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'Flex-plosion': India's Flexible Workspaces Era



CBRE RESEARCH
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CBRE



Anshuman Magazine
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East & Africa, CBRE

Foreword

India has firmly established itself as one of the world's fastest-growing large flexible workspace markets. This ascent is not merely a reflection of volume but a testament to the country's unparalleled scale, cost-effectiveness, and rapidly advancing institutional maturity. As we look towards the future of work, it is clear that flexible workspaces have transitioned from a supplementary real estate option to a fundamental pillar of corporate real estate (CRE) strategy.

This evolution is at the heart of our latest report, ***"Flex-plosion": India's Flexible Workspaces Era***, published by CBRE India Research in collaboration with FICCI and launched on 24th March 2026, in Mumbai. The findings highlight a fundamental shift in occupier strategy, where flexible workspaces are now an integral component of long-term portfolios. Driven by evolving CRE strategies, operational outsourcing, and financial efficiencies, occupiers are seeking greater flexibility in portfolio design. This transition is further evidenced by a definitive 'flight to quality', as demand is expected to move away from price-sensitivity towards premium, highly amenitised, and customised environments that reinforce brand identity.

Flexible workspaces serve as a strategic vehicle for rapid scalability and standardised excellence, mirroring conventional leasing patterns rather than substituting them. By prioritising operational outsourcing and capital efficiency, organisations are gaining the agility necessary to navigate an era of geographic flexibility and diverse work styles within high-quality, well-designed workplace environments.

As institutional and public capital continues to flow into the sector, growth is expected to become more disciplined and network-driven, strengthening its long-term stability. To sustain this leadership, landlords may want to prioritise long-term commitments and amenitisation, while operators could further refine their offerings. Ultimately, the strategic 'flex' is no longer an alternative—it is a core component of India's resilient and sophisticated office market.

A photograph of a person in a blue shirt sitting at a yellow table, working on a laptop. The table is cluttered with various items including another laptop, a smartphone, a green cup, and some papers. The scene is dimly lit, suggesting an indoor office or meeting environment. A vertical green line is positioned to the right of the person.

Introduction

India's flexible workspace story: From niche to mainstream

Flexible workspace solutions are becoming an integral part of the modern work culture, catering to varied working styles and introducing greater adaptability to the commercial office market.

The popularity and adoption of flexible workspace solutions has witnessed an increase amongst both startups and corporate enterprises owing to their increasing use cases and constant innovations by leading flexible workspace operators.

This report explores how flex has matured into a multi-dimensional offering and how it is:

- Powering portfolio strategies for occupiers
- Unlocking value and differentiation for developers and landlords
- Evolving through innovation in formats, services, and delivery models

It further unpacks the key demand drivers, market shifts, and strategic imperatives shaping the future of flex in India.

India's Flex Surge: Charting the Shift in Office Strategy

India's flexible workspace market has transitioned from a start-up enabler to a core component of an occupier's real estate strategy.

What began in pre-2015 as co-working hubs and serviced offices has evolved into enterprise-grade solutions catering to a diverse clientele ranging from MSMEs and start-ups to large corporates, global capability centres (GCCs), and multi-city occupiers.

Evolution of India's flexible workspace sector

Pre 2015

- Limited to traditional business centres / serviced offices
- Incubators and accelerators primarily supporting start-ups

2015 - 2017

- Co-working gains popularity, initially targeting the start-ups ecosystem

2017 - 2019

- Expansion of domestic and global brands alongside the emergence of new flex operators
- Emergence of enterprise-focused formats and customised 'managed office' offerings, eventually leading to the emergence of 'managed campus' concept

