CUSHMAN & WAKEFIELD

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Q3 2026

INDIA

OFFICE MARKET REPORT



KEY **HIGHLIGHTS**

Q3 2026

01 **21.9 MSF** gross leasing volume (GLV) in Top 8 cities in Q3 2026; the GLV posted a growth of **3%** on a quarterly basis and a **4%** decline as compared to the same period last year

02 Bengaluru led pan-India GLV in **Q3,** accounting for **24%** share, followed by Hyderabad and Mumbai with **19%** and **18%** shares respectively

03 BFSI accounted for highest share **(24%)** in quarterly leasing, followed by IT-BPM with a **22%** share. Flex operators and engineering & manufacturing segments followed with **16%** and **15%** shares, respectively

04 **22.7 MSF** of new completions were recorded in Q3 2026. Bengaluru and Hyderabad contributed around **43%** and **38%** respectively, followed by Pune **(7%)**

05 Net absorption in Q3 2026 stood at **14.1 MSF,** a **26%** growth on a quarterly basis though an **18%** decline on an annual basis

Indian office market continued to remain resilient in the third quarter despite ongoing global uncertainty. While domestic inflation has moved up and the RBI has increased interest rates, economic growth has remained healthy with both the government and global multilateral institutions hiking the growth forecast for the current fiscal year. Strong economic outlook augurs well for office market activity.

At the broader pan-India level, leasing activity was healthy in Q3 with fresh demand continuing to perform well. Continued absorption of office space, backed by strong fresh leasing, translated into higher net absorption on a quarterly basis. However, at the city level, a mixed picture emerged with major deals getting closed across few cities while other cities recording marginal declines in lease volumes during the quarter. Global capability centres (GCCs) remained a key driver of office space take-up in the quarter. Flex operators continued to expand portfolio, thereby remaining the top 3 segments in terms of share in office space leasing.

Pan India completions clocked a record quarterly high with developers expediting completions in cities such as Bengaluru and Hyderabad. This resulted in higher vacancy at the pan India level. Supply pipeline remains healthy in the remainder of the year and given the healthy demand trajectory, more Grade A/A+ supply is likely to enter prime submarkets in the upcoming quarters. Rentals continued to rise in the quarter despite higher supply.



LEASING TRENDS

Gross Leasing Activity

At nearly 22 MSF, gross office leasing remained healthy in Q3, highlighting the underlying strength of the office demand. Strong occupier sentiments drove fresh leasing activity and precommitments were recorded in Bengaluru. Broader pan India office market has been relatively immune to the global economic uncertainty as of Q3. Going forward, an active deal pipeline, robust market fundamentals and balanced supply are likely to keep leasing volumes thriving.

Fresh demand accounted for 76% of quarterly GLV backed by closure of large deals. GCC transactions accounted for 42% of GLV during the quarter, the second highest quarterly GLV share in recent years.

At over 16 MSF, pan-India fresh leasing was higher by 4% on a quarterly basis. Hyderabad contributed around 25% of quarterly fresh leasing volumes, followed by Delhi NCR and Bengaluru with 21% and 19% shares respectively. Rentals continued to appreciate across most cities on the back of sustained demand.

As of YTD 2026, GLV stood at around 65 MSF, a marginal 1% growth of the same period last year and current trend indicates that annual GLV is likely to get close to last year's figure. Fresh leasing was marginally down by 5% as of YTD. GCC leasing gained momentum, growing 33% y-o-y in the first nine months of 2026 and contributing 39% of GLV, positioning the segment to achieve record annual leasing volumes in 2026.

Gross Leasing (MSF)	Q2 2026	Q3 2026	% Change
Mumbai	4.13	3.91	-5.35%
Delhi NCR	4.08	3.79	-7.15%
Bengaluru	5.56	5.20	-6.42%
Chennai	1.27	1.99	56.76%
Pune	2.97	1.99	-32.94%
Hyderabad	2.07	4.21	103.77%
Kolkata	0.60	0.58	-3.63%
Ahmedabad	0.49	0.23	-54.34%

Gross Leasing (MSF)	Q3 2025	Q3 2026	% Change
Mumbai	4.43	3.91	-11.78%
Delhi NCR	5.53	3.79	-31.45%
Bengaluru	4.49	5.20	15.95%
Chennai	2.83	1.99	-29.77%
Pune	1.89	1.99	5.58%
Hyderabad	2.82	4.21	49.54%
Kolkata	0.67	0.58	-14.09%
Ahmedabad	0.27	0.23	-17.62%

PAN INDIA



Healthy pan India gross lease volumes in Q3 was driven by steady fresh demand and closure of large deals. GCC leasing stood at 42% of quarterly GLV with the segment remaining a critical growth pillar of the office market. BFSI contributed 24% of GLV in the quarter, moving up to the top spot, followed by the IT-BPM sector; flex operators continued to expand footprint across major cities with the segment recording the highest ever leasing activity in the first nine months of the year. Pan India active deal pipeline remains strong and market outlook remains healthy despite continued global uncertainty.



