

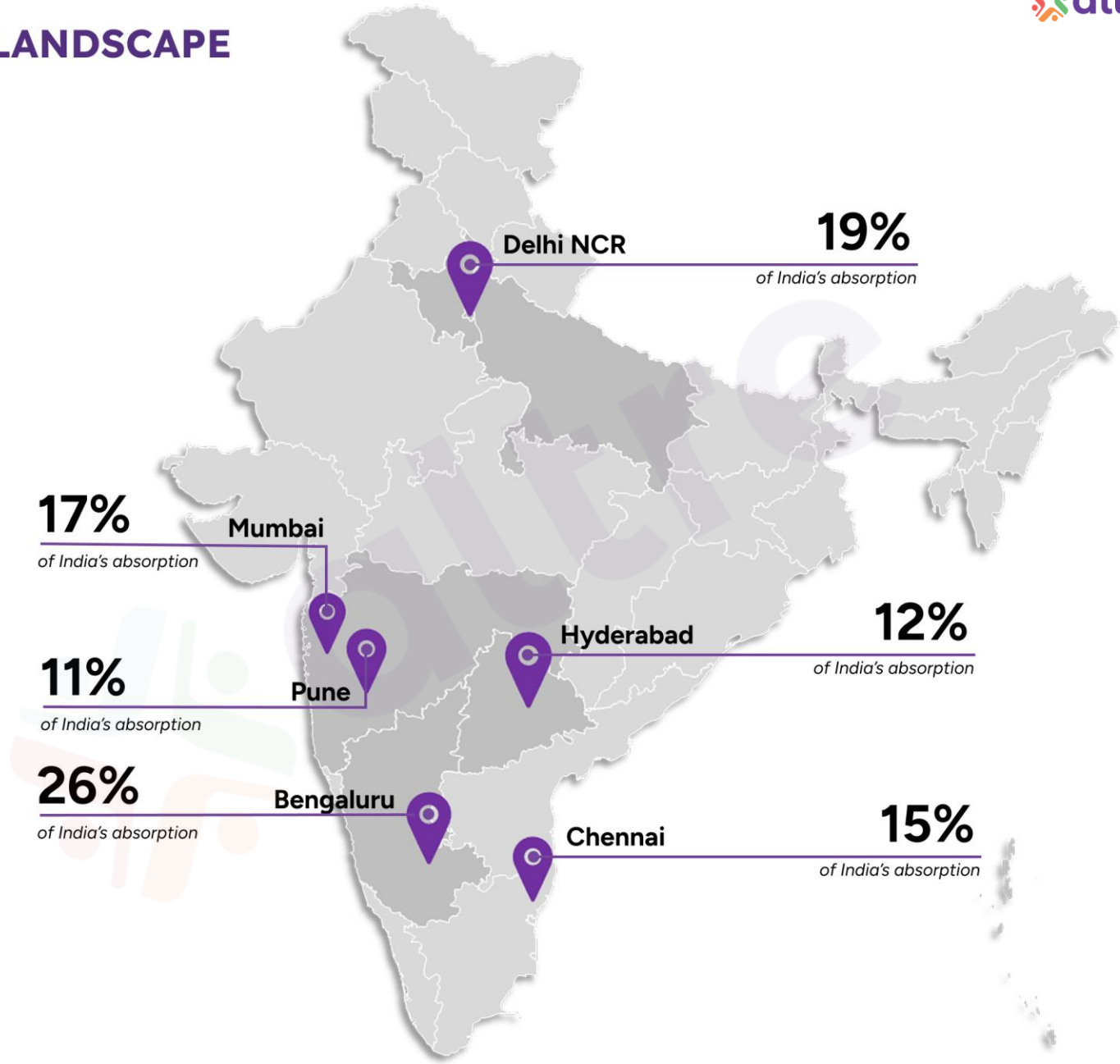
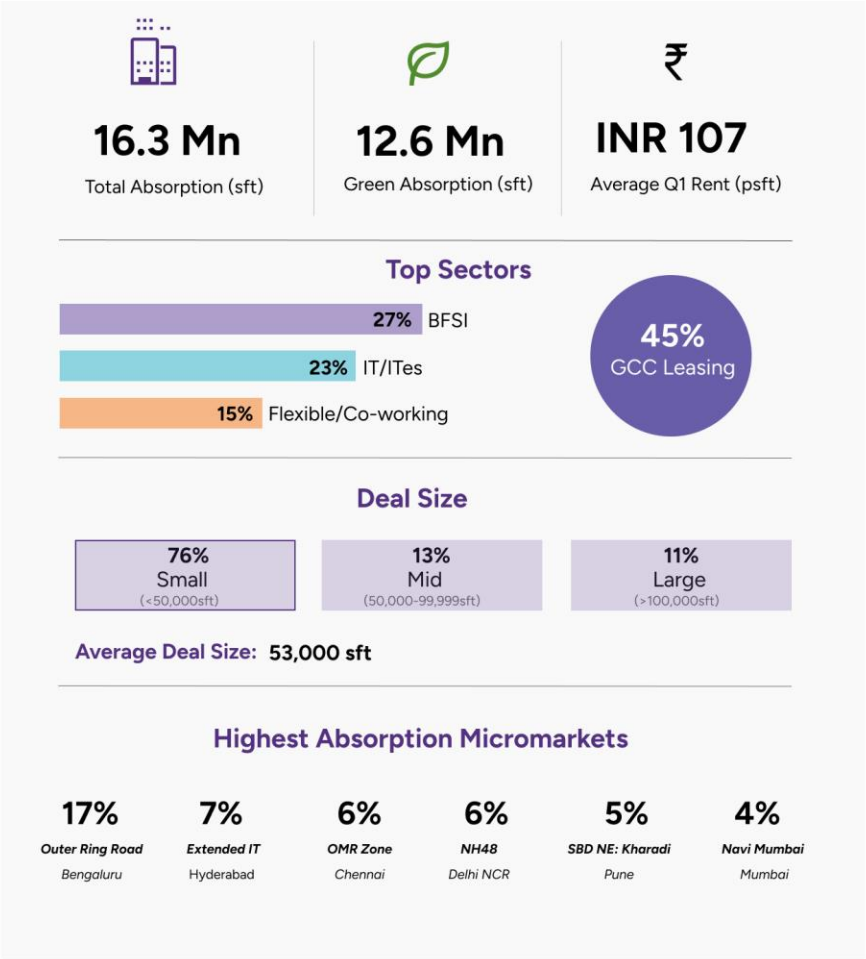


