

CY 2025



India Office Market Insights

Altre Insights Report



India Office Market Overview

India's office market demonstrated strong resilience and broad-based demand in 2025, driven by consistent occupier expansion and sustained corporate confidence across major business districts. The top six metros collectively recorded ~79.0 Mn sq.ft of gross office leasing, reflecting a ~12% year-on-year increase, while new supply increased from 48.9 Mn sq.ft in 2024 to 56.3 Mn sq.ft in 2025. With healthy absorption growth, overall vacancy levels declined from ~16% to ~14%. Supported by tighter vacancies, and growing preference for ESG-compliant buildings, average rents rose from INR 102 to INR 107 per sq.ft per month.

Key Highlights (2025)

Top Cities (Share of India's absorption)

31% Bengaluru
16% Mumbai, Delhi NCR
14% Hyderabad

Top Sectors

33% IT/ITes
20% Co-Working
19% BFSI

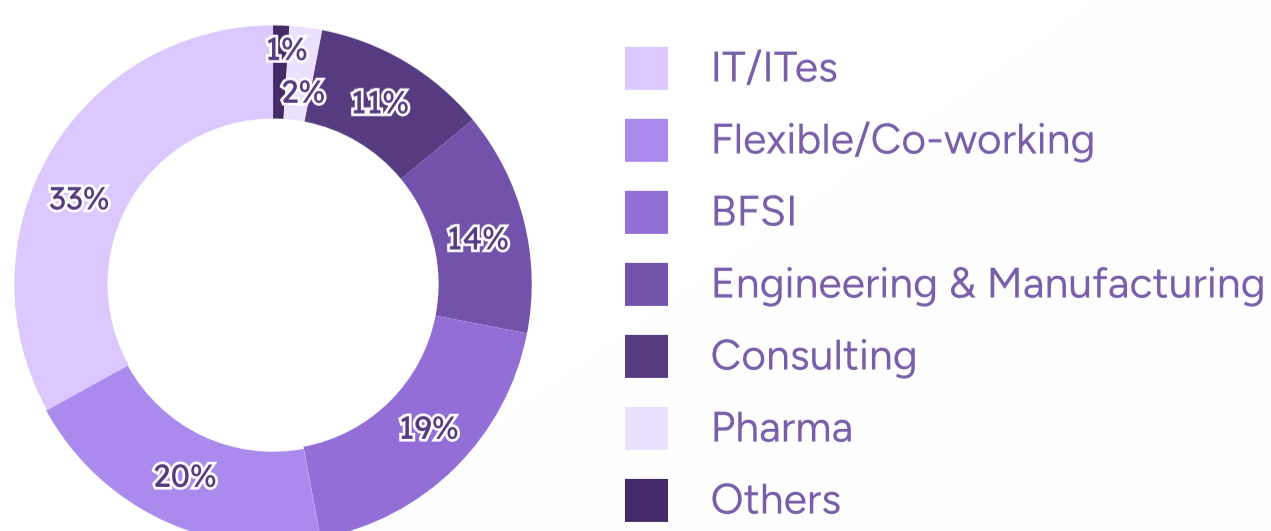
Deal Size

75% Small (<50,000 sft)
12% Mid (50,000-99,999 sft)
13% Large (>100,000 sft)

Metric	2024	2025
Total Office Supply (mn sq.ft)	48.9	56.3 ↑
Total Leasing Volume (mn sq.ft)	70.7	79.0 ↑
Vacancy Rate (%)	16%	14% ↓
Average Rent (INR/sq.ft/month)	102	107 ↑
Green Building Leasing %	80%	83% ↑

Sectoral Leasing Mix - 2025

A balanced sectoral mix, anchored by IT/ITeS and complemented by BFSI, Flex, and Engineering occupiers, continued to underpin leasing resilience across markets.

