

OFFICE — MARKET UPDATE

TOP 7 CITIES | H1 CY2026



FORE WORD

India's office market continued its expansion in 2026, though at a materially steadier pace. Net leasing across the top 7 cities reached 27.4 Mn sf in H1 2026, up 2% over the 26.8 Mn sf recorded in H1 2025. New completions, at 22.2 Mn sf, trailed absorption by 5.2 Mn sf and fell 10% short of the 24.5 Mn sf delivered a year earlier, as developers calibrated launch schedules to the still-elevated vacant stock built up over the past few cycles. The result is a market drawing down existing inventory faster than it is replenishing it, a clear signal of the supply-demand balance shifting in landlords' favour.

Occupier composition continued to rebalance. IT-ITeS retained its position as the largest segment but its share narrowed to 26% in H1 2026 from 29% in H1 2025, as co-working operators closed within a single percentage point at 25%, up from 22% in H1 2025. BFSI added a point on an annual basis to reach 19%. Global Capability Centres (GCCs) accounted for much of this reshuffling: their gross leasing rose 22% Y-o-Y to 19.2 Mn sf, lifting their share of total leasing to 45% from 41% in H1 2025. Their expanding footprint across finance, engineering and analytics functions, beyond the technology delivery roles that once defined them, helps explain why the IT-ITeS tag is capturing a smaller slice of overall demand even as GCC volumes themselves keep growing.

Vacancy across the top 7 cities eased to 15% from 16.3% in H1 2025, with every city posting an improvement. Average rentals rose 9% to INR 96/sf/month from INR 88/sf/month a year ago, with NCR, Bengaluru and Hyderabad each posting highest annual gains of over 10%.

The gains were not uniform: Hyderabad's vacancy correction, at 3.1 percentage points, was the steepest of any city and coincided with rental growth of over 10%, while NCR also posted the highest rental growth of all 7 cities (around 10%) despite still carrying the second-highest vacancy level nationally, a sign that pricing power in select micro markets is running ahead of the city's overall occupancy recovery. MMR remained India's costliest market at INR 154/sf/month even as its cumulative rental appreciation since 2021 is the lowest of the 7 cities.

Looking to the rest of 2026, the combination of disciplined new supply, GCC-led demand diversification and tightening vacancy is anticipated to keep the market on a firm, if measured, growth path, with pricing power increasingly concentrated in the cities and micro markets where absorption is running ahead of completions.



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KEY HIGHLIGHTS

22.2 Mn sf
New Office Supply
(-10% Y-o-Y Change)

27.4 Mn sf
Net Office Absorption
(2% Y-o-Y Change)



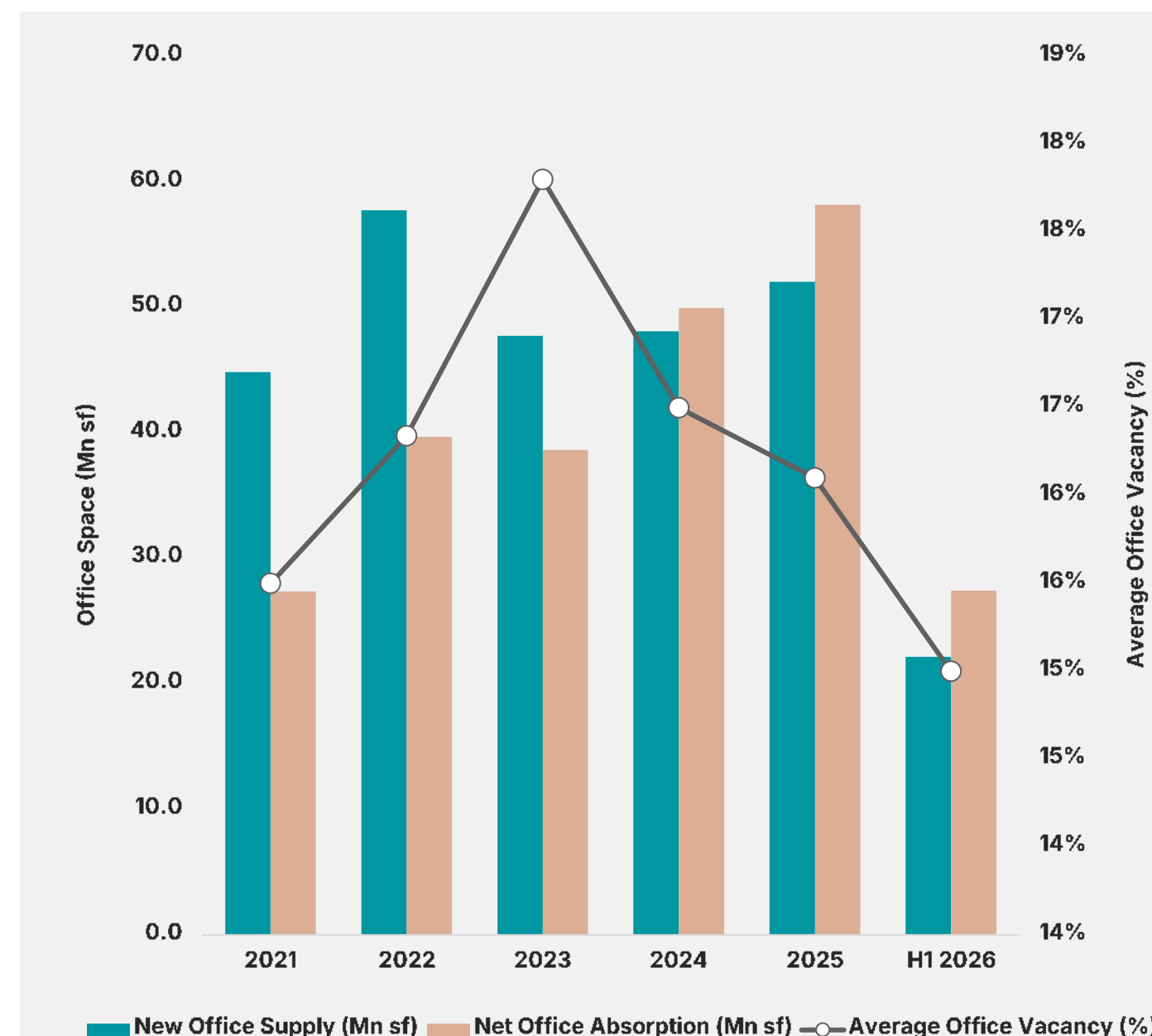
15%
Avg. Office Market Vacancy
(-1.3% Y-o-Y Change)

59% share
Large deals (>0.1 Mn sf)
lead Office space
Leasing

INR **96**/sf/Mo
Avg. Office Rental
(9% Y-o-Y Change)

26% 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 new office supply declined 10% to 22.2 Mn sf in H1 2026, as developers' moderate new supply following years of elevated completions

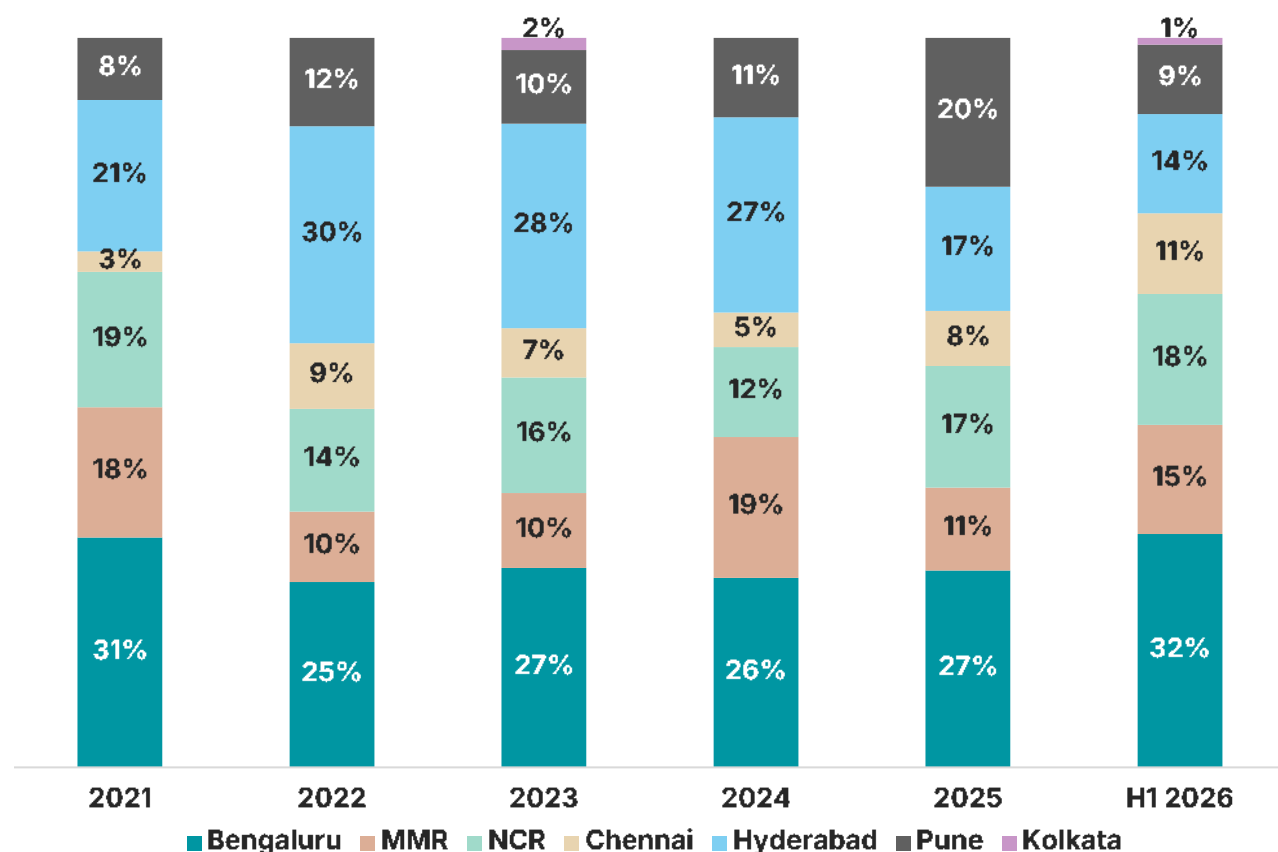
India's top 7 office markets recorded a measured supply pace in H1 2026, with new office supply totalling 22.2 Mn sf, a 10% decline compared to 24.5 Mn sf in H1 2025.

