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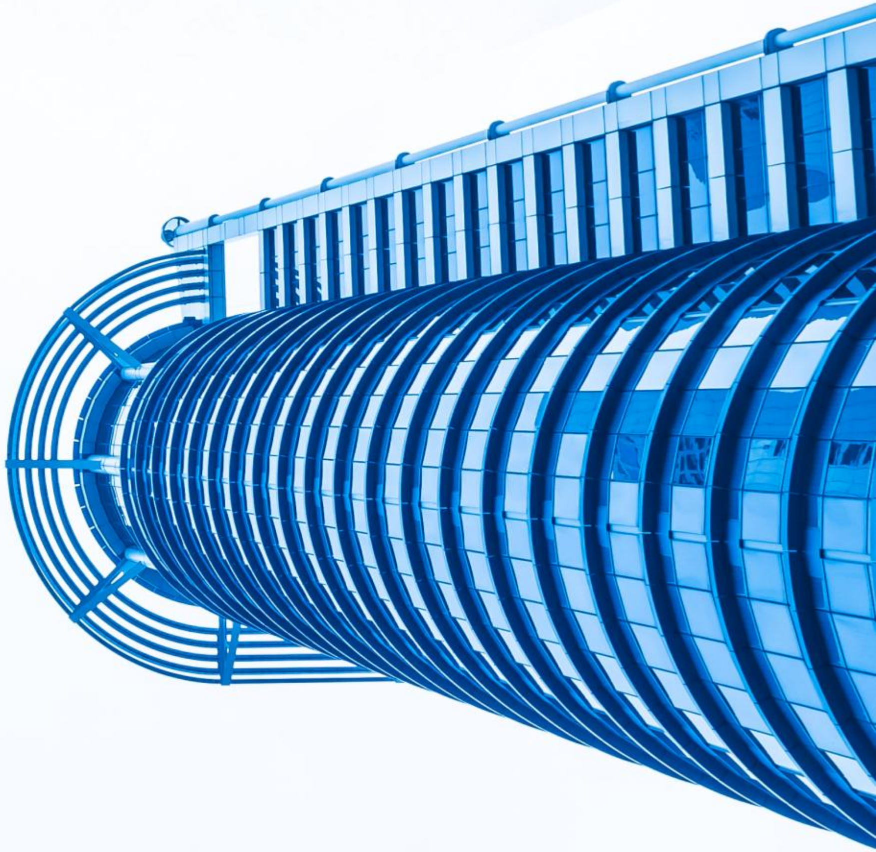

Growth Signals

Q2 Apr-Jun | CY2026

Commercial Real Estate & Office Space Outlook

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India's office market is scaling. The nature of demand is changing.

A quarterly industry report on India's commercial office market, focused on absorption, Grade A uptake, supply, flexible workspace demand, GCC expansion, enterprise occupier trends and quality-led leasing signals.

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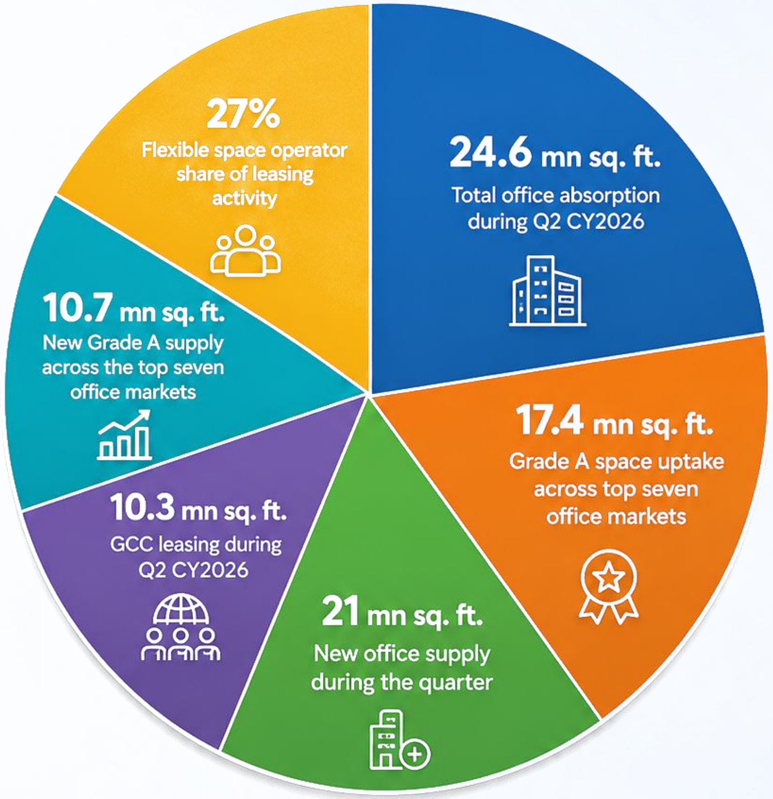
01. Executive Summary

Q2 CY2026 reaffirmed the strength of India's commercial office market. Demand remained active, flexible workspace operators gained further ground, GCCs continued to shape occupier activity, and quality-led assets remained central to leasing decisions.

