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India MARKET MONITOR

Q2 2026 - Office

REPORT | CBRE RESEARCH

July 2026

CBRE

India Market Monitor Q2 2026

OFFICE

Despite geopolitical headwinds and evolving AI-driven hiring strategies, **India's office sector maintained its growth trajectory in Q2 2026,** underpinned by steady investment flows and sustained occupier demand. **Driven by expansion among Global Capability Centres (GCCs) and flexible space operators, quarterly absorption reached a record 24.6 million sq. ft., pushing the H1 2026 total to a new benchmark of 45.5 million sq. ft.** Concurrently, new supply additions maintained a strong pace: project completions during the quarter reached 21 million sq. ft., elevating the half-yearly volume to 32 million sq. ft. - an all-time high for any H1 period.

The quarter witnessed rental growth across several key micro-markets in all the cities, owing to sustained leasing activity, continued demand for high-quality investment-grade assets, and declining vacancy levels. In Q2 2026, quoted rentals* grew by 2-7% in Mumbai across BKC, BKC Periphery, Western Suburbs 1 & 2, Central Mumbai 1 & 2, Eastern Suburbs, Navi Mumbai, and Thane; 2-6% in Chennai across CBD, Off CBD, PT Road, GST Road, Mount Poonamallee High Road, and OMR Zone 1 & 2; 2-6% in Hyderabad across IT Corridor I & II, and Extended IT Corridor; 2-4% in Delhi NCR across NH8 (before Rajiv Chowk), Main Noida and Golf Course Road; 1-2% in Bengaluru in CBD, EBD and PBD-Whitefield; 1-2% in Pune in SBD West and SBD East; 5% in Kolkata's PBD; 2-9% in Ahmedabad in CBD and SBD; and 2-4% in Kochi across CBD, Off CBD and SBD

**Note: The trend for transacted rentals may align with or diverge from quoted rentals for different assets depending on factors such as asset quality, location, accessibility, age, and space availability, among other variables.*

18% Q-o-Q increase in office space take-up in Q2 2026

9.6% Y-o-Y increase in office absorption in H1 2026

58% Cumulative leasing share of Bengaluru, Pune, and Delhi-NCR during the quarter

91% Q-o-Q jump in development completions in Q2 2026

14% Y-o-Y increase in development completions in H1 2026

73% Combined quarterly share of Bengaluru, Pune, and Ahmedabad in supply additions

42% Share of space absorption by GCCs in Q2 2026 (followed by flexible workspaces at ~27%)

28% Share of leasing by Fortune 500 companies in Q2 2026

Market Performance in Q2 2026

India Market Monitor

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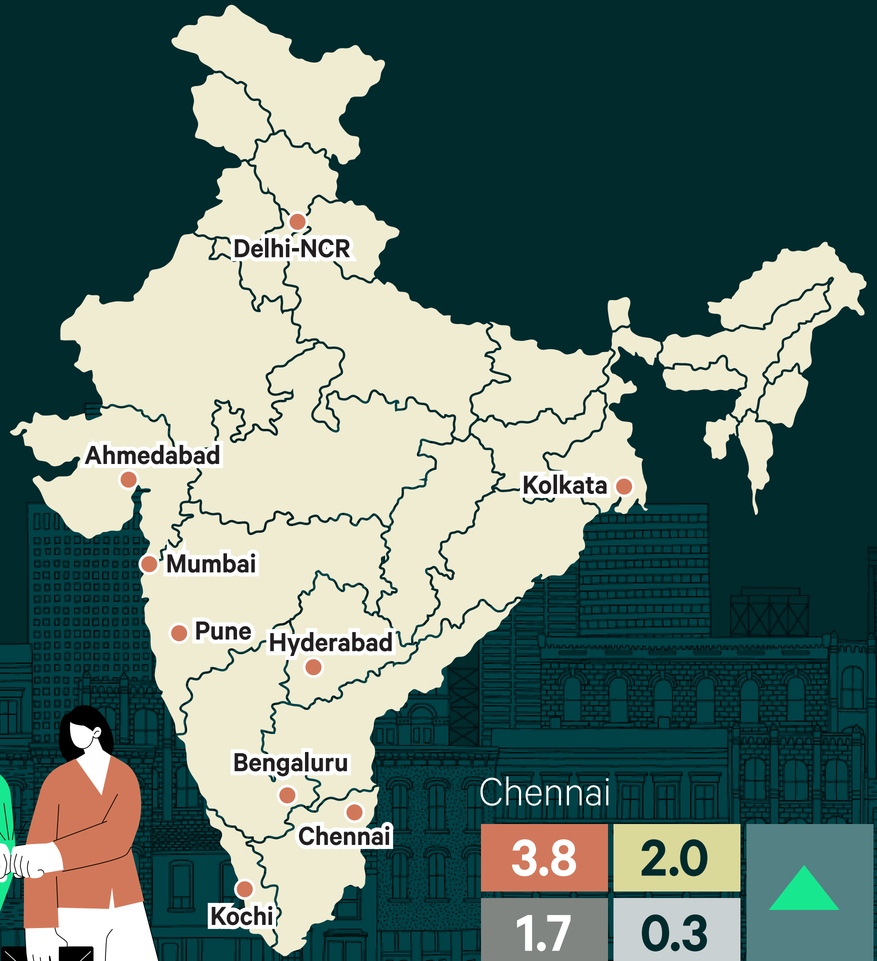
24.6 mn sq. ft.	21.0 mn sq. ft.	45.5 mn sq. ft.	32.0 mn sq. ft.
Absorption in Q2 2026	Supply in Q2 2026	Absorption in H1 2026	Supply in H1 2026