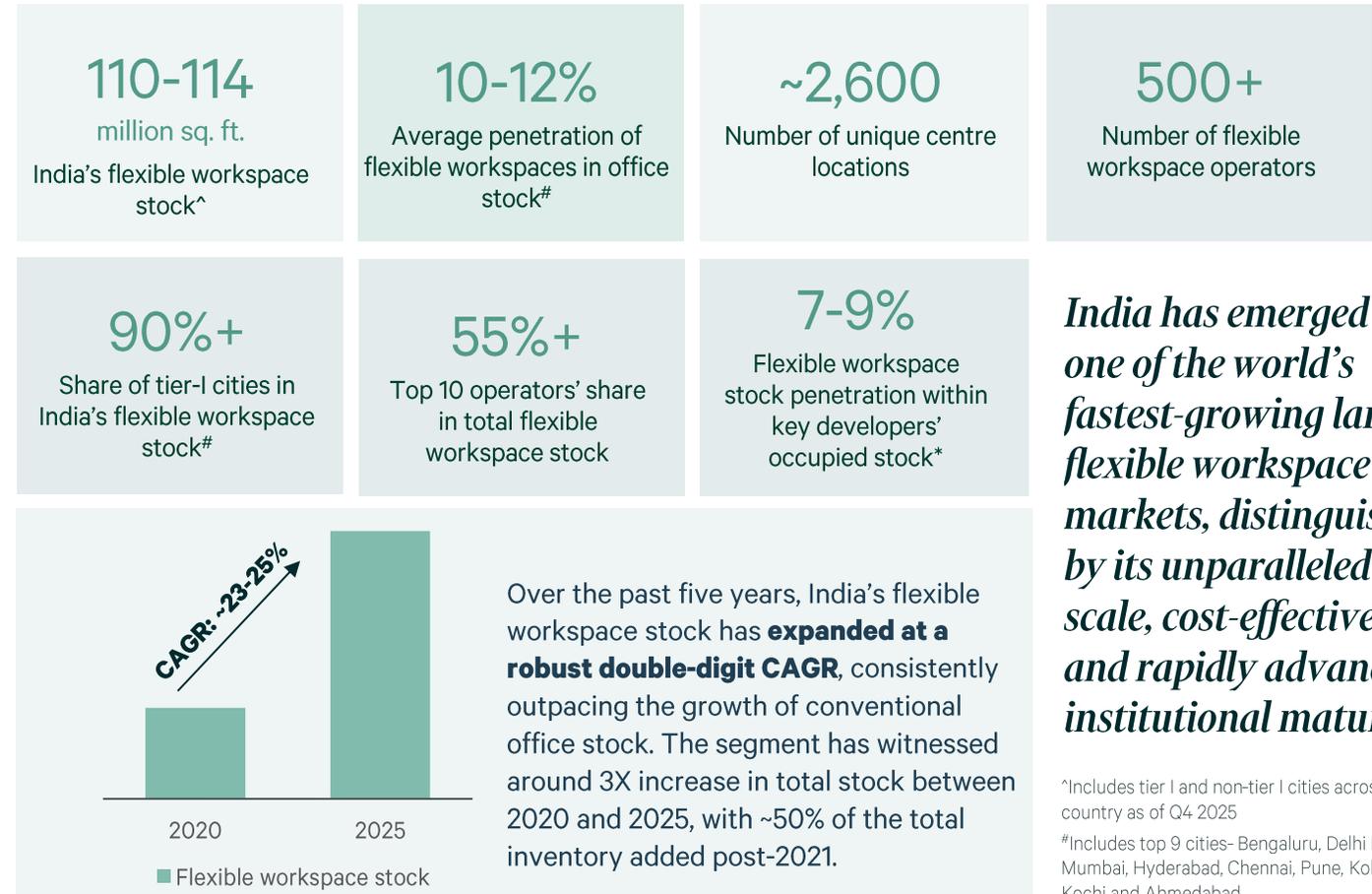
2020 - 2021

- Pandemic forces the widespread adoption of remote work
- Most leading operators increase investments in technology, amenities, and health & safety
- Centres reopen with enhanced safety protocols along with the introduction of novel solutions

2022 onwards

- Evaluation and adoption of 'Core+Flex' strategies by occupiers boosts flexible workspace demand
- Hybrid work adoption and a focus on capital optimisation by occupiers drive a surge in flexible workspaces demand
- Operators strategically evaluate and expand into non-tier-1 cities

Figure 1. Mapping the scale: India's flex growth story in numbers as of 2025



India has emerged as one of the world's fastest-growing large flexible workspace markets, distinguished by its unparalleled scale, cost-effectiveness, and rapidly advancing institutional maturity.

This accelerated expansion is driven by a fundamental shift in occupier strategy, positioning flexible workspaces as an integral component of CRE portfolios rather than a supplementary option.

[^]Includes tier I and non-tier I cities across the country as of Q4 2025

[#]Includes top 9 cities- Bengaluru, Delhi NCR, Mumbai, Hyderabad, Chennai, Pune, Kolkata, Kochi and Ahmedabad

*The key developers' stock across top 9 cities and includes assets owned by REITs

Source: CBRE Research Q1 2026

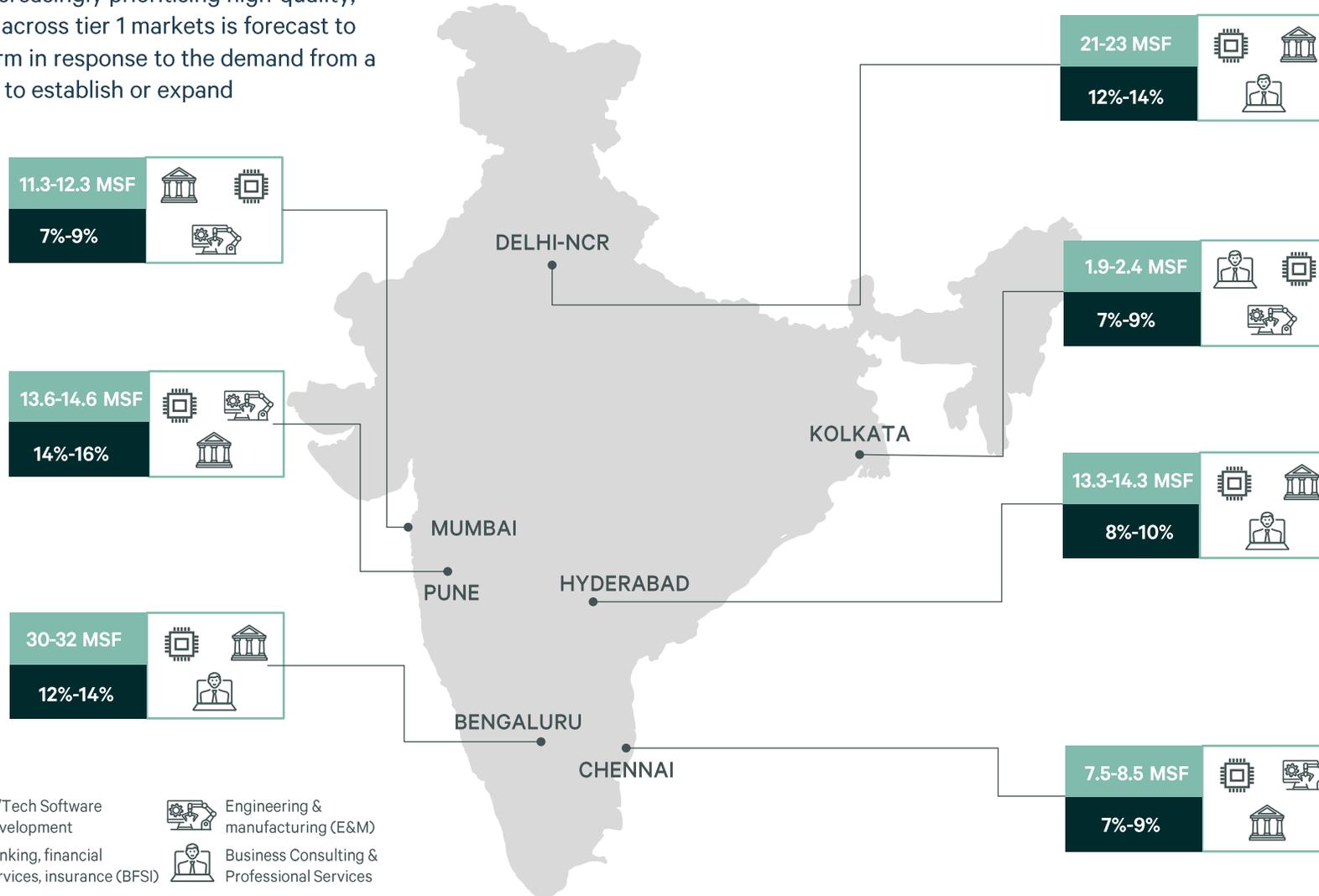
Flex Footprints: The Evolving Demand Dynamics of India's Top Cities

