expansion by established operators responding to evolving workspace requirements. The BFSI sector has recorded incremental gains, rising to 18% from 17% in 2024, signaling consistent expansion by financial institutions and ancillary services. Similarly, e-commerce companies have increased their footprint to 4%,

representing a 1% growth driven by ongoing expansion strategies aligned with strengthening consumer expenditure patterns. The consultancy segment has also grown by 1% to reach 9% in 2025, as organisations increasingly seek professional and advisory services.

Conversely, the manufacturing and industrial sector has experienced a notable contraction, declining to 14% from 15%, primarily attributable to cautious expansion strategies amid ongoing global supply-chain uncertainties. The miscellaneous category has decreased to 5% from 8%, indicating consolidation amongst smaller sectors and tighter space optimization strategies by occupiers across diverse industry verticals.



# AVERAGE SIZE OF OFFICE LEASING TRANSACTIONS



## Large deals dominate; 53% of office leasing transactions exceed 0.1 Mn sf in 2025

The office leasing market in 2025 continued to exhibit a preference for larger transaction sizes, with deals exceeding 0.1 Mn sf maintaining their dominant position at 53% of all transactions. This share remained consistent with 2024 levels.

Mid-sized transactions within the 0.05 to 0.1 Mn sf range exhibited growth, increasing to 22% in 2025 from 21% in the previous year. This gradual expansion represents a notable improvement from the 18% share recorded in 2019 as mid-tier occupiers expand their footprints in response to business growth and evolving workplace strategies.

Conversely, smaller transactions below 0.05 Mn sf continued their declining trajectory, falling to 25% in 2025 from 26% in 2024. This segment now stands considerably below its 2019 benchmark of 30%, highlighting the market's sustained migration towards larger office configurations. The continuing shift in transaction size distribution signals a maturing market where scale and consolidation have become central to corporate real estate decision-making.



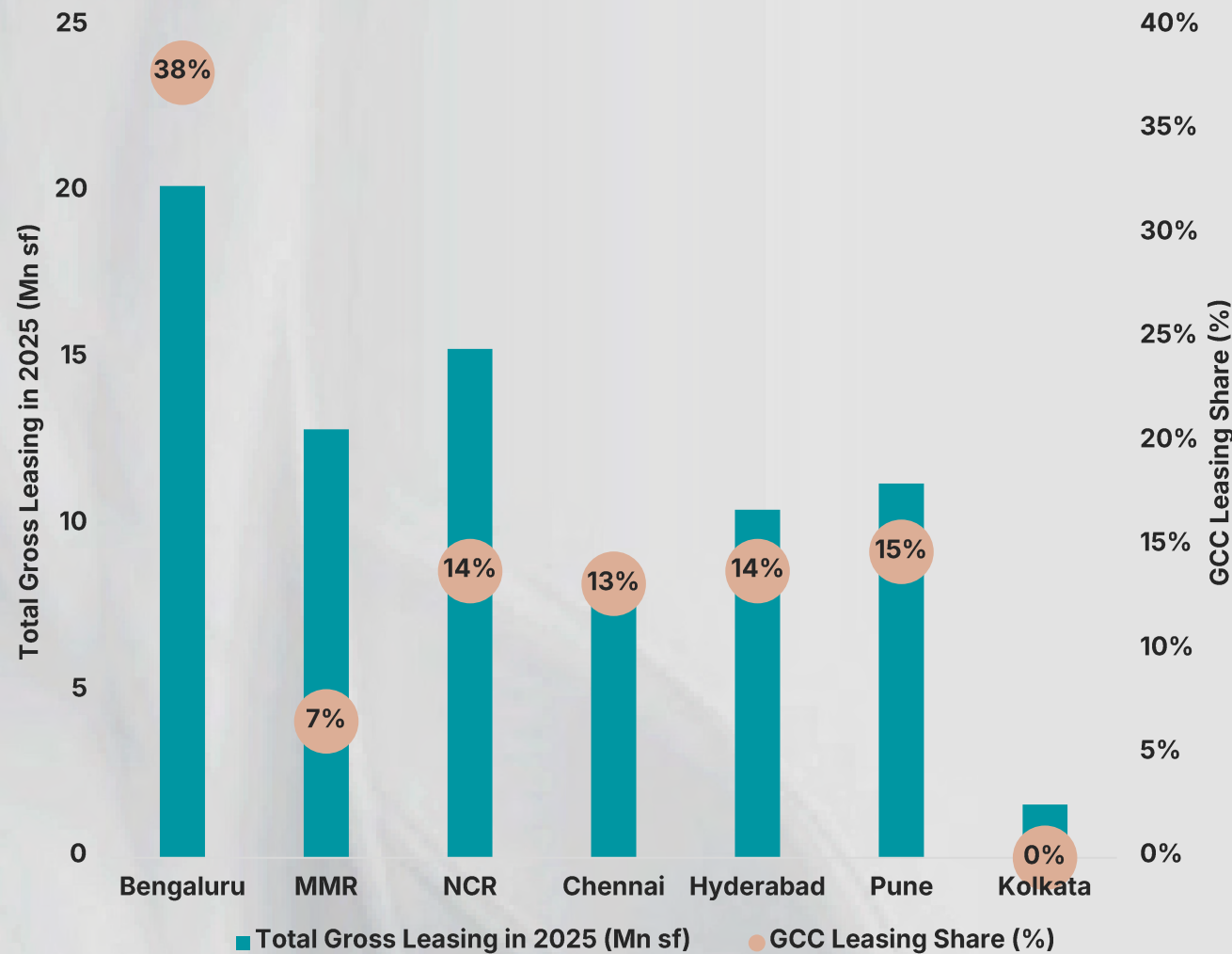
## INDIA'S GCC GROWTH TRAJECTORY

### GCCs drive office market momentum with 32.6 Mn sf leased in 2025, accounting for 41% of total gross leasing

The Global Capability Centre (GCC) segment has emerged as a pivotal driver of India's office market in 2025, recording notable expansion compared to the previous year. GCC leasing across the top 7 cities reached 32.6 Mn sf, marking a growth of approximately 16% from 28.2 Mn sf in 2024. More significantly, the GCC share of gross office leasing increased from 36% to 41%, reflecting the accelerating commitment of multinational corporations towards establishing and expanding their Indian operational hubs.

Bengaluru retained its commanding position in the GCC landscape with 12.3 Mn sf of leasing, accounting for 38% of national GCC activity. The city's extensive talent pool, established infrastructure, and mature technology ecosystem

continue to serve as compelling factors for global organisations. Pune emerged as a particularly strong performer, with GCC leasing rising to 4.8 Mn sf from 3.2 Mn sf, capturing a 15% market share in 2025. NCR exhibited remarkable momentum, with GCC absorption rising to 4.5 Mn sf from 2.6 Mn sf, securing a 14% share alongside Hyderabad, which also stood at 4.5 Mn sf. Chennai contributed 4.3 Mn sf, representing 13% of the segment. The distribution across multiple cities suggests a maturing market with diversified geographical preferences, driven by operational efficiency, cost considerations, and access to specialised skill sets.



