India Real Estate

Residential and Office Market - July - December 2025

H2 2025	Knight Frank's ultimate guide to real estate market performance and opportunities in the world's most promising economy.	knightfrank.co.in/research

Mumbai HO
Knight Frank (India) Pvt. Ltd.
Paville House, Near Twin Towers,
Off. Veer Savarkar Marg, Prabhadevi,
Mumbai 400 025, India
Tel: 022 6745 0101 / 4928 0101;

Bengaluru
Knight Frank (India) Pvt. Ltd.
First floor, Pinnacle Tower,
Embassy One, # 8, Bellary Road,
Ganganagar, Bengaluru- 560032,
Tel: 080 6818 5600

Pune
Knight Frank (India) Pvt. Ltd.
Unit No.701, Level 7, Pentagon Towers P4,
Magarpatta City, Hadapsar,
Pune 411 013, India
Tel: 020 67491500 / 30188500;

Chennai
Knight Frank (India) Pvt. Ltd.
1st Floor, Centre block, Sunny Side,
8/17, Shafee Mohammed Road,
Nungambakkam, Chennai 600 006, India
Tel: 044 4296 9000

Gurgaon
Knight Frank (India) Pvt. Ltd.
Office Address: 1505-1508, 15th Floor, Tower B,
Signature Towers South City 1,
Gurgaon 122 001, India
Tel: 0124 4782700;

Hyderabad
Knight Frank (India) Private Limited.,
Part of 10th Floor, Atria Block, ITPH,
Plot no.17, Hitech City Rd,
Software Units Layout, Madhapur,
Hyderabad, Telangana 500081
Tel: 040 44554141

Kolkata
Knight Frank (India) Pvt. Ltd.
PS Srijan Corporate Park
Unit Number – 1202A, 12th Floor,
Block – EP & GP, Plot Number - GP 2,
Sector – V, Salt Lake, Kolkata 700 091, India
Tel: 033 66521000

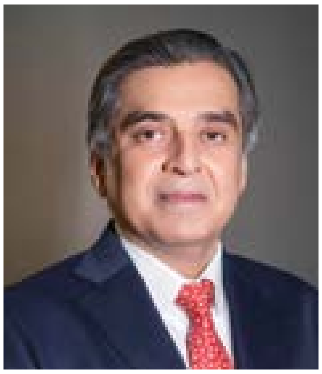
Ahmedabad
Knight Frank (India) Pvt. Ltd.
Unit Nos. 407 & 408, Block 'C', The First,
B/H Keshav Baugh Party Plot,
Vastrapur, Ahmedabad – 380015
Tel: 079 48940259/ 40380259

Indore
Knight Frank (India) Pvt. Ltd.
Unit No. 1601, 16th Floor,
Skye Corporate Park, Near Satya Sai Square,
Vijay Nagar, A B Road,
Indore Madhya Pradesh, 452010.

www.knightfrank.co.in/research

Contents

Foreword



Shishir Baijal

International Partner, Chairman and Managing Director

Amid a year marked by heightened geopolitical uncertainty, persistent conflicts, and uneven global growth, India has emerged as a clear outlier, delivering strong and resilient economic performance. While many advanced economies grappled with subdued demand, elevated interest rates, and structural slowdowns, India benefited from robust domestic consumption, sustained public capital expenditure, and a stable policy environment. Reflecting these strengths, the Reserve Bank of India revised its GDP growth estimate for FY 2026 upward to 7.3%, supported by an 8.2% expansion in Q2 FY 2026. India's calibrated geopolitical positioning and deepening strategic and economic ties with major global blocs have further reinforced its status as a reliable destination for long-term capital, providing a strong macroeconomic foundation for real estate markets to thrive.

Against this backdrop, the Indian office market delivered an exceptional performance in 2025, scaling new highs despite global headwinds. Annual leasing volumes touched a record 86.4 mn sq ft, marking a 20% YoY increase and underscoring the depth and durability of occupier demand. Global Capability Centres (GCCs) emerged as the dominant driver, accounting for 38% of annual absorption, as multinational corporations increasingly expanded their India operations to support complex, mission-critical functions. Grade A assets continued to command overwhelming preference, while limited new supply and declining vacancy levels strengthened landlord pricing power, resulting in broad-based rental growth across major markets. India's office sector has thus decisively decoupled from the challenges facing global peers, positioning itself as a beneficiary of long-term structural shifts in corporate location strategies.

The residential market, meanwhile, demonstrated notable stability and underlying resilience in 2025 following a sustained post-pandemic upcycle. While overall sales volumes moderated marginally, demand remained well supported by cumulative interest rate cuts and a benign inflation environment. Buyer interest continued to gravitate toward higher-value homes, reflecting evolving lifestyle preferences and confidence in long-term income growth. Developers responded by moderating the pace of new launches, recalibrating supply pipelines, and offering targeted financing and transactional incentives to support absorption. Despite a rise in unsold inventory in select higher ticket segments, sales velocity indicators remained healthy, pointing to broadly balanced market conditions.

Looking ahead, India's real estate outlook remains firmly positive. Strong economic growth prospects and India's expanding role in global value chains are expected to continue to underpin office demand. In the residential segment, government support for affordable housing, easing financial conditions, and pro-business reforms will continue to support end-user confidence. As India builds on its macroeconomic momentum and structural advantages, its real estate markets are well positioned to sustain growth and reinforce the country's standing as one of the world's most compelling investment destinations.

I invite you to explore the insights in this ***24th edition*** of Knight Frank India's flagship report, ***India Real Estate H2 2025***, which captures the key developments shaping the residential and office segments across the country's top eight cities. We hope you find this report valuable in understanding the current market trends and planning your strategies for the future.

India - *Residential Market*

Residential Market

INDIA MARKET SUMMARY

Parameter	*2025*	*2025 Change (YoY)*	*H2 2025*	*H2 2025 Change (YoY)*
Launches (housing units)	362,148	-3%	182,444	-4%
Sales (housing units)	348,207	-1%	1,78,006	0%

Note – 1 square metre (sq m) = 10.764 square feet (sq ft)

Source: Knight Frank Research

509,815

Unsold inventory (housing units) 2025

5.8

Quarters to sell (in quarters) 2025

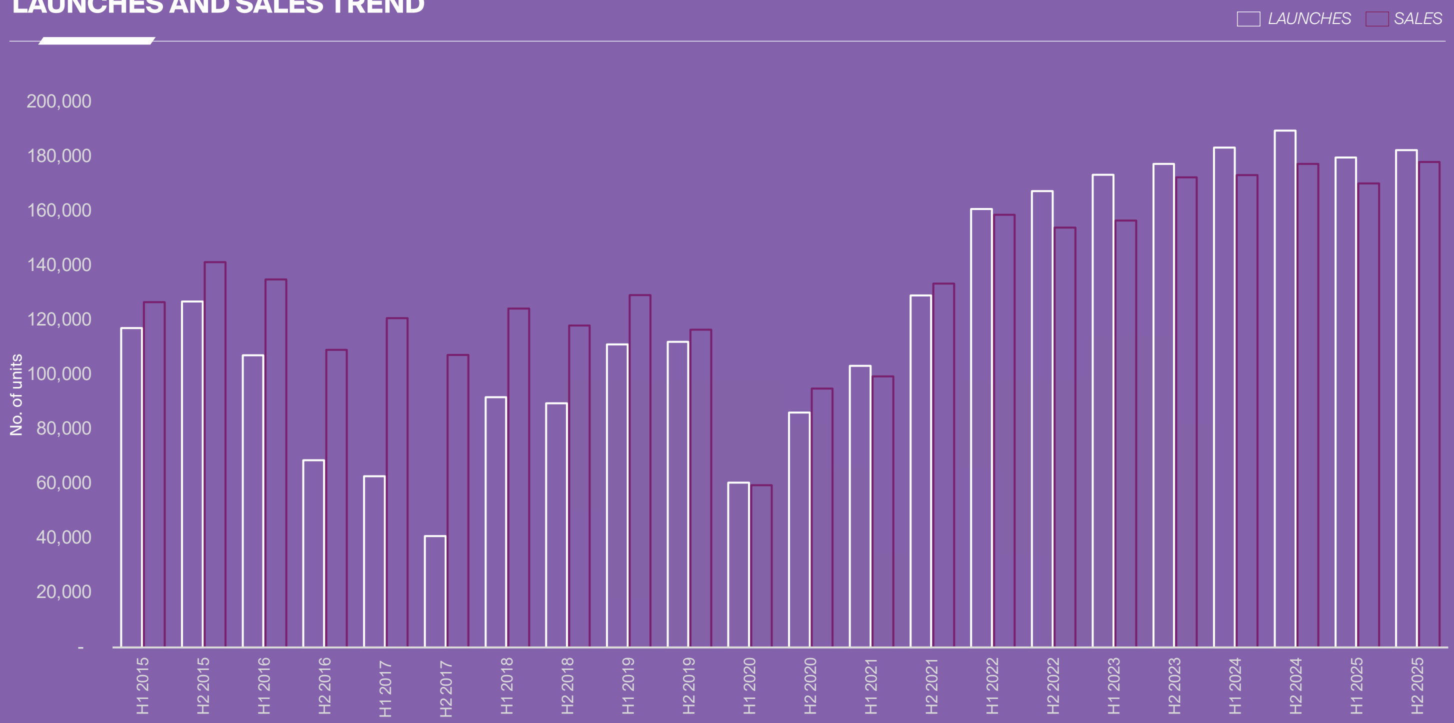
3%

Change (YoY)

14.0

Age of unsold inventory (in quarters) 2025

LAUNCHES AND SALES TREND



Source: Knight Frank Research

- The residential market in India has witnessed a strong and sustained upcycle since the pandemic, prompting growing discussions around the possibility of a correction, particularly in premium segments which have experienced the bulk of growth. Despite these perceptions, market fundamentals in 2025 have remained resilient. The Reserve Bank of India's cumulative 125 bps reduction in the repo rate since February 2025 has supported housing affordability and eased financing conditions. In parallel, the RBI's upward revision of FY 2025-26 GDP growth to 7.3%, along with its inflation projection of 2.0%, reflects a robust macroeconomic environment and stable consumer sentiment. Together, these factors have continued to support residential demand in 2025, helping sustain market momentum despite fears of an impending correction.

- While the stable macroeconomic backdrop during 2025 helped shore up market sentiments, they did not translate to actual growth in overall sales for the year. A total of 0.35 mn units were sold, marginally lower by 1% compared to 2024. Notably, sales in H2 2025 stood marginally higher by 0.4% in YoY terms at 0.18 mn units and despite volumes being largely comparable with the previous period, sales volumes in H2 2025 stand as the highest since the end of 2013.

- Market performance across cities remained mixed in 2025. Four of the eight tracked cities recorded YoY sales growth, led by Chennai and Hyderabad with increases of 12% and 4% respectively. Mumbai continued to dominate in terms of absolute volumes, ranking highest both for full-year sales and in H2 2025, with 97,188 units sold during the year and 47,035 units in the second half, broadly in line with sales levels recorded in the previous period.

- NCR and Pune witnessed declines of 9% and 3% YoY in 2025 and weighed down the overall sales volume. However, these markets also witnessed significant price escalations during the year due to strong momentum and growth at the top end of the market. NCR has historically been characterized by a higher degree of speculative activity and a relatively larger share of investor-driven demand. Along with very low inventory availability in the mid and affordable segments in well-located micro-markets, this constrained overall sales momentum in 2025. In contrast, demand at the upper end of the market remained robust, with residential units priced in the INR 20 to 200 mn range continuing to record strong growth.

- Development activity has consistently outpaced sales since 2022 as developers sought to capitalize on strong demand conditions during this period. While this broad trend continued in 2025, new supply additions moderated, with annual and half-yearly launches declining by 3% and 4% YoY respectively. Even so, the 0.36 mn units launched in 2025 represent the second-highest annual launch volume recorded since 2014. The composition of new launches also remained concentrated in the higher ticket sizes. Launches in ticket sizes above INR 10 mn increased by 12% YoY, while supply in the sub-INR 5 mn and INR 5-10 mn categories declined by 28% and 9% respectively. Although price growth remained firm, developers increasingly introduced financing support measures, including bank and developer subvention schemes, as well as selective stamp duty discounts and waivers, to sustain sales momentum.

- In line with launch trends, the slowdown in sales momentum during 2025 was largely confined to the lower ticket segments. Sales volumes in units priced under INR 5 mn and in the INR 5-10 mn category declined by 17% and 8% YoY respectively. In contrast, sales of homes priced above INR 10 mn recorded a relatively stronger growth of 14% YoY in 2025. That said, it is important to note that this segment had witnessed an average annual growth of close to 50% over the past four years, indicating that demand momentum has moderated here as well, albeit from a significantly higher base. Sales in the units priced at over INR 10 mn now constitute 50% of the total annual sales and 52% of the total sales in H2 2025.

- Sales growth in 2025 was evident across most ticket size segments above INR 10 mn. The INR 10-20 mn segment recorded a 7% YoY increase, while sales in the INR 20 to 50 mn, INR 50-100 mn, INR 100-200 mn and INR 200-500 mn categories grew by 20%, 31%, 164% and 55% YoY respectively. On an annual basis, homes priced in the INR 10-20 mn range accounted for 28% of the total sales volumes, marginally lower than the 29% share held by the INR 5-10 mn segment, which has remained the largest contributor to overall sales since 2023.

- While sales growth has plateaued, unsold inventory has continued to rise since 2020 as new supply has outpaced absorption. This increase in inventory is largely attributable to the disproportionate development focus on the INR 10 mn and above segment over the past few years. Inventory levels in this category increased by 19% YoY, in contrast to a contraction of 7% YoY in units priced under INR 5 mn and 3% YoY in the INR 5-10 mn segment. Within the higher ticket categories, inventory growth was particularly pronounced in the INR 20-50 mn and INR 200-500 mn segments, which recorded increases of 40% YoY and 27% YoY respectively. These trends warrant closer monitoring to assess whether select segments are approaching over-supply conditions or a potential correction.

- That said, inventory trends need to be evaluated alongside sales velocity to provide a more accurate assessment of market health. The Quarters to Sell metric estimates the number of quarters required to clear existing inventory based on the average sales pace of the trailing eight quarters, with lower values indicating stronger demand and healthier market conditions. Despite rising inventory levels, the QTS across the eight tracked markets remained stable at 5.8 quarters, or less than 18 months, at the end of 2025. This indicates that overall market fundamentals remained stable in 2025, even as inventory levels increased.

- Despite a significant build-up in inventory in the INR 20-50 mn price segment, QTS levels have remained at around 4 quarters, indicating that inventory in this category continues to be within manageable limits. In comparison, the luxury and super-luxury segments, comprising units priced in the INR 200-500 mn range and those above INR 500 mn, present a more nuanced picture. The QTS for homes priced above INR 500 mn currently stands at 9.5 quarters, while it increases to 15.8 quarters for the INR 200-500 mn segment. It is important to note that transaction volumes at this end of the market remain limited, with a combined inventory of just over 4,100 units across these two categories. Consequently, even modest changes in supply or availability can result in pronounced fluctuations in QTS levels, making this metric inherently more volatile over shorter periods.

- Price growth has been healthy in 2025 despite a pause in overall sales as developers have postponed project launches to control inventory pressure. Instead of lowering prices, they have opted to increase prices while offering financing incentives to homebuyers, as noted earlier. NCR, Bengaluru and Hyderabad experienced exceptional price growth at 19%, 12% and 13% YoY respectively, driven by a stronger focus on developing premium, high-rise properties.

- Despite a moderation in momentum of overall sales volumes, residential prices recorded healthy growth in 2025. Pricing was increased selectively, supported by financing incentives offered to homebuyers. Price growth was further impacted by sustained traction in larger ticket sizes of above INR 10 mn, which accounted for 50% of total sales, 57% of new launches and 39% of overall inventory during the year. Given their increasing share, these segments continue to exert a significant influence on overall market dynamics and pricing trends. As a result, key markets such as NCR, Bengaluru and Hyderabad recorded price growth of 19%, 12% and 13% YoY respectively, driven largely by the strong focus on premium and high-rise residential developments.

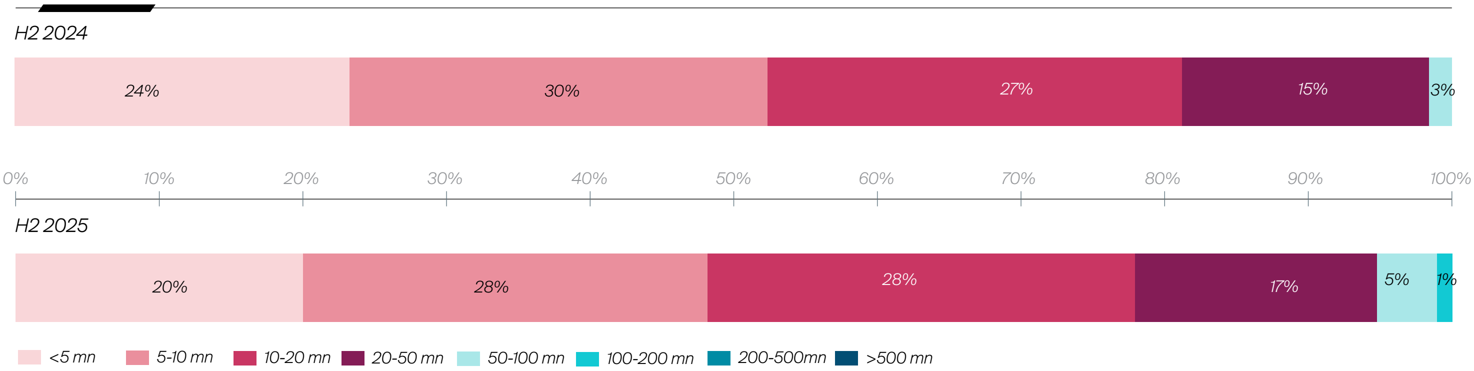
- Contrary to expectations of a sharp downturn, the residential market in 2025 exhibited a combination of stability and underlying resilience. Developers responded to evolving demand conditions by moderating the pace of new project launches, thereby limiting the risk of a build-up in unsold inventory. While the rate of absorption in the premium housing segment has eased, demand in this category has continued to expand. At the same time, developers have increasingly relied on buyer-centric measures such as flexible financing structures, stamp duty waivers and other transactional incentives to facilitate inventory movement. From a policy perspective, the relaxation in the Income Tax regime and reductions in interest rates, the cash reserve ratio and GST during 2025 have collectively improved liquidity conditions within the financial system. Through lower borrowing costs and improved credit availability, these measures are expected to support housing demand, particularly across urban end-user segments, while reinforcing stability in the broader residential market.

RESIDENTIAL SALES AND LAUNCHES

	SALES		*LAUNCHES*	
	H2 2025 (YoY change)	***2025 (YoY change)***	***H2 2025 (YoY change)***	***2025 (YoY change)***
Mumbai	50,153 (3%)	97,188 (1%)	41,663 (-16%)	87,114 (-10%)
Bengaluru	28,774 (3%)	55,373 (0%)	35,262 (16%)	68,760 (23%)
Pune	26,552 (-5%)	50,881 (-3%)	29,559 (-6%)	56,118 (-6%)
NCR	25,657 (-10%)	52,452 (-9%)	25,536 (-15%)	50,769 (-16%)
Hyderabad	19,355 (5%)	38,403 (4%)	19,775 (-9%)	40,737 (-7%)
Ahmedabad	9,382 (3%)	18,752 (2%)	11,307 (-4%)	22,041 (0%)
Chennai	9,327 (13%)	18,262 (12%)	11,244 (31%)	20,865 (20%)
Kolkata	8,806 (7%)	16,896 (-3%)	8,098 (38%)	15,780 (-6%)
Total	***178,006 (0%)***	***348,207 (-1%)***	***182,444 (-4%)***	***362,184 (-3%)***

Source: Knight Frank Research

INDIA TICKET SIZE SPLIT COMPARISON OF SALES



Source: Knight Frank Research

RESIDENTIAL MARKET HEALTH

City	*Unsold inventory (YoY change)*	*QTS*
Mumbai	155,604 (-6%)	6.4
NCR	104,969 (-2%)	7.6
Bengaluru	67,518 (25%)	4.9
Hyderabad	54,878 (4%)	5.8
Pune	51,653 (11%)	4.0
Ahmedabad	36,231 (10%)	7.8
Kolkata	19,630 (-5%)	4.6
Chennai	19,332 (16%)	4.5
Total	***509,815 (3%)***	***5.8***

Source: Knight Frank Research

TICKET-SIZE SEGMENT HEALTH

Ticket-size segment	*Unsold Inventory (housing units) (YoY change)*	*Quarters-to-sell (QTS)*
0-5 mn	176,903 (-7%)	8.7
5-10 mn	136,569 (-3%)	5.3
10-20 mn	129,761 (14%)	5.5
20-50 mn	52,322 (40%)	3.9
50-100 mn	9,626 (-4%)	2.9
100-200 mn	2,946 (28%)	5.2
200-500 mn	1,239 (27%)	15.8
>500 mn	450 (48%)	9.5
Total	***509,815 (3%)***	***5.8***

Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT

City	*Price in INR/sq m (INR/sq ft)*	*12 month change*	*6 month change*
Mumbai	95,326 (8,856)	7%	4%
NCR	64,885 (6,028)	19%	9%
Bengaluru	79,525 (7,388)	12%	5%
Pune	53,992 (5,016)	5%	3%
Chennai	55,273 (5,135)	7%	3%
Hyderabad	72,345 (6,721)	13%	6%
Kolkata	43,454 (4,037)	6%	4%
Ahmedabad	34,413 (3,197)	3%	3%

Source: Knight Frank Research

India *- Office Market*

INDIA MARKET SUMMARY

Parameter	*2025*	*2025 Change (YoY)*	*H2 2025*	*H2 2025 Change (YoY)*
Completions in mn sq m (mn sq ft)	5.09 (54.8)	9%	3.22 (34.7)	38%
Transactions in mn sq m (mn sq ft)	8.03 (86.4)	20%	3.49 (37.5)	1%

Note – 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research

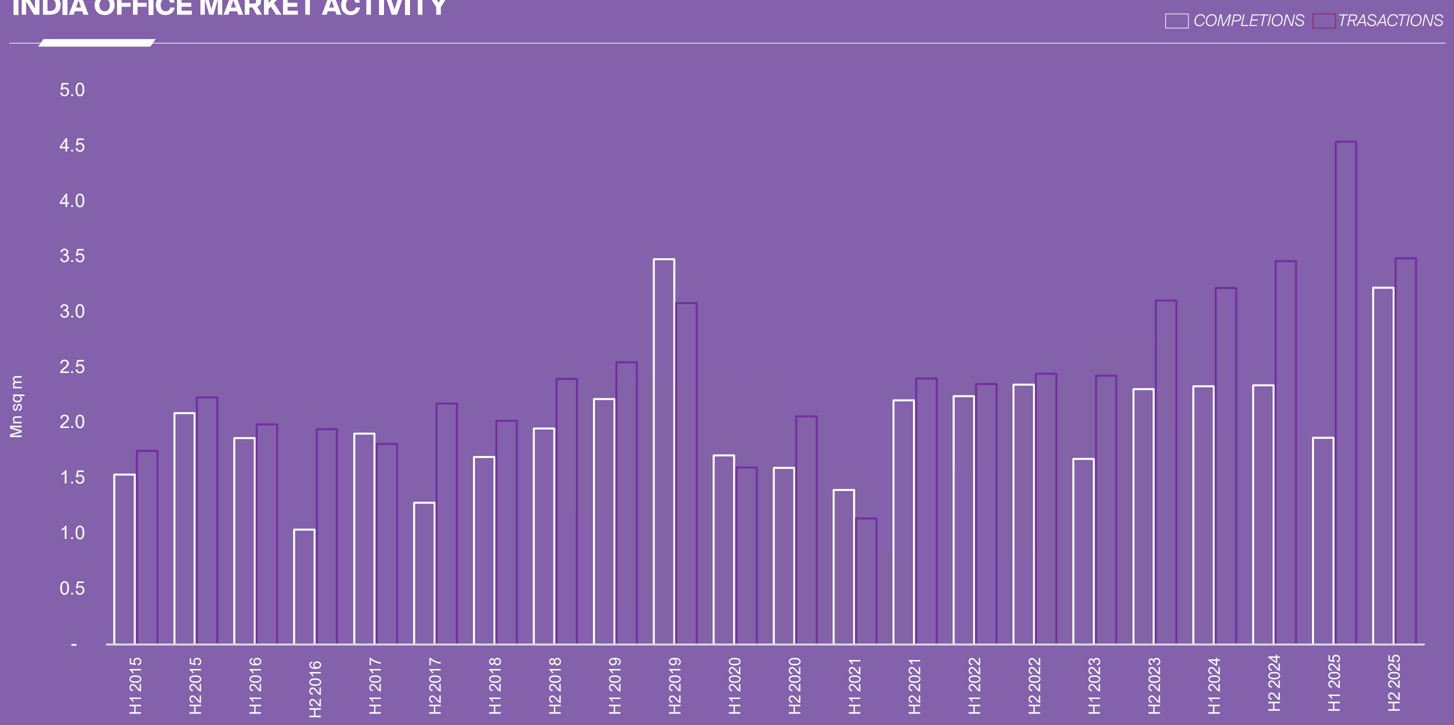
95.45 (1,027.5)
Stock mn sq m (mn sq ft) 2025

15.1%
Vacancy (%) 2025

6%
Change (YoY)

4
basis points increase

INDIA OFFICE MARKET ACTIVITY



Source: Knight Frank Research

- In a year defined by global uncertainty, the Indian office market has not just survived, it has continued to scale new peaks. While mature markets in the West face 'rightsizing' and high vacancies, often exceeding 20% in major US hubs, leasing activity across India's top markets are scaling new highs or sustaining demand at close to the record levels seen during the preceding year.

- A critical factor sustaining this superlative performance is the robust health of the Indian economy. In its December 2025 Monetary Policy Committee (MPC) meeting, the Reserve Bank of India (RBI) revised its GDP growth estimate for FY 2026 upward to 7.3% from an earlier 6.8%. The revision follows a stellar 8.2% expansion in Q2 FY 2026, driven by resilient domestic demand and government capital expenditure. Alongside the growth upgrade, the RBI delivered a 25 bps repo rate cut bringing it to 5.25%, a move that lowered borrowing costs for corporates, further fueling the country's economic growth engine. This macroeconomic backdrop provides the necessary margin of safety for businesses to commit to long-term investments, keeping the office market active even as the rest of the world remains cautious.

- The office market has concluded 2025 with annual volumes breaking the record levels of 2024 to achieve a massive tally of 8.03 mn sq m (86.4 mn sq ft) during the year. This translates to a 20% growth compared to 2024 and an incredible 43% growth compared to the pre-pandemic annual high of 2019. The fact that volumes have consistently ramped up since 2021 showcases the growing momentum of the Indian office market. Five of the eight markets scaled 10 mn sq ft of transaction volumes in 2025, an unprecedented feat which highlights the rapid scaling of occupier interest across Indian office markets. Even in half-yearly terms, the 3.48 mn sq m (37.5 mn sq ft) of space taken up during H2 2025 stands second only to the superlative performance seen in the first half of 2025.

- Three markets scaled annual highs during the year, led by Bengaluru with 2.67 mn sq m (28.7 mn sq ft) leased during the year, 58% higher than the previous high of 2024. To put the scale of activity in Bengaluru in perspective, this year's volumes are more than double the levels recorded in most years since 2008, with only three exceptions. This was possible in Bengaluru's supply-constrained market only because nearly 43% of this total volume was accounted for by occupiers pre-committing to properties, further accentuating the need for high quality, ready office spaces in the market. GCCs accounted for over half of the total annual and semi-annual volumes in Bengaluru, further solidifying its stellar credentials as a global commercial hub.

- Pune and Kolkata were the other markets that scaled new highs during 2025. Notably, annual transaction volumes in the Kolkata market exceeded 2 mn sq ft for the first time, primarily driven by Third Party IT Services and big-ticket transactions by flex space operators.

- Grade A office assets continued to dominate leasing activity, accounting for 89% of the total transactions in H2 2025 and an even higher 91% for the full year. The demand for high-quality space has strengthened as occupiers increasingly prioritize modern workplace design, operational efficiency, and sustainability standards. This structural shift has gained momentum in recent years, supported by the expansion of REIT-owned portfolios, the growing presence of Global Capability Centres (GCCs), and the rapid adoption of flexible workspace formats.

- In recent years, multinational corporations headquartered in the West have increasingly looked to India to expand their operational footprint, driven by the availability of a deep talent pool and competitive cost structures. This has led to a rapid rise in Global Capability Centres (GCCs) which are now undertaking a wider range of complex and strategic functions for their parent organizations. No longer confined to back-office operations, GCCs have become integral to delivering high-value and mission-critical services.

- In 2025, GCCs accounted for approximately 3.0 mn sq m (32.6 mn sq ft) of office leasing, representing the largest occupier share at 38%. Bengaluru emerged as the preferred destination, capturing 47% of all the GCC leasing activity during the year. Leasing volumes in 2025 set a new high for GCCs in India, reinforcing the country's growing position as a global hub for enterprise capabilities accounting for 36% of the transacted volumes during H2 2025.

- Following a relatively subdued period in recent years, third-party IT service providers re-emerged as a key demand driver in the Indian office market in 2025. The segment leased approximately 1.58 mn sq m (17.1 mn sq ft), reflecting a sharp 117% YoY increase. The share of third-party IT services stood at 17% in H2 2025 and 20% for the entire year. With global AI adoption gaining pace, India's deep talent pool and cost competitiveness continue to enhance its appeal as an outsourced IT services hub which has embraced AI to deliver enhanced value to clients.

- In 2025, the flexible workspace segment recorded robust expansion, with operators leasing approximately 1.73 mn sq m (18.6 mn sq ft). This represents an 18% YoY increase and marks the highest annual absorption ever recorded for the segment. Co-working spaces dominated flex space demand, accounting for 72% of the total absorption, significantly higher than the 63% average recorded since early 2023. Demand for managed office solutions also continued to strengthen, with enquiries rising steadily. This trend is expected to gather momentum as occupiers increasingly seek specialized offerings and enhanced productivity, positioning managed office formats as a key growth driver within the flexible workspace landscape.

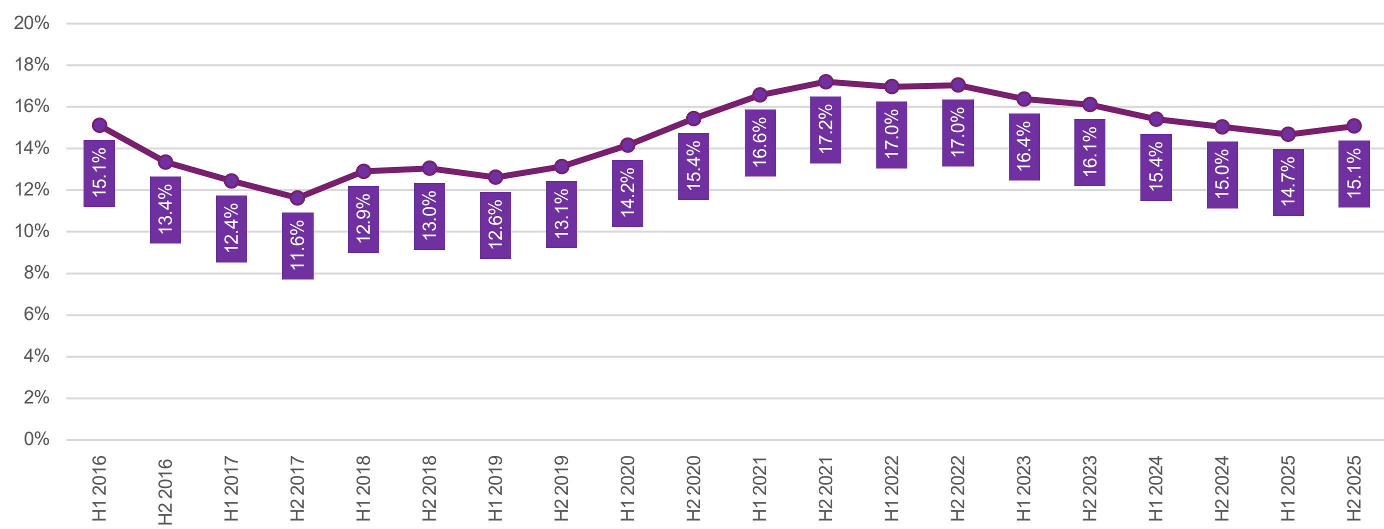
- In contrast to globally oriented occupiers, businesses primarily serving the domestic Indian market experienced a notable slowdown in leasing activity over the course of 2025. After being the dominant demand driver in the immediate post-pandemic period, their share of total office space transactions declined to 21% in 2025 from 36% in the previous year, translating to approximately 0.8 mn sq m (8.7 mn sq ft). While demand remained subdued for the year as a whole, some improvement in activity was seen in the second half of 2025 with the segment accounting for a relatively higher 25% share of transactions during H2 2025.

- Office project completions remained subdued in 2025, as developers continued to prioritise the residential segment, supported by strong buyer demand and rising property values. New office supply across the eight major markets totaled approximately 5.09 mn sq m (54.8 mn sq ft), marking a 20% YoY decline. Consistent with trends observed in recent years, completions remained well below the total office space transacted during the year.

- Since 2021, new office supply has consistently trailed leasing activity, resulting in a gradual tightening of vacancy levels across major markets. Vacancy rates declined from 17.2% in 2021 to 15.1% in 2025, reflecting a sustained demand-supply imbalance. This dynamic has strengthened landlords' pricing power, driving rental growth at a time when several global office markets continue to face headwinds. All major Indian office markets recorded rental appreciation during the period, led by NCR and Hyderabad with 10% growth each, followed by Mumbai and Bengaluru, both registering rental increases of 6%.

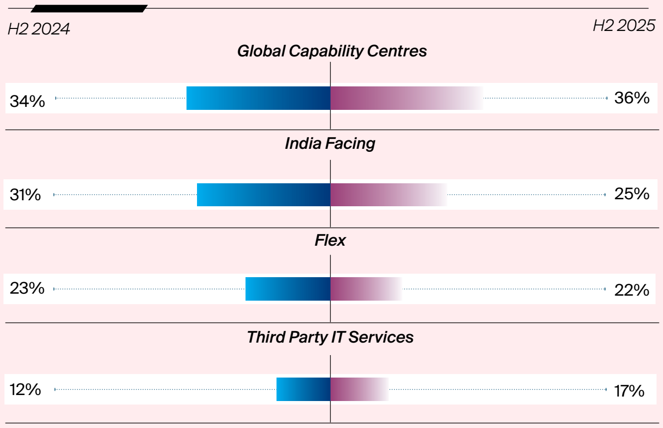
- The Indian office market accelerated sharply in 2025, surpassing the already strong performance recorded in 2024, which itself marked a breakout year. Despite ongoing geopolitical uncertainties that continue to weigh on global business sentiment and investment flows, India has emerged as a relative safe haven for global businesses, underpinned by a stable, business-friendly regulatory environment and resilient economic growth. The expanding role of Global Capability Centres (GCCs), alongside the sustained recovery of third-party IT services, provides strong structural support to office demand. With limited headwinds apart from supply constraints, and with the market increasingly adopting retrofitting and repurposing of existing stock to augment availability, the Indian office market is well positioned to sustain its growth momentum into 2026.

INDIA OFFICE MARKET VACANCY



Source: Knight Frank Research

END-USE SPLIT OF TRANSACTIONS



Source: Knight Frank Research

Notes:

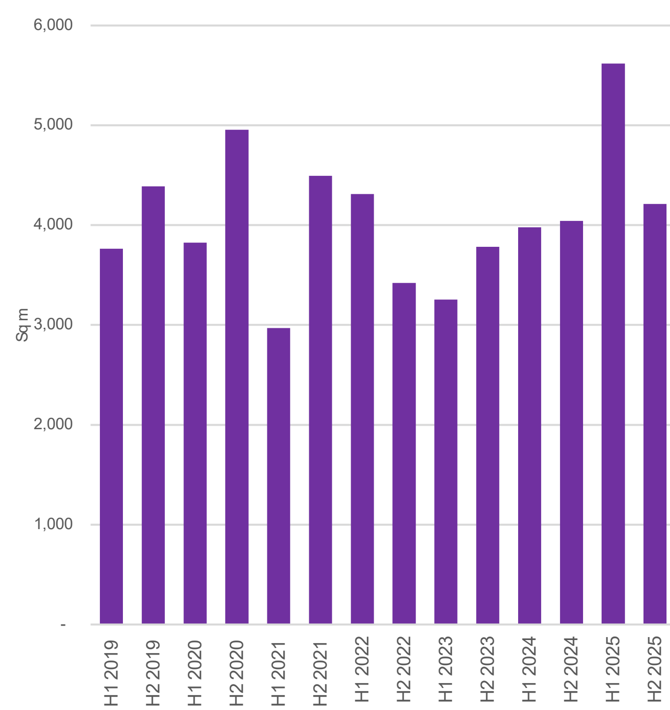
1. India Facing: These refer to such transactions where the lessees/buyers are entities which have an India focused business, i.e., no export or import.

2. Third Party IT Services: These refer to transactions where the lessees/buyers are focused on providing IT and IT enabled services to offshore clients. They service multiple clients and are not necessarily owned by any of them.

3. Global Capability Centres (GCC): These refer to transactions where the lessees/buyers are focused on providing various services to a single offshore company. The offshore company has complete ownership of the entity that has transacted the space.

4. Flex Spaces: These refer to transactions by companies that specialise in providing comprehensive office space solutions for other businesses along with the benefits of flexibility of tenure, extent of services provided and the ability to scale higher or lower as required.

AVERAGE DEAL SIZE TREND



Source: Knight Frank Research

OFFICE TRANSACTIONS AND SPACE COMPLETIONS

	TRANSACTIONS		*COMPLETIONS*	
	H2 2025 in mn sq m / mn sq ft (YoY Change)	*2025 in mn sq m / mn sq ft (YoY Change)*	*H2 2025 in mn sq m / mn sq ft (YoY Change)*	*2025 in mn sq m / mn sq ft (YoY Change)*
Bengaluru	0.98/ 10.5 (9%)	2.67 / 28.7 (59%)	1.31 / 14.1 (198%)	1.5 / 16.2 (30%)
Pune	0.53 / 5.7 (60%)	1.01 / 10.8 (36%)	0.5 / 5.4 (63%)	1.32 / 14.2 (148%)
Hyderabad	0.51 / 5.5 (4%)	1.06 / 11.4 (10%)	0.27 / 2.9 (-73%)	0.4 / 4.3 (-72%)
Chennai	0.47 / 5 (-2%)	0.94 / 10.1 (24%)	0.23 / 2.4 (94%)	0.32 / 3.5 (69%)
Mumbai	0.4 / 4.3 (-6%)	0.91 / 9.8 (-5%)	0.27 / 2.9 (85%)	0.47 / 5.1 (-12%)
NCR	0.38 / 4.1 (-42%)	1.05 / 11.3 (-11%)	0.51 / 5.5 (108%)	0.89 / 9.6 (71%)
Kolkata	0.11 / 1.2 (78%)	0.21 / 2.3 (69%)	0 / 0 (0)	0 / 0 (-100%)
Ahmedabad	0.11 / 1.2 (-14%)	0.18 / 2 (-34%)	0.13 / 1.4 (32%)	0.18 / 1.9 (-30%)
Total	***3.48 / 37.5 (1%)***	***8.03 / 86.4 (20%)***	***3.22 / 34.7 (38%)***	***5.09 / 54.8 (9%)***

Source: Knight Frank Research

MARKET-WISE RENTAL MOVEMENT

City	*Rental value in H2 2025 in INR/sq m/month (INR/sq ft/month)*	*12 month change*	*6 month change*
Kolkata	512 (48)	16%	8%
Hyderabad	829 (77)	10%	3%
NCR	1,035 (96)	10%	3%
Mumbai	1,346 (125)	6%	-3%
Bengaluru	1,046 (97)	6%	2%
Chennai	786 (73)	5%	5%
Pune	840 (78)	1%	1%
Ahmedabad	474 (44)	1%	0%

Source: Knight Frank Research

***Ahmedabad** - Residential Market*

MARKET SUMMARY

Parameter	*2025*	*2025 Change (YoY)*	*H2 2025*	*H2 2025 Change (YoY)*
Launches (housing units)	22,041	0%	11,307	-4%
Sales (housing units)	18,752	2%	9,382	3%
Average price in INR/sq m (INR/sq ft)	INR 33,584 (INR 3,120)	3%	-	-

Note - 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research

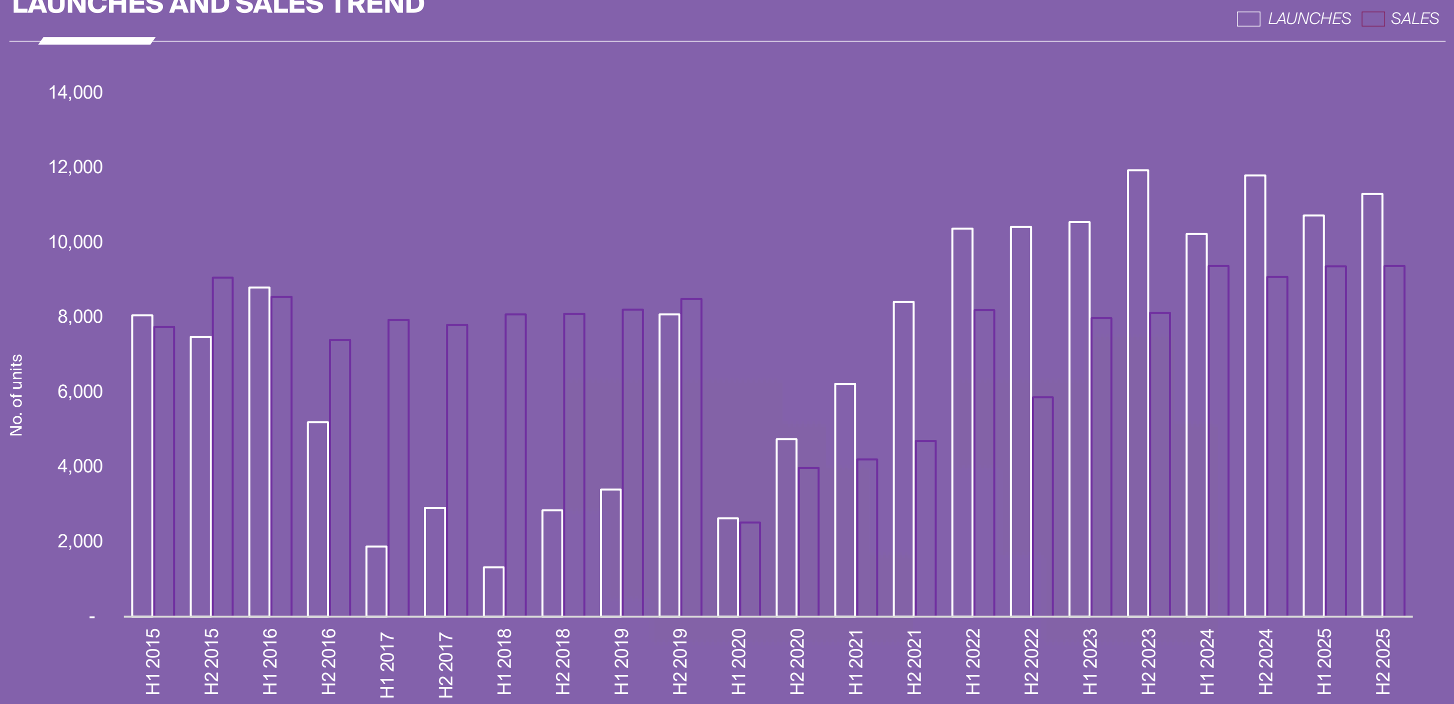
36,231
Unsold inventory (housing units) 2025

7.8
Quarters to sell (in quarters) 2025

10%
Change (YoY)

7.6
Age of unsold inventory (in quarters) 2025

LAUNCHES AND SALES TREND



Source: Knight Frank Research

- Ahmedabad continues to be perceived as one of the most affordable residential markets within the top eight cities, a distinction supported by sustained and strategic urban planning initiatives. Since 2006, the city's municipal area has increased from 186 sq km to nearly 500 sq km, allowing infrastructure expansion to align more effectively with demographic growth and alleviating congestion in the established urban core. Looking ahead, the proposed inclusion of the towns of Sanand, Kalol, Dehgam, Bareja and Mehmedabad is expected to further enlarge the urban footprint to more than 700 sq km, strengthening the city's long-term development capacity.

