

Intelligent Investment

India Office Market Outlook 2026

REPORT

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CBRE





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Foreword

We are pleased to present the **India Market Outlook 2026**, our premier market intelligence report delivering a distilled perspective on the nation's evolving real estate landscape. Anchored by data-driven rigour and institutional expertise, this publication aims to decipher the structural shifts and strategic trajectories defining the sector's current momentum.

India's economic landscape continues to be characterised by a resilient growth baseline and a disciplined fiscal framework, albeit increasingly tested by global volatility. While robust public capital expenditure sustains domestic momentum, systemic risks—particularly within energy markets—necessitate a calibrated outlook. In this environment, proactive trade diplomacy and strategic project de-risking could serve as vital buffers, providing the policy visibility essential for sustained investment.

The office sector is set to surpass the 1-billion-sq.-ft. threshold in 2026, driven by investment-grade supply and the expansion of GCCs into high-complexity R&D roles and product ownership. This multi-dimensional ecosystem is being redefined by a structural pivot towards AI-driven workforce strategies, where occupiers increasingly prioritise future-ready, high-performance environments to sustain long-term institutional growth.

Parallel to this, the industrial and logistics sectors are transitioning towards manufacturing-led growth and institutional-grade warehousing, bolstered by new-age automation and deepening in-city delivery networks. Simultaneously, the retail landscape is being reshaped by experiential flagship formats and destination malls, as investment-grade supply and high-street corridors drive the steady expansion of the organised footprint.

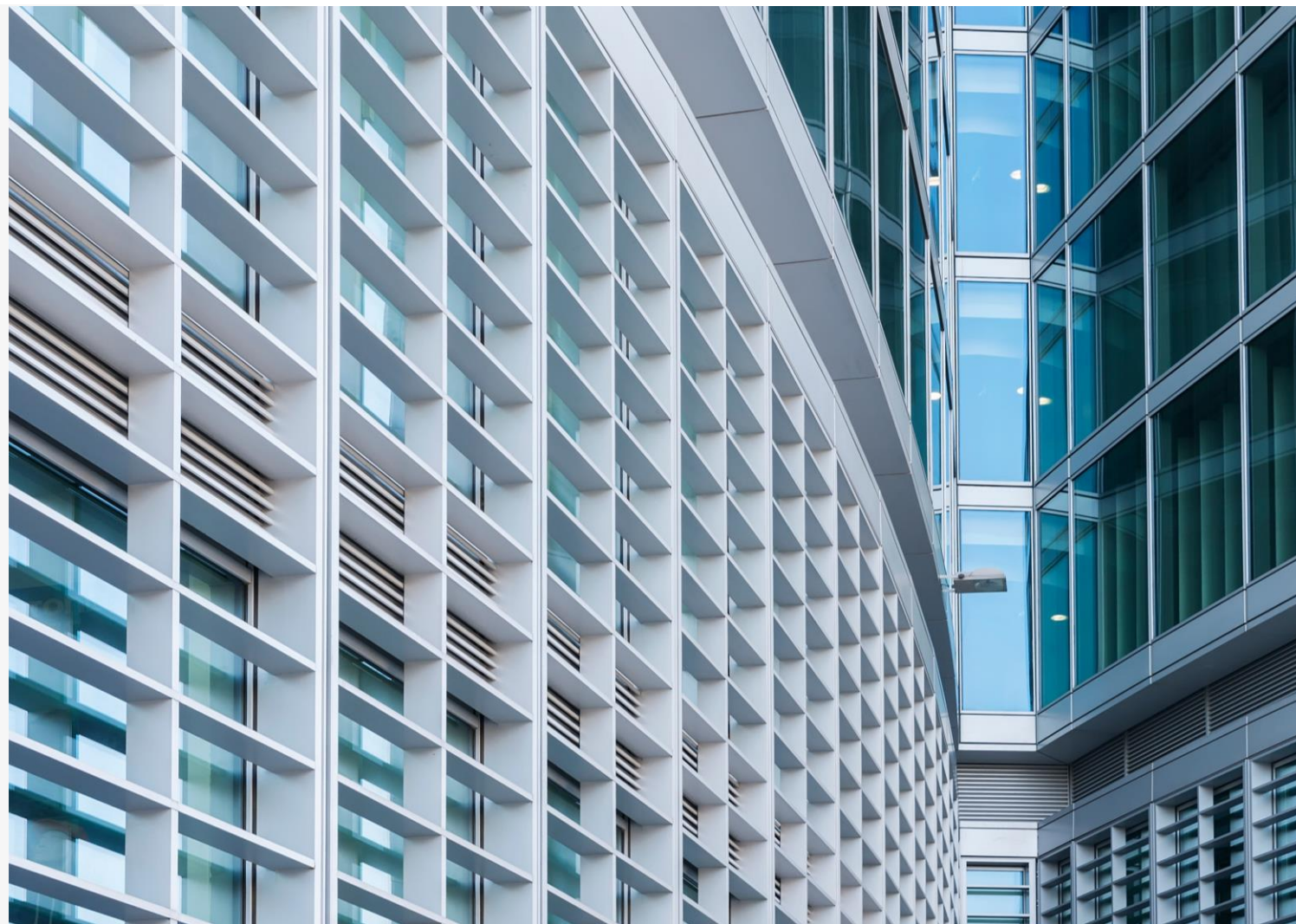
Notably, the residential sector is moving towards market equilibrium, led by premium demand and disciplined supply-demand parity. At the same time, structural REIT reforms and sustained investment momentum are accelerating institutional maturity, driving a resurgence in international capital and long-term equity inflows into India's real estate sector.

Collectively, these shifts underscore a market moving towards a sophisticated era of institutional-grade maturity. We trust this report will serve as a definitive framework for navigating the complexities of the 2026 landscape and informing your strategic capital objectives.

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Economy

India's 2026 economic outlook is characterised by a resilient growth baseline and maturing fiscal framework, though this stability is increasingly being tested by ongoing global geopolitical volatility. While nominal GDP is projected to expand by 10.5% this fiscal, supported by a firm public capex outlay of INR 12.2 lakh crore, external pressures—particularly in global energy markets—pose a primary systemic risk. In this context, the government's continued focus on proactive trade diplomacy to secure preferential access to economies representing nearly three-quarters of global GDP, alongside project de-risking via credit support, could provide a vital strategic buffer and the policy visibility essential for sustained investment across sectors.

