

Q2 2025

QUARTERLY REPORT

India Office | Q2 CY'25

Executive Summary

India's office market vacancy rate declined by 210 bps between CY'24 and CY'25, supported by a favorable demand of 34.5 msf in H1 CY'25 and 17.3 msf in Q2 CY'25, with average demand-to-supply ratio of 1.3X over the last six quarters. The resilience of the market has been underpinned by strong domestic demand, ongoing expansion by Global Capability Centers (GCCs), and a continued shift towards flexible work models, which together have sustained robust absorption across Bengaluru, MMR, Delhi-NCR and Hyderabad.

Occupier demand drivers remained broad-based, with key sectors contributing significantly:

- **IT/ITeS:** 24%
- **BFSI:** 20%
- **Co-working:** 19%, Noteworthy trend - Hyderabad contributed 29% to this co-working demand in Q2 2025.

H1 CY'25 witnessed the addition of 28.8 msf of new office stock, with Pune contributing nearly 30% of new supply during the period. Looking ahead, Hyderabad is on course to surpass Mumbai Metropolitan Region (MMR) in total office stock by the next quarter, reaffirming both markets' roles as India's key supply powerhouses.

Vacancy and Rental Trends

Despite the significant influx of new supply, the demand-to-supply balance remained favorable, resulting in further compression of vacancy levels across prime hubs - Bengaluru, Chennai, and MMR.

- Pan-India weighted average rentals climbed to ₹90.7 per sq ft per month, reflecting healthy annualized growth.
- The Delta (spread between passing rent and market rent) rose to 19%, reinforcing India's positioning as a **Landlord's Market**.

Outlook

The outlook for the remainder of 2025 remains robust, with a strong pipeline of quality supply scheduled across Tier-1 cities. Importantly, healthy levels of pre-commitment leasing, supported by low vacancy, are expected to provide stability and ensure sustained market momentum.

Key Takeaways

1.2X

Demand to Supply Ratio
in H1 CY'25



20%

Avg. Quarterly Demand in H1 CY'25 (17.2 msf)
vs Avg. Quarterly Demand in CY'24 (21.7 msf)



4.7%

Rise in Market rents
in Q2 CY'25, vs Q1 CY'25

Pan India

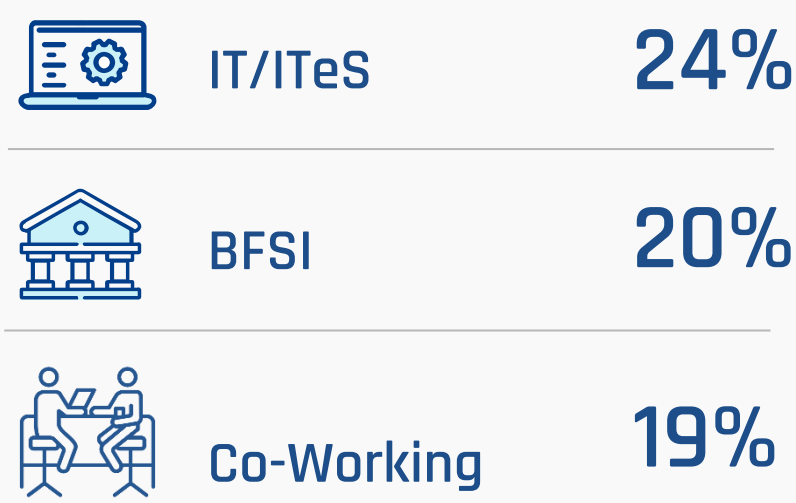
Grade A Fundamentals

H1 CY'25 Demand (msf)	34.5
H1 CY'25 Supply (msf)	28.8
Current Grade A Stock (msf)	987.9
Vacancy	14.7%
Under-Construction (msf)	324.0*

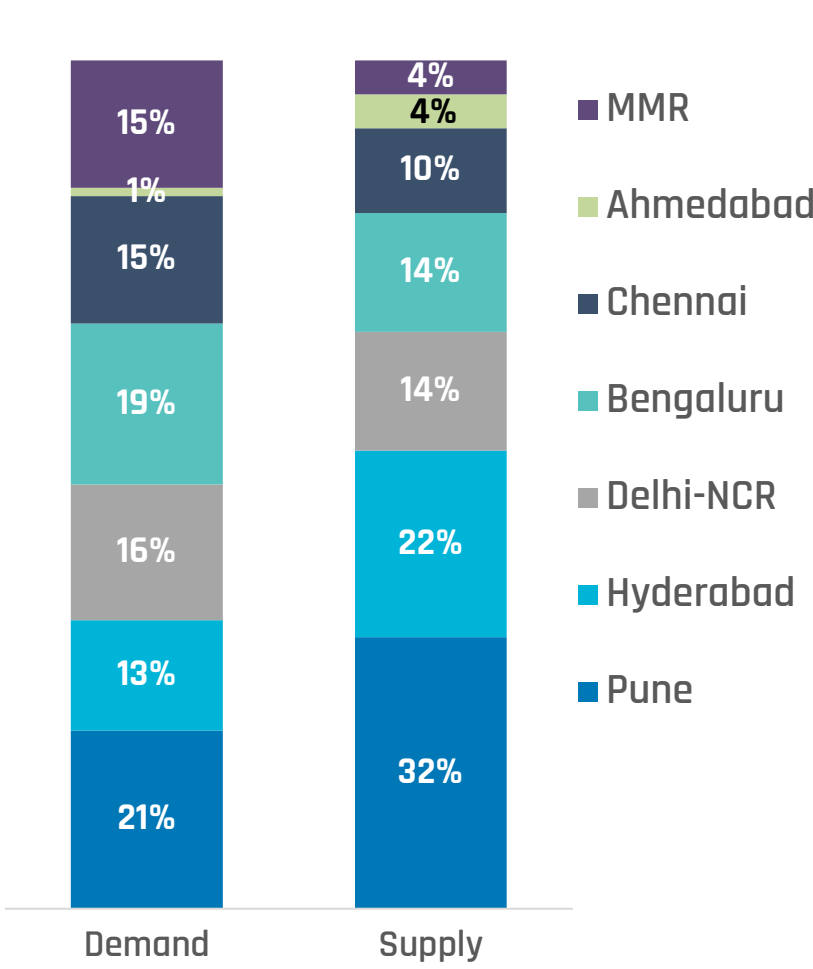
*till CY'27

Office Demand Contributors

in Q2 CY'25



Q2 CY'25 City Snapshot



City-wise Highlights

Pune & Bengaluru

Contributed

40% To Q2 CY'25 Demand

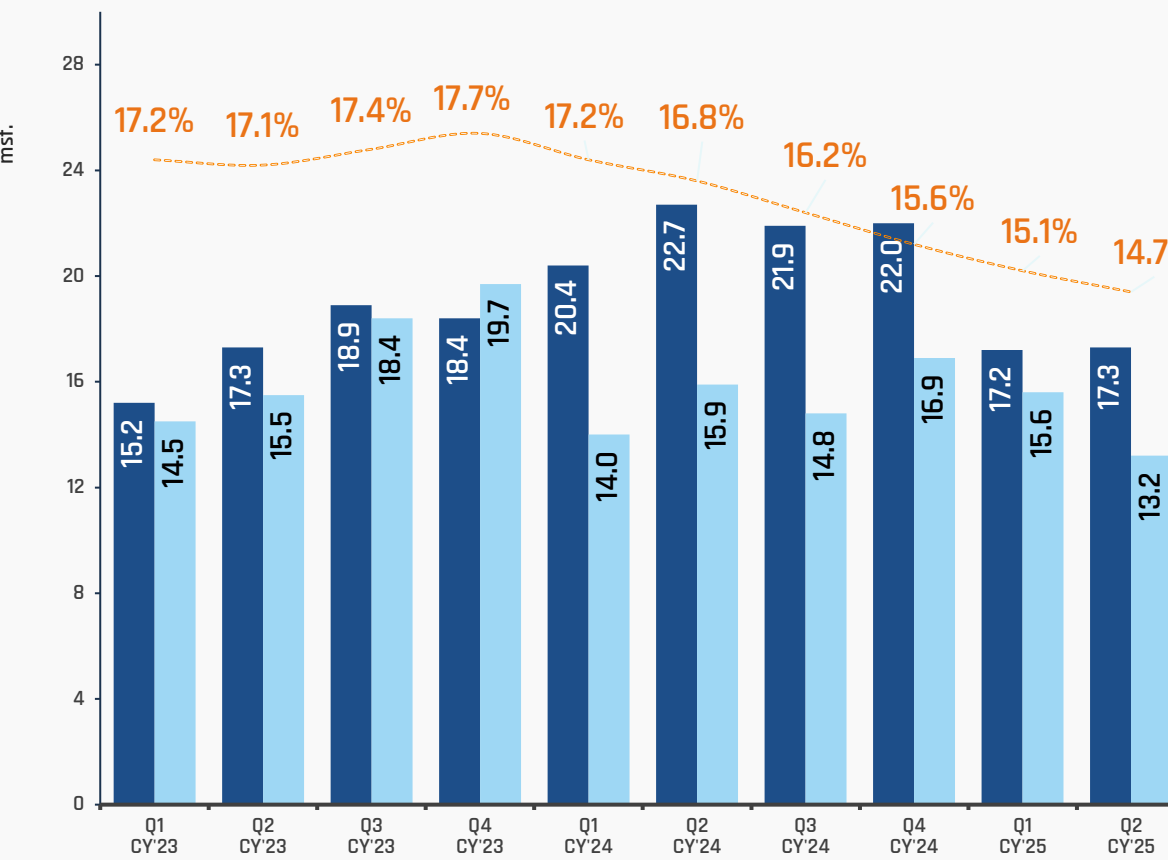
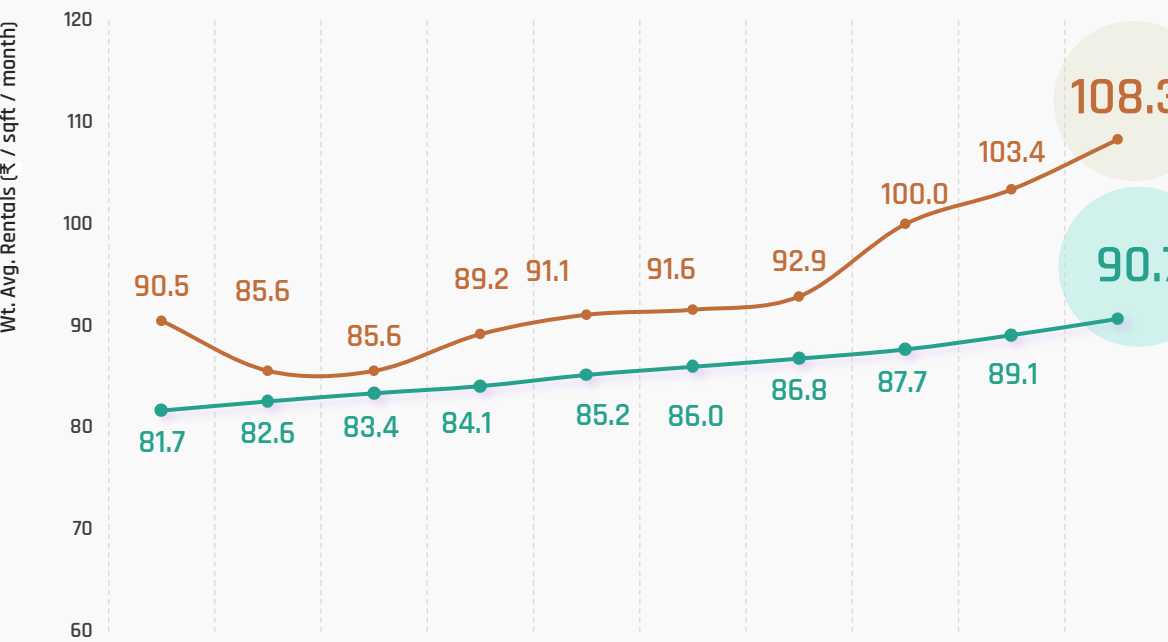
Pune & Hyderabad