Term Renewals

Term renewals stood at **3.3 MSF** in Q3, similar to the previous quarter and a **74%** growth on an annual basis. Given the continued rental appreciation across top cities, occupiers could be looking to renew leases before any further rental escalation. Mumbai led term renewals during the quarter with a share of 59%, with Pune contributing **22%.** As of YTD, term renewals stood at around **9 MSF**, a growth of **24%** as compared to the same period last year.

Preleasing activity

At **2.0 MSF,** preleasing increased by **4%** on a quarterly basis and around **7%** on an annual basis. Share of preleasing in quarterly GLV stood at **9%,** similar to the previous quarter. Quarterly preleasing was entirely driven by Bengaluru. As of YTD, preleasing stood around **7.5 MSF,** a **29%** growth over the same period last year.

Net Absorption

The quarter witnessed over **14 MSF** of net absorption, driven by continued fresh leasing and new supply hitting the market with good amount of pre-commitment in them. Absorption levels are likely to remain positive in the quarters ahead, given the healthy active deal pipeline and likely deal closures by GCCs as well as domestic occupiers. Hyderabad **(29%)** and Bengaluru **(29%)** led contribution to quarterly net absorption followed by Delhi NCR with a **16%** share.



Net Absorption (MSF)	Q2 2026	Q3 2026	% Change
Mumbai	1.31	1.04	-20.47%
Delhi NCR	1.22	2.24	83.82%
Bengaluru	3.52	4.03	14.42%
Chennai	0.72	1.04	45.34%
Pune	2.27	0.93	-58.95%
Hyderabad	1.15	4.10	256.02%
Kolkata	0.50	0.30	-39.52%
Ahmedabad	0.49	0.40	-19.10%

Net Absorption (MSF)	Q3 2025	Q3 2026	% Change
Mumbai	2.13	1.04	-50.95%
Delhi NCR	3.77	2.24	-40.45%
Bengaluru	3.46	4.03	16.44%
Chennai	2.28	1.04	-54.21%
Pune	2.60	0.93	-64.24%
Hyderabad	2.25	4.10	82.27%
Kolkata	0.43	0.30	-29.16%
Ahmedabad	0.28	0.40	41.96%

PAN INDIA

Q2 2026	Q3 2026	Q3 2025	Q3 2026
11.19	14.09	17.19	14.09
	25.95%		**-18.05%**

In Q3, net absorption was driven by fresh demand and commencement of projects with healthy pre-commitment in certain cities. Net absorption recorded healthy growth on a quarterly basis and is expected to remain strong in the upcoming quarters given the strong active deal pipeline. Vacancies increased on a pan India level on the back of higher supply. Rentals continued to rise in Q3 and demand-backed rental growth is likely to continue in the upcoming quarters.

OCCUPIER TRENDS

BFSI led quarterly lease volumes with a 24% share followed by IT-BPM with a share of 22%. Flex operators contributed 16% while engineering & manufacturing accounted for 15% of quarterly lease volume. In terms of absolute lease volumes, BFSI space take-up increased by 56% on a quarterly basis while IT-BPM recorded a 10% growth. Leasing by Healthcare & Pharma segment grew by 28% on a quarterly basis; on the other hand, engineering & manufacturing recorded a 5% decline in lease volume. Flex operators recorded a 19% decline in leasing on a quarterly basis.

Bengaluru and Chennai contributed around 36% and 18% respectively to leasing by IT-BPM occupiers in Q3. Hyderabad and Bengaluru accounted for 32% and 29% of leasing respectively by BFSI occupiers. In the flex space segment, Delhi NCR led the way with 34% of the leasing volumes followed by Hyderabad with a contribution of 30%. Space take-up by engineering & manufacturing sector was the highest in Bengaluru (36%), followed by Delhi NCR (18%) and Pune (12%).

As of YTD 2026, flex operators saw record space take-up and a 42% growth on an annual basis. The share of flex operators in GLV increased from 13% in the first nine months of 2025 to over 18% during this period in the current year. Engineering & manufacturing segment recorded a 14% growth in leasing on an annual basis while BFSI segment increased space takeup by 34%. The share of BFSI and engineering & manufacturing in YTD GLV stood at 20% and 16% respectively. On the other hand, IT-BPM segment saw a 34% decline in leasing on an annual basis. Reflecting global uncertainty around AI, the IT-BPM sector has exercised restraint, leading to lower leasing volumes in recent quarters.