Decoding India's Office Leasing Landscape

Altre's Insights into Q1 2025: Trends and Opportunities



Q1 2025 PAN INDIA - OFFICE LEASING LANDSCAPE



Q1 2025 OVERVIEW - OFFICE LEASING LANDSCAPE

Summary

The Q1 2025 office market indicates strong momentum, with a 20% increase in absorption compared to the previous year Q1, highlighting a renewed confidence in office leasing across India's top cities. This suggests that the market is rebounding well, with demand largely driven by tech, BFSI, and GCC sectors. The absorption in Q1 is typically one of the strongest quarters, which positions the market for a healthy year ahead.

The ongoing shift towards Grade A, well-connected, sustainable and cost-efficient spaces — particularly in emerging markets reflects occupier preferences for modern, flexible office setups. Given the strong start to the year, 2025 is projected to see continued growth, with absorption trends likely to remain strong as occupiers look for strategic locations that offer both quality infrastructure and cost-effective leasing options. This is especially relevant for sectors like flex space and healthcare, which are showing robust growth and adapting well to the evolving work environments.

Absorption Insights

- 45% of the absorption is by GCC Sector with maximum in Bengaluru, Chennai and Hyderabad.
- Bangalore leads with 26% share, reaffirming its dominance as India's top office leasing hub, driven by tech and GCC demand.
- Top 3 cities (Bangalore, Delhi NCR, Mumbai) account for 61% of total absorption,
- Chennai and Hyderabad show stable performance with a combined 28% share, reflecting their continued appeal for IT/ITeS and cost-sensitive occupiers.
- A total of 16.3 Mn sft was absorbed by Office market in top tier cities in India from an approx. of 4.4 Mn sft. in Q1 2024 almost a 20% increase

Sector Specific Insights

- BFSI dominates the office leasing market in Q1 2025, driven by global insurers, fin-techs, and captive banking Ops with Mumbai holding its place as BFSI Powerhouse.
- Tech continues to be a cornerstone of office space leasing with momentum from GCCs, product firms, and digital transformation initiatives — particularly in Bangalore, Hyderabad, and Chennai.
- Flex Space Demand is growing across cities reflecting hybrid work adoption with agile workspace appeal
- Healthcare & Pharma finds a strong foothold in Hyderabad & Chennai

Micro-markets Dominance

- Outer Ring Road (Bengaluru) emerged as top micromarket with 17% of total Q1 leasing, followed by Extended IT corridor (Hyderabad) and Whitefield (Bengaluru) with 7% & 6%
- Newer Developments with Grade A Supply Are Driving Leasing across cities like Gurugram (NH 48), Noida (Expressway), Hyderabad (Extended IT), and Chennai (OMR) — markets with new, pre-committed, or campus-style developments saw the highest share
- Connectivity and Social Infrastructure are a clear differentiators
- Talent Availability and Ecosystem Maturity matters more than Legacy Tag
- Affordability and Vacancy still influence secondary markets