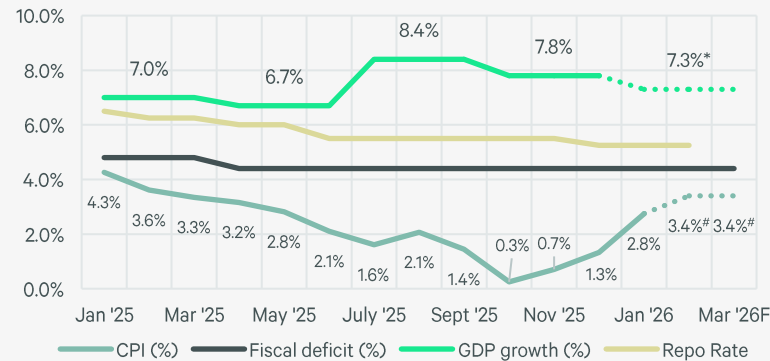
India's Economy in 2025: A Brief Revisit

Macro-stability: Sustaining momentum in a "Goldilocks" environment

India's economy in 2025 experienced a "Goldilocks moment"—a rare equilibrium of high growth and record-low inflation. Real GDP is estimated to have expanded by 7.4% in FY2026 (revised to 7.6% in February 2026)¹, catalysed by a 9.3% surge in the services sector² and 7.0% growth across manufacturing and construction³. This resilience persisted despite a volatile global backdrop and structural softness in the Indian rupee, which depreciated by ~4% during 2025. Although announcements linked to the U.S.-India trade deal briefly strengthened the INR to 90 against the USD in early February 2026, recent geopolitical tensions have since outweighed those gains, pushing the currency back towards the 92-level as of March 2026.

Another defining trend in 2025 was the easing of inflation. Consumer Price Index (CPI) inflation fell to a historic low of 0.25% in October 2025, averaging ~2.1% in FY2026⁴. This environment provided the Reserve Bank of India the necessary headroom to implement cumulative repo rate cuts of 125 basis points, reducing the rate to 5.25% by December—a level maintained through February 2026. Fiscal consolidation also remained on track; the fiscal deficit is estimated at 4.4% of GDP for FY2026⁵, while the current account deficit narrowed to 0.8% in the first half of the current fiscal⁶.

Figure 1.1: India's CPI, repo rate, fiscal deficit and GDP growth trends (January 2025-March 2026F)



Source: MoSPI, RBI, Union Budget 26-27, CBRE Research, Q1 2026

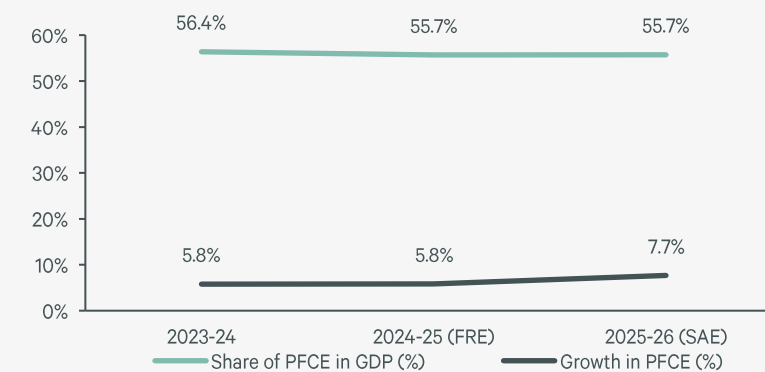
Source: 1. Reserve Bank of India's Monetary Policy Committee and NSO and MoSPI, February 2026, 2. April-September 2025 figures, Economic Survey 2025-26, January 2026, 3. Manufacturing and construction in the secondary sector have been estimated to achieve a growth rate of 7.0% at constant prices in FY2026, FAE, MoSPI, January 2026, 4. RBI MPC, February 2026, 5. Union Budget 2026-27, February 2026, 6. Economic Survey, January 2026, Note: India's CAD widened to 1.3% of GDP (USD 13.2 bn) in the October-December quarter of FY2026; 7. Union Budget 2025-26, February 2025, 8. The Ministry of Finance, September 2025; 9. Government's response in Rajya Sabha, February 2026, 10. Federation of Automobile Dealers Associations, January 2026 *Note: The Q4 figure (7.3%) is a derived estimate based on the average required to align with the FY26 real GDP projection of 7.6%; #Note: Feb/Mar CPI (3.4%) are derived estimates calculated to align with the Q4 CPI projection of 3.2%.

Rebound in domestic consumption aided by tax concessions

Domestic demand fuelled India's growth momentum in 2025, catalysed by the Union Budget 2025-26's landmark income tax reforms and the subsequent GST 2.0 rationalisation. By raising the effective zero-tax threshold to INR 12 lakh (inclusive of rebates), the government exempted nearly 10 million additional taxpayers, significantly boosting middle-class disposable income⁷. The GST 2.0 regime further amplified the impact in September 2025 by shifting a vast array of daily essentials and mass-market goods to the 5% slab (down from 12% and 18%)⁸. Consequently, the nation's private final consumption expenditure (PFCE) is projected to have expanded by 7.0% in FY2026, hitting 61.5% of GDP—the highest share since FY2012 (adjusted to 55.7%¹ following the February 2026 GDP rebasing to the 2022-23 base year, as reflected in Figure 1.2).

The resurgence in consumption was further supported by a recovery in rural demand, underpinned by a favourable monsoon and a 3.6% agricultural GVA growth⁹. High-frequency indicators reinforced this trend: UPI transactions reached INR 230 lakh crore during April-December 2025⁹, while two-wheeler sales in CY2025 touched 2.03 crore¹⁰, reflecting broad-based consumption momentum spanning both urban and rural markets.

Figure 1.2: India's PFCE trends (FY2024-FY2026F)



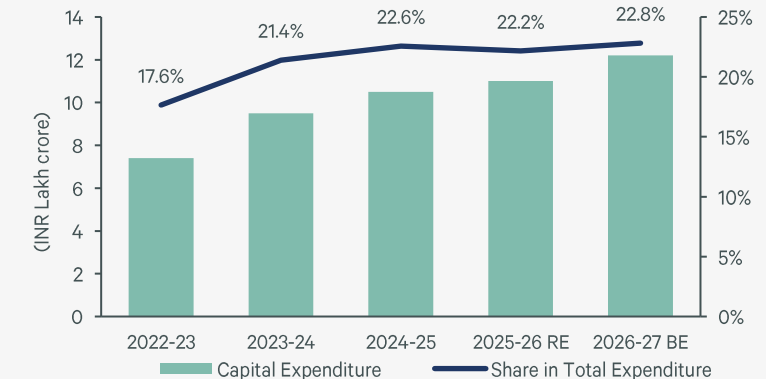
Source: MoSPI, CBRE Research, Q1 2026

Strategic infrastructure push through public capex

Throughout 2025, the government maintained a strong emphasis on capital expenditure to bridge investment gaps and modernise national infrastructure. The public capex outlay for FY2026 reached ~INR 11.2 lakh crore⁵, with funds directed towards the creation of productive assets.

This sustained capex push, representing nearly 3.1% of GDP⁵, served as a key catalyst for the construction sector's robust performance during the year. By enhancing multi-modal connectivity under the PM Gati Shakti framework, the government also aims to reduce logistics costs and incentivise greater private-sector participation across the manufacturing and warehousing sectors.