Flexible workspace operators are increasingly prioritising high-quality, amenity-rich assets. The Flex stock across tier 1 markets is forecast to keep growing at least in the near term in response to the demand from a diverse set of organizations looking to establish or expand their presence in these cities.

Driven by BFSI and large corporates, flexible workspace demand in **Mumbai**, India's leading financial hub, remains strong. Flex operator leasing activity in the city witnessed an increase through 2024 and 2025.
Key clusters/micro markets: Western Suburbs 1 and 2, Navi Mumbai, New CBD, Eastern Suburbs, and Central Mumbai 2

As a key commercial office market in West India, **Pune** attracts sustained interest from multiple flex operators. Broad-based sectoral demand positions the city among those with the highest flexible-workspace penetration nationally.
Key clusters/micro markets: Secondary & Extended Business District-West, CBD, and Secondary Business District-East

As India's largest flexible workspace market, **Bengaluru** is marked by an expanding operator presence. The city witnessed stable flex demand and space acquisition by operators across 2024 and 2025.
Key clusters/micro markets: CBD, EBD, ORR, North Bengaluru and Whitefield



Delhi-NCR's leasing has strengthened sharply in the last few years, with flexible workspaces firmly positioned among the top three demand drivers.
Key clusters/micro markets: Cyber City, Golf Course Road, NH8, Noida Sector 16,62 & Expressway, and Aerocity

Kolkata, the primary commercial hub in Eastern India, is witnessing multiple flexible workspace operators actively exploring expansion opportunities.
Key clusters/micro markets: Salt Lake Sector V, New Town Rajarhat

A key commercial hub in South India, **Hyderabad** ranks among India's largest flexible workspace markets, supported by strong IT/ITeS, consulting, and BFSI demand. In 2025, flexible space operators recorded the second-highest share of overall leasing here
Key clusters/micro markets: IT Corridor and Extended IT Corridor

A major office market in South India, **Chennai's** demand is underpinned by expanding Grade A supply. Its flexible workspace market is simultaneously witnessing heightened occupier interest
Key clusters/micro markets: OMR Zone 1, CBD, Off CBD, and SBD

Flexible workspace stock	Some Flexible Workspace Demand Driving Sectors	IT/Tech Software development	Engineering & manufacturing (E&M)
Flexible workspace stock penetration		Banking, financial services, insurance (BFSI)	Business Consulting & Professional Services

Source: CBRE Research Q1 2026

Evolving Occupier Priorities in a Maturing Flex Market

Occupiers are increasingly adopting/evaluating a “core+flex” portfolio strategy—balancing long-term stability with flexibility and cost efficiency. **About 55% of occupiers already include flexible workspaces in their portfolios**, with accelerated adoption among large and medium enterprises.¹ This reflects a broader recalibration of corporate real estate strategy: flexibility is no longer secondary but integral to portfolio planning. As occupiers mitigate risk, manage costs, and respond to evolving workplace expectations, flexible workspaces are transitioning from interim fixes to strategic enablers.

Major growth drivers and salient features that, individually or in combination, may underpin the strategic adoption of flexible workspace solutions include:

- Evolving real estate strategies
- Operational outsourcing & flexibility
- Capital & financial efficiencies
- Variety of offerings & customisation