Contributed

54% To Q2 CY'25 Supply

Market Trends

Demand Supply Vacancy Passing Rent* Market Rent^



Note

* Passing Rent = Wt. Avg. rent paid by all active tenants as of that date in the region
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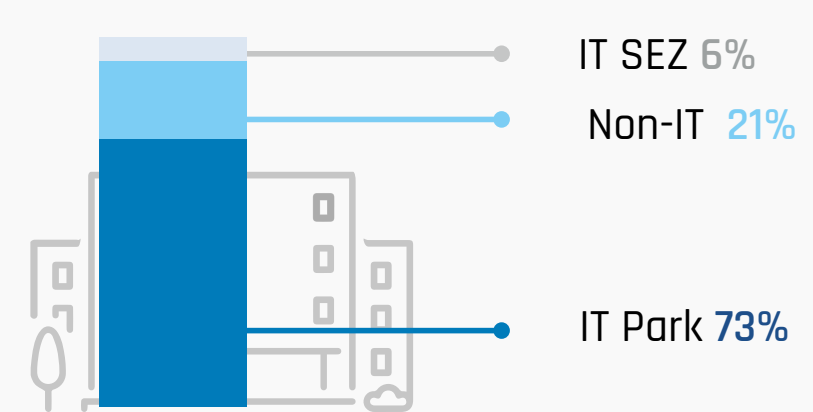
Bengaluru

Grade A Fundamentals

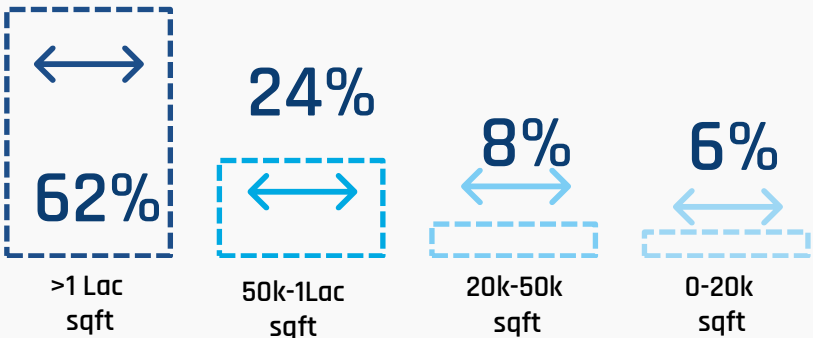
H1 CY'25 Demand (msf)	5.7
H1 CY'25 Supply (msf)	6.1
Current Grade A Stock (msf)	253.5
Vacancy	10.0%
Under-Construction (msf)	91.2

*till CY'27

Upcoming Supply 2025:



Office Transaction Size



Major Office Transactions

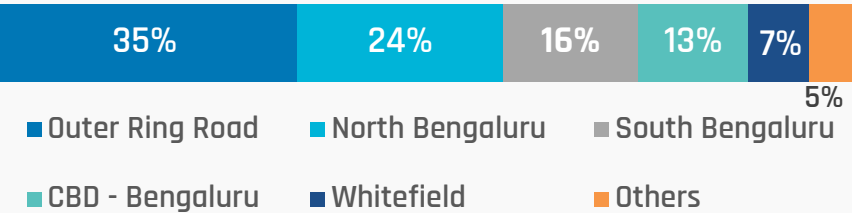
Apple India , Embassy Zenith
2,68,737 sqft | ₹235 psf

ANSR , Manyata Embassy Business Park
1,30,479 sqft | ₹106 psf

TVS Motor, Focus Towers
1,27,104 sqft | ₹68.5 psf

Indiqube Spaces, Shilpitha Tech Park
88,773 sqft | ₹63.3 psf

Top Markets by Demand



Demand to Supply Ratio

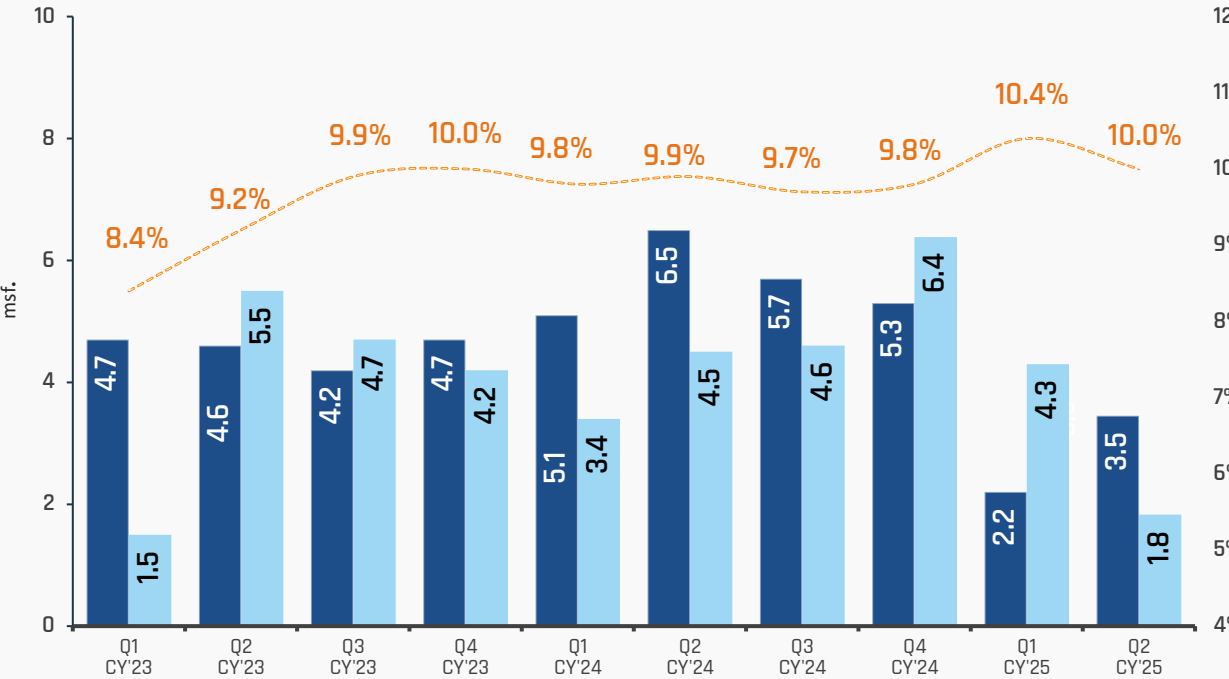
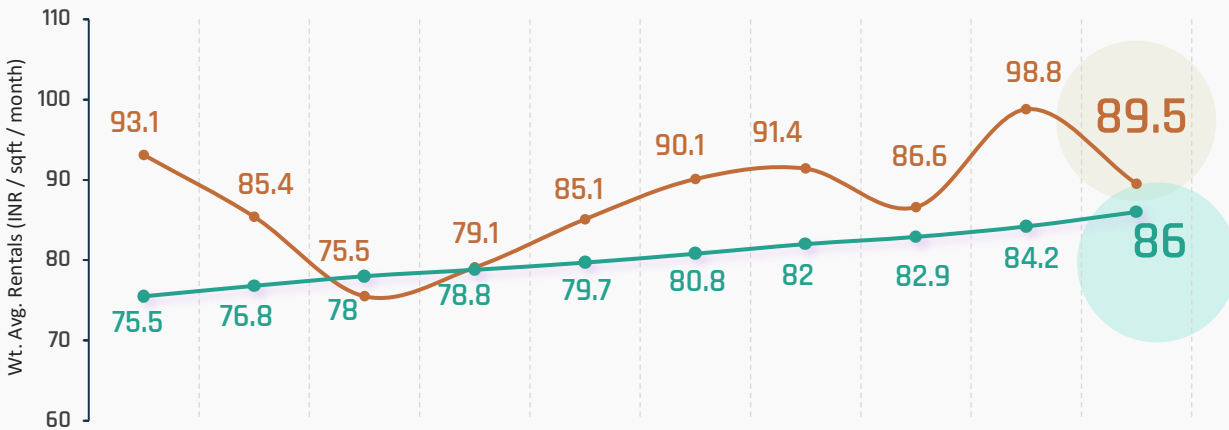
1.9x
Q2 CY'25

Demand Q2 CY'25

59%
vs Q1 CY'25

Market Trends

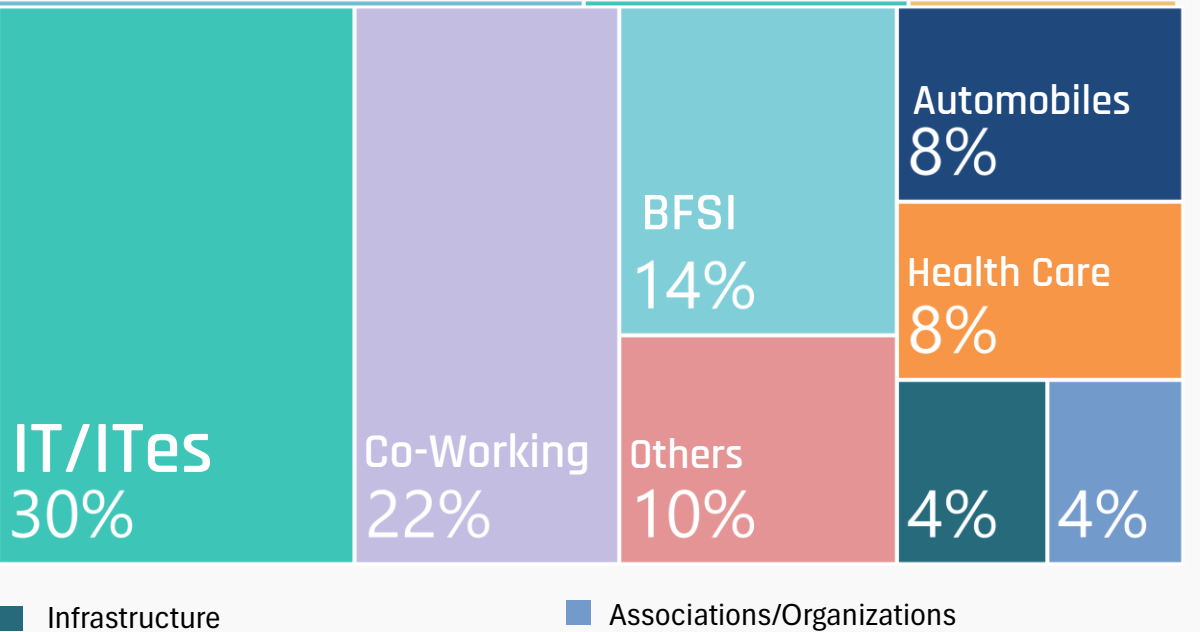
Demand Supply Vacancy Passing Rent* Market Rent^