From a city-level perspective, southern markets remained dominant, contributing a combined share of 57% of total new office supply, with 12.6 Mn sf added in H1 2026. Within the southern cluster, activity was led by Bengaluru, which accounted for approximately 7.1 Mn sf of new office supply (32% market share). Hyderabad followed with new office supply of about 3 Mn sf (14% market share), whilst Chennai contributed 2.6 Mn sf (11% market share). Despite being the smallest of the three, Chennai led in year-on-year growth with a sharp 70% increase in supply compared to H1 2025, followed by Bengaluru, which registered a modest 2% rise. Hyderabad, however, recorded a 36% decline, pointing to a more cautious supply pipeline shaped

by developer consolidation and phased project execution.

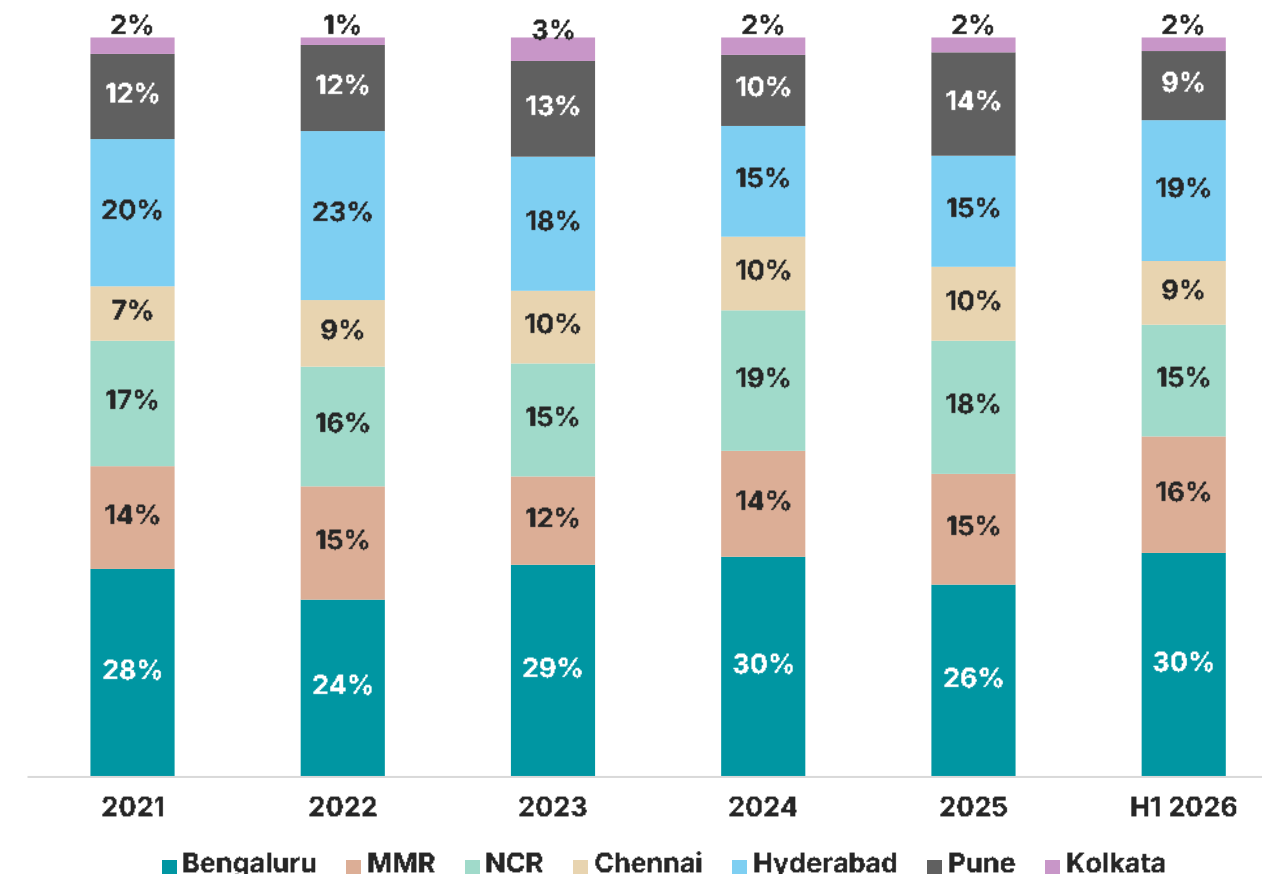
The western markets accounted for a 24% share of total supply, with MMR emerging as the stronger performer this half. MMR added 3.3 Mn sf of new office supply, posting growth of 74% compared to H1 2025. In contrast, Pune reported a 63% contraction, with new office supply easing to 2.1 Mn sf after an unusually high base in H1 2025.

In the northern market, NCR recorded new office supply of 4 Mn sf, marking a 7% increase year-on-year, supported by steady occupier demand from co-working and IT-ITeS occupiers. The eastern market, represented by Kolkata, remained marginal at just 0.2 Mn sf of new office supply, though this figure doubled over H1 2025, indicating a gradual, if modest, growth in developer activity.



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 records a 2% rise in H1 2026 net absorption to 27.4 Mn sf, even as new completions ease 10% on a more measured supply pipeline

India's top office markets recorded net absorption of 27.4 Mn sf in H1 2026, up 2% over the 26.8 Mn sf logged in H1 2025. The moderation from 2025's sharper gains points to a market consolidating recent demand rather than cooling in any structural sense, particularly as net absorption continued to outpace new completions by 5.2 Mn sf, drawing down vacant office stock accumulated in prior cycles.

Southern cities held their position as the largest contributor, together absorbing 15.8 Mn sf, or 58% of the pan-India total. Bengaluru led all markets with 8.3 Mn sf, up a sharp 26%, rising its share to 30% of national absorption. Hyderabad advanced to 5.2 Mn sf, up 24%, overtaking both MMR and NCR to become the second-largest contributor at a 19% share, a reordering that reflects the growing pull of its GCC ecosystem and its cost position relative to the two traditional anchor markets. Chennai held broadly steady at 2.4 Mn sf, up 2%.

Western markets contributed 6.9 Mn sf, or 25% of the total, though the two constituent cities moved in opposite directions. MMR net absorption declined 4% to 4.3 Mn sf even as the city's completions surged, while Pune, coming off an unusually strong H1 2025, recorded the sharpest pullback among all seven cities at 2.6 Mn sf, down 33%, more a stabilisation than a genuine loss of demand given the market's still-tight vacancy.

NCR recorded 4.3 Mn sf, down 15%, its 15% share now trailing Hyderabad and running close to MMR rather than holding its second-place position in H1 2025, a scenario that sits alongside the city's continuing tilt toward flexible-space occupiers over direct large-format leasing. Kolkata's 0.5 Mn sf, though just 2% of the national total, rose 11% over H1 2025, extending its gradual recovery from a low base.

INDIA OFFICE MARKET VACANCY LEVELS

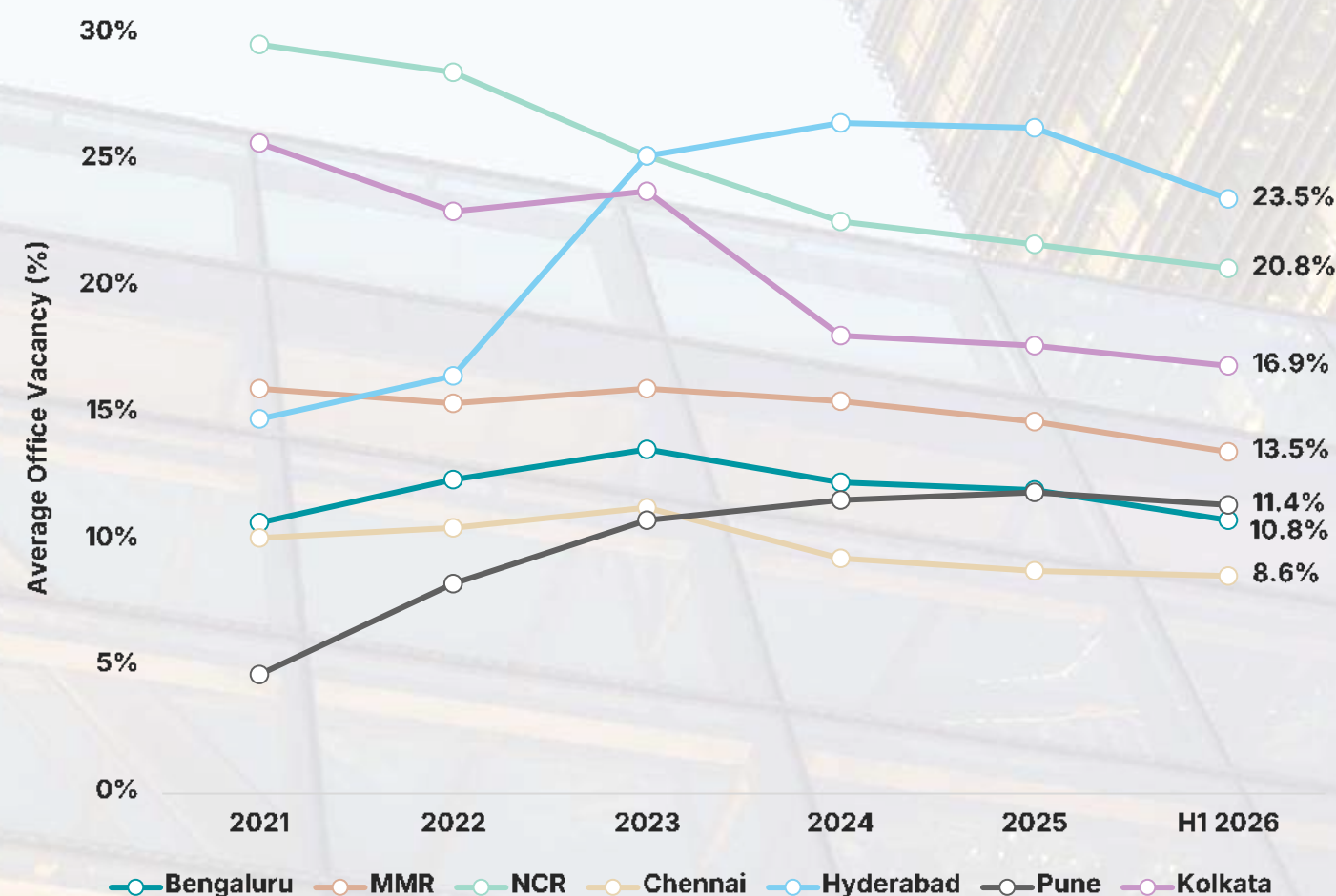
India's average office vacancy eases to 15.0% in H1 2026, improving 130 bps Y-o-Y as all top 7 cities record a decline

Office vacancy across India's top 7 cities eased to 15% in H1 2026, a 1.3 percentage point improvement over the 16.3% recorded in H1 2025. Unlike the previous cycle (as illustrated in the graph below), when Pune was the lone market to see vacancy inch up, every city in H1 2026 posted a decline, a broader tightening that lines up closely with the 5.2 Mn sf by which net absorption outpaced new completions pan-India.