Figure 2. Sectoral shares of flexible workspace demand by volume of deals

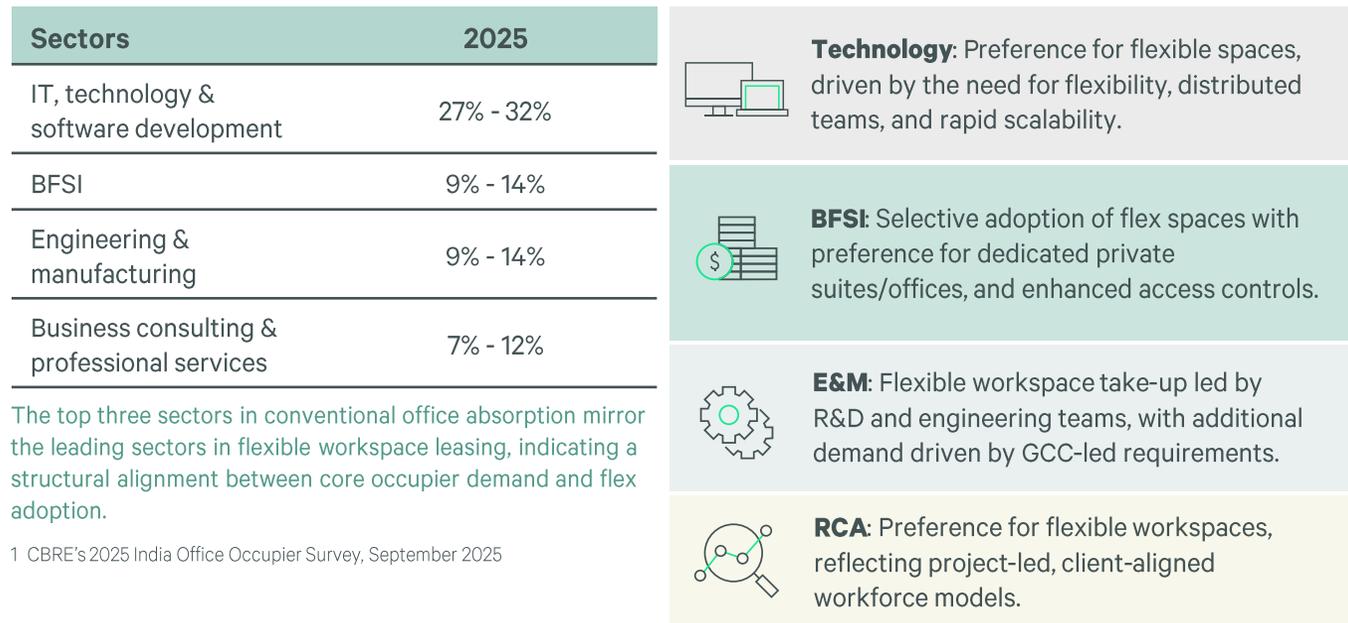
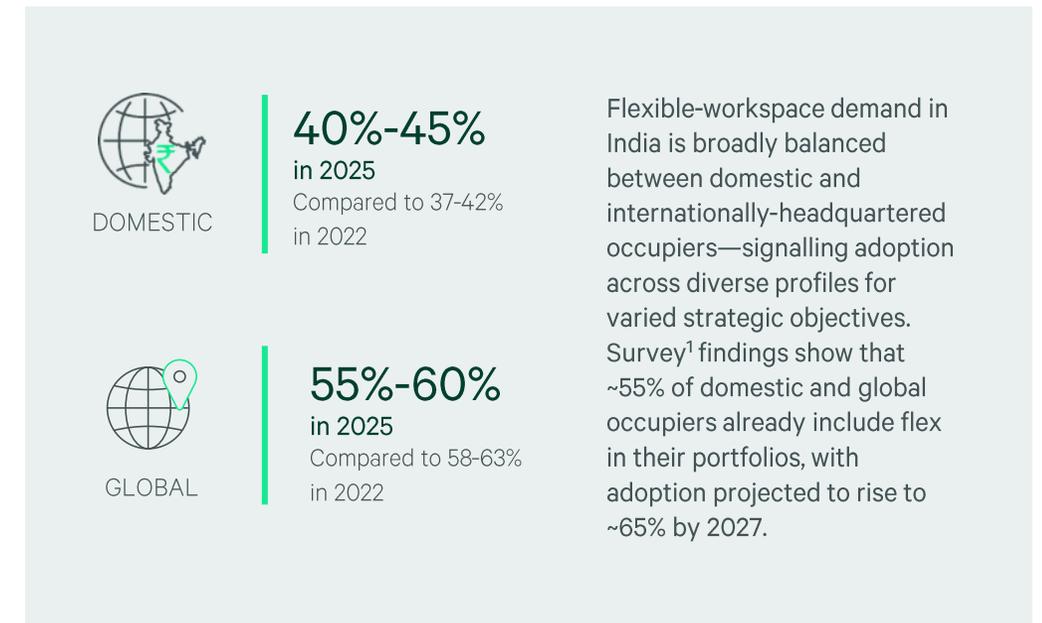


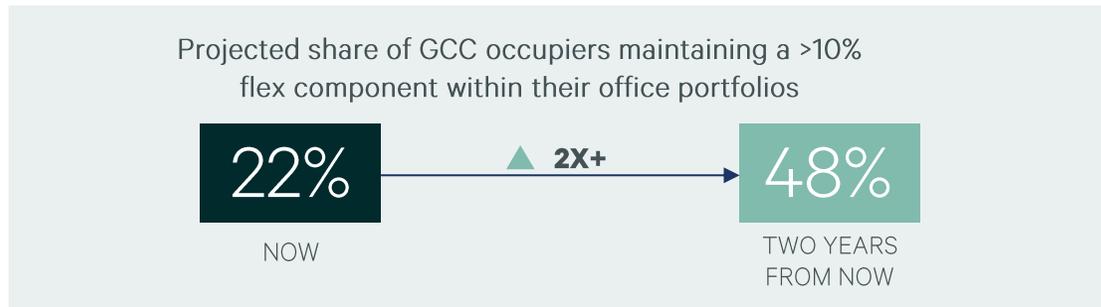
Figure 3. Domicile composition of flexible workspace demand by deal volume



Source: CBRE Research Q1 2026

GCCs Anchoring the Next Flex Demand Wave

As global capability centres (GCCs) continue to scale in India, their adoption of flexible workspaces is expected to deepen over the medium term, driven by operational models that increasingly favour speed, scalability and standardised workplace environments. *GCCs may opt for flex spaces as an entry strategy because the asset-light model may allow them to scale quickly, minimise upfront capital commitments, and test markets with greater flexibility.*