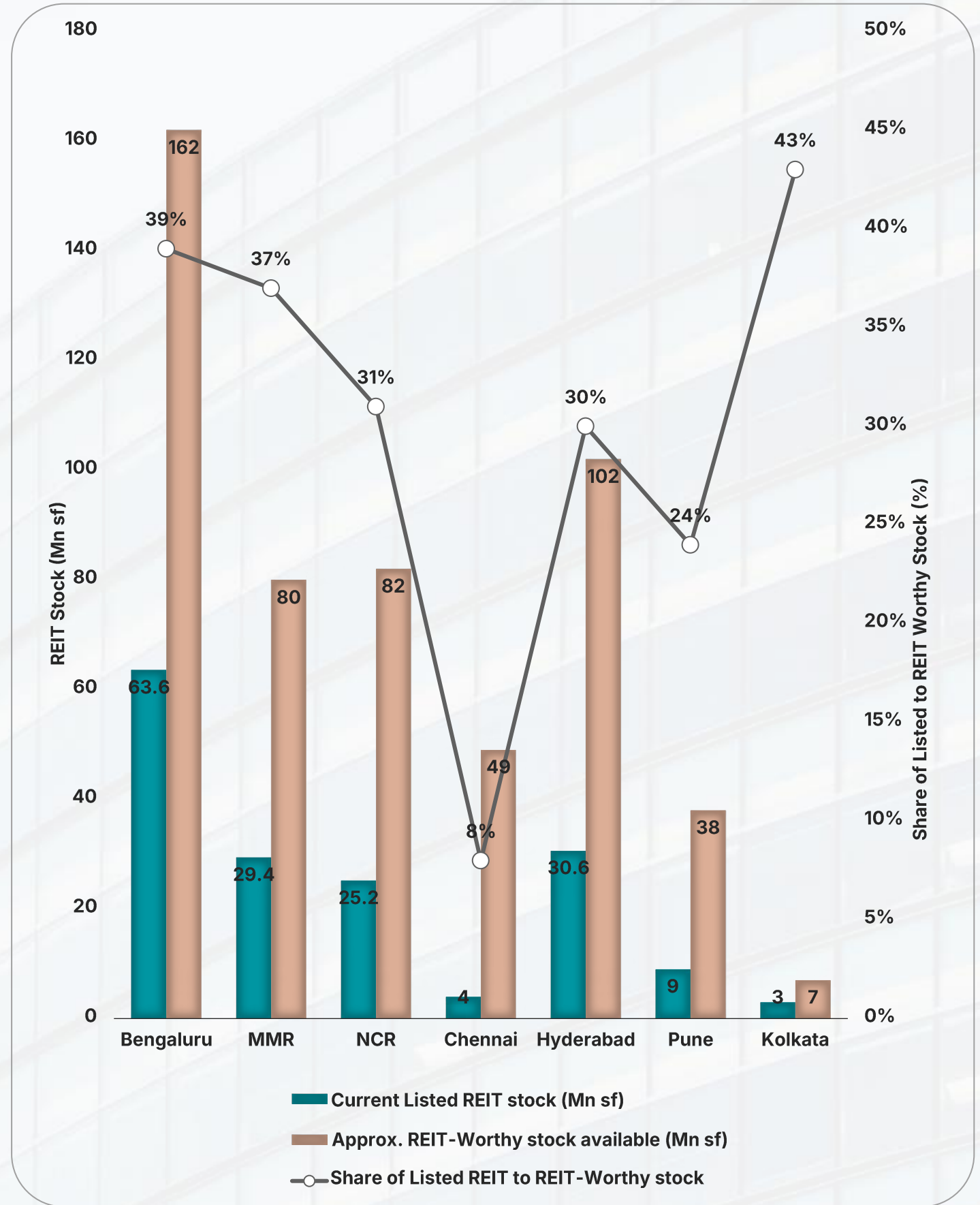
## INDIA'S REIT MARKET PERFORMANCE

India's REIT sector targets 25-30% market penetration by 2030 with current capitalisation at USD 18 billion and vast unlisted inventory



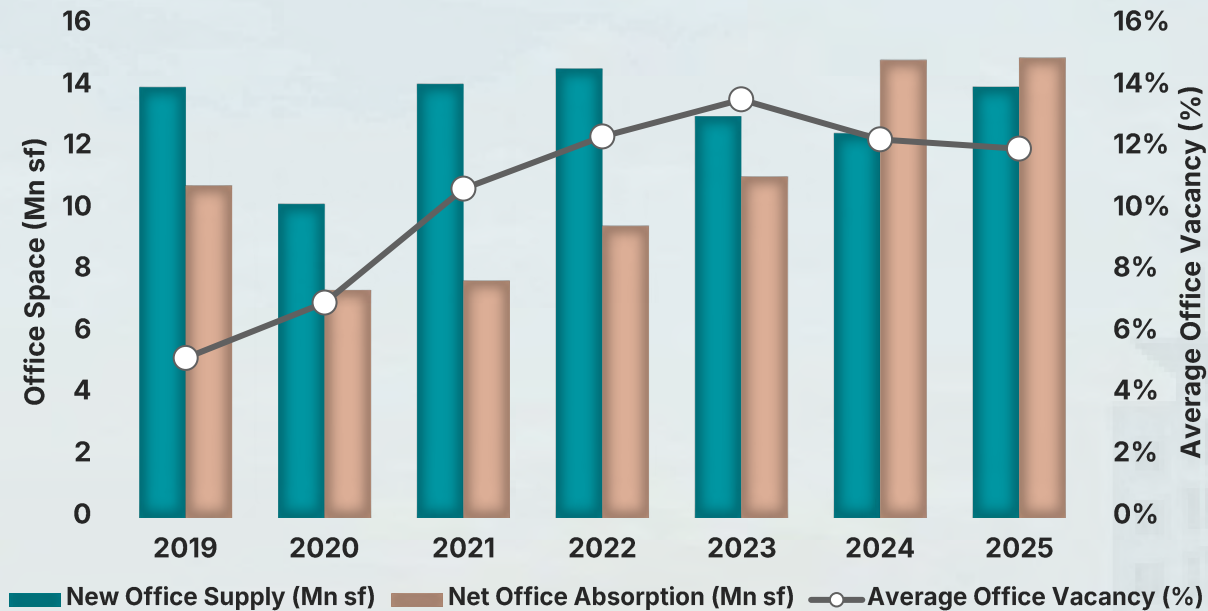
India's Real Estate Investment Trust (REIT) market has achieved notable progress since its inception in 2019, establishing a market capitalisation of nearly USD 18 Bn through five listed entities. The sector represents approximately 20% of India's total institutional real estate, indicating considerable expansion potential. Currently, only 165 Mn sf of the 520 Mn sf of REIT-eligible office stock across top 7 cities has been incorporated within four active REITs: Embassy Office Parks, Mindspace Business Parks, Brookfield India, and Nexus Select Trust.