Figure 1.3: India's capex growth trends (FY2023-FY2026F)



Source: Budget 2026-27, CBRE Research, Q1 2026

Top Trends Expected to Shape India's Economic Trajectory in 2026

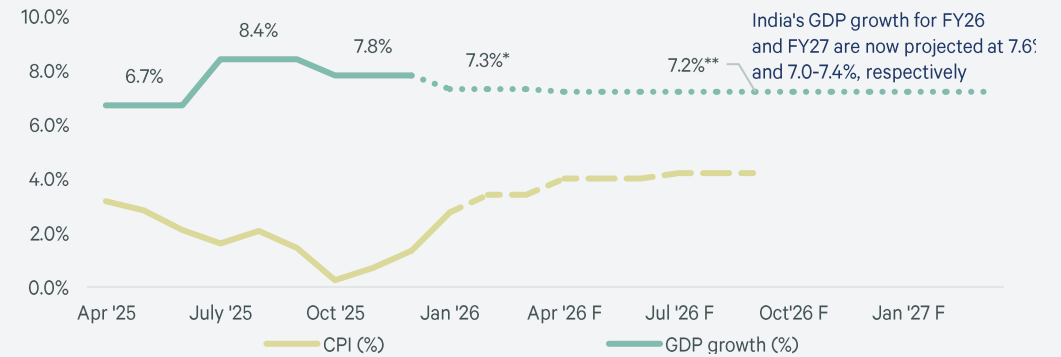
01 Fiscal prudence and the growth baseline

The Union Budget 2026-27 reinforces a trajectory of fiscal discipline, with FY2027 nominal GDP projected to grow by 10.5%¹. This outlook is supported by a strong near-term momentum, as real GDP growth reached 7.8% in Q3 FY2026 (refer to Figure 1.4), lifting the full-year estimate to 7.6%². Consequently, the real GDP growth baseline for FY2027 is now positioned at 7.0-7.4% range, surpassing initial Economic Survey projections of 6.8-7.2%³. In tandem, the RBI MPC (February 2026) adjusted its CPI inflation forecast to 4.0% for Q1 FY2027, reflecting a modest upward adjustment while remaining within the target band⁴. Central to this stability is the government's commitment to a 4.3% fiscal deficit target for the next financial year, with a further glide path to 3.8% by FY2028. This is further supported by a gradual decline in the central government's debt-to-GDP ratio, projected at 55.6% for FY2027 and a medium-term target of 50.0% by FY2031¹. This fiscal roadmap aims to reduce the sovereign interest burden, thereby securing the long-term capital necessary for sustained public infrastructure investment.

02 Strategic trade breakthroughs amidst heightened global uncertainties

India's 2026 economic outlook is shaped by a strategic expansion of its trade network, even as heightened geopolitical volatility weighs on the domestic growth trajectory. Renewed tensions in the Middle East—primarily involving Iran, Israel, and the U.S.—have reintroduced significant uncertainty into global energy markets^{###}. With roughly 20% of the world's oil and gas supply transiting the Strait of Hormuz, supply-chain disruptions remain a key systemic risk for India's energy-sensitive economy. Against these external pressures, the country's proactive trade diplomacy could emerge as a critical institutional buffer. The India-U.S. Interim Trade Agreement, ratified in February 2026, has successfully de-escalated bilateral frictions. Following a U.S. Supreme Court ruling that invalidated broad emergency tariffs, a subsequent Section 122 proclamation introduced a temporary 15% global import surcharge⁵; importantly, the framework preserves zero-duty treatment for USD 10.03 billion of identified Indian industrial exports⁶, providing essential policy predictability for key sectors, including textiles and electronics. This diplomatic momentum is mirrored globally. In January 2026, India concluded a landmark Free Trade Agreement with the EU-27, granting preferential access to 99% of shared trade value. Alongside the India-UK Comprehensive Economic Thoroughfare Agreement (slated for April 2026) and the Australia ECTA, these agreements potentially secure preferential market access to economies representing approximately 70% of global GDP⁷ (refer to Figure 1.5). India's investment landscape reflects these diverging forces of regional risk and structural opportunity. While the country's FDI inflows experienced notable volatility in 2025-26—largely driven by increased profit repatriation—foreign institutional investors (FIIs) recorded a net equity outflow of ~INR 1.6 lakh crore⁹. As global uncertainties continue to test market resilience, these treaty-based frameworks are expected to anchor investor sentiment by providing the policy visibility necessary for long-term capital commitments.

Figure 1.4: India's GDP and CPI inflation forecast (FY2026-FY2027F)

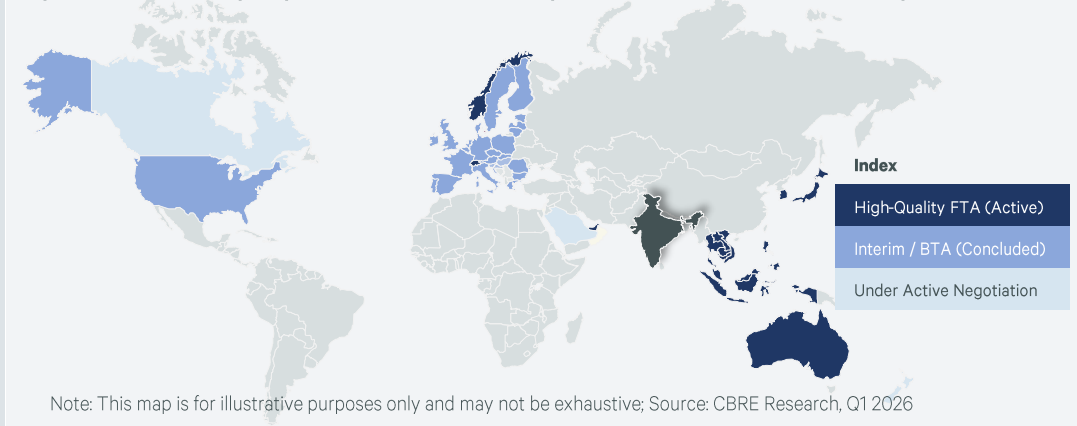


Source: NSO, MoSPI, and RBI MPC, CBRE Research, Q1 2026

*Note: The Q4 figure (7.3%) is a derived estimate based on the average required to align with the FY26 real GDP projection of 7.6%.

**Note: On 27 February 2026, India's Chief Economic Advisor revised the country's FY27 GDP growth forecast to 7.0-7.4% range. The 7.2% figure represents the average of that projection range. #Note: Feb/Mar CPI (3.4%) are derived estimates calculated to align with the Q4 CPI projection of 3.2%.

Figure 1.5: India's ongoing and recent trade deals give potential access to ~70% of global GDP



Note: This map is for illustrative purposes only and may not be exhaustive; Source: CBRE Research, Q1 2026

Source: 1. Union Budget 2026-27, February 2026; 2. NSO & MoSPI, February 2026 (under new measurement framework with base year revised to 2022-23); 3. Chief Economic Adviser, 27 February, 2026; 4. RBI MPC, February 2026; 5. After the U.S. Supreme Court invalidated previous emergency tariffs on 20 February 2026, the White House invoked Section 122. A 15% surcharge now serves as the baseline for non-exempt imports; 6. PIB, GoI, February 9, 2026; 7. Statement by India's commerce minister noting that the country has secured market access to 70% of global GDP, largely under zero-duty conditions. This follows the conclusion of nine FTAs in the last three years covering 38 countries—including the 27-nation EU, four-nation EFTA, UK, Australia, New Zealand, and the U.S.—alongside existing arrangements with the Japan, South Korea, and ASEAN nations. PIB, 12 February 2026; 8. The RBI Annual Report (May 2025) confirms that while gross FDI reached USD 81 bn in FY2025, net FDI was moderated by USD 51.5 bn in repatriation and disinvestment, characterising the phase as a sign of investment cycle maturity rather than a dilution of investment appeal; 9. NSDL, December 2025. ##Note: Global energy market conditions remain fluid amid evolving geopolitical developments in West Asia. Policy responses and transitional arrangements around crude supply chains—including temporary waivers for shipments already in transit—underscore the dynamic nature of energy security considerations and supply adjustments.

