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Decoding India’s Office Leasing Landscape

Altre H1 2026 Half Yearly Report: Trends, Market Insights, and Opportunities

H1 2026 PAN INDIA - OFFICE LEASING LANDSCAPE

India Insights	Total Stock (sft)	Vacancy Rates	Upcoming Supply (sft)
	1.2 Bn	15%	309 Mn

39.8 Mn	85%	INR 112
H1 2026 Absorption (sft)	Sustainable Building Share	Average H1 2026 Rent (psft)

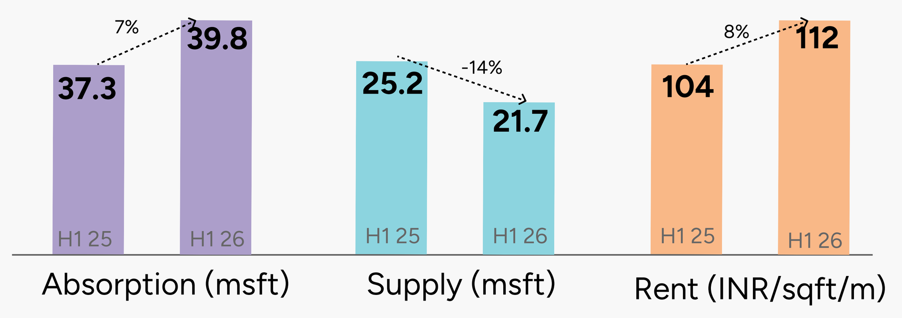
Top Sectors

30% IT/ITes

20% Co-working

16% BFSI

Yearly Trends

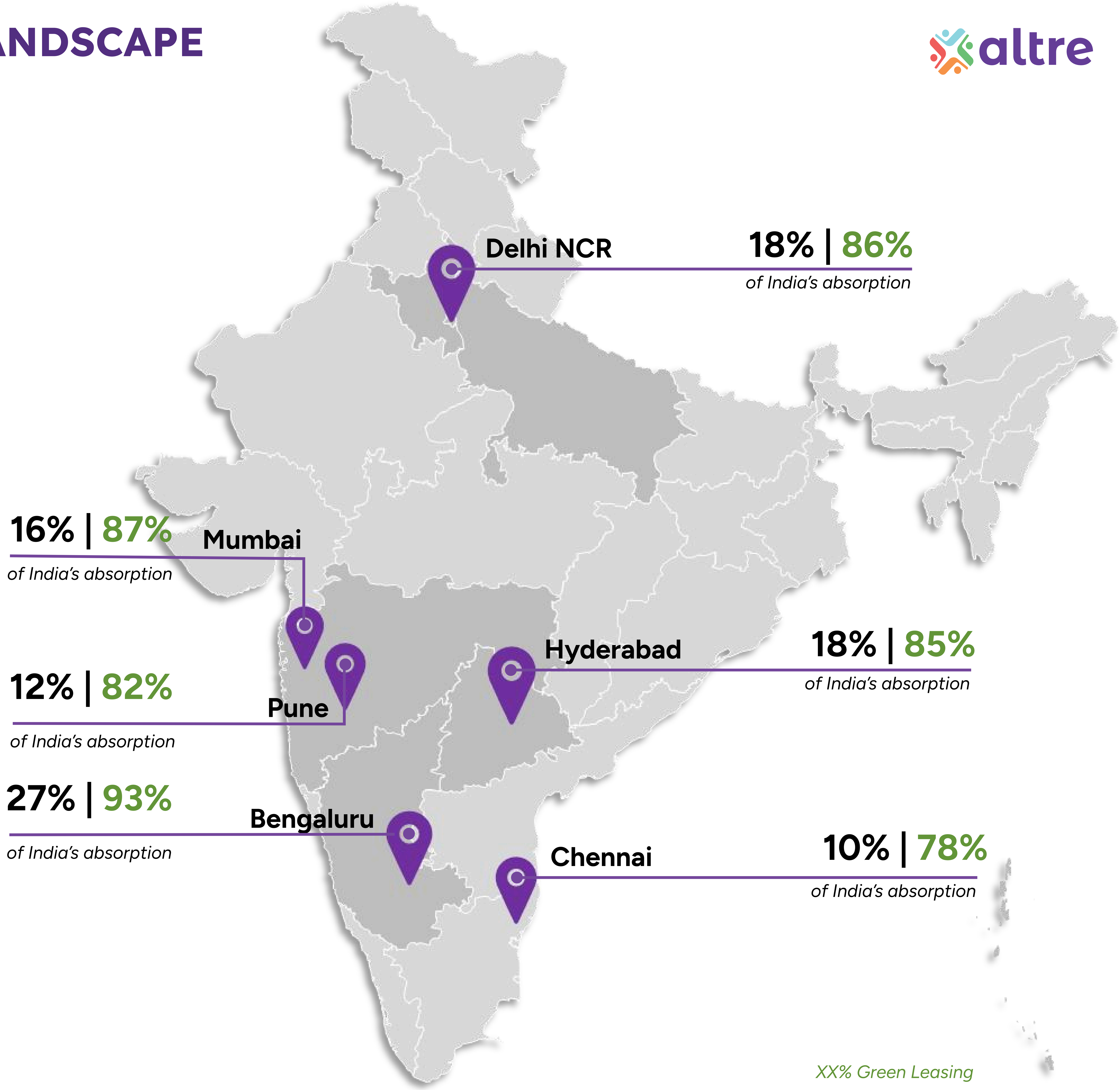


Deal Size (H12025 | H1 2026)

90% | 64%	6% | 14%	4% | 22%
Small	Mid	Large
(<50,000sft)	(50,000-99,999sft)	(>100,000sft)

Micro-Market Landscape

City	Micromarket	Rent (psft)	Absorption (sft)
Bengaluru	ORR	105-110	6.0 Mn
Hyderabad	Extended IT Corridor	70-80	3.9 Mn
Noida	Noida Expressway	50-70	1.9 Mn
Mumbai	Western Suburbs	160-180	1.8 Mn
Chennai	OMR Zone	80-90	1.8 Mn
Pune	SBD NE	80-90	1.7 Mn
Gurugram	NH-48	150-170	0.6 Mn



H1 2026 OVERVIEW - OFFICE LEASING LANDSCAPE

Summary

India's office market recorded 39.8 Mn sft of absorption in H1 2026. Bengaluru led leasing activity with a 27% share, while activity across cities remained concentrated in established corridors offering strong infrastructure and connectivity, and continued to shift towards green-certified Grade A assets.