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Demand by Sector

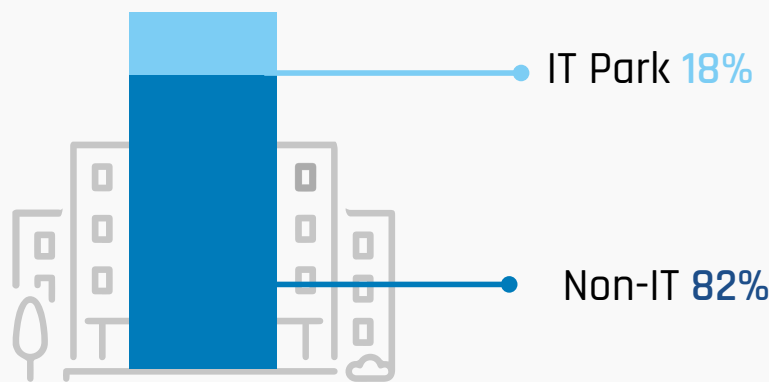


Grade A Fundamentals

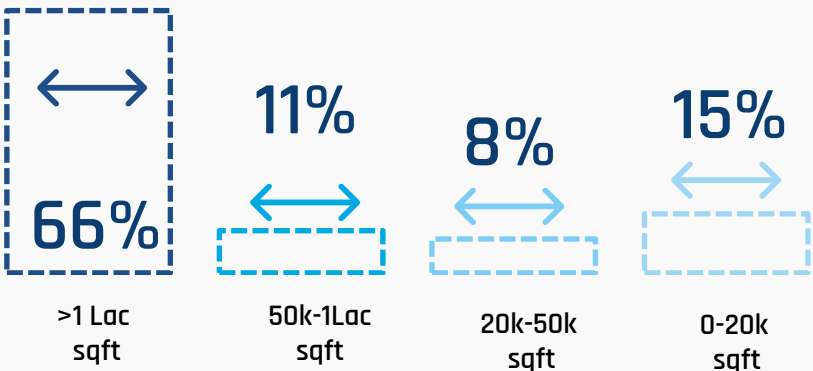
H1 CY'25 Demand (msf)	4.9
H1 CY'25 Supply (msf)	4.5
Current Grade A Stock (msf)	188.8
Vacancy	20.8%
Under-Construction (msf)	57.1

*till CY'27

Upcoming Supply 2025:



Office Transaction Size



Major Office Transactions

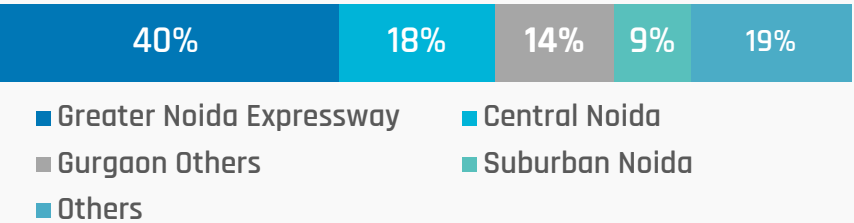
Incedo Technology Solutions,
ITPG International Tech Park Gurgaon
2,90,540 sqft | ₹76.4 psf

Optum Global Solutions India, Oxygen
Boulevard (Oxygen Business Park - Phase 1)
88,312 sqft | ₹52.8 psf

Genpact, Pegasus 2
75,000 sqft | ₹42 psf

Red Brick, AIPL Masterpiece
37,542 sqft | ₹175 psf

Top Markets by Demand



Demand to Supply Ratio

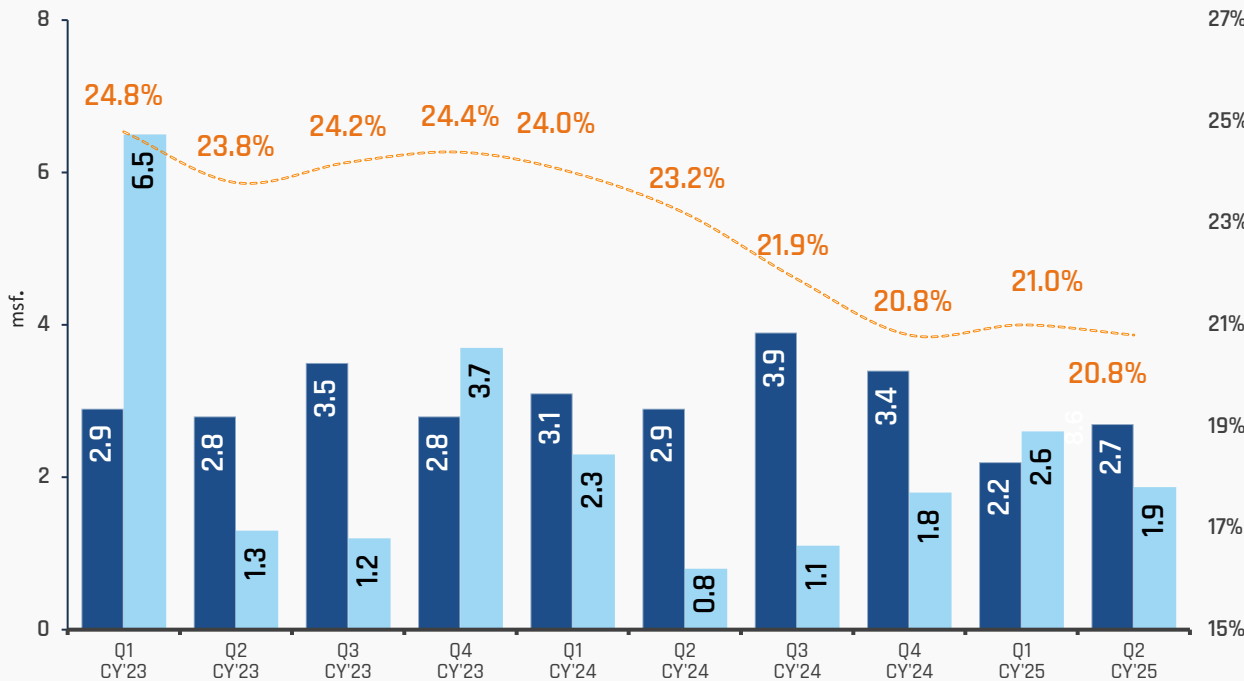
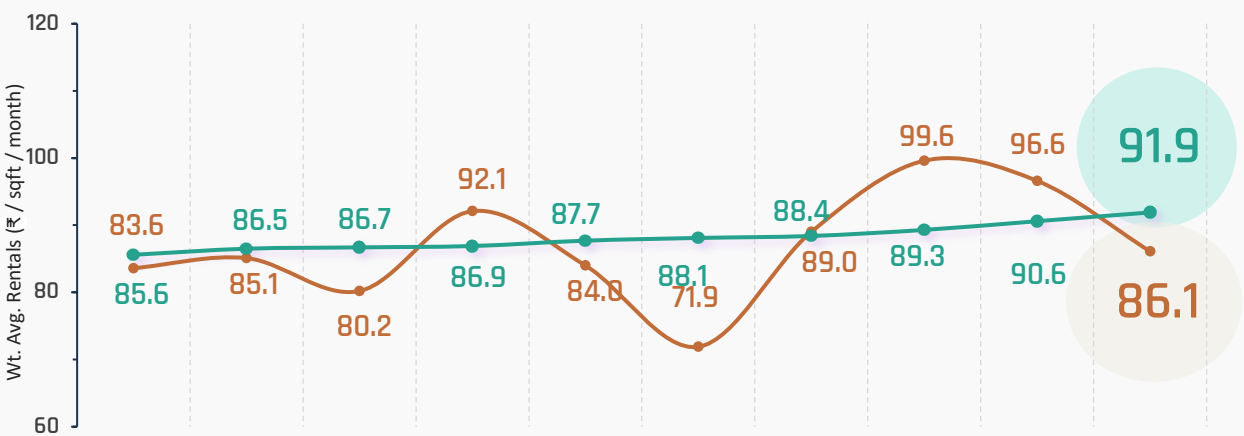