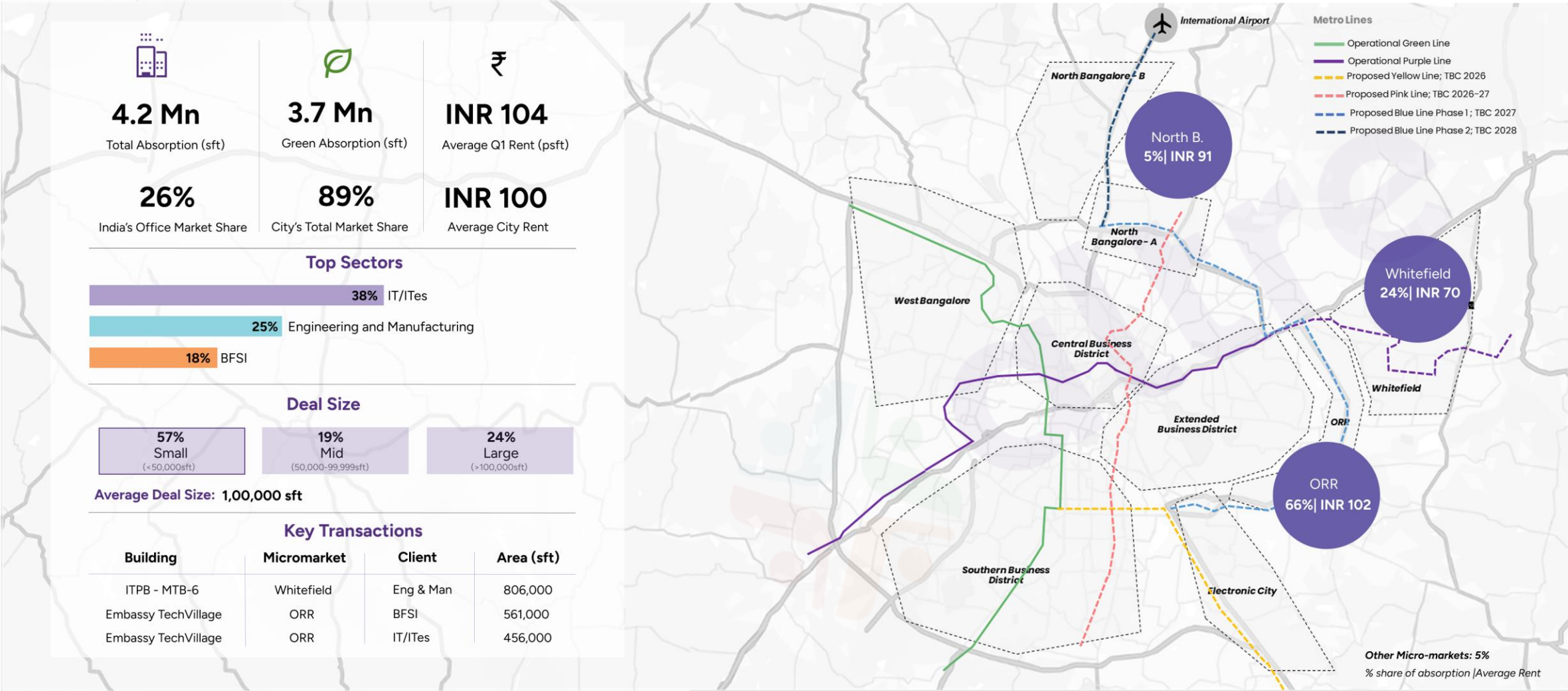
Rental Trends

- India's Q1 office rents averaged INR 107 psf, a 13% increase over city averages, signaling a broad shift towards premium, Grade A assets.
- Compared to city average, Mumbai saw the highest quarterly rentals (+36.3%), driven by demand for prime locations, while Hyderabad experienced -4.1%, favoring cost-efficient Extended IT Corridor.
- Similarly, Delhi NCR (+12.6%) and Pune (+11.8%) show higher rental choices, with Delhi NCR valuing premium connectivity and Pune has seen higher demand as compared to last year.
- Bangalore's quarterly rentals (+4.2%) reflects stable demand in core ORR markets, while Chennai remains similar (+0.65%), showing balanced value-for-money leasing.

Q1 2025 BENGALURU



Bengaluru led India with 4.2 Mn sft absorption in Q1—ORR dominated, powered by top talent access and highest office stock.