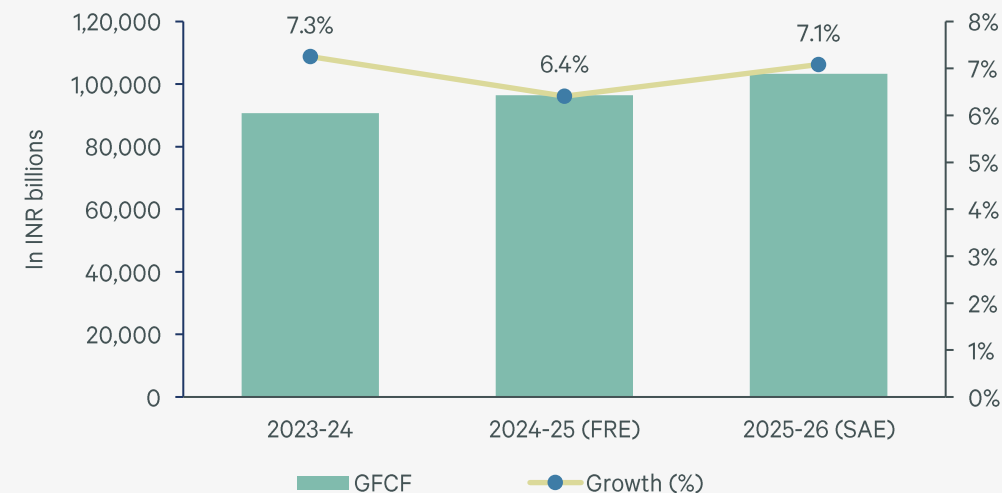
Top Trends Expected to Shape India's Economic Trajectory in 2026

03 Capex expansion: Urban integration and capital de-risking

The country's economic outlook continues to be fuelled by a sustained emphasis on infrastructure-led development, as reflected in the Union Budget 2026-27, which proposes an increase in public capital expenditure to ~INR 12.2 lakh crore, accounting for ~3.1% of GDP for FY2027¹. These allocations support initiatives such as lowering India's logistics costs and strengthening its economic corridors, including seven high-speed rail connections identified in the Budget. A pillar of this fiscal strategy is the City Economic Region (CER) framework, designed to harness the shared potential of linked urban centres through seamless infrastructure networks. This programme is supported by a proposed allocation of INR 5,000 crore per CER over five years via a reform-linked "challenge" mechanism. Furthermore, the Union Cabinet has approved an INR 1 lakh crore Urban Challenge Fund to catalyse investments through market-led financing, with central assistance covering up to 25% of project costs, contingent on mobilising private or alternative capital².

To further accelerate private sector participation, recent policy measures have also pivoted towards de-risking mechanisms and credit support structures, seeking to make projects more financially attractive and secure for private investors. Such initiatives align with a broader upward trend in macroeconomic data, which shows India's gross fixed capital formation (GFCF) grew by an estimated 7.1% in FY2026³ (refer to Figure 1.6). The momentum was bolstered by the previous Budget's (2025-26) provision of INR 1.5 lakh crore in 50-year interest-free loans to states—a long-tenor capital support scheme that expanded the capacity of state and local authorities to deliver infrastructure. By combining these established fiscal foundations with newer market-linked urban investment schemes, the government aims to create a more resilient, de-risked environment for large-scale capital deployment.

Figure 1.6: Increasing share of GFCF (FY2024-FY2026F)



Source: MoSPI, CBRE Research, Q1 2026

04 Stronger bank balance sheets and capital market deepening

India's financial sector enters 2026 with one of its strongest balance sheet positions in decades, supported by asset quality improvement and steady credit expansion. Gross non-performing assets (NPAs) were at multi-year lows of about 2.15% as of September 2025⁴, based on the RBI's stability assessments, while outstanding credit by scheduled commercial banks has increased by 14.5% Y-o-Y as of December 2025⁵. A visible shift underway is the greater use of market-based funding channels alongside traditional bank lending, helping in diversifying sources of capital for corporates and infrastructure projects.

Policy measures in the Union Budget 2026-27 also aim to deepen these markets; for instance, the introduction of Total Return Swaps (TRS) on corporate bonds facilitates institutional risk distribution and improves bond market liquidity. Further maturing the landscape, the Securities Market Code, 2025 (currently under Parliamentary Standing Committee review) seeks to consolidate fragmented legacy laws into a unified framework⁶. These structural reforms, alongside the proposed rationalisation of FEMA rules⁷, are intended to simplify cross-border capital flows and sustainably lower the cost of capital across the economy.

Source: 1. Union Budget 2026-27, February 2026. 2. PIB, February 2026; 3. NSO and MoSPI, February 2026; 4. RBI's Trends and Progress Report, December 2025. 5. Economic Survey 2025-26, January 2026. 6. The Securities Markets Code, 2025, following its introduction in December 2025, proposes to consolidate three legacy acts (SEBI Act 1992, SCRA 1956, and Depositories Act 1996) into a unified, principle-based framework. This "Super Code" is designed to enhance protection for India's over 12-crore unique investors and introduces a statutory Securities Market Ombudsperson with quasi-judicial powers to pass binding compensation awards, formalising the existing grievance redressal mechanism. 7. Recent RBI notifications, specifically the FEMA (Export and Import of Goods and Services) Regulations, 2026 and updates to the Non-Debt Instrument (NDI) framework, have transitioned foreign investment rules towards a principle-based regime. Key rationalisations include greater flexibility in valuation methodologies—moving away from rigid pricing caps towards internationally accepted standards—and eased requirements for downstream investments and reporting, aimed at reducing regulatory friction for inbound equity capital.

02

Office

India's commercial office sector enters 2026 on the back of yet another year of historic performance, reaffirming the depth and resilience of occupier demand. As the nation's office stock moves towards the 1-billion-sq.-ft. milestone—driven by the expansion of Grade A+ supply, integrated technology parks, and a rapidly evolving talent ecosystem—new questions are beginning to shape the next phase of growth. Will this momentum accelerate further? How will AI-driven shifts in the workforce and the rise of amenitised, high-performance workplaces redefine occupier expectations? And in what ways are global firms recalibrating their GCC strategies to unlock the next wave of value creation?