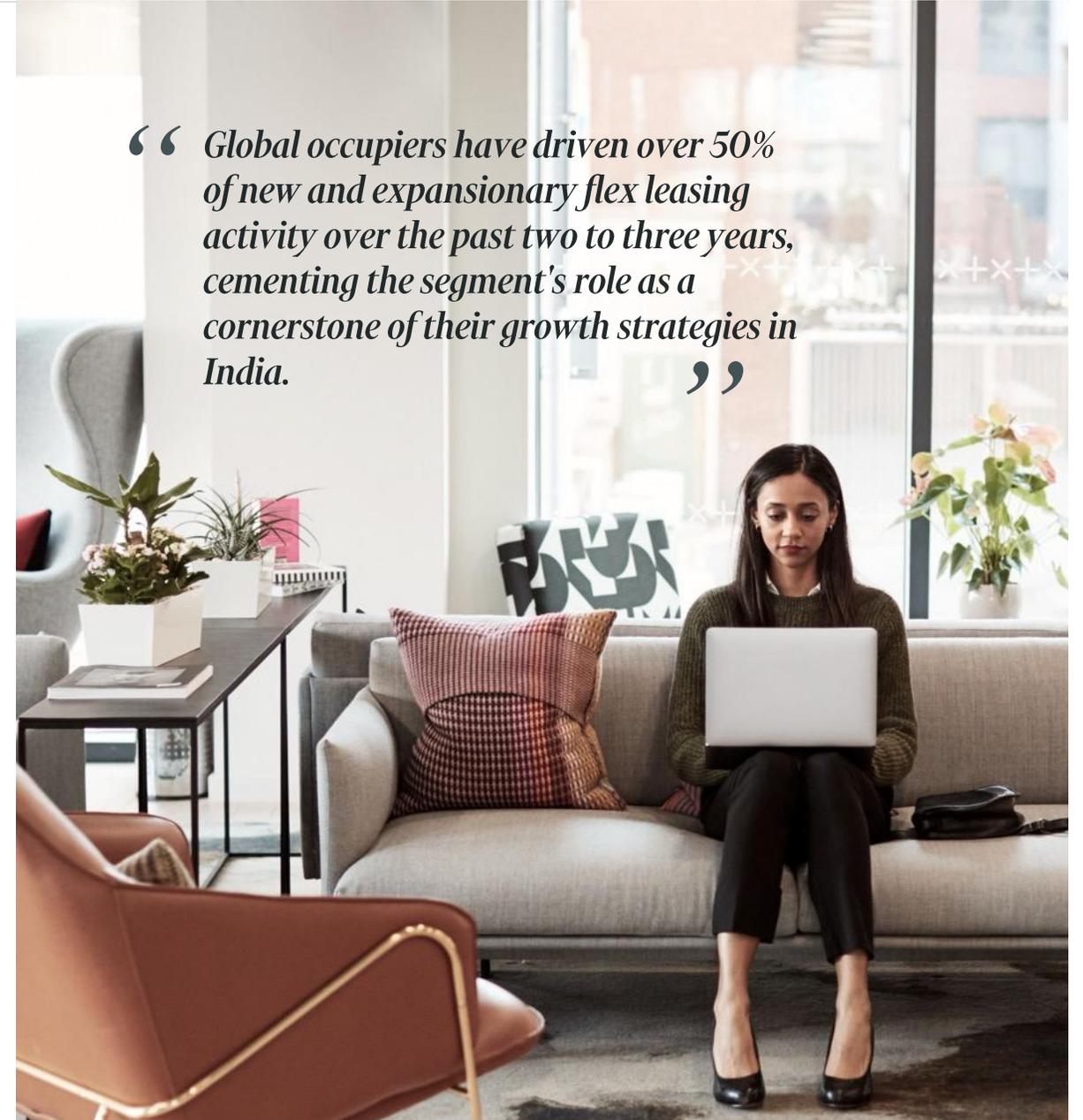


Findings from the CBRE's [2025 India Office Occupier Survey](#) reinforce this trajectory, indicating a deeper integration of flexible workspaces within GCC portfolios. Rising enterprise and GCC participation is shifting demand toward **larger formats, private suites, and managed office solutions**, accelerating product standardisation across segments. The survey further shows that 43% of GCCs prefer fully private managed offices as their primary flexible-space solution.

Implications of GCC-led flex demand:

- Larger contiguous formats
- Higher preference for fully private / managed offices
- Greater operational standardisation across cities and operators

Source: CBRE Research Q1 2026



“ Global occupiers have driven over 50% of new and expansionary flex leasing activity over the past two to three years, cementing the segment's role as a cornerstone of their growth strategies in India. ”

Decoding Flex Demand: Strategic Drivers and Value Propositions

Occupiers are increasingly evaluating flexible workspace solutions to gain greater flexibility in portfolio design & contractual terms, enhance capital efficiency, optimise costs, and support diverse work styles within high-quality, well-designed workplace environments.

VALUE PROPOSITIONS

(Flexible workspaces as leasing accelerators)

Developers

- Flex as a building-level amenity that enhances occupier appeal
- Ability to accommodate granular and short-term space requirements within the asset
- Utilisation of underperforming or vacant areas
- Diversified tenant mix
- Potential for monetary upside through operator partnerships
- Stronger asset positioning and clearer marketing differentiation

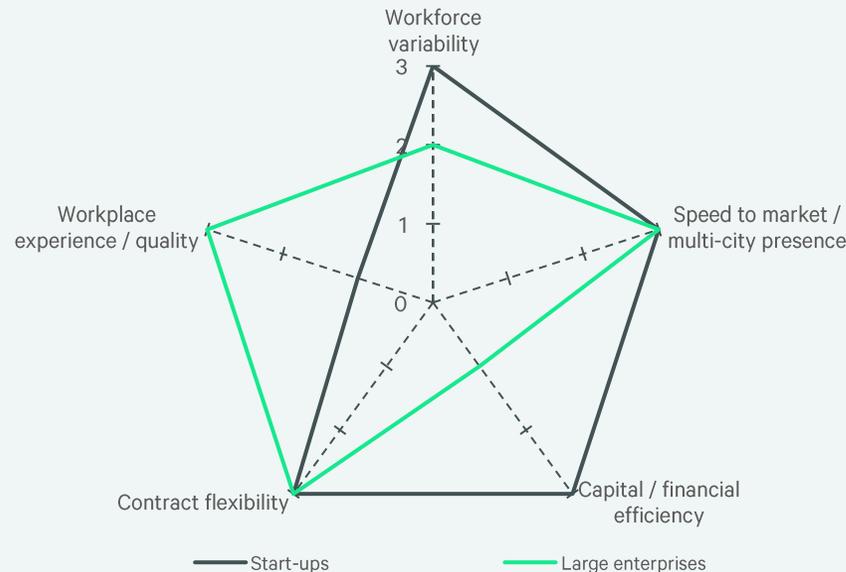
Occupiers

- Portfolio flexibility and flex space consumption
- Capital-light model that enhances financial efficiency
- Customised, bespoke workspace solutions
- Ability to scale up or down rapidly
- Single-vendor, plug-and-play operational model
- Faster market entry across multiple cities
- Access to varied formats — managed offices, enterprise suites, and shared spaces