Notes: **North Bangalore** includes: Aerospace, Yelanka, Hebbal, Nagawara, Tanisandra, Hennur & Hormavu; **Outer Ring Road** includes Sarjapur, Marathalli, KR Puram, Kormangala, HSR Layout, Banargatta Road, **South/Extended Business District** includes Kormangala, Indira nagar, Old Airport Road, Inner Ring Road

Average Q1 Rent: Average leasing rate for Q1 transactions

Average City Rent: Average rent of the vacant spaces in the city

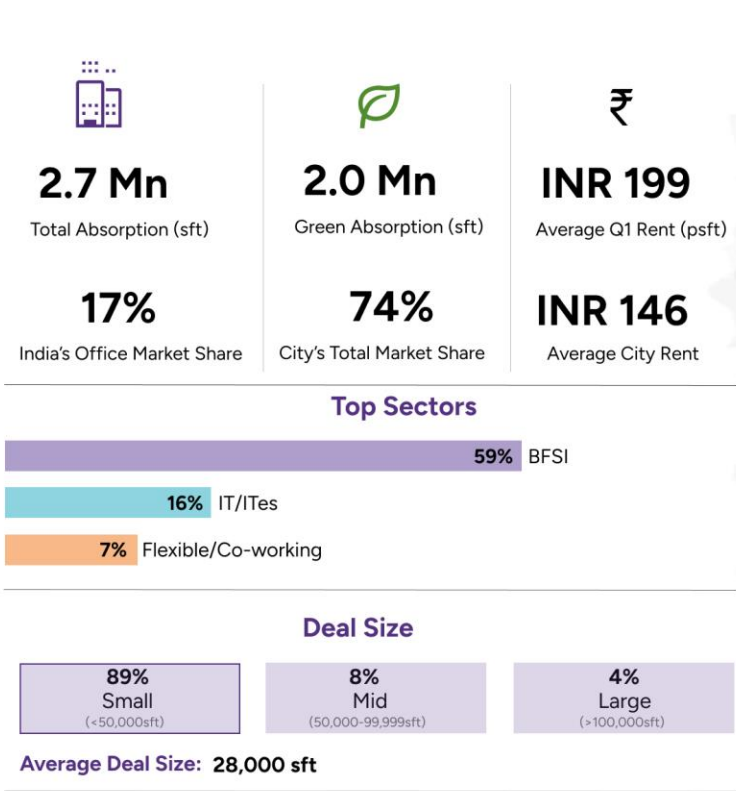
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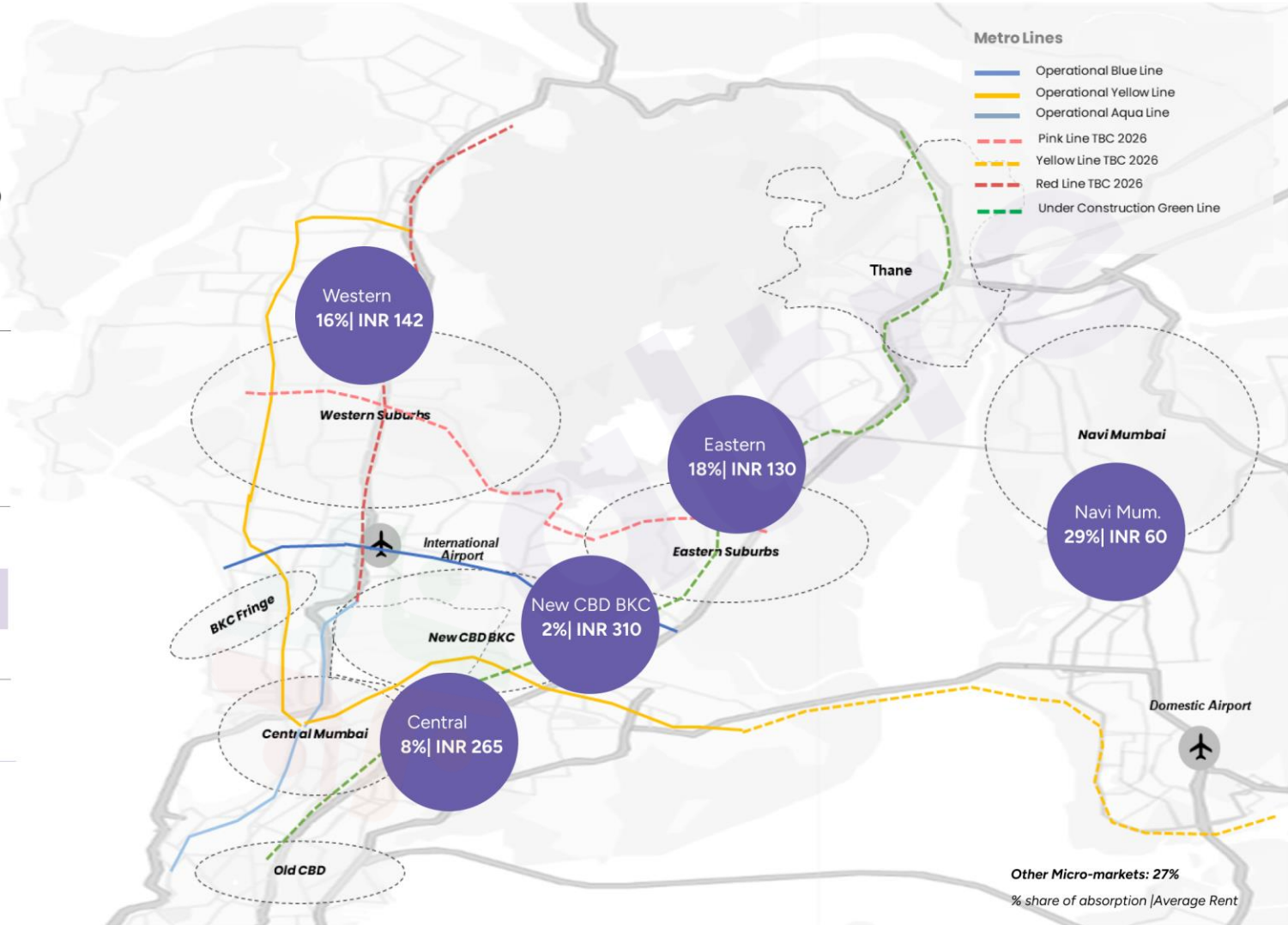
Q1 2025 MUMBAI