The most important message from the quarter is not merely that leasing volumes remained healthy. The deeper signal is that occupier expectations are becoming more sophisticated. Enterprises are evaluating offices through the lens of speed, quality, flexibility, sustainability, compliance and operating readiness.

This creates a more mature commercial real estate market. The next phase of office demand will be shaped not only by how much space is leased, but by how effectively that space supports business growth, talent access and workplace performance.

The Quarter in 6 Signals



- **24.6 mn sq. ft.** Total office absorption during Q2 CY2026
- **17.4 mn sq. ft.** Grade A space uptake across top seven office markets
- **21 mn sq. ft.** New office supply during the quarter
- **10.3 mn sq. ft.** GCC leasing during Q2 CY2026
- **10.7 mn sq. ft.** New Grade A supply across the top seven office markets
- **27%** Flexible space operator share of leasing activity

All figures represent area in million square feet (mn sq. ft.) unless stated otherwise.

02. Methodology Note

This report covers India’s commercial office market for Q2 CY2026, corresponding to April-June 2026.

Some market may refer to the same April-June period as Q1 FY2026-27, based on the Indian financial year. For consistency, this report uses the label Q2 CY2026 / Apr-Jun 2026 throughout.

All data points are based on secondary industry sources listed in the Source Notes section. Metrics such as office absorption, Grade A uptake, new supply, gross absorption, flex leasing, vacancy and rental movement may vary across sources because of differences in methodology, market coverage, asset classification and data collection timing.

This edition is restricted to Q2 CY2026 / Apr-Jun 2026. H1 2026 numbers have not been used as headline report data. The previous Growth Signals edition covered the broader real estate sector; this edition narrows the lens to commercial office markets only

03. India Office Market Snapshot

India's office market remained active in Q2 CY2026, with demand visible across both the broader office market and Grade A office spaces. Total office absorption reached **24.6 million sq. ft.** during the quarter, marking India's highest-ever quarterly office absorption. Bengaluru, Pune and Delhi-NCR together accounted for 58% of this activity.

Within the Grade A office segment, space uptake stood at 17.4 million sq. ft. across the top seven office markets. This represented a moderate 2% year-on-year dip, while still marking the ninth consecutive quarter with at least 15 million sq. ft. of Grade A uptake.

Market reading

The quarter shows two important patterns. Overall office demand remained strong, and Grade A office demand continued to hold its depth even with some moderation. The market is not only growing in volume. It is becoming more quality-led, location-led and enterprise-led.

Market indicator	Q2 CY2026 signal
Total office absorption	24.6 million sq. ft.
Grade A office uptake	17.4 million sq. ft. across top seven office markets
Top absorption markets	Bengaluru, Pune and Delhi-NCR together contributed 58% of quarterly absorption
Grade A demand consistency	Ninth consecutive quarter with at least 15 million sq. ft. of Grade A uptake

04. Demand and Supply Signals

Demand strong quarter, sharper choices	**Supply** active, but uneven
• Office absorption reached 24.6 million sq. ft. in Q2 CY2026, up 18% quarter-on-quarter and 14% year-on-year. The strength of the quarter was supported by continued activity from enterprises, GCCs, flexible workspace operators and domestic occupiers. • Grade A space uptake stood at 17.4 million sq. ft. across the top seven office markets. Bengaluru and Hyderabad together accounted for over half of the quarterly demand for office spaces in India.	• New office supply touched 21 million sq. ft. in Q2 CY2026, an all-time quarterly high. Bengaluru, Pune and Ahmedabad led supply additions during the quarter. • Within the Grade A segment, new supply across the top seven office markets stood at 10.7 million sq. ft., with additions primarily driven by Bengaluru.

Market reading

Supply is not the same story everywhere. Some cities are seeing active completions, while occupiers continue to prefer specific corridors, high-quality assets and operationally reliable spaces. The market is not short of space in a generic sense. It is short of the right space in the right location with the right operating standards.