OCCUPIER DECISION MATRIX

Flexible workspaces have evolved from a tactical fix into a strategic portfolio-level lever. Occupiers are no longer deciding *whether* to adopt flexible workspaces, but *where* to integrate them within the overall footprint. What distinguishes occupier segments today is not the value placed on flexibility, but the operational challenges it solves. This convergence signals that flexible workspaces are becoming a **core capability rather than a fringe option**.

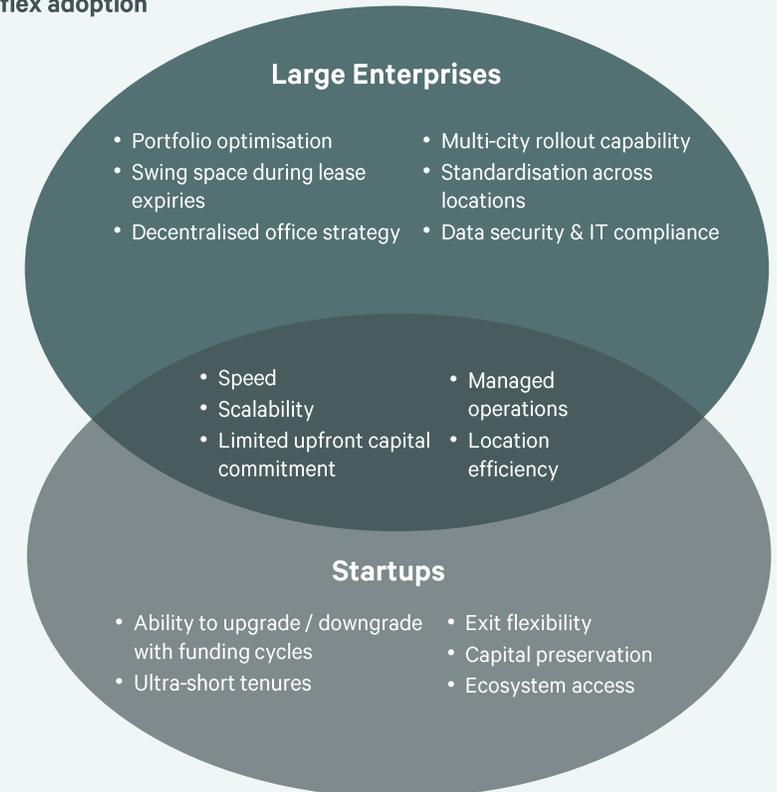
Figure 4. Comparative weightage of strategic drivers influencing flex adoption across occupier groups



Note: The chart utilises a strategic priority scale where 3 indicates the highest level of importance and core focus, 2 represents a moderate or balanced level of importance, and 1 reflects the lowest relative priority. The chart visualises the comparative ranking of strategic factors, highlighting areas of heightened emphasis versus secondary focus.

Flex demand is universal, but the hierarchy of decision drivers varies fundamentally by occupier type. For large enterprises, flex can be a portfolio management and risk hedging tool. GCCs may leverage flex to scale delivery with speed, certainty, and consistency. For start-ups, flex may serve as an operating system for navigating uncertainty.

Figure 5. Structural convergence and divergence in occupier decision drivers for flex adoption



Source: CBRE Research Q1 2026

The 'Flight to Experience': Amenitisation as a Strategic Flex Differentiator

Flexible-workspace demand is expected to move away from price-sensitivity towards experience, specification, and overall product quality. While this reflects the broader 'flight to quality' seen in conventional offices, it manifests differently within the flex segment.

In recent years, the sector has matured significantly, with operators upscaling centres and prioritising highly amenitised, premium formats. Amenities have emerged as strategic value-unlockers—enhancing the customer experience, supporting occupier retention, and diversifying income streams. Leading operators are also integrating smart technology to elevate the end-user experience, streamline operations, and foster collaboration.