Demand Q2 CY'25



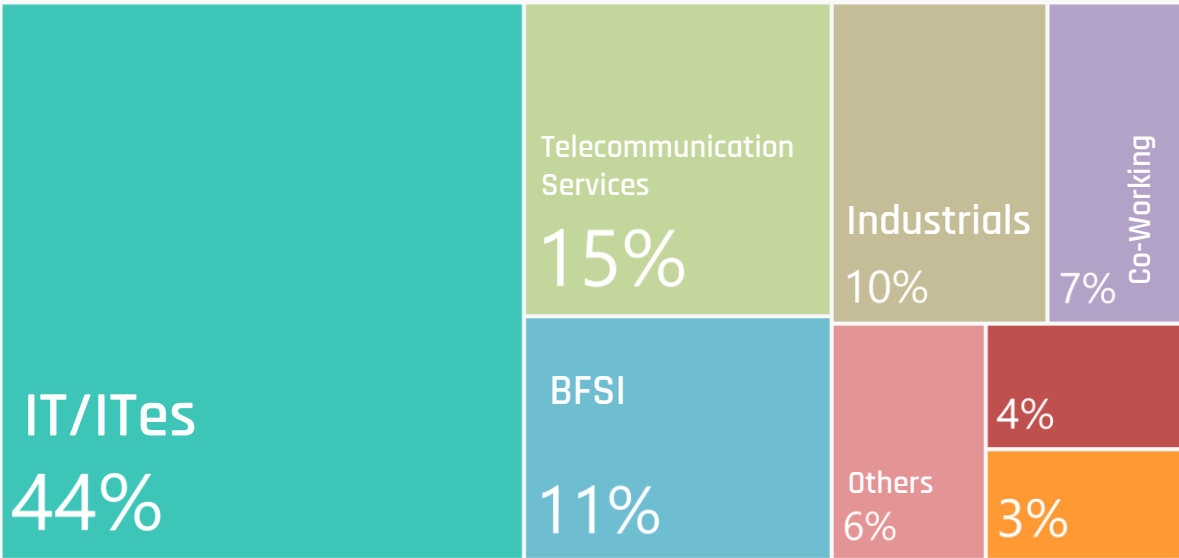
Market Trends

Demand Supply Vacancy Passing Rent* Market Rent^



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Demand by Sector

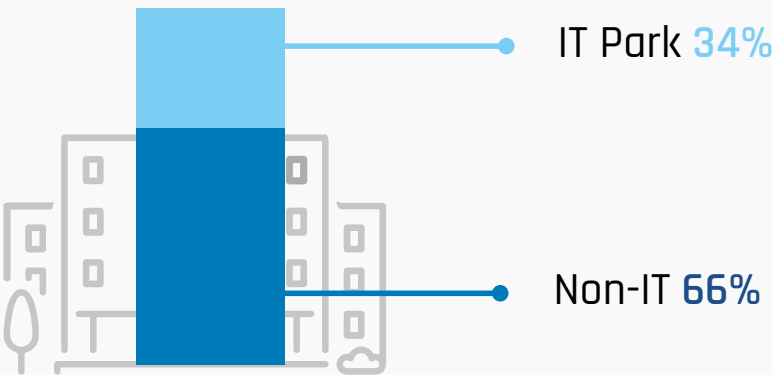


Grade A Fundamentals

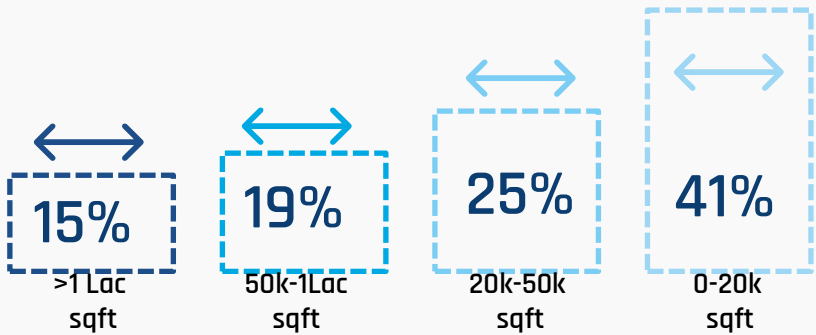
H1 CY'25 Demand (msf)	7.4
H1 CY'25 Supply (msf)	2.8
Current Grade A Stock (msf)	161.9
Vacancy	11.9%
Under-Construction (msf)	42.4

*till CY'27

Upcoming Supply 2025:



Office Transaction Size



Major Office Transactions

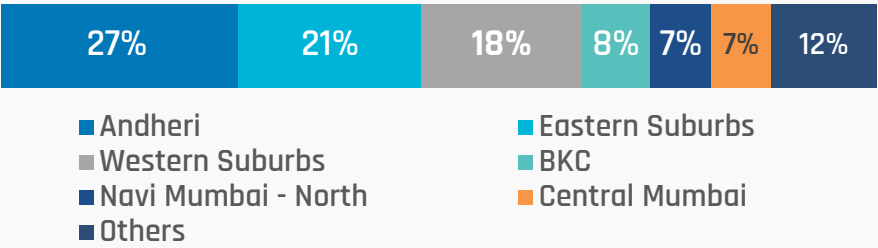
Blackrock Services India, Commerz III
1,54,327 sqft | ₹173 psf

Tablespace, Commerz III
1,41,368 sqft | ₹164.5 psf

Eternal, R Square (Andheri)
84,157 sqft | ₹160 psf

Raise Securities, 63 Goldmedal Avenue
77,529 sqft | ₹156.2 psf

Top Markets by Demand



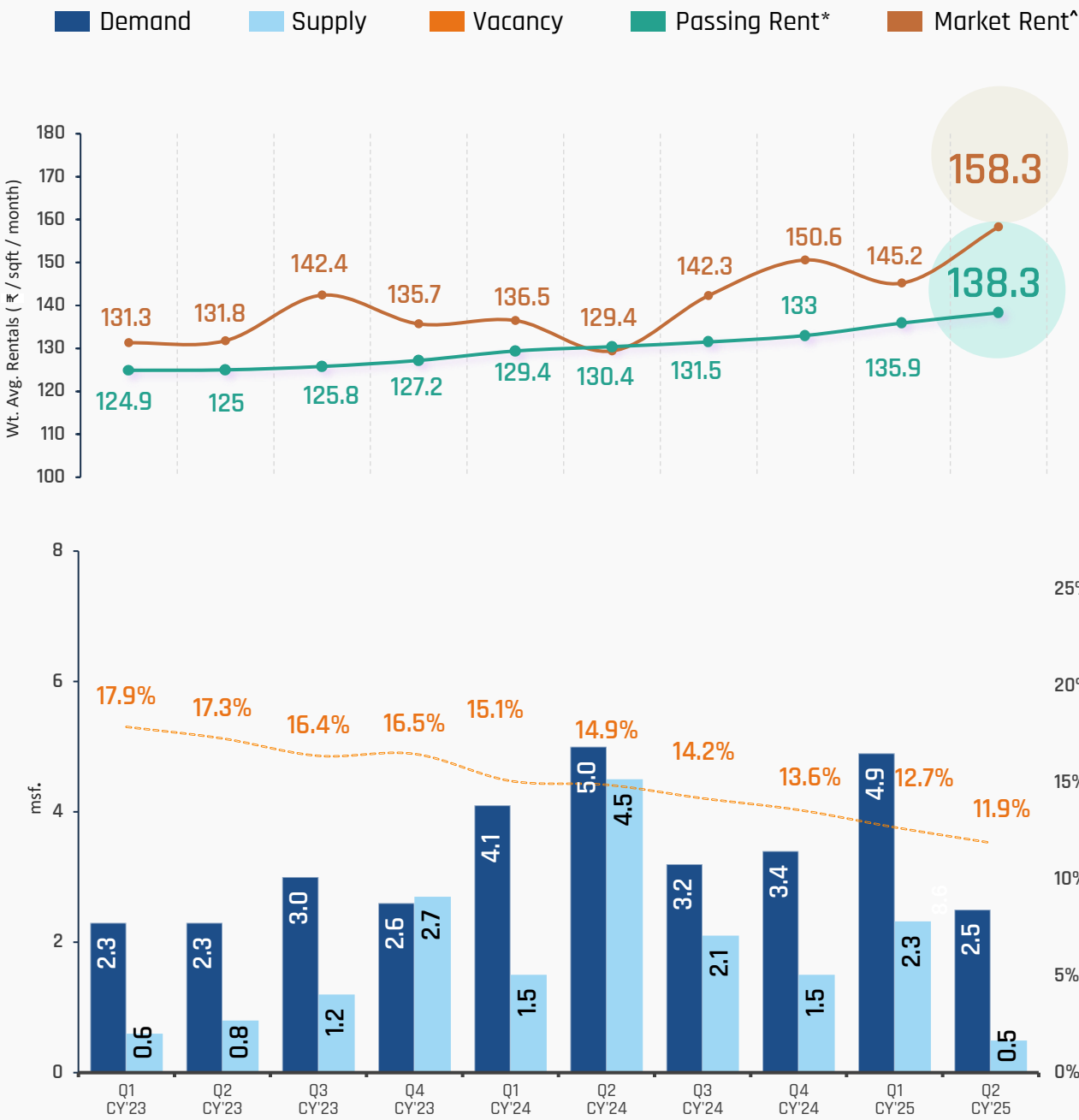
Landlord's Market: Market Rent



Demand to Supply Ratio



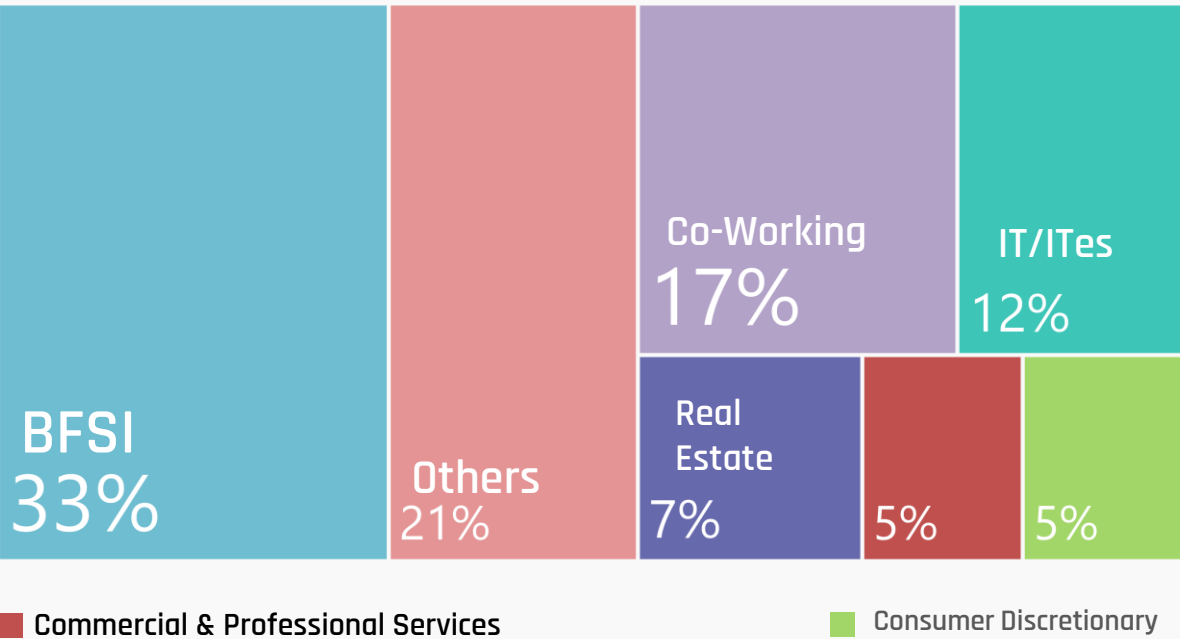
Market Trends



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Demand by Sector



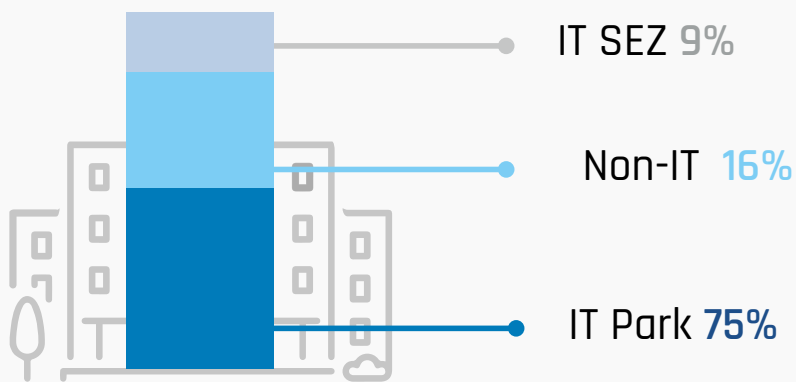
Hyderabad

Grade A Fundamentals

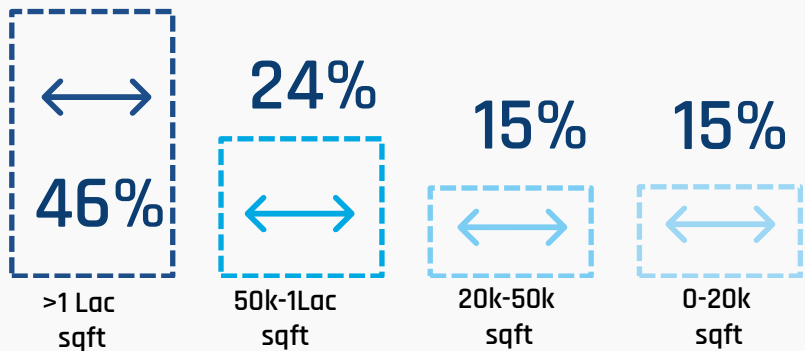
H1 CY'25 Demand (msf)	4.5
H1 CY'25 Supply (msf)	4.4
Current Grade A Stock (msf)	159.7
Vacancy	22.9%
Under-Construction (msf)	73.0