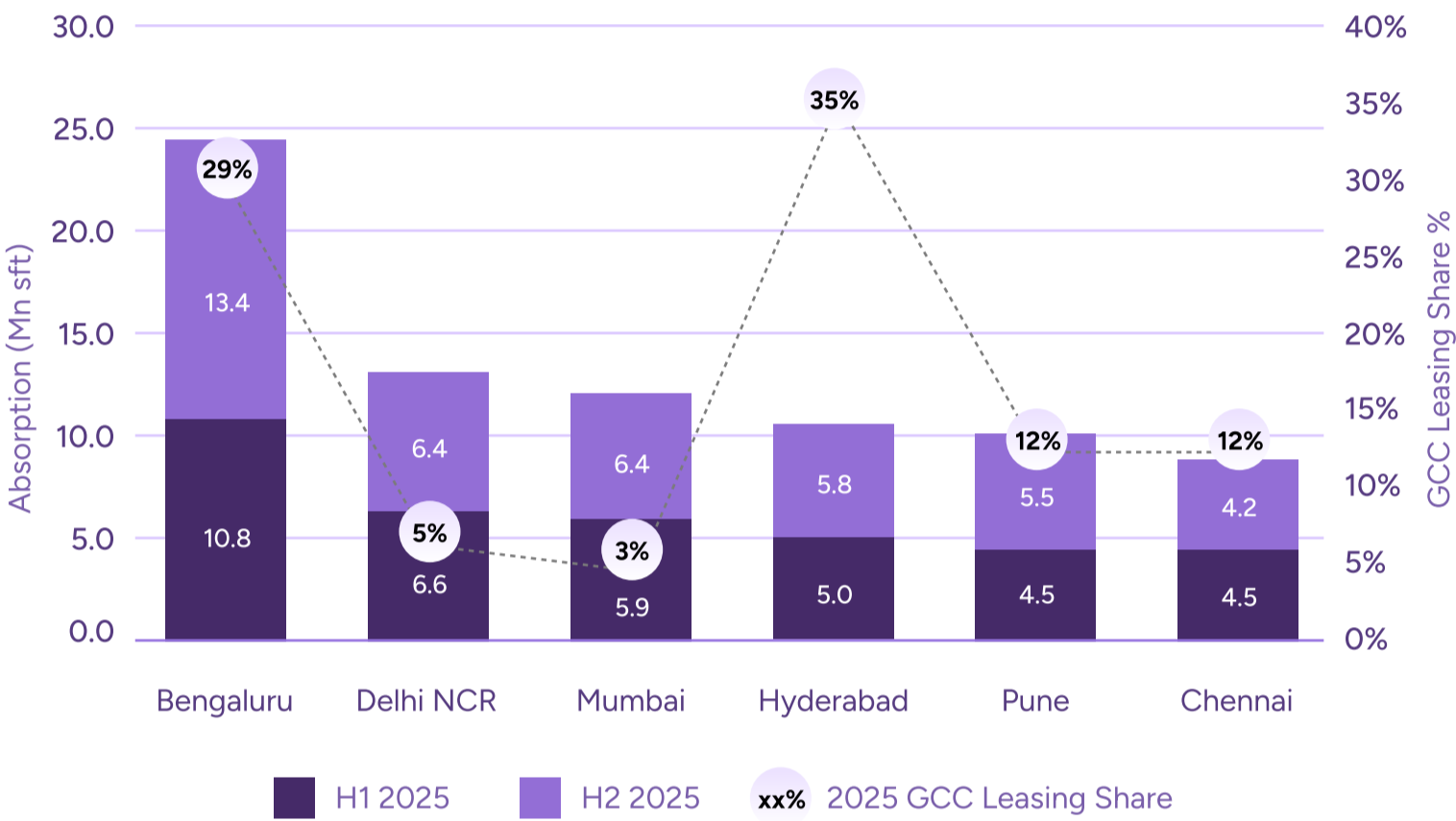


- Leasing demand in 2025 remained well diversified across sectors, with IT/ITeS continuing to lead absorption with 33% share, driven by GCC expansion and digital and engineering-led demand.
- BFSI (19%) and Flex (20%) operators maintained strong momentum as enterprises increasingly adopted managed workspace strategies.
- Engineering, consulting, and other sectors contributed steady demand, supporting a balanced and resilient sectoral leasing mix across major office markets.

