

Intelligent Investment

India Market Monitor

Q4 2024

Office

REPORT

CBRE RESEARCH

January 2025

CBRE



Office

India's office sector witnessed strong momentum in leasing activity in the October-December quarter of 2024, culminating in a record **quarterly space take-up of 22.2 million sq. ft.** This robust performance led to **an all-time high absorption of 79 million sq. ft. in 2024**, showcasing the unwavering confidence of occupiers in the country's office market.



10%

Y-o-Y jump in office leasing in Q4 2024;
8% Q-o-Q increase in absorption

16%

Growth in office space take-up in 2024 on a Y-o-Y basis

66%

Total share of Mumbai, Hyderabad, and Bengaluru in office leasing in Q4 2024

73%

Cumulative share of Bengaluru, Mumbai, Hyderabad, and Delhi-NCR in leasing activity in 2024

67%

Cumulative share of Bengaluru, Hyderabad, and Pune in development completions in 2024

69%

Combined share of Hyderabad, Bengaluru, and Pune in supply addition in Q4 2024

15%

Q-o-Q jump in supply addition in Q4 2024

The quarter witnessed rental growth across select micro-markets in certain cities, driven by sustained leasing activity, continued demand for high-quality investment-grade assets, and moderating vacancy levels. In Q4 2024, quoted rentals* grew by 2-8% in Mumbai across select micro-markets such as Navi Mumbai, Eastern Suburbs, Western Suburbs 1 & 2, Central Mumbai 1 & 2, BKC & BKC Periphery; 2-3% in Bengaluru across ORR, PBD-Whitefield and NBD Manyata; 0-2% in Chennai in Off CBD; 3-6% in Hyderabad across IT Corridor II; 2-9% in Golf Course Road, Old Gurgaon, DLF Cybercity, MG Road, Expressway, Main Noida & Peripheral Noida & SBD Delhi in Delhi-NCR; and 0-1% in SBD-Kharadi, SBD-East, SBD-West and CBD in Pune.

*Note: The trend for transacted rentals may be in line with or diverge from quoted rentals for different assets depending on various factors such as asset quality, location, accessibility, age of the asset, space availability, etc.

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79.0 mn sq. ft.
Absorption in 2024

22.2 mn sq. ft.
Absorption in Q4 2024

52.3 mn sq. ft.
Supply in 2024

16.1 mn sq. ft.
Supply in Q4 2024

■ % share of Absorption in 2024 ■ Absorption (mn sq. ft.) in Q4 2024
■ % share of Supply in 2024 ■ Supply (mn sq. ft.) in Q4 2024

Q4 rental indicator arrows (Q-o-Q)
▲ Increase ↕ Stable ▼ Decrease

Delhi-NCR

15%	2.6	▲
8%	1.1	▲

Ahmedabad

1%	0.4	▲
3%	0.6	▲

Mumbai

15%	5.7	▲
12%	2.0	▲

Pune

11%	2.6	▲
13%	2.6	▲

Bengaluru

28%	4.0	▲
27%	3.0	▲

Kolkata

2%	0.1	↕
1%	0.5	↕

Hyderabad

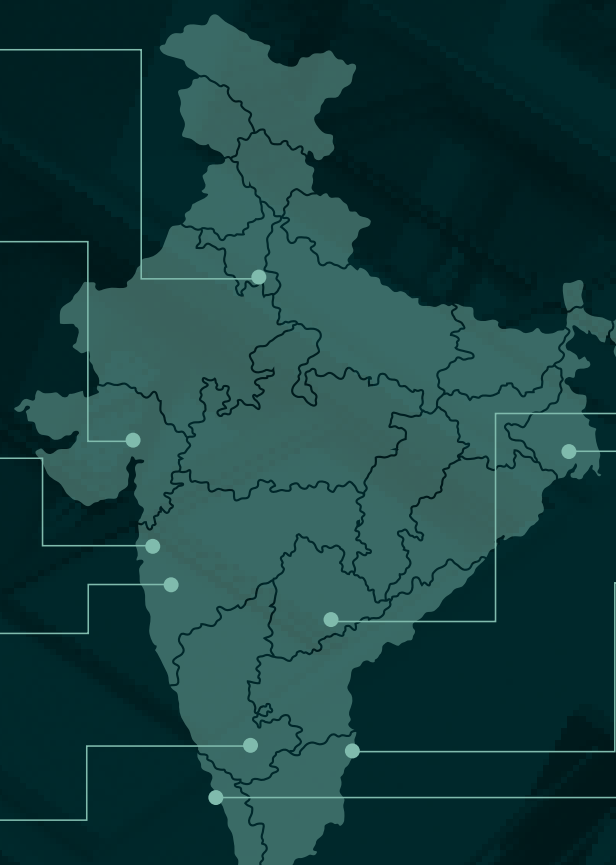
15%	4.9	▲
27%	5.5	▲

Chennai

11%	1.7	↕
4%	0.6	↕

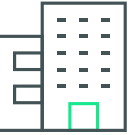
Kochi

2%	0.2	↕
5%	0.2	↕



Source: CBRE Research, Q4 2024. Please note that the numbers have been rounded off and might not add up to the exact total.

OFFICE



Key sectors that drove leasing activity

Technology



26%
share in Q4 2024

Flexible Space Operators



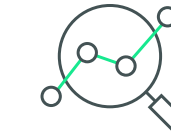
21%
share in Q4 2024

Banking, Financial Services & Insurance (BFSI)



17%
share in Q4 2024

Research, Consulting & Analytics



10%
share in Q4 2024

Engineering & Manufacturing (E&M)



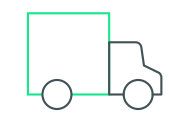
9%
share in Q4 2024

Life Sciences



7%
share in Q4 2024

Infrastructure, Real Estate & Logistics



3%
share in Q4 2024

Regional share in leasing activity

Domestic Corporates 50% share in Q4 2024	American Corporates 34% share in Q4 2024	EMEA Corporates 12% share in Q4 2024	APAC Corporates 4% share in Q4 2024
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Outlook

Office



India's office sector exceeded expectations in 2024, with gross absorption surpassing previous levels. Buoyed by steady inquiries and strong occupier confidence, the demand for office spaces is anticipated to remain stable in the first half of 2025. Global capability centres (GCCs) are expected to maintain their growth momentum during the year, with new entrants setting up global centres and existing firms scaling their facilities. GCCs from the technology, E&M and BFSI sectors will likely drive demand for both traditional and flexible office spaces.

Growth in niche sectors such as automobiles, semiconductors, and life sciences would further augment the overall leasing activity. The anticipated surge in demand in 2025 is expected to tighten vacancy rates in key micro-markets, potentially leading to upward pressure on rental values within these areas.

The country's office supply pipeline is projected to remain strong in 2025, with the anticipated introduction of several high-quality, investment-grade assets. Bengaluru, Hyderabad, and Delhi-NCR are expected to lead the completions, followed by Pune, Mumbai, and Chennai. Furthermore, developers would continue to address occupiers' preferences by offering well-located, 'future-proofed' assets with state-of-the-art facilities. Developers are also likely to emphasise eco-friendly construction methods, sustainable materials, and energy-efficient designs to cater to environmentally conscious investors and occupiers.

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