05. Flexible Workspace Signal

Flexible workspace demand was one of the strongest commercial office signals of Q2 CY2026. Flexible space operators led leasing activity during the quarter with a 27% share, ahead of technology companies at 21% and BFSI firms at 13%. Flex spaces also accounted for over one-fourth of total office space demand in Q2 CY2026. Flex space leasing touched **4.6 million sq. ft.** during the quarter, more than 90% higher than the average quarterly flex demand of the last five years.

Flex indicator	Q2 CY2026 signal
Flex operator leasing share	27% of quarterly leasing activity
Flex share of office demand	Over one-fourth of total office space demand
Flex leasing volume	4.6 million sq. ft. during the quarter
Flex demand context	Over 90% higher than the average quarterly flex demand of the last five years

Market reading

Flex is no longer just a startup category or a short-term real estate solution. It is becoming a mainstream occupier strategy. Enterprises are using flexible and managed workspace models to solve for speed, lower upfront capex, project-based expansion, hybrid work patterns and multi-city team deployment. For occupiers, the value is not only in shorter lease terms. The value is in faster operational readiness.

06. GCC Demand Signal

GCCs remained one of the most important demand drivers in Q2 CY2026. GCC leasing reached approximately **10.3 million sq. ft.** during the quarter, setting a new quarterly benchmark. The technology sector led quarterly GCC activity, followed by research, consulting and analytics. GCC expansion continues to support demand across India's preferred office markets. These occupiers are not only taking up more space; they are also raising expectations around building quality, infrastructure, security, workplace experience and scalability

Market reading

The GCC story is no longer just about companies opening India offices. It is about global enterprises building larger, deeper and more strategic capability centres in India.

These teams need offices that can support talent density, data security, collaboration, employee experience, compliance and long-term scalability. This strengthens the relevance of high-quality, operationally ready commercial office formats in GCC-heavy markets.

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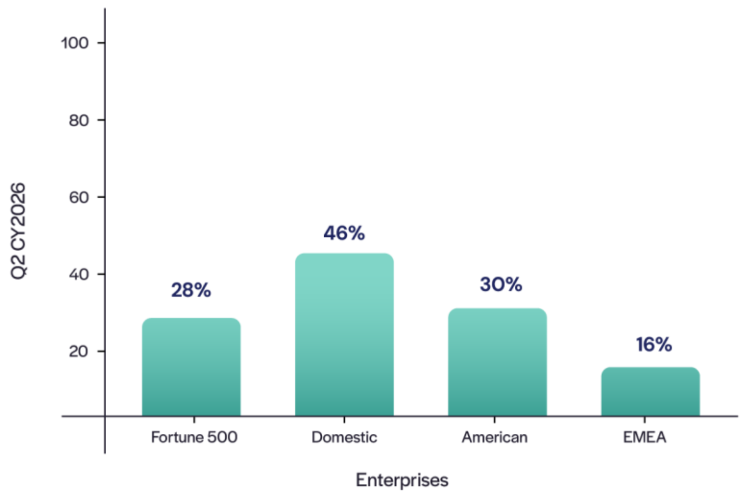
07. Enterprise and Quality Signals



Large enterprises remained active

Fortune 500 companies accounted for approximately 28% of total office space absorbed during Q2 CY2026. Domestic companies led quarterly space take-up with a 46% share, while American firms accounted for 30% and EMEA-based occupiers accounted for 16%.

Green-certified assets accounted for 76% of completions and 73% of leasing activity during the quarter.

Market reading

The quarter points to a clear flight-to-quality pattern. Enterprise occupiers are not choosing office space only on cost. They are evaluating asset quality, sustainability, employee experience, accessibility, building infrastructure and operating reliability. The decision is increasingly about total workplace performance, not just rent per sq. ft.