Hyderabad's share rose to 18%, level with Delhi NCR, as its cost advantage over Bengaluru translated into large-format transactions across the IT and Extended IT Corridors. Mumbai contributed 16% despite a vacancy rate of only 3%, indicating that leasing is limited by availability rather than demand. Pune (12%) was driven by co-working and Engineering & Manufacturing occupiers, while Chennai (10%) recorded steady demand from IT/ITeS and consulting firms.

Within cities, leasing remained concentrated in a small number of corridors: the leading micro-market in each city accounted for 27–56% of city absorption. This indicates that occupier decisions are driven primarily by infrastructure, connectivity and talent access at the corridor level.

Green-certified assets accounted for 85% of total absorption. Certification has effectively become a baseline requirement, and non-certified buildings are increasingly excluded from institutional occupier consideration.

Co-working continued to gain share, rising to 20% of total leasing, with operators accounting for 25% of leasing in Pune and over 30% in Delhi NCR. This growth partly reflects demand from GCCs and enterprises adopting managed workspace strategies for faster market entry and flexible scaling.

Y-o-Y Market Performance (H1 2025–H1 2026)

- Gross absorption rose about 7% (37.3 to 39.8 Mn sft) while new supply fell about 14% (25.2 to 21.7 Mn sft), reflecting a more disciplined supply cycle in which completions are increasingly aligned to demand rather than built ahead of it.
- IT/ITeS, co-working and BFSI together accounted for about 70% of leasing. While demand is now better spread across cities, it has become more concentrated by sector, making the market more sensitive to technology spending and GCC expansion plans.
- The preference for quality remained consistent: the largest transactions, the strongest rents and the bulk of demand were all concentrated in green-certified Grade A assets.

Outlook 2026

- Leasing volumes are expected to remain healthy through 2026. The share of deals above 100,000 sft rose to 22% in H1 2026; commitments of this scale involve long lease tenures and significant fit-out investment, reflecting occupier confidence.
- Green-certified buildings are expected to retain their pricing advantage, while non-certified assets face lower rents and fewer tenants. Upgrading older stock is becoming necessary to compete for institutional demand.
- The upcoming supply pipeline stands at 309 Mn sft, equivalent to over a quarter of existing stock, a substantial addition relative to current annual absorption, making the pace of completions an important factor for vacancy and rental trends in 2026.

Micro-markets Dominance

- Office demand is concentrated at the corridor level rather than the city level. The leading micro-market in each city accounted for 27–56% of city absorption, and in Hyderabad two corridors accounted for almost the entire market. Bengaluru's ORR alone absorbed 6.0 Mn sft, more than Chennai's entire market.
- Demand continues to shift away from traditional central business districts. Suburban and peripheral corridors led leasing in Mumbai, Pune and Delhi NCR, while CBDs across cities contributed mostly 1–7% of absorption despite commanding the highest rents.
- For occupiers and investors, corridor selection matters as much as city selection. Assets located outside the dominant corridors of each city compete primarily on rent, while those within them benefit from sustained demand and rental resilience.

Rental Trends

- Average rents rose about 8% year-on-year to INR 112 per sft per month. The increase was driven largely by the shift in leasing towards green-certified Grade A assets in established corridors, rather than by broad-based rent inflation.
- Rent trends varied widely across cities. Mumbai recorded the sharpest increase at 13%, amid very limited availability. Bengaluru's rents rose 2% despite the highest leasing volumes, with growth concentrated along ORR while other micro-markets carried higher vacancy. Hyderabad saw 8% rent growth alongside elevated vacancy, reflecting continued demand for its established IT corridors.
- Large leasing activity is increasingly concentrated in sub-dollar markets — corridors with rents below INR 90 per sft per month, such as Noida Expressway, Whitefield, Radial Road and Pune's Hinjewadi — reflecting occupier preference for cost-efficient locations that can support scale.

H1 2026 BENGALURU : Leasing Snapshot

Bengaluru recorded 10.7 Mn sq ft of absorption in H1 2026, accounting for 27% of India's total leasing, with IT/ITeS-led demand primarily concentrated along the ORR corridor.

City Insights	Total Stock (sft)	Vacancy Rates	Upcoming Supply (sft)
	284 Mn	21%	120 Mn

10.7 Mn H1 2026 Total Absorption (sft)	**27%** Share of India's Absorption	**INR 104** H1 2026 City Avg. Rent (psft)
9.9 Mn H1 2026 Green Absorption (sft)	**93%** Sustainable Building Share	**INR 105** City Green Avg Rent (psft)