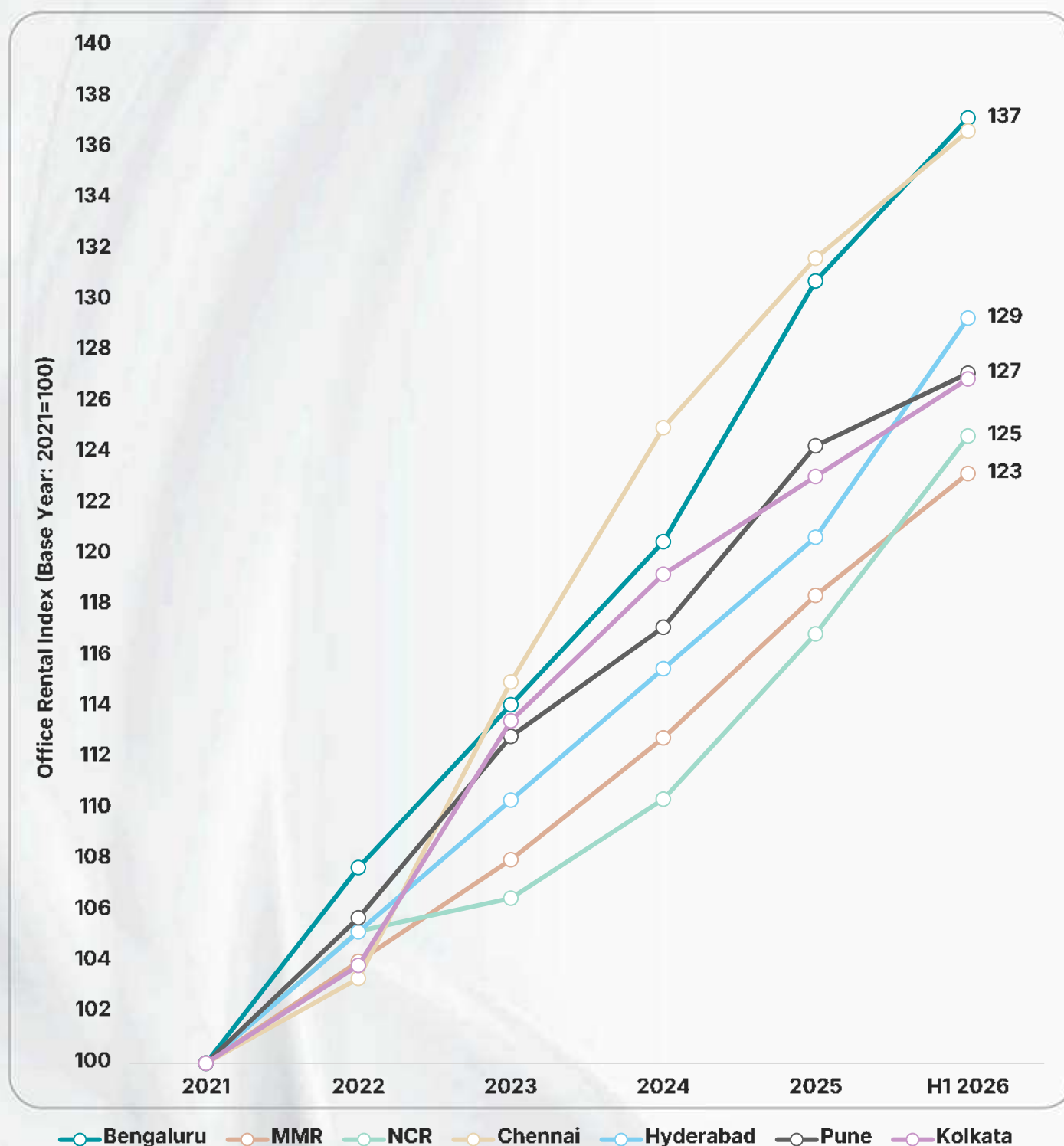
The scale of improvement varied with each city's own supply performance. Hyderabad recorded the sharpest correction of any market, down 3.1 percentage points to 23.5% from 26.6% in H1 2025, as a 36% contraction in new completions let steady absorption work through the elevated stock built up over the prior two years, even though the city's vacancy remains the highest nationally. Bengaluru and MMR posted matching improvements of 1.6 percentage points, easing to 10.8% and 13.5% respectively, though MMR's decline came despite a 74% jump in new supply, an indication of just how strong underlying demand there proved to be.

NCR's vacancy eased a modest 1.5 percentage points to 20.8%, still among the highest levels nationally and consistent with its softer absorption in H1 2026.

Chennai continued to be the tightest market nationally at 8.6%, though its improvement of just 0.5 percentage points was among the smallest, a direct consequence of new supply (up 70%) briefly outrunning net absorption in the city in first half of 2026. Kolkata's vacancy fell 1 percentage point to 16.9%. Pune recorded the smallest movement of all, down just 0.3 percentage points to 11.4%, likely reflecting unleased space still working through the market from H1 2025's outsized 5.7 Mn sf supply addition, even as the city's net absorption again exceeded its own, much-reduced, H1 2026 completions.



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 average office rentals rise to INR96/sf/month in H1 2026, up 9% Y-o-Y, led by NCR, Bengaluru and Hyderabad

Pan-India office rentals rose to INR 96/sf/month in H1 2026, a 9% increase over INR 88/sf/month in H1 2025. The pan-India rental index, based to 100 in 2021, climbed to 130, meaning average rentals have appreciated nearly 30% on a cumulative basis since the base year.

Rental growth in H1 2026 tracked vacancy compression closely in most cities, but not all. Hyderabad and Bengaluru, which posted the sharpest and joint-largest vacancy improvements respectively, also recorded the strongest rental growth at just over 10%, taking rentals to INR 75 and INR 107/sf/month. Bengaluru's rental index, at 137.2, is now the highest of any top 7 cities on a cumulative basis since 2021, followed closely by Chennai at 136.7.

NCR broke this pattern. Its rental growth, at 10.34%, was the sharpest Y-o-Y growth among the top 7 cities in the first half, yet it came alongside the second-highest vacancy level

nationally (20.8%) and a 15% decline in net office absorption, suggesting landlords in select prime NCR micro markets, such as Barakhamba Road, are pushing rents even as the broader market's occupancy recovery lags. MMR, on the other side, presented a contrasting scenario: despite matching Bengaluru's 1.6 percentage point vacancy improvement on a yearly basis, its rental growth of 8% was among the slowest among the markets that tightened the most, and its rental index of 123 is the lowest of the seven cities since 2021, even though MMR remains India's costliest market in absolute terms at INR 154/sf/month.

Chennai and Kolkata posted rental growth of 8% and 6% respectively, broadly proportionate to their more modest vacancy gains, while Pune recorded both the smallest vacancy improvement and the mildest rental growth, at 6%, consistent with a market still digesting last year's outsized supply addition.

SECTOR-WISE
OFFICE TRANSACTIONS SPLIT

Co-working demand climbs to 25% as IT-ITeS eases to 26% of India's office leasing in H1 2026, narrowing the gap between the two leading occupier segments

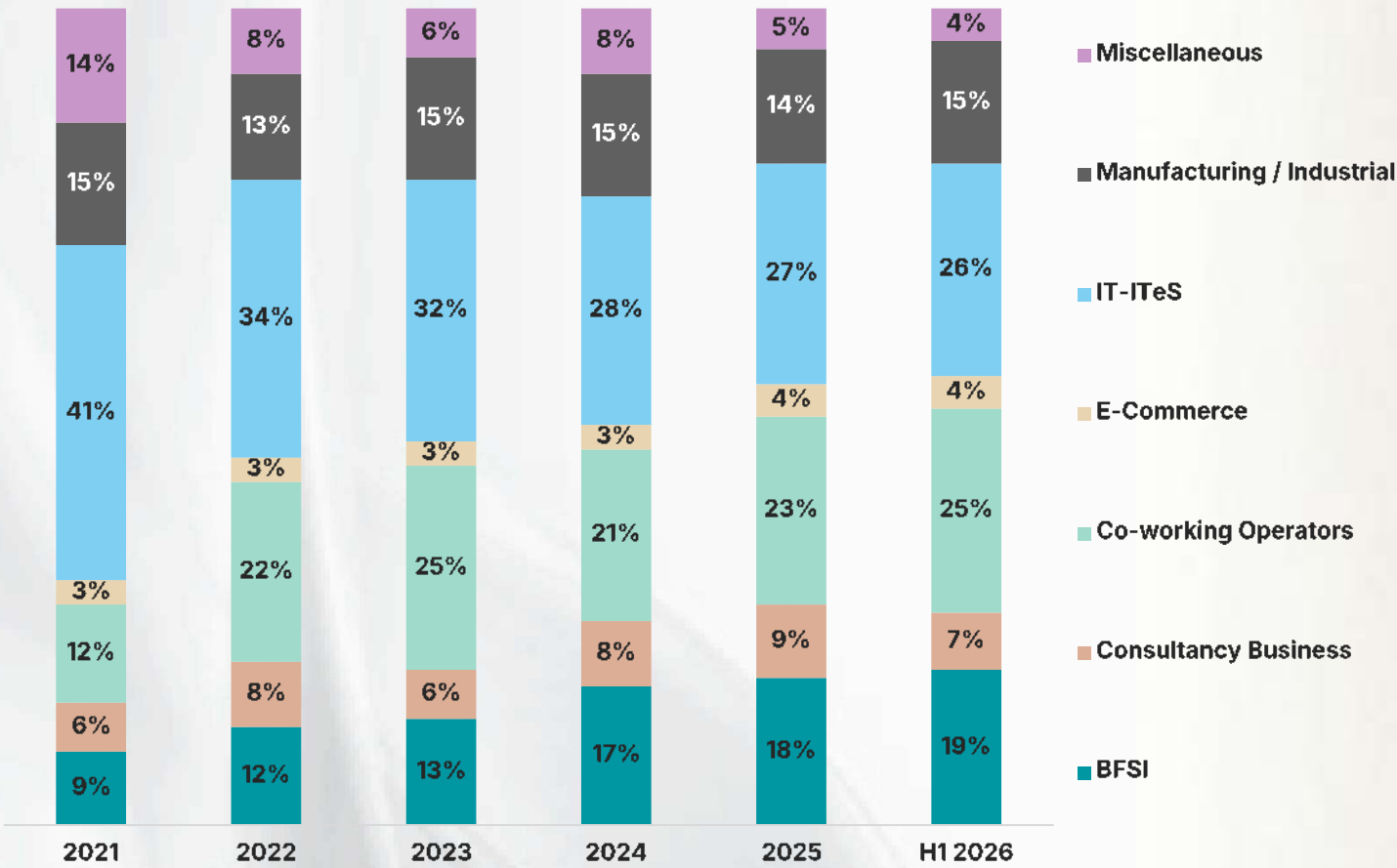
IT-ITeS remained the largest occupier segment in H1 2026 but its share narrowed to 26% from 29% in H1 2025. Part of this easing likely reflects classification rather than a genuine retreat in technology-linked demand: GCCs, many of which now perform finance, analytics and engineering functions rather than pure software delivery, are increasingly captured under BFSI, manufacturing and consultancy tags even as their overall leasing volumes keep expanding.