Flex value unlocked through amenitisation



Enhanced customer experience and value proposition



Improved customer retention



Diversified income streams

MUST HAVE AMENITIES



Internet / WiFi



Security & Management



Car Parking Services



Conference Rooms



Phone Booth



24-hour Access



F&B Services



Client Services



ESG Compliance



Collaboration Area



Training Rooms



Smart Offices



Daycare Centre



Natural Light & Clean Air



Meeting Rooms



Doctor's / First Aid room

GOOD-TO-HAVE AMENITIES



Salon & Spa Services



Social & Recharge Spaces



EV Charging Station



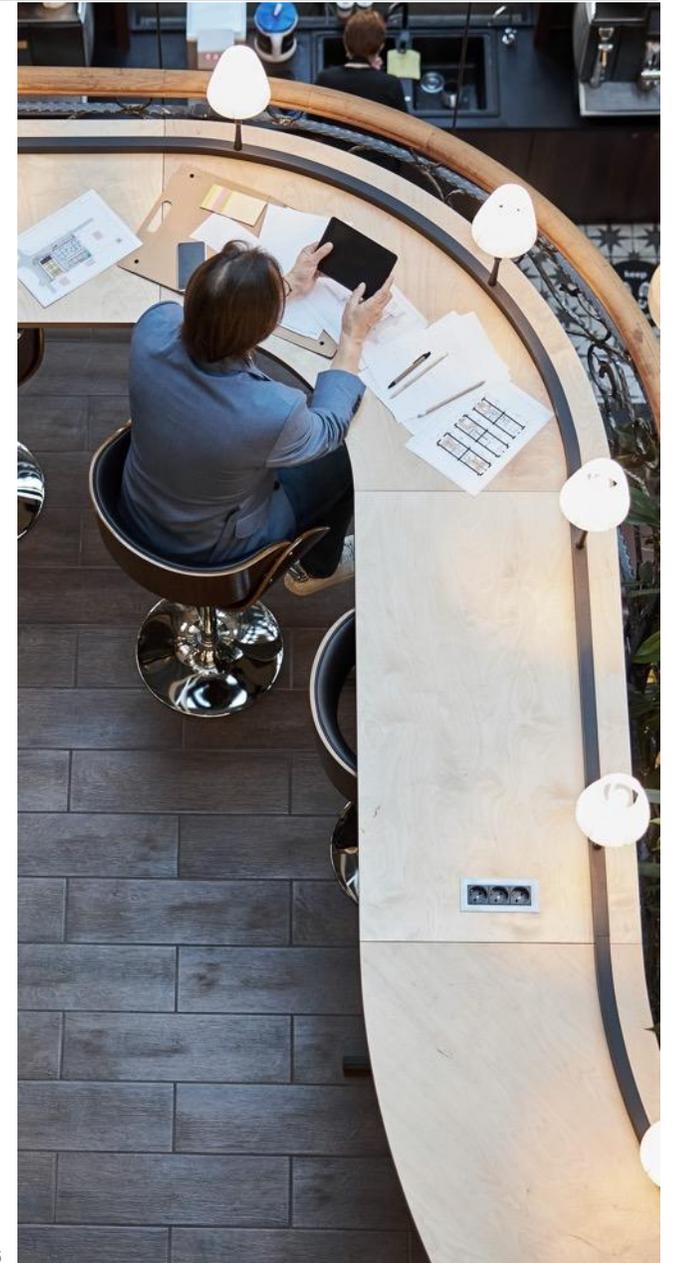
Content Creation Spaces



Fitness Centre



Retail Services



Source: CBRE Research Q1 2026

Operator Innovation: The New Era of Flex Solutions

Bespoke offerings reflect the shift of flexible workspaces from plug-and-play offices towards strategic workplace solutions, shaped by each occupier's business model, growth trajectory, and workforce profile. As occupier profiles diversify, demand is moving away from standardised flex products towards customised environments that reinforce brand identity, elevate employee experience, and support business outcomes. The adoption of flexible workspace solutions continues to rise across both start-ups and corporate enterprises, driven by expanding use cases and ongoing innovation from leading operators.

NOVEL OFFERINGS



Hybrid Digital
Solutions



Fitout
Funding



Reverse
Office



GCC
Enablements



Facility
Management



Asset
Renovation



Design &
Build

Source: CBRE Research Q1 2026



Flex Maturity Deepens

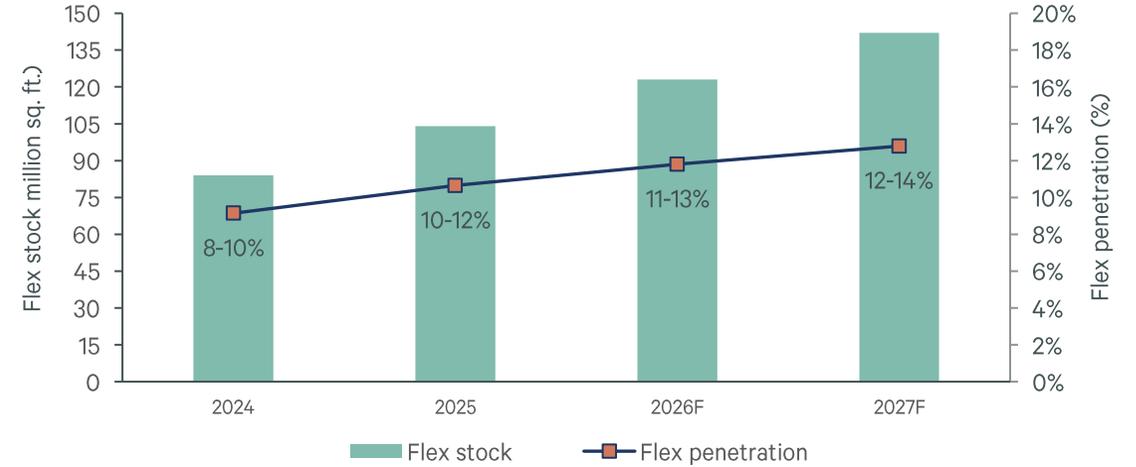
Findings from the 2025 India Office Occupier Survey (as indicated below) show that flexibility is no longer an add-on but an intentional, embedded component of office portfolio strategy. This shift in occupier mindset is shaping the next phase of the flex market, with growth increasingly driven by institutional capital, enterprise-led demand, and tighter alignment between flex spaces and core office assets. With flex now integrated into long-term portfolio planning, demand is being shaped by workforce strategy and geographic flexibility—reinforcing the need for landlords and developers to structurally embed flex within core assets.



65%
of occupiers expect to have flexible workspaces in their office portfolio by 2027

55%
of respondents have flexible workspaces in their current office portfolio

Figure 6. Flex stock and penetration as of 2025[^]



USD ~2.0-2.2 billion | Current IPO market capitalisation of all listed flexible space operators*

The scale-up in flex penetration is being matched by deeper capital-market participation, with multiple operators securing public listings and meaningful market capitalisation. Public listings and late-stage funding are driving consolidation and strengthening scale as a competitive advantage. Access to institutional capital is also enabling asset-light and flex models, reducing balance-sheet risk while supporting faster network expansion. Going forward, the growing presence of institutional and public capital is expected to shift flex growth towards more disciplined, network-led expansion—enhancing the sector’s long-term stability and reinforcing its role within India’s office market.