Mumbai’s Q1 office market was BFSI-led, with demand shifting toward well-connected Eastern Suburbs and Navi Mumbai.



Key Transactions			
Building	Micromarket	Client	Area (sft)
R Square (Andheri)	Western Suburbs	BFSI	134,500
Mindspace (Athena)	Western Suburbs	BFSI	118,400
Commerz III	Western Suburbs	BFSI	92,600

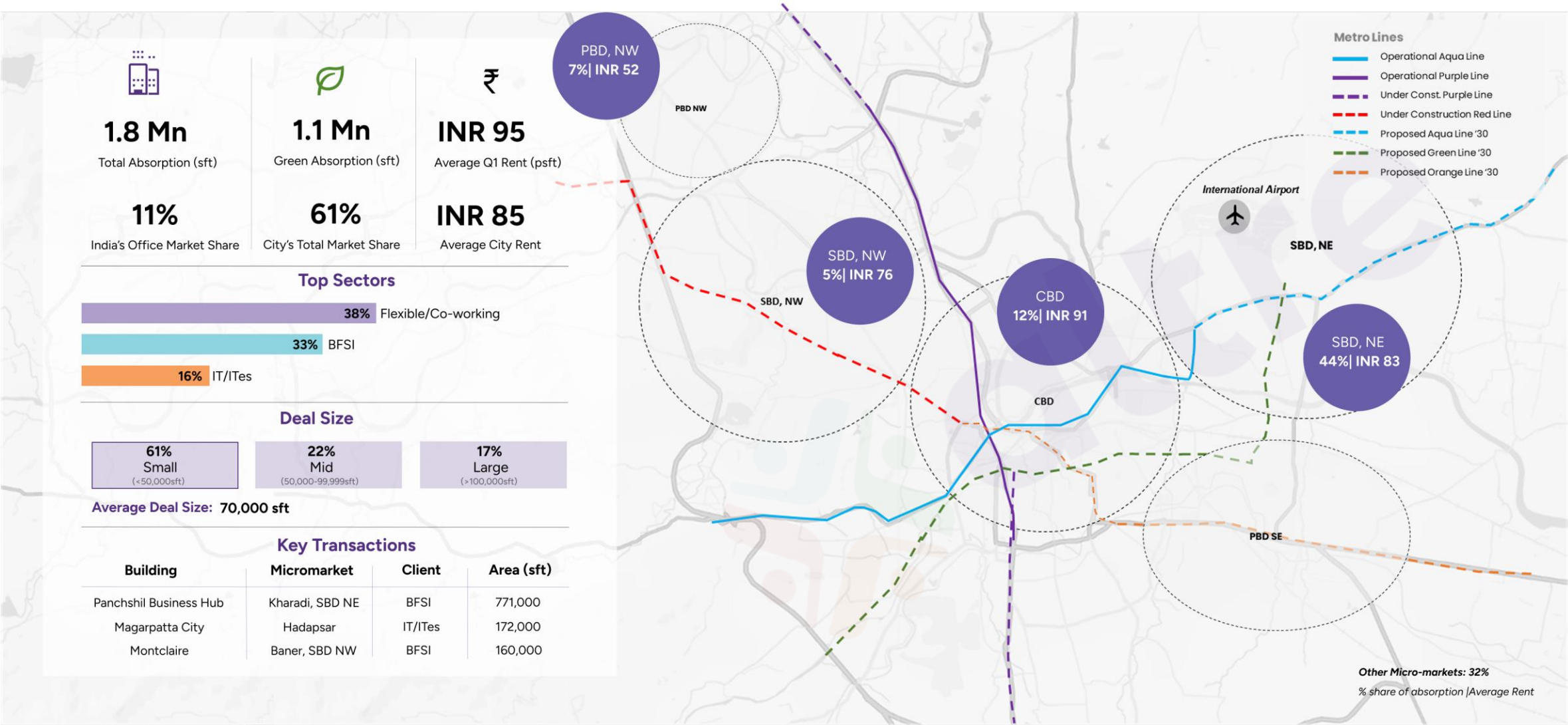


Notes: **Central Mumbai** includes Dadar, Lower Parel, Parel, Mahalakshmi, Worli; **Eastern