City-wise Leasing Trends

Leasing Momentum & GCC Penetration

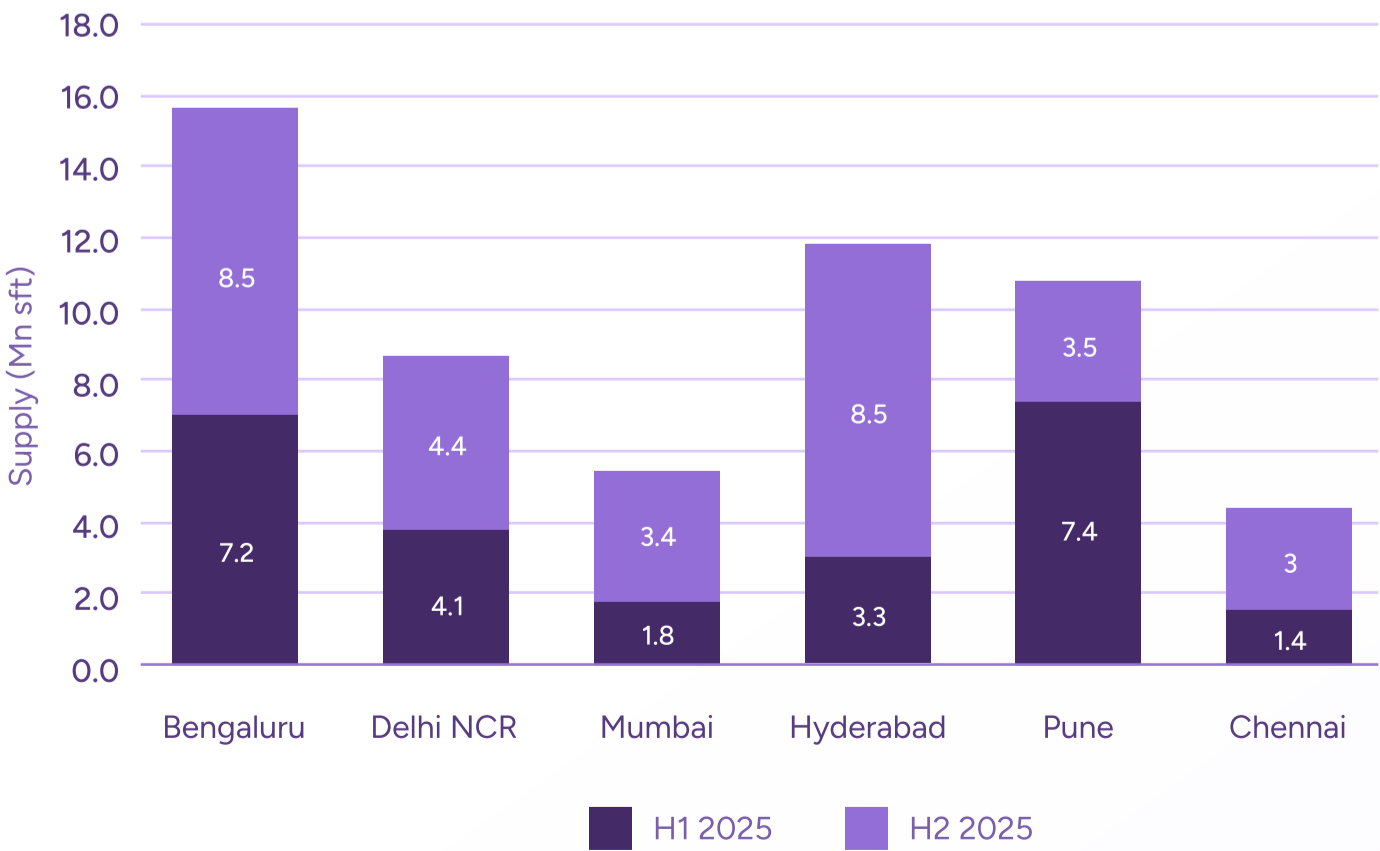
In 2025, India's office markets exhibited a mix of robust activity and measured growth, with city-specific dynamics shaping overall absorption trends. Bengaluru led the pack, recording the highest leasing volume (31%), while Hyderabad stood out for its strong GCC leasing share. Mumbai, Delhi NCR, Pune and Chennai maintained steady, balanced growth. Overall, the year reflected strong demand in top-tier markets with targeted expansion underlining a sustained depth in office demand.