Note: Current market capitalisation represents the aggregate equity valuation based on the latest closing share price and outstanding shares. *Data is as of 20 March 2026 and includes all listed flexible workspace operators

[^]The above forecast includes tier-I cities only i.e. Bengaluru, Chennai, Delhi-NCR, Hyderabad, Kolkata, Mumbai, and Pune. Source: CBRE’s 2025 India Office Occupier Survey, September 2025; CBRE Research Q1 2026

From Structural Frictions to Strategic Opportunities

EMERGING TRENDS

India has emerged as a key flex market, with demand spanning coworking and managed office solutions across large enterprises/MNCs, SMEs/MSMEs, and start-ups. Demand is being driven both by new contracts and by extensions/renewals where viable.



Using flex to reposition distressed or under-utilised assets—lift occupancy, improve marketability, and accelerate lease-up.



Rising portfolio allocation to flex by GCCs, MNCs, and large enterprises—deeper, enterprise-led adoption across portfolios.



Institutional capital driving scale, consolidation, and IPO pathways—funding depth is reinforcing network expansion and operator maturity.



Operators are diversifying into D&B, fit-out leasing, and GCC-enablement alliances—expanding beyond space to full-stack workplace solutions.



International operators are entering the Indian flex market—intensifying competition and raising product standards.

These emerging trends open new pathways for value creation across assets, occupiers, and platforms, while also introducing challenges around execution, capital intensity, and operating complexity. At the same time, they create tangible opportunities to optimise asset performance, improve leasing outcomes, and embed flexibility more structurally within occupier portfolios.

CHALLENGES



Lease tenure—revenue mismatch—long-term lease liabilities against short-term income visibility for coworking operators



Churn and occupancy volatility—exposure to roll-offs and renewal risk



Saturation and concentration risk—crowding in core micro-markets



Operating consistency at scale—complexity of delivering uniform service and SLAs across cities/locations



Cost pressures—rent variability and market-driven increases in utilities, operations, and fit-out costs



Supply limitations—shortage of suitably specified, flex-ready space

OPPORTUNITIES



Expansion into non-tier-1 cities—capture incremental demand and enable single-vendor, multi-location rollouts



ESG & well-being as a differentiator—use green credentials and wellness features to elevate asset preference and tenant stickiness



GCCs as anchor clients—target larger, standardised mandates that favour private/managed formats



Flex-as-an-amenity for landlords—embed flex at the building level to differentiate assets and serve short-term/small-format needs



Portfolio optimisation for occupiers—deliver capital-light, scalable solutions that improve cost and footprint flexibility



Capital-markets access via public listings—leverage institutional/public capital to scale networks and strengthen balance-sheet resilience



Using flex to upgrade ageing assets—improve utilisation, marketability, and lease-up for such stock



Enterprise multi-city requirements—pursue large occupiers' network-wide requirements to drive standardisation and growth.

Source: CBRE Research Q1 2026

Recommendations Across the Flex Value Chain



<p>Secure long term commitments</p> <p>Prioritise operators with strong institutional backing or recent IPOs to enhance counterparty stability and execution certainty</p>	<p>Prioritise amenitisation</p> <p>Ensure assets meet green-certification standards to increase operator preference and overall asset competitiveness</p>	<p>Proximity to public transport infrastructure</p> <p>Prioritise assets along metro and major transit corridors as occupiers increasingly favour locations with strong public-transport connectivity</p>
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<p>Tailored solution mix</p> <p>Evaluate a mix of flexible-workspace formats to serve diverse business and organisational needs</p>	<p>Operational outsource</p> <p>Align to a single provider and point of contact for most workspace expenses, escalations, support, and other operational requirements</p>	<p>Capital and financial efficiencies</p> <p>Use flex to preserve upfront capital and redirect resources towards core business priorities</p>
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<p>Enhance offerings</p> <p>Deepen amenitisation and integrate technology to elevate centre experience and product quality</p>	<p>Target GCCs (GCC as a service)</p> <p>Position as a strategic partner with end-to-end support (e.g., IT infrastructure management, talent-enablement) to capture larger, standardised mandates</p>	<p>Diversify geographically</p> <p>Expand into priority clusters across tier-I and non-tier I cities to support single-vendor, multi-location rollouts</p>
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Source: CBRE Research Q1 2026

Disclaimer

The data presented in the CBRE Report was compiled at the time of its generation. It is important to note that minor variations may exist when compared to other reports due to differences in relevant stock, and the dynamic nature of the underlying data, which may change intermittently. Kindly note that there are no official databases available for uniform tracking and information can vary as more data becomes available from market sources. Forecasts, estimates, and other forward-looking statements contained in the CBRE Report are inherently uncertain, as any change in the factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen, may have a significant impact. Actual results could differ materially from such forecasts, estimates, or such forward-looking statements. All figures provided below are approximations, based on the data available.

Future supply estimates are based on the analysis of proposed and under-construction buildings; however, future absorption estimates are derived on the basis of past trends, current vacancy, and estimated supply. Historical data and forecasts provided for 2024, 2025, 2026 and 2027 across all indicators represent CBRE's opinion of the current/historic market situation and are based on the availability of information in the public domain, any changes to the current market situation may impact these forecasts. Several factors, such as global macroeconomic uncertainty, the geopolitical climate, pace of construction, and developer profile/execution capability, may have a significant impact on the forecast estimates mentioned above. Considering these risk factors, forecasts are likely to change with periodic reviews in line with the evolving situation.



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