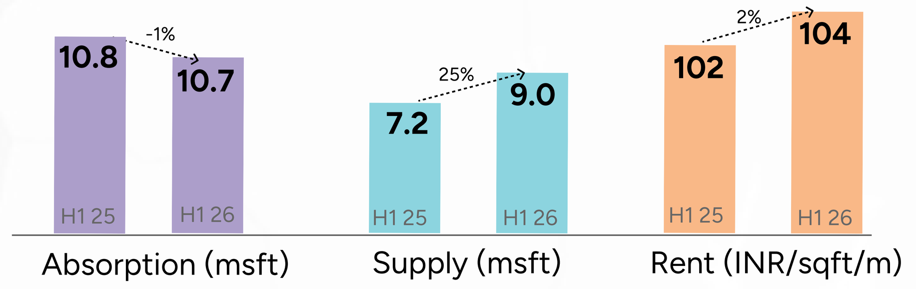
Top Sectors

42% IT/ITes

24% Co-working

20% BFSI

Yearly Trends

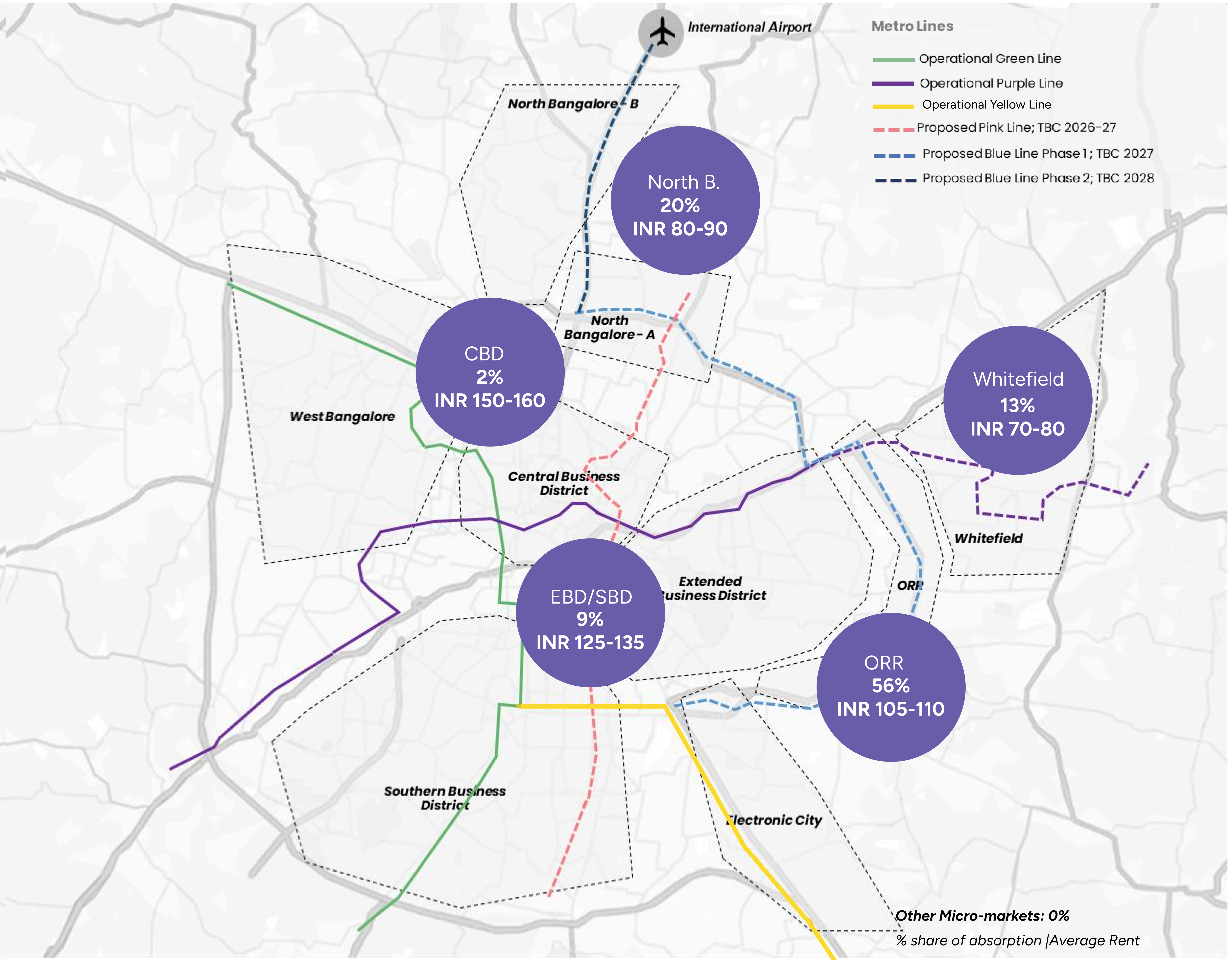


Deal Size

56% Small (<50,000sft)	23% Mid (50,000-99,999sft)	21% Large (>100,000sft)

Key Transactions

Building	Micromarket	Client	Area (sft)
Embassy Manyata	North B	BFSI	1,100,000
Bagmane Capital	ORR	IT/ITes	759,900
Bagmane Capital	ORR	IT/ITes	759,845



__North Bangalore__ includes: Aerospace, Yelanka, Hebbal, Nagawara, Tanisandra, Hennur & Hormavu; __Outer Ring Road__ includes Sarjapur, Marathalli, KR Puram, Koramangala, HSR Layout, Bannergatta Road, __South/Extended Business District__ includes Koramangala, Indira nagar, Old Airport Road, Inner Ring Road

H1 2026 DELHI NCR : Leasing Snapshot

Delhi NCR recorded 7.1 Mn sft of office absorption in H1 2026 (18% of India's leasing), with Noida Expressway anchoring the bulk of market activity.

City Insights	Total Stock (sft)	Vacancy Rates	Upcoming Supply (sft)
	254 Mn	13%	48 Mn

7.1 Mn	18%	INR 126
H1 2026 Total Absorption (sft)	Share of India's Absorption	H1 2026 City Avg. Rent (psft)
6.1 Mn	86%	INR 128
H1 2026 Green Absorption (sft)	Sustainable Building Share	City Green Avg Rent (psft)

