



Bengaluru

- Net absorption in Q4 2025 is city's second highest ever.
- Q4 new supply reached 3.5 million sq ft, growing 55% quarter-over-quarter and bringing total 2025 supply to 12.0 million sq ft.
- Rents and capital values growing steadily with premium projects driving momentum.

Q4 2025 gross leasing hit a record 9.3 million sq ft, up 18.6% year-over-year, driving 2025 total leasing to an all-time high of 24.1 million sq ft. Technology led with 24.7% share, while Flex and Manufacturing/Industrial sectors rose to 24.3% and 23.7% respectively. Pre-commitments comprised 15% of Q4 leasing while large deals (>100,000 sq ft) represented 65%, reflecting strong occupier confidence and strong corporate expansion. SBD driven by ORR South-East and SBD City submarkets drove market traction.

New supply was added only in SBD submarket, with ORR South-East leading with a 55% share, followed by ORR North. Several projects approaching completion, largely in the SBD submarket, are expected to drive upcoming supply additions. Office vacancy decreased 70 bps q-o-q to 10.5% in Q4. ORR South East despite new supply additions, led vacancy reduction through robust leasing activity, while SBD South, Whitefield and SBD City also experienced vacancy declines due to significant leasing momentum.

Rentals increased 6.6% y-o-y as developers set new building rentals above prevailing market levels, particularly in premium submarkets experiencing tight vacancy levels. Property prices increased 9.1% y-o-y, driven by strong investor demand for high-grade assets with quality tenants and active transaction activity.

Outlook

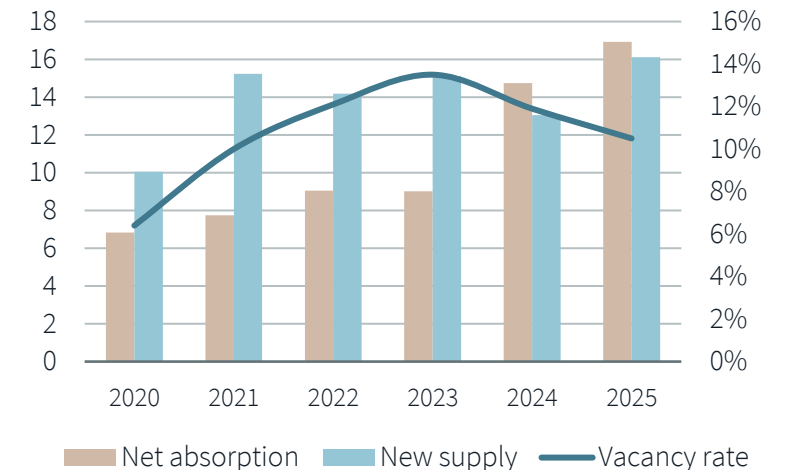
Bengaluru's office market is firmly on the growth path with several global companies expanding tech and back-office operations. Future expansion will span manufacturing/engineering, healthcare, BFSI and flexible workspaces, adapting to evolving workplace needs. Bengaluru's office market absorbs new supply while maintaining rent growth through robust leasing, creating strong investment conditions. Capital values should continue rising as sustained demand and solid fundamentals attract domestic and international investors.

Fundamentals	
2025 net absorption	16,924,100 s.f.
2025 completions	16,106,000 s.f.
Vacancy rate	10.5%
Gross rent	INR 100 p.s.f. p.m.
Rent growth Y-o-Y	6.6%
Stage in rental cycle	Rents Rising

Note: Financial and physical indicators are for the Grade A office market. Data is on a GFA basis.

Historical supply and demand trends

s.f. (millions)





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