The market remains predominantly concentrated within Grade A office properties, supported by stable lease structures and consistent IT-ITeS sector demand. Southern markets, particularly Bengaluru, Hyderabad, and Chennai, collectively account for 313 Mn sf of potential stock, with nearly 31% currently listed. With increasing institutional participation and anticipated diversification into data centres and logistics parks, India's REIT penetration could potentially reach 25% to 30% by 2030.



Note: Current Listed REIT stock is considered till FY2025

# BENGALURU



## KEY MICRO MARKET RENTALS

Micro Market	Grade-A Avg. Rent (INR/sf/Mo)	Micro Market	Grade-A Avg. Rent (INR/sf/Mo)
CBD	130-250	Whitefield	70-105
Old Airport Road	105-185	Electronic City	40-70
ORR (Eastern)	90-135	Hebbal – Yelahanka	72-135

## KEY LEASE TRANSACTIONS

Property	Tenant	Micro Market	Transacted Area (Mn sf)
Titanium Tech Park	Airbus	Whitefield	0.88
Bagmane Capital Business Park	Google India	Doddanekkundi (ORR)	0.87
Bagmane Cosmos Business Park	Texas Instruments	C V Raman Nagar	0.55
RMZ Ecoworld	Honeywell	Bellandur (ORR)	0.45
Embassy Tech Village	Wells Fargo	Bellandur (ORR)	0.35
Embassy Zenith	Apple	Vasanth Nagar	0.27
Sumadhura Capital Towers	Swiggy	Whitefield	0.26

Note: The data represents Grade A office developments only.  
Net absorption refers to the incremental new space take-up.  
Average rental rates are for vacant spaces that provide core facility, high side air conditioning and 100% power back up.

**14** Mn sf

**New Office Supply**  
(12% Y-o-Y Change)

**14.95** Mn sf

**Net Office Absorption**  
(1% Y-o-Y Change)

**12%**

**Office Market Vacancy (Avg.)**  
(-0.3% Y-o-Y Change)

**INR 102** /sf/Mo

**Avg. Office Rental**  
(9% Y-o-Y Change)

**30%**

**IT-ITeS dominates Office Space Leasing**

Bengaluru's office market maintained stability throughout 2025, recording marginal growth in momentum with a 1% rise in absorption to 14.95 Mn sf last year compared to 14.9 Mn sf in 2024. Despite the modest increase in absorption, Bengaluru continued to lead the country's office demand landscape, contributing 26% of total national absorption, supported by its established position as India's technology hub and a sustained pipeline of GCC-led leasing activity.

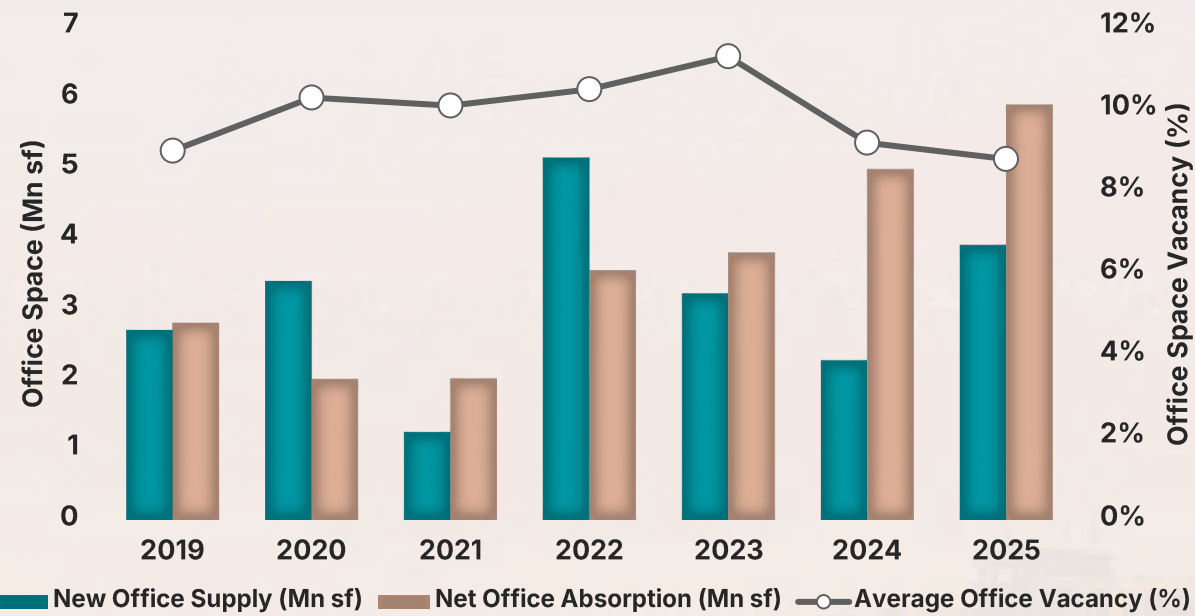
The city added 14 Mn sf of new office supply in 2025, marking a 12% year-on-year increase over the 12.5 Mn sf delivered in 2024. Despite this stronger supply inflow, vacancy rates declined to 12% from 12.3% over the same period, indicating that demand remained firm and continued to support a stable supply-demand balance in the market.

In terms of key demand drivers, Bengaluru's net office absorption in 2025 was led by the IT-ITeS sector with a 30% share, despite a 3% year-on-year decline. Co-working providers followed with a 26% share, recording a moderation of 3%. In contrast, manufacturing and industrial occupiers strengthened significantly, rising to 23% and marking a year-on-year increase of 5%, aided by policy support and a growing industrial ecosystem.

Bengaluru remained central to India's GCC leasing landscape in 2025, recording 12.32 Mn sf of GCC take-up and accounting for 38% of national GCC leasing. Whilst the share softened from 45% in 2024, the absolute leasing volume remained largely unchanged.

Rental growth in Bengaluru accelerated in 2025, with average office rents rising to INR 102 per sq ft per month, reflecting a notable 9% year-on-year increase. Over the longer term, rentals have appreciated sharply, standing 38% above 2019 levels, highlighting the city's sustained pricing power and robust office market fundamentals.