*till CY'27

Upcoming Supply 2025:



Office Transaction Size



Major Office Transactions

Tablespace, Phoenix Centaurus
2,64,824 sqft | ₹67 psf

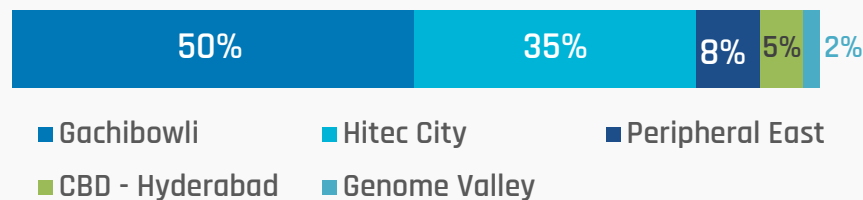
ABB Group, Commerzone Nacharam
1,34,214 sqft | ₹46.5[#] psf

[#]Effective Rent

Goodyear Technology Centre India, Mindspace
73,483 sqft | ₹90 psf

Epam Systems India, Gowra Palladium
67,190 sqft | ₹80.5 psf

Top Markets by Demand



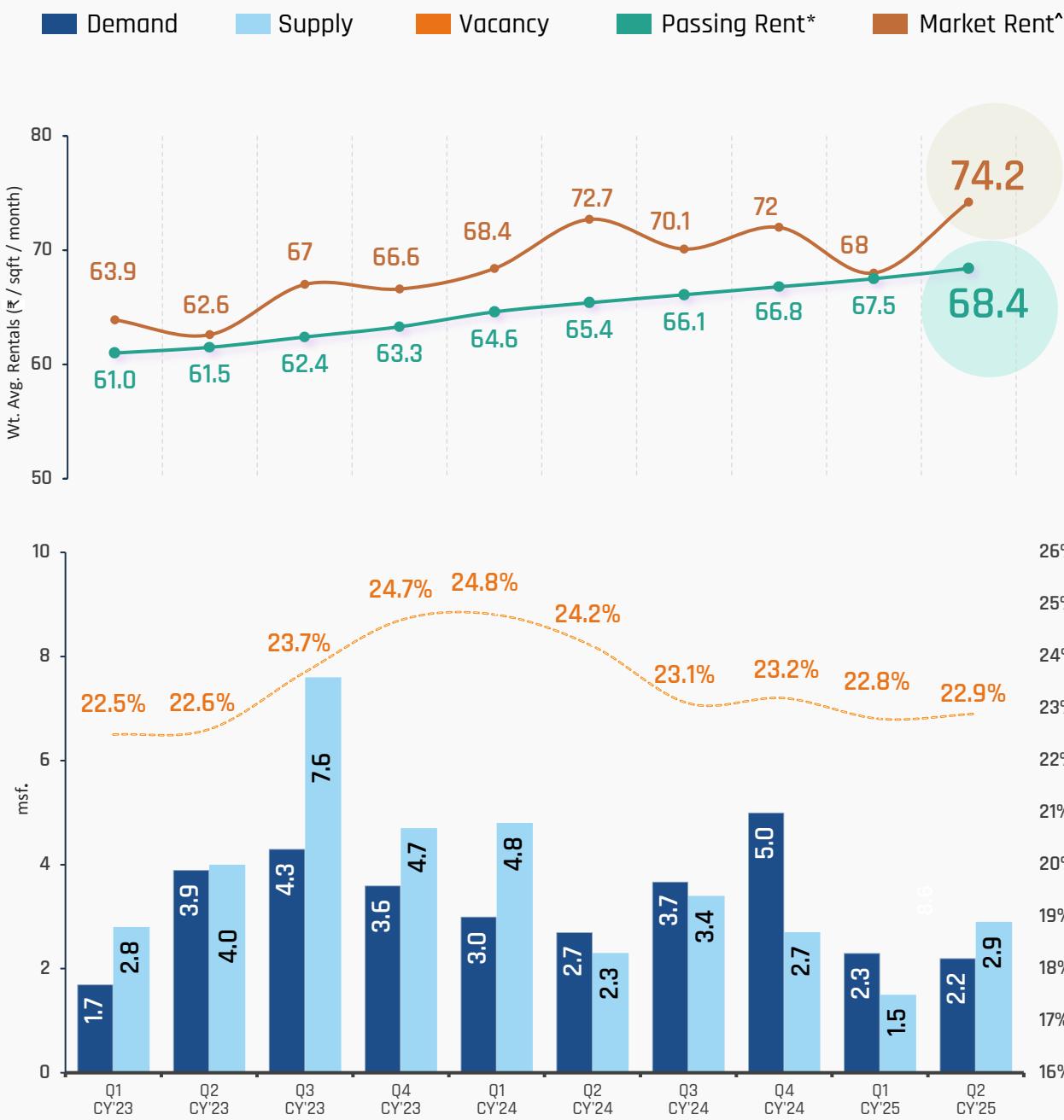
Q2 CY'25 Supply

26%
Vs Q2 CY'24

Q2 CY'25 Demand Share

43%
Co-Working

Market Trends

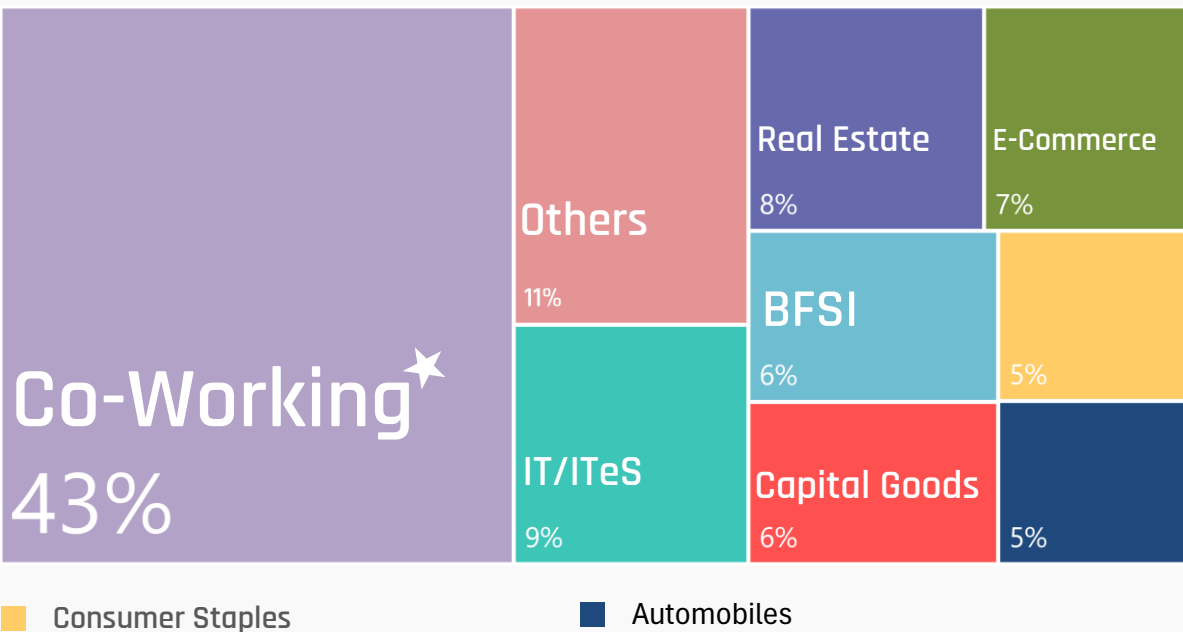


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Demand by Sector

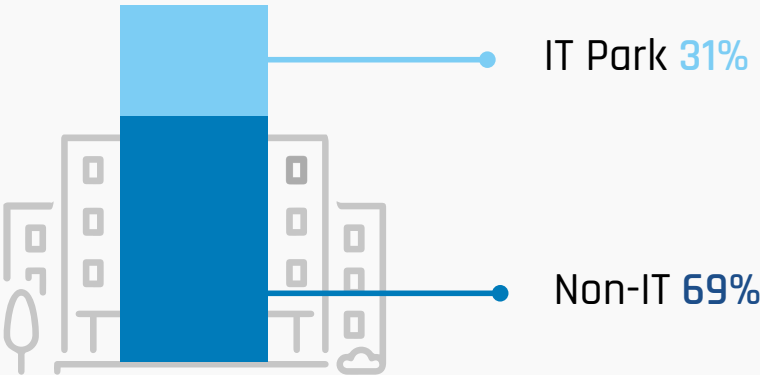


Grade A Fundamentals

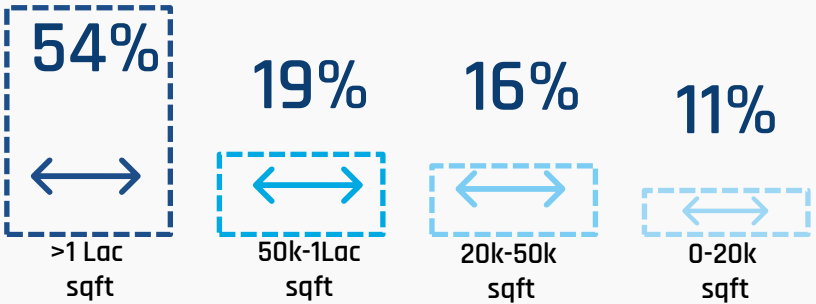
H1 CY'25 Demand (msf)	5.9
H1 CY'25 Supply (msf)	8.5
Current Grade A Stock (msf)	107.8
Vacancy	13.1%
Under-Construction (msf)	35.0