IT – BPM
7.32 / 4.46 / 4.89

ENGINEERING & MANUFACTURING
3.72 / 3.51 / 3.34

BFSI
3.15 / 3.36 / 5.23

E-COMMERCE
0.46 / 0.23 / 0.25

FLEXIBLE WORKSPACE
2.99 / 4.33 / 3.49

HEALTHCARE & PHARMA
0.89 / 0.89 / 1.14

PROFESSIONAL SERVICES
1.46 / 1.78 / 1.76

TELECOM & MEDIA
0.41 / 0.29 / 0.35

OTHERS
2.53 / 2.31 / 1.44

Q3 2025 Q2 2026 Q3 2026 | All values in **MSF**

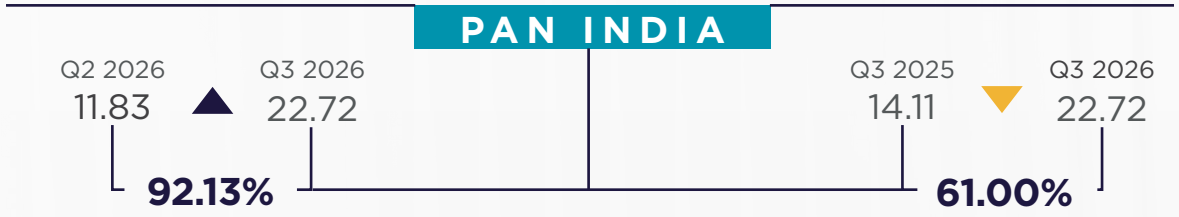
SUPPLY TRENDS

New supply was around 23 MSF in Q3, a 92% growth on a quarterly basis and a 61% expansion as compared to the same period last year. Quarterly supply remained concentrated in Bengaluru and Hyderabad, which together contributed over 80% of additions, while Pune accounted for a further 7%. In contrast, new supply was limited in Mumbai and Delhi NCR, with Kolkata recording no additions for 12th consecutive quarter. Prime submarkets such as Outer Ring Road, Gurugram CBD, BKC, Madhapur, etc. which currently report high demand and tight vacancies, are expected to see healthy supply. Vacancies increased on a pan India level with Bengaluru, Hyderabad and Pune witnessing vacancy growth on a quarterly basis on the back of higher supply. On the other hand, Delhi NCR, Mumbai, Chennai recorded lower vacancies. The supply pipeline remains strong and over the next few quarters, more supply is likely to enter the market as developers expedite completions to meet healthy demand. As of YTD 2026, new supply stood at over 43 MSF, a 16% growth as compared to the same period last year.

Rentals continued to move up on the back of strong demand despite higher supply. While the market is expected to witness healthy supply over the next few quarters, rentals are likely to appreciate on the back of sustained demand across prime submarkets. Vacancies are also likely to move higher on the back of higher supply.

New Supply (MSF)	Q2 2026	Q3 2026	% Change
Mumbai	1.00	0.38	-62.50%
Delhi NCR	0.70	0.85	21.99%
Bengaluru	5.34	9.79	83.38%
Chennai	0.36	0.90	147.81%
Pune	3.04	1.52	-50.00%
Hyderabad	0.00	8.60	NA
Kolkata	0.00	0.00	NA
Ahmedabad	1.38	0.68	-51.00%

New Supply (MSF)	Q3 2025	Q3 2026	% Change
Mumbai	1.56	0.38	-75.99%
Delhi NCR	3.22	0.85	-73.53%
Bengaluru	3.58	9.79	173.96%
Chennai	1.33	0.90	-32.42%
Pune	2.70	1.52	-43.78%
Hyderabad	1.14	8.60	654.39%
Kolkata	0.00	0.00	NA
Ahmedabad	0.58	0.68	17.04%



OUTLOOK

Stable gross leasing activity in the third quarter shows the strong fundamentals of the office market. The market continues to demonstrate resilience, backed by strong demand from GCCs. The active demand remains strong and this augurs well for market activity in the remainder of the year. India's large tech talent pool, robust digital ecosystem, competitive real estate costs and supply of premium Grade A/A+ offices will continue to remain attractive for global GCCs.. Armed with access to private equity funding as well as public listing proceeds, flex operators are likely to drive higher space take up and consolidate their position as a strategic growth driver of the office market.

GCCs accounted for 42% of GLV in Q3 and GCC leasing in the current year is likely to post a record high volume. Strong GCC leasing is expected to continue over the medium term. The flex sector is likely to emerge as one of the key beneficiaries of the robust GCC influx, given increasing occupier focus to balance cost optimization with employee engagement and productivity.

Grade A supply increased significantly in Q3 and the market is likely to record strong supply in coming quarters as developers appear eager to cater to the healthy active demand. Supply pipeline remains strong for the remainder of the year and beyond, especially at prime submarkets, which report tight vacancies but high demand. Despite higher supply, rentals are likely to appreciate further across major cities in the upcoming quarters.



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