Co-working operators strengthened to 25% from 22% in H1 2025, now within a single percentage point of IT-ITeS, as flexible workspace operators expanded their footprints, in several cities becoming the largest single occupier category in their own right. BFSI edged up to 19% from 18% in H1 2025, extending a steady multi-year climb most visible in MMR, while manufacturing and industrial occupiers recovered to 15% from 13% in

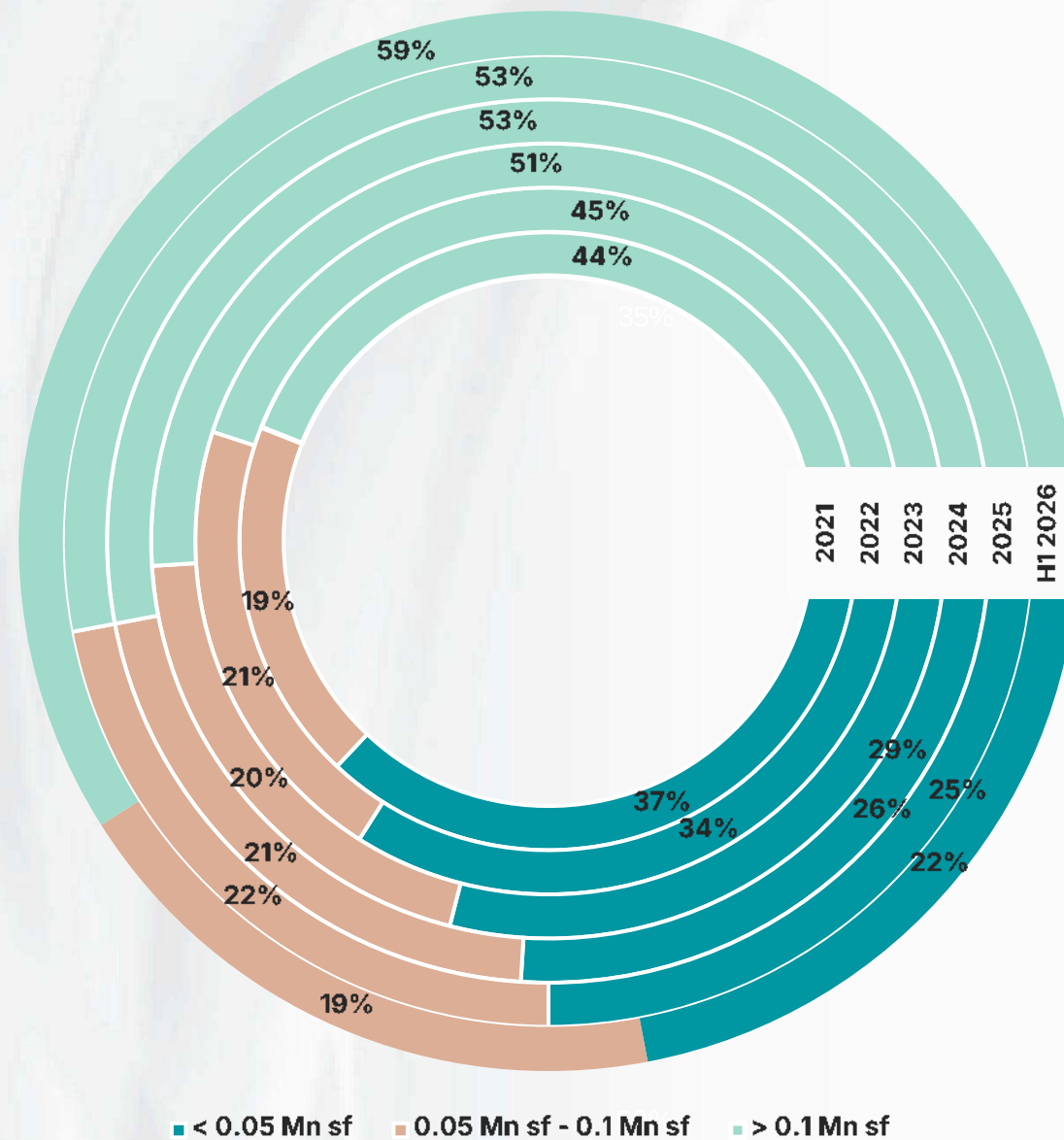
H1 2025, aided by improving industrial activity and policy support.

Consultancy firms eased to 7% from 9% a year ago, and the miscellaneous category eased to 4% from 5% in H1 2025, pointing to continued consolidation among smaller occupier categories. E-commerce leasing was unchanged at 4%.

Overall, co-working, BFSI and manufacturing occupiers now account for 59% of leasing activity, up from 54% a year earlier, an expansion of India's office demand base beyond its traditional technology core that is likely to persist as GCCs keep diffusing across functions and sectors.



AVERAGE SIZE OF OFFICE LEASING TRANSACTIONS



Large-format deals climb to a 59% share of India's office leasing in H1 2026, powered jointly by GCC consolidation and co-working leases

Transactions exceeding 0.1 Mn sf accounted for 59% of all office leasing in H1 2026, up from 57% in H1 2025, continuing a multi-year shift toward scale. Two distinct forces appear to be driving this concentration: GCCs and large enterprises consolidating multiple smaller leases into single, larger campuses as they optimize real estate portfolios, and co-working operators, whose expanding footprint across the key office markets often involves signing one sizeable master lease before subletting smaller seats to end-clients.

Mid-sized transactions of 0.05 to 0.1 Mn sf eased to 19% from 22% in H1 2025, giving up

ground to the large-format segment even as they remain a meaningful share of overall activity. Deals below 0.05 Mn sf edged up marginally to 22% from 21%, a small gain suggesting smaller occupiers are still active in the market even as the bulk of leased area continues to concentrate in fewer, larger transactions.

The pattern is consistent with a market where a shrinking number of large occupiers, whether GCCs, financial institutions or flexible-space operators, are shaping overall leasing volumes to a greater degree than the number of individual transactions alone would suggest.

INDIA'S GCC GROWTH TRAJECTORY

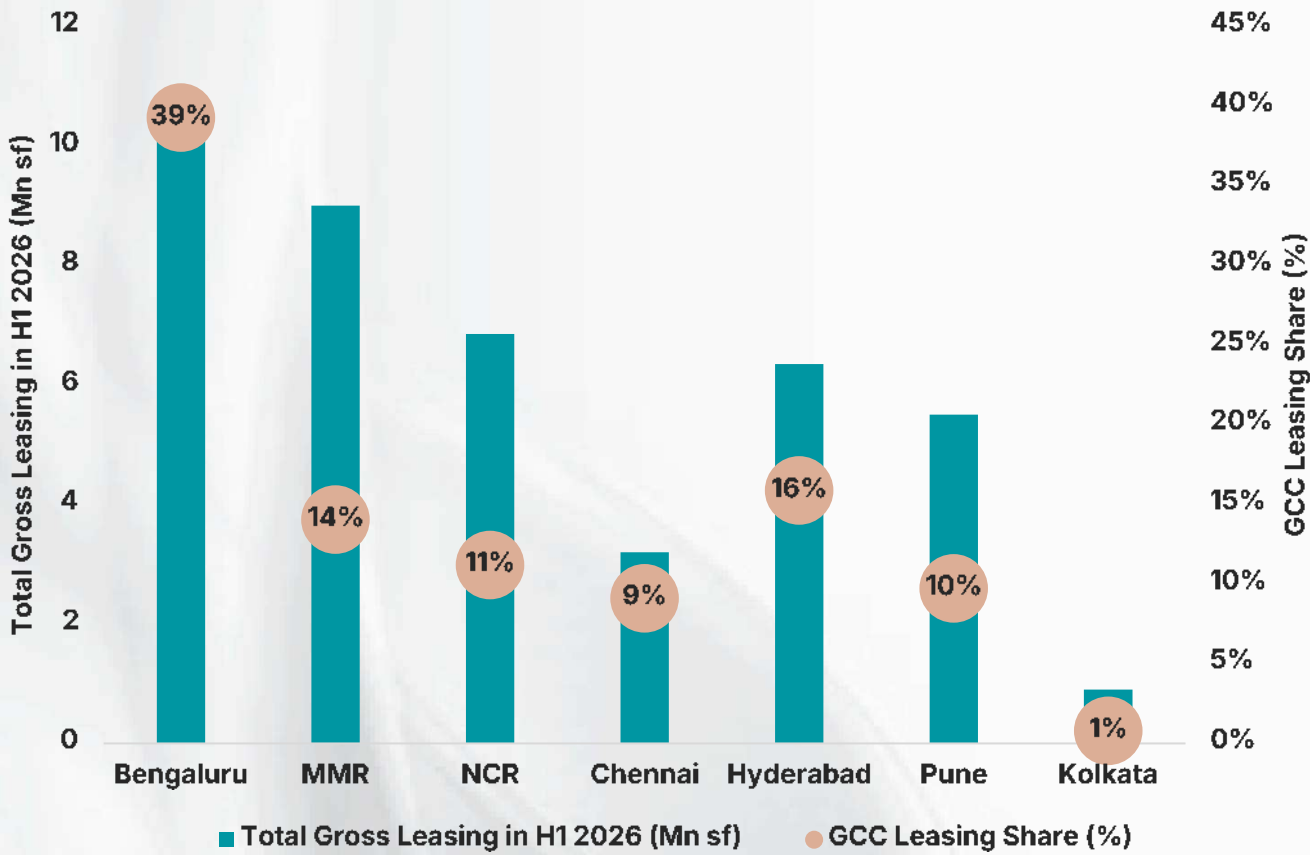
GCCs power India's office market to a record 45% share of gross leasing in H1 2026, with total GCC take-up rising 22% to 19.2 Mn sf

GCCs delivered the standout performance of H1 2026, with gross leasing across the top 7 cities rising 22% to 19.2 Mn sf from 15.8 Mn sf in H1 2025. Their share of total gross office leasing advanced to 45% from 41%, highlighting India's position as the preferred base for multinational operating centres.