# CHENNAI



## KEY MICRO MARKET RENTALS

Micro Market	Grade-A Avg. Rent (INR/sf/Mo)	Micro Market	Grade-A Avg. Rent (INR/sf/Mo)
Mount Road	80-115	Post-toll OMR	42-68
RK Salai	78-115	Guindy	65-100
Pre-toll OMR	78-120	GST Road	55-70

## KEY LEASE TRANSACTIONS

Property	Tenant	Micro Market	Transacted Area (Mn sf)
International Tech Park Block-1	Walmart	Tharamani	0.46
DLF Downtown	American Express	Tharamani	0.35
DLF Cybercity	Citi Bank	Mount Poonamallee Road	0.25
Chennai One	Comcast	Pallavaram	0.20
Ramanujan Intellian Park	WeWork	RK Salai	0.15
International Tech Park	Mindsprint	Tharamani	0.08

Note: The data represents Grade A office developments only.  
Net absorption refers to the incremental new space take-up.  
Average rental rates are for vacant spaces that provide core facility, high side air conditioning and 100% power back up.

**3.9** Mn sf

**New Office Supply**  
(72% Y-o-Y Change)

**5.9** Mn sf

**Net Office Absorption**  
(18% Y-o-Y Change)

**8.8** %

**Office Market Vacancy (Avg.)**  
(-0.4% Y-o-Y Change)

**INR 79** /sf/Mo

**Avg. Office Rental**  
(5% Y-o-Y Change)

**34** %

**IT-ITeS dominates**  
**Office Space Leasing**

Chennai's office market witnessed strong growth momentum in 2025, with net absorption reaching 5.9 Mn sf, recording a year-on-year increase of 18% and a remarkable 111% relative to the 2019 baseline. This performance reflects sustained occupier demand over the medium term and reinforces market confidence in Chennai's office ecosystem.

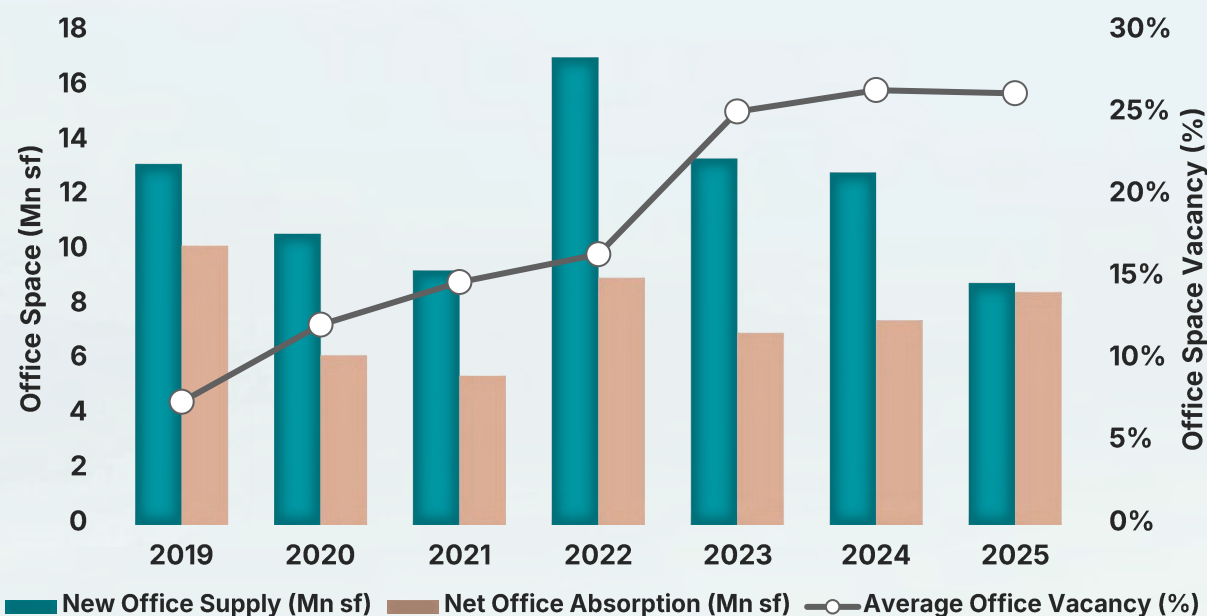
The market recorded a supply infusion of 3.9 Mn sf in 2025, representing a significant surge of 72% compared to 2024. Despite this surge in new additions, the vacancy rate declined modestly to 8.8% in 2025 from 9.2% in 2024, marking its lowest level since 2019. This combination of higher deliveries alongside lower vacancy indicates a well-balanced market, with absorption keeping pace with fresh supply and supporting healthy demand-supply dynamics.

Global Capability Centres (GCCs) exhibited robust growth in Chennai, with gross leasing rising to 4.3 Mn sf in 2025, representing a 30.8% year-on-year increase. However, Chennai's share of India's total GCC leasing only edged up from 12% to 13%.

In 2025, market dynamics were anchored by IT/ITeS at 34%, rising 5 percentage points, followed by co-working providers at 21% with a marginal decline, manufacturing and industrial at 17% down 3 percentage points, and BFSI holding steady at 16%.

Average office rentals rose to INR 79/sf/month in 2025, up 5% from 2024 and 32% higher than 2019 levels, reflecting sustained rental firming over the medium term. Core micro-markets such as Mount Road, RK Salai and Pre-toll OMR continued to command premium Grade A rents of approximately INR 80-120/sf/month, whilst Post-toll OMR remained a value-led option at approximately INR 42-68/sf/month.

# HYDERABAD



## KEY MICRO MARKET RENTALS

Micro Market	Grade-A Avg. Rent (INR/sf/Mo)	Micro Market	Grade-A Avg. Rent (INR/sf/Mo)
Begumpet	47-92	Gachibowli	58-82
Banjara Hills	65-105	Uppal	37-52
HITEC City	70-115	Kokapet	42-78

## KEY LEASE TRANSACTIONS

Property	Tenant	Micro Market	Transacted Area (Mn sf)
Meenakshi Eco Park Tower 1	Uber	Gachibowli	1.08
Aparna Technopolis	Tech Mahindra	Kondapur	0.4
Prestige Sky Tech	LPL Financial	Nanakramguda	0.3
RMZ Spire Tower 110	Sanofi Healthcare India	HITEC City	0.27
Phoenix Centaurus	Table Space	Gachibowli	0.27
Phoenix Equinox Tower 2	Warner Bros Discovery INC	Madhapur	0.21

Note: The data represents Grade A office developments only.  
Net absorption refers to the incremental new space take-up.  
Average rental rates are for vacant spaces that provide core facility, high side air conditioning and 100% power back up.