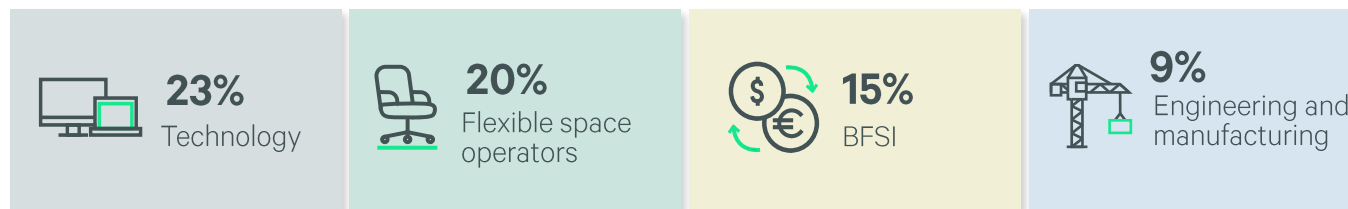
CBRE Research unpacks these dynamics, revealing how the country's talent strength, digital ecosystems, and next-generation office environments are reshaping the future of work.



Office Market Performance in 2025: A Brief Revisit

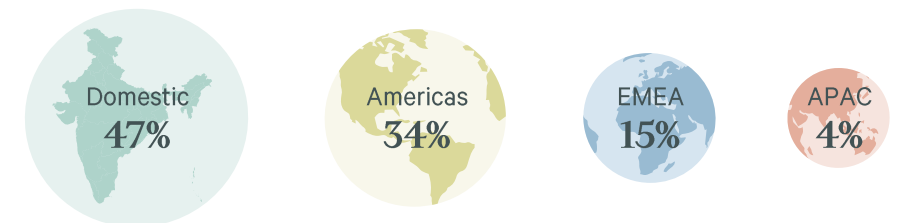
The strongest year ever for office leasing	New development completions hit an all-time high	GCC leasing maintains strong trajectory	Multi-sectoral demand underpins leasing activity	Strong domestic traction, sustained global interest
<p>India's office market delivered another year of standout performance in 2025, building on the strong momentum established in 2023 and 2024. Sustained occupier confidence, steady investment flows, and continued portfolio expansion by both global and domestic firms underpinned robust leasing activity. This momentum was further bolstered by a deep talent pool and the acceleration of digital transformation across industries.</p>	<p>Development completions also reached a historic peak in 2025, with new supply rising 10% Y-o-Y to 58.9 million sq. ft. These new development infusions were increasingly dominated by high-quality, experience-led assets, featuring superior design standards, more efficient floor plates, and enhanced amenity offerings aligned with occupiers' 'flight-to-quality' preferences.</p>	<p>India continued to be a major magnet for global capability centres (GCCs), driven by a deep, diverse and cost-efficient talent pool, a strong digital ecosystem, and access to high-quality office spaces. Leasing of GCCs by American occupiers witnessed a surge last year, driven by a structural shift towards high-value capabilities.</p>	<p>Technology firms led office absorption in 2025, accounting for 23% of total demand. Flexible space operators and BFSI occupiers followed closely, with these three sectors cumulatively contributing nearly 60% of overall space take-up.</p>	<p>Domestic occupiers remained a key demand driver in 2025; their leasing share grew year-over-year while maintaining momentum across diverse sectors. Leasing activity by domestic companies during the year was increasingly driven by business scale-ups, portfolio consolidation, and the rising adoption of flexible and managed workspace models. This sustained expansion by Indian companies helped mitigate global demand volatility and reinforced the structural resilience of the country's office market.</p>
<p>Annual office absorption rose to a record 83.1 million sq. ft., with Bengaluru, Mumbai, Delhi-NCR, and Hyderabad accounting for almost three-quarters of total leasing during the year.</p>	<p>Hyderabad, Bengaluru, Delhi-NCR, and Mumbai together contributed ~82% of completions during the year. As absorption outpaced supply across most markets, vacancy levels compressed further, supporting rental growth in select, high-demand micro-markets.</p> <p>Sustainability also remained central to new supply, with green-certified assets accounting for 87% of all new completions.</p>	<p>GCCs leased ~32.8 million sq. ft. across India's major office markets in 2025, underscoring the country's growing role as a core hub for global operations and transformation strategies.</p> <p>Bengaluru, Hyderabad, and Delhi-NCR accounted for 69% of GCC leasing in 2025. The BFSI (25%), technology (24%), and engineering & manufacturing (16%) segments drove demand, reflecting the widening mandate of GCCs.</p>	<p>Demand from E&M firms, research, consultancy and accounting companies, and life sciences occupiers remained steady, reinforcing the depth of non-technology office demand across major markets.</p> <p>Emerging segments such as aviation and telecommunications also recorded strong annualised growth, further broadening the range of occupier demand.</p>	

Figure 2.1: Prominent sectors driving office absorption in 2025



Source: CBRE Research, Q1 2026

Figure 2.2: Office leasing trends as per occupier domicile in 2025



Top Trends Expected to Shape India's Office Sector in 2026

01

Steady gains likely to propel office stock past the 1-billion-sq.-ft. milestone

India's office sector is expected to sustain its momentum in 2026, with total stock projected to surpass the 1-billion-sq.-ft. threshold during the year. This growth trajectory is expected to be underpinned by a robust pipeline of investment-grade developments and a structural shift in occupier priorities (refer to Figure 2.3 for office supply and absorption trends during 2022-2025).

1. Infusion of Grade A+ supply: The market is witnessing a decisive 'flight-to-quality', with Grade A+ developments setting new quality benchmarks for institutional assets.



Integrated ecosystems: Over 65% of new completions in 2026 are likely to be delivered within integrated tech parks across the top cities, reflecting developers' focus on amenitised, green-certified campuses.



Evolved baseline expectations: Asset safety and ESG compliance are set to remain baseline expectations for occupiers, prompting long-term strategies centred on embedding sustainability within asset design and operations.

2. Expansion into peripheral catchments: Persistent supply constraints in core business districts are steering occupier activity towards emerging non-core and peripheral micro-markets.



Supply concentration: Significant portion of the upcoming supply is concentrated in emerging micro-markets such as Expressway & Extended Golf Course Road in Delhi-NCR, NBD in Bengaluru, and Core Extended IT Corridor in Hyderabad.



Infrastructure catalysts: Improved transit connectivity and maturing social infrastructure in these emerging locations is anticipated to enable occupiers to decentralise their portfolios while maintaining access to deep talent pools.

3. Asset enhancement: As developers prepare for the structured monetisation of their portfolios and move towards REIT-readiness, they are likely to hone their focus on office asset upgrades.

~57%

of leasing activity in 2022-25 took place in green-certified assets that were less than 10 years old and part of integrated tech parks

~45%

of upcoming supply in 2026-27 is anticipated to be Grade A+

~65-68%

Share of projected supply in 2026-2027 within integrated tech parks compared to 54-58% in 2024-25

02

Sectoral demand and workforce shifts poised to support absorption

The sector is likely to witness steady absorption in 2026, supported by sustained occupier demand, evolving workforce strategies, and continued confidence in the country's resilient economy, infrastructure growth, and targeted policy support.



Hiring sentiment remains resilient: Recruitment intentions stay positive despite geopolitical volatility, supported by accelerated digital adoption and favourable business growth projections.