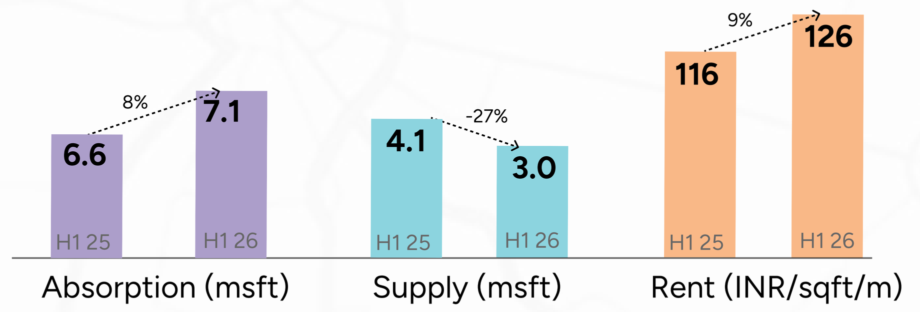
Top Sectors

32% Coworking

22% IT/ITes

14% Eng & Manufacturing

Yearly Trends

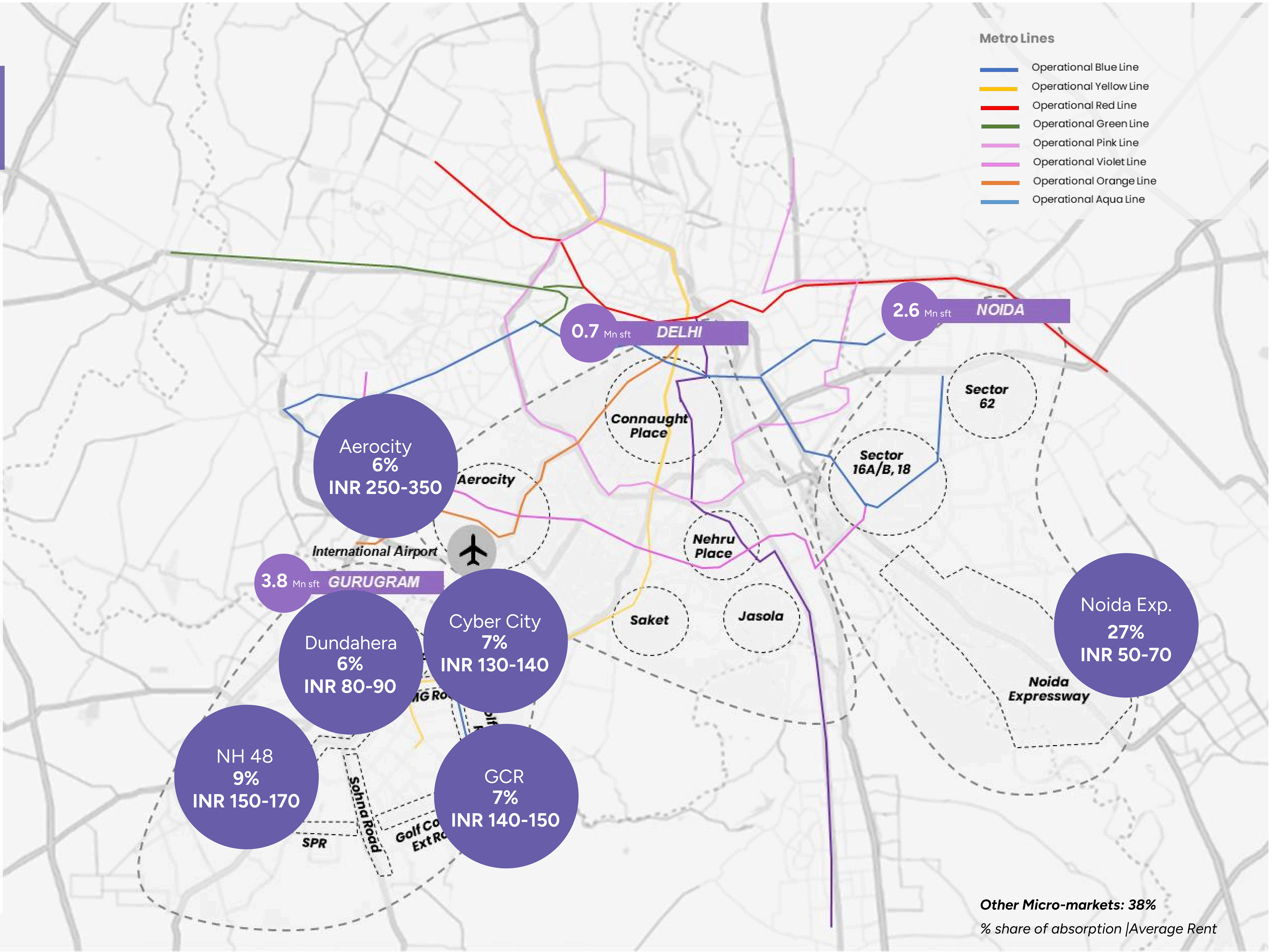


Deal Size

80% Small (<50,000sft)	11% Mid (50,000-99,999sft)	9% Large (>100,000sft)

Key Transactions

Building	Micromarket	Client	Area (sft)
Alliance Centre	Noida Expressway	Coworking	480,000
Signature Tower II	NH-48	Coworking	320,000
Candor Techspace	Dundahera	Eng & Manufacturing	310,000



H1 2026 HYDERABAD : Leasing Snapshot

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Hyderabad recorded 7.0 Mn sft of office absorption in H1 2026, contributing 18% of India's leasing, driven largely by IT and BFSI demand concentrated across the IT and Extended IT Corridors.

City Insights	Total Stock (sft)	Vacancy Rates	Upcoming Supply (sft)
	144 Mn	24%	32 Mn

7.0 Mn H1 2026 Total Absorption (sft)	**18%** Share of India's Absorption	**INR 90** H1 2026 City Avg. Rent (psft)
5.9 Mn H1 2026 Green Absorption (sft)	**85%** Sustainable Building Share	**INR 93** City Green Avg Rent (psft)