Quality indicator	Q2 CY2026 signal
Fortune 500 occupiers	Approximately 28% of total office space absorbed
Domestic companies	46% share of quarterly space take-up
American occupiers	30% share of quarterly leasing
EMEA-based occupiers	16% share of quarterly leasing
Green-certified completions	76% of completions during the quarter
Green-certified leasing	73% of leasing activity during the quarter

08. Core Commercial Office Markets

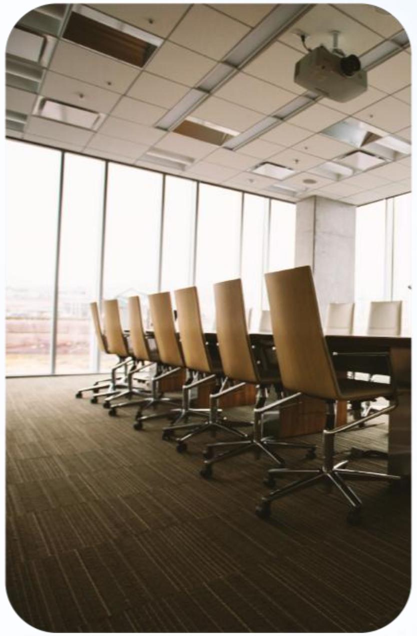
Q2 CY2026 reinforced the role of India's established office markets while also showing different momentum patterns across cities.

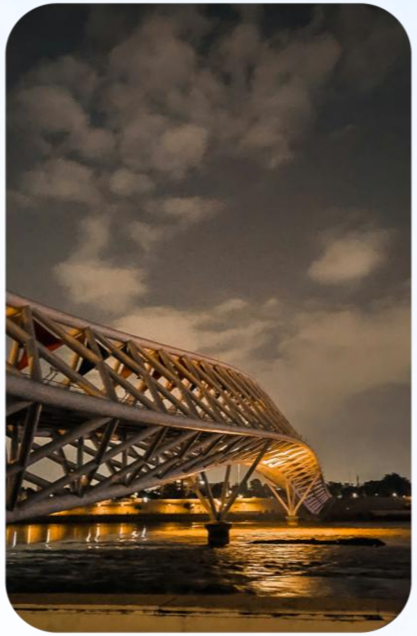
Bengaluru, Pune and Delhi-NCR together accounted for **58% of quarterly office absorption.** This reinforces their continued importance as India's largest and most active commercial office markets.

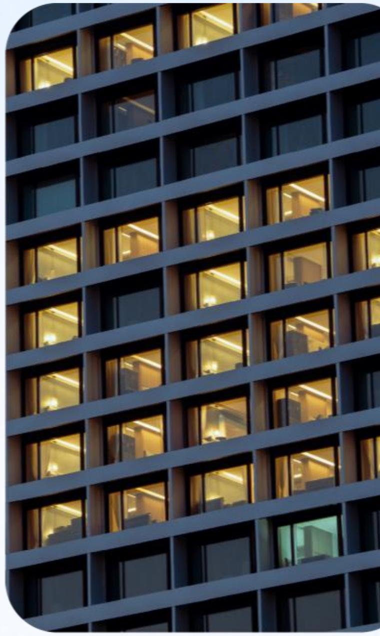
Bengaluru and Hyderabad together drove over **50% of quarterly office demand.** Their strength continues to be linked to talent availability, GCC activity, technology-led demand and deep Grade A office ecosystems.

Mumbai and Pune saw a **25-30% YoY decline** in quarterly Grade A space uptake, reflecting a more cautious occupier approach in select established markets. The share of large deals also moderated in both cities compared with the previous quarter.

Ahmedabad featured among the leading supply addition markets during the quarter, alongside Bengaluru and Pune. This points to its growing relevance within the office development map, particularly for occupiers evaluating cost-efficient expansion options.







Market reading

The office market is not moving uniformly. Some cities are driving absorption, some are leading supply, and some are seeing cautious occupier behavior. For industry stakeholders, the key is to read city performance through demand quality, micro-market depth and occupier profile rather than headline leasing volume alone.

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09. Emerging City Watch

The office market conversation is gradually widening beyond the largest cities. Occupiers are expected to selectively pursue expansion into Tier-2 cities to unlock new business opportunities and build long-term scalability. This does not mean every emerging market will immediately become a large commercial office hub. Public quarterly data remains uneven across many Tier-2 markets, and demand depth varies sharply by city, talent pool, infrastructure readiness and occupier category.

Market reading

Emerging cities should be treated as a watchlist, not as a uniform demand story.

The opportunity in these markets will likely build around distributed teams, regional operations, lower-cost expansion, flexible office models and talent access. For industry stakeholders, the right approach is to track early signals carefully before overstating the size of the opportunity.

10. Outlook: What the Quarter Signals

Q2 CY2026 points to a commercial office market that is becoming more sophisticated. Strong demand continues, but the terms of demand are changing.

1. The office is becoming business infrastructure

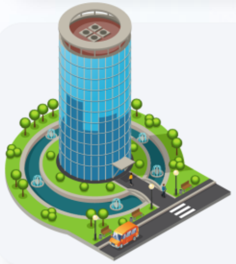
Occupiers are thinking beyond square footage. They are looking at how quickly a workspace can become productive, compliant, scalable and useful for business growth.