Steady hiring growth: Hiring intent for the year has risen by 100 bps Y-o-Y, pointing towards stable workforce growth across key sectors, including BFSI, manufacturing, and life sciences¹. Alongside adding headcount, firms are expected to prioritise smarter and more agile strategies for workforce transformation in 2026.

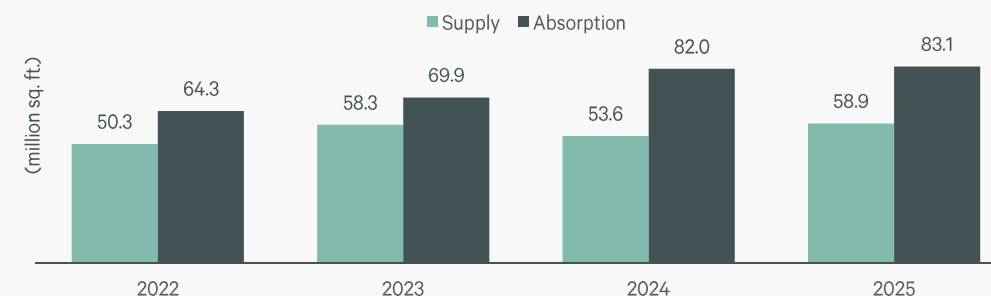
The AI specialisation pivot: The share of technology roles requiring AI exposure is projected to increase from 20% in 2025 to 31% by 2027². This growing shift towards AI-led specialisation and R&D is expected to influence office requirements, as firms increasingly seek high-spec workplace environments.



Upbeat expansionary sentiments

According to CBRE's [India Office Occupier Survey 2025](#), **nearly 72% of occupiers intend to expand their office portfolios over the next two years**. This expansion aligns with broader business growth trajectories, evolving employee preferences, and the increasing availability of high-quality office real estate across India's top cities.

Figure 2.3: India's office supply and gross absorption trends (2022-2025)



Source: CBRE Research, Q1 2026, 1. India decoding jobs report 2026, CII-Taggd, November 2025; 2. The tech talent landscape, Upgrad Recruit, January 2026

Top Trends Expected to Shape India's Office Sector in 2026

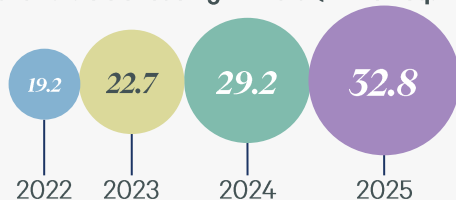
03 GCCs 2.0: Scaling with R&D and AI strategy

As global firms redesign operating models around digital transformation, automation, and risk management, India's position within global capability networks continues to strengthen. Building on the sustained momentum of recent years, GCCs are expected to expand further, albeit with a stronger focus on high-complexity roles in R&D and global product ownership. Notably, R&D-focussed GCCs have grown 1.3X faster than overall GCC set-ups in India since 2020, underscoring the accelerated expansion and shift towards higher-value work¹.

~39%

Share of leasing by GCCs in total office absorption in 2025

Figure 2.4: GCC leasing in India (million sq. ft.)



Multi-layered ecosystem

Established large GCCs are scaling and consolidating within core markets. Fortune 500 corporations, specifically, are anchoring large, campus-style mandates with integrated, multi-functional operations.

~41%

Fortune 500 companies' share in India's GCC leasing in 2025

Simultaneously, mid-market firms are expanding focused centres across FinTech, SaaS, digital engineering, and analytics domains. In parallel, specialised "nano" GCCs—comprising highly skilled teams—are establishing operations through new leases, often leveraging managed workspace formats to enable faster set-up and phased expansion.

Recent office leasing activity also reflects a balanced evolution in both scale and market distribution. Transactions exceeding 100,000 sq. ft. demonstrate the sustained commitment of mature enterprises that continue to deepen their presence. At the same time, steady momentum in the 20,000-100,000 sq. ft. segment highlights consistent participation from mid-sized players and first-time entrants.

Core sectors to sustain growth; emerging segments set to gain share

Technology GCCs are transitioning into product-first, AI-centric engineering ecosystems

A shift towards distributed talent models dispersed across multiple cities; evolution from scale-based delivery to capability-based value creation.

BFSI GCCs are becoming the strategic command centres for risk, analytics, and digital banking

These hubs are evolving into decision-enabling digital platforms, taking ownership of AI-based credit modelling, cyber-risk management, digital lending workflows, and enterprise modernisation.

Life sciences GCCs are evolving into high-complexity scientific and digital engines

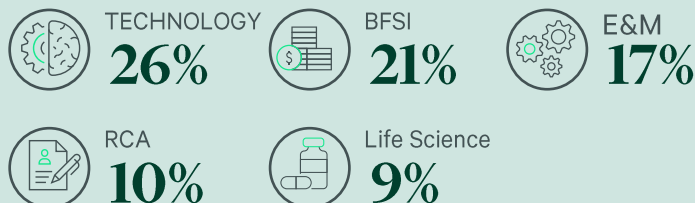
New operations expected to anchor core scientific, digital, and regulatory work, spanning real-world evidence and AI-enabled diagnostics.

Semiconductor and advanced manufacturing GCCs represent the strongest next-wave expansion

Increasing mandates in chip design, VLSI engineering, factory-automation platforms, robotics, and digital supply chain orchestration.

Emerging segments, including **semiconductors, aerospace, mobility technology, life sciences R&D, retail, and consulting-led analytics continue to scale within the GCC ecosystem.**

Figure 2.5: Sectors driving GCC growth (2022-2025)



U.S. GCCs likely to lead the market, global mix to deepen

While U.S.-headquartered firms remain dominant, growing participation from EMEA and APAC corporates is diversifying the sources of global investment, underpinning India's GCC demand. U.S.-origin tech and BFSI firms are poised to lead leasing activity, while EMEA-based demand is likely to be driven by the E&M and RCA sectors. Meanwhile, BFSI and E&M firms from the APAC region are expected to sustain their space take-up momentum.

	% share 2022*	% share 2023	% share 2024	% share 2025	% share 2022-25
Americas	76%	67%	64%	67%	68%
EMEA	22%	28%	30%	29%	28%
APAC	2%	5%	6%	4%	4%

*Annual GCC leasing share by domicile cohort

Continued preference for quality assets

GCCs are likely to maintain a clear preference for green-certified, tech park-based developments, particularly newer assets.

~69%

of GCC leasing activity in 2022-25 was concentrated in green-certified assets less than 10 years old within integrated tech parks².