- Homebuyer demand sustained in 2025 with annual sales volumes growing 2% YoY during the year and by a marginally higher 3% YoY in H2 2025. With steady demand, developers continued to focus on launching lifestyle-oriented projects featuring upgraded amenities and spacious designs to cater to evolving buyer needs. The number of units launched consistently exceeded sales since the pandemic and this trend has sustained in 2025 as well. 22,041 units were launched during the year, almost the same number of units launched in 2024.

- Following the pandemic, the housing market showed a consistent revival, with strong homebuyer sentiments pushing residential sales to a 12-year high in 2025. In response, developers scaled up project launches, increasingly focusing on larger unit configurations, enhanced lifestyle amenities, and calibrated price increases aligned with sustained end-user demand.

- Expansion of municipal boundaries and continued infrastructure upgrades have accelerated development across Ahmedabad's western edge, particularly in the SG Highway and SP Ring Road belt. Rising demand for premium office space in these corridors has, in turn, supported residential growth in the western and northern suburbs. Improved metro connectivity, including the Motera Stadium to Mahatma Mandir stretch and the extension toward GIFT City, has further enhanced access to the northern region.

- Higher FSI norms introduced by the state encouraged vertical development with a notable rise in high-rise projects along SG Highway. Despite premium pricing, driven by elevated land and construction costs, these towers have early buyer acceptance, although sustained demand will need to be tested over time.

- Historically, Ahmedabad's position as the most affordable among the top eight cities meant that residential sales were dominated by homes priced below INR 5 mn. This pattern has shifted since H2 2023 as buyers increasingly seek lifestyle-led housing in higher value segments. In H2 2025, the sub-INR 5 mn category accounted for 29% of transactions, trailing the INR 5-10 mn segment at 46%. The share of homes priced above INR 10 mn also rose to 25%, up from 22% in the previous year.

- Developer activity in H2 2025 was increasingly focused on higher ticket sizes, with homes priced below INR 5 mn accounting for only 24% of the total new supply. In contrast, units in the INR 5-10 mn range dominated launches with 50% share, while projects priced above INR 10 mn contributed the remaining 26%.

- Although unsold stock increased by 10% YoY, overall inventory levels remained below two years, consistent with the trend observed since H2 2022. Developers have increasingly aligned new launches toward higher-priced categories to match changing buyer preferences, and absorption in these segments has remained healthy. Homes priced above INR 10 mn accounted for 25% of both sales and new supply in H2 2025, while inventory growth in this segment was limited to 14% YoY. With higher ticket-size housing gaining traction, these categories warrant a more detailed assessment.

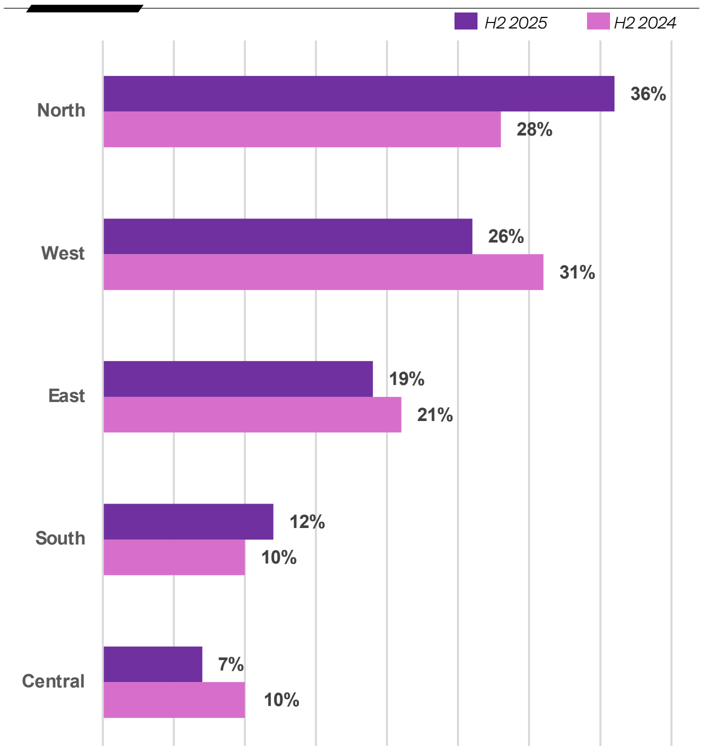
- While the rise in inventory may seem negative in isolation, it is better interpreted in conjunction with the pace of sales to gauge the overall market strength. The Quarters to Sell (QTS) indicator provides this context by measuring the time required to clear the existing stock based on average absorption over the last eight quarters. Lower QTS values typically signal healthier demand conditions. At the aggregate level, the market's QTS is 7.6 quarters, translating to just under two years of inventory and remaining within a comfortable range. In the above-INR 10 mn segment, QTS stands at 6.7 quarters, reflecting balanced and stable market dynamics.

- A growing preference for spacious homes within contemporary high-rise developments highlights an important transition in Ahmedabad's housing market. Demand continues to be supported by strong affordability, comparatively low per square foot prices, and improving local economic conditions. The cumulative 125 basis point reduction in policy rates during the year is expected to further lift buyer confidence. With borrowing costs easing, affordability is expected to improve, especially for homes priced below INR 10 mn which still forms the core of the city's residential demand. This enabling environment is likely to speed up purchase decisions and draw in undecided buyers, helping maintain healthy sales activity in the near term.

MICRO-MARKET CLASSIFICATION

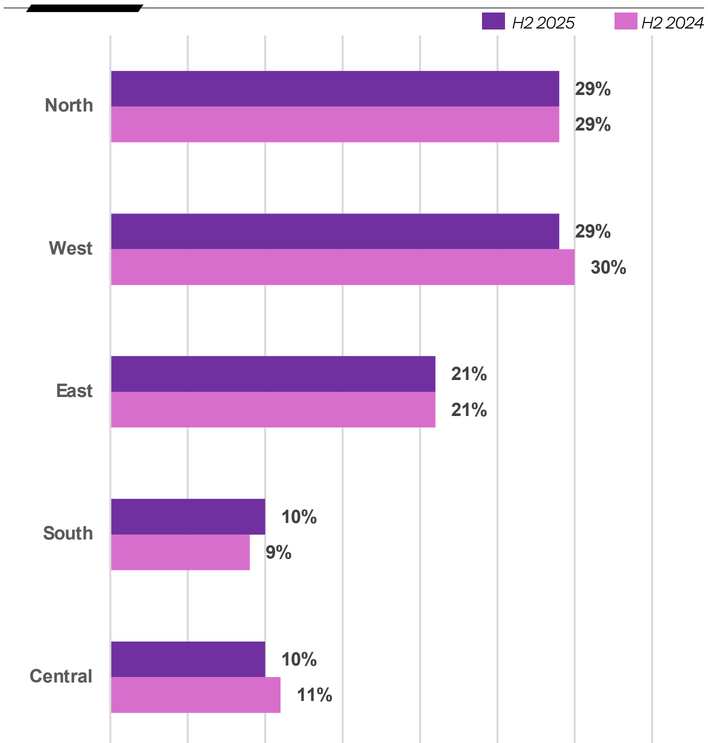
Micro market	*Locations*
Central	Paldi, Vasna, Navrangpura, Maninagar, Dudheshwar, Ambawadi
East	Naroda, Vastral, Nikol, Kathwada Road, Odhav
North	Gota, New Ranip, Tragad, Chandkheda, Motera
South	Narol, Vatva, Vinzol, Hathijan
West	SG Highway, Prahlad Nagar, Bopal, Thaltej, Science City Road

MICRO-MARKET SPLIT OF LAUNCHES IN H2 2024 AND H2 2025



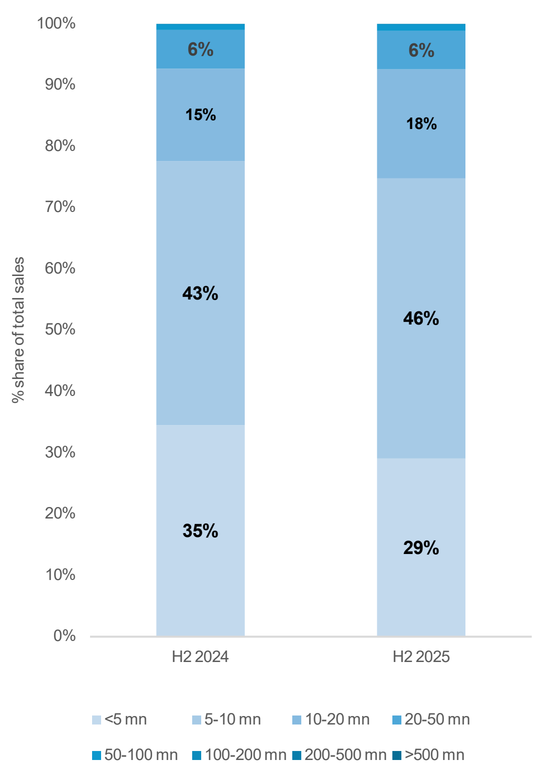
Source: Knight Frank Research

MICRO-MARKET SPLIT OF SALES IN H2 2024 AND H2 2025



Source: Knight Frank Research

TICKET SIZE SPLIT COMPARISON OF SALES



Source: Knight Frank Research

TICKET-SIZE SEGMENT HEALTH IN H2 2025

Ticket-size segment	*Unsold Inventory (housing units) (YoY change)*	*Quarters-to-sell (QTS)*
0 – 5 mn	14,967 (1%)	9.6
5 – 10 mn	14,182 (19%)	7.0
10 - 20 mn	5,370 (25%)	7.3
20 – 50 mn	1,673 (-6%)	6.0
50 – 100 mn	12 (-88%)	0.3
100 – 200 mn	28 (-30%)	8.6
200 – 500 mn	-	-
>500 mn	-	-

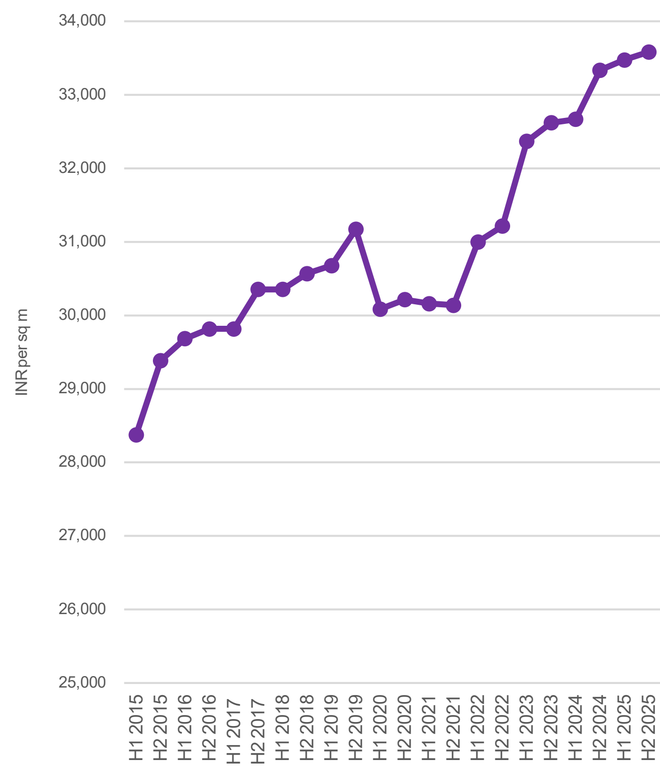
Source: Knight Frank Research

MICRO-MARKET HEALTH IN 2025

Micro-market	*Unsold Inventory (housing units) (YoY Change)*	*Quarters-to-sell (QTS)*
Central	3,259 (-9%)	6.3
East	5,936 (20%)	6.2
North	10,991 (20%)	8.1
South	4,412 (9%)	10.1
West	11,632 (4%)	8.4

Source: Knight Frank Research

AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	*Location*	*Price range in H2 2025 in INR/sq m (INR/sq ft)*	*12 month Change*	*6 month Change*
Central	Ambavadi	64,000-69,800(5,950-6,490)	3%	1%
	Navrangpura	55,400-65,600(5,150-6,100)	4%	2%
East	Nikol	28,000-35,500 (2,600-3,300)	3%	0%
	Vastral	25,800-31,200 (2,400-2,900)	3%	0%
North	Chandkheda	27,900-36,900 (2,600-3,430)	4%	2%
	Motera	37,600-45,200(3,500-4,200)	2%	1%
South	Aslali Circle	18,300-21,530(1,700-2,000)	2%	1%
	Vatwa	19,380-24,760(1,800-2,300)	1%	1%
West	Bopal	35,500-44,100 (3,300-4,100)	2%	1%
	Prahlad Nagar	59,200-61,300 (5,500-5,700)	3%	1%

Source: Knight Frank Research

Ahmedabad *- Office Market*

MARKET SUMMARY

Parameter	*2025*	*2025 Change (YoY)*	*H2 2025*	*H2 2025 Change (YoY)*
Completions in mn sq m (mn sq ft)	0.18 (1.9)	-30%	0.13 (1.4)	32%
Transactions in mn sq m (mn sq ft)	0.18 (2.0)	-34%	0.11 (1.2)	-14%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	470 (44)	1%	-	-

Note - 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research

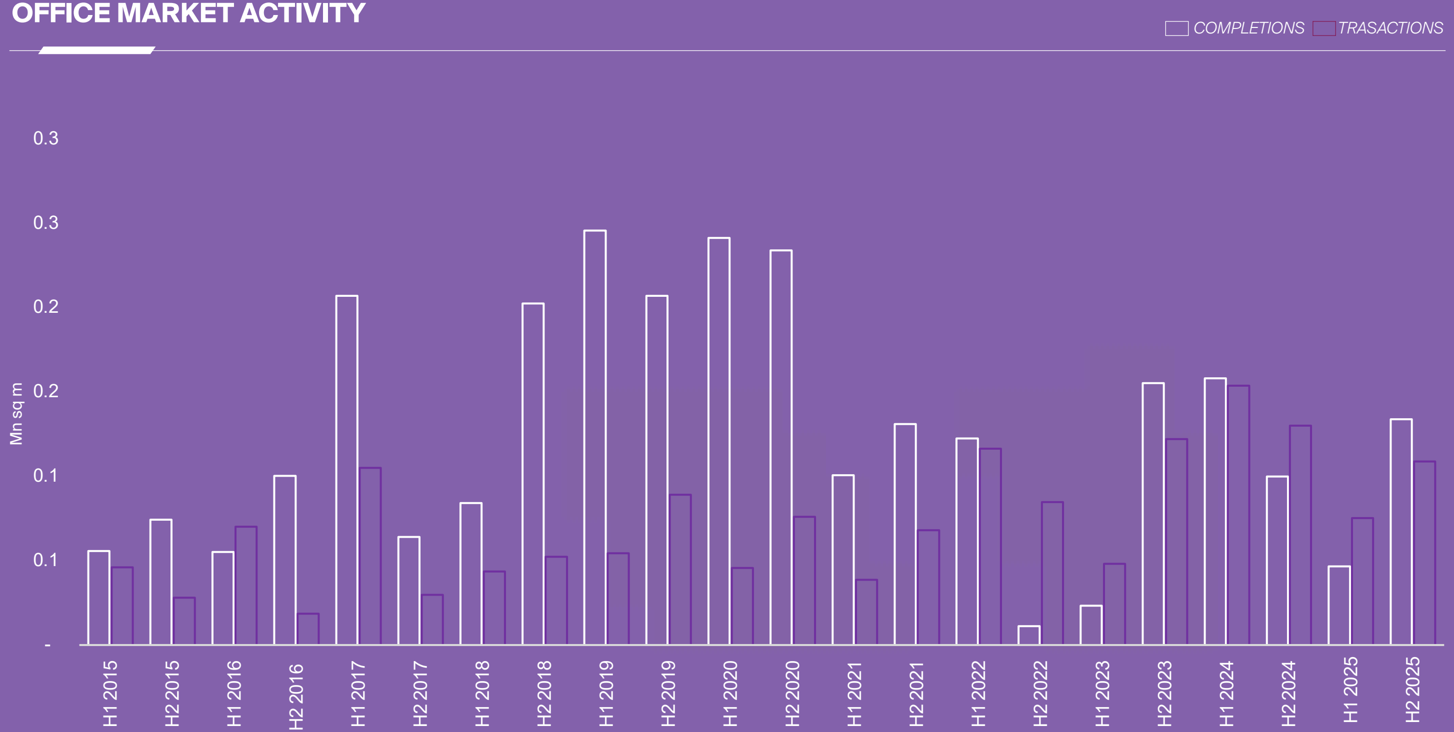
3.91 (42.1)
Stock mn sq m (mn sq ft) 2025

37.4%
Vacancy (%) 2025

5%
Change (YoY)

100
basis points decrease

OFFICE MARKET ACTIVITY



Source: Knight Frank Research

- Ahmedabad remains a relatively small office market, larger only than Kolkata, and accounts for about 4% of total office stock across the eight cities tracked. Before the pandemic, annual leasing activity typically hovered around 0.11 mn sq m or 1.2 mn sq ft. The momentum improved meaningfully from 2021 onward, with the average annual absorption up to 2023 rising to nearly 0.16 mn sq m or 1.7 mn sq ft. Leasing peaked in 2024, when transactions surged to 0.28 mn sq m or 3.0 mn sq ft. Against this unusually high benchmark, the 0.18 mn sq m or 2.0 mn sq ft recorded in 2025 reflects a 34% YoY decline, a contraction that is largely influenced by the elevated base. Importantly, current volumes remain above the post-pandemic norm, excluding the exceptional performance seen in 2024. H2 2025 transactions follow a similar trend with the 0.11 mn sq m or 1.2 mn sq ft transacted during the period falling 14% short of the previous period's tally.

- New office supply remained muted in 2025 with completions limited to 0.18 mn sq m or 1.9 mn sq ft, reflecting a 30% YoY decline. The restrained pace of deliveries has also weighed on leasing activity, as many occupiers continue to defer decisions while awaiting the handover of higher-grade developments along the northern stretch of SG Highway and the SP Ring Road. With supply additions trailing absorption, overall vacancy has edged down from 38.4% in 2024 to 37.4% in the current period.

- Demand in H2 2025 remained heavily skewed toward CBD West, with established office corridors along SG Highway, Bopal Ambli Road, Shivaranjani and Corporate Road attracting occupier interest. The 0.04 mn sq m (0.4 mn sq ft) lease inked by Trident Hotel at the Times Square Grand at Sindhu Bhavan Road was the largest transaction closed in H2 2025 accounting for half of the total area transacted in the CBD West.

- Despite the continued dominance of CBD West, leasing momentum is gradually broadening to emerging office clusters. Peripheral Business District locations contributed 30% of the total transactions in H2 2025, led almost entirely by GIFT City and select projects along the northern reaches of SG Highway and the SP Ring Road. Developments such as Flexone, Gift Tower I and II at GIFT City and Million Minds Tech City at Vaishnodevi were the primary drivers of PBD activity. The presence of high-quality, environmentally compliant buildings, supported by investor and occupier-friendly policy frameworks, reinforces GIFT City's positioning as a distinct and self-sustaining office destination.

- India facing businesses dominated the occupier landscape during H2 2025 accounting for 83% or 0.09 mn sq m (1.0 mn sq ft) of the total area transacted while flex operators and third party IT services took up 7% each. Occupiers from the hospitality, education, telecom, BFSI and consumer electronics space constituted the bulk of the area taken up by the India facing businesses.

- Office rents in Ahmedabad have held firm through 2025 even as leasing activity moderated, underscoring the market's gradual structural strengthening. This stability has been supported in part by the rising demand from GCC occupiers, particularly within GIFT City during the first half of the year. A sizeable share of the city's office inventory comprises older, non-contemporary buildings located in peripheral pockets that see limited occupier traction. In addition, a large proportion of stock is strata-sold, which often constrains consistent asset management and results in lower maintenance benchmarks when compared with more mature markets such as Bengaluru, Gurgaon and Mumbai. Speculative leasing and investor-led ownership patterns keep reported vacancy levels elevated. In practice, the pool of space that meets occupier requirements is far more limited, with a clear undersupply of high-grade offices in prime micro-markets. Newer developments near the SP Ring Road, along with upcoming supply along the northern edge of the city, represent the core of Ahmedabad's evolving, modern office landscape.

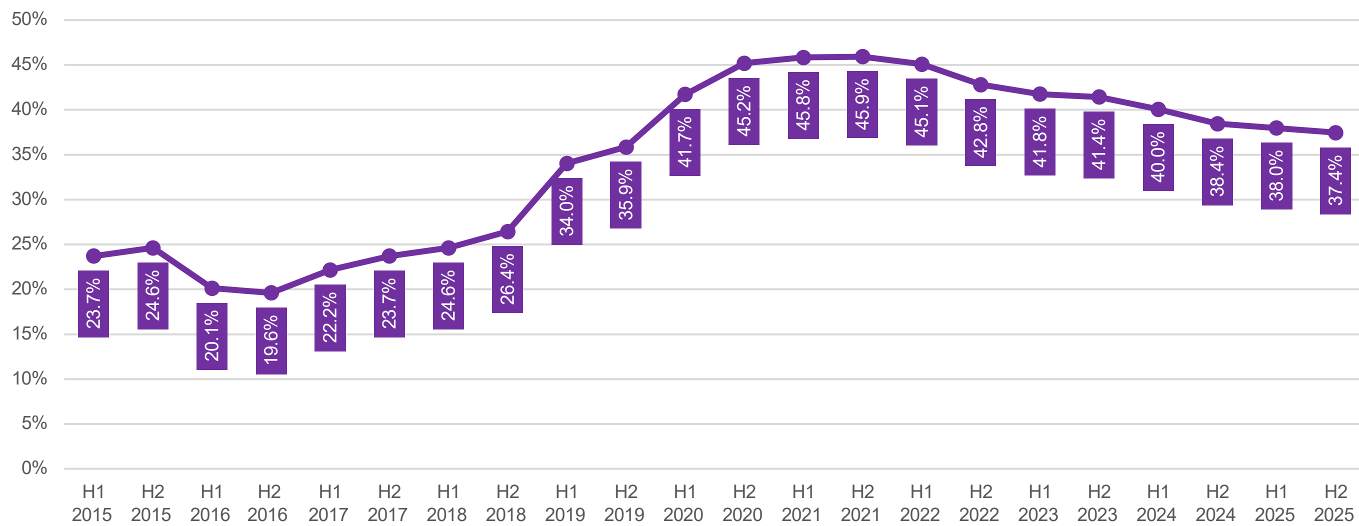
- A strong shift in occupier requirements is reflected in the quality of space leased during H2 2025, when 82% of the total transactions were concluded in highly compliant buildings typically associated with Grade A developments. This marks a notable increase from the 57% share recorded in 2024. More importantly, leasing activity within these assets has remained comparatively stable in absolute terms, declining by just 6% YoY, while overall market transactions contracted by a much sharper 34% YoY.

- Ahmedabad benefits from sustained policy support at both the State and Central levels, with ongoing efforts aimed at positioning the city as a key economic centre. When combined with comparatively affordable real estate costs and a well-developed transport network, the city offers a strong value proposition for office occupiers. Market fundamentals are steadily strengthening, reflected in a broader mix of occupiers and a rising preference for contemporary office formats aligned with standards seen in more mature Indian markets. The substantial pipeline of new supply planned across the northern corridors is expected to act as a catalyst, supporting a pickup in leasing activity and renewed market momentum in the coming quarters.

BUSINESS DISTRICT CLASSIFICATION

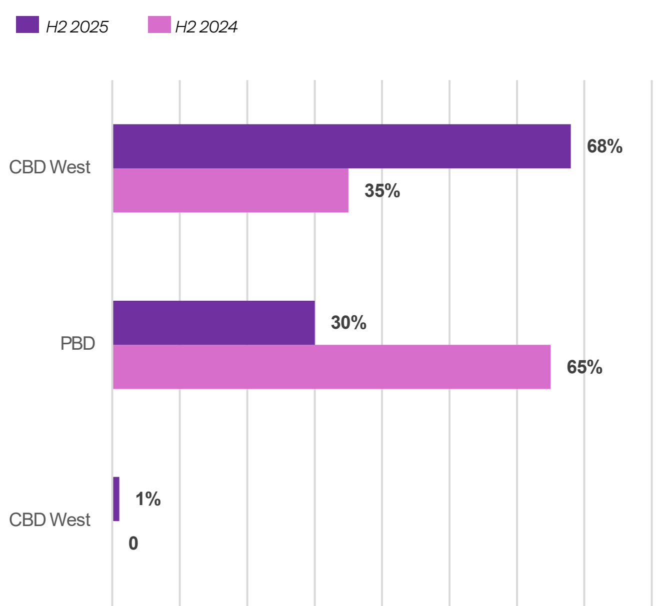
Business District	*Micro Markets*
CBD West	Bodakdev, Keshav Baug, Prahladnagar, Satellite, SG Highway, Thaltej
PBD	Gandhinagar, GIFT City
CBD	Ashram Road, Ellisbridge, Paldi

OFFICE MARKET VACANCY



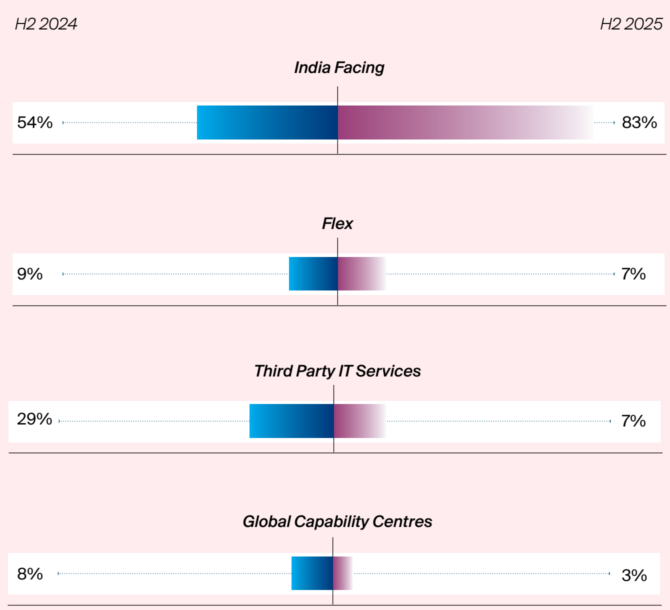
Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT



Source: Knight Frank Research

END-USE SPLIT OF TRANSACTIONS



Source: Knight Frank Research

Notes:

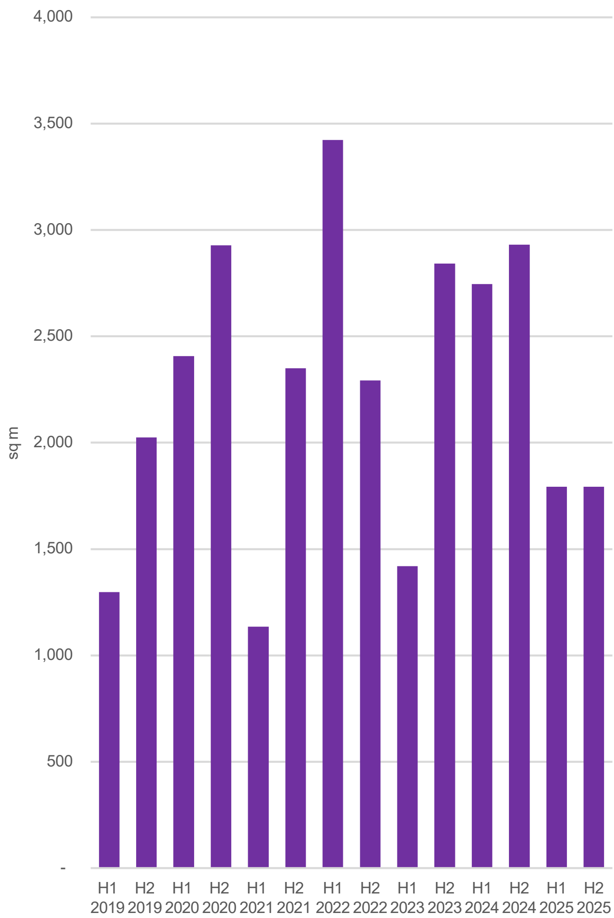
1. India Facing: These refer to such transactions where the lessees/buyers are entities which have an India focused business, i.e., no export or import.

2. Third Party IT Services: These refer to transactions where the lessees/buyers are focused on providing IT and IT enabled services to offshore clients. They service multiple clients and are not necessarily owned by any of them.

3. Global Capability Centres (GCC): These refer to transactions where the lessees/buyers are focused on providing various services to a single offshore company. The offshore company has complete ownership of the entity that has transacted the space.

4. Flex Spaces: These refer to transactions by companies that specialise in providing comprehensive office space solutions for other businesses along with the benefits of flexibility of tenure, extent of services provided and the ability to scale higher or lower as required.

AVERAGE DEAL SIZE TREND



Source: Knight Frank Research

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

Business district	*Rental value range in H2 2025 in INR/sq m/month (INR/sq ft/month)*	*12-month change*	*6-month change*
CBD	431-538 (40-51)	1%	1%
CBD West	484-592 (47-55)	2%	1%
PBD	538-646 (55-60)	0%	0%

Source: Knight Frank Research

Bengaluru - *Residential Market*

MARKET SUMMARY

Parameter	*2025*	*2025 Change (YoY)*	*H2 2025*	*H2 2025 Change (YoY)*
Launches (housing units)	68,760	23%	35,262	16%
Sales (housing units)	55,373	0%	28,774	3%
Average price in INR/sq m (INR/sq ft)	INR 79,524 (INR 7,388)	12%	-	-

Note - 1 square metre (sq m) = 10.764 square feet (sq ft)

Source: Knight Frank Research

67,518

Unsold inventory (housing units) 2025

4.9

Quarters to sell (in quarters) 2025

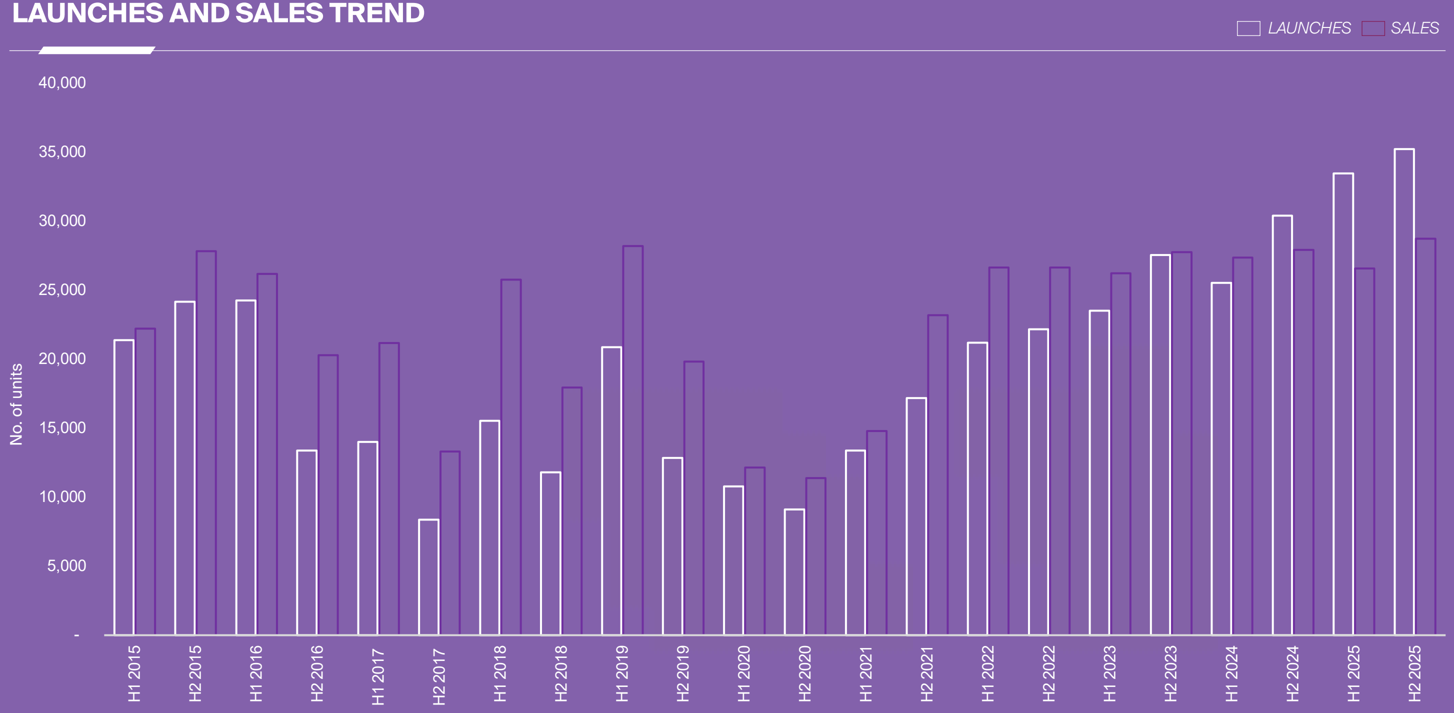
25%

Change (YoY)

15.0

Age of unsold inventory (in quarters) 2025

LAUNCHES AND SALES TREND



Source: Knight Frank Research

- The second half of 2025 marked a pivotal point in Bengaluru's residential market, characterized not just by continued growth, but also by key structural shifts. The city recorded 35,262 units launched in H2 2025, the highest ever for any H2 period, reflecting a strong appetite among developers to tap into the demand, even amidst rising inventory levels.

- Looking at the overall market, the launches increased by 23% in 2025 compared to the previous year while the sales were muted and remained at the same levels. However, if we look deeper and dissect the numbers by ticket size, a more nuanced story emerges. The units launched in INR 10-20 mn and INR 20-50 mn segment value emerged as the clear growth driver, accounting for the majority of both launches and sales in the city. This segment, in fact, witnessed record activity in H2 2025, both in terms of new supply and absorption.

- Developers are aligning their offerings to meet the rising demand from aspirational buyers with a 7% increase YoY in the average unit size launched in 2025 compared to 2024 as the market clearly reflects a growing preference for larger homes, better specifications, and lifestyle-driven offerings. Consequently, the lower ticket size segment of sub-INR 10 mn which once dominated the market, is steadily losing relevance, both in terms of launches and traction, as affordability thresholds shift and consumer preferences evolve.

- This shift has brought micro-markets like North Bengaluru into sharp focus. With 34% of the city launches and 33% of sales, North overtook East Bengaluru in both metrics for the first time. The region's infrastructure-led growth, anchored by the Kempegowda International Airport, ongoing commercial projects, and upcoming Blue Line Metro, elevated it from a 'future-ready' tag to 'current preference' for homebuyers. Hebbal, Thanisandra, Jakkur, and Airport Road are no longer speculative; they are inventory-ready zones pulling in real demand.

- Though South Bengaluru – historically the largest contributor, retained its dominance with 34% of launches and 32% of sales, the nature of demand is changing. What was once the stronghold of mid-segment housing, is now being transformed by the inauguration of the Yellow Line Metro and the rise of high-ticket size launches in micro-markets such as Begur, Sarjapur Road, and Electronic City.

- Meanwhile, East Bengaluru, long regarded as the city's residential and commercial powerhouse, saw a marginal decline in its relative share to 27% of launches and 30% of sales. This dip is more a result of increased traction in the North, rather than waning demand in the East. As metro lines enhance the appeal of this region, the market appears to be in a phase of stabilization after the hyper-growth seen in 2023 and 2024. Developers are expected to shift future launches to peripheral pockets such as Hoskote and Budigere Cross to continue capturing demand in the East.

- Beyond market share and location shifts, one of the most distinguishing signs of a changing market lies in its unsold inventory profile. The city's unsold inventory rose to 67,518 units, up 25% YoY. At first glance, this seems alarming, but a deep dive reveals that most of this buildup is concentrated in the fast-moving INR 10-50 mn category, where the QTS stands at a healthy 2.9-3.1 quarters. These figures point to a market where developers are consciously choosing to take on inventory risk at the premium end, confident in the velocity of sales. The real inventory stress lies at the bottom: Units priced below INR 5 mn now have a QTS of 20.3 quarters, compared to the overall 4.9 quarters for the city, signaling poor absorption.

- The age of inventory at 15 quarters has remained relatively stable, suggesting that newer supply is still finding buyers. This is a positive sign in a market that continues to absorb growth.

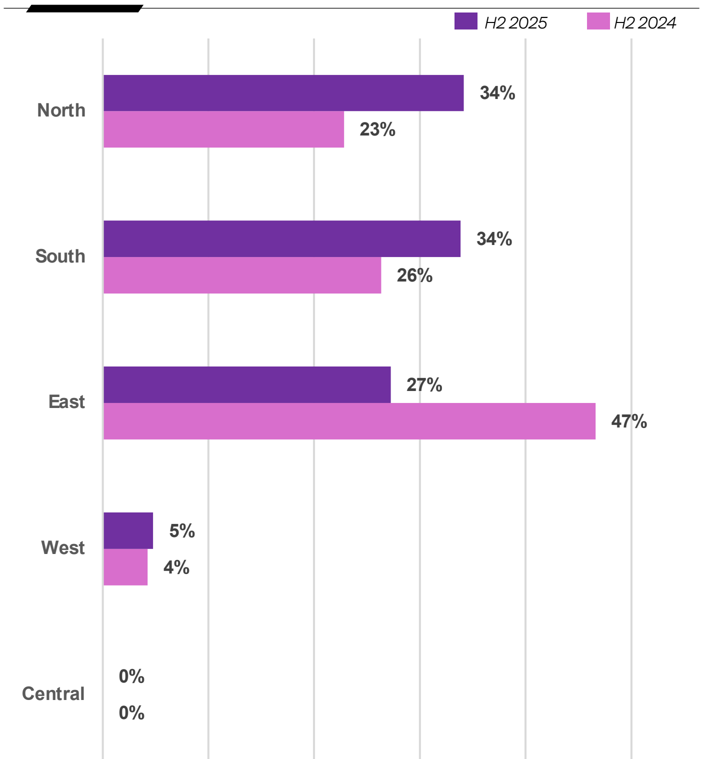
- A key trend reinforcing the market's premium shift is price movement. Bengaluru's weighted average capital value rose by 12% YoY, largely driven by the increased share of higher ticket size segment launches that pushed up the overall weighted average price of the market. While this appears steep, with muted overall demand on a yearly basis, absorption remained resilient across select ticket-size segments rather than uniformly slow across the market.

- In conclusion, H2 2025 marks a continuation and strengthening of Bengaluru's residential transformation. With rising ticket sizes, focused micro-market development, infrastructure-led value creation, and sustained price appreciation, the city is no longer just a volume story, it's a value-led market in motion. The maturity of both buyers and developers is evident in how supply is being curated and how demand is responding.

