MARKETBEAT
BENGALURU
OFFICE Q4 2025



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook*
8.1% Vacancy Rate	▼	▼
14.4 2025 Net Absorption (MSF)	▲	▼
INR 96.0 Stock Wtd. Rent (PSFPM)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook*
8.2% GDP Growth (Q2 FY25-26)	▲	▼
0.7% CPI Inflation	▼	▲
59.3 Services PMI (3 months average)	▲	▼

Source: MOSPI, RBI, HSBC

RECORD HIGH NET ABSORPTION IN 2025

Office leasing activity surged in the final quarter of the year with the city recording gross leasing volumes (GLV) of 7.6 msf in Q4, the second highest quarterly figure ever, below only the GLV of Q4 2023. Robust fresh leasing led to a net absorption of 4.9 msf, up by 41% and 23% on a quarterly and annual basis respectively, highlighting strong occupier confidence. Net absorption reached a record high of 14.4 msf in 2025, up from the previous high of 14.2 msf last year. In Q4, leasing continued to be driven by healthy space take-up from GCCs, which accounted for 53% of GLV, up from 45% in Q3. Fresh leasing remained dominant with a share of 82% but some large pre-commitments were also closed by global multinationals. Engineering and manufacturing led leasing, with a share of 26% in GLV while flex operators continued to expand their footprint, occupying the second spot with a share of 23%. IT-BPM followed with a 13% share. Outer Ring Road (ORR) contributed 57% of GLV, followed by Peripheral East with a 23% share.

For the full year, GLV stood at ~22 msf , the second highest annual figure ever, just below the previous high in 2024. GCCs accounted for 46% of GLV in 2025, similar to the figure in 2024.

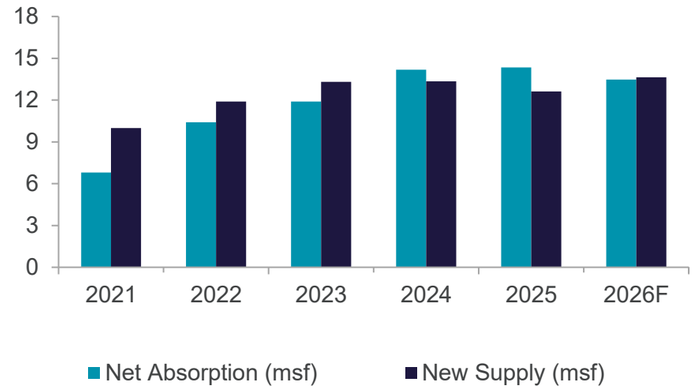
CONSISTENT NEW SUPPLY; SHARP DECLINE IN OFFICE VACANCY

Bengaluru recorded new supply of nearly 2.8 msf in Q4, marginally down from the quarterly average of 3 msf in 2025. Completions were recorded at Peripheral East, Peripheral North and Suburban South submarkets. Headline city-wide vacancy rate declined sharply by 110 bps on a quarterly basis to 8.1% on the back of healthy demand. For the full year, new supply stood at 12.6 msf, down by around 5% from 2024.

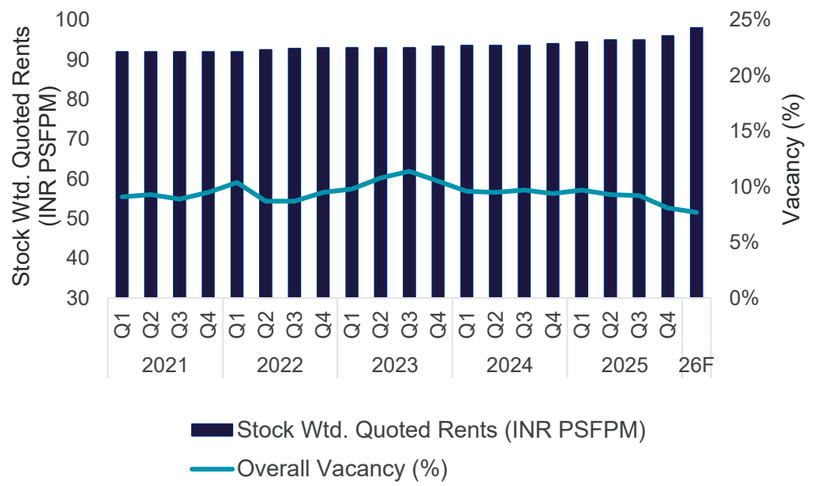
RENTALS APPRECIATE ON THE BACK OF STRONG DEMAND

Strong demand led to headline office rentals recording growth both on quarterly and annual basis. Rentals are likely to appreciate further in the near term, driven by expected healthy transactions in the newer Grade A/A+ supply across prime submarkets.

