MARKETBEAT
AHMEDABAD
OFFICE Q2 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	Y-o-Y Chg	Outlook*
31.1% Vacancy Rate	▲	▼
0.81 H1-26 Net Absorption (MSF)	▲	▲
INR 51.1 Stock Wtd. Rent (PSFPM)	▲	▲

ECONOMIC INDICATORS

	Y-o-Y Chg	Outlook*
7.80% GDP Growth (Q4 FY 25-26)	▲	▼
3.93% CPI Inflation	▲	▲
58.2 Services PMI (3 months average)	▬	▼

Source: MOSPI, RBI, HSBC

FLEX OPERATORS DROVE LEASING ACTIVITY IN Q2

In Q2 2026, Ahmedabad recorded gross leasing volume (GLV) of ~0.5 MSF, up by 1.6x q-o-q and 3.1x y-o-y increase, taking H1 2026 leasing to ~0.8 MSF of GLV. The flexible workspace operators led the strong quarterly performance with 33% and closely followed by IT-BPM (30%) and professional services (20%), reflecting broad-based occupier expansion across key demand sectors.

The SBD and PBD submarkets emerged as the preferred leasing destination, accounting for 52% and 42% of total leasing volume, respectively, driven by strong occupier interest in new Grade A completions. The quarterly leasing activity was largely driven by domestic occupiers and flexible workspace operators, while GCCs contributed to a modest 4% share. The net absorption stood at 0.49 MSF during the quarter, taking H1 2026 absorption to 0.8 MSF, registering 1.6x q-o-q and 5.0x y-o-y growth. The absorption levels broadly mirrored a healthy leasing activity, reflecting occupiers continued to efficiently absorb available Grade-A space.

VACANCY WITNESS MARGINAL UPTICK AMIDST SUPPLY INFLUX

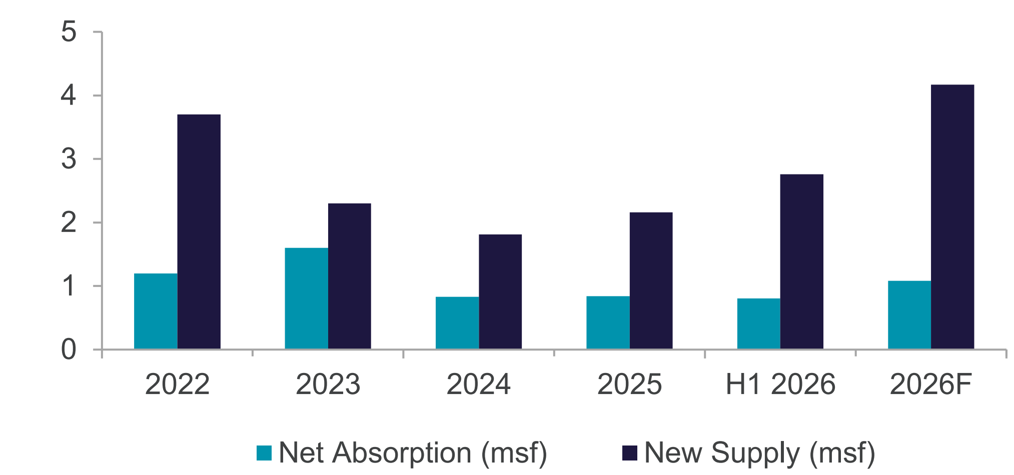
The city recorded 1.3 MSF of new supply in Q2, up by 77% y-o-y while remaining stable on q-o-q. The supply was concentrated in SBD (55%) and PBD (45%) submarkets, indicating sustained developer preference for the city's Grade-A corridors along SG Highway.

The supply additions continued to outpace the net absorption, pushing the city-wide vacancy to 31.1% during the quarter, up by 146 bps on q-o-q and 430 on bps y-o-y. Further 1.4 MSF of supply is expected over the next two quarters, concentrated in GIFT city and SBD submarket. However, the active leasing pipeline coupled with improving occupier demand are expected to support gradual absorption and moderate vacancy levels.