Suburb** includes Vidyavihar, Ghatkopar, Kanjurmarg, Bhandup, Mulund, Nahur, Powai, Chandivali, Vikhroli; **Western Suburb** includes Goregaon, Andheri, Villeparle; **Old CBD** includes Fort, Nariman Point, Cuffe Parade, Colaba.

Q1 2025 PUNE



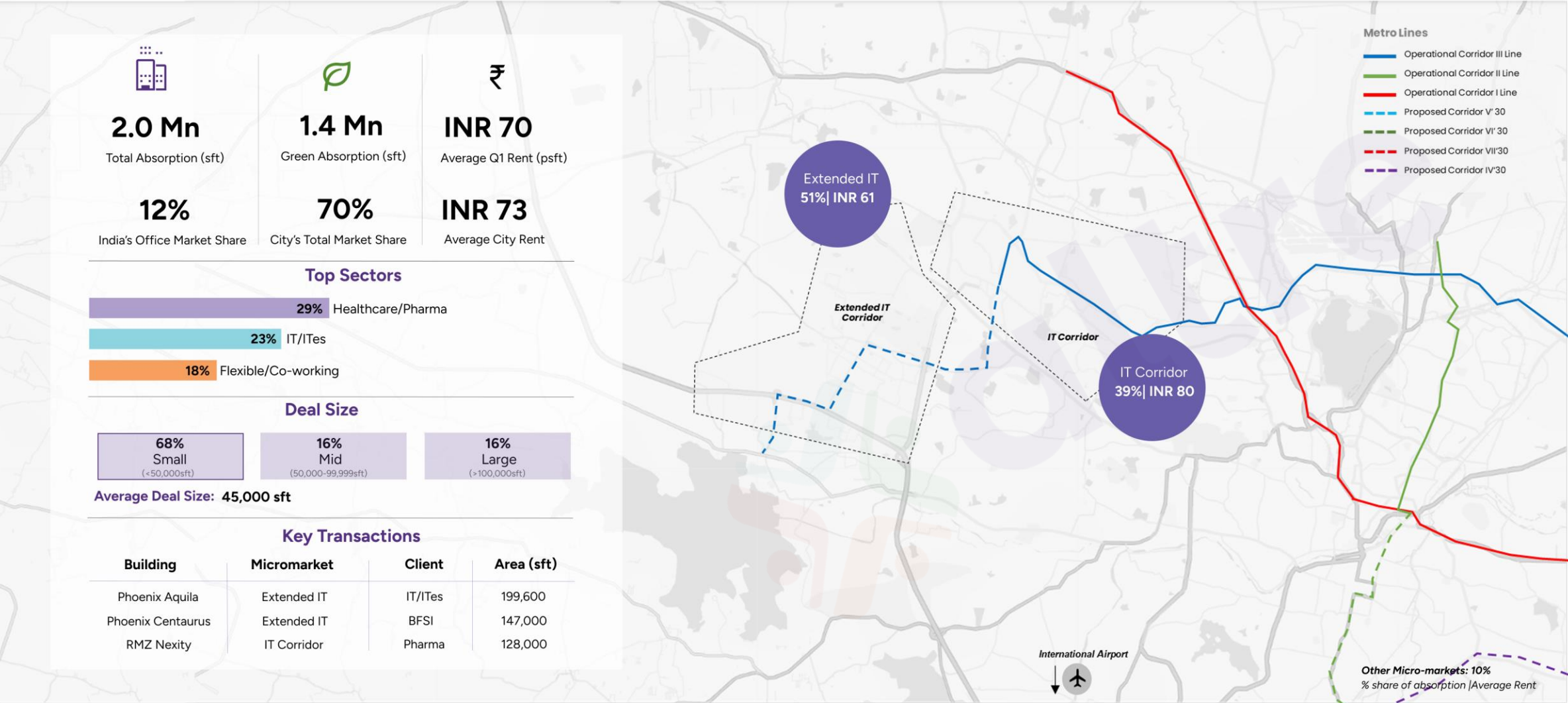
Pune’s Q1 absorption was driven by flex space demand, with SBD,NE (Kharadi) leading due to its airport proximity and strong social infrastructure.