MICRO-MARKET CLASSIFICATION

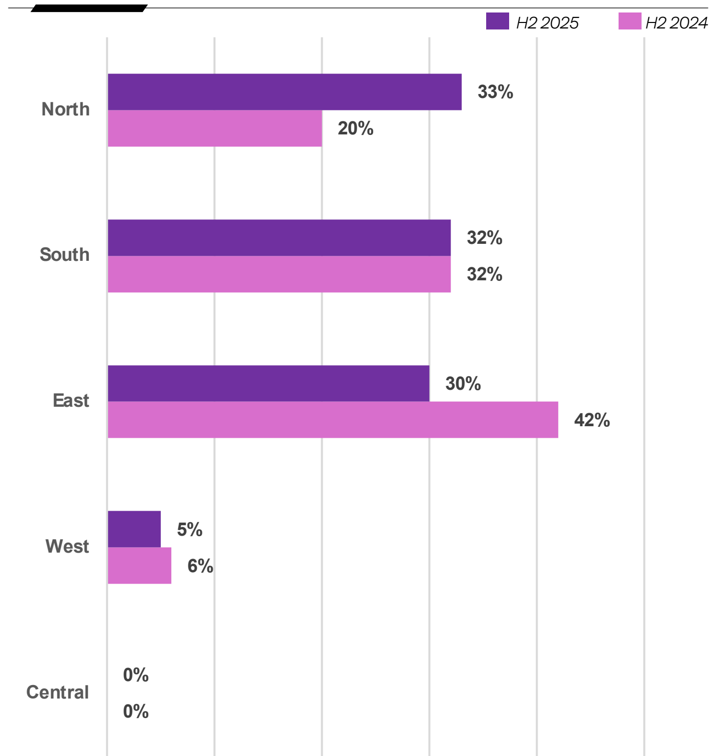
Micro market	*Locations*
Central	MG Road, Lavelle Road, Langford Town, Vittal Mallya Road, Richmond Road
East	Whitefield, Old Airport Road, Old Madras Road, KR Puram, Marathahalli
West	Malleswaram, Rajajinagar, Yeshwanthpur, Tumkur Road, Vijayanagar
North	Hebbal, Bellary Road, Hennur, Jakkur, Yelahanka, Banaswadi
South	Koramangala, Sarjapur Road, Jayanagar, JP Nagar, HSR Layout, Kanakapura Road, Bannerghatta Road

MICRO-MARKET SPLIT OF LAUNCHES IN H2 2024 AND H2 2025



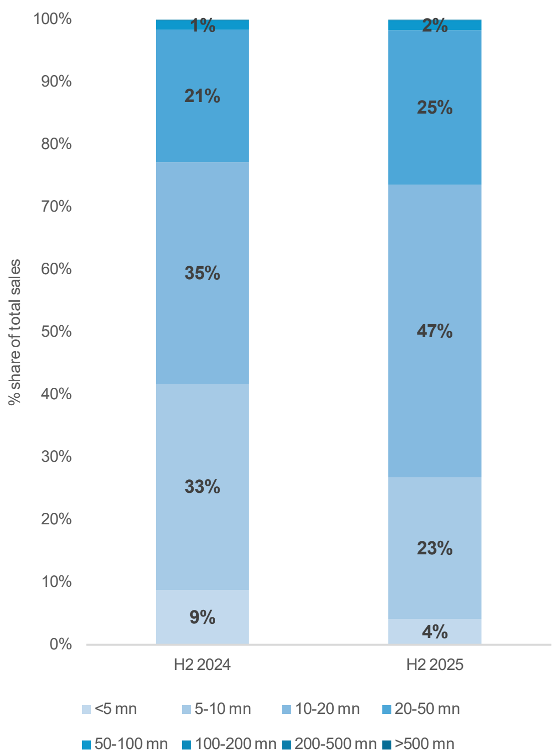
Source: Knight Frank Research

MICRO-MARKET SPLIT OF SALES IN H2 2024 AND H2 2025



Source: Knight Frank Research

TICKET SIZE SPLIT COMPARISON OF SALES



Source: Knight Frank Research

TICKET-SIZE SEGMENT HEALTH IN H2 2025

Ticket-size segment	*Unsold Inventory (housing units) (YoY change)*	*Quarters-to-sell (QTS)*
0 – 5 mn	18,177 (1%)	20.3
5 – 10 mn	22,859 (-1%)	5.4
10 - 20 mn	16,827 (85%)	2.9
20 – 50 mn	8,731 (210%)	3.1
50 – 100 mn	690 (-1%)	4.2
100 – 200 mn	154 (-17%)	10.2
200 – 500 mn	80 (-5%)	71.4
>500 mn	-	-

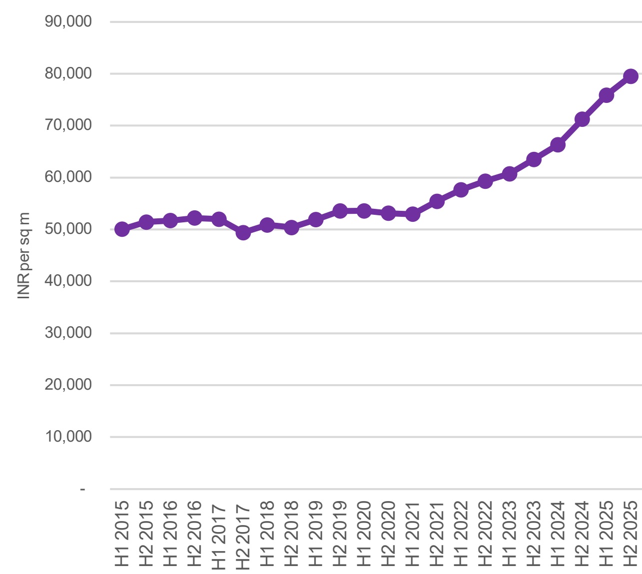
Source: Knight Frank Research

MICRO-MARKET HEALTH IN 2025

Micro-market	*Unsold Inventory (housing units) (YoY Change)*	*Quarters-to-sell (QTS)*
Central	201 (-4%)	14.8
East	20,343 (14%)	4.2
North	14,181 (35%)	3.8
South	30,413 (25%)	6.6
West	2,380 (4%)	3.4

Source: Knight Frank Research

AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	*Location*	*Price range in H2 2025 in INR/sq m (INR/sq ft)*	*12 month Change*	*6 month Change*
Central	Langford Town	1,61,459-2,36,806 (15,000-22,000)	0%	0%
	Lavelle Road	2,26,042-3,22,917 (21,000-30,000)	0%	0%
East	KR Puram	64,583-1,34,549 (6,000-12,500)	8%	11%
	Whitefield	69,965-1,50,695 (6,500-14,000)	11%	5%
	Marathahalli	80,729-1,72,222 (7,500-16,000)	1%	0%
North	Hebbal	75,347-1,39,931 (7,000-13,000)	9%	3%
	Yelahanka	53,820-1,07,639 (5,000-10,000)	5%	2%
	Thanisandra	59,201-1,39,931 (5,500-13,000)	10%	3%
	Hennur	64,583-1,29,167 (6,000-12,000)	6%	2%
South	Sarjapur Road	59,201-1,18,403 (5,500-11,000)	12%	1%
	Kanakpura Road	53,820-1,03,333 (5,000-9,600)	9%	8%
	Electronic City	59,632-90,955 (5,540-8,450)	6%	1%
	Bannerghatta Road	64,583-1,31,320 (6,000-12,200)	14%	1%
West	Yeshwanthpur	78,576-1,48,327 (7,300-13,780)	3%	1%
	Malleswaram	91,493-1,74,375 (8,500-16,200)	2%	-1%
	Rajajinagar	1,18,403-2,38,420 (11,000-22,150)	9%	1%
	Tumkur Road	48,438-91,493 (4,500-8,500)	18%	3%

Source: Knight Frank Research

Bengaluru - *Office Market*

MARKET SUMMARY

Parameter	*2025*	*2025 Change (YoY)*	*H2 2025*	*H2 2025 Change (YoY)*
Completions in mn sq m (mn sq ft)	1.5 (16.2)	30%	1.3 (14.1)	198%
Transactions in mn sq m (mn sq ft)	2.7 (28.7)	59%	1.0 (10.5)	9%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	1,046 (97.1)	6%	1,046 (97.1)	6%

Note – 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research

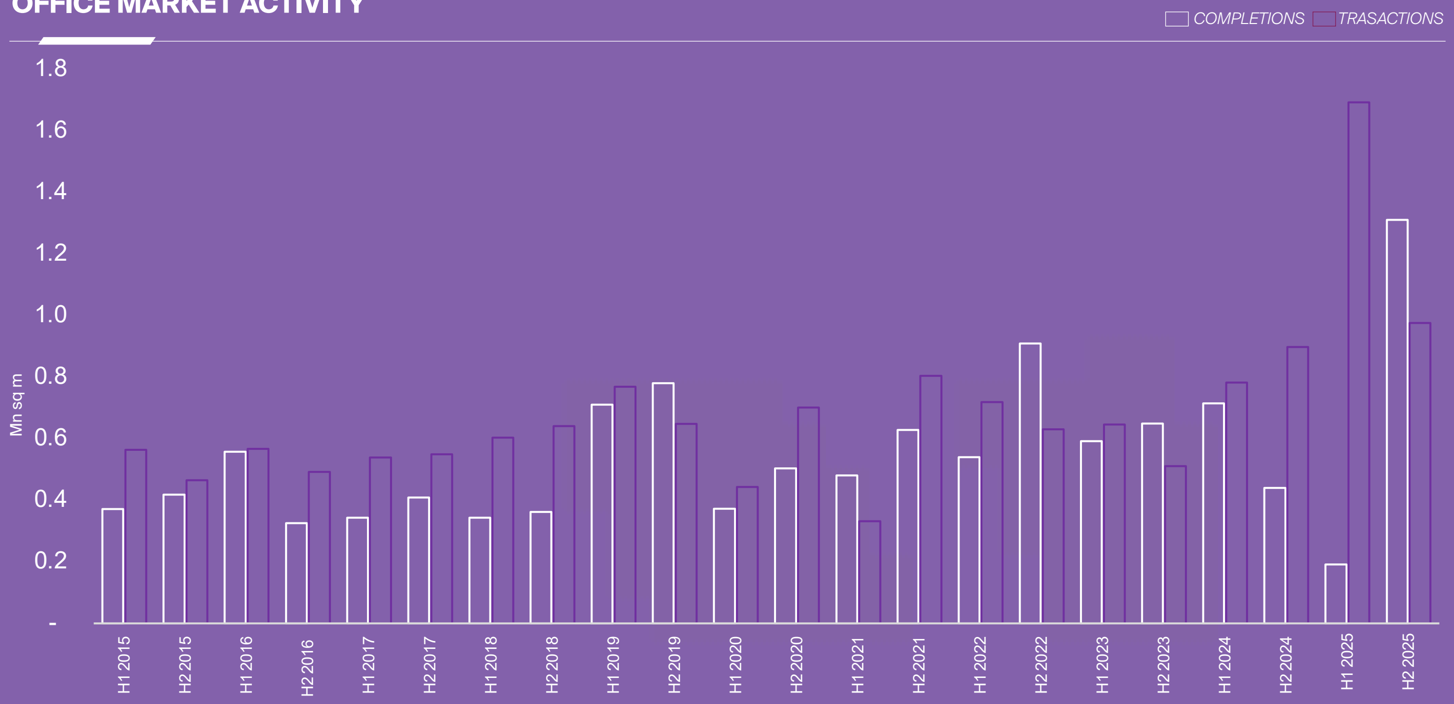
22.6(243.6)
Stock mn sq m (mn sq ft) 2025

12.8%
Vacancy (%) 2025

7%
Change (YoY)

93
basis points increase

OFFICE MARKET ACTIVITY



Source: Knight Frank Research
Note: The transactions in H1 2025 and H2 2025 include precommitments of 0.8 mn sq m (8.3 mn sq ft) and 0.4 mn sq m (4.1 mn sq ft), respectively.

- The Bengaluru office market sustained its leadership position through the second half of 2025, contributing substantially to India's overall office leasing activity. The city recorded an impressive 2.7 mn sq m (28.7 mn sq ft) of office transactions in H2 2025, bringing the total annual volume for India to 4.4 mn sq m (47.0 mn sq ft), and solidifying Bengaluru's share at roughly 33% of all office leasing in India. This remarkable performance reflects broad-based occupier confidence across sectors, continued expansion by Global Capability Centres (GCCs), and growing traction in emerging micro-markets. Grade A office spaces accounted for 97% of the total leasing in 2025, up from 94% in 2024, underscoring increasing occupier preference for high-quality work environments.

- Pre-commitments emerged as a defining feature of Bengaluru's office market in 2025, reflecting strong forward-looking sentiment among occupiers. Of the total 2.7 mn sq m (28.7 mn sq ft) transacted during the year, a substantial 1.2 mn sq m (12.4 mn sq ft) were pre-committed, highlighting the appetite for securing quality space ahead of delivery. Interestingly, around 0.2 mn sq m (2.5 mn sq ft) of the pre-commitments recorded during the first three quarters of 2025 has already been occupied, underlining the pace at which these commitments are translating into actual absorption. Demand for pre-commitments was concentrated in key corridors, and PBD East and ORR led the way with around 30% share of pre-commitments followed by notable activity in PBD West and SBD. Global Capability Centres (GCC) drove the bulk of pre-commitments commanding 62% share, accounting for 0.7 mn sq m (7.7 mn sq ft) in overall pre-commitment, while Third Party IT Services, Flex Space Operators, and India Facing Businesses also contributed significantly.

- Supply crunch was a key concern in H1 2025 with only 0.2 mn sq m (2.1 mn sq ft) of new completions hitting the market. However, this scenario reversed in H2, as supply rebounded sharply with 1.3 mn sq m (14.1 mn sq ft) of fresh stock delivered. This surge helped ease pent-up demand pressures, provided much-needed breathing room for active occupiers, and marked a shift in developer strategy, many of whom brought focus back to commercial launches after a prolonged residential upcycle. The influx of new supply was largely concentrated in key corridors like ORR and PBD East, reinforcing their position as the city's primary hubs for office absorption.

- Occupier activity in H2 2025 was led by Global Capability Centres, which continued to demonstrate strong confidence in Bengaluru's long-term potential as a strategic innovation and talent hub. A standout transaction during the period was Dell's 0.06 mn sq m (0.7 mn sq ft) transacted in ORR, one of the largest deals in the second half of the year, underscoring the segment's scale of expansion. This momentum was further reinforced by the Karnataka government's proactive policy support for GCCs which included incentives around infrastructure, talent development, and regulatory ease. These measures have helped position Bengaluru as the preferred destination for global firms looking to deepen their engineering and R&D presence in India.

- Third Party IT Services also made a strong comeback in 2025, witnessing 189% YoY increase in transaction volumes in H1 and sustaining the momentum in H2 with 65% increase. Large-format transactions defined the segment's revival and included one of the largest transactions in 2025 – a 0.2 mn sq m (1.75 mn sq ft) pre-commitment by TCS in West Bengaluru. This scale of activity reflects aggressive portfolio planning by large tech firms, further reinforcing Bengaluru's dominance in this segment.

- India facing occupiers added depth to demand, particularly those in emerging sectors such as digital commerce, healthcare, and fintech. The increasing share of India facing firms signals a broadening of demand drivers beyond traditional export-oriented IT and GCC segments.

- The Outer Ring Road continued to anchor Bengaluru's office market in H2 2025, drawing robust demand across occupier segments. Its well-established tech park ecosystem, ongoing infrastructure upgrades, and rich amenity base made it the most active and dependable commercial corridor in the city. Alongside ORR, PBD East remained a dominant office market, bolstered by operational metro connectivity and a steady pipeline of premium developments. These locations not only offer scalability but also align with the evolving workplace strategies of occupiers who are prioritizing accessibility, integrated environments, and long-term growth potential in their real estate decisions.

- Beyond the dominant core clusters, peripheral markets such as PBD South, PBD West, and SBD saw impressive traction, signaling a clear shift in occupier mindset. Companies are now looking beyond traditional zones to tap into emerging micro-markets that offer scale, rental arbitrage, and access to untapped talent pools. This decentralization trend reflects Bengaluru's maturing commercial landscape, where strategic location planning is closely linked to employee convenience and business agility. Meanwhile, CBD and Off CBD locations remained active in select pockets, with occupiers maintaining legacy footprints while expanding into newer growth corridors to balance brand presence with operational flexibility.

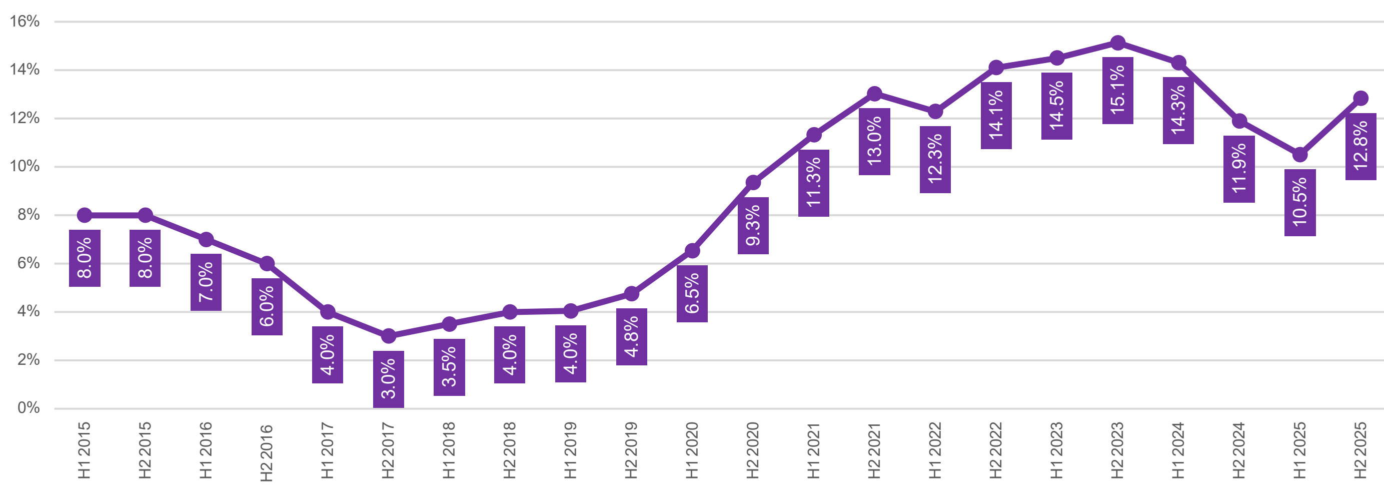
- Infrastructure progress – particularly the launch of the Yellow Line of Namma Metro in August 2025, improved connectivity between Electronic City, HSR Layout, and Central Bengaluru – are positively impacting micro-markets along this corridor. Meanwhile, construction of the Blue Line and Pink Line is progressing, with phased openings expected through 2026-27. Additionally, the proposed Bengaluru Business Corridor (BBC, formerly Peripheral Ring Road), spanning from Tumkur Road to Electronic City, is set to further enhance regional connectivity and unlock future development potential across key peripheral zones. These upgrades are expected to significantly expand the city's effective commercial reach and relieve congestion in traditional business districts.

- In conclusion, H2 2025 was defined by strong leasing momentum, a sharp supply rebound, and rising rental benchmarks across Bengaluru's core and peripheral office markets. As infrastructure improvements continue and supply pipelines diversify, Bengaluru is well-positioned to sustain its office market dominance heading into 2026.

BUSINESS DISTRICT CLASSIFICATION

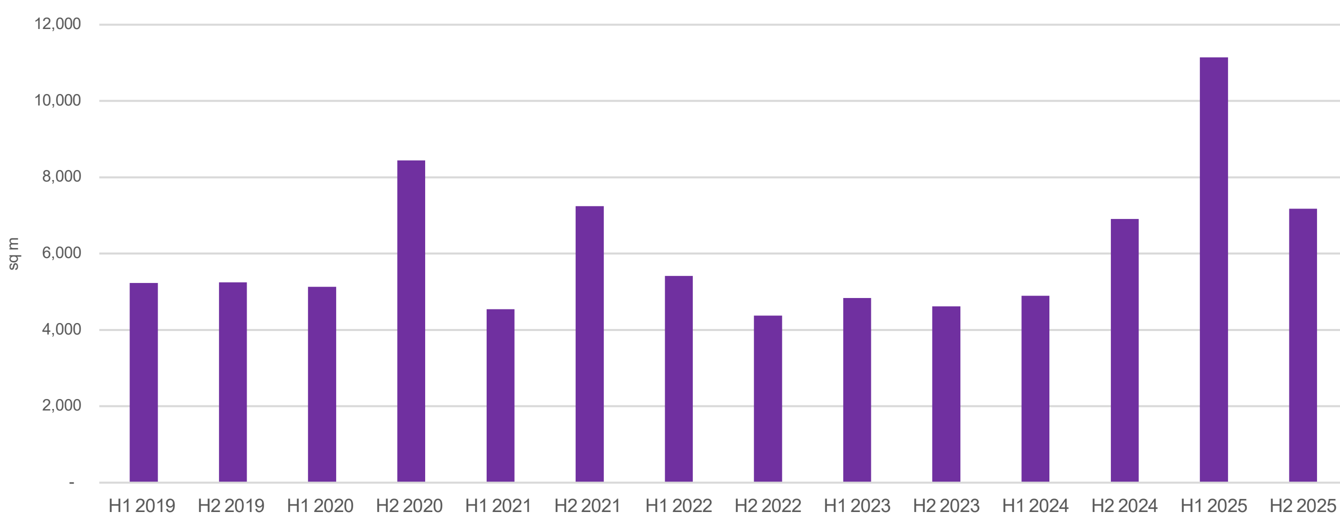
Business District	*Micro Markets*
Central Business District (CBD) and Off CBD	MG Road, Residency Road, Cunningham Road, Lavelle Road, Richmond Road, Infantry Road
Secondary Business District (SBD)	Indiranagar, Koramangala, Airport Road, Old Madras Road
Peripheral Business District (PBD) East	Whitefield
Peripheral Business District (PBD) South	Electronic City, Bannerghatta Road
Peripheral Business District (PBD) North	Thanisandra, Yelahanka, Devanahalli
Peripheral Business District (PBD) West	Vijaynagar, Tumkur Road, Mysore Road
Outer Ring Road (ORR)	Hebbal ORR, Marathahalli ORR, Sarjapur Road ORR

OFFICE MARKET VACANCY



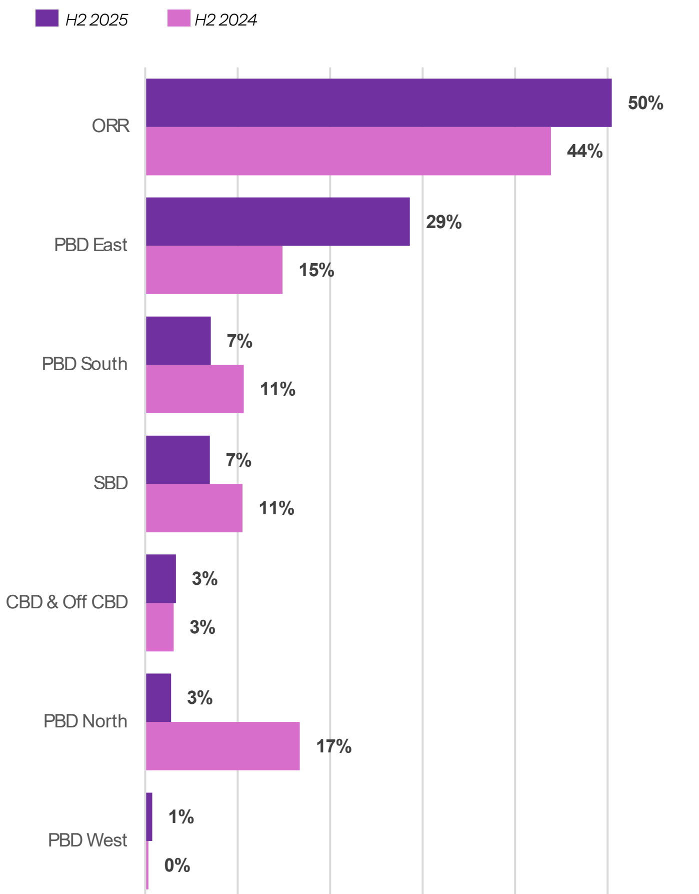
Source: Knight Frank Research

AVERAGE DEAL SIZE TREND

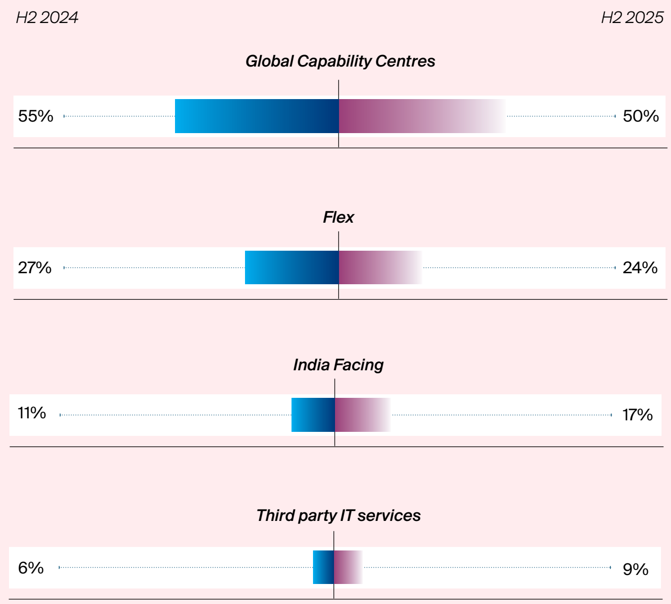


Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT



END-USE SPLIT OF TRANSACTIONS



Source: Knight Frank Research

Notes:

1. India Facing: These refer to such transactions where the lessees/buyers are entities which have an India focused business, i.e., no export or import.

2. Third Party IT Services: These refer to transactions where the lessees/buyers are focused on providing IT and IT enabled services to offshore clients. They service multiple clients and are not necessarily owned by any of them.

3. Global Capability Centres (GCC): These refer to transactions where the lessees/buyers are focused on providing various services to a single offshore company. The offshore company has complete ownership of the entity that has transacted the space.

4. Flex Spaces: These refer to transactions by companies that specialise in providing comprehensive office space solutions for other businesses along with the benefits of flexibility of tenure, extent of services provided and the ability to scale higher or lower as required.

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

Business district	*Rental value range in H2 2025 in INR/sq m/month (INR/sq ft/month)*	*12-month change*	*6-month change*
CBD & Off CBD	1,615-2,637 (150-245)	16%	13%
SBD	1,345-2,045 (125-190)	13%	13%
PBD East	700-958 (65-89)	3%	3%
PBD South	732-936 (68-87)	7%	0%
PBD North	646-1,023 (60-95)	3%	0%
ORR	1,130-1,399 (105-130)	4%	4%

Source: Knight Frank Research

Chennai *- Residential Market*

MARKET SUMMARY

Parameter	*2025*	*2025 Change (YoY)*	*H2 2025*	*H2 2025 Change (YoY)*
Launches (housing units)	20,865	20%	11,244	31%
Sales (housing units)	18,262	12%	9,327	13%
Average price in INR/sq m (INR/sq ft)	INR 55,273 (INR 5,135)	7%	-	-

Note - 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research

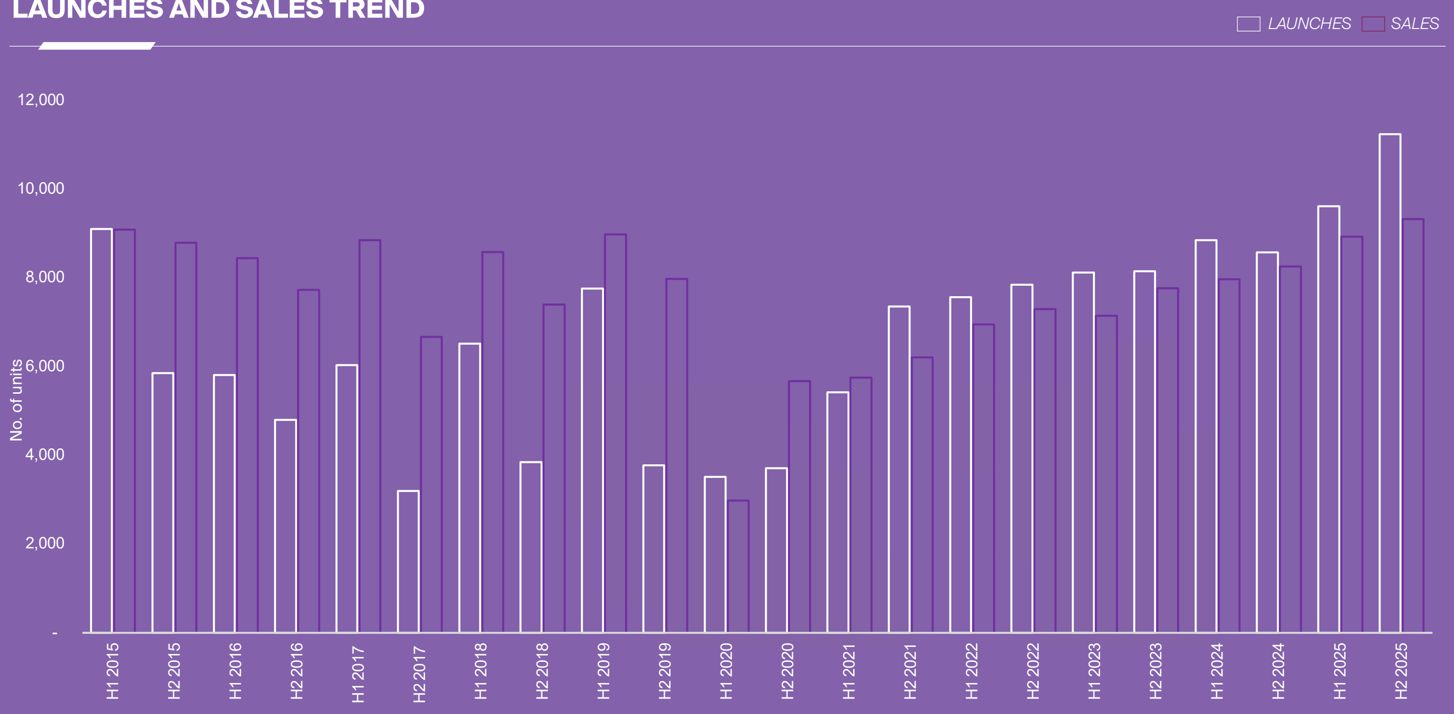
19,332
Unsold inventory (housing units) 2025

4.5
Quarters to sell (in quarters) 2025

16%
Change (YoY)

6.9
Age of unsold inventory (in quarters) 2025

LAUNCHES AND SALES TREND



Source: Knight Frank Research

- The Chennai residential market delivered a strong performance in 2025 with annual housing sales reaching 18,262 units, reflecting a 12% YoY increase. This robust full-year outcome underscores sustained end-user demand, supported by stable pricing, improving affordability in select segments, and continued buyer confidence across the city's key residential corridors. Momentum remained firmly intact in the second half of the year with H2 2025 sales of 9,327 units, up 13% YoY, reinforcing 2025 as a notably strong year for the market.

- Chennai's residential market between H2 2024 and H2 2025 reflects a clear geographic realignment rather than a shift in demand fundamentals. South Chennai continued to dominate with 54% share, marginally lower than 57% a year ago, due to growth in other zones rather than any weakening of demand. Chennai's leadership remains anchored in the OMR-led IT corridor, strong employment generation, and continued premiumization, with luxury housing driving value despite moderation in volume share. West Chennai maintained a stable 27% share, underscoring its evolution into a dependable IT and services corridor supported by metro expansion and steady mid-income demand. Central Chennai emerged as the key outperformer, increasing its share from 10% to 11%, backed by a sharp surge in sales momentum driven by CBD revitalization, infrastructure upgrades around Egmore and Guindy, and renewed developer interest. North Chennai, while still a smaller market, recorded the maximum structural change, improving its share from 6% to 7% on the back of affordability, improving connectivity, and new employment anchors such as TIDEL Park, signaling the early stages of a longer-term shift.

- In H2 2025, Chennai's residential market demonstrated a clear and sustained up-market shift, reinforcing the city's transition toward mid-to-premium housing. Homes priced between INR 5-10 mn remained the backbone of demand, accounting for 45% of the total sales, up from 43% in H2 2024, reflecting the continued strength of the city's core end-user segment. The INR 10-20 mn category emerged as the fastest-growing mainstream segment, expanding its share from 23% to 26%, supported by a 29% YoY increase in volumes, as buyers increasingly prioritized larger homes, better locations, and superior amenities. Demand in the INR 20-50 mn segment strengthened meaningfully, with sales rising sharply and their share increasing from 7% to 10%, underscoring rising affluence and growing acceptance of premium pricing. In contrast, the affordable segment below INR 5 mn saw a pronounced correction, with its share falling from 27% to 18%, driven by a notable decline in volumes amid affordability pressures, higher input costs, and limited new supply at the lower end. While ultra-luxury homes above INR 50 mn remained niche, transaction activity improved, signaling early traction at the very top end of the market. Overall, the distribution of sales in H2 2025 highlights a structurally maturing residential market in Chennai, where demand is progressively consolidating in mid-to-premium price brackets, reflecting evolving buyer aspirations, income growth, and a preference for quality-led housing over entry-level affordability.

- Residential launch activity strengthened meaningfully through 2025, reflecting rising developer confidence backed by healthy sales momentum and sustained end-user demand. Total launches for the year rose sharply by 20% YoY, indicating a clear supply-side response to improving market fundamentals rather than speculative overbuilding. Developers remained focused on aligning new supply with proven demand segments, particularly mid-income and premium housing, while maintaining a calibrated pace of additions across the city. The momentum became even more pronounced in H2 2025, when launches accelerated further by 31%, underscoring the depth of demand. Spatially, South Chennai continued to dominate new supply, increasing its share as developers capitalized on established residential catchments and proximity to key employment corridors. West Chennai maintained a stable share contribution, while North Chennai gained traction, reflecting early-stage confidence linked to emerging infrastructure and employment drivers. In contrast, Central Chennai's share moderated, constrained by redevelopment-led supply and land availability. From a pricing perspective, mid-to-premium segments led H2 2025 launches, signaling a structural shift in developer strategy. Homes priced between INR 5-10 mn remained the single largest category, while the INR 10-20 mn and INR 20-50 mn segments expanded their combined share significantly, pointing to rising buyer aspirations and stronger acceptance of higher ticket sizes. The share of launches below INR 5 mn declined, highlighting growing cost pressures and limited feasibility in the affordable segment. Ultra-premium categories remained niche, but selective additions indicate growing confidence at the top end of the market.

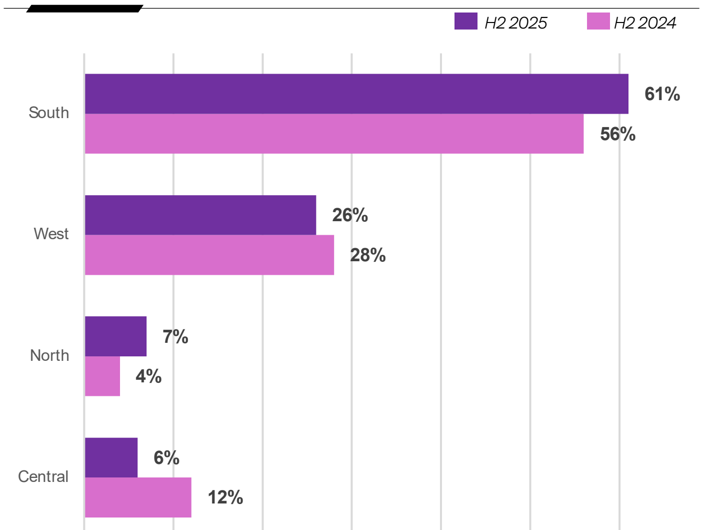
- Chennai's residential inventory profile reflects a largely balanced market, where incremental supply additions have been broadly absorbed, even as select segments witnessed inventory build-up. Unsold inventory levels varied meaningfully across ticket sizes, underscoring a clear divergence between end-user driven categories and slower-moving, price-sensitive segments. Overall, the market continues to benefit from healthy absorption, with most categories maintaining manageable quarters-to-sell (QTS) ratios. Mid-income housing (INR 5-10 mn) remained the healthiest segment in 2025 despite a 25% YoY rise in unsold inventory to 7,087 units, supported by a strong QTS of 3.7. This reflects sustained end-user demand and rapid absorption in the city's core housing bracket. The INR 10-20 mn segment also saw a 22% YoY increase in inventory to 5,291 units, but a QTS of 5.4 suggests relatively slower churn, indicating that absorption is steady but more selective. In contrast, the affordable segment (below INR 5 mn) continued to lose momentum, with unsold stock declining 11% YoY to 5,313 units, while a higher QTS of 5.3 points to affordability pressures constraining demand. At the premium end, INR 20-50 mn homes recorded the sharpest inventory expansion, rising 146% YoY to 1,592 units, though the QTS of 4.6 indicates that while demand is emerging it remains measured. The aspirational luxury segment (INR 50-100 mn) stood out, with unsold inventory dropping 90% YoY to just 7 units and an exceptionally low QTS of 0.1, highlighting swift absorption and limited availability of stock. Homes priced INR 100-200 mn also showed improving health, with inventory declining 34% YoY to 32 units and a QTS of 2.5, while the INR 200-500 mn segment, though small at 11 units, saw a 90% YoY rise, reflecting sporadic high-value launches rather than broad-based supply stress.

- From a micro-market perspective, divergence in market health was more pronounced. Central Chennai emerged as the tightest market, with unsold inventory falling sharply by 79% YoY to 133 units and an exceptionally low QTS of 0.3, underscoring acute supply scarcity and rapid absorption. South Chennai, despite holding a relatively high inventory of 8,081 units following a 33% YoY increase, maintained a healthy QTS of 3.3, supported by strong end-user demand and proximity to key employment hubs. North Chennai saw inventory rise 51% YoY to 856 units, yet a QTS of 3.2 suggests that buyer interest is keeping pace with new supply. In contrast, West Chennai continued to face absorption challenges with the highest unsold inventory at 10,262 units, up 9% YoY, and a relatively elevated QTS of 8.8, indicating pockets of oversupply and slower sales velocity.

- Chennai's residential prices continued their steady upward trajectory in 2025, with average values rising 7% YoY to INR 55,273/sq m (INR 5,135/sq ft). This appreciation has been driven by sustained employment-led housing demand from the IT and GCC ecosystem, improving rental fundamentals, and infrastructure-led connectivity gains, particularly across metro-linked corridors. The price growth remains broad-based yet measured, underscoring Chennai's position as one of India's most stable residential markets where capital value appreciation is firmly anchored in end-user demand rather than speculative excess.

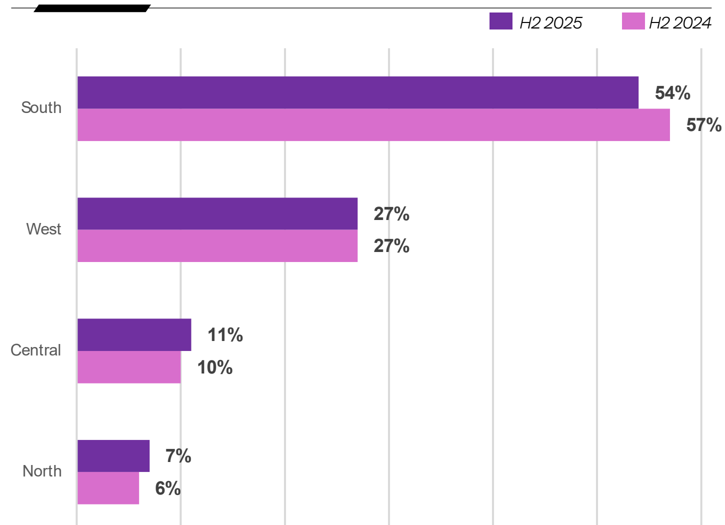
- Overall, Chennai's residential market has demonstrated a structurally strong and broad-based performance, underpinned by sustained job creation across IT, GCCs, manufacturing, and services, alongside steady infrastructure expansion. Robust office leasing, rising residential sales, and healthy launch activity through 2025 reflect a market where supply has responded rationally to genuine demand without diluting fundamentals. Price appreciation has remained measured and inventory levels are well within comfortable thresholds; buyer interest has steadily shifted toward mid-to-premium segments, signaling growing affluence and confidence. Taken together, these trends reinforce Chennai's position as a resilient, employment-led housing market offering long-term stability, consistent absorption, and compelling value for both end-users and developers.