*till CY'27

Upcoming Supply 2025:



Office Transaction Size



Major Office Transactions

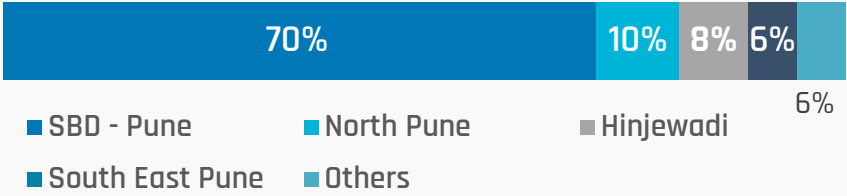
Citi, Panchshil Business Hub
3,07,457 sqft | ₹88 psf

Bajaj Finserv Asset Management,
Commerzone (Yerwada)
1,81,732 sqft | ₹110 psf

KPIT, Ascendas IT Park (Hinjewadi)
1,52,066 sqft | ₹50 psf

Metlife Services East, EON West
1,15,963 sqft | ₹65 psf

Top Markets by Demand



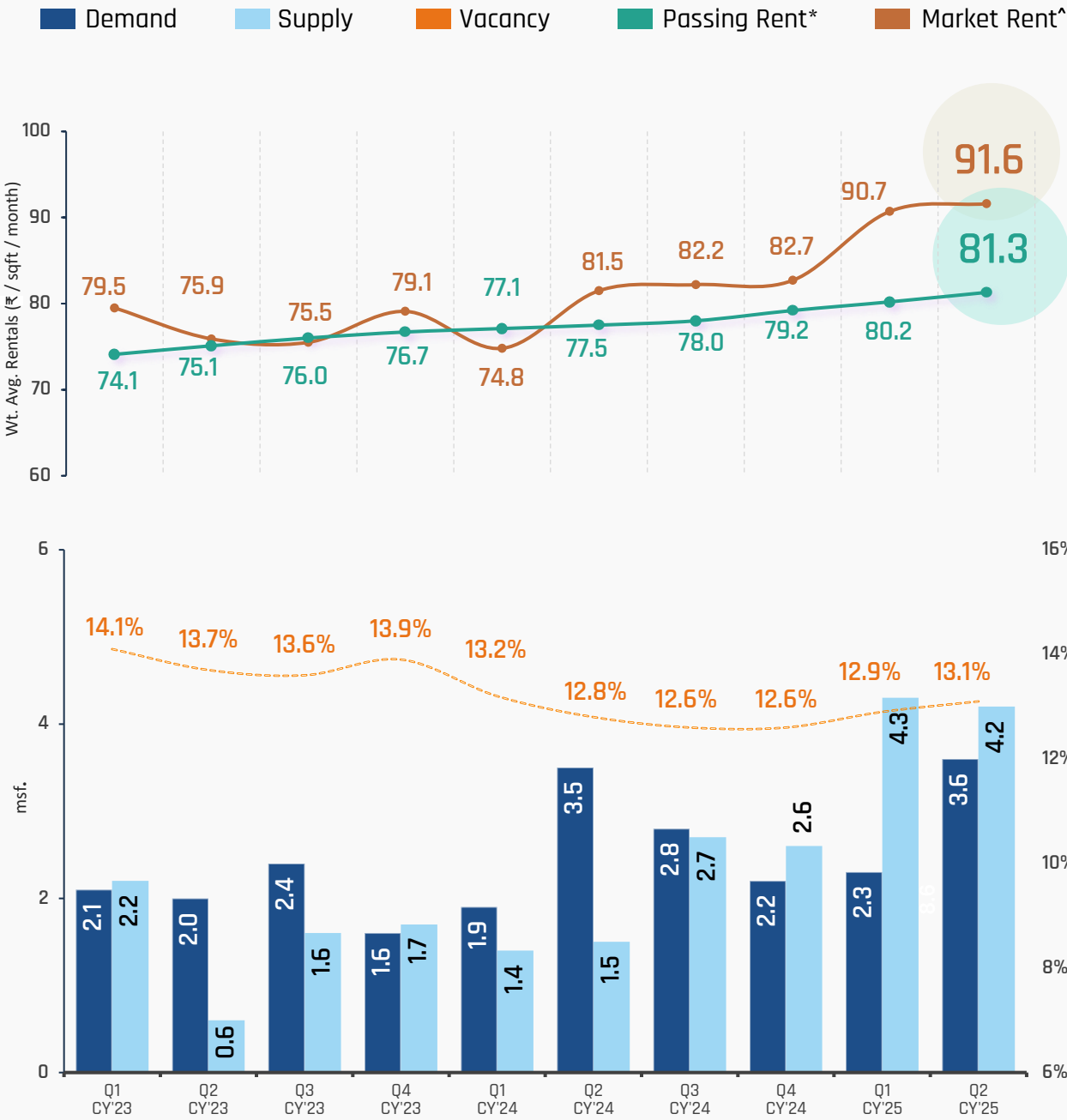
Q2 CY'25 Demand



Landlord's Market: Market Rent

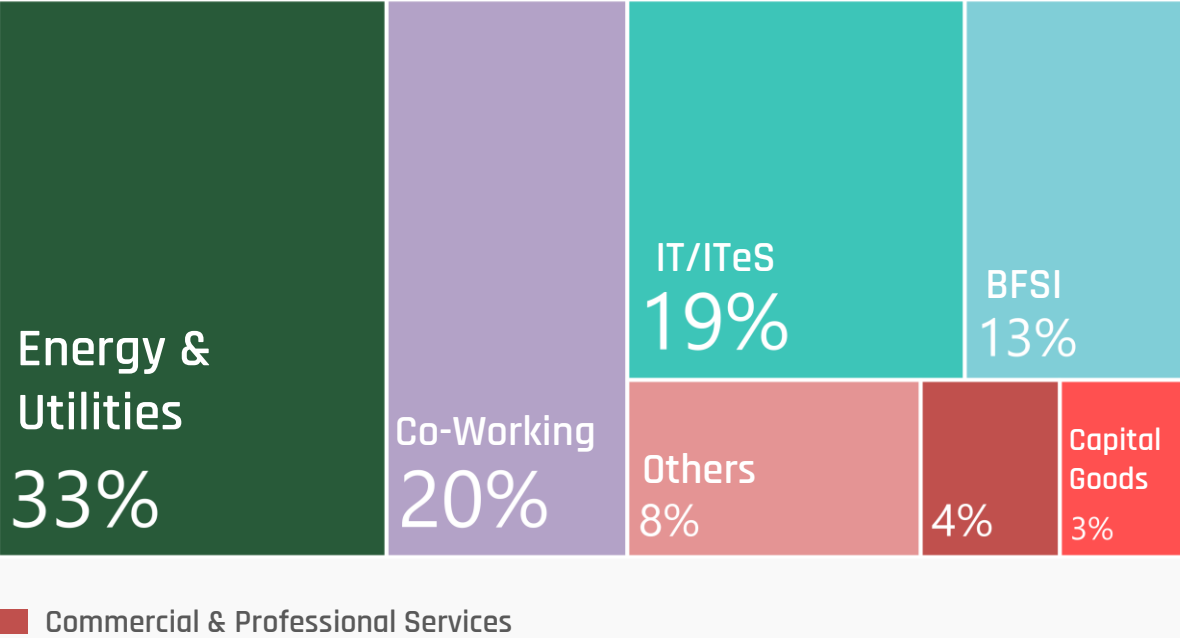


Market Trends



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Demand by Sector

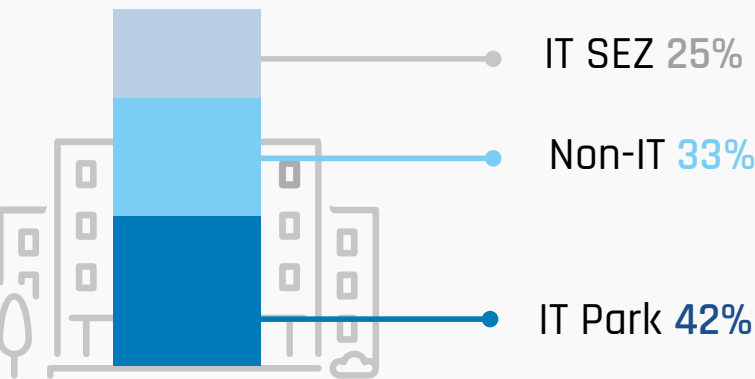


Grade A Fundamentals

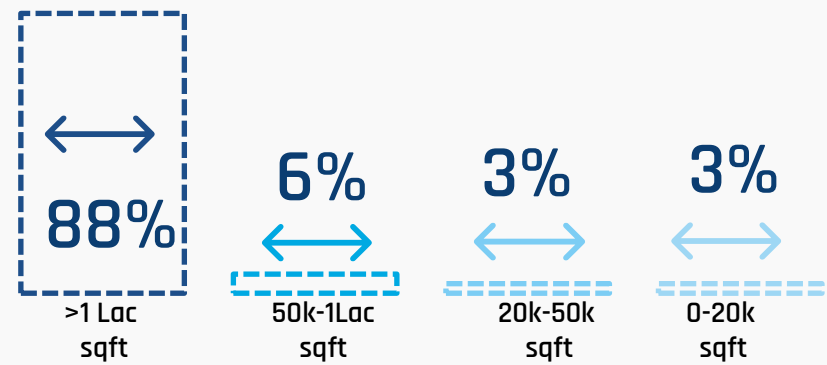
H1 CY'25 Demand (msf)	5.6
H1 CY'25 Supply (msf)	2.0
Current Grade A Stock (msf)	85.7
Vacancy	10.3%
Under-Construction (msf)	15.6

*till CY'27

Upcoming Supply 2025:



Office Transaction Size



Major Office Transactions

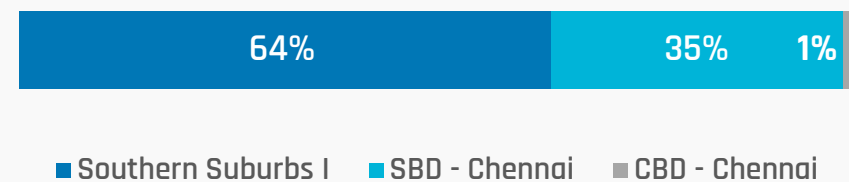
Alight Services India,
RMZ One Paramount (First Software Park)
59,442 sqft | ₹75 psf

Pearson India Education Services,
International Tech Park Chennai, Radial Road
41,487 sqft | ₹77 psf