# 8.8 Mn sf

**New Office Supply**  
(-31% Y-o-Y Change)

# 8.5 Mn sf

**Net Office Absorption**  
(14% Y-o-Y Change)

# 26.3%

**Office Market Vacancy (Avg.)**  
(-0.2% Y-o-Y Change)

# INR 70 /sf/Mo

**Avg. Office Rental**  
(4% Y-o-Y Change)

# 39%

**IT-ITeS dominates Office Space Leasing**

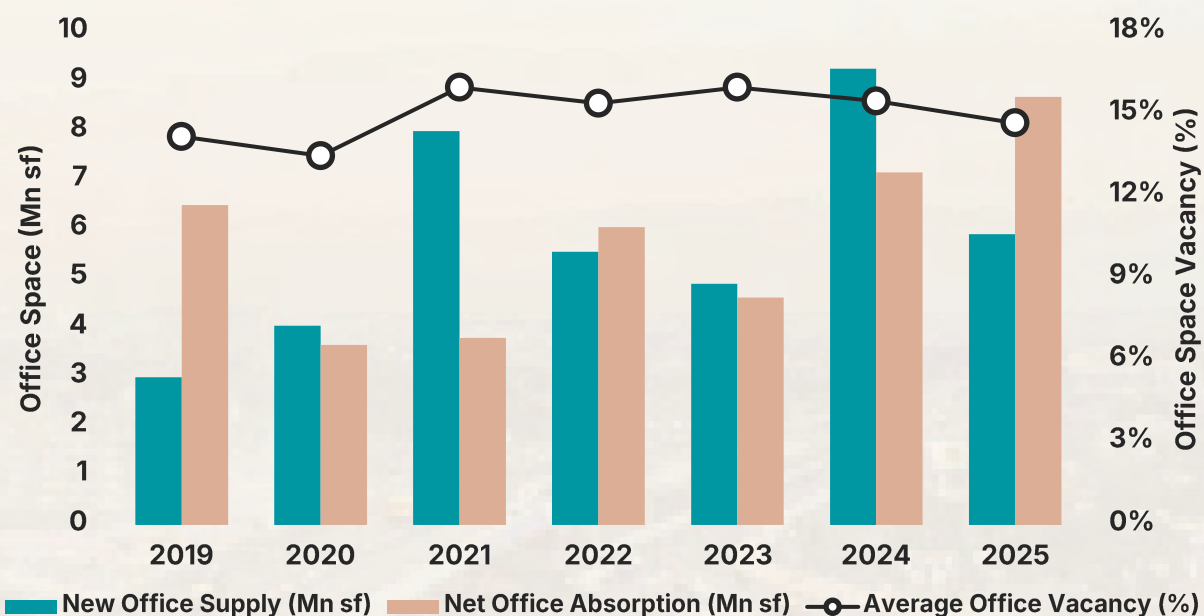
Hyderabad's office market recorded net absorption of 8.5 Mn sf in 2025, rising from 7.5 Mn sf in 2024 and witnessing a 14% year-on-year increase. The city accounted for a significant 15% share of total absorption across the top markets, strengthening its position as one of the key office hubs during the year.

Hyderabad recorded a sharp moderation in new completions, with supply easing to 8.8 Mn sf in 2025 from 12.9 Mn sf in 2024—a 31% year-on-year decline. This reflects a more measured development stance and a stronger focus on improving occupancy across existing Grade-A stock. The supply restraint helped reduce vacancy marginally to 26.3% in 2025; however, this remains the highest among top 7 Indian office markets, reflecting the impact of elevated additions in prior years.

In terms of average rentals, Hyderabad saw a modest rise, with office rents increasing to INR 70/sf/month in 2025, translating into a 4% year-on-year gain. The pace of appreciation remained subdued compared to peer markets and the Pan India trend, partly reflecting the city's elevated vacancy levels. Even so, the 25% uplift over 2019 levels points to steady medium-term rental progression.

Sector-wise analysis revealed that IT-ITeS led Hyderabad's net absorption in 2025 with a 39% share of transactions, followed by BFSI at 20% and co-working providers at 19%. On the GCC front, leasing in Hyderabad held broadly steady in absolute terms at around 4.5 Mn sf in 2025, but its share of India's total GCC leasing moderated from 17% to 14%, reflecting faster GCC scaling across other Indian office markets.

## MMR



## KEY MICRO MARKET RENTALS

Micro Market	Grade-A Avg. Rent (INR/sf/Mo)	Micro Market	Grade-A Avg. Rent (INR/sf/Mo)
BKC	360-530	Goregaon – Malad	105-175
Lower Parel	200-360	Thane	60-100
Andheri – Kurla Road	110-185	Navi-Mumbai	68-120

## KEY LEASE TRANSACTIONS

Property	Tenant	Micro Market	Transacted Area (Mn sf)
Eastbridge	Smartworks	Vikhroli West	0.85
R Square	HDFC Bank	Andheri East	0.45
Mindspace Business Park	Wipro	Airoli, Navi Mumbai	0.38
Crisil House	CoWrks	Powai	0.28
Ascent	Sporta Technologies (Dream11)	Worli	0.17
Oberoi Commerz III	BlackRock	Goregaon	0.16

Note: The data represents Grade A office developments only.  
Net absorption refers to the incremental new space take-up.  
Average rental rates are for vacant spaces that provide core facility, high side air conditioning and 100% power back up.

5.9 Mn sf

New Office Supply  
(-36% Y-o-Y Change)

8.7 Mn sf

Net Office Absorption  
(22% Y-o-Y Change)

14.7%

Office Market Vacancy (Avg.)  
(-0.8% Y-o-Y Change)

INR 148 /sf/Mo

Avg. Office Rental  
(5% Y-o-Y Change)

35%

BFSI dominates  
Office Space Leasing

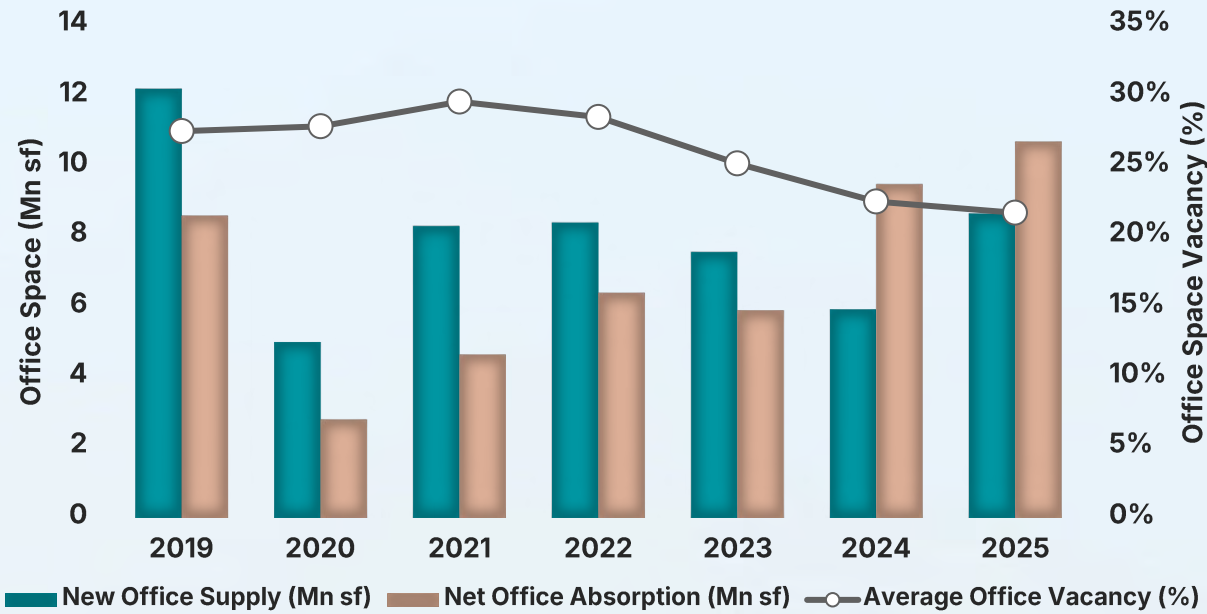
The Mumbai Metropolitan Region office market witnessed robust growth momentum in 2025, with net absorption reaching 8.7 Mn sf, representing a significant 22% year-on-year increase from 7.2 Mn sf in 2024. This performance strengthened MMR's position as India's third-largest office market by net absorption, with demand sustained across a diverse occupier mix even as rentals remained elevated compared to peer markets.