2. Flex is becoming strategic

The rise of flexible workspace leasing indicates that companies are placing greater value on agility, speed and lower setup friction.

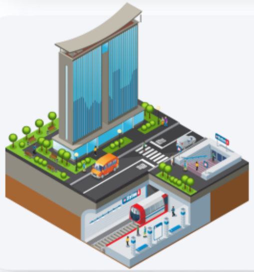
3. GCCs will continue to influence quality expectations

GCC demand is likely to keep shaping the market's preference for high-quality buildings, strong infrastructure, operating reliability and talent-rich locations.



4. Quality will matter more than availability

Vacancy alone does not define opportunity. The strongest demand will continue to concentrate around assets and micro-markets that meet enterprise expectations.



5. Emerging cities need careful tracking

Tier-2 expansion will become more relevant, but market maturity will vary. The strongest opportunities will appear where talent, infrastructure, connectivity and occupier demand align.

11. Conclusion

Q2 CY2026 confirms that India's commercial office market remains active, but it is also becoming more demanding.
GCCs are scaling. Flexible workspaces are becoming mainstream. Enterprises are choosing quality more carefully. Emerging cities are entering the expansion map. Occupiers are looking for speed, flexibility and operational readiness.
The next phase of office growth will not be defined only by how much space is leased. It will be defined by how quickly that space can become useful, compliant, scalable and productive.
For industry stakeholders, the signal is clear: India's office market is moving from space availability to workplace capability. The market does not need more square footage alone. It needs spaces that help companies enter, operate, scale and adapt in a changing business environment.

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12. Source Notes

The main report presents market data as an industry reading. Source names and links are retained here for transparency and verification.

Primary source references

1. CBRE India Office Figures Q2 2026 - https://www.cbre.co.in/insights/figures/india-office-figures-q2-2026
2. Colliers India Office Snapshot Q2 2026 - https://www.colliers.com/en-in/news/press-release-india-office-market-q2-2026

Data point used in report	Number	Reference
Total office absorption	24.6 million sq. ft.	CBRE India Office Figures Q2 2026
Absorption growth	18% QoQ and 14% YoY	CBRE India Office Figures Q2 2026
New office supply	21 million sq. ft.	CBRE India Office Figures Q2 2026
Supply growth	91% QoQ and 18% YoY	CBRE India Office Figures Q2 2026
Flexible space operator leasing share	27%	CBRE India Office Figures Q2 2026
Technology leasing share	21%	CBRE India Office Figures Q2 2026
BFSI leasing share	13%	CBRE India Office Figures Q2 2026
GCC leasing	Approximately 10.3 million sq. ft.	CBRE India Office Figures Q2 2026
Fortune 500 share	Approximately 28%	CBRE India Office Figures Q2 2026
Domestic company share	46%	CBRE India Office Figures Q2 2026
American occupier share	30%	CBRE India Office Figures Q2 2026
EMEA-based occupier share	16%	CBRE India Office Figures Q2 2026
Green-certified share of completions	76%	CBRE India Office Figures Q2 2026
Green-certified share of leasing	73%	CBRE India Office Figures Q2 2026
Grade A space uptake	17.4 million sq. ft.	Colliers India Office Snapshot Q2 2026
Grade A uptake YoY movement	2% dip	Colliers India Office Snapshot Q2 2026
New Grade A supply	10.7 million sq. ft.	Colliers India Office Snapshot Q2 2026
Flex share of demand	Over one-fourth	Colliers India Office Snapshot Q2 2026
Flex leasing volume	4.6 million sq. ft.	Colliers India Office Snapshot Q2 2026
Flex demand context	Over 90% higher than five-year quarterly average	Colliers India Office Snapshot Q2 2026
India-level vacancy	Around 15%	Colliers India Office Snapshot Q2 2026
Rental movement	Up to 5% in select high-activity micro-markets	Colliers India Office Snapshot Q2 2026
Mumbai and Pune quarterly moderation	25-30% YoY decline in quarterly space uptake	Colliers India Office Snapshot Q2 2026

Editorial note: H1 2026 numbers and Jan-Mar 2026 city market reports have not been used as headline data in this edition, because the report is restricted to Q2 CY2026 / Apr-Jun 2026.

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Incuspaze Growth Signals is a quarterly market intelligence initiative focused on India's commercial office and workspace landscape.

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