

**MARKET FUNDAMENTALS**

	y-o-y Chg	Outlook*
<b>19.0%</b> Vacancy Rate	▼	▼
<b>1.51</b> Q1-26 Net Absorption (MSF)	▼	▼
<b>INR 92</b> Stock Wtd. Rent (PSFPM)	▲	▲

**ECONOMIC INDICATORS**

	y-o-y Chg	Outlook*
<b>7.80%</b> GDP Growth (Q3 FY2025-26)	▲	▼
<b>3.21%</b> CPI Inflation	▼	▲
<b>58.2</b> Services PMI (3 months average)	▼	—

Source: MOSPI, RBI, HSBC

**STRONG GLV SEEN IN Q1; FLEX SPACE TAKE-UP DRIVES DEMAND**

Delhi NCR witnessed gross leasing volume (GLV) of 2.8 MSF in Q1 2026, an increase of 36% q-o-q and 2% on a y-o-y basis. Flex operators led quarterly demand with 27% share, followed by engineering & manufacturing (21%) and IT-BPM firms (20%). Gurugram accounted for 60% of leasing in Q1-26, followed by Noida and Delhi NCT with 37% and 3% shares, respectively. Noida Expressway was the most active micro-market during the quarter, accounting for 24% of GLV, followed by Udyog Vihar (17%) and NH-8 Prime (13%).

Space take-up by flexible workspace operators in Q1-26 was 82% above the quarterly average since 2025. All the deals recorded in Q1 comprised fresh space take-up, signaling occupier confidence in long term business prospects. In parallel, GCC leasing in NCR remained robust at 0.9 MSF during the quarter, rising 18% q-o-q and 2.8x y-o-y, driven by multinational corporations expanding their strategic operations, capitalizing on the region's vast pool of talent, robust infrastructure, and cost-effective Grade A office spaces.

**AN EVENLY BALANCED DEMAND-SUPPLY IN Q1 KEEPS VACANCY IN CHECK**

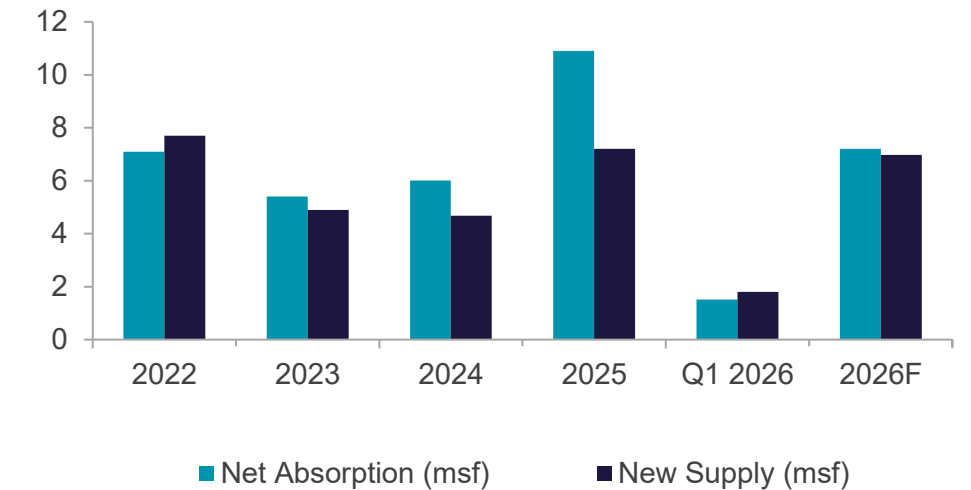
During Q1-26, NCR recorded measured demand-supply dynamics, with net absorption standing at 1.5 MSF. While this represents a 60% y-o-y moderation, it marks a 20% q-o-q increase. Fresh take-up continued to dominate overall leasing activity, with Noida Expressway emerging as the leading corridor and accounting for a 32% share. Udyog Vihar and Aerocity followed, contributing 14% and 11% of fresh take-up, respectively.

Steady office leasing momentum in the last 12-15 months has brought down headline vacancy in Delhi NCR by 240 bps y-o-y, to 19.0%. A significant vacancy rate compression was seen in Noida Expressway, potentially signalling strong occupier interest in quality assets. New completions broadly kept pace with demand, with close to 1.8 MSF added during the quarter.