In terms of new completions, MMR witnessed a moderation, with supply of 5.9 Mn sf in 2025, representing a 36% year-on-year decline from 9.3 Mn sf in 2024, as developers adopted a more cautious and calibrated approach amid evolving market dynamics and elevated vacancy levels in the preceding year. This moderation in new supply supported an improvement in the average vacancy, which declined to 14.7% in 2025 from 15.5% in 2024.

Sector-wise analysis indicates that MMR's net absorption was led by BFSI with a 35% share of transactions, followed by IT-ITeS at 25% and manufacturing and industrial at 16%. BFSI's leasing activity reduced by 6% year-on-year, signaling a gradual diversification in transaction mix. MMR's total gross leasing reached 12.9 Mn sf in 2025, of which GCC leasing was 2.14 Mn sf, recording a 33% year-on-year increase compared to 2024 and accounting for 7% of India's total GCC leasing.

MMR's average office rentals stood at INR 148/sf/month in 2025, rising 5% from 2024. BKC remained the top premium micro-market at around INR 360–530/sf/month, whilst established hubs such as Lower Parel sustained levels in the INR 200–360/sf/month range. Thane and Navi Mumbai remained relatively more accessible at approximately INR 60–100/sf/month and INR 68–120/sf/month, respectively.

# NCR



## KEY MICRO MARKET RENTALS

Micro Market	Grade-A Avg. Rent (INR/sf/Mo)	Micro Market	Grade-A Avg. Rent (INR/sf/Mo)
Barakhamba Road, Delhi	205-420	MG Road, Gurugram	135-175
Jasola, Delhi	105-145	Golf Course Road, Gurugram	115-205
DLF Cybercity, Gurugram	130-160	Noida- All	65-135

## KEY LEASE TRANSACTIONS

Property	Tenant	Micro Market	Transacted Area (Mn sf)
DLF Atrium Place	Google India	Udyog Vihar -V, Gurugram	0.62
DLF Commercial Building	Table Space	DLF City -V, Gurugram	0.47
TRIL Intellion Park	Zomato	Golf Course Ext. Road, Gurugram	0.27
Embassy Oxygen Business Park	Cognizant	Noida Expressway, Noida	0.25
NSL Techzone	TCS	Noida Expressway, Noida	0.24
Green Boulevard Business Park	IBM	Sector-62, Noida	0.06

Note: The data represents Grade A office developments only.  
Net absorption refers to the incremental new space take-up.  
Average rental rates are for vacant spaces that provide core facility, high side air conditioning and 100% power back up.

# 8.65 Mn sf

**New Office Supply**  
(46% Y-o-Y Change)

# 10.7 Mn sf

**Net Office Absorption**  
(13% Y-o-Y Change)

# 21.7%

**Office Market Vacancy (Avg.)**  
(-0.8% Y-o-Y Change)

# INR 90 /sf/Mo

**Avg. Office Rental**  
(6% Y-o-Y Change)

# 36%

**Co-Working Space Providers dominates Office Space Leasing**

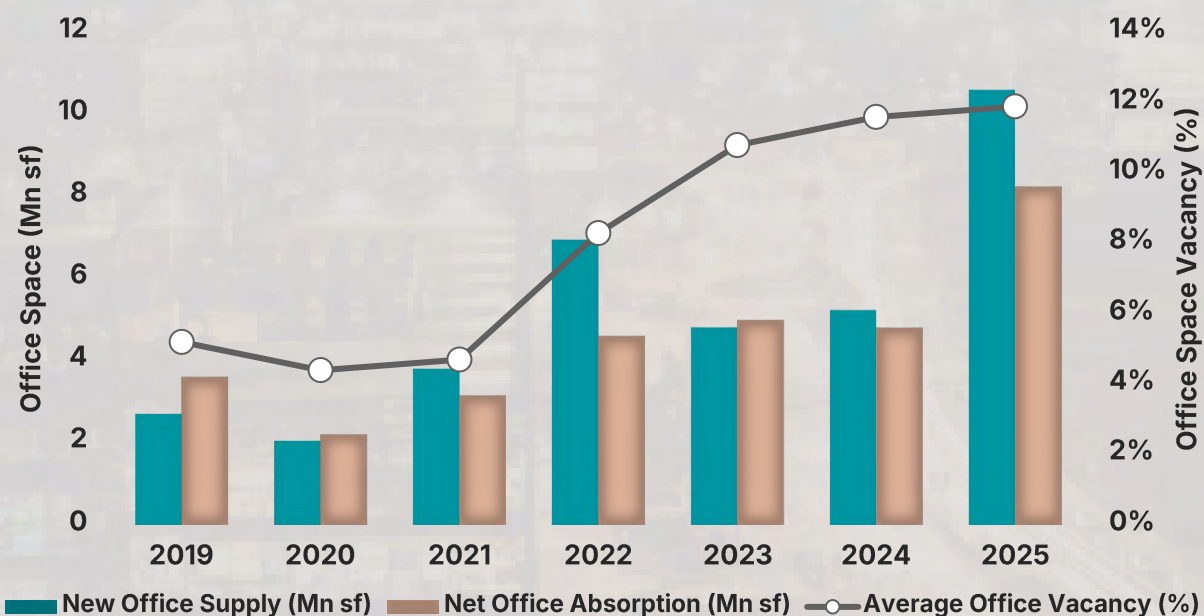
The NCR office market sustained healthy momentum in 2025, with net absorption rising to 10.7 Mn sf from 9.5 Mn sf in 2024, marking a 13% year-on-year increase. This performance established NCR's position as India's second-largest market by net absorption, accounting for 18% of total absorption across the top 7 office markets. This absorption was led by co-working providers, accounting for 36% of transactions, followed by IT-ITeS at 23%, which declined by 6% from 2024, indicating a relative easing in technology-led share. BFSI strengthened to 16%, with a 4% uptick, whilst consulting moderated to 9% from 12% in 2024.