MICRO-MARKET SPLIT OF LAUNCHES IN H2 2024 AND H2 2025



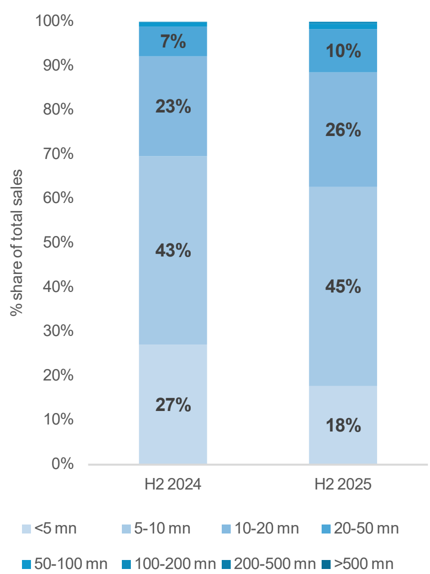
Source: Knight Frank Research

MICRO-MARKET SPLIT OF SALES IN H2 2024 AND H2 2025



Source: Knight Frank Research

TICKET SIZE SPLIT COMPARISON OF SALES



Source: Knight Frank Research

TICKET-SIZE SEGMENT HEALTH IN H2 2025

Ticket-size segment	*Unsold Inventory (housing units) (YoY change)*	*Quarters-to-sell (QTS)*
0 – 5 mn	5,313 (-11%)	5.3
5 – 10 mn	7,087 (25%)	3.7
10 - 20 mn	5,291 (22%)	5.4
20 – 50 mn	1,592 (146%)	4.6
50 – 100 mn	7 (-90%)	0.1
100 – 200 mn	32 (-34%)	2.5
200 – 500 mn	11 (90%)	-
>500 mn	-	-

Source: Knight Frank Research

MICRO-MARKET CLASSIFICATION

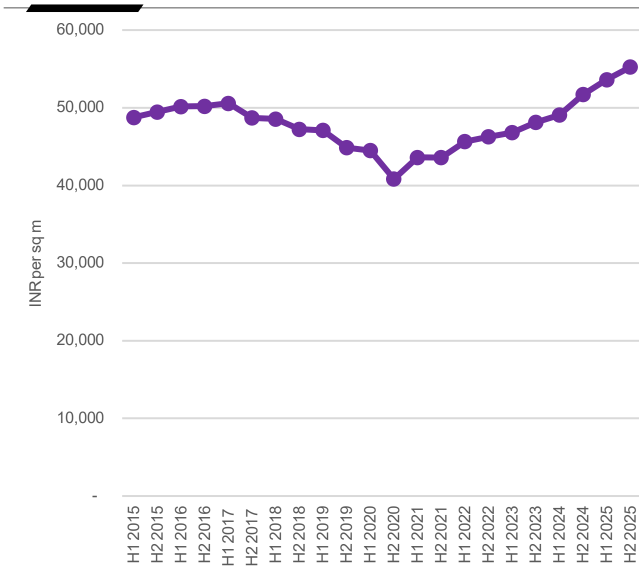
Micro market	*Locations*
Central Chennai	T. Nagar, Alandur, Nungambakkam, Kodambakkam, Kilpauk
West Chennai	Porur, Ambattur, Mogappair, Iyyappanthangal, Sriperumbudur
South Chennai	Perumbakkam, Chrompet, Sholinganallur, Guduvancheri, Kelambakkam
North Chennai	Tondiarpet, Kolathur, Madhavaram, Perambur

MICRO-MARKET HEALTH IN 2025

Micro-market	*Unsold Inventory (housing units) (YoY Change)*	*Quarters-to-sell (QTS)*
Central	133 (-79%)	0.3
North	856 (51%)	3.2
South	8,081 (33%)	3.3
West	10,262 (9%)	8.8

Source: Knight Frank Research

AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	*Location*	*Price range in H2 2025 in INR/sq m (INR/sq ft)*	*12 month Change*	*6 month Change*
Central	Anna Nagar	1,41,310-1,50,158 (13,128-13,950)	0%	0%
	Kilpauk	1,72,536-2,01,599 (16,029-18,729)	1%	0%
North	Kolathur	59,310-56,511 (5,510-5,250)	0%	0%
	Perambur	77,684-90,924 (7,217-8,447)	15%	3%
South	Perumbakkam	82,614-1,00,364 (7,675-9,324)	16%	5%
	Kelambakkam	63,540-67,092 (5,903-6,233)	12%	1%
West	Porur	71,538-75,929 (6,646-7,054)	2%	1%
	Mogappair	95,757-1,10,988 (8,896-10,311)	13%	5%

Source: Knight Frank Research

Chennai - *Office Market*

MARKET SUMMARY

Parameter	*2025*	*2025 Change (YoY)*	*H2 2025*	*H2 2025 Change (YoY)*
Completions in mn sq m (mn sq ft)	0.32 (3.5)	69%	0.23 (2.4)	94%
Transactions in mn sq m (mn sq ft)	0.94 (10.1)	24%	0.47 (5.0)	-2%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	786 (73)	5%	-	-

Note - 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research

8.78(94.5)

Stock mn sq m (mn sq ft) 2025

7.7%

Vacancy (%) 2025

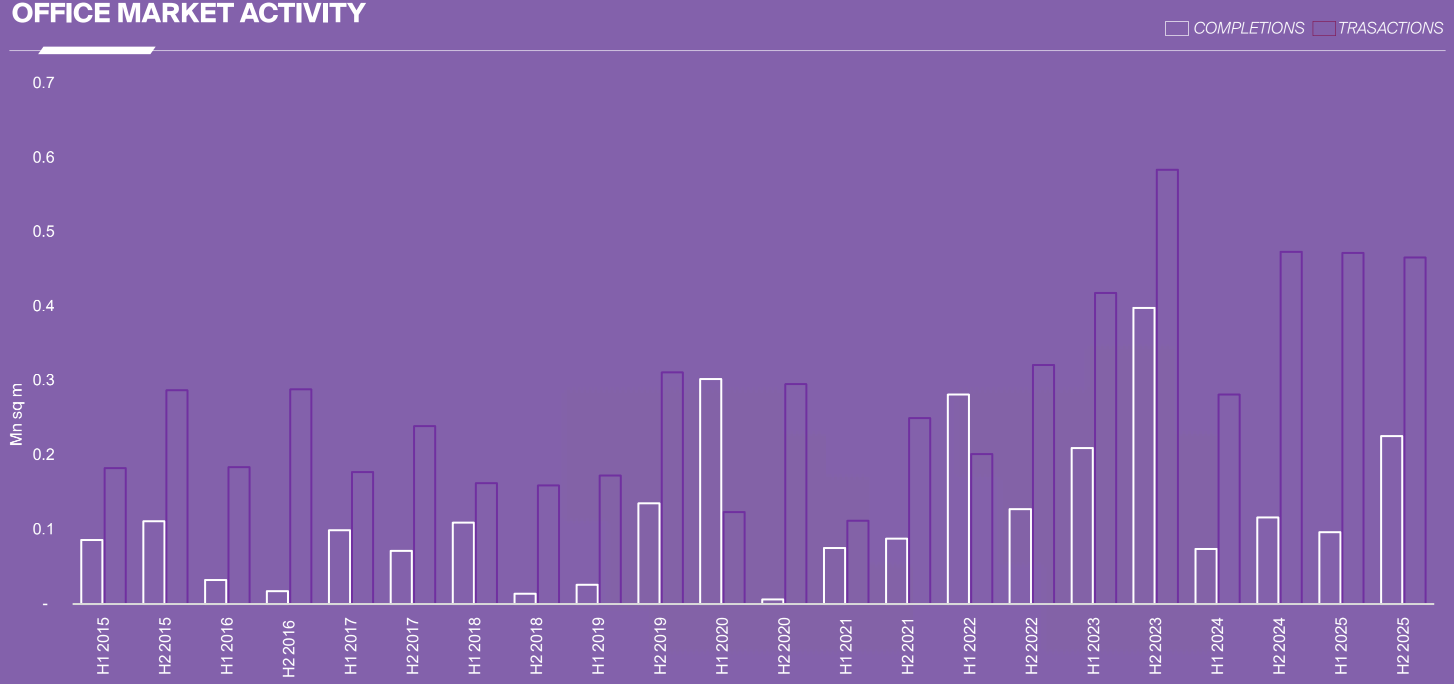
4%

Change (YoY)

86

basis points increase

OFFICE MARKET ACTIVITY



Source: Knight Frank Research

- Chennai's office market delivered a resilient and structurally strong performance in 2025, with total leasing volumes reaching 0.94 mn sq m (10.1 mn sq ft), marking the second-highest annual absorption on record after the peak year of 2023, when transactions touched 1.0 mn sq m (10.8 mn sq ft). Leasing momentum remained robust despite a relatively tighter supply environment, supported by sustained occupier confidence across GCCs, flex operators, and India-facing businesses. While H2 2025 leasing moderated marginally on a YoY basis, the market continued to demonstrate depth and consistency, reflecting Chennai's position as a long-term occupier-driven office market.

- Global Capability Centres continued to anchor demand throughout 2025, strengthening their dominance in Chennai's leasing landscape. GCCs increased their share of total leasing to 41% share of the occupier pie during H2 2025 with transactions increasing by 19% YoY driven largely by manufacturing-led GCCs and diversified services operations. Sectorally, manufacturing emerged as the largest contributor, accounting for 44% of GCC leasing during the period, underscoring Chennai's deep integration with global industrial and engineering value chains. This was followed by Other Services sectors, including logistics, engineering, healthcare, and consulting, which together constituted 40% of GCC transactions, reflecting the city's growing role as a multi-sectoral capability hub. IT and IT-enabled services contributed the remaining 15%, highlighting a gradual diversification of GCC demand beyond traditional technology functions. Large transactions by occupiers such as Optum, Qualcomm, Schneider Electric, Hitachi Energy, and BMW reinforced Chennai's appeal as a scalable, talent-rich destination for global enterprises seeking long-term operational depth beyond conventional IT-centric markets.

- Flex space operators emerged as one of the fastest-growing demand segments in 2025, accounting for 23% of the total office leasing in H2 2025 and registering a sharp 53% YoY increase in absorption. Growth was predominantly led by managed office solutions, which comprised 16% of overall leasing, reflecting occupier preference for flexibility, faster deployment, and capital-efficient expansion. Coworking operators contributed the remaining 7% share, continuing to support startups, project-based teams, and enterprise overflow requirements. Transactions led by players such as The Executive Centre, Cowrks, Tablespace, and CorporatEdge Business Centre highlight the increasing institutionalization and maturity of Chennai's flex office market, positioning it as a critical component of occupier strategy rather than a peripheral alternative.

- India-facing office leasing in Chennai increased by 18% YoY in H2 2025 and accounted for 20% of the city's overall office absorption, underscoring the strengthening role of domestic demand alongside export-oriented occupiers which continue to form the supporting base of the market. Within the India-facing segment, Other Services sectors dominated with a 64% share, led by engineering, healthcare and education, reflecting demand driven by consumption-led and service delivery businesses. Manufacturing-related occupiers constituted 22% of India-facing leasing, supported by Chennai's well-established industrial ecosystem and associated corporate functions. BFSI players contributed 10%, largely through insurance and financial service firms expanding regional and back-office operations, while IT/ITeS firms accounted for the remaining 3%, indicating a relatively limited contribution from technology exporters within the India-facing demand profile. Prominent India-facing transactions were led by Amura Healthcare, Vels University, Godrej, and ICICI Lombard.

- Third-party IT services, while seeing a relative moderation in H2 2025 compared to the strong rebound witnessed in the first half of the year, remained an important pillar of demand. Key transactions during 2025 were led by established technology players such as TCS, HCL, and L&T Technology Services, reinforcing Chennai's longstanding position as a core IT and engineering services hub, even as the overall leasing mix became more diversified.

- Spatially, leasing activity continued to consolidate around well-established, infrastructure-led corridors, with a clear shift toward peripheral business districts offering scalability and improved connectivity. The PBD OMR and GST corridors emerged as the fastest-growing office clusters, with their share rising sharply from 15% in H2 2024 to 36% in H2 2025, supported by large-format transactions and sustained GCC expansion. Key locations such as Sholinganallur, Perungulathur, and PTR Road were particularly active, benefiting from improving road infrastructure, proximity to residential catchments, and the availability of institutional-grade office stock. The SBD corridor, including established hubs such as Guindy and Manapakkam, continued to play an important role in the market; however, its relative share declined from 50% to 34% as occupier demand diversified beyond traditional central locations. Similarly, the SBD OMR corridor saw its share moderate from 26% to 22%, reflecting a broadening of leasing activity into newer peripheral districts rather than any weakening in fundamentals. The CBD maintained a stable presence, with its share inching up from 6% to 7%, driven largely by niche and consolidation-driven occupier requirements. PBD Ambattur, meanwhile, remained a niche market with limited large-scale activity, accounting for 1% of leasing in H2 2025, underscoring its selective appeal compared to the dominant OMR-and GST-linked corridors.

- On the supply side, office completions remained elevated through 2025, with total additions of 0.32 mn sq m (3.5 mn sq ft), enabling the market to absorb occupier expansion without materially loosening underlying fundamentals. In H2 2025, a meaningful share of new supply was delivered by institutional developers, reinforcing confidence in Chennai's long-term office market outlook. Key completions during the period were led by the Embassy Group, CapitaLand, and K Raheja Corp, all along PTR Road within the PBD OMR and GST corridors. The clustering of new developments in this micro-market underscores its rising prominence as a hub for large-format, future-ready office campuses, particularly aligned to the requirements of GCCs, technology occupiers, and managed office operators seeking scale, modern infrastructure, and strong connectivity.

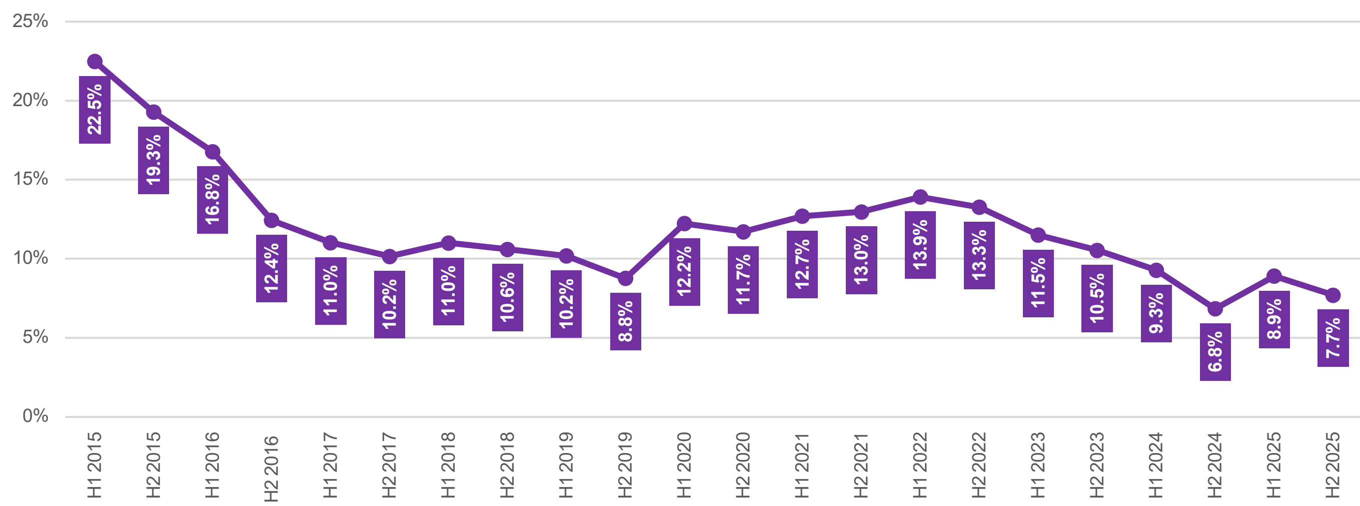
- Despite these additions, market conditions continued to tighten, supporting steady rental appreciation and reinforcing Chennai's positioning as a structurally balanced office market where demand has largely kept pace with supply. Average office rents increased by 5% YoY, while vacancy levels remained among the tightest across major Indian office markets, closing the year at 7.7%. This reflects sustained occupier demand and the continued scarcity of quality Grade A office space, particularly in preferred growth corridors. Transactions in Grade A properties was around 85% during H2 2025.

- Overall, Chennai's office market in 2025 reaffirmed its position as a stable, scalable, and cost-competitive commercial destination. Backed by Tamil Nadu's diversified economic base spanning manufacturing, services, technology, healthcare, and education, the city continues to offer occupiers a compelling combination of talent availability, infrastructure depth, and policy support, positioning it well for sustained long-term growth.

BUSINESS DISTRICT CLASSIFICATION

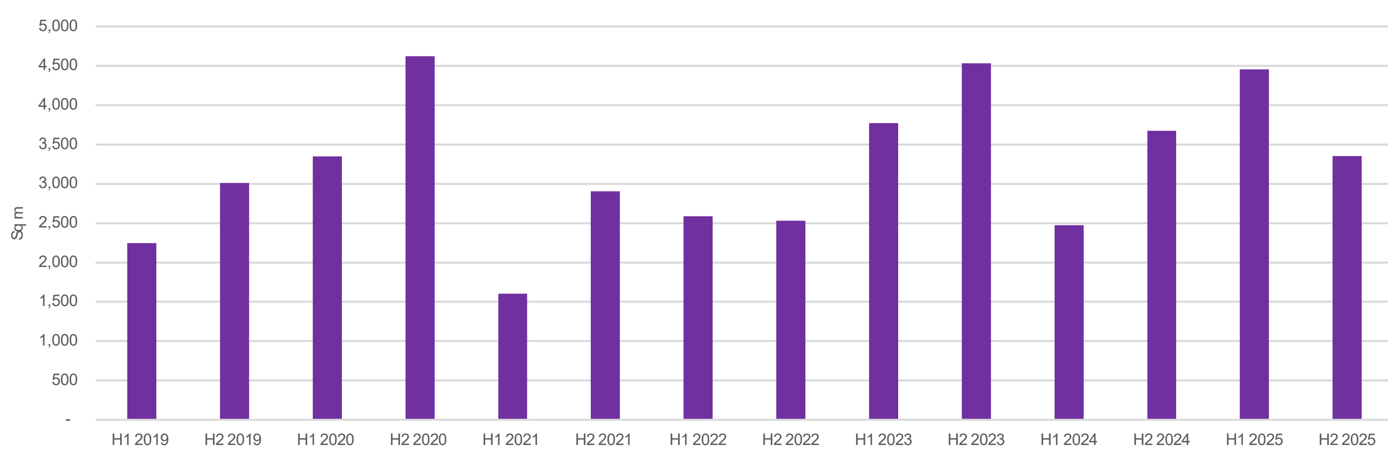
Business District	*Micro Markets*
Central Business District (CBD and off CBD)	Anna Salai, RK Salai, Nungambakkam, Greams Road, Egmore, T Nagar
Suburban Business District (SBD)	Mount Poonamallee Road, Porur, Guindy, Nandambakkam
SBD – Old Mahabalipuram Road (OMR)	Perungudi, Taramani
Peripheral Business District (PBD) – OMR and Grand Southern Trunk Road (GST)	OMR beyond Perungudi Toll Plaza, GST Road
PBD – Ambattur	Ambattur

OFFICE MARKET VACANCY



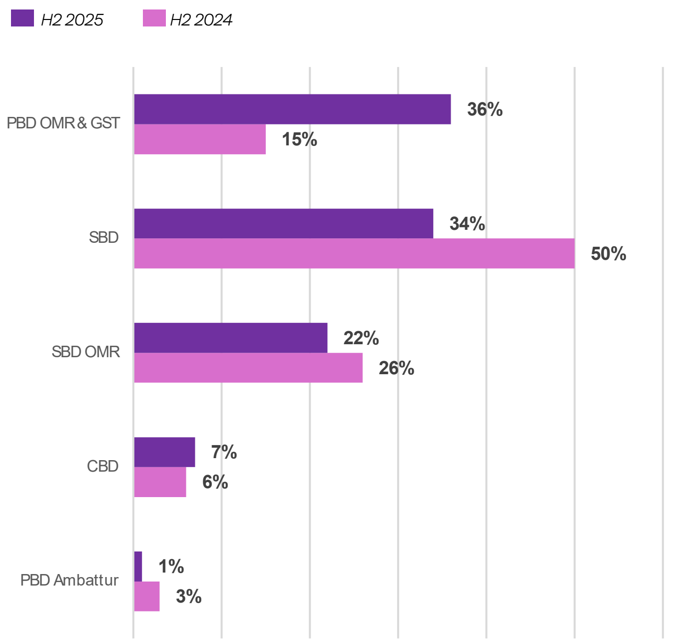
Source: Knight Frank Research

AVERAGE DEAL SIZE TREND



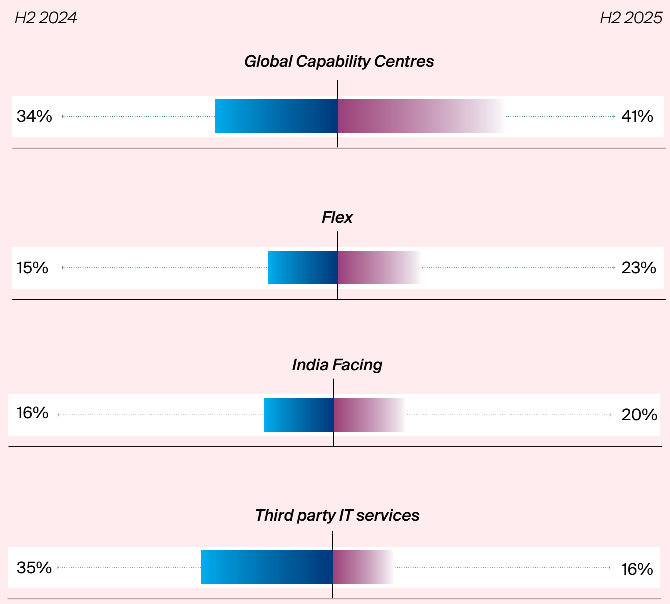
Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT



Source: Knight Frank Research

END-USE SPLIT OF TRANSACTIONS



Source: Knight Frank Research

Notes:

1. India Facing: These refer to such transactions where the lessees/buyers are entities which have an India focused business, i.e., no export or import.

2. Third Party IT Services: These refer to transactions where the lessees/buyers are focused on providing IT and IT enabled services to offshore clients. They service multiple clients and are not necessarily owned by any of them.

3. Global Capability Centres (GCC): These refer to transactions where the lessees/buyers are focused on providing various services to a single offshore company. The offshore company has complete ownership of the entity that has transacted the space.

4. Flex Spaces: These refer to transactions by companies that specialise in providing comprehensive office space solutions for other businesses along with the benefits of flexibility of tenure, extent of services provided and the ability to scale higher or lower as required.

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

Business district	*Rental value range in H2 2025 in INR/sq m/month (INR/sq ft/month)*	*12-month change*	*6-month change*
CBD	753-1,023 (70-95)	2%	1%
SBD	807-1,076 (75-100)	4%	2%
SBD OMR	861-1,238 (80-115)	5%	2%
PBD OMR and GST Road	592-753 (55-70)	2%	0%
PBD Ambattur	409-538 (38-50)	2%	1%

Source: Knight Frank Research

Hyderabad *- Residential Market*

MARKET SUMMARY

Parameter	*2025*	*2025 Change (YoY)*	*H2 2025*	*H2 2025 Change (YoY)*
Launches (housing units)	40,737	-7%	19,775	-9%
Sales (housing units)	38,403	4%	19,355	5%
Average price in INR/sq m (INR/sq ft)	INR 72,345 (INR 6,721)	13%	-	-

Note - 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research

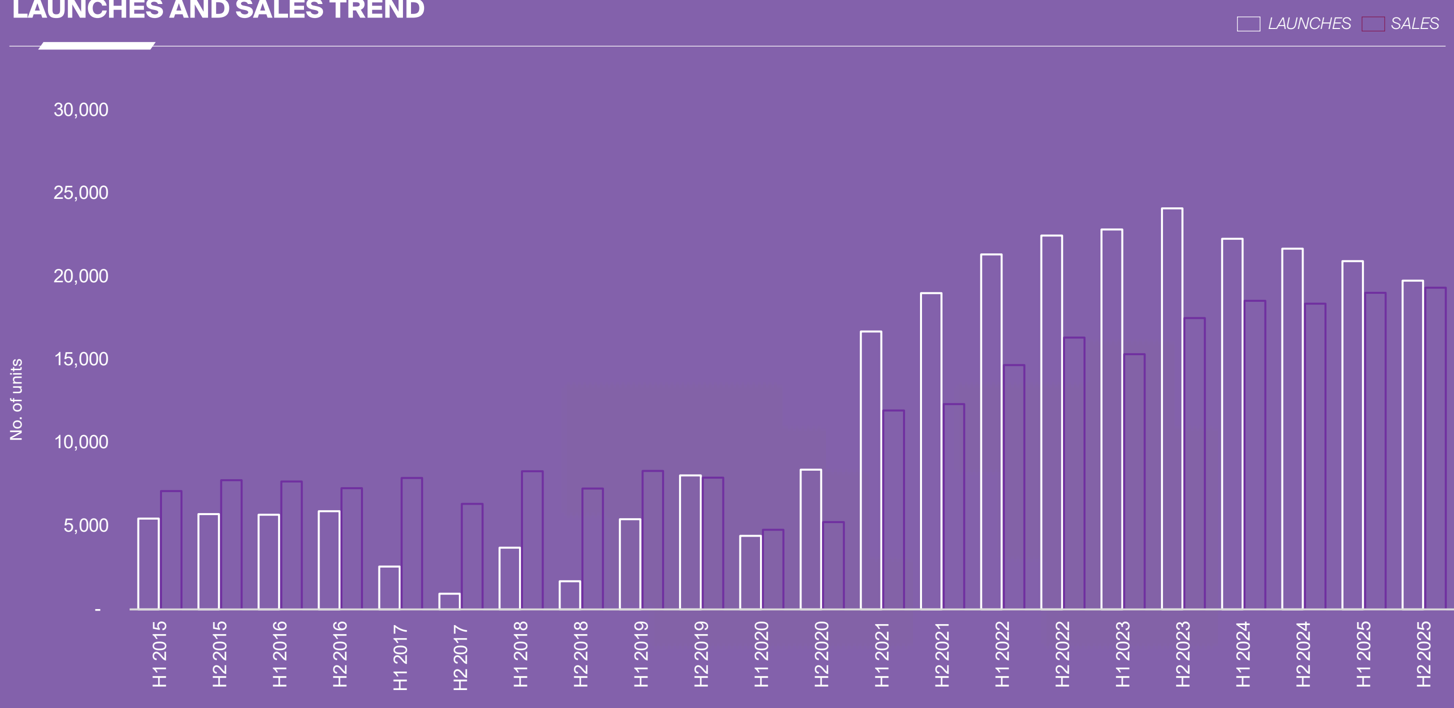
54,878
Unsold inventory (housing units) 2025

5.8
Quarters to sell (in quarters) 2025

4%
Change (YoY)

9.4
Age of unsold inventory (in quarters) 2025

LAUNCHES AND SALES TREND



Source: Knight Frank Research

- The Hyderabad residential market recorded a stable and demand-led performance in 2025, supported by steady end-user confidence and continued price appreciation. Annual housing sales reached 38,403 units, registering a 4% YoY increase, reinforcing Hyderabad's position as a structurally strong residential market underpinned by employment growth, infrastructure expansion, and lifestyle-driven demand. The momentum strengthened further in H2 2025, with sales rising 5% YoY to 19,355 units, highlighting resilient buyer interest in the latter half of the year. Demand remained largely end-user driven, supported by income stability and improving financing conditions.

- West Hyderabad continued to anchor the city's residential demand in H2 2025, retaining a dominant 63% share of sales, supported by its entrenched IT employment base, mature social infrastructure, and sustained pricing power, albeit with emerging risks of market concentration. South Hyderabad stood out as the fastest-growing zone, with its share rising sharply from 5% to 9%, signaling growing buyer conviction in infrastructure-led growth corridors driven by large-scale connectivity and employment catalysts. North Hyderabad's share moderated from 19% to 17%, reflecting erosion of its earlier affordability advantage without a commensurate upgrade in premium positioning, while East Hyderabad remained stable at 9%, suggesting that price competitiveness alone has not translated into stronger traction in the absence of proximity to major job hubs. Central Hyderabad's share declined further to 3%, constrained by land scarcity and regulatory complexities. Overall, the evolving pattern points to a two-speed market: continued preference for established core locations alongside a gradual but meaningful shift toward select peripheral zones offering a clearer long-term growth narrative.

- The premiumization trend in Hyderabad's residential market not only persisted but strengthened in H2 2025, reinforcing the structural shift observed earlier in the year. Homes priced above INR 10 mn accounted for a dominant 71% of total sales in H2 2025, up from 63% in H2 2024, clearly signaling sustained buyer preference for higher-value housing. While the INR 10-20 mn segment continued to form the backbone of demand at 44% of total sales, its share moderated slightly as buyers increasingly moved up the value curve. The most notable acceleration was seen in the INR 20-50 mn segment, whose share jumped sharply from 13% to 22%, highlighting growing acceptance of premium lifestyles, larger configurations, and gated community living among affluent end-users. The INR 50-100 mn segment also saw a marginal uptick from 3% to 4%, underscoring steady demand for luxury homes, even as ultra-high-value segments remained niche.

- Conversely, affordability-led segments continued to lose ground. The share of homes priced below INR 5 mn declined further from 5% to 4%, while the INR 5-10 mn category saw a sharper contraction from 31% to 26%. This sustained erosion at the lower end points to a clear bifurcation in buyer behaviour; entry-level demand remains constrained amid rising prices and limited new supply, while upper-mid and luxury segments are benefiting from higher disposable incomes, evolving lifestyle aspirations, and a strong preference for future-ready homes in well-connected, amenity-rich micro-markets.

- New residential launches in Hyderabad declined 7% YoY to 40,737 units in 2025, reflecting a combination of heightened scrutiny around land-use compliance and a conscious shift by developers toward calibrated, demand-aligned supply. This moderation underscores growing supply-side discipline, as developers increasingly prioritize project viability, regulatory clarity, and absorption visibility over aggressive expansion. The cautious stance became more pronounced in H2 2025, with launches falling 9% YoY to 19,775 units. Developers remained selective, focusing on projects with stronger location fundamentals and higher ticket sizes, aligning new supply more closely with prevailing demand trends and buyer preferences. Ticket-size composition of new launches in H2 2025 clearly highlights this shift. Homes priced below INR 5 mn saw a sharp contraction, with their share dropping from 3% in H2 2024 to just 1% in H2 2025, while the INR 5-10 mn segment also declined from 25% to 23%. In contrast, premium segments gained significant traction. The INR 20-50 mn category expanded its share from 17% to 29%, while launches in the INR 50-100 mn range doubled from 2% to 4%. The INR 10-20 mn segment, though still dominant, moderated from 52% to 43%, reflecting diversification toward higher-value housing. From a spatial perspective, West Hyderabad continued to anchor new supply, though its share declined from 67% in H2 2024 to 62% in H2 2025, indicating early signs of geographic diversification. South Hyderabad saw a notable increase in launch share from 5% to 10%, while Central Hyderabad's contribution rose from 2% to 5%, reflecting selective infill development and renewed interest in established urban locations. North Hyderabad's share eased down from 20% to 15%, while East Hyderabad inched up from 7% to 8%. Overall, the launch slowdown in 2025 was not indicative of weakening fundamentals but rather a deliberate recalibration of supply, marked by premiumization, tighter compliance, and a sharper focus on micro-markets with proven demand depth.

- Unsold inventory in Hyderabad's residential market remained elevated in 2025, reflecting the growing divergence in absorption across ticket sizes and locations. Total unsold stock stood at 54,878 units, up 4% YoY, with lower-and mid-priced homes continuing to account for a disproportionate share of inventory. Homes priced below INR 10 mn collectively comprised a large portion of unsold stock, with the INR 5-10 mn segment alone accounting for over 20,069 units, despite a 10% YoY decline in inventory, indicating persistent absorption challenges in this price band. The less than 5 mn INR segment also saw inventory fall 13% YoY; however, its QTS worsened to 10.4 quarters, underscoring slower sales velocity even as supply contracted.

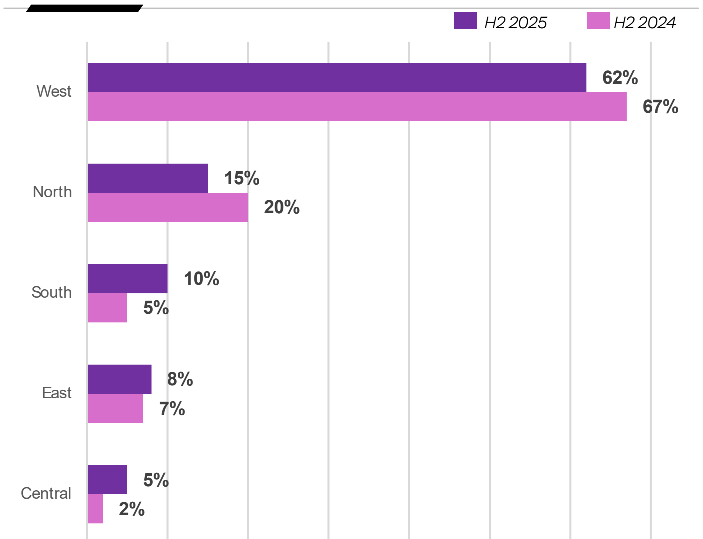
- In contrast, premium segments exhibited healthier absorption dynamics. Homes priced between INR 10-20 mn recorded a relatively tight QTS of 4.5 quarters despite a 9% increase in unsold inventory, while the INR 20-50 mn segment that saw inventory surge by 90% YoY maintained a manageable QTS of 5.3 quarters, highlighting sustained buyer depth in higher-value housing. The luxury segment showed the strongest churn, with INR 100-200 mn homes posting the fastest turnover at a QTS of just 1.1 quarters, aided by a 53% decline in available inventory. However, ultra-luxury homes priced between INR 200-500 mn continued to face selective demand, with QTS rising sharply to 14.4 quarters following a 30% increase in inventory.

- From a geographic standpoint, West Hyderabad continued to anchor the market, accounting for the bulk of unsold inventory at 35,637 units, with a balanced QTS of 6.2 quarters reflecting both scale and steady absorption. Central Hyderabad remained the tightest sub-market with a QTS of 2.5 quarters, supported by limited supply and strong locational appeal. North and East Hyderabad recorded moderate sales cycles with QTS of 4.9 and 5.4 quarters respectively, indicating relatively stable market conditions. In contrast, South Hyderabad saw unsold inventory rise 17% YoY, with QTS stretching to 9.5 quarters, suggesting that supply additions in emerging corridors are currently outpacing near-term demand, even as long-term fundamentals remain infrastructure-led and growth-oriented.

- Residential prices in Hyderabad continued their upward trajectory through 2025, reflecting the city's sustained attractiveness to both end-users and investors. Average residential prices rose by 13% YoY to INR 72,345 per sq m (INR 6,721 per sq ft), driven largely by a rising share of premium and luxury housing, particularly in well-connected, high-demand locations. This price appreciation underscores the growing dominance of larger, amenity-rich homes and high-quality developments in prime corridors. While Hyderabad remains relatively affordable compared to other major metros, the pace of price growth is gradually stretching affordability for mid-income buyers. In this context, the recent repo rate cut to 5.25% is timely and supportive, as lower borrowing costs are expected to partially offset price pressures by improving home loan affordability.

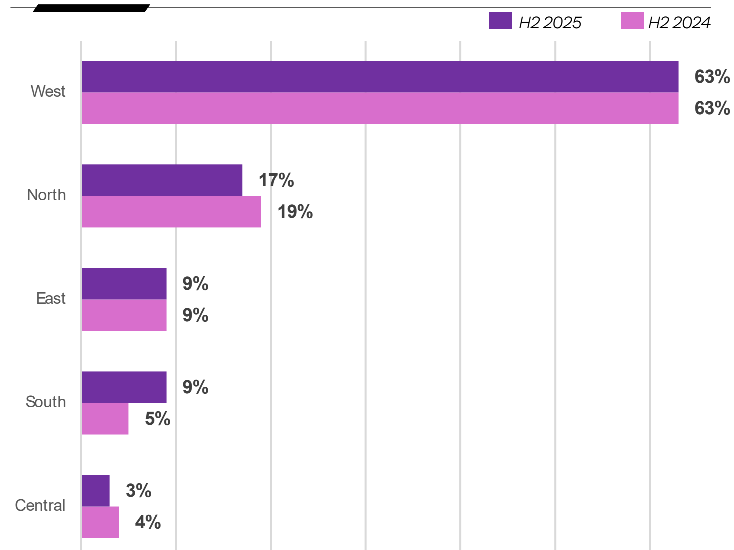
- Hyderabad's residential market reflects a structurally strong and evolving landscape, where sustained end-user demand, improving infrastructure, and a resilient employment base continue to reinforce its long-term attractiveness. The city's ability to offer spacious, high-quality homes at relatively competitive price points, supported by metro expansion, ring road connectivity, and social infrastructure, sets it apart from peer markets. Even as premiumization gathers pace and affordability dynamics shift, Hyderabad's balanced mix of lifestyle appeal, economic depth, and future-ready development positions it as one of India's most compelling residential destinations for both homebuyers and long-term investors.

MICRO-MARKET SPLIT OF LAUNCHES IN H2 2024 AND H2 2025



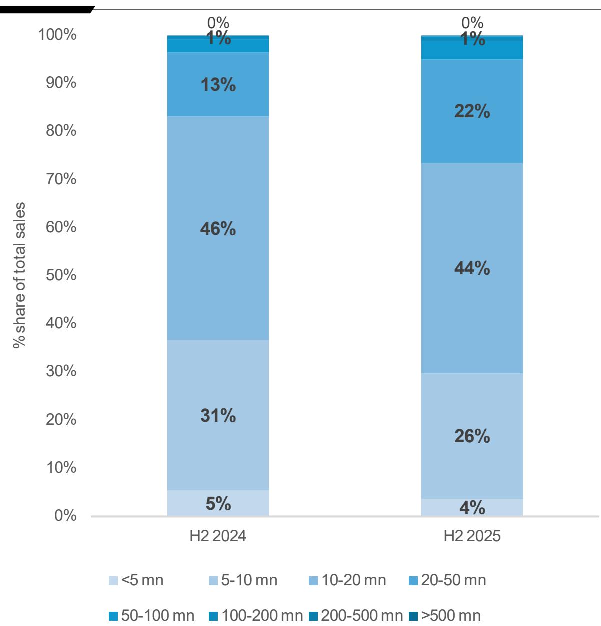
Source: Knight Frank Research

MICRO-MARKET SPLIT OF SALES IN H2 2024 AND H2 2025



Source: Knight Frank Research

TICKET SIZE SPLIT COMPARISON OF SALES



Source: Knight Frank Research

TICKET-SIZE SEGMENT HEALTH IN H2 2025

Ticket-size segment	*Unsold Inventory (housing units) (YoY change)*	*Quarters-to-sell (QTS)*
0 – 5 mn	5,638 (-13%)	10.4
5 – 10 mn	20,069 (-10%)	7.4
10 - 20 mn	18,825 (9%)	4.5
20 – 50 mn	8,468 (90%)	5.3
50 – 100 mn	1,628 (1%)	5.2
100 – 200 mn	92 (-53%)	1.1
200 – 500 mn	158 (30%)	14.4
>500 mn	-	-

Source: Knight Frank Research

MICRO-MARKET CLASSIFICATION

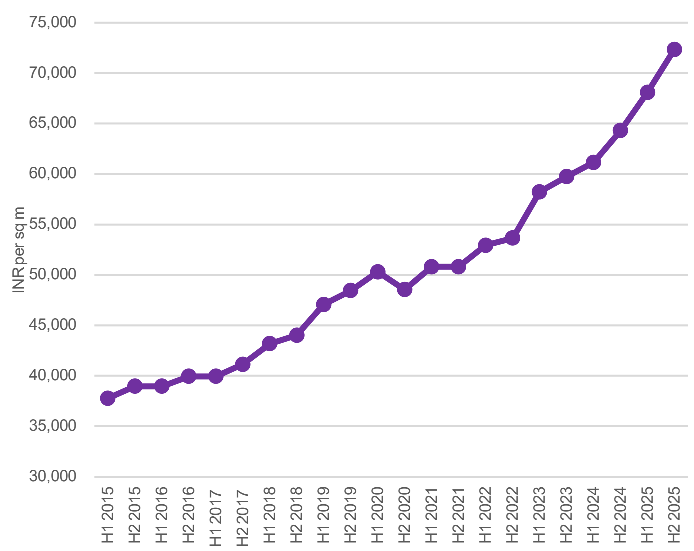
Micro market	*Locations*
HMR – Central	Begumpet, Banjara Hills, Jubilee Hills, Panjagutta, Somajiguda
HMR – West	Kukatpally, Madhapur, Kondapur, Gachibowli, Raidurgam, Kokapet
HMR – East	Uppal, Malkajgiri, LB Nagar
HMR – North	Kompally, Medchal, Alwal, Quthbullanpur
HMR – South	Rajendra Nagar, Shamshabad

MICRO-MARKET HEALTH IN 2025

Micro-market	*Unsold Inventory (housing units) (YoY Change)*	*Quarters-to-sell (QTS)*
Central	1,137 (-15%)	2.5
East	4,511 (-6%)	5.4
North	8,250 (-1%)	4.9
South	5,342 (17%)	9.5
West	35,637 (6%)	6.2

Source: Knight Frank Research

AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	*Location*	*Price range in H2 2025 in INR/sq m (INR/sq ft)*	*12 month Change*	*6 month Change*
Central	Banjara Hills	1,55,002-1,72,439 (14,400-16,020)	2%	1%
	Jubilee Hills	1,44,238-1,51,062 (13,400-14,034)	11%	4%
East	LB Nagar	78,653-81,365 (7,307-7,559)	1%	2%
	Nacharam	69,966-82,851 (6,500-7,697)	17%	7%
North	Kompally	63,056-66,952 (5,858-6,220)	1%	1%
	Sainikpuri	55,381-56,511 (5,145-5,250)	0%	0%
South	Rajendra Nagar	74,810-82,398 (6,950-7,655)	-6%	3%
	Bandlaguda	1,03,593-1,09,233 (9,624-10,148)	10%	3%
West	Kokapet	1,08,124-1,34,550 (10,045-12,500)	2%	0%
	Manikonda	1,02,107-1,03,636 (9,486-9,628)	5%	5%

Source: Knight Frank Research

Hyderabad *- Office Market*

MARKET SUMMARY

Parameter	*2025*	*2025 Change (YoY)*	*H2 2025*	*H2 2025 Change (YoY)*
Completions in mn sq m (mn sq ft)	0.40 (4.3)	-72%	0.27 (2.9)	-73%
Transactions in mn sq m (mn sq ft)	1.06 (11.4)	10%	0.51 (5.5)	4%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	829 (77)	10%	-	-

Note - 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research

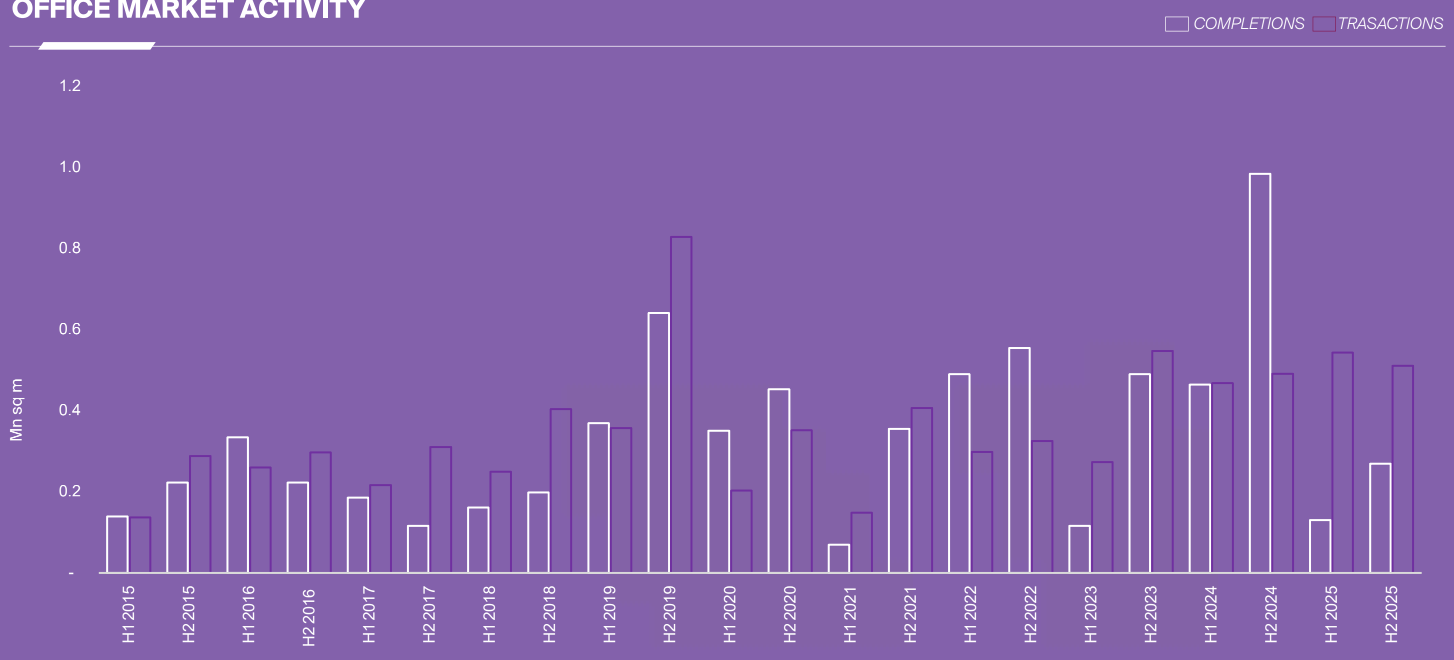
11.72 (126.2)
Stock mn sq m (mn sq ft) 2025

12.1%
Vacancy (%) 2025

4%
Change (YoY)

616
basis points decrease

OFFICE MARKET ACTIVITY



Source: Knight Frank Research

- Hyderabad's office market closed 2025 on a notably firm footing with momentum from the first half of the year extending meaningfully into H2 2025. For the full year, office transactions reached 1.06 mn sq m (11.4 mn sq ft), registering a 10% YoY increase and marking the second-highest annual leasing volume on record, surpassed only by the transactions of 1.19 mn sq m (12.8 mn sq ft) achieved in 2019. This performance reflects sustained occupier confidence despite a sharply constrained supply environment. Leasing activity in H2 2025 remained steady, with 0.51 mn sq m (5.5 mn sq ft) transacted, up 4% YoY, underscoring that demand was well distributed through the year rather than being front-loaded.