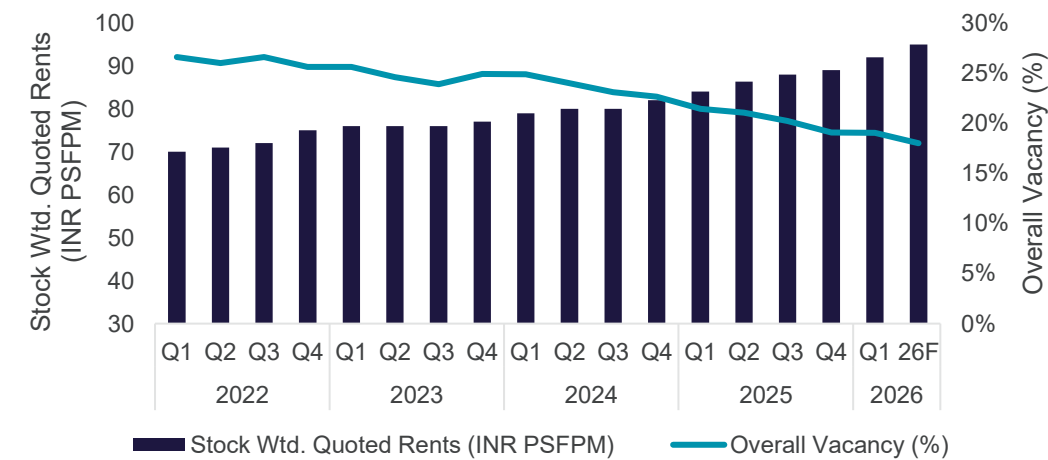
**RENTS INCREASE SLIGHTLY ACROSS MOST SUBMARKETS**

During Q1 2026, Delhi NCR recorded a 2-5% q-o-q increase in overall rentals. Rents have risen by 6-9% y-o-y across the region, with Gurugram CBD outperforming at 12-15% growth over the same period.

**NET ABSORPTION / NEW SUPPLY**



**OVERALL VACANCY & STOCK WTD. QUOTED RENT**



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANCY RATE	CURRENT QUARTER NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	PLANNED & UNDER CONSTRUCTION (SF)^	GRADE A STOCK WEIGHTED AVERAGE RENT (INR/SF/M)
Delhi CBD	1,533,547	19.2%	-16,338	-16,338	0	0	0	₹ 292.00
South-East Delhi	7,092,653	12.5%	15,595	15,595	28,195	0	0	₹ 121.00
Delhi International Airport (DIAL)	4,026,825	49.0%	167,165	167,165	57,110	1,610,000	1,145,000	₹ 238.00
Cyber City	13,985,813	1.4%	21,000	21,000	21,000	0	0	₹ 140.00
MG Road	3,857,879	6.3%	18,873	18,873	35,746	0	0	₹ 128.00
NH8 – Prime	21,134,763	7.8%	26,000	26,000	371,777	0	4,997,000	₹ 115.00
Golf Course Road	6,821,262	8.5%	139,909	139,909	140,344	0	0	₹ 133.00
Gurugram Others	49,346,603	28.2%	461,537	461,537	1,119,177	0	5,681,550	₹ 66.00
Noida	43,738,758	20.7%	674,142	674,142	1,026,706	186,072	7,899,677	₹ 60.00
<b>DELHI NCR TOTALS</b>	<b>151,538,103</b>	<b>19.0%</b>	<b>1,507,883</b>	<b>1,507,883</b>	<b>2,800,055</b>	<b>1,796,072</b>	<b>19,723,227</b>	<b>₹ 92.00</b>

The report highlights Grade A details only. Certain indicators are historically corrected by addition / deletion of older / refurbished projects as per grade A classification and accounting for changes in built-up / leasable area besides adjusting tenant leases to reflect accurate market conditions. Net absorption refers to the incremental new space take-up. YTD gross leasing activity includes pre commitments and term renewals. ^Includes planned & under construction projects until 2028. \* Stock weighted average asking rental rates for spaces that provide core facility, high-side air conditioning and 100% power back up.

Key to submarkets:

Delhi CBD Includes Connaught Place; South East Delhi Includes Saket, Jasola, Malviya Nagar, Vasant Kunj, Nehru Place, Shastri Park, New Friends Colony, Okhla, Munirka and Parts of Shalimar Bagh and Shivaji Marg

Delhi International Airport (DIAL) Includes Aerocity

Gurugram Others includes Sohna Road, Golf Course Extension Road, Udyog Vihar, NH 8 Non-Prime, Gurgaon Faridabad Road and Southern Peripheral Road and excludes Manesar; Noida excludes Greater Noida

US\$ 1 = 90.9 INR € 1 = 106.9 INR

Numbers for the first quarter are based on market information collected until 20<sup>th</sup> March 2026

Outlook: the outlook represents our forward-looking view of key market indicators over the next 12 months, based on current market trends, economic conditions, policy developments, and available data. Projections are indicative and may be adjusted as market dynamics evolve.

KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Candor Techspace	Noida Expressway	KPMG	118,000	Lease
Signature Tower III	NH-8 Prime	Smartworks	3,20,000	Lease
Sovereign Capital Gate	Noida City 1	WSP	125,000	Lease
Good Earth Business Bay Phase 2	Golf Course Extension Road	Omnicom Media Group	50,000	Lease

KEY CONSTRUCTION COMPLETIONS Q1 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Bharti Worldmark Tower 5 and 6	Aerocity	Lenskart, Soufflet Malt	1,610,000	Bharti Real Estate
The Opus 132 Opera Tower	Noida Expressway	-	186,072	DAH Group

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