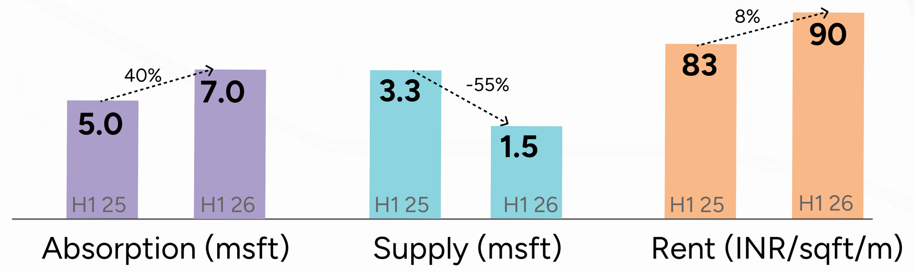
Top Sectors

48% IT/ITes

32% BFSI

14% Co-working

Yearly Trends

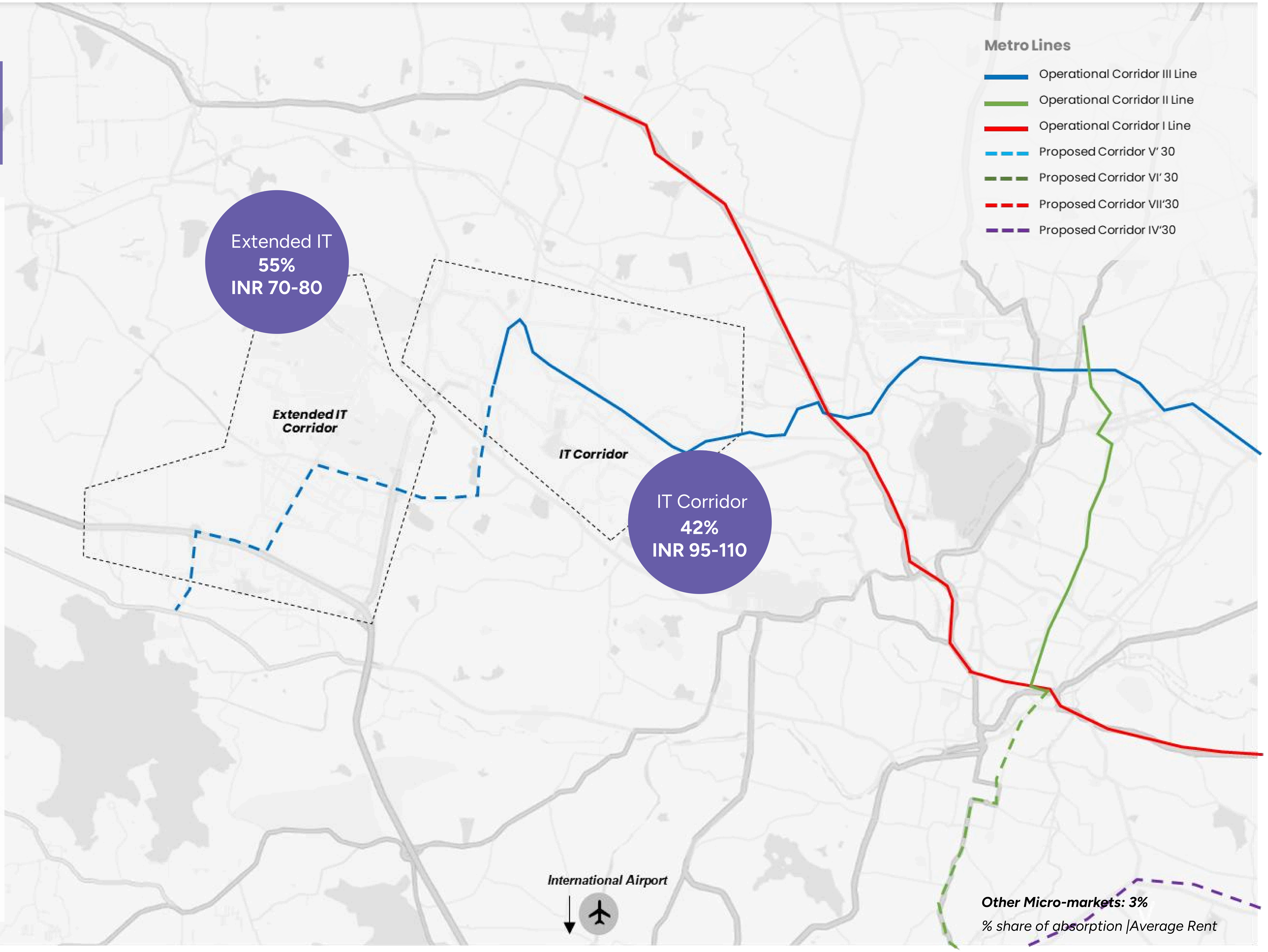


Deal Size

70% Small (<50,000sft)	10% Mid (50,000-99,999sft)	20% Large (>100,000sft)

Key Transactions

Building	Micromarket	Client	Area (sft)
Aparna Technopolis	IT Corridor	IT/ITes	1,000,000
Meenakshi Eco Park	Extended IT	IT/ITes	900,000
Phoenix H10	IT Corridor	Coworking	600,000



IT Corridor *includes Madhapur, HITECH City, Kondapur, Raidurg;* ***Extended IT Corridor*** *includes Gachibowli, Nanakramguda, Manikonda*

H1 2026 MUMBAI : Leasing Snapshot

Mumbai recorded 6.2 Mn sft of office absorption in H1 2026, accounting for 16% of India's leasing, with demand anchored by BFSI, IT/ITeS and co-working occupiers largely across Western and Eastern Suburbs.

City Insights	Total Stock (sft)	Vacancy Rates	Upcoming Supply (sft)
	173 Mn	3%	32 Mn

6.2 Mn H1 2026 Total Absorption (sft)	**16%** Share of India's Absorption	**INR 182** H1 2026 City Avg. Rent (psft)
5.4Mn H1 2026 Green Absorption (sft)	**87%** Sustainable Building Share	**INR 184** City Green Avg Rent (psft)