- Bengaluru led overall leasing, supported by strong H2 momentum and a 29% GCC share.
- Hyderabad recorded the highest GCC penetration (35%), reinforcing its position as a key GCC hub.
- Delhi NCR saw a balanced leasing throughout H1 and H2, with 5% GCC contribution.
- Mumbai exhibited low GCC presence at 3%, leasing driven by BFSI and domestic players.
- Pune and Chennai remained stable with balanced leasing and moderate GCC activity (~12%).

Supply

Bengaluru led new supply additions, reinforcing its position as India's premier tech and corporate hub. Hyderabad recorded strong growth in H2, supported by sustained IT and GCC-driven expansions, while Pune maintained steady additions backed by IT and engineering demand. Mumbai's supply remained constrained by high land and development costs, whereas Delhi NCR and Chennai witnessed measured, phased additions reflecting cautious developer sentiment and demand-aligned growth strategies.

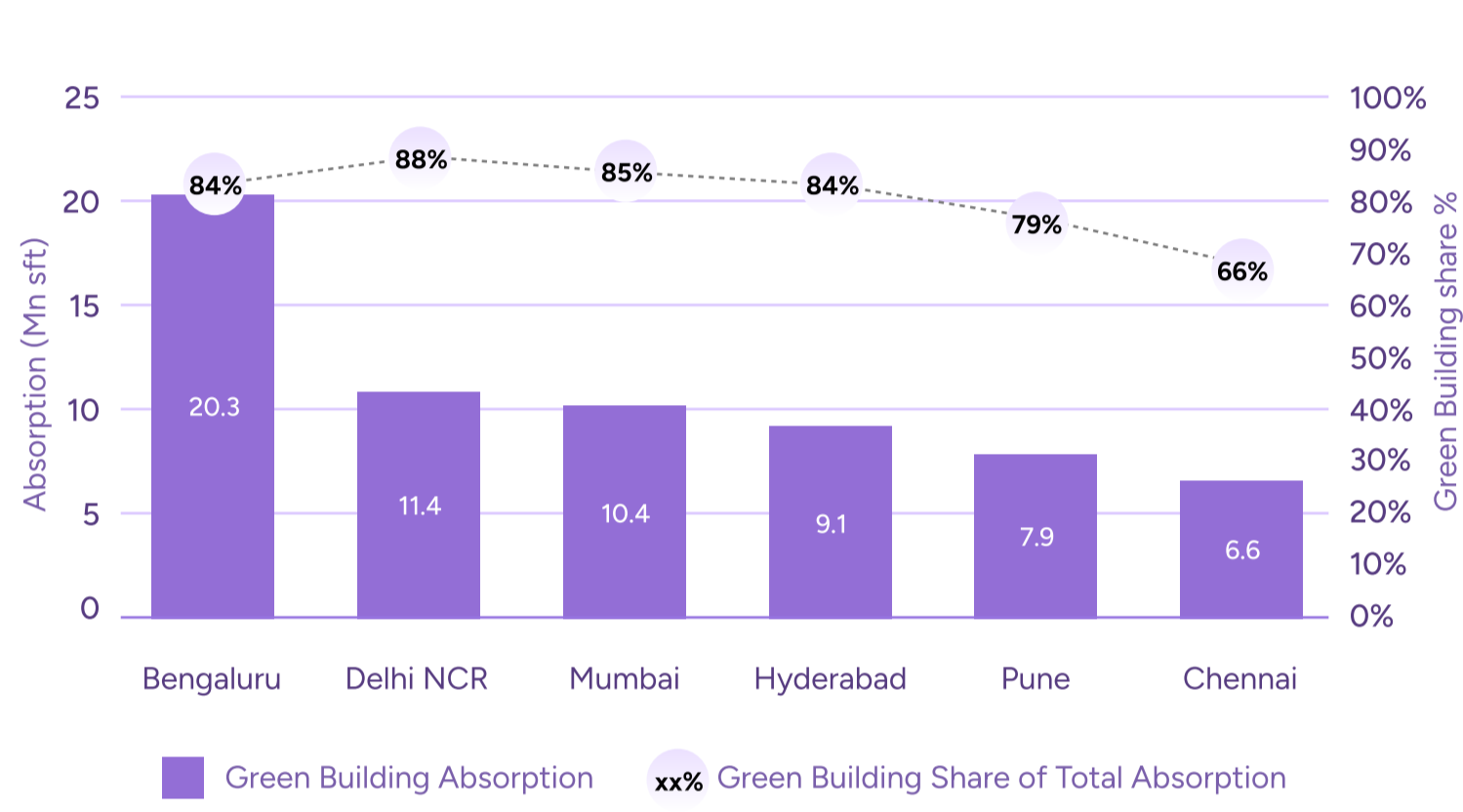


- Bengaluru continues to assert its dominance with 15.7 Mn sft of office supply in 2025.