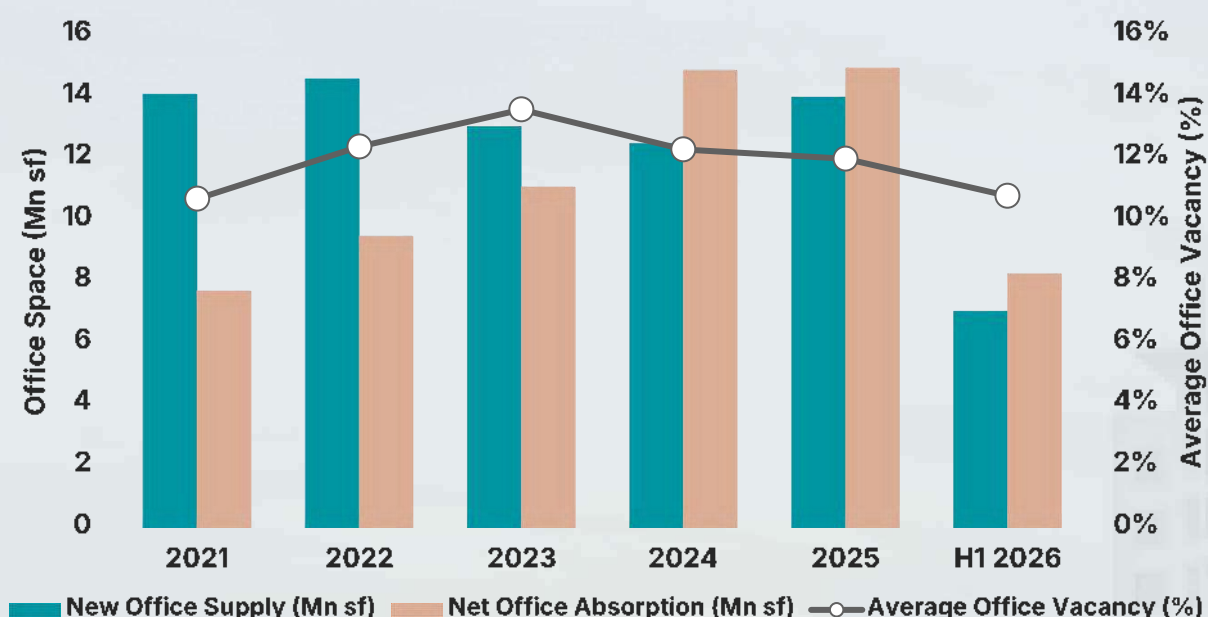
Bengaluru remained the clear leader, with GCC leasing rising to 7.6 Mn sf and its share of India's GCCs total gross leasing share climbing to 39% from 28% a year earlier, on the back of the city's deep talent base and established technology ecosystem. Hyderabad stood second among top 7 markets, with GCC leasing up 68% to 3.1 Mn sf, lifting its national share to 16% in H1 2026 from 9%. MMR recorded the sharpest jump in percentage terms, with GCC leasing nearly tripling to 2.7 Mn sf and its annual share rising to 14% from 5%.

NCR was one of the top 7 markets to see GCC activity contract in H1 2026, down 23% to 2.2 Mn sf, trimming its national share to 11% from 15%. Chennai also pulled back, down 37% to 1.75 Mn sf, with its share easing to 9% from 14% a year ago. Pune held broadly steady at 1.9 Mn sf, a 3% Y-o-Y dip, keeping its share close to 10%. Kolkata's GCC leasing, while still small in absolute terms, tripled to 0.15 Mn sf.

Within GCC leasing, IT-ITeS strengthened to 38% from 35% in H1 2025, while manufacturing /industrial and consultancy gained ground to 15% and 7% respectively. BFSI eased marginally to 22% from 23% a year ago, and the miscellaneous category narrowed to 13% from 17%, pointing to a GCC base consolidating around a smaller set of core functions even as it expands overall.



BENGALURU



KEY MICRO MARKET RENTALS

Micro Market	Grade-A Avg. Rent (INR/sf/Mo)	Micro Market	Grade-A Avg. Rent (INR/sf/Mo)
CBD	130-240	Whitefield	70-110
Old Airport Road	105-170	Electronic City	40-70
ORR (Eastern)	90-145	Hebbal – Yelahanka	75-130

KEY LEASE TRANSACTIONS

Property	Tenant	Micro Market	Transacted Area (Mn sf)
Prestige JRC Signature Towers	HSBC	Bellandur (ORR)	1.2
Embassy Manyata Business Park	Target Corp	Nagavara	0.83
Bagmane Capital - Memphis	Nvidia	Mahadevapura	0.75
Embassy Tech Village	Intuit	Bellandur (ORR)	0.63
Divyasree Technopolis	Dell	Marathahalli	0.45
Gopalan Fortune City	Ericsson	Mahadevapura	0.3
SBR Tower	IndiQube	Outer Ring Road	0.3

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.

7.1 Mn sf

New Office Supply
(2% Y-o-Y Change)

8.3 Mn sf

Net Office Absorption
(26% Y-o-Y Change)

10.8%

Office Market Vacancy (Avg.)
(-1.6% Y-o-Y Change)

INR 107 /sf/Mo

Avg. Office Rental
(10% Y-o-Y Change)

27%

Co-Working Operators dominate
Office Space Leasing

Bengaluru's office market gained significant momentum in H1 2026, with net absorption rising 26% to 8.3 Mn sf from 6.6 Mn sf in H1 2025, a sharp acceleration from the city's more measured full-year 2025 growth. The city retained its position as India's largest office market, contributing 30% of national net absorption.

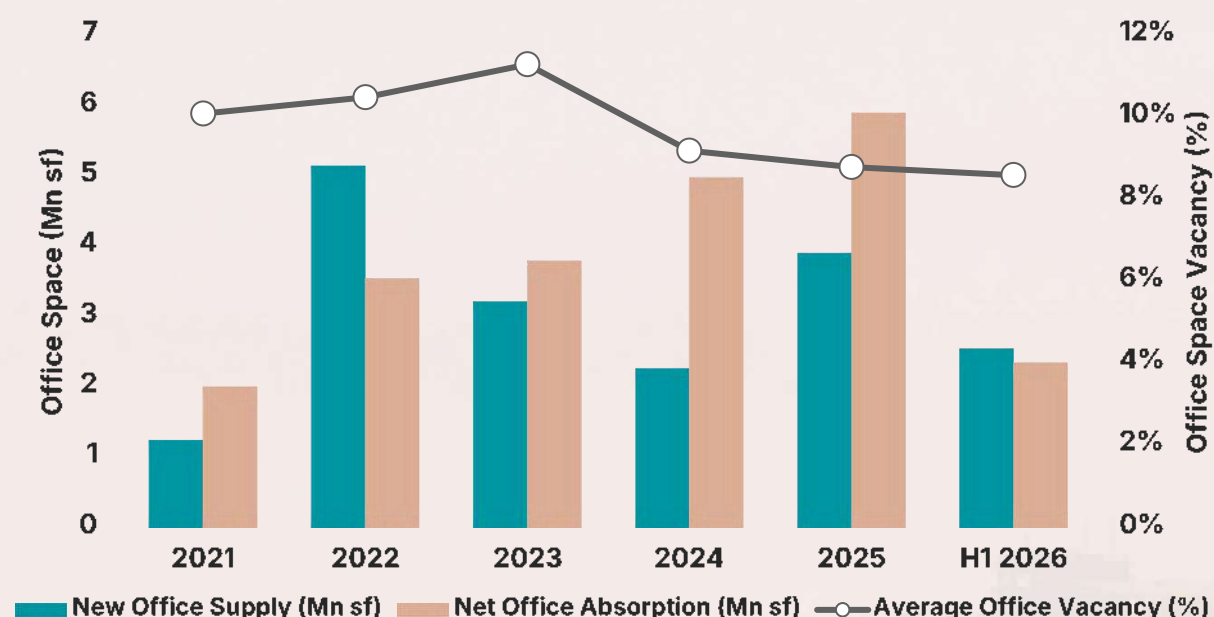
New office supply rose a modest 2% to 7.1 Mn sf from 6.9 Mn sf in H1 2025, keeping pace closely with demand and leaving net absorption ahead of completions by 1.2 Mn sf. This balance helped vacancy ease to 10.8% from 12.4%, a 1.6 percentage point improvement that keeps Bengaluru among the tighter markets across the top 7 cities.

Occupier composition shifted sharply this half of 2026. Co-working operators moved into the lead at 27% of transactions, edging past IT-ITeS, whose share fell to 22% from 35% in H1 2025, the steepest sector-level swing among the top 7 cities. Manufacturing and industrial occupiers strengthened to 21% from 17%, while co-working itself held broadly steady, easing only marginally from 28%, to claim the top spot for the first time in the city's occupier mix. The scale of IT-ITeS sector's pullback here, even as Bengaluru's GCC leasing kept growing, points to GCC demand increasingly being booked under other sector tags as these centres take on broader mandates.

Bengaluru remained central to India's GCC story, with gross leasing rising to 7.6 Mn sf and its share of the national GCC leasing climbing to 39% from 28% in H1 2025, even as total gross leasing in the city rose a more modest 9% to 10.8 Mn sf in H1 2026.

Average office rentals rose 10% to INR 107/sf/month, among the strongest gains nationally, taking the city's rental index to 137.2 (2021=100), the highest cumulative appreciation of any market since the base year.