NET ABSORPTION / NEW SUPPLY



OVERALL VACANCY & STOCK WTD. QUOTED RENT



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BENGALURU
OFFICE Q4 2025

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANCY RATE	CURRENT QUARTER NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	PLANNED & UNDER CONSTRUCTION (SF)^	GRADE A STOCK WEIGHTED AVERAGE RENT (INR/SF/M)
CBD/Off CBD	8,530,906	2.3%	55,000	488,763	718,221	440,000	241,000	₹ 162.1
Outer Ring Road	93,266,490	4.6%	1,853,000	5,671,693	11,194,397	4,970,805	20,650,557	₹ 105.0
Peripheral East	44,631,992	10.8%	1,747,000	4,131,703	3,742,402	2,440,000	9,313,369	₹ 73.0
Peripheral North	16,375,898	21.0%	442,000	1,628,079	962,600	1,720,608	7,592,434	₹ 74.6
Peripheral South	12,982,885	9.5%	95,000	388,898	2,276,745	180,000	2,138,518	₹ 68.6
Suburban East	24,096,477	3.3%	330,000	1,259,607	2,425,456	1,250,185	1,000,000	₹ 137.0
Suburban North West	3,768,000	46.5%	300,000	529,597	158,857	920,000	0	₹ 125.0
Suburban South	9,949,337	7.4%	65,000	252,814	487,716	700,000	2,725,000	₹ 90.3
BENGALURU TOTALS	**213,601,985**	**8.1%**	**4,887,000**	**14,351,154**	**21,966,394**	**12,621,598**	**43,660,878**	**₹96.0**

*The report highlights Grade A details only. Certain indicators are historically corrected by addition / deletion of older / refurbished projects as per grade A classification and accounting for changes in built-up / leasable area besides adjusting tenant leases to reflect accurate market conditions. Net absorption refers to the incremental new space take-up. YTD gross leasing activity includes pre commitments and term renewals. ^Includes planned & under construction projects until 2028. * Stock weighted average asking rental rates for spaces that provide core facility, high-side air conditioning and 100% power back up*

Key to submarkets:
CBD/Off-CBD – M.G. Road, Millers Road, Vittal Mallya Road, Residency Road, etc.; Peripheral South – Electronic City, Hosur Road, Mysore Road; Outer Ring Road – Sarjapur, KR Puram, Hebbal; Suburban East – Indira Nagar, Old Airport Road, C.V. Raman Nagar; Peripheral East – Whitefield; Suburban South – Koramangala, Bannerghatta Road, Jayanagar; Peripheral North – Bellary Road, Thanisandra Road, Tumkur Road; Suburban Northwest – Rajaji Nagar, Malleshwaram.

US$ 1 = 88.9 INR € 1 = 103.3 INR
Numbers for the fourth quarter are based on market information collected until 19th December 2025
***Outlook:** The Outlook represents our forward-looking view of key market indicators over the next 12 months, based on current market trends, economic conditions, policy developments, and available data. Projections are indicative and may be adjusted as market dynamics evolve.*

KEY LEASE TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Sumadhura Capital Towers	Peripheral East	Swiggy	264,000	Fresh Lease
Divyasree Greens	Suburban East	Tablespace	226,992	Fresh Lease
Ecoworld Campus 20	Outer Ring Road	Disney	174,000	Fresh Lease
Bagmane Tech Park - Olympia	Suburban East	Nike	126,000	Fresh Lease

KEY CONSTRUCTION COMPLETIONS Q4 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Titanium Tech Park Block 2	Peripheral East		625,000	Goyal & Co

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