- The occupier mix in H2 2025 highlighted Hyderabad's deepening global orientation. Global Capability Centres (GCCs) emerged as the largest demand driver, accounting for 50% of the total leasing, up from 38% in H2 2024 with leasing volumes increasing by 36% YoY. Several large and strategic GCC commitments were recorded during the period, with major transactions anchored by Charles Schwab Corporation, Warner Bros. Discovery, Randstad, Goldman Sachs, and ServiceNow. Sectorally, GCC leasing was well diversified, led by occupiers belonging to other services such as consulting, healthcare and entertainment industries (36%), followed by BFSI (32%), manufacturing (18%), and IT/ITeS (15%), underscoring Hyderabad's evolution beyond a pure technology driven back-office hub.

- Flex space operators strengthened their footprint in H2 2025 with absorption increasing by 37% YoY and accounting for 25% of the total leasing activity. The bulk of this demand came from the managed office segment (21%), while coworking spaces contributed 4%, reflecting occupiers' preference for plug-and-play, enterprise-ready solutions. Expansion activity was led by operators such as Table Space, WeWork, TEC, and RedBricks, reinforcing the city's attractiveness for flexible and hybrid workplace strategies.

- Third-party IT firms continued to build on the resurgence seen earlier in the year with transaction volumes increasing sharply by 42% YoY, accounting for 16% of leasing in H2 2025. Large-scale transactions by Infosys, Zeta Global, and Sutherland Global highlighted sustained demand from firms supporting global and domestic clients, drawn by Hyderabad's talent depth, infrastructure readiness, and cost competitiveness.

- India-facing occupiers, while accounting for a smaller share of the overall demand in H2 2025 at 9%, remained active across select sectors. Leasing activity in this segment was driven by organizations such as Apollo, Ethames Business School, and Canduer, reflecting demand from healthcare, education, and diversified services aligned to domestic consumption and growth.

- From a location perspective, leasing in Hyderabad during H2 2025 remained firmly anchored in established office corridors, although early signs of spatial diversification began to emerge. Secondary Business Districts (SBDs) continued to dominate, accounting for 88% of the total leasing, albeit lower than the 93% share recorded in H2 2024. Within the SBDs, HITEC City remained the most preferred micro-market, contributing 36% of leasing, followed by Raidurg at 30% and the Financial District at 21%, reflecting sustained occupier preference for proven business ecosystems with strong infrastructure and connectivity. At the same time, CBD and Off-CBD locations increased their share to 6%, while Peripheral Business Districts gained incremental traction, with PBD West and PBD East contributing 4% and 2% respectively. This gradual dispersion is largely a response to limited availability and low vacancy levels in core micro-markets. Notably, 92% of leasing activity during H2 2025 was concentrated in Grade A assets, underscoring occupiers' continued emphasis on quality, efficiency, and long-term operational resilience.

- Supply additions remained limited throughout 2025, reinforcing tight market conditions. New completions for the year stood at just 0.40 mn sq m (4.3 mn sq ft), a 72% YoY decline, while additions of 0.27 mn sq m (2.9 mn sq ft) in H2 2025 were down 73% YoY. Importantly, 86% of the new supply was concentrated within Secondary Business Districts (SBDs), primarily across Financial District and HITEC City, providing much-needed Grade A additions. The balance supply in PBD West was largely limited to Kokapet, which continues to emerge as a spillover destination for large-format developments. Key developers contributing to office completions during the year included Vamsiram, Phoenix Group, and Poulomi Estates. This pronounced concentration of supply, coupled with strong absorption, materially tightened market conditions and supported the sharp decline in vacancy levels by 616 basis points to 12.1% during H2 2025.

- Rental growth mirrored these tightening fundamentals. Average transacted office rents rose 10% YoY in 2025, supported by sustained demand from GCCs, flex operators, and IT occupiers, alongside limited Grade A supply additions. The strongest rental traction was observed in established SBD locations, where the vacancy levels remained among the lowest in the city.

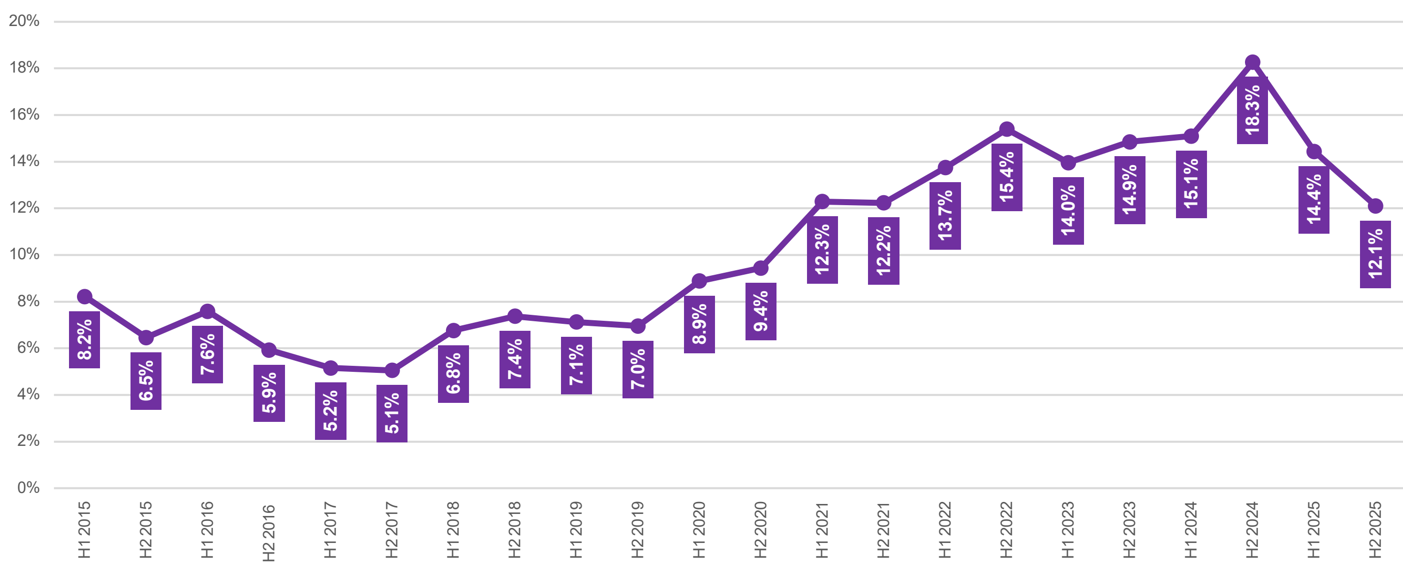
- Overall, 2025 marked a phase of consolidation and structural strengthening for Hyderabad's office market. Demand remained resilient throughout the year, delivering the second-highest annual leasing volumes on record, while new supply was sharply curtailed and largely concentrated in established business districts. This imbalance led to falling vacancies, firmer rentals, and a clearer preference for Grade A assets in well-served micro-markets. Occupiers continued to favour locations backed by strong physical and social infrastructure, deep talent availability, and proven business ecosystems, reinforcing Hyderabad's position as a low-risk, scalable office destination.

- As the market transitions into 2026, Hyderabad is emerging as a tighter and more mature office market, characterised by disciplined development, diversified global demand, and improving pricing power. With sustained interest from GCCs, flex operators, and technology-led occupiers, alongside ongoing infrastructure upgrades and connectivity improvements, the city is well positioned to support long-term corporate expansion to remain a preferred hub for high-quality office occupiers.

BUSINESS DISTRICT CLASSIFICATION

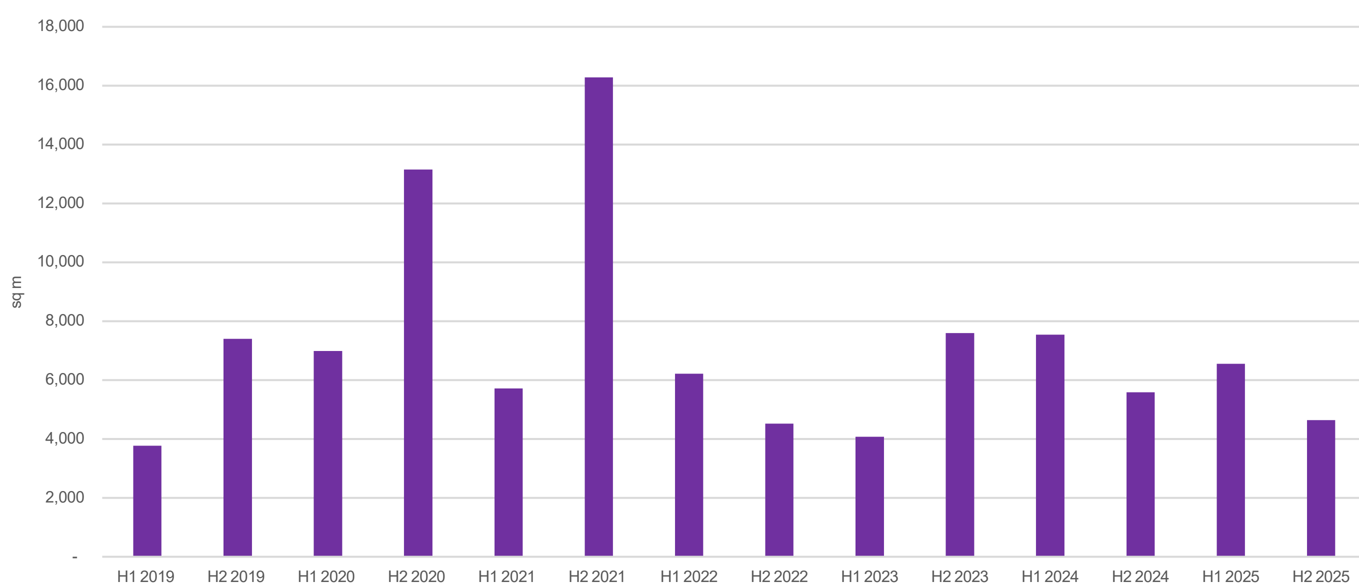
Business District	*Micro Markets*
Central Business District (CBD and off CBD)	Banjara Hills, Jubilee Hills, Begumpet, Ameerpet, Somajiguda, Himayat Nagar, Raj Bhavan Road, Punjagutta
Suburban Business District (SBD)	HITEC City, Kondapur, Manikonda, Kukatpally, Raidurg
Peripheral Business District (PBD) West	Gachibowli, Kokapet, Madinaguda, Nanakramguda, Serilingampally
Peripheral Business District (PBD) East	Uppal, Pocharam

OFFICE MARKET VACANCY



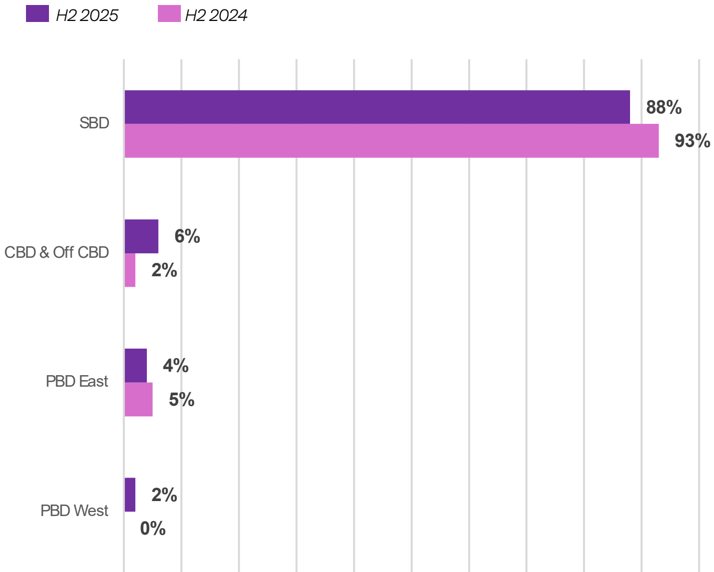
Source: Knight Frank Research

AVERAGE DEAL SIZE TREND



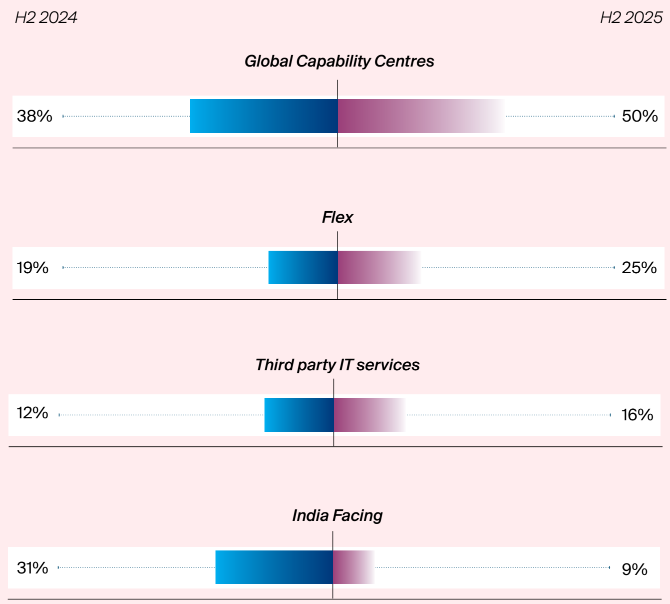
Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT



Source: Knight Frank Research

END-USE SPLIT OF TRANSACTIONS



Source: Knight Frank Research

Notes:

1. India Facing: These refer to such transactions where the lessees/buyers are entities which have an India focused business, i.e., no export or import.

2. Third Party IT Services: These refer to transactions where the lessees/buyers are focused on providing IT and IT enabled services to offshore clients. They service multiple clients and are not necessarily owned by any of them.

3. Global Capability Centres (GCC): These refer to transactions where the lessees/buyers are focused on providing various services to a single offshore company. The offshore company has complete ownership of the entity that has transacted the space.

4. Flex Spaces: These refer to transactions by companies that specialise in providing comprehensive office space solutions for other businesses along with the benefits of flexibility of tenure, extent of services provided and the ability to scale higher or lower as required.

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

Business district	*Rental value range in H2 2025 in INR/sq m/month (INR/sq ft/month)*	*12-month change*	*6-month change*
CBD and Off-CBD	646- 807 (60-75)	5%	0%
SBD	753- 1,292 (70 -120)	11%	5%
PBD West	592- 753 (55-70)	3%	1%
PBD East	323- 538 (30-50)	1%	0%

Source: Knight Frank Research

Kolkata *- Residential Market*

MARKET SUMMARY

Parameter	*2025*	*2025 Change (YoY)*	*H2 2025*	*H2 2025 Change (YoY)*
Launches (housing units)	15,780	-6%	8,098	38%
Sales (housing units)	16,896	-3%	8,806	7%
Average price in INR/sq m (INR/sq ft)	INR 43,454 (INR 4,037)	6%	-	-

Note - 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research

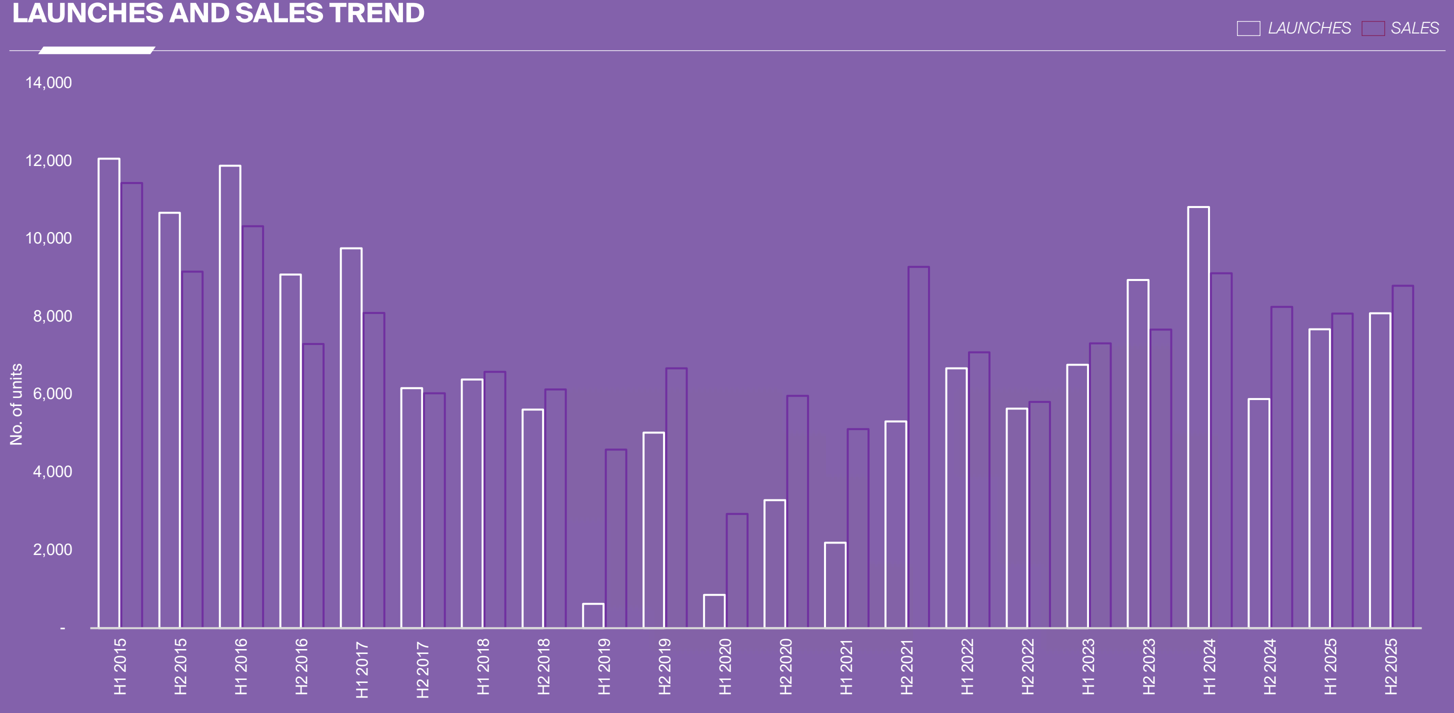
19,630
Unsold inventory (housing units) 2025

4.6
Quarters to sell (in quarters) 2025

-5%
Change (YoY)

9.9
Age of unsold inventory (in quarters) 2025

LAUNCHES AND SALES TREND



Source: Knight Frank Research

- Kolkata's residential market displayed steady underlying momentum in the second half of 2025, supported by improving buyer sentiment and selective developer activity. Residential sales in H2 2025 reached 8,806 units, registering a 7% YoY growth, signalling resilience despite subdued performance in the first half of the year. Buyer confidence was aided by stable affordability, improving connectivity across key corridors, increased supply in the INR 5-20 mn segment, and softer borrowing costs.

- New launches rebounded sharply in H2 2025 increasing by 38% YoY to 8,098 units, largely due to a low base in H2 2024, when developers had adopted a cautious stance amid saturation concerns in certain micro-markets. Rajarhat and the southern micro-markets remained the primary contributors, together accounting for about 70% of the total launches. Rajarhat retained its lead with a 36% share, up from 18% in H2 2025, reflecting its continued position as a key residential hub, while the South region followed with a 34% share, marginally lower than its 37% share a year ago. The second-half yearly recovery indicates renewed confidence among developers, supported by improving sales traction and a gradual clearing of inventory in select locations.

- In contrast, full year residential sales in 2025 declined marginally by 3% YoY to 16,896 units, reflecting the impact of subdued activity during the first half of the year. Annual launches stood at 15,780 units, down 6% YoY, underscoring a calibrated supply response, with developers prioritising execution and inventory management over aggressive expansion.

- Buyer behaviour continued to shape the city's micro-market distribution in 2025. South Kolkata maintained its dominance in sales, capturing a substantial share of 37% due to its robust social infrastructure and ongoing metro connectivity projects. Locations such as Sonarpur, Jadavpur, and Behala remained favourites, due to a favourable mix of affordability and accessibility. Rajarhat, a planned satellite town, witnessed significant growth in sales volumes accounting for 25% of the overall sales. This growth was supported by its strategic location near business hubs and a mix of mid to premium residential options.

- The share of residential sales in ticket sizes above INR 10 mn increased meaningfully, rising from 18% to 24% in H2 2025. A similar trend was visible at the full year level, with ticket sizes over INR 10 mn accounting for 25% of the total sales, up from 18% in 2024. This continued move toward premiumization reflects evolving buyer preferences, supported by rising disposable incomes, lifestyle upgrades, and a growing base of professionals seeking larger and better-quality homes.

- Developers responded to this shift by increasingly focusing on higher-priced segments. The share of units priced below INR 5 mn declined to 35% of total launches in 2025, compared to 60% in 2024. Meanwhile, units in the INR 5-10 mn and above INR 10 mn categories accounted for 34% and 31% of new launches, respectively, highlighting a recalibration of supply toward mid and premium segments.

- Weighted average prices increased by 6% YoY in 2025, supported by steady end-user demand, demand-supply gap, and higher pricing of new project launches. This price appreciation was primarily driven by sustained demand observed in the INR 5 mn to INR 20 mn ticket sizes, which collectively accounted for approximately 50% of the total sales.

- Kolkata's inventory metrics continued to improve through 2025. Unsold inventory declined by 5% YoY to 19,630 units, to reach its lowest level in the last decade. This reduction was primarily driven by launches trailing sales volumes over multiple quarters.

- As a result, Quarters-to-Sell (QTS) for the city improved to 4.6 quarters in H2 2025 from 5.1 in H2 2024, indicating a relatively balanced market. QTS is the number of quarters required to exhaust the existing unsold inventory in the market. The existing unsold inventory is divided by the average sales velocity of the preceding eight quarters to arrive at the QTS number for the current quarter.

- The Kolkata homebuyer predominantly favours products in the < INR 5 mn and INR 5-10 mn categories and the QTS for these segments registered 4.8 and 4.3 quarters respectively. These figures indicate a favourable market state relative to the overall market QTS of 4.6. This positive status is largely attributable to a reduction in unsold inventory, with the <INR 5 mn segment seeing a 14% YoY decline and the INR 5-10 mn segment registering a 6% reduction. While the >INR 10 mn segment saw a 21% YoY increase in unsold inventory, strong sales velocity helped improve its QTS from 4.9 quarters in H2 2024 to 4.6 quarters in H2 2025.

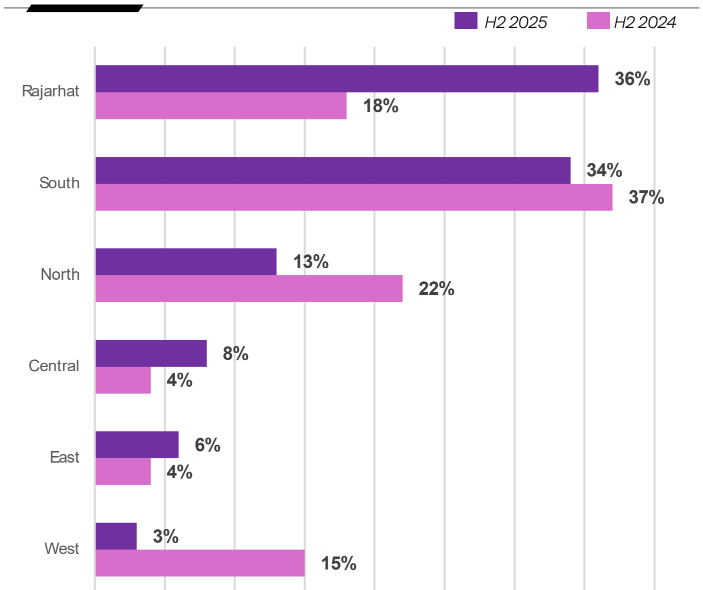
- Overall, Kolkata's residential market in 2025 reflected a phase of consolidation rather than expansion. While annual sales volumes softened marginally, H2 2025 marked a clear recovery, supported by improving sentiment, inventory discipline, and renewed launch activity. Looking ahead, softer interest rates, improving infrastructure, and the city's relatively affordable housing landscape are expected to support demand, particularly in the affordable and mid-segments. Developers are likely to remain selective, focusing on well-located projects with clear end-user appeal, which should help maintain balance between supply and demand in the near term.

MICRO-MARKET CLASSIFICATION

Micro market	*Locations*
Central	Park Street, Rawdon Street, AJC Bose Road, Minto Park, Elgin Road, Dharamtala, Short Street, Azad Hing Bag, Camac St, Chowringhee Road, Darga Road, DL Khan Road, Entally, Shakespeare Sarani Rd, Taltala
East	Kankurgachi, Beliaghata, Salt Lake, Narkeldanga, Keshtopur, EM Bypass (eastern parts), Chandakanthal Beria, Bishnupur, Bhangar, Bantala, Christopher Road, Hatisala
North	Baguiati, Ultadanga, Jessore Road, Shyam Bazar, Lake Town, BT Road, VIP Road, Jahajbari, Arjunpur, Kamardanga, Kamarkundu, Bally, Baranagar, Barasat, Barrackpore

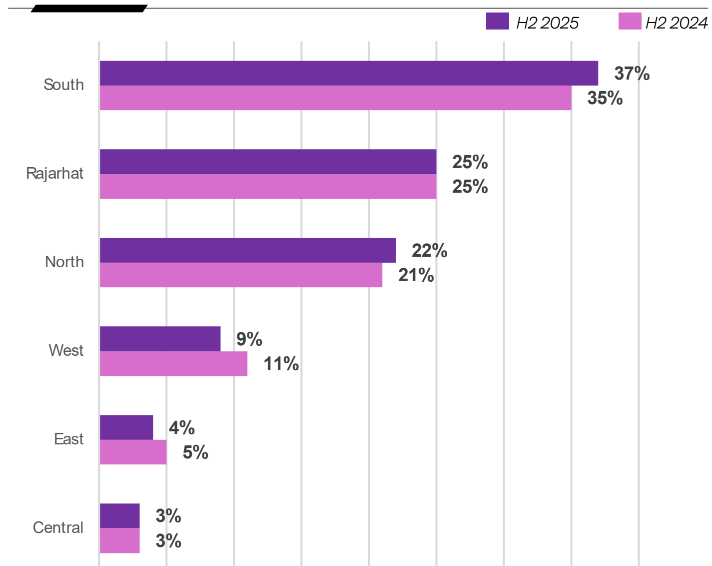
Micro market	*Locations*
Rajarhat	Rajarhat, New Town, Chinar Park, Sikharpur
West	Howrah, Rishra, Uttarpara, Baidyabati, Kona Expressway, Banipur, Belur, Mourigram, Dankuni, Kazipara, Andul
South	Ballygunge, Alipore, Tollygunge, Narendrapur, Behala, Garia, Maheshtala, EM Bypass (southern parts), Hazra Rd, Barisha, Nayabad, Uttar Kazirhat, Manoharpukur, Rifle Range Road

MICRO-MARKET SPLIT OF LAUNCHES IN H2 2024 AND H2 2025



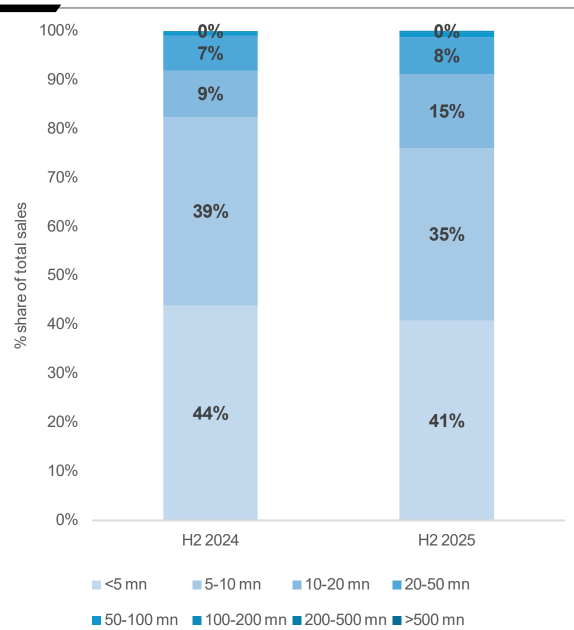
Source: Knight Frank Research

MICRO-MARKET SPLIT OF SALES IN H2 2024 AND H2 2025



Source: Knight Frank Research

TICKET SIZE SPLIT COMPARISON OF SALES



Source: Knight Frank Research

TICKET-SIZE SEGMENT HEALTH IN H2 2025

Ticket-size segment	*Unsold Inventory (housing units) (YoY change)*	*Quarters-to-sell (QTS)*
0 – 5 mn	8,830 (-14%)	4.8
5 – 10 mn	6,614 (-6%)	4.3
10 - 20 mn	3,023 (6%)	6.0
20 – 50 mn	1,080 (108%)	2.9
50 – 100 mn	28 (16%)	0.9
100 – 200 mn	6 (258%)	1.1
200 – 500 mn	48 (-8%)	34.8
>500 mn	-	-

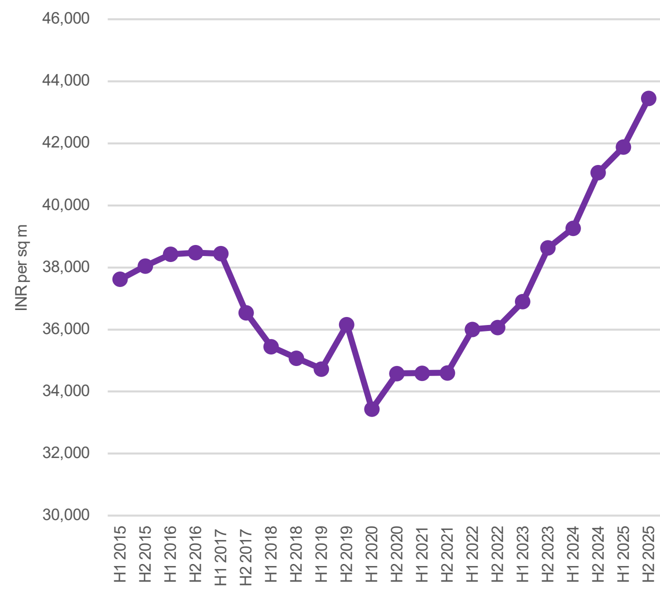
Source: Knight Frank Research

MICRO-MARKET HEALTH IN 2025

Micro-market	*Unsold Inventory (housing units) (YoY Change)*	*Quarters-to-sell (QTS)*
Central	1,051 (319%)	9.8
East	360 (445%)	1.7
North	4,280 (-29%)	4.4
Rajarhat	9,552 (18%)	9.3
South	3,975 (-19%)	2.5
West	412 (-70%)	1.1

Source: Knight Frank Research

AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	*Location*	*Price range in H2 2025 in INR/sq m (INR/sq ft)*	*12 month Change*	*6 month Change*
Central	Park Street	148,542-237,882 (13,800-22,100)	2%	1%
	Rawdon Street	125,938-234,653 (11,700-21,800)	5%	3%
East	Kankurgachi	62,431-99,028 (5,800-9,200)	3%	2%
	Salt Lake	58,125-105,486 (5,400-9,800)	3%	1%
North	Madhyamgram	28,847-45,208 (2,680-4,200)	4%	3%
	BT Road	32,830-47,899 (3,050-4,450)	4%	3%
	Jessore Road	37,674-66,736 (3,500-6,200)	2%	1%
Rajarhat	Rajarhat New Town	40,903-89,879 (3,800-8,350)	8%	6%
South	Ballygunge	89,340-241,111 (8,300-22,400)	5%	3%
	Tollygunge	59,201-171,146 (5,500-15,900)	6%	3%
	Behala	37,674-56,510 (3,500-5,250)	7%	5%
	Narendrapur	30,139-51,129 (2,800-4,750)	6%	4%

Source: Knight Frank Research

Kokata- *Office Market*

MARKET SUMMARY

Parameter	*2025*	*2025 Change (YoY)*	*H2 2025*	*H2 2025 Change (YoY)*
Completions in mn sq m (mn sq ft)	-	-	-	-
Transactions in mn sq m (mn sq ft)	0.21 (2.3)	69%	0.11 (1.2)	78%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	511.7 (47.5)	16%	-	-

Note – 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research

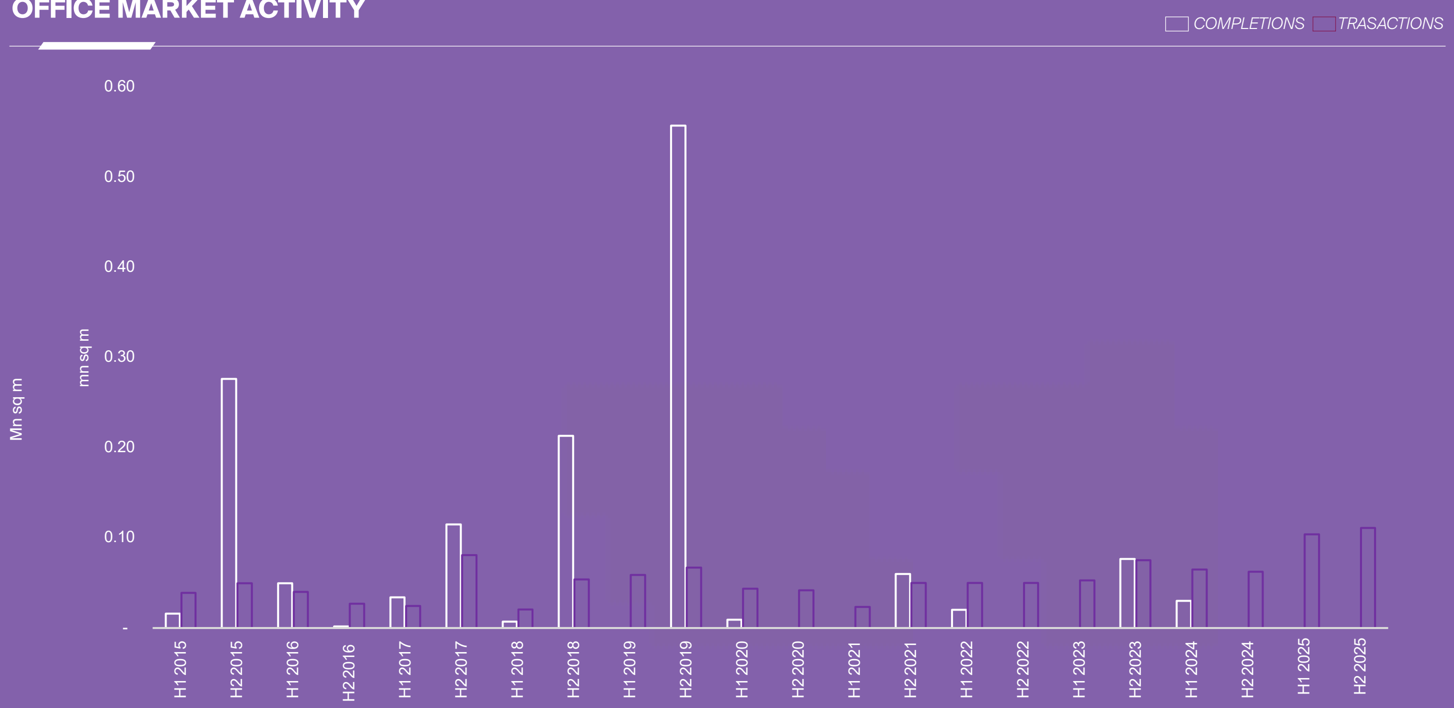
3.12 (33.6)
Stock mn sq m (mn sq ft) 2025

29.9%
Vacancy (%) 2025

–
Change (YoY)

624
basis points decrease

OFFICE MARKET ACTIVITY



Source: Knight Frank Research

- Kolkata's office market delivered a strong performance in H2 2025, recording a sharp 78% YoY increase in office leasing activity compared to H2 2024. The total leasing volumes reached 0.11 mn sq m (1.2 mn sq ft) in H2 2025, reflecting sustained occupier interest across a wide range of sectors. This momentum was carried through the full year, with office leasing growing by 69% YoY to 0.21 mn sq m (2.3 mn sq ft) in 2025. Notably, the IT/ITeS segment expanded its footprint significantly within the city's prime business districts. This momentum translated into the highest annual transaction volume Kolkata has seen in the past decade.

- The sharp rise in transaction volumes was largely driven by a handful of large deals in the flexible workspace and third-party IT outsourcing segments. Notably, a single flex-space transaction of 0.01 mn sq m (0.2 mn sq ft) accounted for nearly 15% of the total leasing activity, underscoring the growing appetite for agile and flexible workspace solutions in the Kolkata market.

- In H2 2025, peripheral business districts (PBDs) continued to dominate office leasing, accounting for over 95% of the total activity, in line with the trend observed in H2 2024. This dominance was mirrored in the full-year numbers as well, with PBDs capturing around 96% of total leasing volumes in 2025. The sustained preference for these locations was largely driven by multiple large-scale transactions by IT occupiers.

- During H2 2025, the IT/ITeS segment alone contributed nearly half of the total leasing volume of 0.11 mn sq m (1.2 mn sq ft) across the peripheral business districts, specifically PBD-1 Salt Lake City and PBD-2 Rajarhat New Town.

- The Suburban Business District (SBD-2, Rashbehari Connector) and the Central Business District (CBD) and Off-CBD districts together contributed only a marginal share of the city's overall leasing activity, at about 1% each. Their limited share can be attributed to higher rental levels and the constrained supply of quality, modern office space in these markets.