~65%

of GCC occupiers expect to expand their portfolio by 10% or more by 2027²

~43%






of GCC occupiers would prefer to use 'fully private managed office spaces' as their top flexible space solution²

Source: 1. Zinnov-NASSCOM India GCC Landscape Report: The 5-Year Journey, September 2024; 2. CBRE's 2025 India Office Occupier Survey, September 2025; CBRE Research, Q1 2026

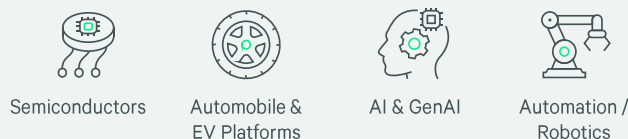
Top Trends Expected to Shape India's Office Sector in 2026

04 Broadening sectoral and geographic momentum expected to support leasing stability

India's office sector is well-positioned to benefit from broad-based diversification across industries and geographies, significantly bolstering its long-term resilience. This widening footprint is transforming the commercial landscape into a multi-dimensional ecosystem, where a diverse set of occupiers increasingly compete for premium, future-ready assets. From a sectoral perspective, core growth engines are entering a phase of accelerated scaling through 2026-28, supported by AI-led capital allocation, supply-chain diversification, and domestic infrastructure momentum.

Projections	Key enablers	Projections	Key enablers	Projections	Key enablers	Projections	Key enablers
 <p>Technology India's IT spending expected to reach USD 176 billion in 2026, up from USD 139 billion in 2024¹</p>	<ul style="list-style-type: none"> AI-enabled software investments Cloud+AI adoption driving enterprise tech spending 	 <p>BFSI Indian banking credit growth forecast: 12-14% through FY26-27²</p>	<ul style="list-style-type: none"> Supported by retail and MSME demand Investments in deep technology by global giants Digital lending, compliance, and analytics 	 <p>E&M Electrical equipment projected to add USD 76 billion by FY28; manufacturing nears USD 1 trillion in market size by FY26¹</p>	<ul style="list-style-type: none"> Backed by PLI schemes Technology integration into processes through R&D; design-led capabilities Diversifying supply chains 	 <p>Flexible Spaces Flex market projected to expand at ~13-15% CAGR through 2028³</p>	<ul style="list-style-type: none"> Core+Flex evolving into structured portfolio model for enterprises Supported by institutional capital and enterprise adoption
						 <p>Life Sciences Market sizes by 2030: Med-devices USD 50 billion, Biotech USD 300 billion, Pharma -USD 125 billion¹</p>	<ul style="list-style-type: none"> Policy support with strong export positioning and rising demand Innovation-led R&D and capabilities remain primary drivers of scaling

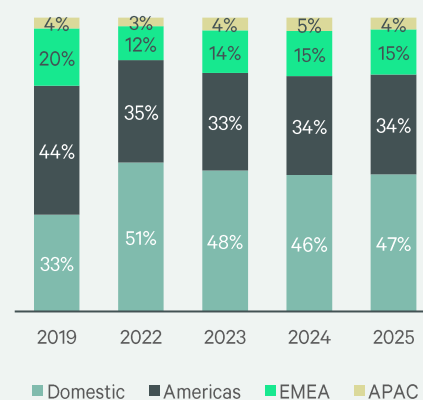
EMERGING DEMAND CATALYSTS



While core sectors continue to expand, a range of emerging industries are placing high-conviction bets on the country's long-term growth trajectory, driving a surge in office demand. As enterprises scale AI-driven functions such as data engineering, automation, and model development, demand is expected to shift towards high-quality, tech-enabled office environments capable of supporting these advanced, skill-intensive workflows—thereby sustaining the need for premium spaces in major hubs.

Capitalising on this shift, India's stable growth environment has strengthened business confidence amidst global realignments and tariff uncertainties. This has enabled start-ups and established firms to accelerate portfolio expansion, deepen digitalisation, and scale formal workplace strategies—a trajectory further reinforced by ease of doing business reforms, innovation-led manufacturing, and policy direction outlined in the Union Budget 2026–27.

Figure 2.6: Office absorption as per domicile



74% of leasing by global companies was concentrated in GCCs in 2025⁴

Global office demand is expected to remain anchored by GCC-led mandates—reflecting their ~70% share of leasing between 2022-2025⁵. At the same time, the ongoing expansion of domestic tech firms, well-capitalised flex platforms, and steady growth from Indian financial institutions is expected to sustain broad-based uptake across key markets.

85% of domestic firms plan to expand their portfolios by 10% or more by 2027⁴

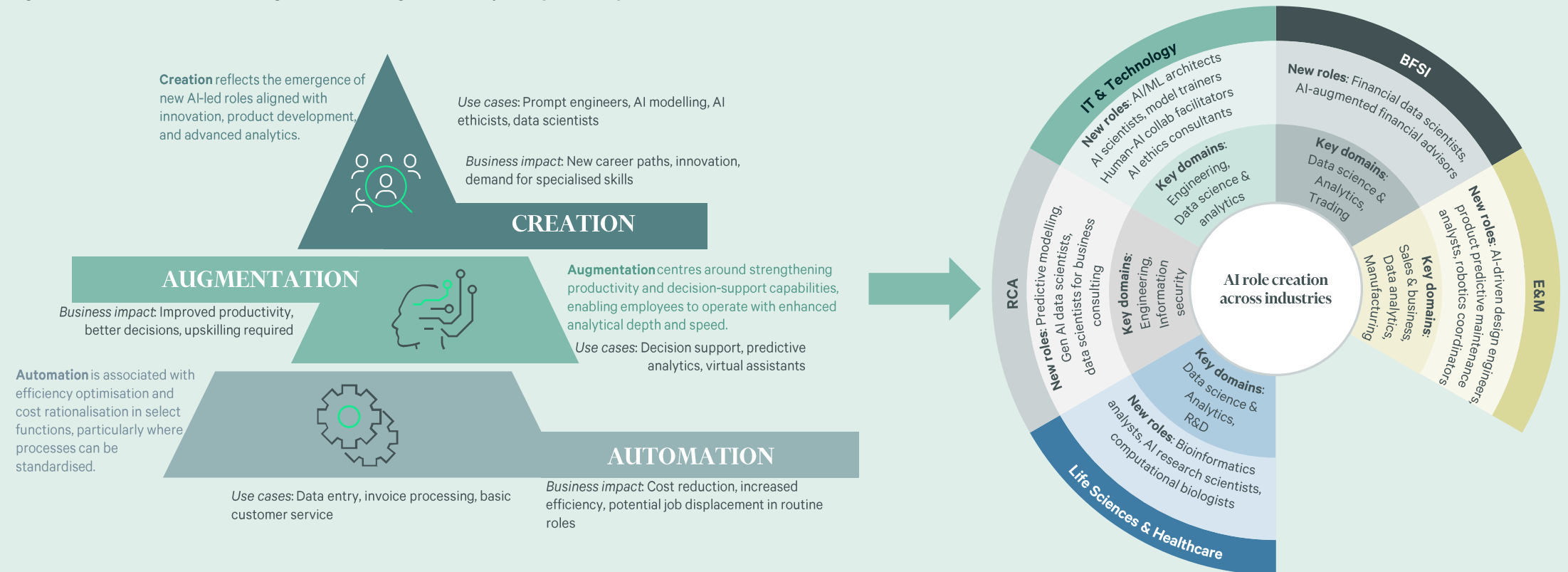
Source: 1. IBEF, December 2025; 2. Financial Stability Report, Reserve Bank of India, December 2025; 3. Mordor Intelligence, CBRE Research, Q1 2026; 4. CBRE's 2025 India Office Occupier Survey, September 2025; 5. CBRE Research, Q1 2026

Top Trends Expected to Shape India's Office Sector in 2026

05 AI workforce evolution

As companies pivot decisively towards AI-led growth, India's office demand is poised for a structural transformation as the workforce undergoes a fundamental shift. The corporate evolution towards a specialised workforce would herald the creation of new roles, the augmentation of existing work, and the complete automation of certain roles.