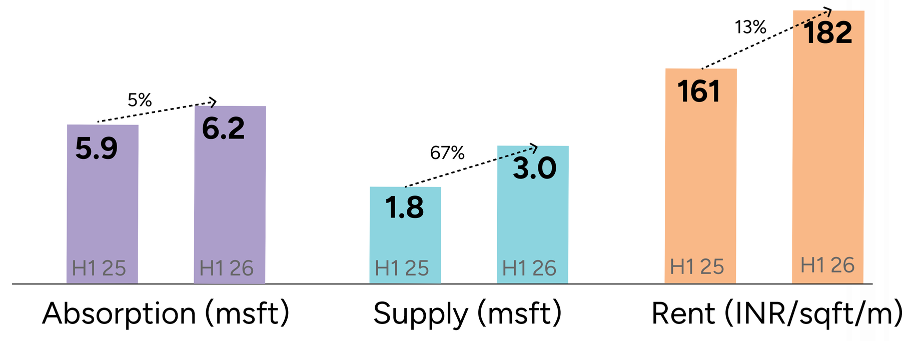
Top Sectors

32% BFSI

21% IT/ITes

10% Co-working

Yearly Trends

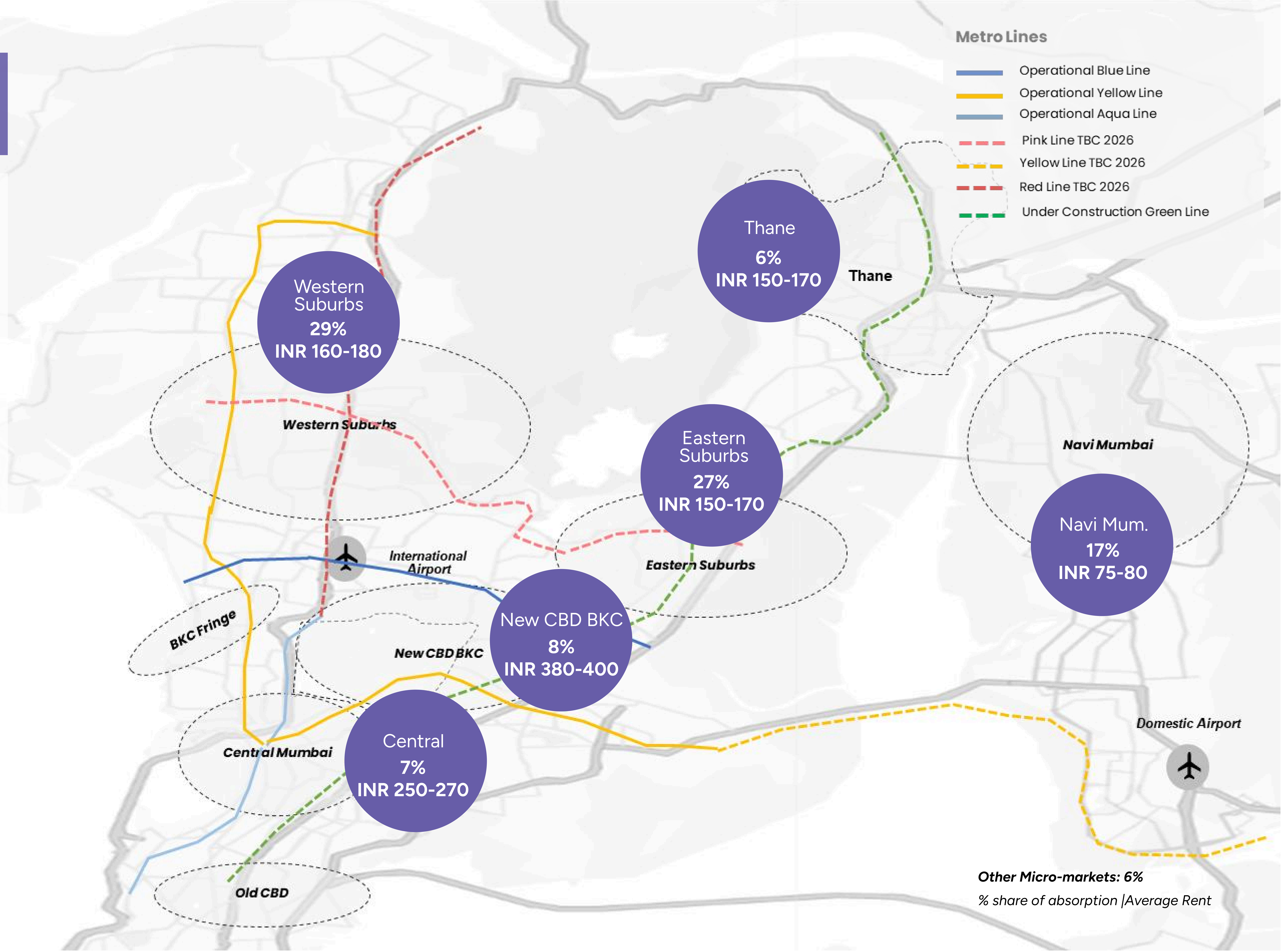


Deal Size

52% Small (<50,000sft)	16% Mid (50,000-99,999sft)	32% Large (>100,000sft)

Key Transactions

Building	Micromarket	Client	Area (sft)
Waterstones	Western Suburbs	BFSI	300,000
Waterstones	Western Suburbs	BFSI	300,000
The Square	Western Suburbs	Coworking	182,000



__Central Mumbai__ includes Dadar, Lower Parel, Parel, Mahalakshmi, Worli; __Eastern Suburb__ includes Vidyavihar, Ghatkopar, Kanjurmarg, Bhandup, Mulund, Nahur, Powai, Chandivali, Vikhroli; __Western Suburb__ includes Goregaon, Andheri, Villeparle; __Old CBD__ includes Fort, Nariman Point, Cuffe Parade, Colaba.

H1 2026 PUNE : Leasing Snapshot

Pune witnessed office absorption of 4.8 Mn sq ft in H1 2026, contributing 12% to India's total leasing activity, with demand driven by Co-working and Eng & Manufacturing occupiers.

City Insights	Total Stock (sft)	Vacancy Rates	Upcoming Supply (sft)
	154 Mn	17%	49 Mn

4.8 Mn	12%	INR 86
H1 2026 Total Absorption (sft)	Share of India's Absorption	H1 2026 City Avg. Rent (psft)
3.9 Mn	82%	INR 87
H1 2026 Green Absorption (sft)	Sustainable Building Share	City Green Avg Rent (psft)