Absorption (mn sq. ft.) in H1 2026
Absorption (mn sq. ft.) in Q2 2026
Supply (mn sq. ft.) in H1 2026
Supply (mn sq. ft.) in Q2 2026

Q2 2026 rental indicator arrows (Q-o-Q)
Increase · Stable · Decrease

Source: CBRE Research, Q2 2026

Note: India's total figures for office supply and absorption may not add up exactly due to rounding of decimals.

City	Absorption (mn sq. ft.) in H1 2026	Absorption (mn sq. ft.) in Q2 2026	Supply (mn sq. ft.) in H1 2026	Supply (mn sq. ft.) in Q2 2026	Q2 2026 rental indicator (Q-o-Q)
Delhi-NCR	8.2	3.6	2.5	2.0	Increase
Bengaluru	12.7	6.6	14.7	9.6	Increase
Mumbai	7.0	3.5	3.3	2.2	Increase
Hyderabad	6.6	3.6	1.3	1.1	Increase
Pune	5.5	4.1	4.2	3.2	Increase
Kolkata	0.7	0.4	-	-	Increase
Chennai	3.8	2.0	1.7	0.3	Increase
Ahmedabad	0.8	0.7	4.1	2.4	Increase
Kochi	0.2	0.1	0.2	0.1	Increase

Key sectors that drove leasing activity in Q2 2026

Flexible Space Operators	27%
Technology	21%
Research, Consulting & Analytics	13%
Banking, Financial Services & Insurance (BFSI)	13%
Infrastructure, Real Estate & Logistics	6%
Engineering & Manufacturing (E&M)	5%
Life Sciences	5%

Regional share in leasing activity

Region	Share in Q2 2026
Domestic Corporates	46%
American Corporates	30%
EMEA Corporates	16%
APAC Corporates	8%

Note: The data presented in this report was compiled at the time of report generation and may be revised in subsequent quarters as more information becomes available. Therefore, the data should be considered provisional and subject to ongoing refinement.

Outlook

OFFICES

Building on the strong leasing momentum witnessed in H1 2026, India's office sector is expected to remain resilient through the remainder of the year, supported by healthy occupier demand, stable market fundamentals, and ongoing portfolio expansion initiatives by both domestic and global enterprises.

Technology companies are likely to remain the primary demand drivers, followed by BFSI and E&M corporates, while emerging industries including RCA, automotives, and life sciences are set to contribute to additional demand.

GCCs are expected to continue strengthening their footprint, supported by India's deep talent pool in AI, machine learning, and cloud technologies. Concurrently, the flexible workspace market is gaining prominence as occupiers increasingly adopt a 'core + flex' model to balance scalability and cost to maintain portfolio agility.

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