Figure 2.7: AI's workforce reconfiguration and segment-wise job impact analysis



Source: Naukri website accessed in December 2025; CBRE Research, Q1 2026

Top Trends Expected to Shape India's Office Sector in 2026

05

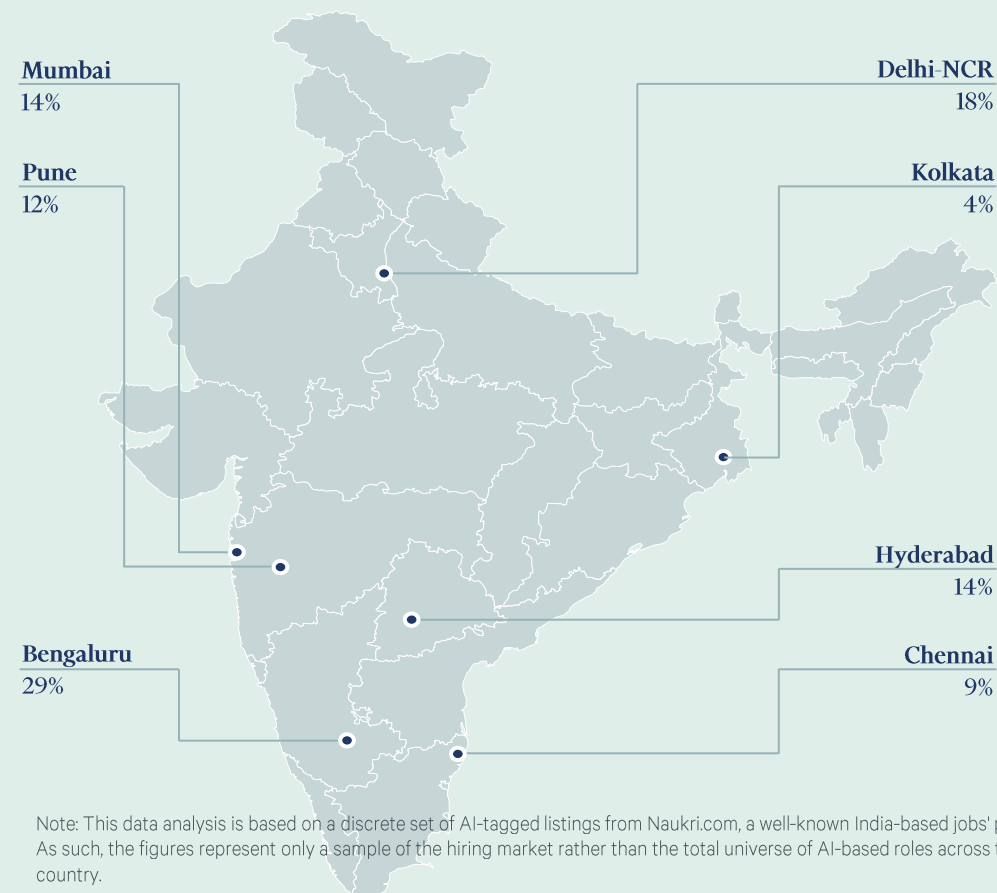
AI talent landscape: Geographic and functional concentration

As AI adoption scales across organisations, hiring patterns offer a clear signal of where capability is being developed. The concentration of open AI job listings across leading office markets underscores the continued dominance of established technology ecosystems. Cities with robust engineering talent pools, digital infrastructure, and significant enterprise presence continue to account for the majority of AI-related demand. This pattern suggests that as AI adoption deepens through 2026, these hubs are likely to retain their central role in hosting specialised digital talent.

Key takeaways from AI-job listings' analysis

- Bengaluru leads in terms of AI jobs in the Engineering and Data Science & Analytics domains, powered by its status as the premier hub for technology roles, particularly within GCCs.
- In Delhi-NCR, AI postings are most prevalent in Data Science & Analytics, while the highest proportion of AI jobs in Hyderabad are concentrated in the Engineering domain.
- Chennai and Pune are placed similarly in terms of the domains with open AI job listings, with the latter having a slight edge in the Engineering domain.
- Although currently limited, AI-related demand in Marketing & Communications and Consulting could expand as applications become more sophisticated and integrated.

Figure 2.8: City-wise split of AI-focused job listings across key cities



Note: This data analysis is based on a discrete set of AI-tagged listings from Naukri.com, a well-known India-based jobs' portal. As such, the figures represent only a sample of the hiring market rather than the total universe of AI-based roles across the country.

Source: Naukri website accessed in December 2025; CBRE Research, Q1 2026



Top Trends Expected to Shape India's Office Sector in 2026




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Reimagining workspaces for an AI-compatible workforce

As firms increasingly embed AI into their operations, the need to attract specialised talent, coupled with growing requirements for advanced computing environments, will drive a decisive 'flight to quality'.

This transition necessitates high-performance digital infrastructure, secure zones for model development and data handling, adaptable collaborative layouts, and expanded space allocation for specialised roles.

Evaluating AI's influence on critical office segments

GCCs	IT SERVICES / TECH FIRMS	AI FIRMS
 <ul style="list-style-type: none"> Expected to remain key to AI-driven hiring, boosting innovation and specialised skills. Likely to support demand in core office markets, strengthening scaled growth. 	 <ul style="list-style-type: none"> Anticipated to deepen AI integration across delivery and operating models. Expected to consolidate demand in established business districts through tech-led growth. 	 <ul style="list-style-type: none"> Smaller footprints but likely to form dense hubs of specialised talent. Expected to bolster AI capability within innovation-driven micro-markets.

AI integration: Assessing the structural impact on office real estate

High-performance Office Infrastructure	Specialised & Secure Zones	Evolving Space Metrics & Dynamics
Need for enhanced office infrastructure for robust connectivity, specialised hardware support, and the facilitation of edge data centres	Dedicated laboratory areas for model training and development, alongside secure spaces for teams handling large datasets and high-performance computing infrastructure that requires larger workspaces	Likely increase in allocated office space per person for specialised roles, adaptable layouts for quick reconfiguration, and prioritising design spaces that facilitate abstract and creative problem-solving

For office real estate, this transition signals a qualitative shift in demand. As functions become increasingly niche and collaboration-led, workforce concentration is poised to favour mature technology ecosystems characterised by strong talent availability, infrastructure readiness, and high-quality interactive settings.

The emphasis is likely to shift towards Grade A, tech-enabled assets that support cross-functional integration and innovation-led teams, rather than volume-driven headcount expansion. As AI implementation deepens through 2026, office demand is likely to remain anchored in digitally mature markets shaped by GCC scale, technology consolidation, and dedicated, AI-native growth.

Source: CBRE Research, Q1 2026

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