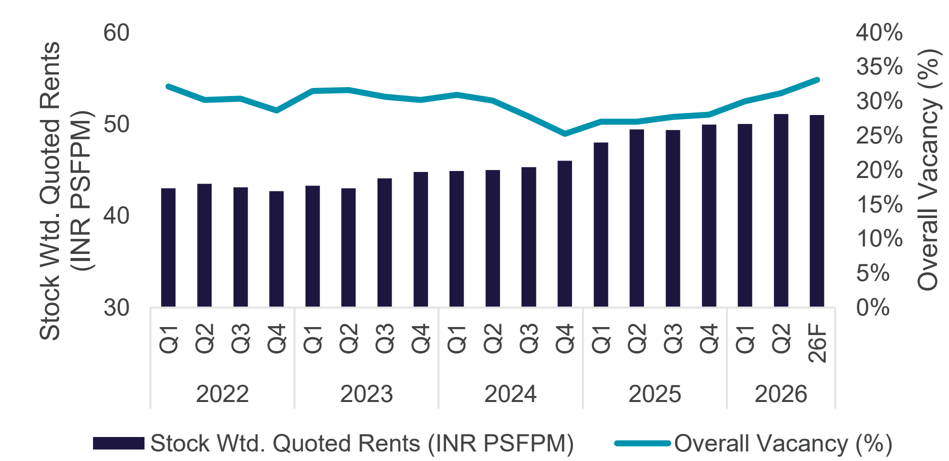
CITY LEVEL RENTALS WITNESSED UPWARD TREND

The average city-wide rentals witnessed 2% on q-o-q and 3% on y-o-y growth. The SBD submarkets witnessed quarterly rental appreciation of 1-2%, while the rentals in CBD submarkets remain largely unchanged. Looking ahead, the market is expected to witness healthy pipeline of high-quality assets in the near term, largely concentrated in prime submarkets, which are likely to command rentals above the market average, and drive rental appreciation.

NET ABSORPTION / NEW SUPPLY



OVERALL VACANCY & STOCK WTD. QUOTED RENT



AHMEDABAD
OFFICE Q2 2026

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)
SBD	19,480,947	27.72%	275,086	361,897	315,836	767,000	4,057,460	₹ 48.4
CBD	4,324,864	40.20%	5,000	25,500	22,624	422,000	250,000	₹ 48.1
PBD	4,423,989	44.33%	214,880	417,880	454,623	1,093,970	1,132,384	₹ 51.0
GIFT City	4,631,592	24.43%	-	-	-	481,000	3,952,826	₹ 64.9
TOTAL#	**32,861,392**	**31.14%**	**494,966**	**805,277**	**793,083**	**2,763,970**	**9,392,670**	**₹ 51.1**

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.*

 # Total figures contain submarkets not mentioned above.

Key to submarkets:

***CBD:** Central Ahmedabad west of Sabarmati river and east of 132ft Ring road, includes micro market of CG Road, Ashram Road, Paldi , Navrangpura , Ambawadi , Usmanpura , Naranpura*

***SBD:** West of 132ft Ring road, spanning from Sarkhej Okaf to South of Sola Science City, includes micro markets of SG Highway, Thaltej, Prahladnagar , Okaf , Iscon Ambli Road and Sindhubhavan Road*

***PBD:** includes micro markets of Science City, Adani Shantigram, Gota, Motera, Chandkheda, Mindspace IT SEZ and Gandhinagar.*

***GIFT City:** GIFT City and GIFT SEZ designated area East Ahmedabad: Entire city on east of Sabarmati river, includes micro market of Shahibaug , Vatva , Maninagar , Vastral , Odhav , Naroda, Narol*

US$ 1 = 94.6 INR Euro = 110.4 INR
Numbers for the second quarter are based on market information collected until 19th June 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 Q2 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Shilp Business Gateway	PBD	Venus Accountants	10,100	Lease
Annam 2	SBD	L&T	34,000	Lease
Z2	SBD	Orenda	31,000	Lease

KEY CONSTRUCTION COMPLETIONS Q2 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Million Mind Techcity	PBD	-	616,970	Ganesh Housing
The Keshavbaug Capital	SBD	-	260,000	Aaryan Infra
Z2	SBD	-	316,000	Zade Infra Group

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