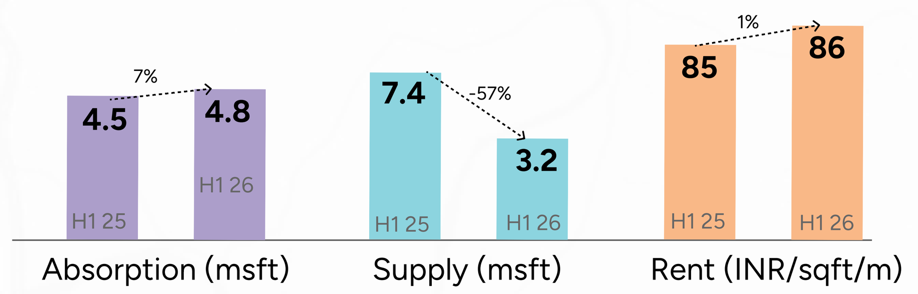
Top Sectors

25% Co-working

17% Eng & Manufacturing

12% IT/ITes

Yearly Trends

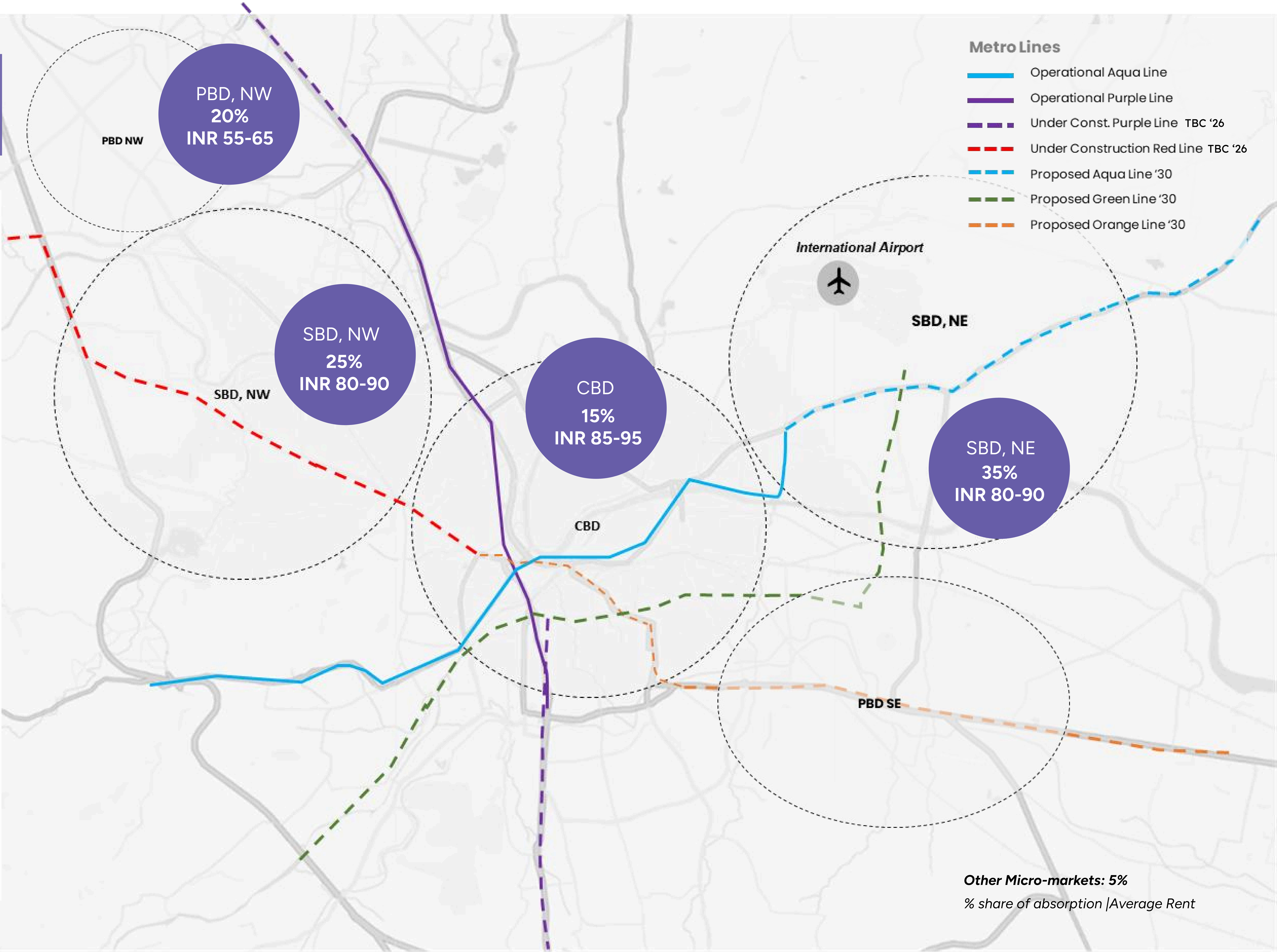


Deal Size

73% Small (<50,000sft)	9% Mid (50,000-99,999sft)	18% Large (>100,000sft)

Key Transactions

Building	Micromarket	Client	Area (sft)
EastSide Business Park	SBD, NE	Coworking	863,000
AP4 Tech Park	SBD, NE	IT/ITes	500,000
Radius Tech Park	PBD, NW	Eng & Manufacturing	460,000



__SBD North East__ includes Kharadi, Viman Nagar, Yerwada; __SBD North West__ includes Baner, Balewadi, Wakad, Aundh; __CBD__ includes Shivaji Nagar, SB Road, Wakdewadi, Sangamwadi, Bund Garden, Koregaon Park, Kalyani Nagar, Mundhwa; __SBD South East__ includes Hadapsar; __PBD South East__ includes Phursungi; __PBD North west__ includes Hinjewadi, PCMC.

H1 2026 CHENNAI : Leasing Snapshot

Chennai closed H1 2026 with 4.0 Mn sft of office absorption, contributing 10% of India's leasing, reflecting steady occupier demand led by IT/ITeS and Consulting firms largely around the OMR zone and Radial Road.

City Insights	Total Stock (sft)	Vacancy Rates	Upcoming Supply (sft)
	122 Mn	7%	28 Mn

4.0 Mn	10%	INR 78
H1 2026 Total Absorption (sft)	Share of India's Absorption	H1 2026 City Avg. Rent (psft)
3.1 Mn	78%	INR 82
H1 2026 Green Absorption (sft)	Sustainable Building Share	City Green Avg Rent (psft)