Innov8 Workspaces India,
Featherlite The Address
38,910 sqft | ₹100.5 psf

Birlasoft, RMZ Millenia Business Park II
34,360 sqft | ₹85 psf

Top Markets by Demand



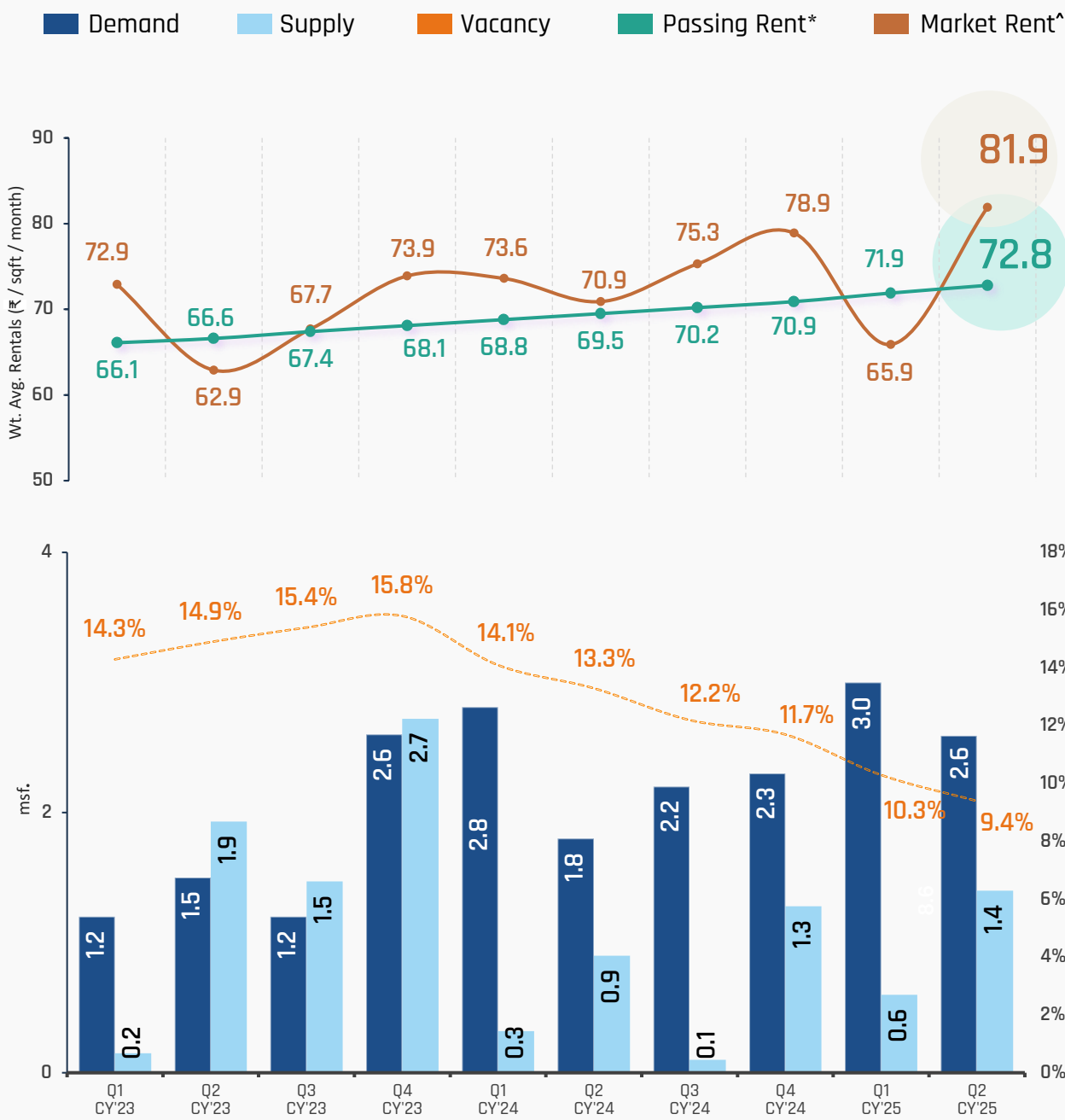
Demand to Supply Ratio



H1 Supply

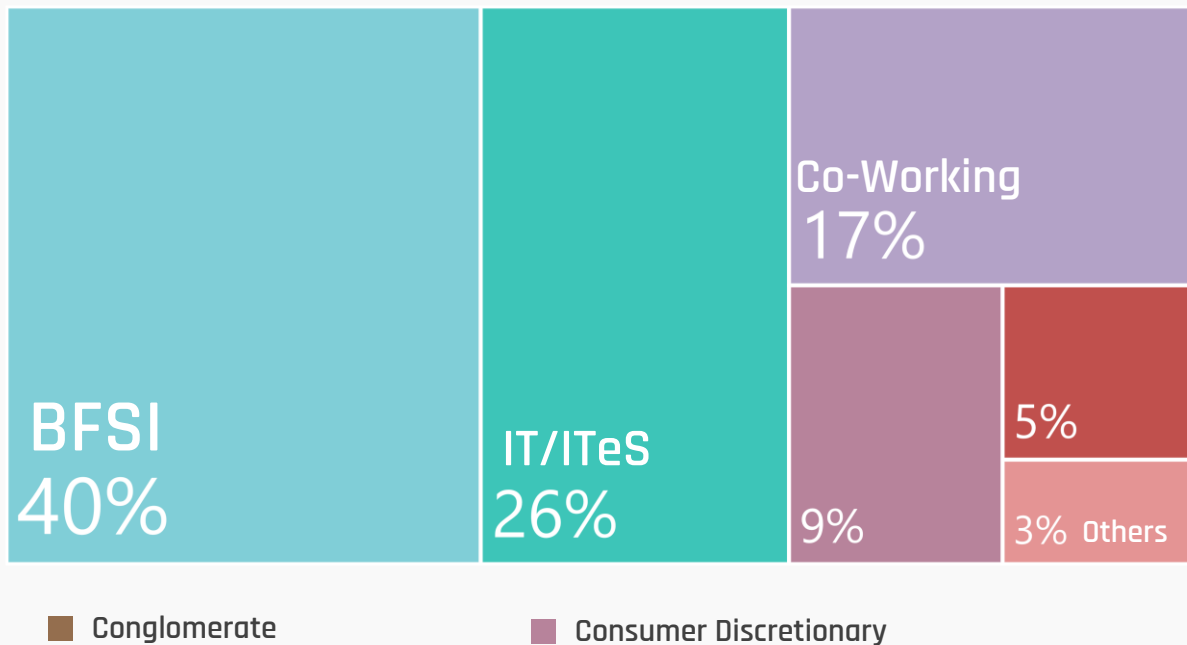


Market Trends



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Demand by Sector

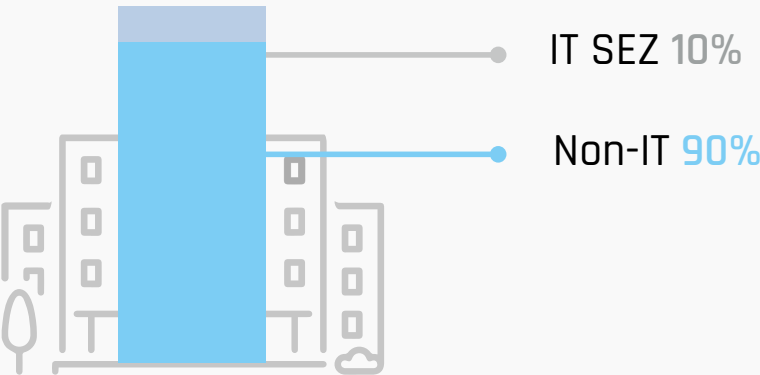


Ahmedabad

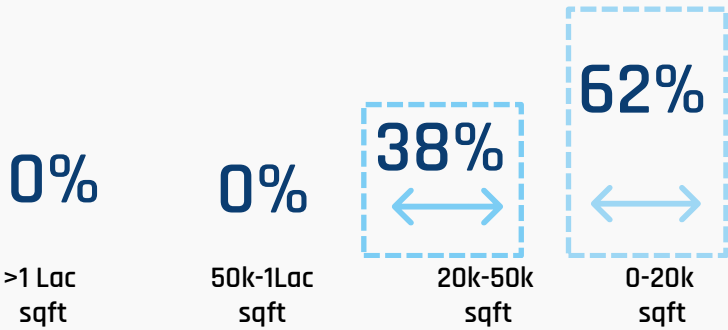
Grade A Fundamentals

H1 CY'25 Demand (msf)	0.5
H1 CY'25 Supply (msf)	0.5
Current Grade A Stock (msf)	30.5
Vacancy	19.6%
Upcoming Supply (msf) _(Till CY'30)	9.7

Upcoming Supply 2025:



Office Transaction Size



Major Office Transactions

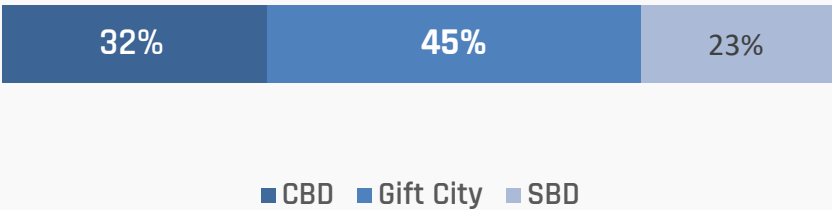
Hexaware Technologies, Pragma II (Gift City)
50,000 sqft