- In H2 2025, flex space emerged as the largest contributor to office leasing with a 43% share, closely followed by India-facing occupiers at 42%, while third-party IT services accounted for the remaining 15%. This pattern evolved over the full year, with India-facing occupiers taking the lead in 2025 at a 36% share, followed closely by flex space at 34%. Together, these trends reflect strengthening domestic demand and a rising preference for flexible, technology-enabled work environments that are increasingly shaping leasing decisions in Kolkata's office market.

- Vacancy rates in Kolkata showed a notable improvement, declining by 624 basis points YoY to reach 29.9% by the end of H2 2025. While this marks a positive shift, the market continues to carry a sizable stock of unoccupied space. The improvement in vacancy was driven by steady leasing momentum over the past two years, coupled with the lack of new office supply entering the market.

- During 2025, Grade A offices dominated leasing activity, accounting for over 95% of total transactions, reflecting a clear occupier preference for high-quality office spaces. While overall vacancy levels have improved over the past couple of years, the market has seen limited addition of new Grade A supply. This shortage of fresh, quality office stock has concentrated demand within a narrow set of assets, as older buildings continue to face higher vacancies. As a result, vacancy levels remain high across the market, largely due to ageing and less efficient office stock, rather than any shortfall in occupier demand.

- In line with recent trends, Kolkata's office market recorded no new supply additions in the second half of 2025. However, a sizeable pipeline of around 0.05 mn sq m (0.5 mn sq ft) is expected to be delivered in early 2026. Most of this upcoming supply is likely to be concentrated in PBD-2 Rajarhat New Town, further reinforcing its position as the city's primary business district. Developers continue to remain cautious on launching speculative projects, given the market's persistently high vacancy levels.

- Average office rents in Kolkata rose by 16% YoY in H2 2025, driven largely by strong demand in Salt Lake City and Rajarhat New Town. Within these peripheral business districts, average rents increased by about 10% and 19% YoY, respectively. This upward movement reflects the limited availability of quality office space and the concentration of preferred tenant profiles, which have made prime assets in these locations increasingly competitive and expensive.

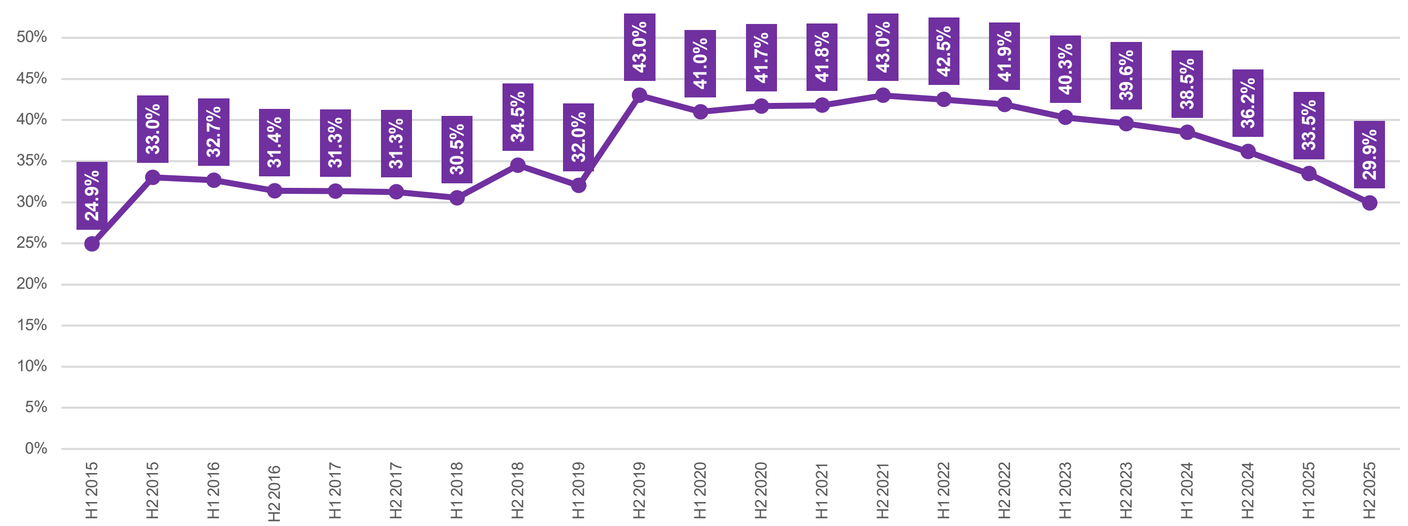
- The rising traction in peripheral business districts such as Salt Lake City and Rajarhat New Town points to a clear shift in occupier preference toward locations offering modern infrastructure and better cost efficiencies. Backed by record transaction volumes, this demand has supported rental growth over the year. Going forward, these trends, along with a cautious sentiment among developers, are expected to continue shaping market dynamics over the next few quarters into 2026.

BUSINESS DISTRICT CLASSIFICATION

Business District	*Micro Markets*
Central Business District (CBD) and Off CBD	Park Street, Camac Street, Theatre Road, AJC Bose Road, Elgin Road, Rabindra Sadan, Esplanade, Lenin Sarani, S N Banerjee Road, Central Avenue, Dalhousie Square, Mangoe Lane, Brabourne Road, Chandni Chowk, Rawdon Street, Loudon Street, Lee Road, Lord Sinha Road, Hastings, Hare Street, Kiran Shankar Ray Road, Upper Wood Street, Hungerford Street, Circus Avenue, Syed Amir Ali Avenue, Chowringhee

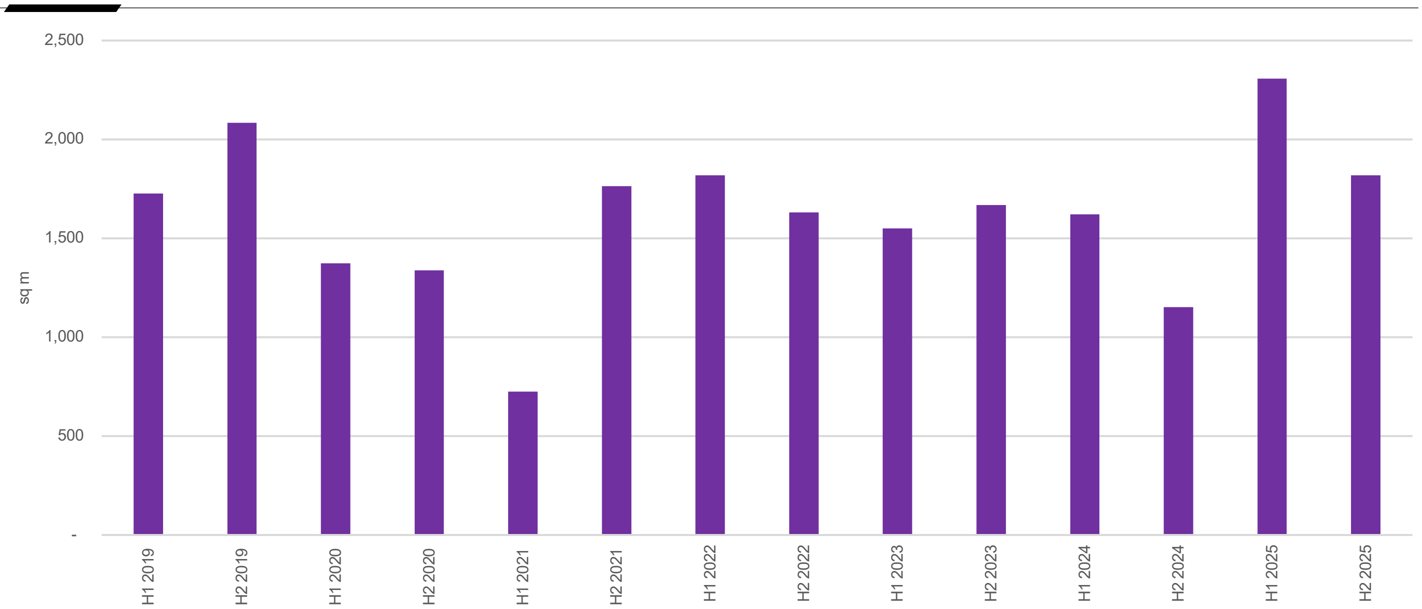
Business District	*Micro Markets*
Suburban Business District (SBD-1)Park Circus Connector	Topsia, JBS Haldane Avenue, EM Bypass-Park Circus Connector
Suburban Business District (SBD-2) Rashbehari Connector	EM Bypass-Rashbehari Connector, Anandapur Main Road, Rajdanga, South Ballygunge, Ashutosh Mukherjee Road, Gariahat, Hazra, Chetla, Jessore Road, Nagerbazar
Peripheral Business District (PBD-1) Salt Lake City	Salt Lake Sector V
Peripheral Business District (PBD-2) Rajarhat New Town	Rajarhat New Town, BT Road, Bantala

OFFICE MARKET VACANCY



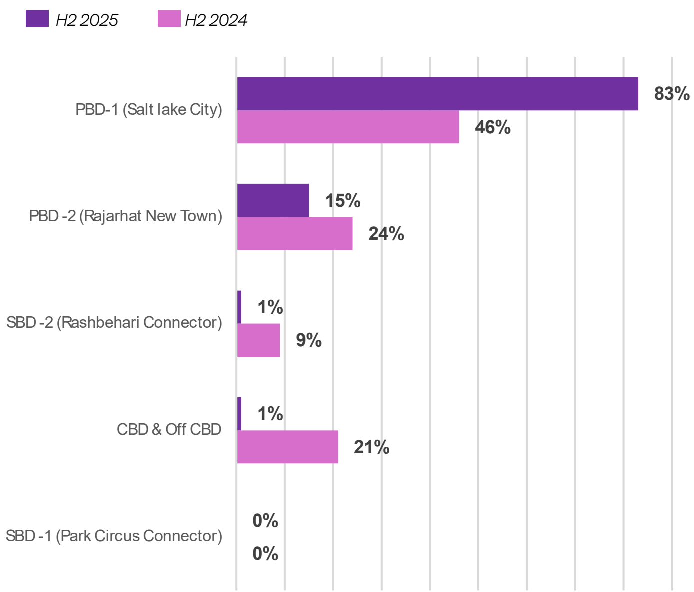
Source: Knight Frank Research

AVERAGE DEAL SIZE TREND



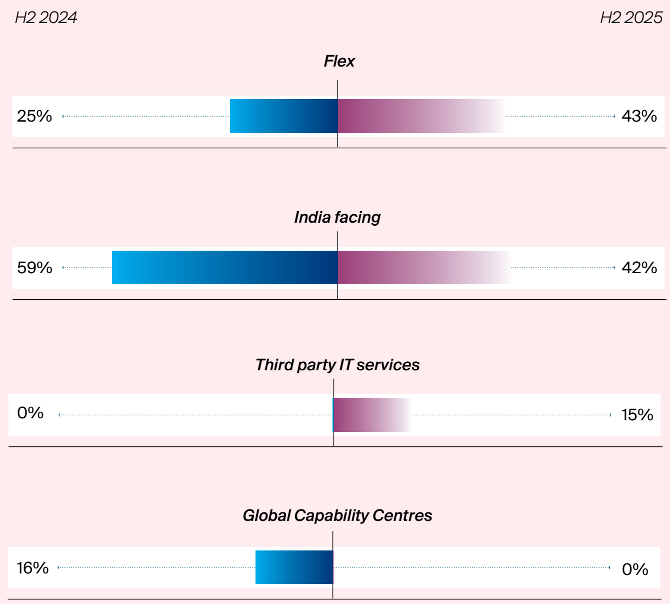
Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT



Source: Knight Frank Research

END-USE SPLIT OF TRANSACTIONS



Source: Knight Frank Research

Notes:

1. India Facing: These refer to such transactions where the lessees/buyers are entities which have an India focused business, i.e., no export or import.

2. Third Party IT Services: These refer to transactions where the lessees/buyers are focused on providing IT and IT enabled services to offshore clients. They service multiple clients and are not necessarily owned by any of them.

3. Global Capability Centres (GCC): These refer to transactions where the lessees/buyers are focused on providing various services to a single offshore company. The offshore company has complete ownership of the entity that has transacted the space.

4. Flex Spaces: These refer to transactions by companies that specialise in providing comprehensive office space solutions for other businesses along with the benefits of flexibility of tenure, extent of services provided and the ability to scale higher or lower as required.

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

Business district	*Rental value range in H2 2025 in INR/sq m/month (INR/sq ft/month)*	*12-month change*	*6-month change*
CBD & Off CBD	861-1,184 (80-110)	15%	9%
SBD-I (Park Circus Connector)	700-807 (65-75)	17%	8%
SBD-II (Rashbehari Connector)	700-1,023 (65-95)	14%	7%
PBD-I (Salt Lake City)	484-700 (45-65)	10%	8%
PBD-II (Rajarhat New Town)	377-646 (35-60)	19%	16%

Source: Knight Frank Research

Mumbai - Residential Market

MARKET SUMMARY

Parameter	*2025*	*2025 Change (YoY)*	*H2 2025*	*H2 2025 Change (YoY)*
Launches (housing units)	87,114	-10%	41,663	-16%
Sales (housing units)	97,188	1%	50,153	3%
Average price in INR/sq m (INR/sq ft)	INR 95,326 (INR 8,856)	7%	-	-

Note - 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research

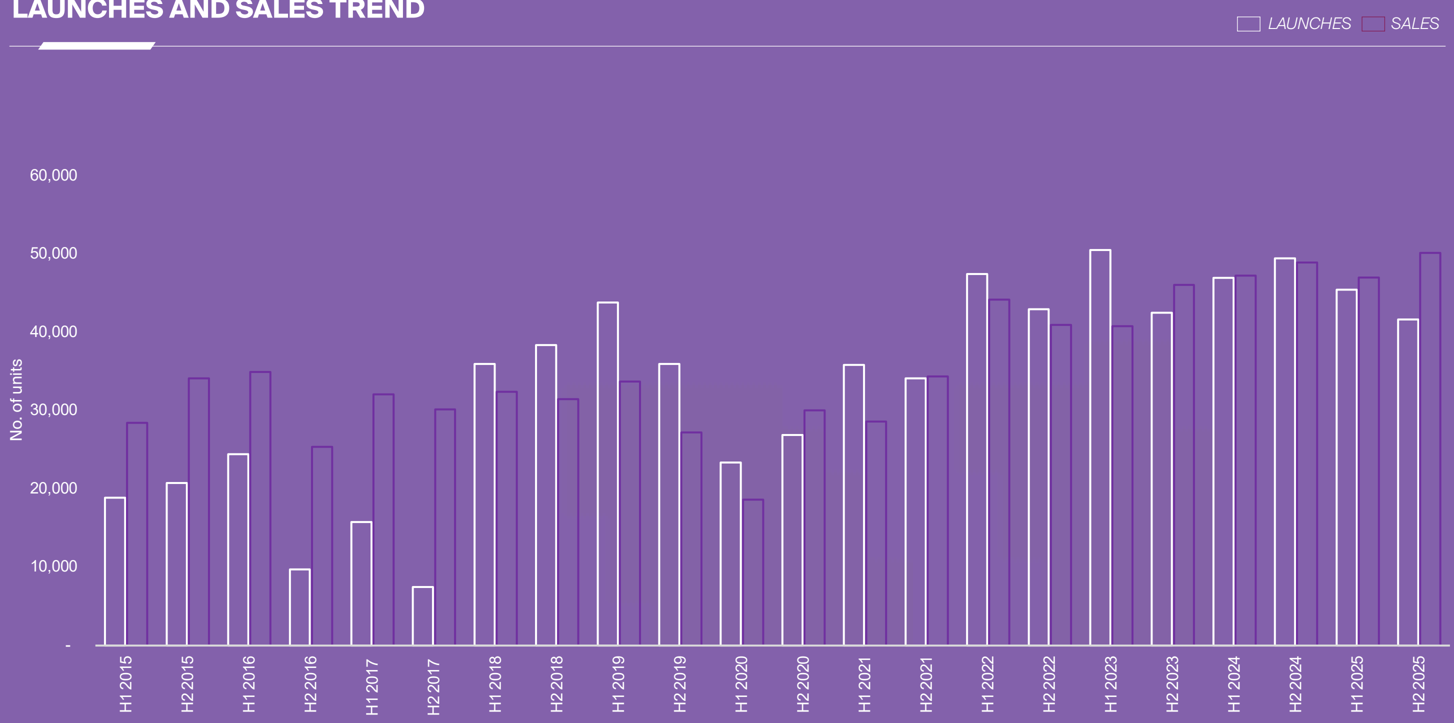
155,604
Unsold inventory (housing units) 2025

6.4
Quarters to sell (in quarters) 2025

-6%
Change (YoY)

19.3
Age of unsold inventory (in quarters) 2025

LAUNCHES AND SALES TREND



Source: Knight Frank Research

- Mumbai's residential market maintained steady momentum in H2 2025, with housing sales reaching 50,153 units, marking a 3% YoY increase. Full year sales stood at 97,188 units, up 1% YoY, reflecting the market's ability to hold demand levels despite rising prices and a higher base set over the past two years.

- New launches moderated further in H2 2025, declining to 41,663 units, a 16% YoY drop. For the full year, launches totaled 87,114 units, down 10% YoY. Developers continued to exercise supply discipline, focusing on calibrated project launches, phased inventory releases and micro-markets with proven absorption rather than broad based expansion.

- Price growth remained firm through H2 2025, with average residential prices rising to INR 95,326/sq m (INR 8,856/sq ft), reflecting a 7% YoY increase. Price appreciation was driven by sustained demand for larger homes with better lifestyle amenities.

- Peripheral Central Suburbs continued to anchor residential demand, accounting for 28% of sales in H2 2025, broadly stable YoY. This was followed by Peripheral Western Suburbs at 18% and Navi Mumbai at 17%, highlighting continued buyer preference for locations offering relative affordability, improving connectivity and larger unit configurations. Central and South Mumbai continued to account for a limited share of volumes, constrained primarily by affordability rather than demand intent.

- Launch distribution closely mirrored sales patterns, with Peripheral Central Suburbs leading new supply at 28%, followed by Peripheral Western Suburbs at 18% and Navi Mumbai at 16%. This alignment indicates a high degree of developer responsiveness to demand signals, helping limit fresh inventory stress.

- Ticket size trends in H2 2025 pointed to premiumization. Homes priced below INR 5 mn continued to lead sales but saw their share decline to 37%, from 42% in H2 2024. Mid to upper segments gained traction, with the INR 20-50 mn category rising to 13% and the INR 50-100 mn segment increasing to 4%, suggesting improving buyer confidence at higher price points.

- Metro connectivity continued to influence residential demand patterns in H2 2025, particularly across corridors with improving east-west and north-south access. Progress on Metro Line 2A and Line 7, along with partial commissioning and testing along Metro Line 3, has supported buyer interest in the Western Suburbs and select Central Suburb locations. Areas with improved transit access have seen stronger absorption and better price resilience, as end-users increasingly prioritize commute efficiency and long-term livability over centrality alone.

- Inventory metrics improved modestly during the period. Unsold inventory declined to 155,604 units, down 6% YoY, while the city-wide quarters-to-sell (QTS) ratio improved to 6.4 quarters, indicating a broadly balanced demand-supply environment.

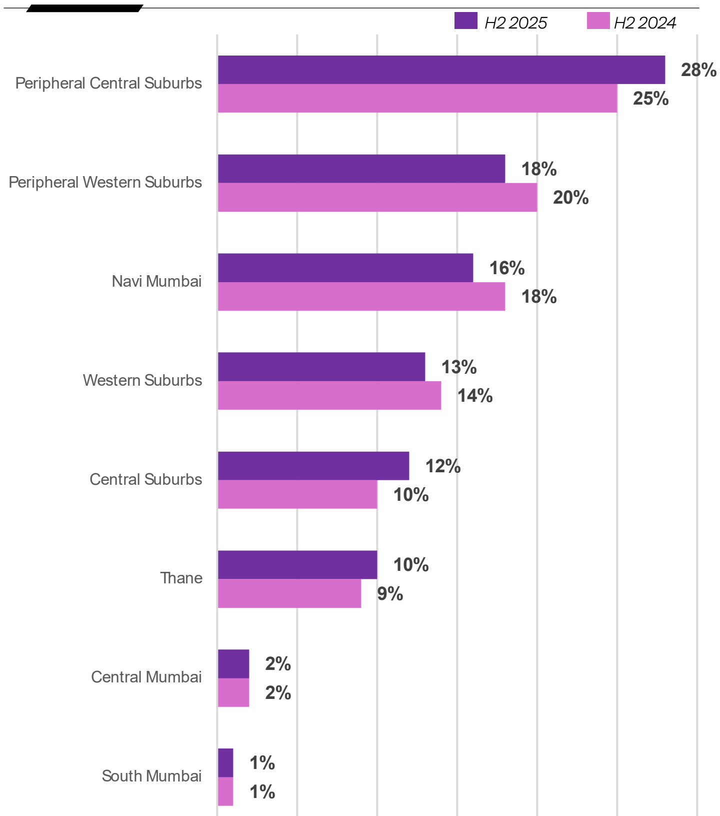
- The INR 20-50 mn segment remained the healthiest, with a QTS of 3.9 quarters, reflecting strong absorption and limited overhang. In contrast, higher ticket segments of above INR 100 mn continued to experience longer sales cycles, particularly in Central and South Mumbai, where QTS extended beyond 15 quarters, reflecting thinner buyer pools and higher price thresholds.

- Overall, Mumbai's residential market in H2 2025 reflected consolidation rather than slowdown. Demand remained steady, supply was tightly managed, and prices continued to firm. As affordability pressures persist in core markets, buyer activity continues to gravitate toward peripheral locations offering better price value. With inventory metrics improving and end user demand holding firm, the residential market appears well positioned for stable growth in 2026.

MICRO-MARKET CLASSIFICATION

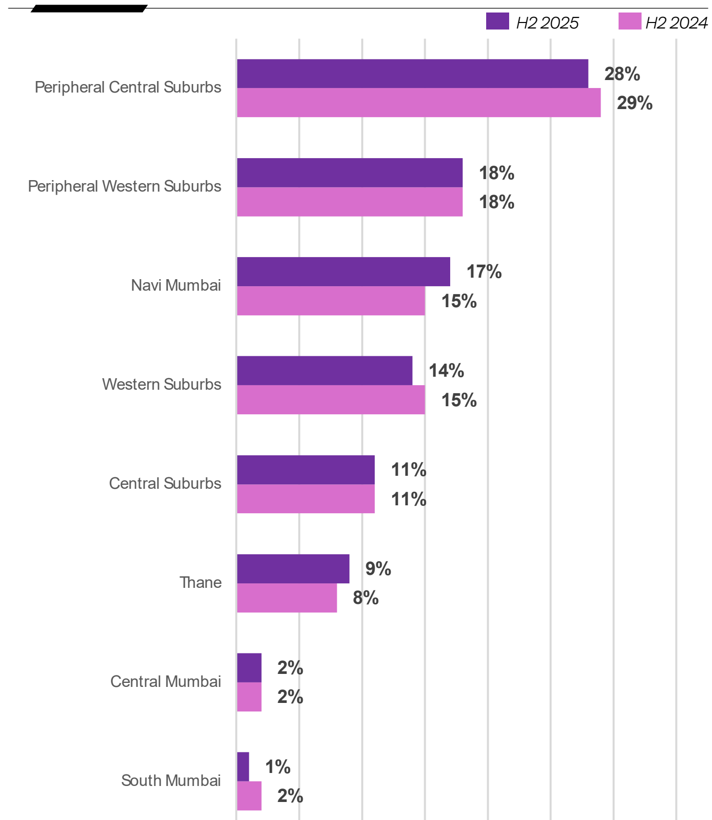
Micro market	*Locations*
Central Mumbai	Dadar, Lower Parel, Mahalaxmi, Worli, Prabhadevi
Central Suburbs	Sion, Chembur, Wadala, Kurla, Ghatkopar, Vikhroli, Bhandup, Mulund
Navi Mumbai	Vashi, Nerul, Belapur, Kharghar, Airoli, Panvel, Ulwe, Sanpada
Peripheral Central Suburbs	Kalyan, Kalwa, Dombivli, Ambernath, Bhiwandi, Mumbra, Karjat
Peripheral Western Suburbs	Vasai, Virar, Boisar, Palghar, Bhayandar, Nalasopara
South Mumbai	Malabar Hill, Napean Sea Road, Walkeshwar, Altamount Road, Colaba
Thane	Naupada, Ghodbunder Road, Pokhran Road, Majiwada, Khopat, Panchpakhadi
Western Suburbs	Bandra, Andheri, Goregaon, Kandivali, Borivali, Santacruz, Vile Parle

MICRO-MARKET SPLIT OF LAUNCHES IN H2 2024 AND H2 2025



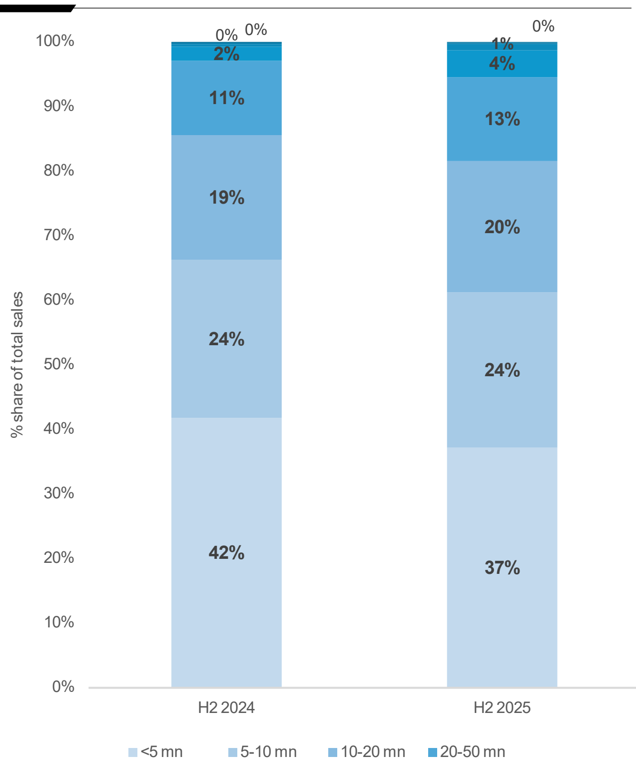
Source: Knight Frank Research

MICRO-MARKET SPLIT OF SALES IN H2 2024 AND H2 2025



Source: Knight Frank Research

TICKET SIZE SPLIT COMPARISON OF SALES



Source: Knight Frank Research

TICKET-SIZE SEGMENT HEALTH IN H2 2025

Ticket-size segment	*Unsold Inventory (housing units) (YoY change)*	*Quarters-to-sell (QTS)*
0 – 5 mn	70,146 (-9%)	7.1
5 – 10 mn	34,400 (-7%)	5.8
10 - 20 mn	35,271 (-5%)	7.3
20 – 50 mn	10,807 (12%)	3.9
50 – 100 mn	2,748 (3%)	4.4
100 – 200 mn	1,158 (-10%)	8.9
200 – 500 mn	838 (26%)	15.2
>500 mn	236 (-4%)	12.0

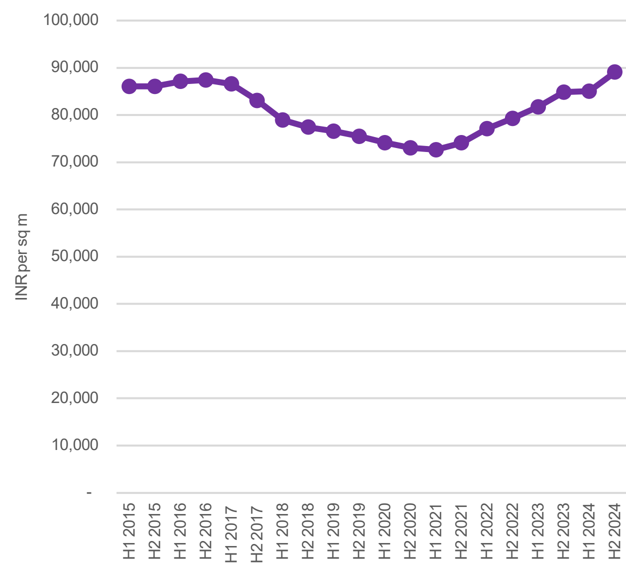
Source: Knight Frank Research

MICRO-MARKET HEALTH IN 2025

Micro-market	*Unsold Inventory (housing units) (YoY Change)*	*Quarters-to-sell (QTS)*
Central Mumbai	7,000 (-3%)	15.7
Central Suburbs	26,929 (-9%)	9.6
Navi Mumbai	34,589 (2%)	9.2
Peripheral Central Suburbs	2,364 (-41%)	0.3
Peripheral Western Suburbs	7,842 (-11%)	1.8
South Mumbai	4,931 (-11%)	15.4
Thane	36,175 (-8%)	16.7
Western Suburbs	35,774 (-5%)	10.4

Source: Knight Frank Research

AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	*Location*	*Price range in H2 2025 in INR/sq m (INR/sq ft)*	*12 month Change*	*6 month Change*
Central Mumbai	Lower Parel	351,671-384,598 (32,671-35,730)	4%	1%
	Worli	955,133-1,026,390 (88,734-95,354)	7%	3%
Central Suburbs	Ghatkopar	282,695-294,794 (26,263-27,387)	3%	1%
	Mulund	242,125-265,580 (22,494-24,673)	7%	3%
	Powai	262,082-334,168 (24,348-31,045)	3%	1%
Navi Mumbai	Panvel	91,010-94,336 (8,455-8,764)	1%	1%
	Kharghar	113,022-113,022 (10,500-10,500)	3%	0%
	Vashi	201,115-218,832 (18,684-20,330)	9%	3%
Peripheral Central Suburbs	Badlapur	54,121-55,230 (5,028-5,131)	2%	0%
	Dombivali	92,549-106,521 (8,598-9,896)	7%	1%
Peripheral Western Suburbs	Mira Road	117,123-120,589 (10,881-11,203)	3%	1%
	Virar	86,941-90,633 (8,077-8,420)	7%	0%
South Mumbai	Tardeo	829,711-837,967 (77,082-77,849)	1%	0%
Thane	Ghodbunder Road	129,997-130,858 (12,077-12,157)	3%	1%
	Naupada	238,606-241,673 (22,167-22,452)	1%	1%
Western Suburbs	Andheri	272,168-285,138 (25,285-26,490)	7%	3%
	Bandra (W)	809,001-860,280 (75,158-79,922)	2%	1%
	Borivali	296,645-305,482 (27,559-28,380)	1%	1%
	Dahisar	167,854-180,900 (15,594-16,806)	4%	2%
	Goregaon	273,126-294,869 (25,374-27,394)	7%	8%

Source: Knight Frank Research

Mumbai *- Office Market*

MARKET SUMMARY

Parameter	*2025*	*2025 Change (YoY)*	*H2 2025*	*H2 2025 Change (YoY)*
Completions in mn sq m (mn sq ft)	0.47 (5.1)	-12%	0.27 (2.9)	85%
Transactions in mn sq m (mn sq ft)	0.91 (9.8)	-5%	0.40 (4.3)	-6%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	1,346 (125)	6%	-	-

Note - 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research

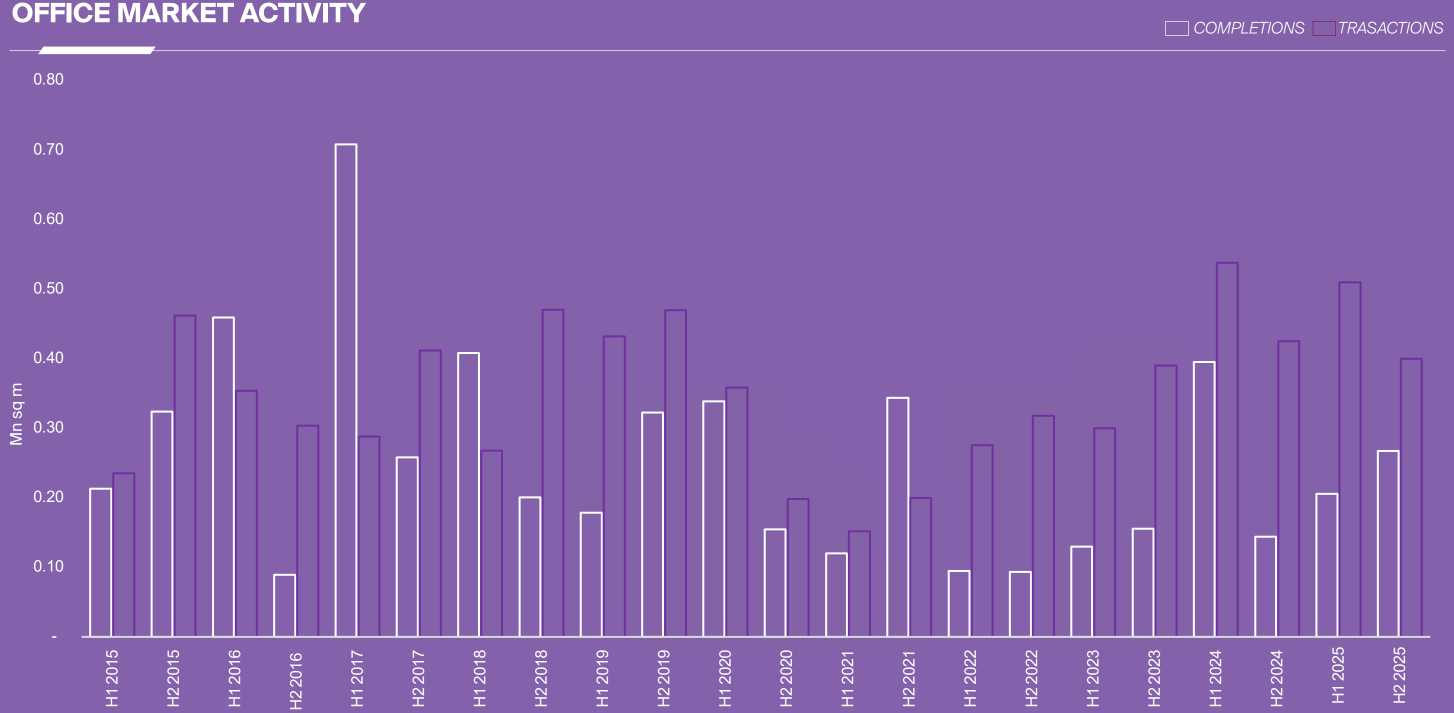
16.0 (172.3)
Stock mn sq m (mn sq ft) 2025

18.3%
Vacancy (%) 2025

3%
Change (YoY)

20
basis points decrease

OFFICE MARKET ACTIVITY



Source: Knight Frank Research

- In H2 2025, Mumbai recorded office space transactions of approximately 0.40 mn sq m (4.3 mn sq ft), a 6% YoY decline. Full year leasing stood at 0.91 mn sq m (9.8 mn sq ft), marking a 5% YoY dip. Despite this moderation, annual volumes were broadly in line with recent averages and represented the second highest level in over a decade.

- Leasing activity in H2 2025 was supported by several large format transactions across suburban and peripheral business districts. Multiple deals exceeded 1.01 mn sq m (0.1 mn sq ft), particularly in Andheri East, Goregaon, Airoli and Thane, highlighting occupier preference for scalable locations.

- SBD West and PBD together accounted for over 60% of the total leasing activity in H2 2025. SBD West remained the largest contributor, led by Andheri East and Goregaon, where metro connectivity and easy interchange supported larger deal sizes. PBD activity was concentrated in Airoli, Ghansoli and Thane, supported by suburban rail access, strong road connectivity and proximity to residential areas. These markets hosted many of the largest IT/ITeS and BFSI transactions during the period.

- India facing occupiers remained the largest end-use segment, accounting for 40% of total leasing, though their share was a sharp decline from 72% in H2 2024. This shift reflects a broader occupier mix rather than a slowdown in domestic demand.

- GCCs emerged as a key growth driver with their share rising from 9% to 26% YoY, led primarily by BFSI, technology, engineering and analytics-focused centres. Demand was driven by functions such as data analytics, risk management, product development and shared services, with large-format transactions concentrated in Powai, Vikhroli, Goregaon and select CBD locations.

- Third-party IT/ITeS activity also increased materially with its share rising from 4% to 20%, supported by cost-sensitive back-office operations, application development, testing and managed services. This demand was largely focused on suburban and peripheral locations, where occupiers were able to secure scale, operational efficiency and competitive rentals.

- CBD and BKC & Off-BKC markets together accounted for around 13% of leasing in H2, lower in volume terms but commanding the highest rents. Transactions here were dominated by BFSI, investment firms and advisory occupiers, with achieved rents in BKC and Worli often exceeding INR 350-600/sq ft/month, even as deal sizes largely remained below 0.5 mn sq m (0.05 mn sq sq ft).

- Rental performance across Mumbai remained strong in H2, with average rents rising by 6% YoY, supported by quality driven demand and limited competing supply.

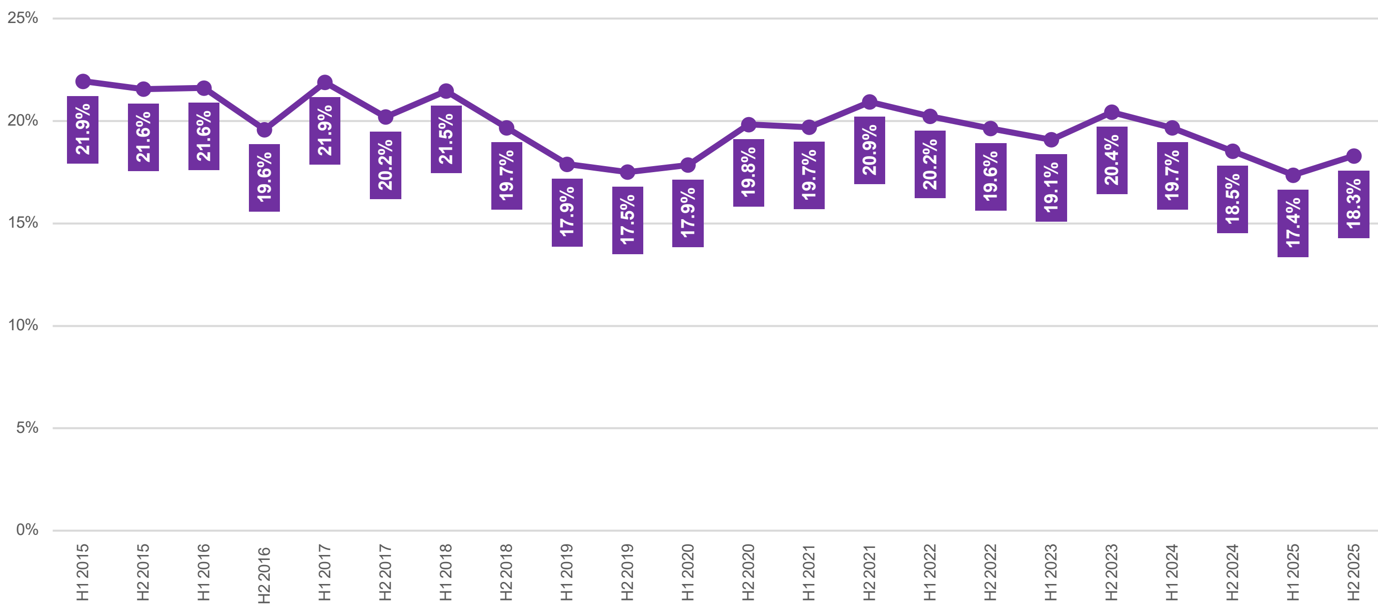
- Office completions in Mumbai remained muted in 2025, with total supply additions of around 0.47 mn sq m (5.1 mn sq ft), a 12% YoY decline. New supply was largely concentrated in PBD and SBD West, with H2 accounting for a few large completions. The subdued pace of additions helped keep vacancy levels contained at 18.3% in H2 2025, despite steady leasing activity.

- Overall, Mumbai's office market remained steady in H2 2025. Demand was driven by the need for scale, efficient layouts and connectivity, with GCCs and flex operators playing an important role in absorbing space. As infrastructure improves and occupiers remain cautious, the demand is gradually shifting toward well connected suburban locations, while core markets continue to command higher rents.