- Hyderabad (11.8 Mn sft) and Pune (10.9 Mn sft) showed robust growth, reflecting rising corporate expansions and cost-efficient alternatives to Bengaluru.
- Delhi NCR added 8.5 million sq ft, balancing traditional corporate demand with growing flexible workspace needs.
- Mumbai's supply (5.2 Mn sft) remained constrained by land and development costs.
- Chennai's measured addition of 4.4 Mn sft reflects a cautious, demand-driven approach.

Green Leasing and Rental Trends

Green Building Leasing

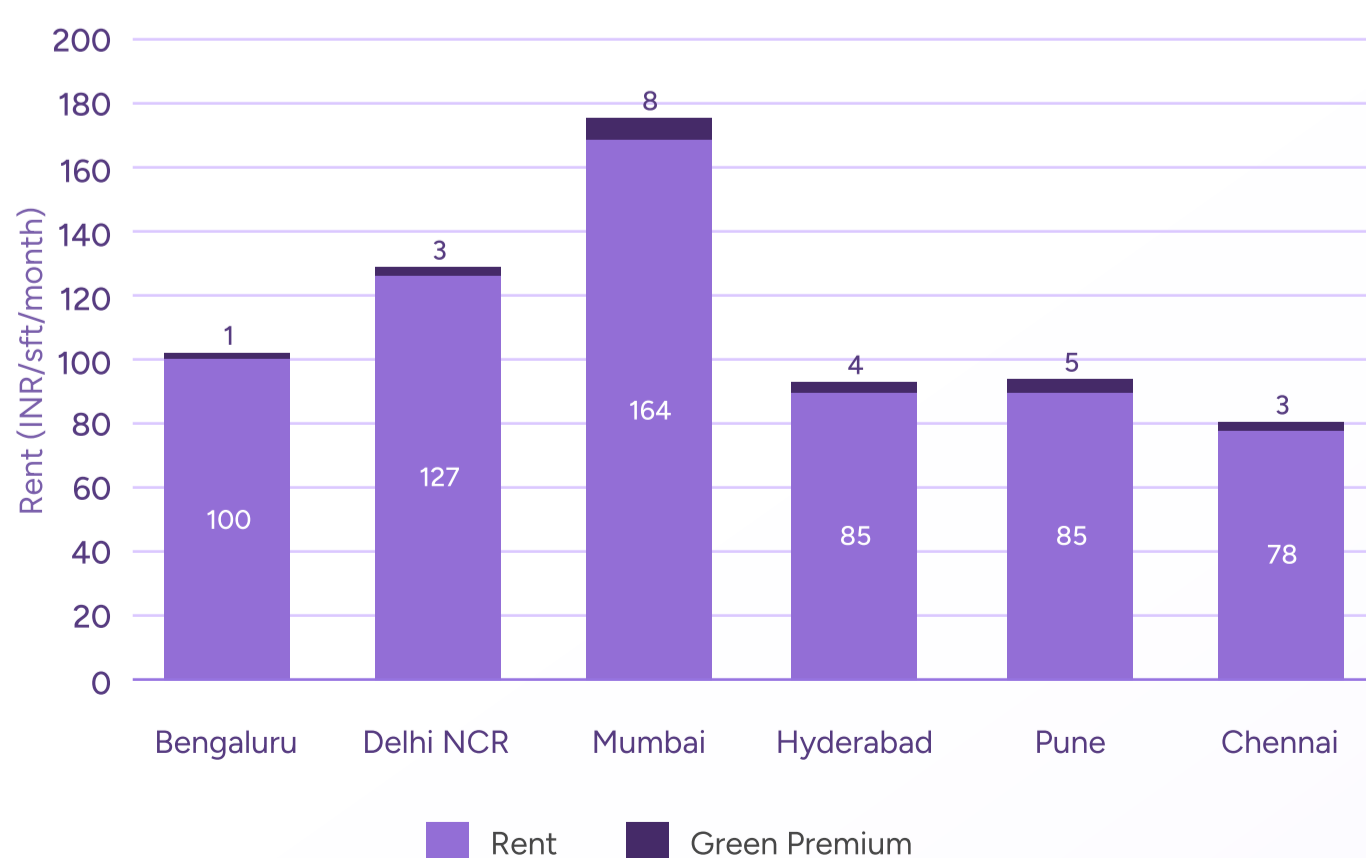
Bengaluru’s office market sets the pace for sustainable leasing, reflecting strong ESG-driven occupier preferences. Delhi NCR and Mumbai emphasize global standards and certified assets, even amid cost or supply constraints. Hyderabad and Pune show consistent integration of green practices, while Chennai is gradually embracing sustainability. Overall, India’s major office markets are increasingly aligning with environmental and social criteria, making ESG considerations a central factor in occupier decision-making across different regions.