Q1 2025 HYDERABAD



Hyderabad emerging as IT and Pharma hub, with market shifting to Extended IT Corridor making the Q1 Leasing rents drop 4% due to more cost-effective, Grade A absorption.

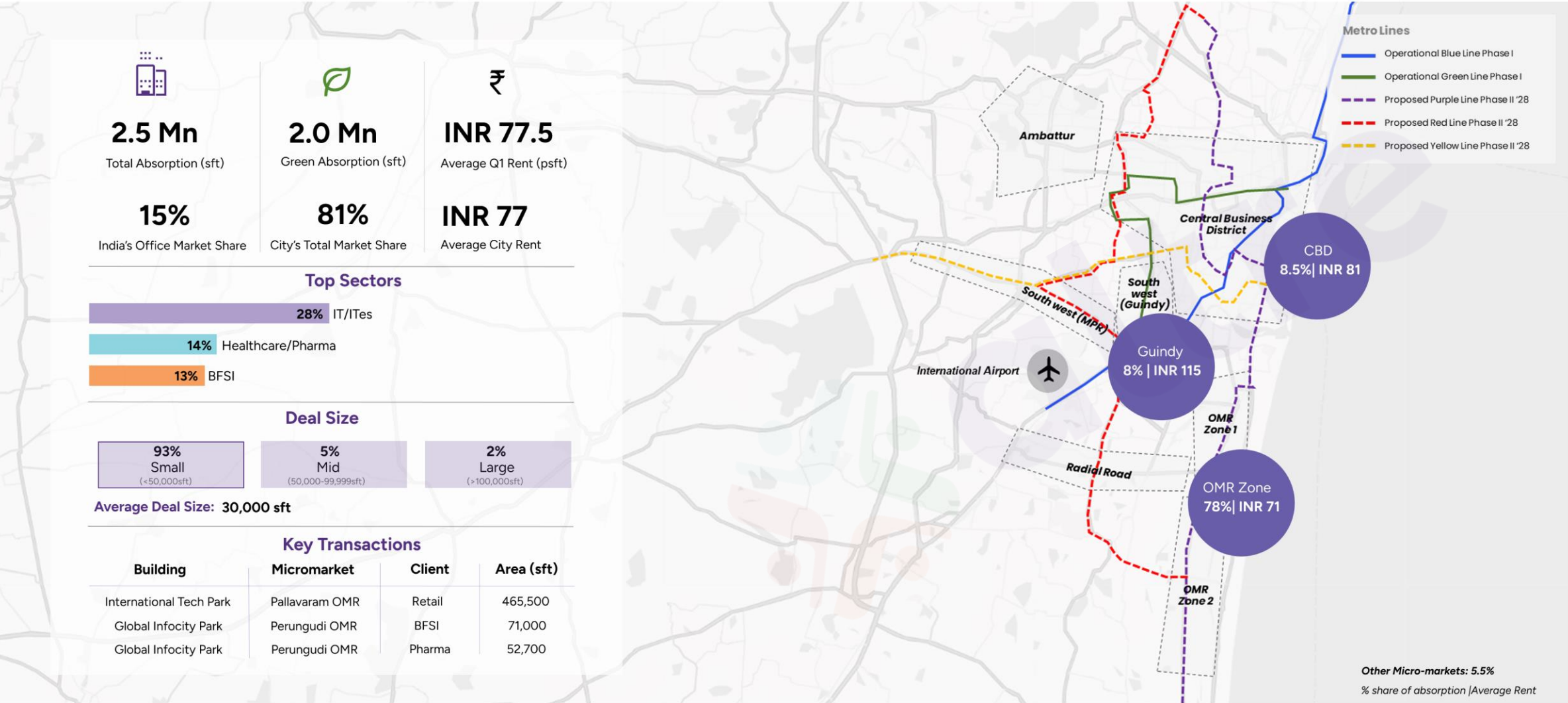


Notes: IT Corridor includes Madhapur, HITECH City, Kondapur, Raidurg; Extended IT Corridor includes Gachibowli, Nanakramguda, Manikonda

Q1 2025 CHENNAI



Chennai is emerging as a top tier market, driven by OMR Zone’s 78% absorption, cost-effective rents, and new planned supply.