BUSINESS DISTRICT CLASSIFICATION

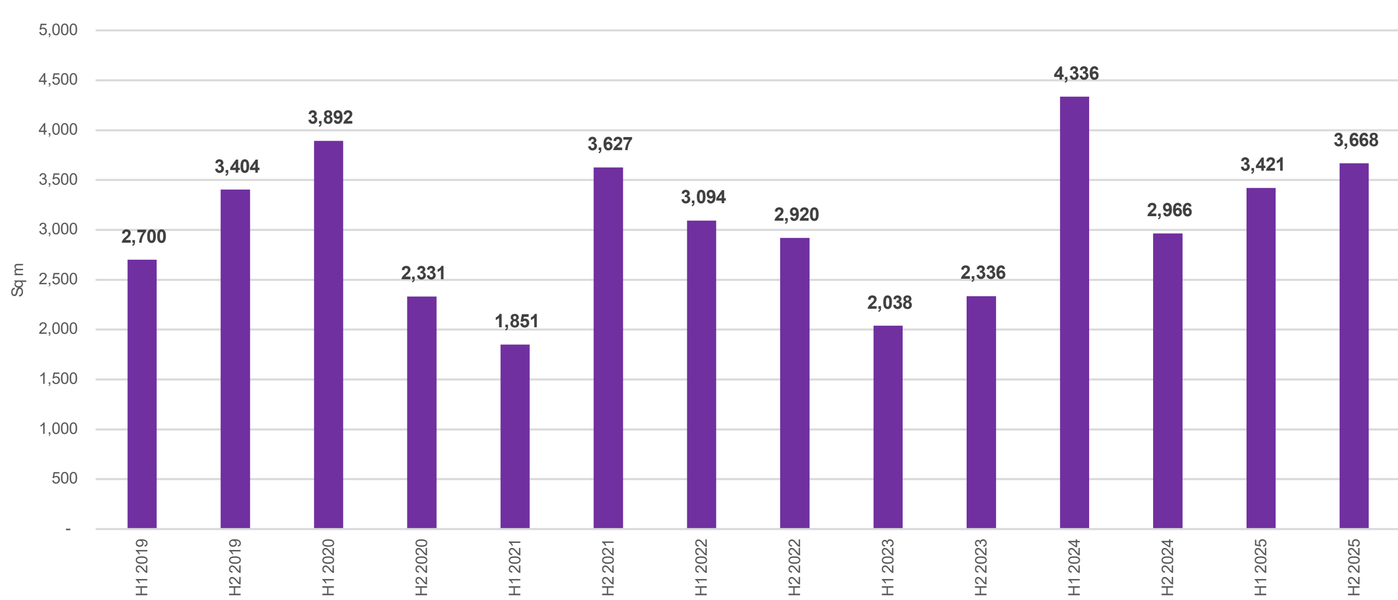
Business District	*Micro Markets*
Central Business District (CBD and Off CBD)	Nariman Point, Cuffe Parade, Ballard Estate, Fort, Mahalaxmi, Worli
Bandra Kurla Complex & Off Bandra Kurla Complex (BKC & Off BKC)	BKC, Bandra (E), Kalina and Kalanagar
Central Mumbai	Parel, Lower Parel, Dadar, Prabhadevi
Secondary Business District (SBD) West	Andheri, Jogeshwari, Goregaon, Malad
Secondary Business District (SBD) Central	Kurla, Ghatkopar, Vikhroli, Kanjurmarg, Powai, Bhandup, Chembur
Peripheral Business District (PBD)	Thane, Airoli, Vashi, Ghansoli, Rabale, Belapur

OFFICE MARKET VACANCY



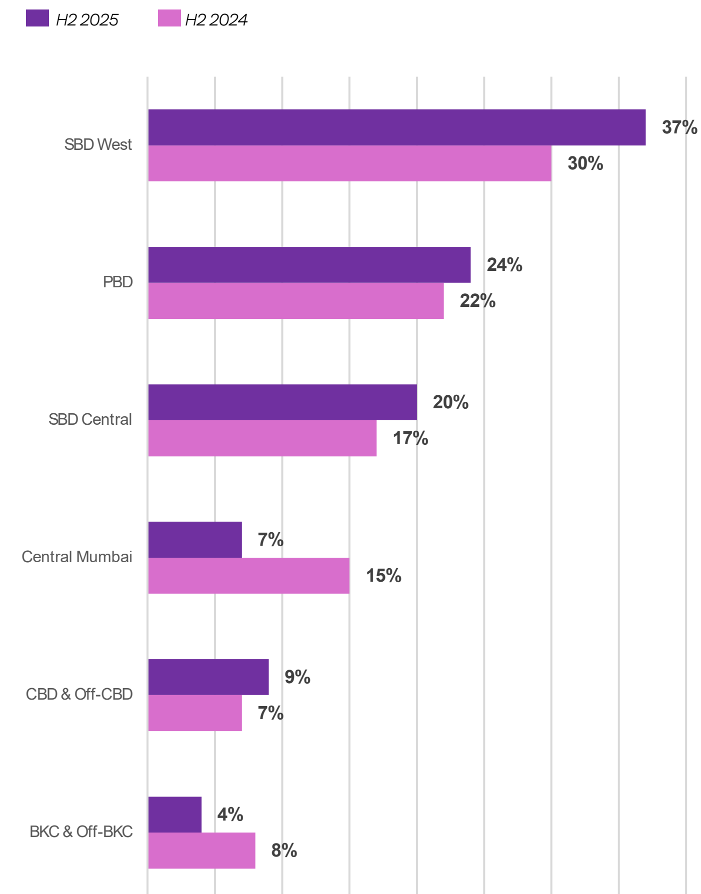
Source: Knight Frank Research

AVERAGE DEAL SIZE TREND



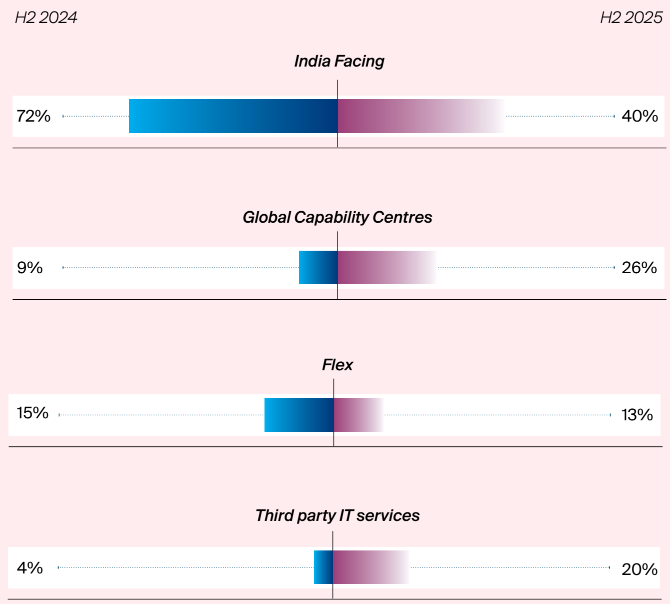
Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT



Source: Knight Frank Research

END-USE SPLIT OF TRANSACTIONS



Source: Knight Frank Research

Notes:

1. India Facing: These refer to such transactions where the lessees/buyers are entities which have an India focused business, i.e., no export or import.

2. Third Party IT Services: These refer to transactions where the lessees/buyers are focused on providing IT and IT enabled services to offshore clients. They service multiple clients and are not necessarily owned by any of them.

3. Global Capability Centres (GCC): These refer to transactions where the lessees/buyers are focused on providing various services to a single offshore company. The offshore company has complete ownership of the entity that has transacted the space.

4. Flex Spaces: These refer to transactions by companies that specialise in providing comprehensive office space solutions for other businesses along with the benefits of flexibility of tenure, extent of services provided and the ability to scale higher or lower as required.

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

Business district	*Rental value range in H2 2025 in INR/sq m/month (INR/sq ft/month)*	*12-month change*	*6-month change*
BKC & Off-BKC	2,551-4,801 (237-446)	7%	3%
CBD & Off-CBD	2,153-3,003 (200-279)	6%	1%
Central Mumbai	2,099-3,003 (195-279)	5%	2%
PBD	603-1,076 (56-100)	5%	2%
SBD Central	1,399-2,497 (130-232)	7%	2%
SBD West	1,098-2,099 (102-195)	6%	1%

Source: Knight Frank Research

NCR - *Residential Market*

MARKET SUMMARY

Parameter	*2025*	*2025 Change (YoY)*	*H2 2025*	*H2 2025 Change (YoY)*
Launches (housing units)	50,769	-16%	25,536	-15%
Sales (housing units)	52,452	-9%	25,657	-10%
Average price in INR/sq m (INR/sq ft)	INR 64,885 (INR 6,028)	19%	-	-

Note – 1 square metre (sq m) = 10.764 square feet (sq ft)

Source: Knight Frank Research

1,04,969

Unsold inventory (housing units) 2025

7.6

Quarters to sell (in quarters) 2025

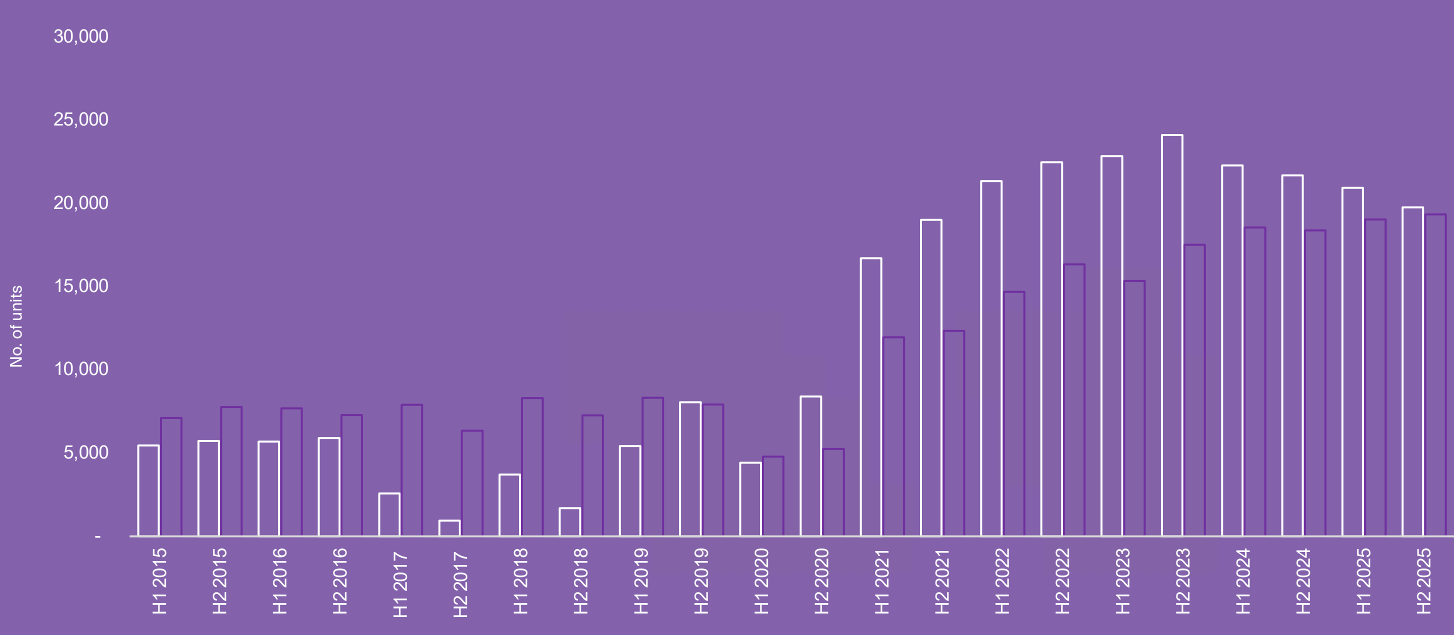
-2%

Change (YoY)

13.2

Age of unsold inventory (in quarters) 2025

LAUNCHES AND SALES TREND



Source: Knight Frank Research

- Following three consecutive years of elevated residential launches and sales between 2022 and 2024, NCR's housing market saw a measured moderation in 2025. Developers launched 50,769 units while the market absorbed 52,452 units, reflecting YoY decline of 16% and 9% respectively. Much of the earlier post-pandemic surge had been driven by pent-up demand, which encouraged an aggressive launch pipeline and corresponding sales. The market now appears to be transitioning into a more stable phase, with demand-supply dynamics normalizing as investor activity moderates and genuine end-users take precedence. Prices, however, remain elevated, with average home values rising by 19% YoY, supported by ongoing upgrades to regional infrastructure (inter as well as intra-city) and an increasing share of higher ticket-size launches. An appetite for branded residences in NCR is strengthening, led by the Gurugram market, as developers continue to experiment with formats that position residential living as more aspirational and amenity-rich than ever before.

- Gurugram dominated NCR's residential market in 2025, accounting for 53% of annual launches and 48% of annual sales. The city also lifted the region's average price, as most new projects launched in Q4 2025 comprised 300-600 units per development, with a majority priced between INR 20-50 mn. Notable additions included Birla Pravaah, Central Park Delphine, Ashiana Aaroham, M3M GIC and Emaar Serenity Hills, across key micro markets such as Sectors 71, 104, 80, 86, etc. Although Gurugram's annual launches and sales declined by 19% and 13% YoY respectively, the current level of demand and supply are broadly reminiscent of the 2011-2012 cycle, indicating a post-pandemic reset towards a more sustainable growth trajectory. At the same time, Gurugram's housing market is being further bolstered by planned metro connectivity, with a new 28.5 km intra-city line featuring 27 elevated stations from Millennium City Centre towards Cyber City under approval and early construction, including a 1.85 km spur towards the Dwarka Expressway. In addition, two new corridors sanctioned by Haryana Mass Rapid Transport Corporation Limited (HMRTC), the 17 km Bhondsi-Gurugram railway station route via Sohna Road, Rajiv Chowk and Sadar Bazar, and the 13.6 km Golf Course Extension Road-Sector 5 line linking major corporate hubs with Old Gurugram neighbourhoods, are expected to reinforce the city's long-term residential appeal.

- In 2025, Noida and Greater Noida together accounted for 34% of annual residential launches and 32% of sales, firmly positioning the cluster as NCR's second most important housing market. The Uttar Pradesh government's sustained focus on strengthening dispute-resolution mechanisms has been instrumental in preserving buyer confidence across both locations. Within this cluster, Greater Noida has emerged as the frontrunner with a 28% share of annual launches and 25% of sales, supported by the soon to-be-inaugurated Noida International Airport and a steady pipeline of projects such as Gaur Chrysalis, Godrej Majesty (new towers), Godrej Arden and Eldeco Whispers of Wonders among others. Recent approvals for metro extensions, including the Aqua Line Depot-Bodaki link and the Greater Noida Depot-Multimodal Transport Hub spur, are expected to reinforce this positive trajectory, as the combined Noida-Greater Noida market continues to leverage its relative affordability and resilient, all-weather infrastructure.

- Ghaziabad continued to hold its ground in the NCR residential market in 2025, accounting for 10% of the total new launches and 16% of overall sales. The city remains particularly attractive to mid-income homebuyers, underpinned by its relative affordability, enhanced connectivity via NH-24 and its strategic location along the Delhi-Meerut RRTS and Expressway corridors. By contrast, Faridabad and Delhi recorded limited residential activity, together contributing less than 5% of the total launches and sales over the year, as Faridabad largely retains its character as an industrial and manufacturing belt with constrained white-collar employment and infrastructure activity, while Delhi remains effectively landlocked with very limited availability of developable land.

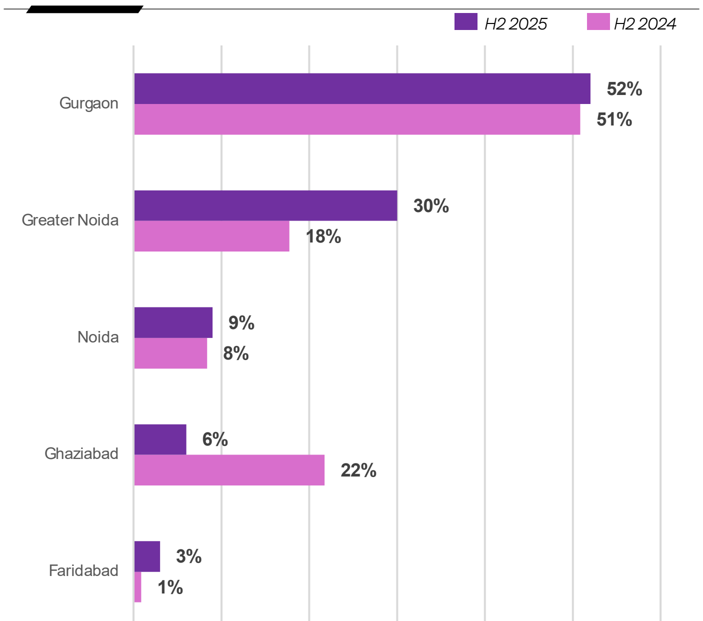
- The shift towards premium and luxury housing continued to shape the trajectory of NCR's residential market throughout 2025. Since 2021-22, most leading developers have recalibrated their strategies to address rising demand for high-value homes, as end-users increasingly seek larger unit configurations, additional rooms, amenity-rich apartment complexes and aspirational living environments. This trend was most pronounced in the INR 20 mn and above segments, with the INR 20-50 mn bracket emerging as the most active, accounting for 36% of total sales and 27% of total launches in 2025. The INR 10-20 mn category followed, contributing 25% of annual sales and 24% of launches. By contrast, affordable housing priced up to INR 10 mn comprised only 18% of sales and 10% of new supply, clearly signaling an ongoing upshift in market positioning. Key high-ticket launches in Q4 2025 included Central Park Delphine, Emaar Serenity Hills, Birla Pravaah, M3M Eli Saab (branded residence), Elan The Statement, BPTP Downtown 66 and Experion One42 in Gurugram; M3M Cullinan Phase 2, M3M J and C (branded residence), and Godrej Arden in Noida-Greater Noida; and Prestige Mayflower in Ghaziabad. The primary buyer base for these ultra high-value products spans high-net-worth individuals, non-resident Indians, expatriates, celebrities and senior executives from multinational corporations and startups, further entrenching the premiumization of the NCR housing market.

- Unsold inventory in NCR declined marginally by 2% YoY to 1,04,969 units at the end of 2025, indicating broadly balanced market conditions, with the steepest reduction observed in the INR 5-10 mn bracket, reflecting relatively tighter availability and stronger appetite in this affordable segment. The quarters-to-sell (QTS) ratio, which measures the time required to clear existing stock at the current sales run-rate, inched up from 7.3 quarters in 2024 to 7.6 quarters in 2025, still comfortably below the two-year threshold and consistent with a healthy buyer environment. For the most active price bands between INR 10-50 mn, QTS ranged from 3-7 quarters, underscoring robust demand for premium and luxury housing. By contrast, units priced below INR 5 mn recorded a significantly elevated QTS of 35.1 quarters (around 8-9 years), likely owing to limited supply in preferred locations, sub-optimal project quality, weaker developer credentials and the absence of modern amenities, all of which continue to temper end-user interest in this segment.

- Residential prices remained on a firm upward trajectory in 2025, rising 19% YoY to an average of INR 64,885 per sq m (INR 6,028 per sq ft). This appreciation was driven largely by the growing share of high-ticket units launched and sold across NCR, led in particular by the Gurugram market, where homes in the INR 20-50 mn and INR 50-100 mn brackets have effectively become the norm. Within Gurugram, micro markets such as Golf Course Extension Road, Southern Peripheral Road, Sohna Road and sectors beyond the Cloverleaf (New Gurugram) registered the sharpest price gains, as leading developers including DLF, Birla, Elan, M3M, Ashiana and Max Estates continued to concentrate premium launches in these corridors, with inventory being absorbed at a rapid pace.

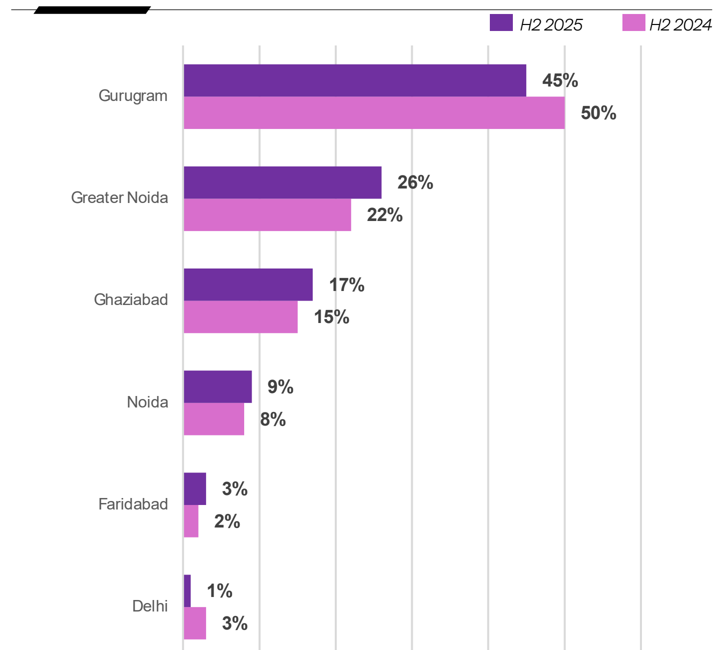
- NCR has historically been one of the country's more investment-driven residential markets shaped by periods of speculative activity; however, the sentiment is now steadily shifting towards an end-user-led landscape, with the buyer base increasingly comprising corporate professionals and business families as both launch volumes and sales stabilize. From a pattern of sharp, upward swings in demand, supply and prices, the region is transitioning to a more measured growth curve, indicating a healthier and more sustainable medium-term trajectory. While demand in the units priced under INR 10 mn continues to languish, momentum in the premium and luxury categories continue to display resilience and is anchoring overall market traction, encouraging developers to retain a calibrated focus on high-end products in line with evolving buyer aspirations. Overall, NCR's residential market is poised on an even keel, supported by improving transparency, stronger governance and the rising share of listed and institutionally backed developers, which together are fostering greater accountability and long-term confidence.

MICRO-MARKET SPLIT OF LAUNCHES IN H2 2024 AND H2 2025



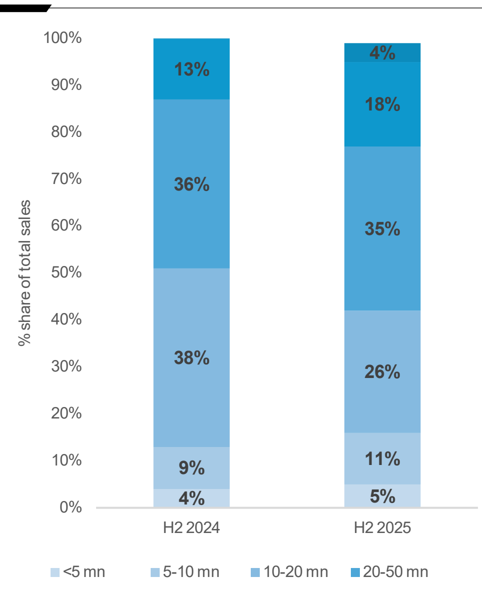
Source: Knight Frank Research

MICRO-MARKET SPLIT OF SALES IN H2 2024 AND H2 2025



Source: Knight Frank Research

TICKET SIZE SPLIT COMPARISON OF SALES



Source: Knight Frank Research

TICKET-SIZE SEGMENT HEALTH IN H2 2025

Ticket-size segment	*Unsold Inventory (housing units) (YoY change)*	*Quarters-to-sell (QTS)*
0 – 5 mn	32,436 (-6%)	35.1
5 – 10 mn	21,967 (-11%)	12.9
10 - 20 mn	27,328 (3%)	6.8
20 – 50 mn	16,945 (9%)	3.6
50 – 100 mn	4,506 (-7%)	2.2
100 – 200 mn	1.470 (183%)	4.9
200 – 500 mn	103 (134%)	11.4
>500 mn	214 (263%)	7.7

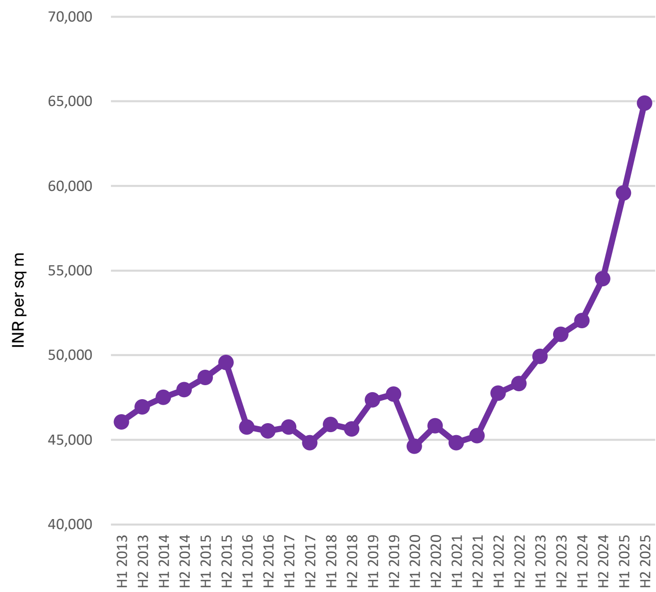
Source: Knight Frank Research

MICRO-MARKET HEALTH IN 2025

Micro-market	*Unsold Inventory (housing units) (YoY Change)*	*Quarters-to-sell (QTS)*
Delhi	3,332 (-22%)	9.5
Faridabad	2,769 (23%)	10.6
Ghaziabad	7,524 (-32%)	3.6
Greater Noida	25,891 (4%)	8.1
Gurugram	58,308 (3%)	8.6
Noida	7,144 (-9%)	6.8

Source: Knight Frank Research

AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	*Location*	*Price range in H2 2025 in INR/sq m (INR/sq ft)*	*12 month Change*	*6 month Change*
Delhi	Dwarka	1,18,403-1,50,695 (11,000-14,000)	35%	25%
	Greater Kailash -II	2,90,625-4,30,556 (27,000-40,000)	12%	3%
Faridabad	Sector 82	35,521-59,201 (3,300-5,500)	26%	10%
	Sector 88	51,667-69,965 (4,800-6,500)	71%	51%
Ghaziabad	NH-24 Bypass	46,285-59,201 (4,300-5,500)	53%	23%
	Raj Nagar Extension	46,285-75,347 (4,300-7,000)	71%	45%
Greater Noida	Sector 1	51,667-73,195 (4,800-6,800)	50%	22%
	Omicron 1	45,208-59,201 (4,200-5,500)	43%	24%
Gurugram	Sector 77	80,729-1,23,785 (7,500-11,500)	43%	27%
	Sector 81	91,493-1,07,639 (8,500-10,000)	40%	28%
Noida	Sector 78	80,729-91,493 (7,500-8,500)	43%	21%
	Sector 143	80,729-86,111 (7,500-8,000)	60%	35%

Source: Knight Frank Research

NCR - Office Market

MARKET SUMMARY

Parameter	2025	2025 Change (YoY)	H2 2025	H2 2025 Change (YoY)
Completions in mn sq m (mn sq ft)	0.9 (9.6)	71%	0.5 (5.5)	108%
Transactions in mn sq m (mn sq ft)	1.0 (11.3)	-11%	0.4 (4.1)	-42%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	1,036 (96.2)	10%	-	-

Note – 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research

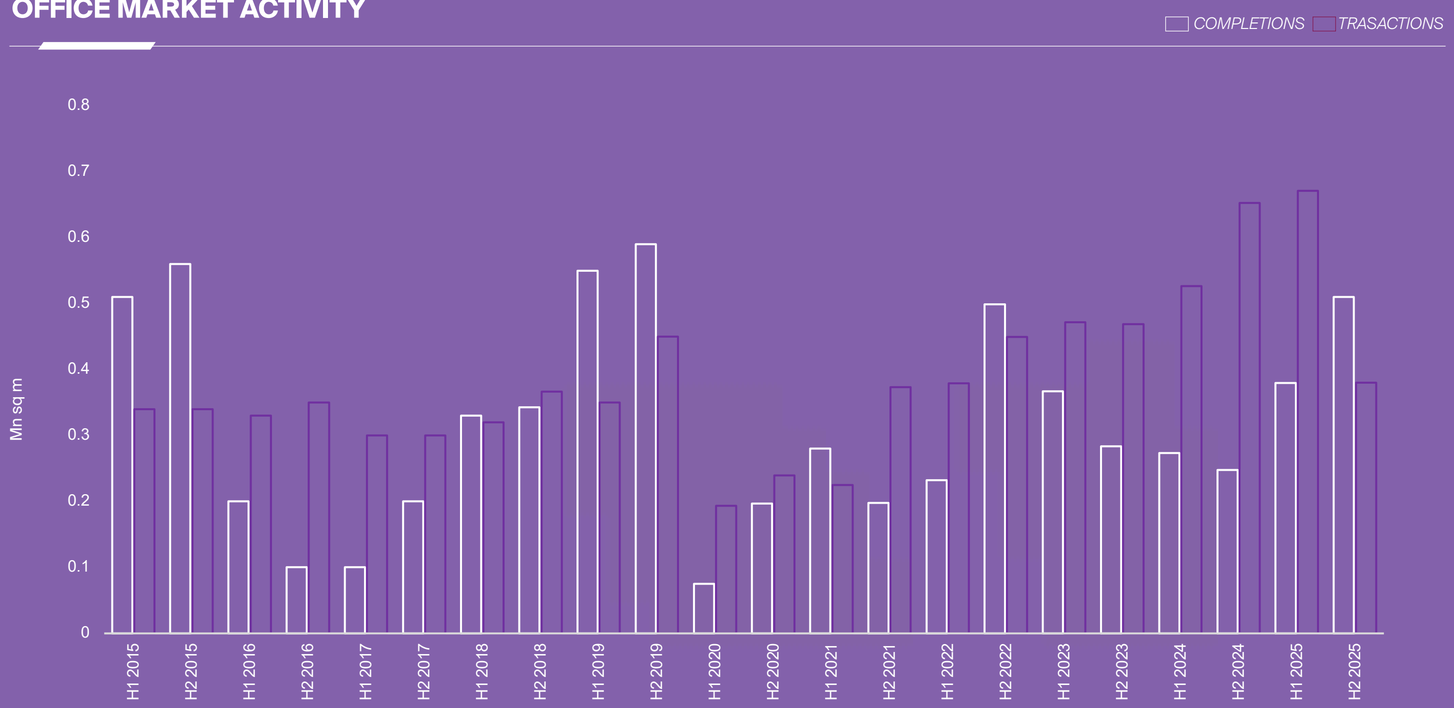
19.0 (204.1)
Stock mn sq m (mn sq ft) 2025

14.0%
Vacancy (%) 2025

5%
Change (YoY)

360
basis points increase

OFFICE MARKET ACTIVITY



Source: Knight Frank Research

- In 2025, Delhi NCR recorded its second-highest annual gross leasing activity, following last year's peak of 1.2 mn sq m (12.7 mn sq ft), representing a YoY decline of 11%. Its annual leasing volume stood at 1.0 mn sq m (11.3 mn sq ft), ranking it second after Bengaluru in terms of annual area transacted and firmly positioning it as one of the country's most lucrative and dynamic office destinations. Office transactions in Delhi NCR accounted for 13% of India's total office leasing volumes in 2025. This robust transaction volume was driven primarily by India-facing businesses, which contributed 35% of annual take-up, followed by Global Capability Centres (GCCs) at 26%. During the year, Delhi NCR also witnessed pre-commitments of approximately 0.2 mn sq m (2.0 mn sq ft) from marquee occupiers such as Deloitte, Mitsubishi, The Executive Centre and Steelcase, in high-quality office assets developed by Bharti, DLF and others, clearly indicating a pronounced flight to quality.

- Gurugram continued to dominate office market activity in 2025, accounting for 61% of Delhi NCR's annual transactions, broadly in line with its 60% share in the previous year. Its annual take-up was led by GCCs which contributed 38% of transactions, followed by India-facing companies at 29%. This sustained leadership reinforces Gurugram's position as the region's most active office business district, and by extension, its most dynamic real estate market, a trend that has been maintained over the past decade. The city's appeal is underpinned by its proximity to the national capital and to India's largest airport by area and passenger traffic, which continues to attract front offices of leading multinationals and Fortune 500 companies. In comparison, Noida's share of annual transactions eased from 30% in 2024 to 27% in 2025, largely due to limited office completions in the first three quarters as several developers recalibrated their strategies and prioritized residential projects in the city.

- In terms of specific micro markets, Gurugram's NH-48 corridor, Golf Course Road, Golf Course Extension Road and Udyog Vihar accounted for a larger share of transactions in 2025, supported by commitments from key occupiers such as Zomato, Deloitte, Nagarro, Table Space, Dell and others. The submarkets of Gurugram continue to remain the most sought-after addresses. In Noida, sectors 144, 16B, 135, 60 and 67 witnessed the largest deals, driven by leading occupiers including Cognizant, TCS, Ericsson and EY. With the near-commencement of operations at Noida International Airport, a gradual repositioning of Noida is underway, from a predominantly back-office market to a front-office, high-quality office destination.

- In 2025, the average deal size in the Delhi NCR office market was approximately 4,600 sq m (50,000 sq ft), exceeding the typical annual averages of 3,000-4,000 sq m recorded in recent years. This indicates larger footprint take-up by individual occupiers, which in turn is compelling developers to deliver higher quality office assets with larger floor plates and improved efficiencies. The trend further reinforces the prevailing flight-to-quality sentiment, with tenants increasingly concentrating demand in Grade A properties across the Delhi NCR office market.

- Grade A offices overwhelmingly dominated leasing activity in NCR in 2025, accounting for 84% of the total transaction volumes. Large-ticket deals exceeding 9,290 sq m (100,000 sq ft) were concluded in marquee developments such as DLF Atrium Place, Embassy Oxygen Business Park, CapitaLand Tower 3, TRIL Intellion Park, Max Square, Candor TechSpace and DLF Downtown, underscoring the depth of demand for institutional-quality assets. By contrast, Grade B projects comprised only 16% of annual transaction volumes, reaffirming the clear preference of leading occupiers, particularly GCCs and technology firms, for contemporary, high-specification office projects.

- In terms of business orientation, occupiers in Delhi NCR have historically been dominated by India-facing companies. While this cohort accounted for 44% of annual transactions in 2024, its share moderated to 35% in 2025. The most pronounced YoY increase in share was recorded by GCCs, whose share in total transactions rose from 19% in 2024 to a substantial 26% in 2025. This shift underscores the growing inclination of global enterprises to leverage NCR's skilled talent pool for specialised services and functions, including knowledge partnerships, research and development and other higher-value activities. Within GCC leasing activity, the Other Services segment accounted for the largest share at 52% of annual transaction volumes, followed by Information Technology at 41%, highlighting the breadth of global service delivery platforms now being anchored in the region.

- In 2025, IT/ITeS occupiers accounted for the largest share of transactions in the Delhi NCR office market, comprising 34% of annual transaction volumes, the highest contribution by this segment since 2021. The second most active category was Other Services, with a 28% share, primarily consisting of consulting firms, construction and real estate companies, and law practices among others. Flexible workspace operators contributed a further 20% of annual transactions (the coworking to managed ratio was 60:40), led by prominent players such as Table Space, The Executive Centre and WeWork, with Gurugram Zones A and B followed by SBD Delhi, emerging as their preferred micro markets.

- NCR continued to hold its position as the second largest office market in India after Bengaluru, with 19.0 mn sq m (204.1 mn sq ft) of office stock. Office completions in 2025 reached their highest level since 2019 at approximately 0.9 mn sq m (9.6 mn sq ft), representing a substantial YoY increase of 71% led by market leading developers. Annual additions were dominated by Gurugram which accounted for 58% of total completions, followed by Noida with 46%. Key projects that became operational in Gurugram during the year included DLF's Atrium Towers, Downtown Tower 4 and Summit Plaza, while notable completions in Noida were concentrated in Sectors 62, 127, 132 and 135.

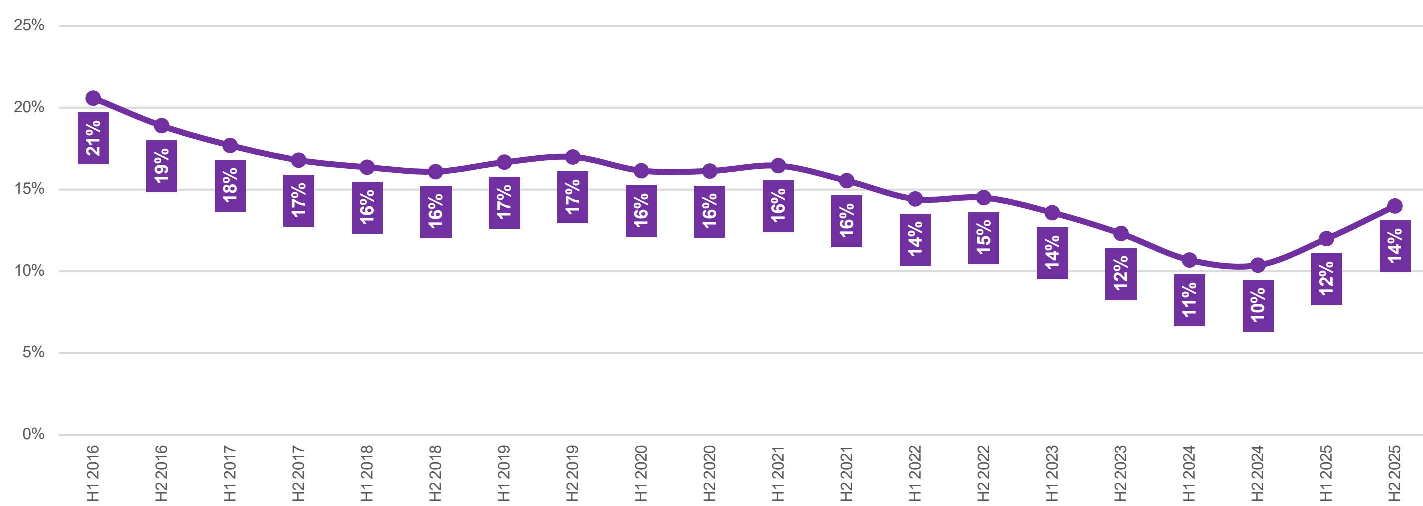
- Although annual leasing activity exceeded the 0.9 sq m (10 mn sq ft) mark in 2025, Delhi NCR office market recorded a marginal increase in vacancy to 14%, reflecting a YoY rise of 360 bps. This uptick was largely driven by record-high annual completions since 2019, coupled with a discernible shift in occupier preference towards Grade A assets as the market continues to mature. Notwithstanding this nominal increase in vacancy, the overall health of the NCR office market remains strong, underpinned by robust transactions, particularly from GCCs, and sustained pre-commitments in upcoming high-quality developments.

- Average transacted office rents in 2025 registered an annual increase of 10%, driven primarily by a supply squeeze in higher grade assets, even as the broader market continues to witness a healthy completion pipeline. Grade A space now constitutes close to 45% of Delhi NCR's total office stock, and prime micromarkets such as DLF Cyber City, Golf Course Road and Connaught Place are operating at sub-10% vacancy levels, exerting sustained upward pressure on rentals. Looking ahead, Delhi NCR's office market momentum is expected to remain broadly aligned with pan-India trends, with GCCs, India-facing corporates and flexible workspace operators likely to retain a strong preference for the region as its underlying fundamentals remain healthy, resilient and firmly supportive of long-term growth.

BUSINESS DISTRICT CLASSIFICATION

Business District	*Micro Markets*
CBD Delhi	Connaught Place, Barakhamba Road, Kasturba Gandhi Marg, Minto Road, ITO, Bahadur Shah Zafar Marg, Pusa Road, Jhandewalan
SBD Delhi	Nehru Place, Saket, Malviya Nagar, Shivaji Marg, Sukhdev Vihar, Jasola, Bhikaji Cama Place, Mohan Cooperative Area, Okhla (all phases), Aerocity, Iswar Nagar, Punjabi Bagh
Gurugram Zone A	DLF Cyber City, DLF Qutub Enclave, MG Road, NH-8, Golf Course Road, Sector 16, Sector 18, Sector 27
Gurugram Zone B	Golf Course Extension Road, Udyog Vihar (all phases), Gwal Pahari, Southern Peripheral Road, Sohna Road, Sectors: 21, 22, 30, 32, 33, 39, 44, 45
Gurugram Zone C	Manesar, Beyond Hero Honda Chowk
Noida	Sectors: 1-10, 16, 16A, 16B, 18, 43, 48, 58, 59,60, 62, 63, 64, 65, Noida-Greater Noida Expressway (till Pari Chowk), Film City
Greater Noida	Sector Alpha, Sector Beta, Sector Gamma, Knowledge Park 3, Tech Zone, Noida-Greater Noida Expressway (beyond Pari Chowk)
Faridabad	Mathura Road

OFFICE MARKET VACANCY

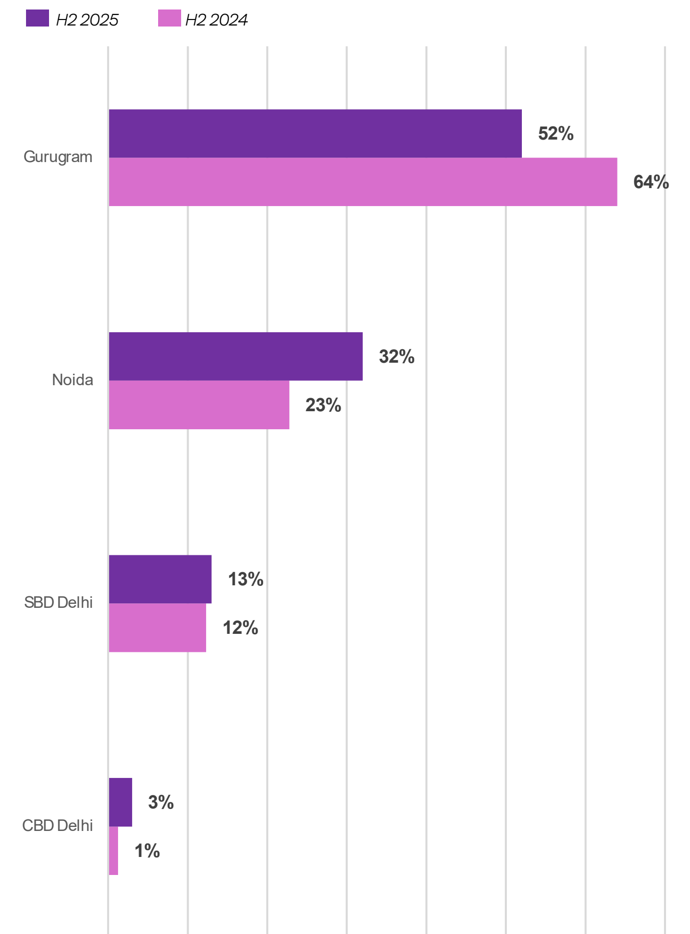


Source: Knight Frank Research

AVERAGE DEAL SIZE TREND

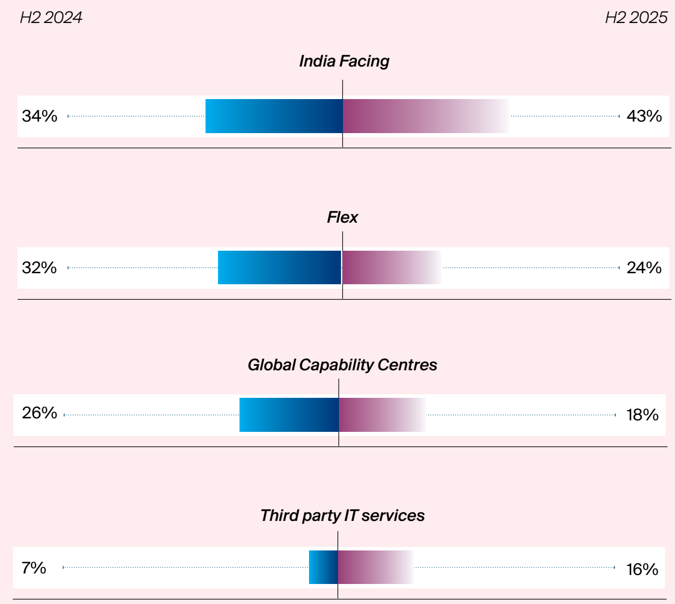
Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT



Source: Knight Frank Research

END-USE SPLIT OF TRANSACTIONS



Source: Knight Frank Research

Notes:

1. India Facing: These refer to such transactions where the lessees/buyers are entities which have an India focused business, i.e., no export or import.