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	75-120	Post-toll OMR	45-70
RK Salai	75-115	Guindy	70-100
Pre-toll OMR	75-110	GST Road	55-75

KEY LEASE TRANSACTIONS

Property	Tenant	Micro Market	Transacted Area (Mn sf)
Embassy Splendid TechZone	CTS (Cognizant Technology Solutions)	Pallavaram-Thoraipakkam Rd	0.65
Embassy Splendid TechZone	Weworks	Pallavaram-Thoraipakkam Rd	0.14
Ozone Tech Park	TCS	OMR, Navalur	0.14
Commerzone	Deloitte	Pallikaranai	0.1
DLF Downtown	The Executive Centre	Tharamani	0.08
International Tech Park	Intelsat	Tharamani	0.065
Olympia Crystal	Awfis Space	Guindy	0.05

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.

2.6 Mn sf

New Office Supply
(70% Y-o-Y Change)

2.4 Mn sf

Net Office Absorption
(2% Y-o-Y Change)

8.6%

Office Market Vacancy (Avg.)
(-0.5% Y-o-Y Change)

INR 82 /sf/Mo

Avg. Office Rental
(8% Y-o-Y Change)

32%

IT-ITeS dominates
Office Space Leasing

Chennai's office market posted net absorption of 2.4 Mn sf in H1 2026, up by a meagre 2% over H1 2025, depicting a run of steady demand. New office completions accelerated sharply, rising 70% to 2.6 Mn sf from 1.5 Mn sf. This new supply running marginally ahead of net absorption for the first time in recent cycles, a gap that helps explain why vacancy, though still improving, moved by only 0.5 percentage points to 8.6% from 9.1%, the smallest compression among the seven cities even as Chennai remains India's tightest office market overall.

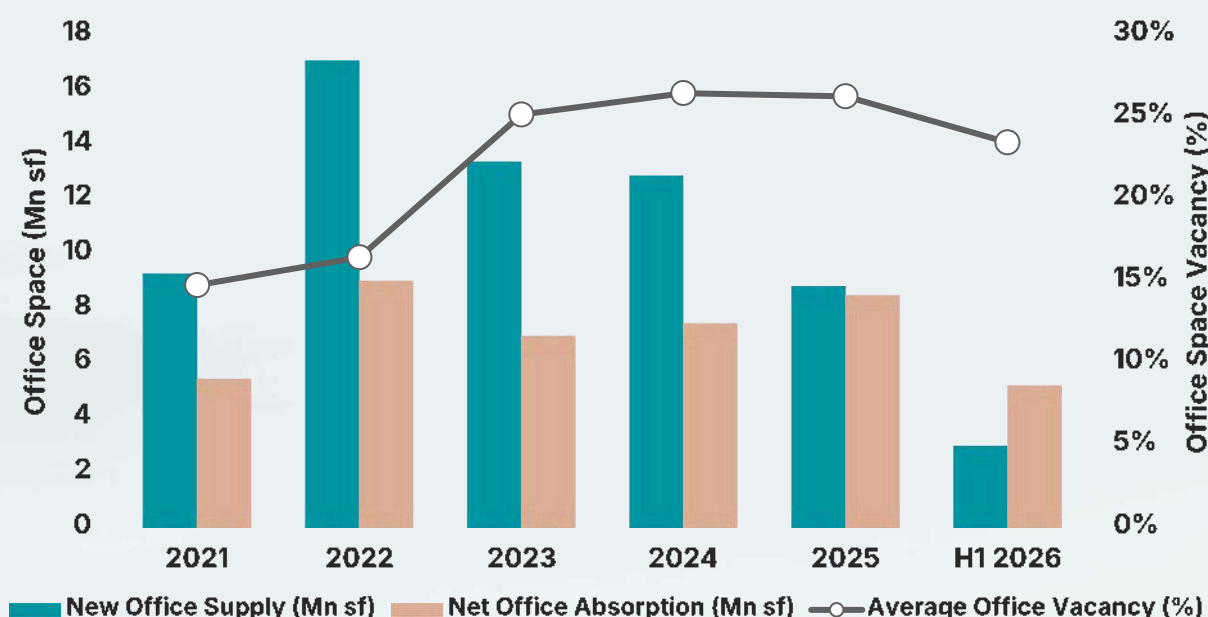
Sector-wise, IT-ITeS continued to lead the city's demand, though its share held nearly flat at 32% versus 33% in H1 2025. Co-working providers rose into the top three at 27% of transactions, overtaking BFSI, whose share fell sharply to 16% from 24% in H1 2025 and dropped out of the city's leading segments. Manufacturing and industrial occupiers held steady at 18%, unchanged from H1 2025.

GCC leasing in the city pulled back in H1 2026, down 37% to 1.75 Mn sf from 2.8 Mn sf in H1 2025, trimming Chennai's share of India's total GCC pool to 9% from 14%, alongside a broader 33% decline in the city's total gross leasing to 3.2 Mn sf, a retreat that stands out against the otherwise resilient absorption and rental performance.

Average office rentals rose 8% to INR 82/sf/month, lifting the city's rental index to 136.7 (2021=100), the second-highest cumulative appreciation nationally after Bengaluru and a sign that Chennai's tight vacancy continues to support pricing even as leasing volumes cooled.

Core micro markets including Mount Road and RK Salai continued to command Grade A rents of approximately INR 75-120/sf/month, while Post-toll OMR remained a comparatively affordable option at around INR 45-70/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	50-90	Gachibowli	60-90
Banjara Hills	65-110	Uppal	35-55
HITEC City	75-115	Kokapet	45-80

KEY LEASE TRANSACTIONS

Property	Tenant	Micro Market	Transacted Area (Mn sf)
Aparna Technopolis	Accenture	Kondapur	0.98
Phoenix H10 Campus (Tower 3)	WeWork	Madhapur	0.4
Phoenix Equinox Tower 2	Charles Schwab	Madhapur	0.35
Prestige Sky Tech Tower 2	LPL Financial	Nanakramguda	0.27
LSR Tudor Vantage	Concentrix	Kokapet	0.14
Phoenix Centaurus	UBS Business Solutions	Gachibowli	0.14

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 Mn sf

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

5.2 Mn sf

Net Office Absorption
(24% Y-o-Y Change)

23.5%

Office Market Vacancy (Avg.)
(-3.1% Y-o-Y Change)

INR 75/sf/Mo

Avg. Office Rental
(10% Y-o-Y Change)

40%

IT-ITeS dominates
Office Space Leasing

Hyderabad's office market strengthened in H1 2026, with net absorption rising 24% to 5.2 Mn sf from 4.2 Mn sf in H1 2025. This performance lifted the city's share of national absorption to 19%, overtaking both MMR and NCR to rank as India's second-largest office market by half-year take-up, a reordering that reflects the city's expanding GCC base and its cost position relative to the two traditional anchor markets.

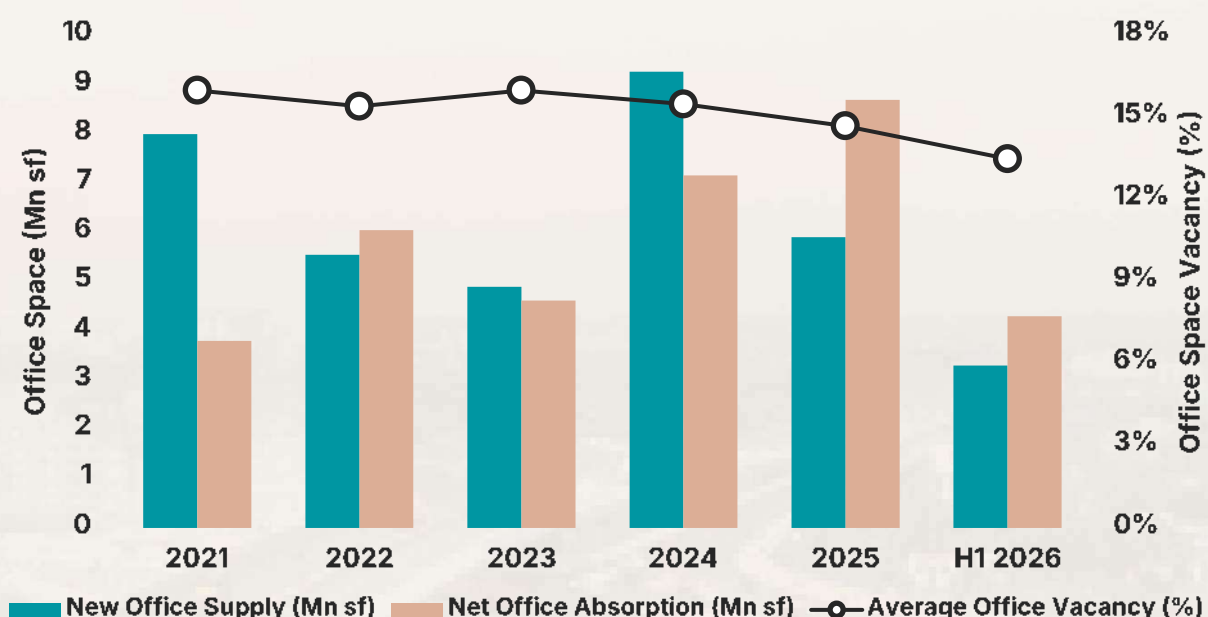
New office completions fell sharply, down 36% to 3 Mn sf from 4.7 Mn sf in H1 2025, largely a stabilisation after the elevated supply that had pushed the city's vacancy to a national high through 2025. With absorption exceeding new supply by 2.2 Mn sf, the average vacancy corrected meaningfully to 23.5% from 26.6% a year ago, a 3.1 percentage point improvement, the sharpest among all top 7 cities, even though Hyderabad's vacancy remains the highest nationally.

IT-ITeS continued to lead occupier demand, though its share eased to 40% from 44% in H1 2025. BFSI held steady at 22%, while co-working providers strengthened to 20% from 18%, narrowing the gap with BFSI for second position.

GCC activity in Hyderabad advanced strongly, up 68% to 3.1 Mn sf, lifting the city's share of India's total GCC leasing to 16% from 9%, one of the fastest-growing GCC market among the top 7 cities. Total gross leasing rose 35% to 6.4 Mn sf, suggesting GCCs are driving a large share of the city's overall leasing momentum.