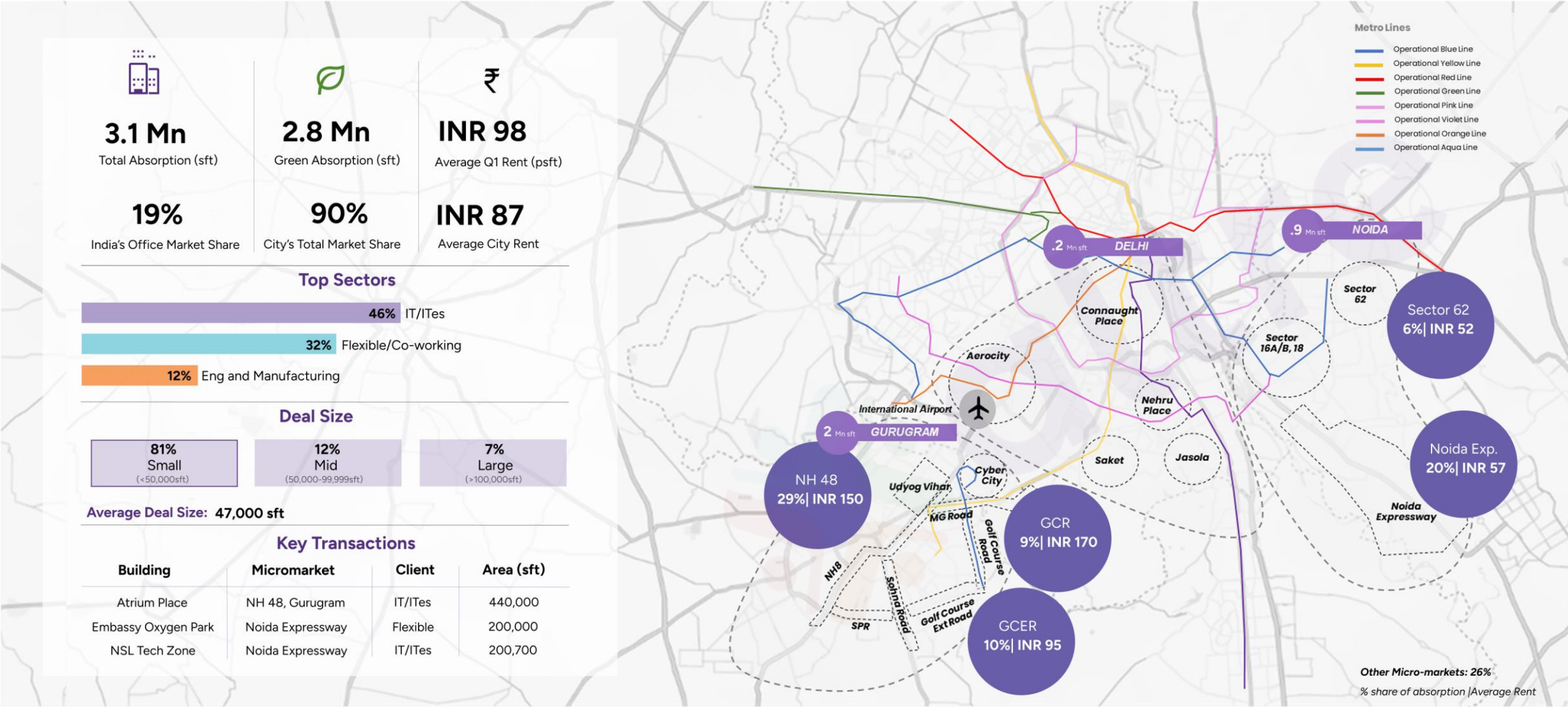


Notes: OMR Zone 1 includes Perungudi, Taramani, Thiruvannamiyur, Velachery; OMR Zone 2 includes Sholinganallur, Thoraipakkam, Navalur, Siruseri, Padur; MPR (Mount Poonamallee Road) includes – Porur, Manapakkam.

Q1 2025 DELHI NCR



Delhi NCR captures the 2nd largest share of India’s office market, led by NH-48’s 29% absorption as occupiers favor well-connected, premium hubs, while Noida Expressway attracts with newer assets and rental efficiency.





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Altre's Presence

About Altre:

Altre is a tech-driven commercial real estate platform that simplifies how businesses find, compare, and secure office spaces. From conventional leases to managed and flexible workspaces, Altre offers a comprehensive market inventory backed by smart tools for benchmarking, cash flow analysis, and portfolio management. Our mission is to bring transparency, speed, and data-led decisions to every stage of the office space journey—helping businesses make better location choices, faster.

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