New office supply saw strong acceleration in 2025, with completions rising to 8.65 Mn sf, representing a 46% increase from 2024. Encouragingly, demand largely kept pace, helping average vacancy level ease to 21.7% from 22.5% in 2024, signaling sustained occupier confidence. However, the city's average vacancy continues to be amongst the highest across top 7 Indian office markets.

NCR's total gross leasing stood at 15.3 Mn sf in 2025, with GCC-led activity contributing 4.5 Mn sf, marking an impressive 73% increase over 2024. NCR's share of India's overall GCC leasing expanded to 14% in 2025 from 9% in 2024, highlighting the region's strengthening appeal amongst multinational corporations.

Average office rentals rose by 6% compared to 2024 to reach INR 90/sf/month in 2025. Prime CBD corridors such as Barakhamba Road in Delhi commanded premium rents of INR 205-420/sf/month, whilst key hubs including DLF Cybercity and MG Road range between INR 130 and INR 175/sf/month. In contrast, Noida offered a cost-competitive range of INR 65-135/sf/month.

# PUNE



## KEY MICRO MARKET RENTALS

Micro Market	Grade-A Avg. Rent (INR/sf/Mo)	Micro Market	Grade-A Avg. Rent (INR/sf/Mo)
Hadapsar	80-115	Viman Nagar	62-90
Kharadi	75-105	SB Road	87-125
Hinjewadi	52-86	Baner	65-100

## KEY LEASE TRANSACTIONS

Property	Tenant	Micro Market	Transacted Area (Mn sf)
Panchshil Business Hub	Citi Group	Kharadi	0.77
Godrej Centre	PTC	Koregaon	0.2
World Trade Centre	Awfis Space	Kharadi	0.19
Marisoft Campus	Wolters Kluwer	Kalyani Nagar	0.17
Bluegrass Business Park	Gallgher	Kalyani Nagar	0.15
Aditya Shagun Infinity IT Park	Eaton Technology	Baner	0.15

Note: The data represents Grade A office developments only.

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

Average rental rates are for vacant spaces that provide core facility, high side air conditioning and 100% power back up.

# 10.6 Mn sf

**New Office Supply**  
(103% Y-o-Y Change)

# 8.2 Mn sf

**Net Office Absorption**  
(72% Y-o-Y Change)

# 11.9%

**Office Market Vacancy (Avg.)**  
(0.3% Y-o-Y Change)

# INR 87 /sf/Mo

**Avg. Office Rental**  
(6% Y-o-Y Change)

# 33%

**Co-Working Space Providers dominates Office Space Leasing**

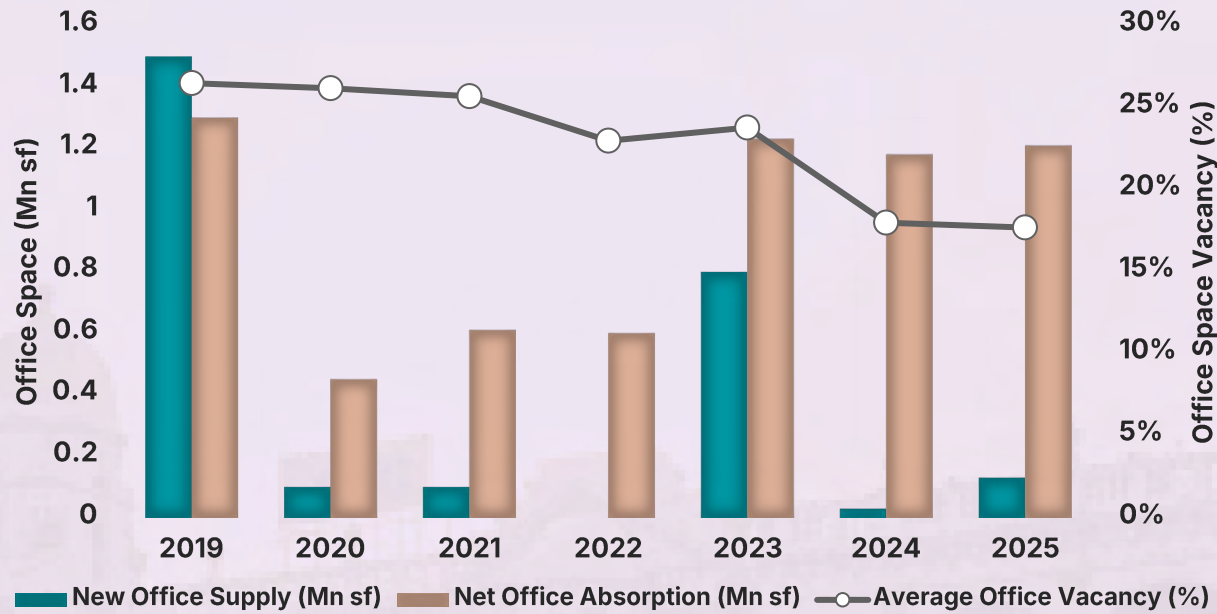
Pune's office market recorded strong absorption momentum in 2025, with net absorption rising to 8.2 Mn sf from 4.8 Mn sf in 2024, translating into the highest year-on-year growth among the top office markets at 72%. The medium-term uptrend appears even more distinct, with absorption standing at 129% above the 2019 baseline of 3.6 Mn sf, reflecting a sharp strengthening in occupier demand over the years.

New office completions climbed to 10.6 Mn sf in 2025 from 5.2 Mn sf in 2024, registering a 103% year-on-year increase, and the medium-term scale-up looks even more evident, with supply nearly 293% higher than the 2019 base of 2.7 Mn sf. Average vacancy, meanwhile, edged up marginally to 11.9% in 2025, making it the only city to record a slight increase, largely driven by the continuous new office supply.

Sector-wise analysis reveals that net office absorption in Pune was led by co-working providers with a 33% share of transactions, closely followed by IT and ITeS at 32%, while BFSI strengthened to 17%, recording a 4% uptick, and manufacturing and industrial eased to 11%. Total gross leasing stood at 11.3 Mn sf in 2025, with GCC-led leasing at 4.8 Mn sf, translating into an approximate 51% year-on-year increase. Furthermore, the city's share of India's total GCC leasing strengthened from 11% in 2024 to 15% in 2025, positioning Pune as a rising GCC destination.

Average office rentals increased to INR 87/sf/month in 2025, reflecting a notable 6% year-on-year rise. Key micro-markets continued to show a clear rent increase, with premium markets such as SB Road and Hadapsar commanding between INR 80 and INR 125/sf/month, while micro markets like Hinjewadi and Viman Nagar offered comparatively more competitive options in the range of INR 52-90/sf/month.