- Bengaluru recorded 20.2 Mn sft of green office absorption, with green buildings accounting for 84% of total office leasing.
- Delhi NCR recorded 11.4 Mn sft of green absorption, with green offices making up highest (88%) of total absorption.
- Mumbai saw 10.4 Mn sft of green absorption, comprising 85% of overall office absorption.
- Hyderabad logged 9.1 Mn sft of green absorption, forming 84% of city-wide office absorption.
- Pune absorbed 7.9 Mn sft of green space, representing 79% of total leasing activity.
- Chennai added 6.6 Mn sft of green space, translating to 66% of total office absorption.

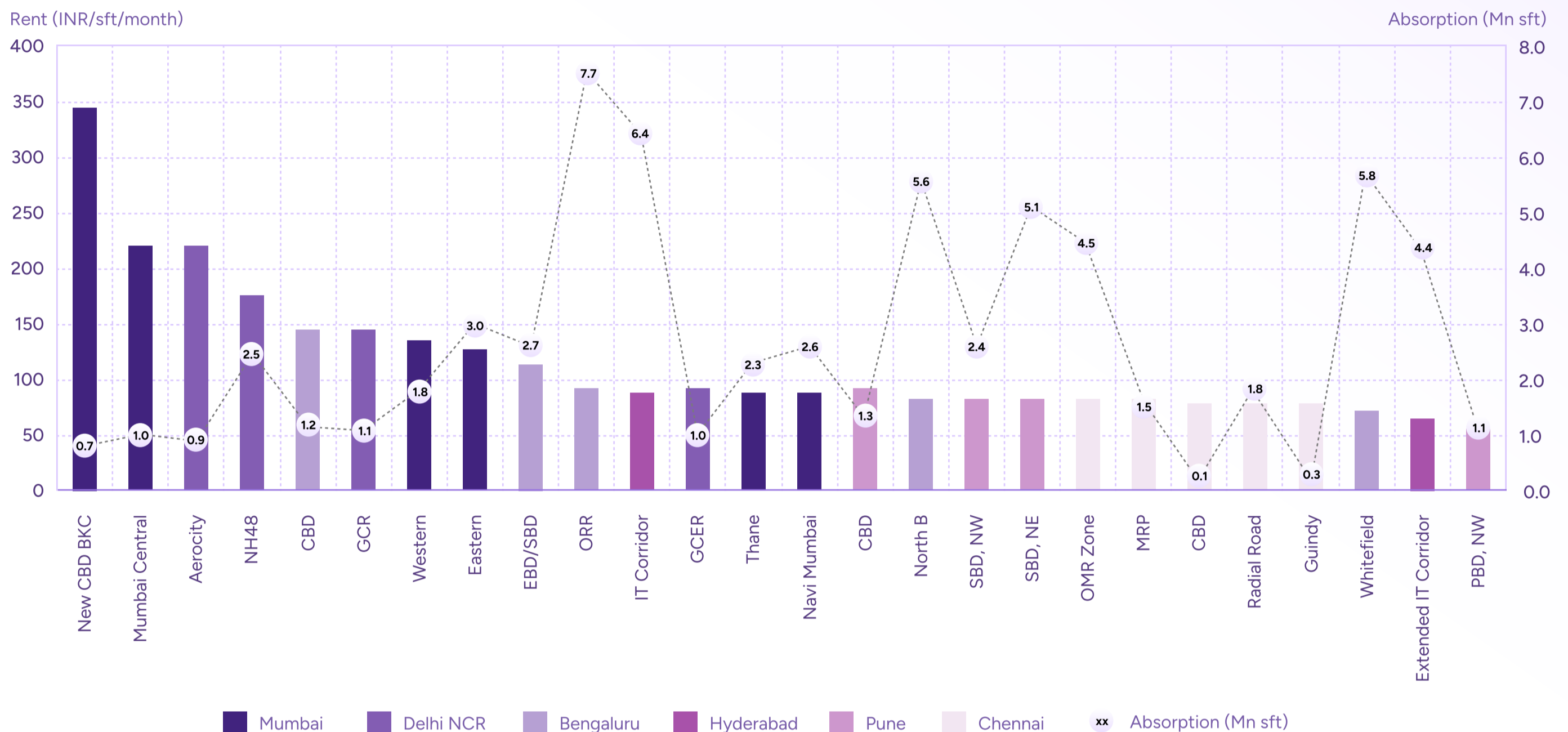
Base Rent vs Green Premium

Mumbai commands the highest base rents, reflecting its status as a premium, cost-intensive market, with a noticeable green premium that shows sustainability is a valued but incremental factor. Delhi NCR follows with strong rents and a smaller green uplift, indicating ESG-aligned spaces are a baseline rather than a premium. Bengaluru leads in occupier demand at relatively moderate rents, with minimal green premiums, suggesting widespread ESG integration without major cost differentiation. Hyderabad, Pune, and Chennai show lower rents, with green premiums contributing modestly, signaling emerging but steady increase in sustainable office assets.



- Bengaluru records Grade-A office rents of around ₹100 per sq ft per month with a negligible green premium, reflecting near-universal green adoption.
- Delhi NCR averages about ₹127 per sq ft per month, where green certification is increasingly a baseline rather than a premium.
- Mumbai commands the highest rents at about ₹164 per sq ft per month, supported by the strongest green premium, indicating high ESG-driven demand.
- Pune and Hyderabad sees average rents of roughly ₹85 per sq ft per month with a moderate green premium, balancing cost efficiency and sustainability.
- Chennai remains affordable at approximately ₹78 per sq ft per month with limited green premium, suggesting cautious pricing.

City wise Rent across Key Micromarkets