Average office rentals rose 10% to INR 75/sf/month, among the strongest gains nationally and consistent with the city's sharp vacancy correction, taking its rental index to 129.3 (2021=100). HITEC City and Banjara Hills held Grade A rents of nearly INR 65-115/sf/month, while Uppal remained the more value-led micro market at around INR 35-55/sf/month.

MMR



KEY MICRO MARKET RENTALS

Micro Market	Grade-A Avg. Rent (INR/sf/Mo)	Micro Market	Grade-A Avg. Rent (INR/sf/Mo)
BKC	350-570	Goregaon – Malad	100-180
Lower Parel	190-370	Thane	60-110
Andheri – Kurla Road	110-185	Navi-Mumbai	70-130

KEY LEASE TRANSACTIONS

Property	Tenant	Micro Market	Transacted Area (Mn sf)
Waterstones Business Park	HSBC	Andheri East	0.3
Mindspace Business Park	Syntel	Airoli, Navi Mumbai	0.13
L&T Innovation Campus	Marsh McLennan	Powai	0.12
Centaurus	Euronet Services India	Thane	0.1
One BKC	Meta (Facebook)	BKC	0.07
Maker Maxity 1	McKinsey & Company	BKC	0.035

Note: The data represents Grade A office developments only.
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Average rental rates are for vacant spaces that provide core facility, high side air conditioning and 100% power back up.

3.3 Mn sf

New Office Supply
(74% Y-o-Y Change)

4.3 Mn sf

Net Office Absorption
(-4% Y-o-Y Change)

13.5%

Office Market Vacancy (Avg.)
(-1.6% Y-o-Y Change)

INR 154/sf/Mo

Avg. Office Rental
(8% Y-o-Y Change)

43%

BFSI dominates
Office Space Leasing

The Mumbai Metropolitan Region (MMR) recorded net absorption of 4.3 Mn sf in H1 2026, a meagre 4% decline from 4.5 Mn sf in H1 2025, as the market settled after a strong 2025.

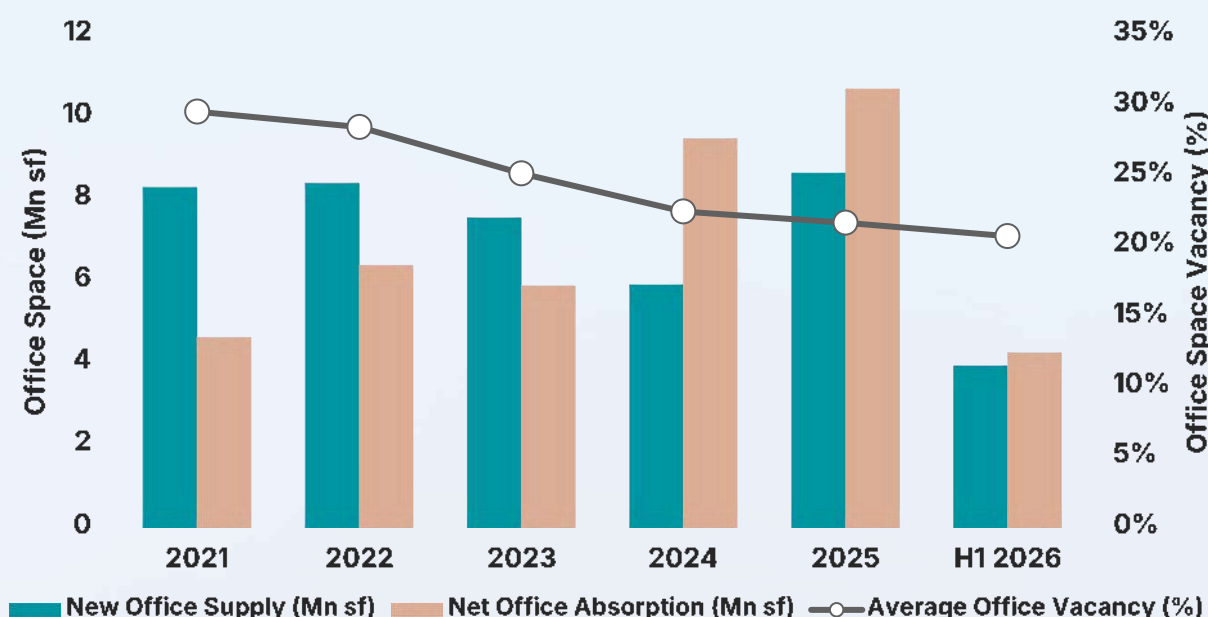
New office completions surged 74% to 3.3 Mn sf from 1.9 Mn sf in H1 2025. Despite net absorption running below H1 2025, vacancy still improved to 13.5% from 15.1%, a 1.6 percentage point decline against H1 2025, indicating that core demand held up well against the additional office stock entering the market, even as absorption itself exceeded new supply by 1 Mn sf.

Sector-wise, BFSI continued to dominate MMR's occupier mix, strengthening further to 43% from 42% in H1 2025. IT-ITeS eased slightly to 22% from 23%, while co-working providers edged up to 19% from 18%.

GCC leasing in MMR nearly tripled y-o-y, rising to 2.7 Mn sf from 0.95 Mn sf in H1 2025, lifting the city's share of India's total GCC contribution to 14% from 5%, among the sharpest gains nationally, even as BFSI, rather than GCC-branded demand, continues to anchor the bulk of the city's occupier mix. Total gross leasing of the city rose 38% to 9 Mn sf in H1 2026.

Average office rentals rose 8% to INR 154/sf/month, keeping MMR as India's costliest office market in absolute terms, even though its rental index of 123.2 (2021=100) is the lowest cumulative appreciation among the seven cities since the base year, a sign that pricing in Mumbai's premium micro-markets has moved in a narrower band than in faster-appreciating cities such as Bengaluru and Chennai. BKC continued to command premium rents of around INR 350-570/sf/month, Thane and Navi Mumbai remained comparatively more affordable at approximately INR 60-110/sf/month and INR 70-130/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	200-410	MG Road, Gurugram	130-175
Jasola, Delhi	105-145	Golf Course Road, Gurugram	120-200
DLF Cybercity, Gurugram	135-165	Noida- All	65-135

KEY LEASE TRANSACTIONS

Property	Tenant	Micro Market	Transacted Area (Mn sf)
Worldmark 6	Hero MotoCorp	Aerocity, Delhi	0.23
Quattro Tech Park	IREP Workspaces	Udyog Viha4 Phase IV	0.23
Candor Tech Space	Maruti	Sector 48, Gurugram	0.22
Max Square	Adobe	Sector 129, Noida	0.16
Worldmark 6	Weworks	Aerocity, Delhi	0.13
BPTP Capital City	MediaTek	Sector-94, Noida	0.104

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.

4 Mn sf

New Office Supply
(7% Y-o-Y Change)

4.3 Mn sf

Net Office Absorption
(-15% Y-o-Y Change)

20.8%

Office Market Vacancy (Avg.)
(-1.5% Y-o-Y Change)

INR 96/sf/Mo

Avg. Office Rental
(10% Y-o-Y Change)

40%

Co-Working Operators dominate
Office Space Leasing

NCR recorded net absorption of 4.3 Mn sf in H1 2026, down 15% from 5 Mn sf in H1 2025. This softer half-year performance left the city's 15% share of national absorption trailing both Bengaluru and Hyderabad and running close to MMR rather than holding its second-place position in H1 2025.

New office completions rose 7% to 4 Mn sf from 3.7 Mn sf, taking NCR's share of pan-India supply to 18%, a larger share of supply than of demand this half of 2026.

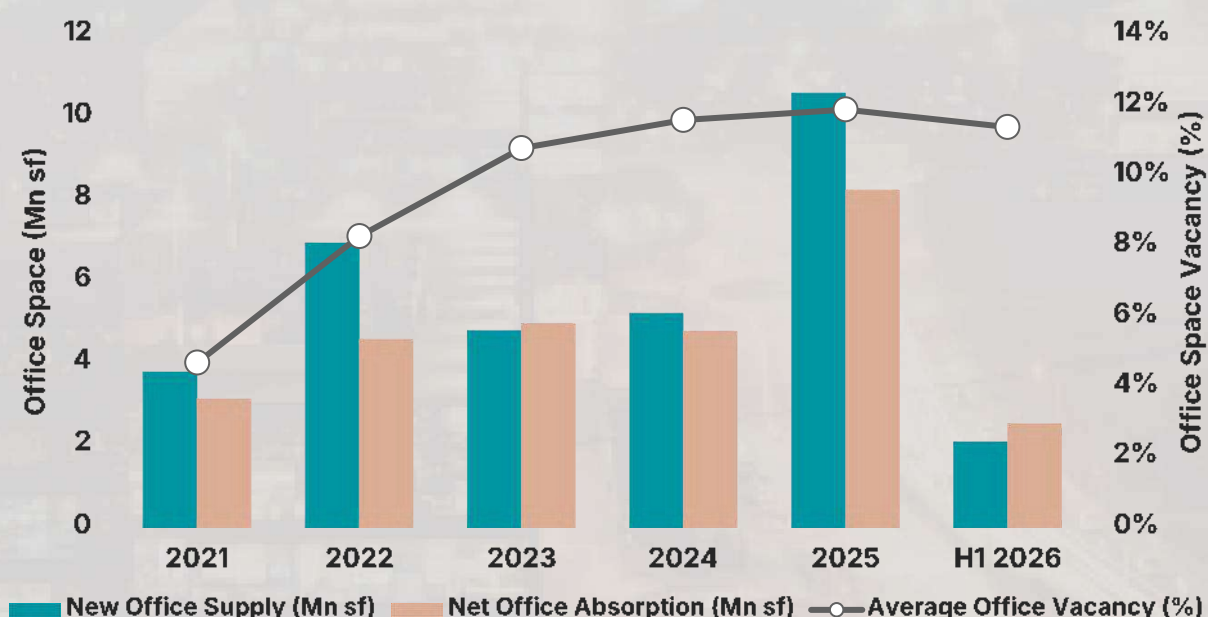
Average vacancy improved to 20.8% from 22.2% in H1 2025, a 1.5 percentage point decline, though the city's vacancy remains the second-highest among the top seven cities.

Co-working operators strengthened their lead in NCR's occupier mix, rising to 40% of transactions from 33% in H1 2025, one of the sharpest gain among the top seven cities besides Pune. IT-ITeS eased to 25% from 29%, while BFSI held broadly steady at 17% versus 18% in H1 2025, emphasising the city's deepening reliance on flexible workspace demand.