2. Third Party IT Services: These refer to transactions where the lessees/buyers are focused on providing IT and IT enabled services to offshore clients. They service multiple clients and are not necessarily owned by any of them.

3. Global Capability Centres (GCC): These refer to transactions where the lessees/buyers are focused on providing various services to a single offshore company. The offshore company has complete ownership of the entity that has transacted the space.

4. Flex Spaces: These refer to transactions by companies that specialise in providing comprehensive office space solutions for other businesses along with the benefits of flexibility of tenure, extent of services provided and the ability to scale higher or lower as required.

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

Business district	*Rental value range in H2 2025 in INR/sq m/month (INR/sq ft/month)*	*12-month change*	*6-month change*
CBD Delhi	2,368-4,413 (220-410)	9%	3%
SBD Delhi	969-2,799 (90-260)	15%	9%
Gurugram Zone A	1,292-2,207 (120-205)	8%	4%
Gurugram Zone B	915-1,507 (85-140)	0%	0%
Gurugram Zone C	323-538 (30-50)	27%	13%
Noida	538-1,163 (50-108)	9%	7%
Greater Noida	484-592 (45-55)	0%	0%
Faridabad	646-753 (60-70)	30%	18%

Source: Knight Frank Research

Pune- *Residential Market*

MARKET SUMMARY

Parameter	*2025*	*2025 Change (YoY)*	*H2 2025*	*H2 2025 Change (YoY)*
Launches (housing units)	56,118	-6%	29,559	-6%
Sales (housing units)	50,881	-3%	26,552	-5%
Average price in INR/sq m (INR/sq ft)	INR 53,992 (INR 5,016)	5%	-	-

Note – 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research

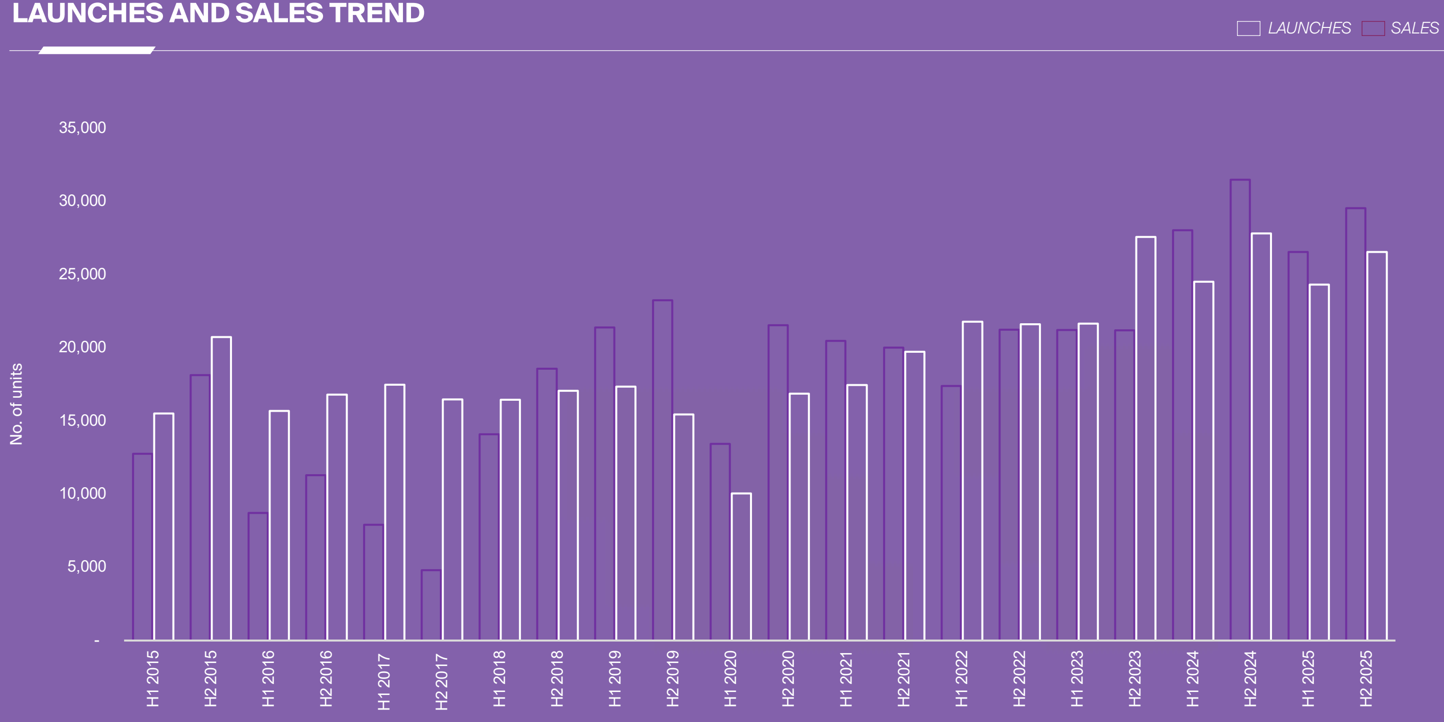
51,653
Unsold inventory (housing units) 2025

4.0
Quarters to sell (in quarters) 2025

11%
Change (YoY)

11.7
Age of unsold inventory (in quarters) 2025

LAUNCHES AND SALES TREND



Source: Knight Frank Research

- Pune's residential market observed moderation in H2 2025, with housing sales declining to 26,552 units, down 5% YoY. Full-year sales stood at 50,881 units, a 3% YoY decline, indicating a phase of consolidation after the strong growth seen from 2021 to 2024. Demand remained largely end user driven, but buyers exhibited greater selectivity amid rising prices.

- New launches also slowed down with 29,559 units launched in H2 2025, down 6% YoY. For the full year, launches totaled 56,118 units, again a 6% YoY decline. Developers continued to focus on active corridors and proven micro-markets, avoiding broad-based expansion despite steady long-term demand visibility.

- Residential prices continued to trend upward, with average prices rising to INR 53,992/sq m (INR 5,016/sq ft) in H2 2025, reflecting a 5% YoY increase. Price appreciation was supported by sustained demand in well-connected western and eastern corridors.

- The West micro-market remained the dominant demand centre, accounting for 40% of the total sales in H2 2025, remaining unchanged YoY. Locations such as Baner, Wakad and Hinjewadi continued to attract buyers due to a combination of employment access, social infrastructure and relatively wider housing choices. The North micro-market accounted for 23% of sales, while East Pune contributed 22%, reflecting steady demand in Viman Nagar, Kharadi and Hadapsar.

- Launch activity was increasingly concentrated in the West, which accounted for 43% of new supply in H2 2025, up from 39% in H2 2024. East Pune maintained a stable 25% share of launches, while the North saw a moderation in supply additions. The alignment between launch and sales patterns indicates disciplined developer response to demand signals.

- Homes priced below INR 5 mn saw their share of sales decline sharply to 23% in H2 2025, from 32% in H2 2024. The INR 5-10 mn segment emerged as the most active, accounting for 46% of sales, while the INR 10-20 mn segment increased its share to 24%, highlighting growing acceptance of high-ticket size properties.

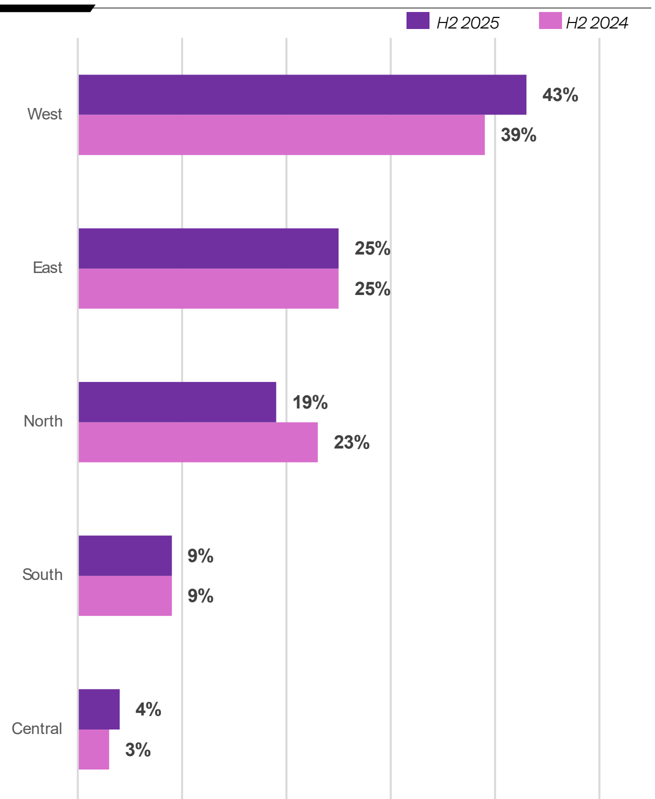
- Overall unsold inventory rose to 51,653 units in 2025, up 11% YoY, while Quarters-to-Sell (QTS) stood at 4.0 quarters, remaining within a comfortable range. The average age of unsold inventory was 11.7 quarters, indicating that a significant portion of stock remains relatively fresh.

- Pune's residential market in H2 2025 demonstrated a phase of measured consolidation rather than any signs of strain. Although sales volumes eased and unsold inventory inched up, price levels held steady, underscoring the underlying strength of demand. Homebuyer interest continued to be anchored in micro-markets with strong connectivity and proximity to major employment hubs. Supported by affordable pricing compared to larger metropolitan markets and a predominantly end-user driven demand profile, the city remains well placed for stable absorption as new supply comes on stream. Looking ahead, Pune's economic prospects remain bright, with sustained inflows of GCCs and technology-led enterprises strengthening employment generation and income visibility. This is expected to keep homebuyer sentiment positive and reinforce aspirational housing demand, providing a solid foundation for the residential market over the medium term.

MICRO-MARKET CLASSIFICATION

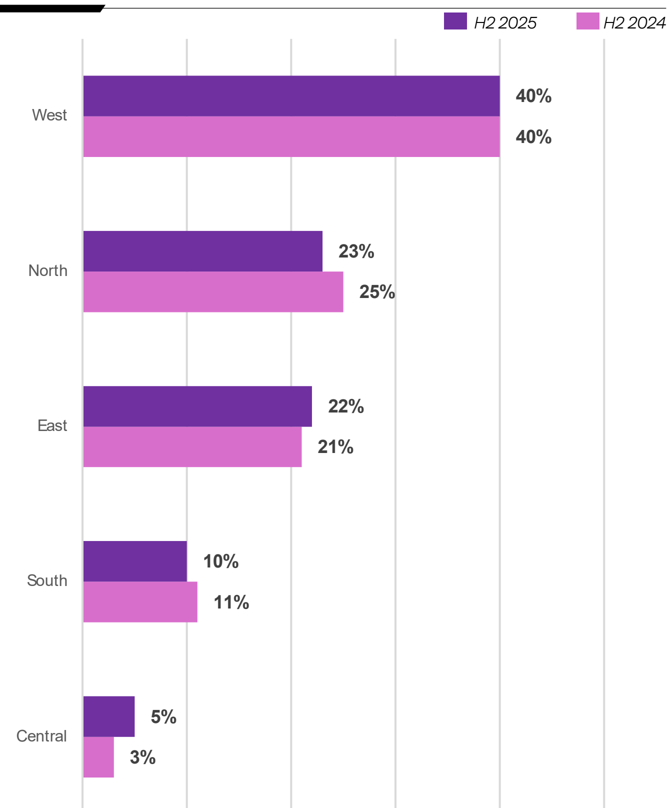
Micro market	*Locations*
Central	Koregaon Park, Boat Club Road, Erandwane, Deccan, Kothrud, Model Colony
East	Viman Nagar, Kharadi, Wagholi, Hadapsar, Dhanori
West	Aundh, Baner, Wakad, Hinjewadi, Bavdhan, Pashan
North	Pimpri, Chinchwad, Moshi, Chikhali, Chakan, Talegaon
South	Kondhwa, Ambegaon, Undri, Dhayari, Warje, Sinhgad Road

MICRO-MARKET SPLIT OF LAUNCHES IN H2 2024 AND H2 2025



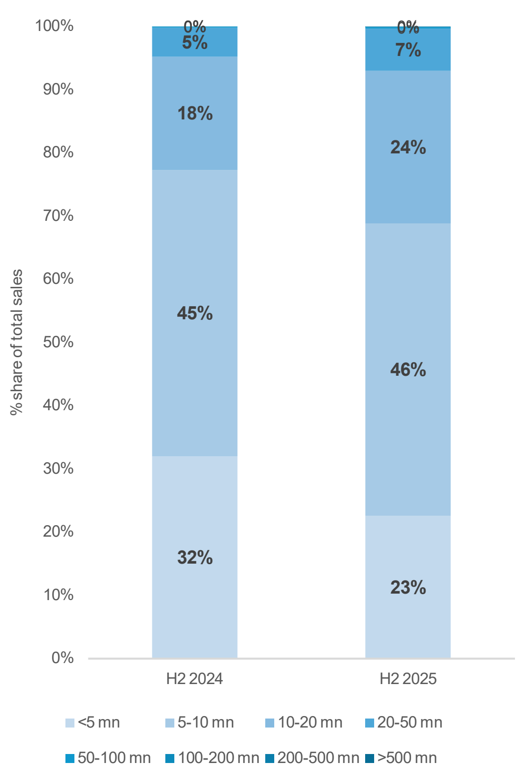
Source: Knight Frank Research

MICRO-MARKET SPLIT OF SALES IN H2 2024 AND H2 2025



Source: Knight Frank Research

TICKET SIZE SPLIT COMPARISON OF SALES



Source: Knight Frank Research

TICKET-SIZE SEGMENT HEALTH IN H2 2025

Ticket-size segment	*Unsold Inventory (housing units) (YoY change)*	*Quarters-to-sell (QTS)*
0 – 5 mn	21,397 (-11%)	5.7
5 – 10 mn	9,391 (13%)	1.6
10 - 20 mn	17,826 (49%)	7.0
20 – 50 mn	3,025 (52%)	4.6
50 – 100 mn	7 (-65%)	1.6
100 – 200 mn	7 (-78%)	2.8
200 – 500 mn	1 (-82%)	21.8
>500 mn	-	-

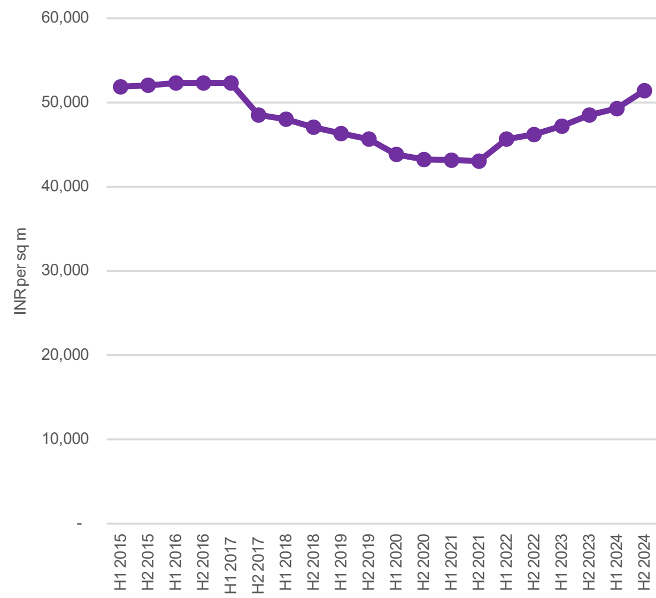
Source: Knight Frank Research

MICRO-MARKET HEALTH IN 2025

Micro-market	*Unsold Inventory (housing units) (YoY Change)*	*Quarters-to-sell (QTS)*
Central	8,799 (-1%)	17.2
East	16,202 (21%)	5.6
West	22,683 (21%)	4.3
North	3,656 (-28%)	1.2
South	313 (36%)	0.2

Source: Knight Frank Research

AVERAGE RESIDENTIAL PRICE MOVEMENT



Source: Knight Frank Research

RESIDENTIAL PRICE MOVEMENT IN SELECT LOCATIONS

Micro Market	*Location*	*Price range in H2 2025 in INR/sq m (INR/sq ft)*	*12 month Change*	*6 month Change*
Central	Koregaon Park	174,441-209,909 (16,206-19,501)	6%	1%
	Kothrud	178,747-192,611 (16,606-17,894)	6%	2%
	Erandwane	170,060-193,634 (15,799-17,989)	3%	1%
	Boat Club Road	216,615-228,003 (20,124-21,182)	5%	0%
East	Kharadi	114,744-118,447 (10,660-11,004)	3%	1%
	Wagholi	95,175-108,663 (8,842-10,095)	3%	1%
	Dhanori	87,221-93,571 (8,103-8,693)	5%	3%
	Hadapsar	99,072-104,949 (9,204-9,750)	4%	2%
West	Aundh	157,660-172,073 (14,647-15,986)	2%	1%
	Baner	155,066-175,991 (14,406-16,350)	5%	3%
	Hinjewadi	107,995-115,799 (10,033-10,758)	5%	1%
	Wakad	108,146-141,923 (10,047-13,185)	6%	2%
North	Moshi	71,462-73,830 (6,639-6,859)	2%	1%
	Chikhali	67,985-70,429 (6,316-6,543)	1%	1%
	Chakan	40,849-41,517 (3,795-3,857)	2%	2%
South	Ambegaon	78,879-83,033 (7,328-7,714)	4%	1%
	Undri	60,461-67,641 (5,617-6,284)	2%	1%
	Kondhwa	86,553-95,466 (8,041-8,869)	6%	2%

Source: Knight Frank Research

Pune - *Office Market*

MARKET SUMMARY

Parameter	*2025*	*2025 Change (YoY)*	*H2 2025*	*H2 2025 Change (YoY)*
Completions in mn sq m (mn sq ft)	1.32 (14.2)	148%	0.50 (5.4)	63%
Transactions in mn sq m (mn sq ft)	1.01 (10.8)	36%	0.53 (5.7)	60%
Average transacted rent in INR/sq m/month (INR/sq ft/month)	840 (78)	1%		

Note - 1 square metre (sq m) = 10.764 square feet (sq ft)
Source: Knight Frank Research

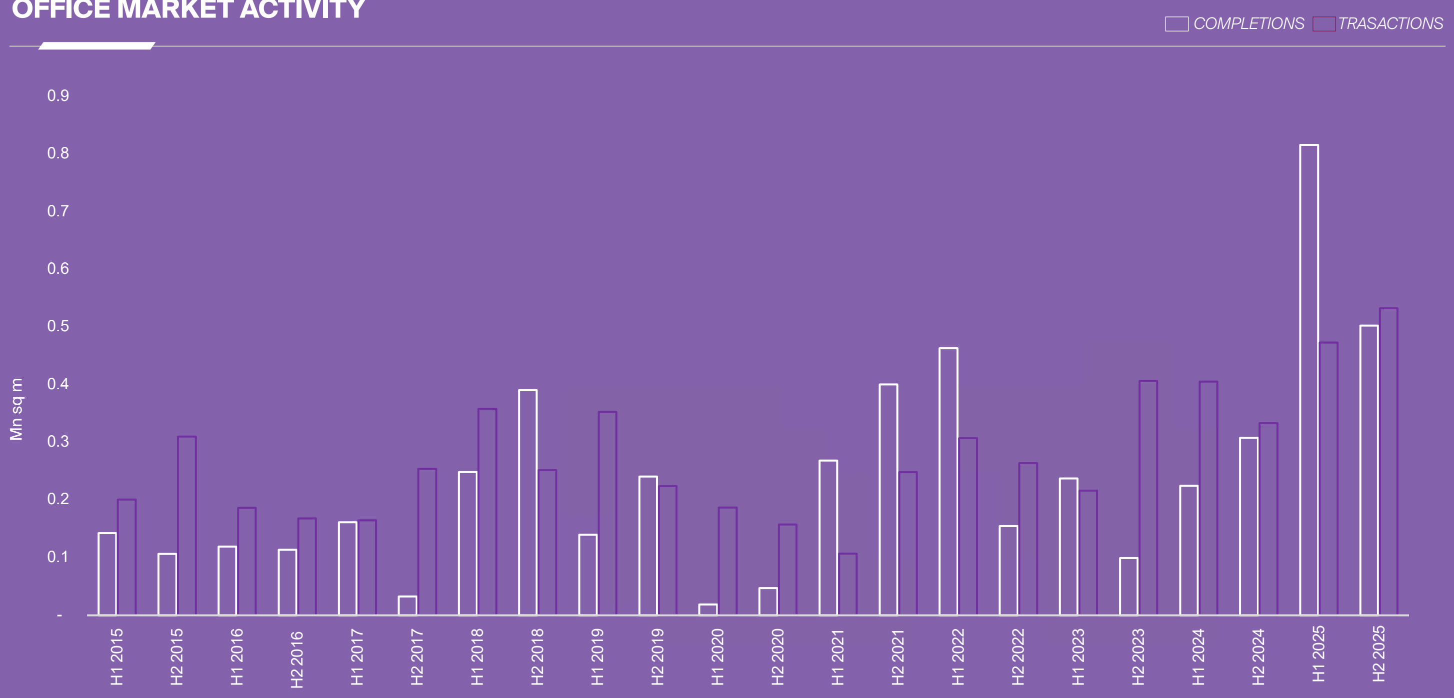
10.33 (111.2)
Stock mn sq m (mn sq ft) 2025

13.9%
Vacancy (%) 2025

14.6%
Change (YoY)

145
basis points increase

OFFICE MARKET ACTIVITY



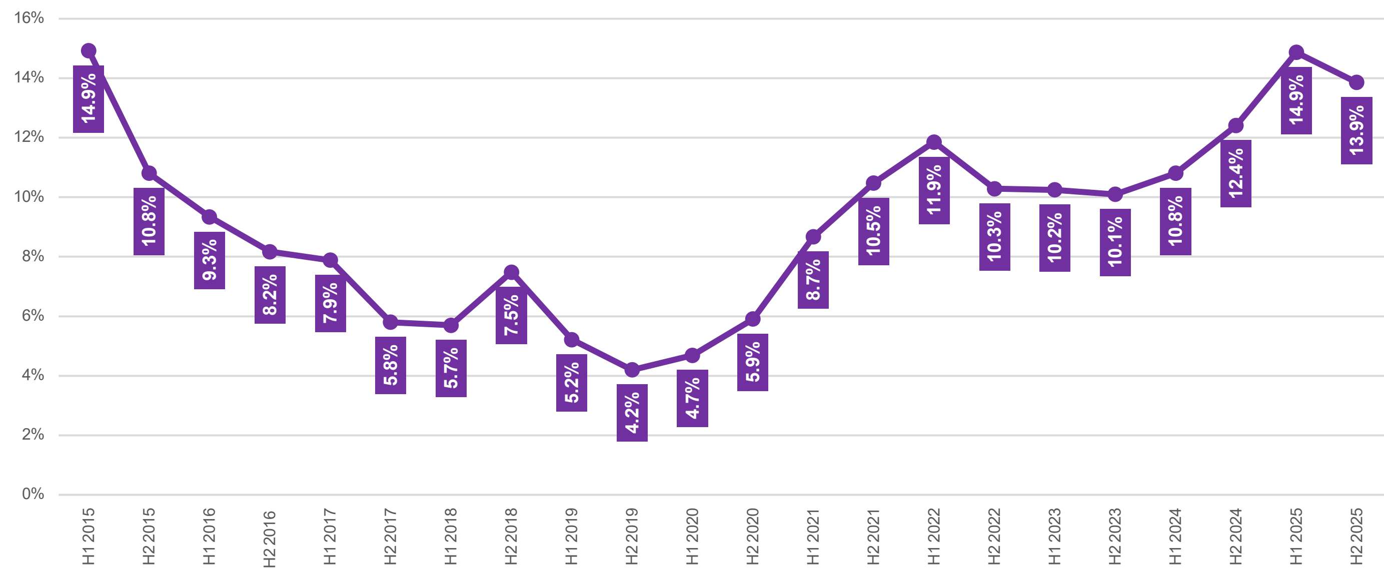
Source: Knight Frank Research

- In H2 2025, Pune recorded office space transactions of 0.53 mn sq m (5.7 mn sq ft), marking a strong 60% YoY increase. Full year leasing stood at 1.01 mn sq m (10.8 mn sq ft), up 36% YoY, making 2025 its strongest year for office absorption in Pune in the past decade. Leasing activity was supported by a combination of large enterprise mandates, continued GCC expansion and a sharp rise in third party IT/ITeS demand.
- PBD East emerged as the preferred business district accounting for 46.6% of total leasing in H2 2025, up sharply from 32.6% in H2 2024. Activity was led by large office transactions in Kharadi and Mundhwa. SBD West also witnessed strong rebound with its share rising from 13.9% to 27.3%, driven by transactions in Baner, Balewadi and Aundh.
- The occupier mix in H2 2025 reflected a clear shift toward outsourcing led demand. Third party IT/ITeS emerged as the largest segment accounting for 31% of total leasing, up from 11% in H2 2024, driven by both large mandates and a higher volume of mid-sized deals. GCCs remained the key pillar, contributing 27% of absorption, while flex spaces accounted for 21%, supported by enterprise backed requirements. The share of India facing occupiers declined to 21%, highlighting a more diversified demand base rather than a contraction in domestic activity.
- Office completions remained elevated in H2 2025, with around 0.50 mn sq m (5.4 mn sq ft) delivered, a 63% YoY increase. Full year completions reached 1.32 mn sq m (14.2 mn sq ft), up 148% YoY, marking one of the highest annual supply additions on record. New supply was largely concentrated in PBD East and PBD West, broadly aligning with the city's most active leasing corridors.
- The sharp rise in supply caused vacancy to rise to 13.9% in H2 2025, up 145 basis points YoY. While vacancy moved higher from pre 2020 lows, it remains well below the national average and does not signify any weakening of demand.
- Leasing activity in H2 2025 remained skewed toward Grade A and campus style developments with occupiers prioritizing efficiency, scalability and building quality.
- Rental performance remained stable despite higher availability. Average transacted rents stood at around INR 840/sq m/month (INR 78/sq ft/month) in 2025, recording a modest 1% YoY increase. This stability indicates that occupiers continue to prioritize quality assets, while landlords remain cautious on pricing amid elevated new supply.
- Talent availability and cost efficiency remained Pune's core structural advantages in H2 2025. Compared to larger metro markets, occupiers were able to secure larger floor plates at stable rentals, reinforcing Pune's appeal for consolidation, back-office expansion and function migration from higher cost cities.
- Overall, Pune's office market delivered a strong H2 2025 performance, characterized by high leasing volumes, large deal sizes and sustained interest from IT/ITeS and GCC occupiers. On an annual basis, 2025 stood out as one of the strongest years for office leasing, supported by both expansion and consolidation-driven demand. Looking ahead, the supply pipeline scheduled for 2026 is expected to deepen the market, offering occupiers greater choice across locations and asset types, while improving the city's ability to accommodate large-scale and long-term requirements.

BUSINESS DISTRICT CLASSIFICATION

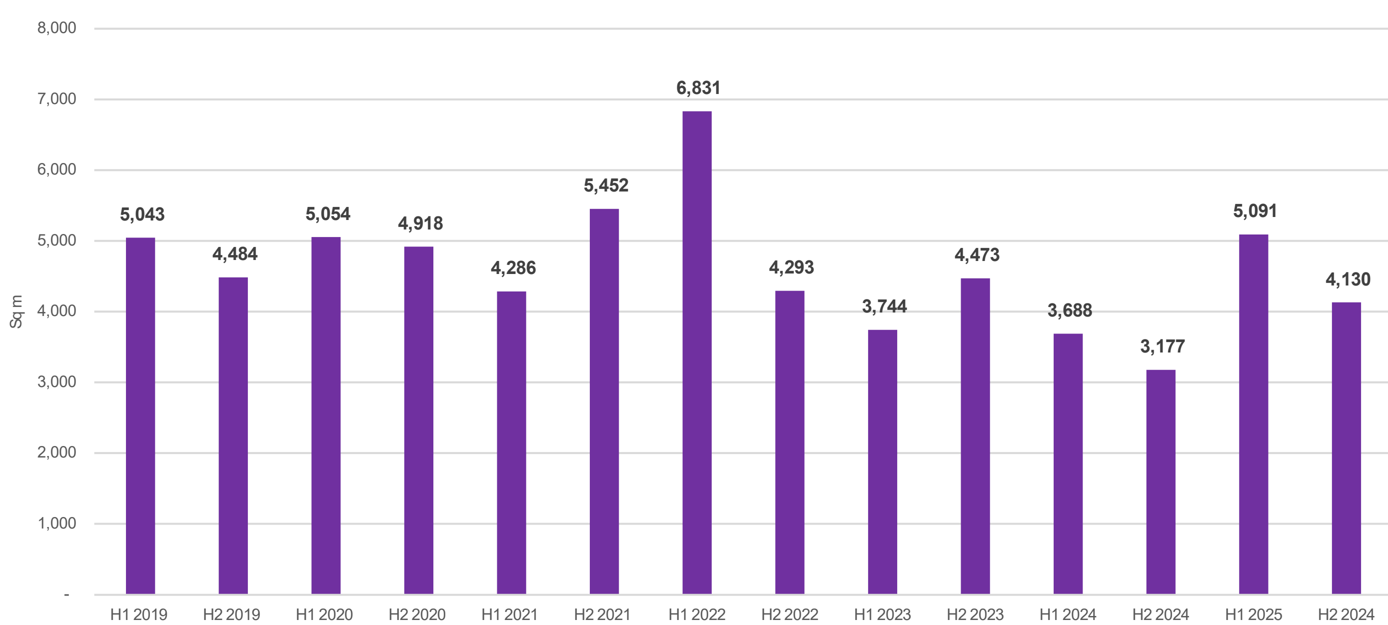
Business District	***Micro Markets***
Central Business District (CBD and Off-CBD)	Bund Garden Road, S B Road, Camp, Deccan, University Road, Shankar Sheth Road
Secondary Business District (SBD) East	Kalyani Nagar, Yerwada, Nagar Road, Hadapsar
Peripheral Business District (PBD) East	Kharadi, Phursungi
Secondary Business District (SBD) West	Wakdewadi, Aundh, Baner, Kothrud, Balewadi
Peripheral Business District (PBD) West	Hinjewadi, Bavdhan, Wakad
Secondary Business District (SBD) North	Pimpri, Chinchwad, Khadki, Moshi and Bhosari

OFFICE MARKET VACANCY



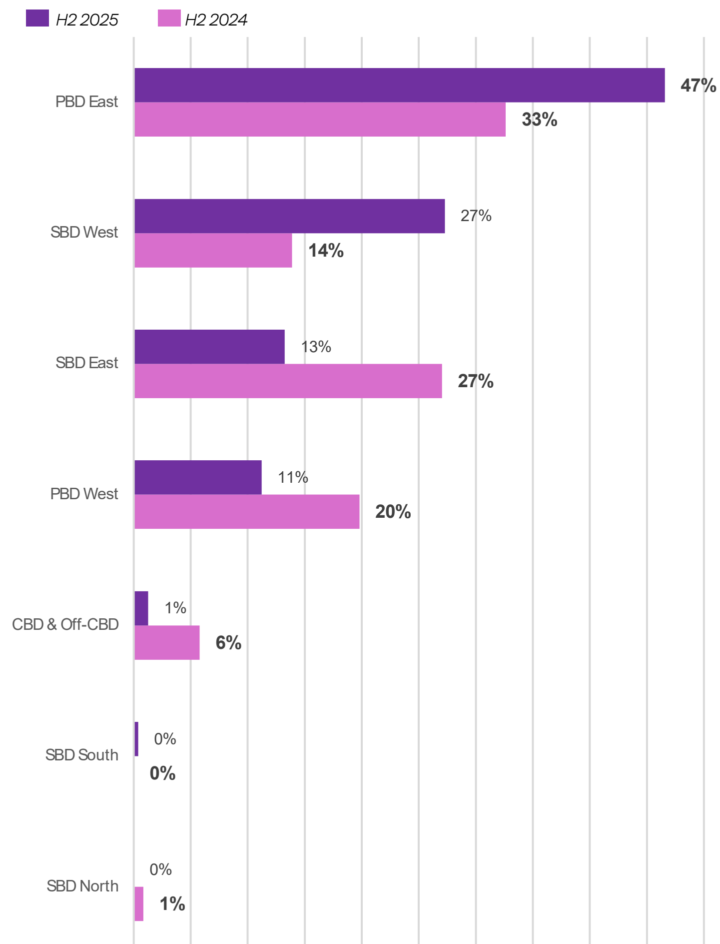
Source: Knight Frank Research

AVERAGE DEAL SIZE TREND



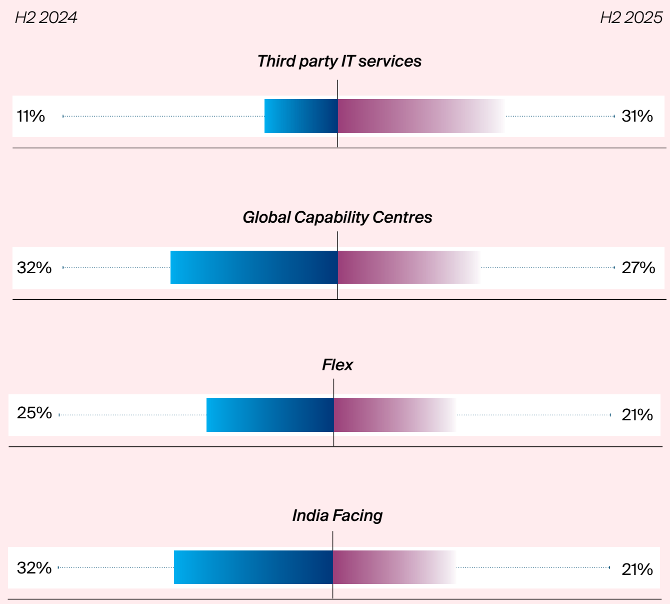
Source: Knight Frank Research

BUSINESS DISTRICT WISE TRANSACTIONS SPLIT



Source: Knight Frank Research

END-USE SPLIT OF TRANSACTIONS



Source: Knight Frank Research

Notes:

1. India Facing: These refer to such transactions where the lessees/buyers are entities which have an India focused business, i.e., no export or import.

2. Third Party IT Services: These refer to transactions where the lessees/buyers are focused on providing IT and IT enabled services to offshore clients. They service multiple clients and are not necessarily owned by any of them.

3. Global Capability Centres (GCC): These refer to transactions where the lessees/buyers are focused on providing various services to a single offshore company. The offshore company has complete ownership of the entity that has transacted the space.

4. Flex Spaces: These refer to transactions by companies that specialise in providing comprehensive office space solutions for other businesses along with the benefits of flexibility of tenure, extent of services provided and the ability to scale higher or lower as required.

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

Business district	*Rental value range in H2 2025 in INR/sq m/month (INR/sq ft/month)*	*12-month change*	*6-month change*
CBD & off CBD	904-1,550 (84-144)	6%	1%
SBD East	721-1,399 (67-130)	5%	1%
SBD West	700-1,119 (65-104)	6%	2%
PBD East	743-1,206 (69-112)	5%	1%
PBD West	517-904 (48-84)	5%	1%
SBD West	1,098-2,099 (102-195)	6%	1%

Source: Knight Frank Research

REPORT AUTHORS

Yashwin Bangera
Director - Research
yashwin.bangera@in.knightfrank.com

Naresh Sharma
Vice President - Research
naresh.sharma@in.knightfrank.com

Urvisha Jagasheth
Assistant Vice President - Research
urvisha.jagasheth@in.knightfrank.com

Rishabh Soni
Lead Consultant - Research
rishabh.soni@in.knightfrank.com

Mohit Joshi
Lead Consultant - Research
mohit.joshi@in.knightfrank.com

Monjima Sen
Consultant - Research
monjima.sen@in.knightfrank.com

GRAPHICS & DESIGN

Mahendra Dhanawade
Assistant Vice President- Graphic & Design
mahendra.dhanawade@in.knightfrank.com

KEY CONTACTS

Shishir Baijal
International Partner, Chairman and Managing Director
shishir.baijal@in.knightfrank.com

Advisory & Valuation

Gulam Zia
International Partner,
Senior Executive Director - Research, Advisory, Infrastructure, and Valuation
gulam.zia@in.knightfrank.com

Rajeev Vijay
Executive Director - Government and Infrastructure Advisory
rajeev.vijay@in.knightfrank.com

Saurabh Mehrotra
Executive Director - Valuation & Advisory
saurabh.mehrotra@in.knightfrank.com

Occupier Strategy and Solutions

Viral Desai
International Partner, Senior Executive Director
Occupier Strategy & Solutions, Industrial & Logistics, Capital Markets and Retail Agency
viral.desai@in.knightfrank.com

Residential and Land Services

Reshmi Panicker
Executive Director
Reshmi.panicker@in.knightfrank.com

Industrial & Logistic

Balbirsingh Khalsa
Executive Director
balbirsingh.khalsa@in.knightfrank.com

Pinkesh Teckwani
National Director
pinkesh.teckwani@in.knightfrank.com

Project Management Services

Deben Moza
International Partner, Senior Executive Director
deben.moza@in.knightfrank.

Facilities & Asset Management Services

Ram Devagiri
Senior Executive Director
ram.devagiri@in.knightfrank.com

Pawan Koyal
Executive Director
pawan.koyal@in.knightfrank.com

Research

Vivek Rathi
National Director
vivek.rathi@in.knightfrank.com

Ankita Sood
National Director
ankita.sood@in.knightfrank.com

Corporate - Marketing & Public Relations

Piyali Dasgupta
National Director
piyali.dasgupta@in.knightfrank.com

Ahmedabad

Rumit Parikh
Senior Director,
rumit.parikh@in.knightfrank.com

Bengaluru

Viral Desai
International Partner,
Senior Executive Director
viral.desai@in.knightfrank.com

Chennai

Srinivas Ankipatti
Senior Director
srinivas.ankipatti@in.knightfrank.com

Hyderabad

Joseph Thilak
National Director
joseph.thilak@in.knightfrank.com

Indore

Rumit Parikh
Senior Director,
rumit.parikh@in.knightfrank.com

Kolkata

Joydeep Paul
Senior Director
joydeep.paul@in.knightfrank.com

NCR

Mudassir Zaidi
Executive Director - North
mudassir.zaidi@in.knightfrank.com

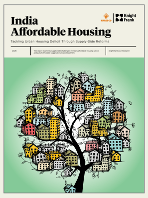
Pune

P Vilas
National Director,
p.vilas@in.knightfrank.com

INDIA REAL ESTATE
JAN-JUL 2024

A BILLION SQ FT AND COUNTING

INDIA AFFORDABLE HOUSING



BEYOND THE RUNWAY

COMMERCIAL REAL ESTATE

THINK INDIA THINK RETAIL

INDIA WAREHOUSING REPORT

BANKING ON BRICKS

HOME BUYERS SURVEY

REGIONAL RAPID TRANSIT SYSTEM

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.

Knight Frank Research Reports are available to download at https://www.knightfrank.co.in/research

Knight Frank

30 Years Anniversary India

The statements, information, data and opinions expressed or provided herein are provided on "as is, where is" basis and concerned parties clients are required to carry out their own due diligence as may be required before signing any binding document. Knight Frank (India) Private Limited (KFIPL) makes no warranties, expressed or implied, and hereby disclaims and negates all other warranties, including without limitation, implied warranties or conditions of merchantability, fitness for a particular purpose, or non-infringement of intellectual property or other violation of rights including any third-party rights. Further, KFIPL does not warrant or make any representations concerning the accuracy, likely results, or reliability of the use of the statements, information and opinions as specified herein. The statements, information and opinions expressed or provided in this presentation / document by KFIPL are intended to be a guide with respect to the purpose for which they are intended, but in no way shall serve as a guide with regards to validating title, due diligence (technical and financial), or any other areas specifically not included in the presentation. Neither KFIPL nor any of its personnel involved accept any contractual, tortuous or other form of liability for any consequences, loss or damages which may arise as a result of any person acting upon or using the statements, information, data or opinions in the publication, in part or full. The information herein shall be strictly confidential to the addressee, and is not to be the subject of communication or reproduction wholly or in part. The document / presentation is based on our understanding of the requirement, applicable current real estate market conditions and the regulatory environment that currently exists. Please note: Any change in any one of the parameter stated above could impact the information in the document/presentation. In case of any dispute, KFIPL shall have the right to clarify.