- The micromarket-wise comparison of rent levels and absorption in 2025 highlights clear demand preferences across India’s major office markets. Mumbai’s prime locations, particularly BKC and CBD, command the highest rents while continuing to record reasonable absorption, underscoring sustained demand for premium, well-located assets despite cost pressures.
- Delhi NCR exhibits a wide rent spectrum across micromarkets such as Aerocity, NH-48, and GCR, with highest absorption around NH-48. Bengaluru’s IT corridors, including ORR and EBD/SBD, show comparatively moderate rents paired with high absorption, reinforcing their attractiveness for large-format IT and GCC occupiers seeking scale and cost efficiency.
- In Hyderabad, competitive rents in the IT Corridor continue to support strong absorption, positioning the city as a preferred expansion market for cost-sensitive IT and GCC occupiers. Pune demonstrates a balanced rent–absorption relationship, with stable rents supporting consistent leasing activity from IT and engineering sectors. Chennai, with relatively moderate rents, shows measured absorption across established corridors, reflecting its cautious yet stable market dynamics.
- Overall, high-rent markets sustained absorption where location and quality justify pricing, while mid-rent IT-driven corridors across southern cities captured volume-led demand, highlighting a clear rent–value trade-off shaping occupier decisions in 2025.

Learn More With Altre Digital

Altre is a tech-driven commercial real estate and design & build platform that simplifies how businesses find, plan, and deliver their workspaces. From conventional leases to managed and flexible offices, Altre offers a comprehensive market inventory backed by smart tools for benchmarking, cash flow analysis, and portfolio management, which is fully integrated with our single-window Build-Tech platform that makes fit-out delivery easy to measure and track. Our mission is to bring transparency, speed, and data-led decisions to every stage of the workspace journey; helping businesses make better location and design choices, faster.

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