GCC leasing in NCR pulled back 23% to 2.2 Mn sf from 2.8 Mn sf, the only other key market to see a contraction this half, trimming NCR's share of India's total GCC gross leasing to 11% from 15% a year ago. Total gross leasing rose 14% to 6.9 Mn sf.

Average office rentals rose 10.34% to INR 96/sf/month, the fastest growth of any city this half despite NCR's softer absorption and still-elevated vacancy, a sign that landlords in select prime corridors are exercising pricing power ahead of the overall market's occupancy recovery. Barakhamba Road in Delhi commanded INR 200-410/sf/month, DLF Cybercity and MG Road in Gurugram held between INR 130 and INR 175/sf/month, while Noida offered a more cost-competitive 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	60-95
Kharadi	75-100	SB Road	90-125
Hinjewadi	55-80	Baner	70-100

KEY LEASE TRANSACTIONS

Property	Tenant	Micro Market	Transacted Area (Mn sf)
Panchshil Eastside	Smartworks	Kharadi	0.8
Phoenix Millennium Towers	Accenture	Wakad	0.6
Radius IT Park	Welspun Enterprises	Hinjewadi	0.45
Phoenix Millennium Tower 3	Weworks	Wakad	0.2
Eon West LP II, Tower D	Boston Scientific	Wakad	0.13
Magarpatta Cybercity	V Construct	Hadapsar	0.13

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.

2.1 Mn sf

New Office Supply
 (-63% Y-o-Y Change)

2.6 Mn sf

Net Office Absorption
 (-33% Y-o-Y Change)

11.4%

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

INR 89 /sf/Mo

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

40%

Co-Working Operators dominate Office Space Leasing

Pune's office market recorded net absorption of 2.6 Mn sf in H1 2026, down 33% from 3.8 Mn sf in H1 2025. The decline follows an unusually strong comparable half (of 2025) rather than any underlying loss of demand for office spaces.

New office completions eased sharply, down 63% to 2.1 Mn sf from 5.7 Mn sf in H1 2025, as the city's development pipeline moderated after a run of large supply in the previous years.

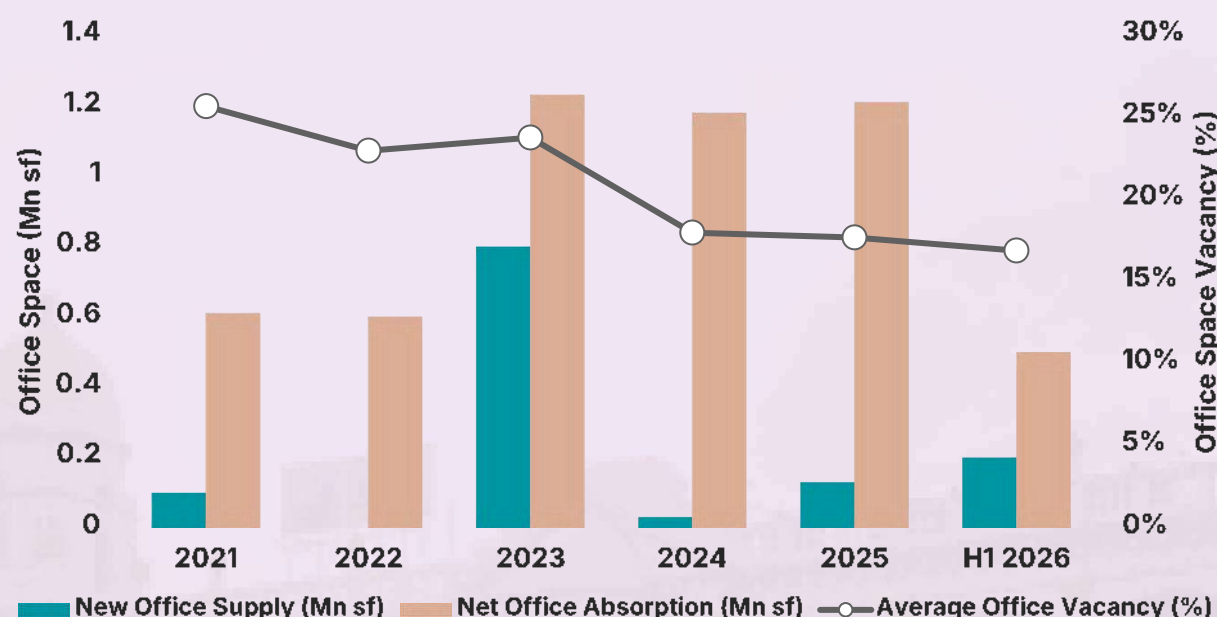
Vacancy edged down slightly to 11.4% from 11.7%, a comparatively modest 0.3 percentage point improvement that, despite absorption again exceeding new supply by ~0.5 Mn sf, likely reflects unleased space still working through the market from H1 2025's massive completions.

Co-working operators extended their lead in Pune's occupier mix, climbing to 40% of transactions from 33% in H1 2025, one of the sharpest gain among the top 7 cities besides NCR. IT-ITeS eased to 25% from 31% in H1 2025, while manufacturing and industrial occupiers softened to 13% from 15%, together pointing to a mix leaning further toward flexible space.

GCC leasing held broadly steady at 1.87 Mn sf in H1 2026, a slight 3% decline from 1.93 Mn sf in H1 2025, keeping Pune's share of India's total GCC gross leasing in the current half of the year close to 10%. Total gross leasing stood flat at 5.5 Mn sf compared to H1 2025.

Average office rentals rose 6% to INR 89/sf/month, the mildest gain among the 7 cities in H1 2026 and consistent with the market's smaller vacancy improvement, taking its rental index to 127.1 (2021=100). SB Road and Hadapsar commanded Grade A rents of approximately INR 80-125/sf/month, while Hinjewadi offered a more competitive INR 55-80/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	100-160	Salt lake Sector V	45-67
Topsia	75-100	New Town & Rajarhat	40-60
Kasba	75-95	EM Bypass	60-90

KEY LEASE TRANSACTIONS

Property	Tenant	Micro Market	Transacted Area (Mn sf)
Candor Tech Park	Accenture	Newtown	0.28
Adventz Infinity	Simpliwork	Salt Lake Sector-V	0.06
Millenium City	Be10X	Salt Lake Sector-V	0.02
Infinity Think Tank	Awfis Space	Salt Lake Sector-V	0.02
Mani Casadona	Jindal Steel	Newtown	0.02

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.

0.2 Mn sf

New Office Supply
(100% Y-o-Y Change)

0.5 Mn sf

Net Office Absorption
(11% Y-o-Y Change)

16.9%

Office Market Vacancy (Avg.)
(-1% Y-o-Y Change)

INR 66 /sf/Mo

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

46%

IT-ITeS dominates
Office Space Leasing

Kolkata's office market continued its gradual recovery in H1 2026, with net absorption rising 11% to 0.5 Mn sf from 0.45 Mn sf in H1 2025. While the city's contribution to national absorption remains modest at 2%, the steady improvement points to strengthening occupier confidence in the market.

New office completions doubled to 0.2 Mn sf from 0.1 Mn sf in H1 2025, though the absolute volume remains the smallest among the top 7 cities. With absorption exceeding new supply by 0.3 Mn sf, vacancy eased to 16.9% from 17.9% a year ago, a 1 percentage point improvement, even as it stays above the pan-India average of 15%.

IT-ITeS strengthened its lead in Kolkata's occupier mix, rising to 46% of transactions from 42% in H1 2025. Co-working operators share eased to 18% from 19%, and manufacturing and industrial occupiers softened to 16% from 18%, pointing to a demand base still concentrated in the technology segment relative to other cities. This pattern also ran counter to the pan-India trend, where co-working and manufacturing occupiers gained ground at the expense of IT-ITeS: Kolkata's occupier base moved in the opposite direction over the same period, deepening its concentration in technology-linked demand rather than broadening beyond it.

GCC leasing, while small in absolute terms, tripled to 0.15 Mn sf from 0.05 Mn sf, lifting Kolkata's share of India's total gross leasing pool to 1%. Total gross leasing rose 6% to 0.9 Mn sf.

Average office rentals rose 6% to INR 66/sf/month, extending a steady, measured appreciation that keeps Kolkata among the more affordable office markets nationally, with its rental index at 126.9 (2021=100). Park Street continued to command the city's premium rents of INR 100-160/sf/month, while New Town and Rajarhat remained the value-led option at approximately INR 40-60/sf/month.

OUTLOOK

The pace of India's office market for the rest of 2026 will likely be defined by how the current gap between demand and supply resolves. With absorption outpacing new completions by 5.2 Mn sf pan-India in first half 2026, and every city recording a vacancy improvement, the market enters the second half of 2026 carrying a supply overhang than at any point since 2021. If developers maintain the supply discipline seen in H1 2026, when completions fell 10% even as demand grew, vacancy compression should continue, though likely at an uneven pace given how differently each city's supply pipeline is positioned.

GCCs will remain the central force shaping demand. Their leasing grew 22% in first half, compared to the 11% growth in overall gross leasing across the top 7 office markets in India, and their expanding presence across BFSI, manufacturing and consultancy functions, not just IT-ITeS, suggests the sector-wise data will continue to understate their true footprint. Hyderabad and MMR, which posted the sharpest GCC Y-o-Y growth in H1 2026, are best placed to capture a continuing share of this expansion, while Bengaluru's scale advantage should keep it the largest single beneficiary in absolute terms.

The rise of co-working operators, now nearly on par with IT-ITeS in the national occupier mix and already the leading segment in NCR, Bengaluru and Pune, indicates that flexible space is becoming a structural feature of corporate real estate rather than a transitional one. Where this trend intersects with softer direct GCC leasing, as observed in NCR and Pune in first half of 2026, flexible-space operators are likely to continue absorbing demand that might previously have been recorded as conventional leasing.

Rental movement is likely to remain uneven across cities rather than move in lockstep with vacancy. NCR's experience in first half 2026, one of the sharpest annual rental growth nationally despite among the weakest vacancy rate, indicates that landlords in select prime corridors can sustain pricing momentum independent of broader market conditions, a pattern likely to persist wherever high-quality, well-located stock remains scarce.

Taken together, a market absorbing more office space than it completes, an occupier base diversifying beyond its technology core, and a widening gap between prime and broader-market pricing should define India's office market through the rest of 2026 and into 2027, with the best-positioned cities being those combining disciplined supply with the deepest GCC and flexible-space demand.

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VALUES OVER VALUE

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