Oracle, Gift One
28,000 sqft

Collated Ventures, Flex One
25,000 sqft

Tata Electronics, Pragma II (Gift City)
15,000 sqft

Top Markets by Demand



Demand in H1 CY'25

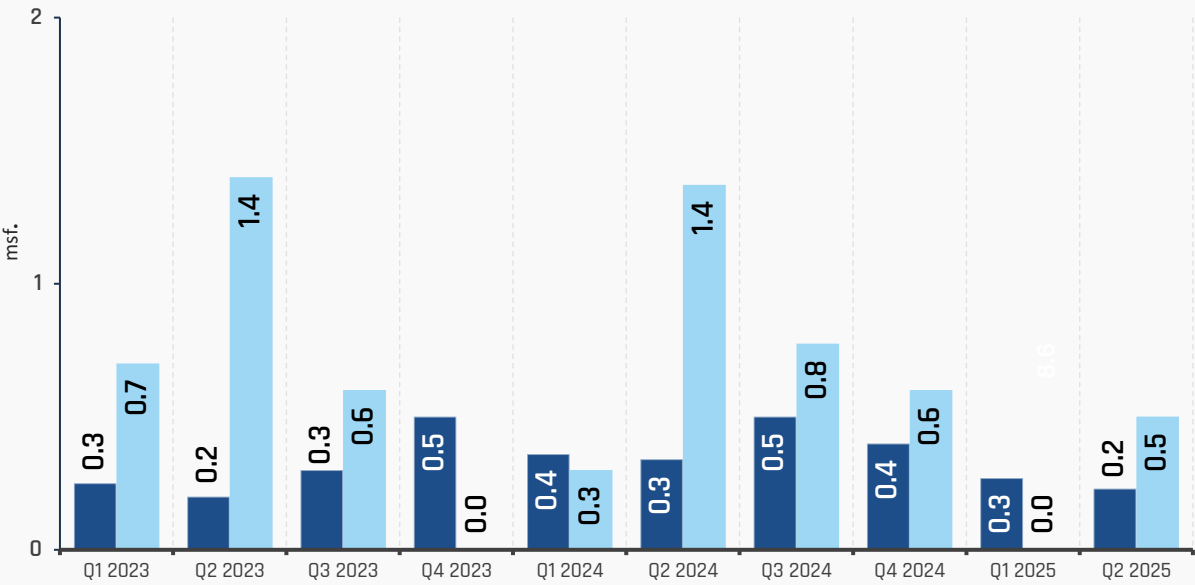
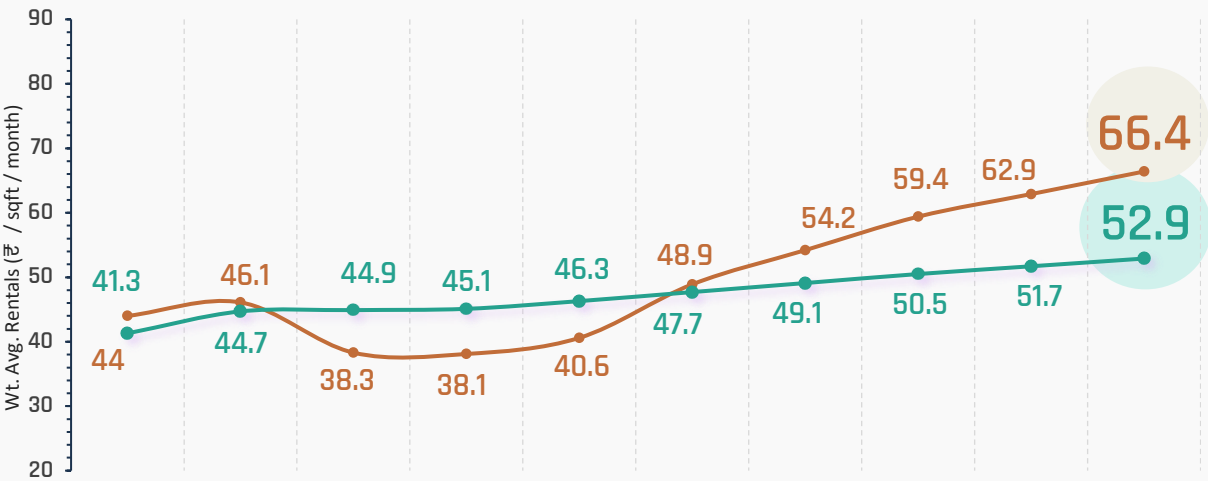


Supply in H1 CY'25



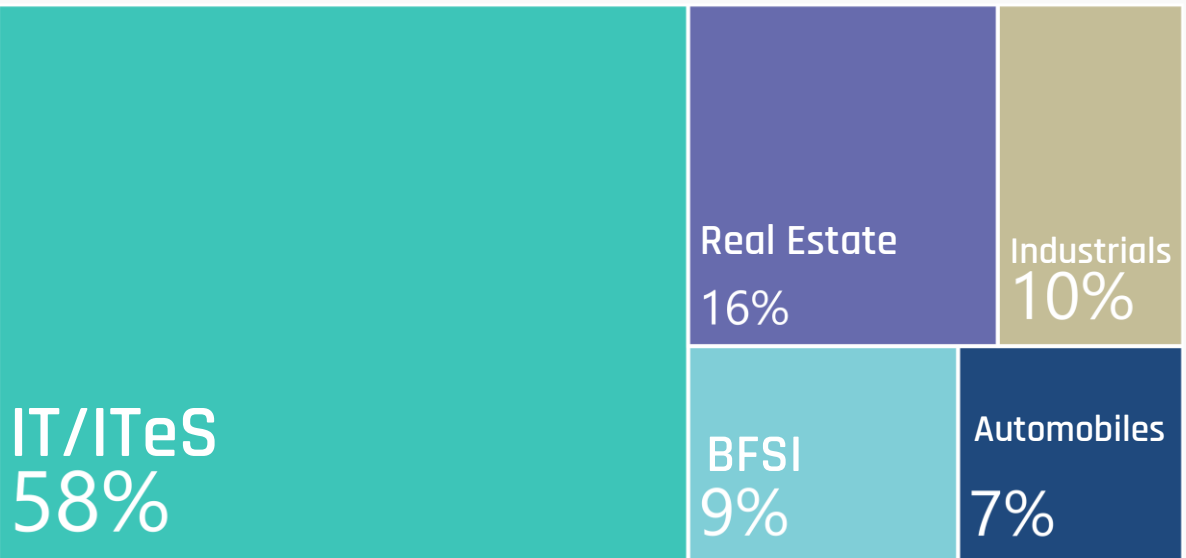
Market Trends

Demand Supply Vacancy Passing Rent* Market Rent^

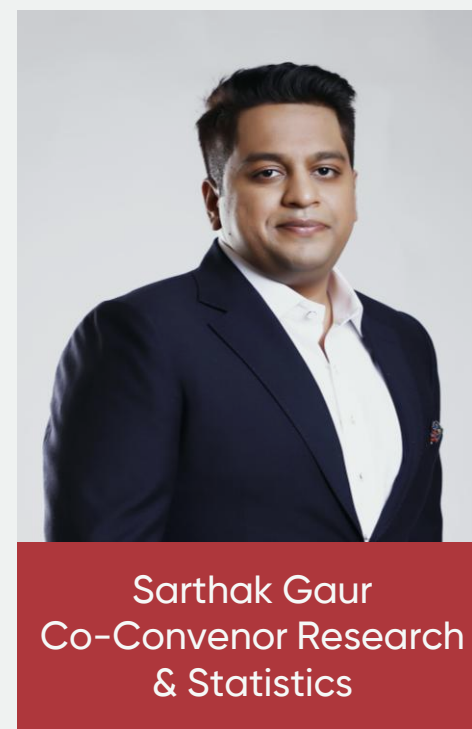
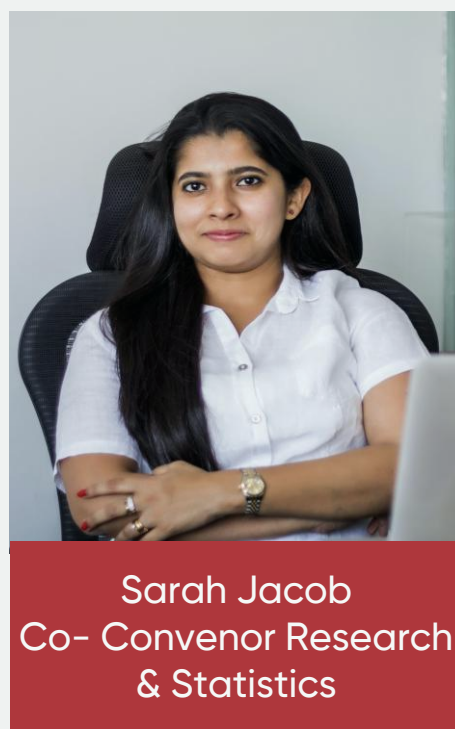
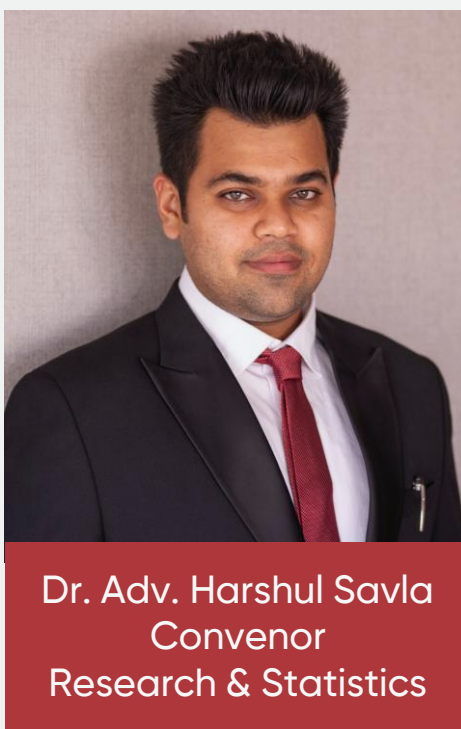


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Demand by Sector



About CREDAI



The Confederation of Real Estate Developers' Associations of India (CREDAI) is the apex body of private Real Estate developers in India, established in 1999, with a vision of transforming the landscape of Indian Real Estate industry and a mandate to pursue the cause of Housing and Habitat. Today, CREDAI represents 13000+ Developers across 230 city chapters in 20 states and plays an important role in policy formulation by representing the views of its members to various Ministries at regular intervals.

CREDAI's code of conduct promotes ethical practices, and is adopted proactively by all its members.

CREDAI has successfully imprinted the contribution of Real Estate to the GDP of India to Government, Policy Makers and the public at large and has become the backbone of the Indian Realty.

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About us

CRE Matrix

India's most trusted source for complete real estate intelligence, CRE Matrix has developed proprietary algorithms that relentlessly provide up-to-date information and enable deep data analytics across sectors and geographies. CRE Matrix's clients include some of the largest real estate developers, coworking players, retailers, property consultants and financial institutions.

IndexTap

IndexTap, a product by CRE Matrix, is India's largest and most authentic platform that provides comparable transactions data across residential, commercial and loan transactions. IndexTap deploys sophisticated algorithms to empower brokers, buyers and sellers.

CRE Lease Matrix

CRE Lease Matrix is a cloud-based Lease Management and Asset Management platform developed by CRE Matrix after experience of abstracting more than 2 Lakh leases in the commercial real estate space. The product offers Lease abstraction solutions, Inventory Management, Document Management & Invoicing for management of your commercial real estate portfolio or leases. Users can track Critical dates, create Revenue-Expense reports, configure Alerts on renewals, notices, escalations etc.

FloorTap

FloorTap is India's first and only CRE marketplace platform that uses authentic data to empower brokers, tenants and landlords to close faster and better deals. FloorTap's technology, built on terra-bytes of authentic transactions, allows seamless collaboration, powerful automation, and efficient decision-making that are designed to empower all stakeholders.



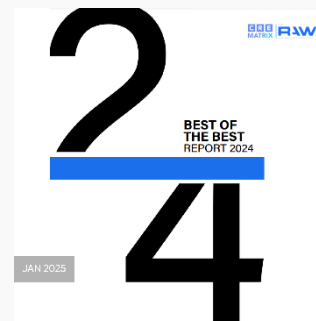
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Rental Index for Offices](#)
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[India Housing
Report FY'25](#)
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