# KOLKATA



## KEY MICRO MARKET RENTALS

Micro Market	Grade-A Avg. Rent (INR/sf/Mo)	Micro Market	Grade-A Avg. Rent (INR/sf/Mo)
Park Street	105-160	Salt lake Sector V	45-63
Topsia	75-100	New Town & Rajarhat	40-55
Kasba	75-95	EM Bypass	60-95

## KEY LEASE TRANSACTIONS

Property	Tenant	Micro Market	Transacted Area (Mn sf)
Candor Tech Park	Capgemini	Newtown	0.24
DLF IT Park	IBM	New Town	0.2
DLF IT Park	British Telecom	New Town	0.1
PS Srijan Corporate Park	PWC	Salt Lake Sector-V	0.07
Godrej Waterside	iSprout	Salt Lake Sector-V	0.048

Note: The data represents Grade A office developments only.  
Net absorption refers to the incremental new space take-up.  
Average rental rates are for vacant spaces that provide core facility, high side air conditioning and 100% power back up.

**0.13** Mn sf

**New Office Supply**  
(317% Y-o-Y Change)

**1.2** Mn sf

**Net Office Absorption**  
(3% Y-o-Y Change)

**17.7** %

**Office Market Vacancy (Avg.)**  
(-0.3% Y-o-Y Change)

**INR 64** /sf/Mo

**Avg. Office Rental**  
(3% Y-o-Y Change)

**39** %

**IT-ITeS dominates**  
**Office Space Leasing**

Kolkata's office market, following a relatively subdued first half, exhibited signs of recovery over the full year. Net absorption rose to 1.2 Mn sf in 2025 from 1.18 Mn sf in 2024, reflecting a marginal 3% year-on-year increase. Whilst growth remains measured, the improvement points to steady take-up and signs of strengthening occupier confidence in the city's office market.

New office completions totaled 0.13 Mn sf in 2025, compared to 0.03 Mn sf in 2024, reflecting a 317% year-on-year increase. Whilst the absolute volume remains modest and contributes only a marginal share to India's overall new office supply, the sharp percentage rise is largely a base effect driven by last year's low additions. Vacancy eased to 17.7% in 2025 from 18% in 2024, and whilst it remains marginally elevated compared to the pan-India average (16.1%), the slight improvement suggests steady absorption alongside measured new supply. Notably, this represents the lowest vacancy level recorded since 2019, signaling a gradually improving market equilibrium.

Average office rentals rose to INR 64/sf/month in 2025 from INR 62/sf/month in 2024, translating into a modest 3% year-on-year increase that reflects continued pricing stability. Whilst the pace of appreciation remains measured, the gradual easing in vacancy and steady absorption are trending favourably and are expected to provide a stronger foundation for Kolkata's office rental growth going forward.

Sector-wise analysis reveals a diversified demand profile, with IT-ITeS driving 39% of transactions, followed by co-working providers at 22%, BFSI at 16%, and manufacturing and industrial occupiers at 15%. This mix indicates widening occupier interest beyond traditional segments, supporting Kolkata's positioning as a competitively priced option compared to rest of the office markets.

# OUTLOOK

The Indian office market is poised to maintain its upward trajectory through 2026, anchored by favourable macroeconomic conditions and the continued expansion of corporate operations across the top metropolitan cities. Net absorption across the top seven cities is anticipated to register healthy growth, supported by sectoral diversification beyond technology into banking, financial services, engineering, and manufacturing domains. New supply pipelines remain calibrated to market requirements, preventing inventory imbalances whilst accommodating expansion plans of both established occupiers and new entrants.

Global Capability Centres (GCCs) are expected to emerge as the predominant demand driver throughout 2026, with multinational enterprises accelerating their India operations to capitalise on the country's deep talent pool and competitive operational advantages. This segment's expansion extends beyond traditional technology services, encompassing specialised functions in analytics, research and development, and advanced engineering. The preference for establishing dedicated centres rather than engaging third-party service providers reflects growing confidence in India's business ecosystem and regulatory framework.

The Real Estate Investment Trust (REIT) sector is anticipated to witness significant activity during 2026, with increased portfolio acquisitions and capital deployment in quality office assets. Institutional investors continue to recognise Indian commercial real estate as an attractive asset class offering stable yields and long-term appreciation potential. The maturation of the REIT framework, coupled with enhanced disclosure norms and governance standards, positions this investment vehicle to attract both domestic and international capital seeking exposure to India's office market growth.

The Union Budget 2026 provisions supporting infrastructure enhancement and digital economy initiatives are expected to catalyse further demand for modern workspace solutions. Fiscal measures aimed at promoting manufacturing competitiveness and services sector growth will likely translate into incremental office space requirements across strategic locations.

Overall, the combination of strong occupier fundamentals, institutional capital flows through REITs, and policy support creates a favourable outlook for India's office market through 2026, positioning it for continued expansion whilst maintaining market equilibrium.

# ANAROCK

VALUES OVER VALUE

Anarock is the leading independent real estate services company with a visible presence across India and the Middle East. 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 organisation 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 2500 experienced real estate professionals who operate across all major markets in India and the Middle East.

## AUTHORS



### ABHAI MANI CHATURVEDI

Senior Vice President - Research and Advisory  
abhai.mani@anarock.com



Don't miss out!  
Scan the QR to access  
in-depth research insights.



### MERUGA PALLAVI

Manager - Research and Advisory  
meruga.pallavi1@anarock.com

## Follow us on



For more information, please visit  
[www.anarock.com](http://www.anarock.com)



### RAHUL KATRAGADDA

Associate - Research and Advisory  
rahul.katragadda@anarock.com

## EDITOR



### PRIYANKA KAPOOR

Senior Vice President - Research and Advisory  
priyanka.kapoor@anarock.com

**For bespoke research requirements, please connect with:**



### DR. PRASHANT THAKUR

Executive Director & Head of Research and Advisory  
prashant.thakur@anarock.com

ANAROCK Property Consultants Pvt. Ltd.  
1002, 10th Floor, B Wing, ONE BKC, Plot No. C-66, G Block Bandra Kurla Complex, Mumbai 400 051

© 2026 ANAROCK Property Consultants Pvt Ltd. All rights reserved.

*Disclaimer: This publication is the sole property of ANAROCK Group, and must not be copied, reproduced or transmitted in any form or by any means, either in whole or in part, without the prior written consent of ANAROCK Group. The information contained in this publication has been obtained from sources generally regarded to be reliable. However, no representation is made, or warranty given, in respect of the accuracy of this information. We would like to be informed of any inaccuracies so that we may correct them. ANAROCK does not accept any liability in negligence or otherwise for any loss or damage suffered by any party resulting from reliance on this publication.*