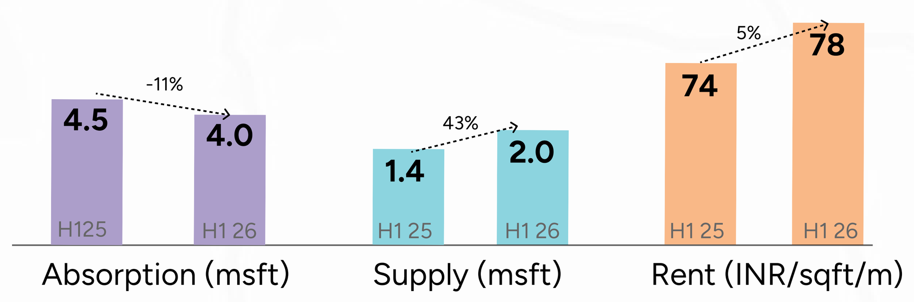
Top Sectors

37% IT/ITes

25% Consulting

15% Co-working

Yearly Trends

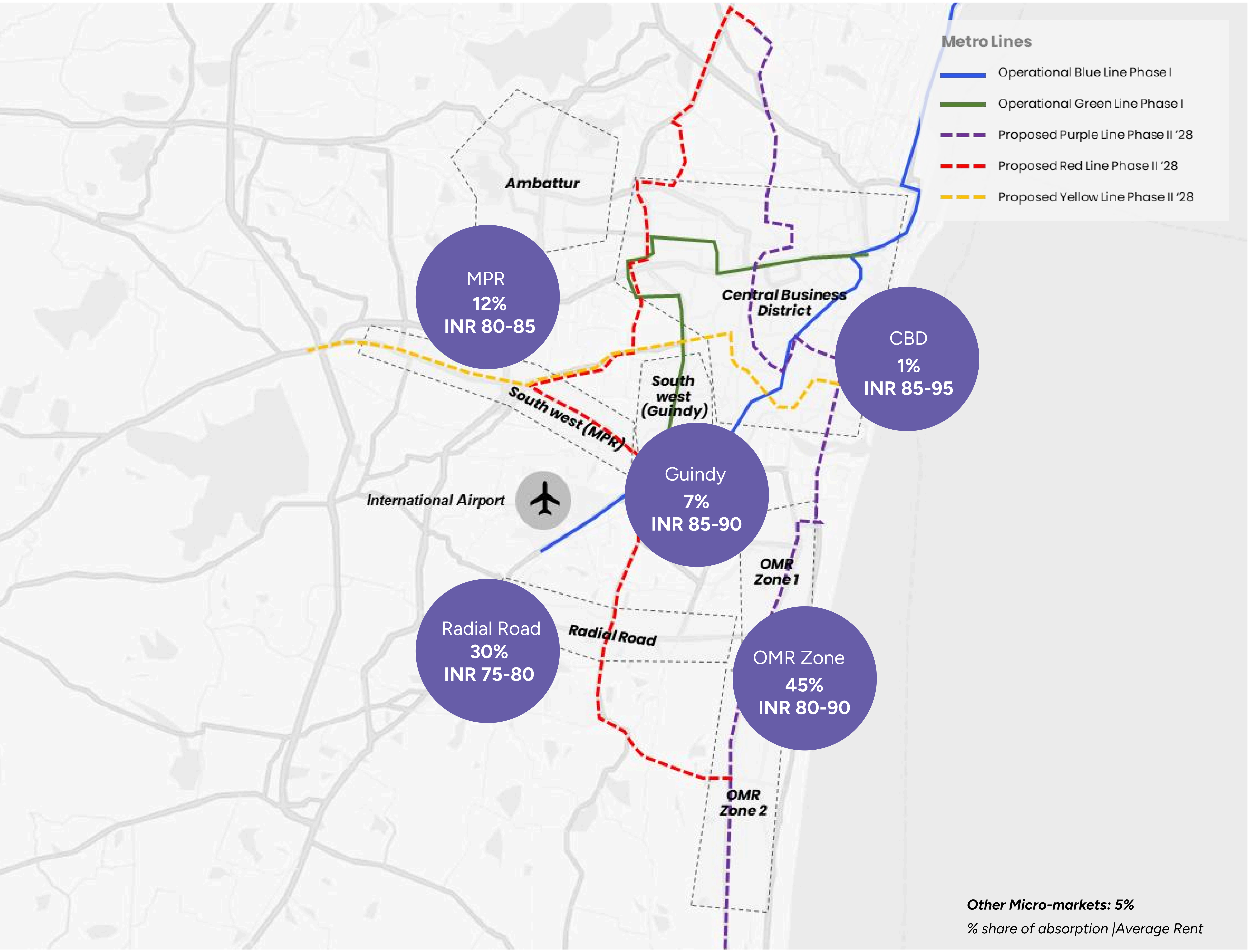


Deal Size

55% Small (<50,000sft)	15% Mid (50,000-99,999sft)	30% Large (>100,000sft)

Key Transactions

Building	Micromarket	Client	Area (sft)
Embassy Splendid Tech Zone	Radial Road	BFSI	400,000
Millenia Business Park	OMR Zone	IT/ITes	194,000
Ozone Techno Park	OMR Zone	IT/ITes	147,000



__OMR Zone 1__ includes Perungudi, Taramani, Thiruvanmiyur, Velachery; __OMR Zone 2__ includes Sholinganallur, Thoraipakkam, Navalur, Siruseri, Padur; __MPR (Mount Poonamallee Road)__ includes – Porur, Manapakkam.

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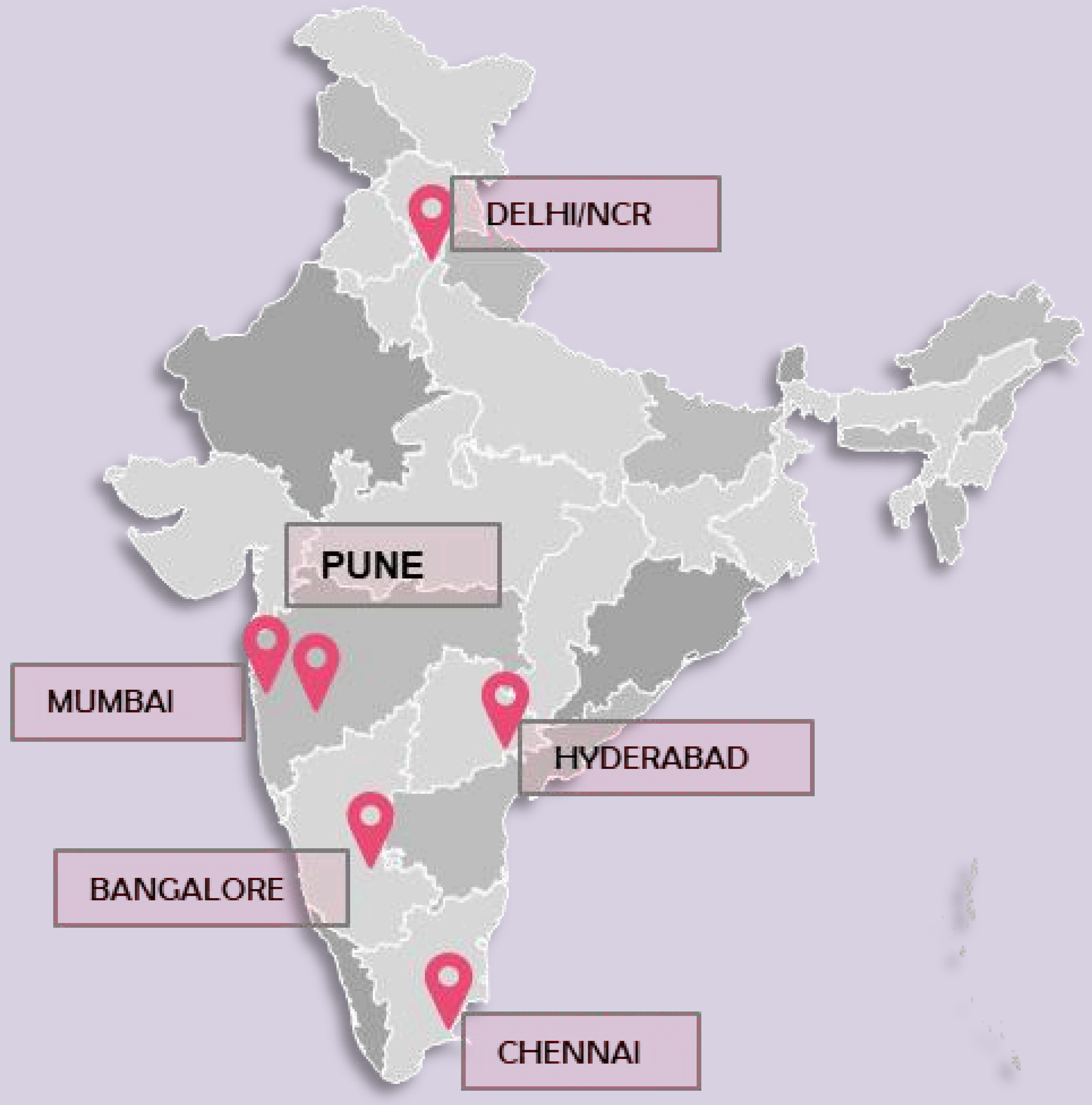
About Altre:

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.



Altre's Presence

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