Intelligent Investment

India Market Monitor Q2 2025

Office

REPORT

CBRE RESEARCH

July 2025

Office

The office sector continued its strong momentum in Q2 2025, with steady absorption observed across key markets. Office leasing activity reached 20.3 million sq. ft. while new office supply of approximately 17.1 million sq. ft. became operational during the quarter. Space take-up by domestic corporates and global capability centres (GCCs) played a pivotal role in boosting office absorption across cities.

8%
Q-o-Q increase in office leasing in Q2 2025

73%
Cumulative share of Bengaluru, Mumbai, Pune, and Chennai in space take-up in Q2 2025

63%
Q-o-Q jump in supply in Q2 2025; 27% increase Y-o-Y

73%
Combined share of Pune, Bengaluru, and Hyderabad in supply addition in Q2 2025

26%
Share of leasing by Technology sector in Q2 2025; 25% share in H1 2025

36%
Share of leasing by GCCs in Q2 2025

The quarter witnessed rental growth across select micro-markets in cities, driven by sustained leasing activity, continued demand for high-quality investment-grade assets, and declining vacancy levels. In Q2 2025, quoted rentals* grew by 2-7% in Mumbai across select micro-markets such as Central Mumbai 1 & 2, BKC & BKC Periphery, and Western Suburbs 1; 2-7% in Delhi-NCR across DLF Cybercity, Golf Course Road, Main Noida and Expressway; 1-5% in Chennai in OMR Zone 1 & 3, PT Road, Ambattur, and GST Road; 1-2% in Pune in SBD-Kharadi, SBD–East & West; and 1-2% CBD, and EBD in Bengaluru.

*Note: The trend for transacted rentals may be in line with or diverge from quoted rentals for different assets depending on various factors such as asset quality, location, accessibility, age of the asset, space availability, etc.

Market Performance in Q2 2025

India Market Monitor

39.0 mn sq. ft.
Absorption in H1 2025

20.3 mn sq. ft.
Absorption in Q2 2025

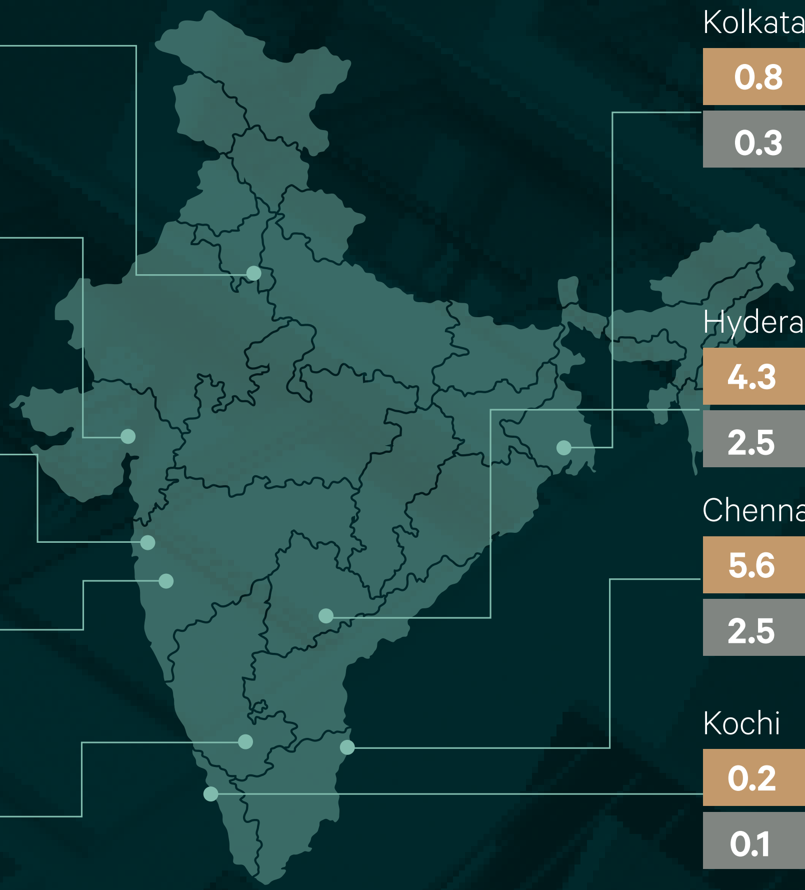
27.7 mn sq. ft.
Supply in H1 2025

17.1 mn sq. ft.
Supply in Q2 2025

Absorption (mn sq. ft.) in H1 2025 | Absorption (mn sq. ft.) in Q2 2025 | Supply (mn sq. ft.) in H1 2025 | Supply (mn sq. ft.) Q2 2025

Q2 2025 rental indicator arrows (Q-o-Q)
Increase | Stable | Decrease

City	Absorption (mn sq. ft.) in H1 2025	Absorption (mn sq. ft.) in Q2 2025	Supply (mn sq. ft.) in H1 2025	Supply (mn sq. ft.) Q2 2025	Q2 2025 rental indicator (Q-o-Q)
Delhi-NCR	6.1	2.2	3.8	1.4	Increase
Ahmedabad	0.5	0.2	0.7	0.7	Increase
Mumbai	6.6	3.7	0.9	0.6	Increase
Pune	4.4	3.0	9.3	6.2	Increase
Bengaluru	10.5	5.1	7.5	3.8	Increase
Kolkata	0.8	0.5	0.3	-	Stable
Hyderabad	4.3	2.5	2.5	2.5	Stable
Chennai	5.6	3.0	2.5	1.8	Increase
Kochi	0.2	0.1	0.1	0.1	Increase



Source: CBRE Research, Q2 2025
Please note that the numbers have been rounded off and might not add up to the exact total

OFFICE

Key sectors that drove leasing activity

Technology
26% share in **Q2 2025**

Banking, Financial Services & Insurance (BFSI)
21% share in **Q2 2025**

Flexible Space Operators
19% share in **Q2 2025**

Research, Consulting & Analytics (RCA)
8% share in **Q2 2025**

Engineering & Manufacturing (E&M)
5% share in **Q2 2025**

Aviation
4% share in **Q2 2025**

Life Sciences
3% share in **Q1 2025**

Regional share in leasing activity

Domestic corporates	American corporates	EMEA corporates	APAC corporates
52% share in Q2 2025	23% share in Q2 2025	21% share in Q2 2025	4% share in Q2 2025

Office Outlook

Building on the robust momentum of the past two years, India's office sector is set to maintain its growth trajectory through 2025, underpinned by strategic portfolio expansion by both domestic and global enterprises. Reinforcing the positive outlook, the sector continues to witness committed investments into completed and under-construction assets.

The January to June 2025 period (H1 2025) recorded robust office space absorption, largely driven by expansionary leasing from GCCs, domestic corporates, flexible space operators, BFSI players, and technology-led businesses. Looking ahead to the second half of 2025, the demand for quality spaces is expected to remain resilient as occupiers consolidate and scale their operations.

Core markets, including Bengaluru, Hyderabad, Delhi-NCR, and Mumbai, are poised to maintain their dominance in leasing activity. Simultaneously, cities such as Chennai and Pune are expected to continue gaining traction, underpinned by robust supply pipelines, deep talent pools, and occupiers' strategic intent to diversify beyond traditional gateway cities. This expansionary movement is also anticipated to extend into tier-II cities as occupiers seek strategic growth opportunities.

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