MARKETBEAT
MUMBAI
OFFICE Q2 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook*
8.9% Vacancy Rate	▼	▲
3.1 H1-26 Net Absorption (MSF)	▼	▲
INR 174.9 Stock Wtd. Rent (PSFPM)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook*
7.8% GDP Growth (Q4 FY25-26)	▲	▼
3.9% CPI Inflation	▲	▲
58.2 Services PMI (3 months average)	—	▼

Source: MOSPI, RBI, HSBC

H1 GROSS LEASING REACHES A HISTORIC HIGH

Gross leasing in Q2 2026 stood at 4.1 MSF, declining ~38% q-o-q due to the high base created by large transactions in Q1. Despite the sequential moderation, leasing activity remained healthy, led by the BFSI sector, which accounted for 27% of quarterly demand, followed by IT-BPM and Engineering & Manufacturing with ~17% shares each. Geographically, Thane-Belapur Road emerged as the most active sub-market, contributing ~20% of quarterly leasing, followed by Lower Parel (13%) and Central Suburbs, Malad-Goregaon, and Powai, each accounting for ~11%. However, in H1 2026, gross leasing reached a historic high of 10.7 MSF, up ~30% y-o-y, driven by strong demand from the BFSI sector and Global Capability Centers (GCCs). BFSI accounted for the largest share of H1 leasing (37%), followed by IT-BPM (17%) and Engineering & Manufacturing (12%).

Net absorption in Q2 2026 totaled 1.3 MSF, declining ~26% q-o-q and 49% y-o-y, reflecting the limited availability of quality office space amid tightening vacancy across key sub-markets. In H1 2026, the net absorption stood at 3.1 MSF, down ~44% y-o-y. Thane-Belapur Road accounted for the largest share of H1 net absorption (~21%), followed by Andheri-Kurla Road (19%) and Powai (17%), supported by sustained occupier activity in these established office corridors.

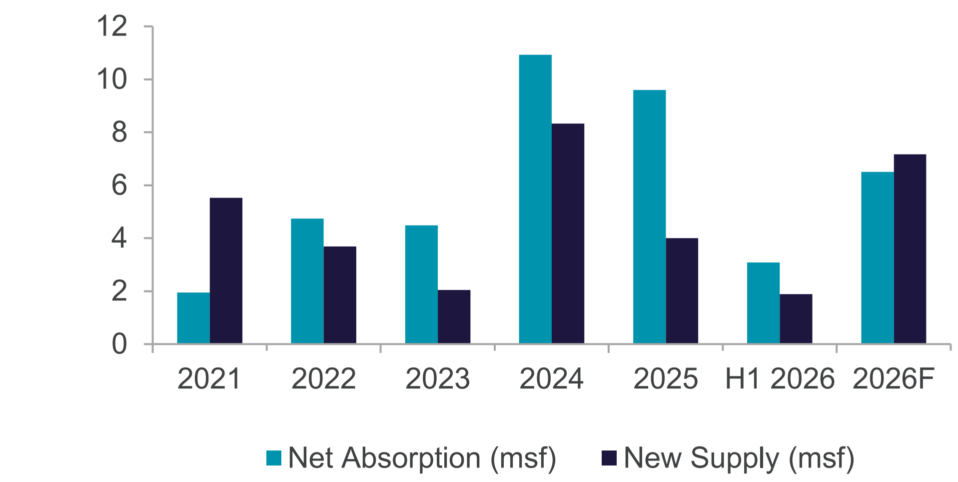
VACANCY DECLINES FURTHER DESPITE NEW SUPPLY ADDITION

Q2 2026 witnessed 1.0 MSF of new Grade A office supply in Powai submarket, marking an increase of ~12% q-o-q and ~16% y-o-y, taking the city's total Grade A office stock to 125.2 MSF. Despite the fresh supply addition, vacancy levels declined further, driven by healthy leasing activity and strong occupancies across key submarkets such as Thane-Belapur Road, Powai, and Lower Parel. Around 6.5 MSF of new Grade A office supply is expected over the next 12 months, which may lead to a marginal uptick in vacancy levels.

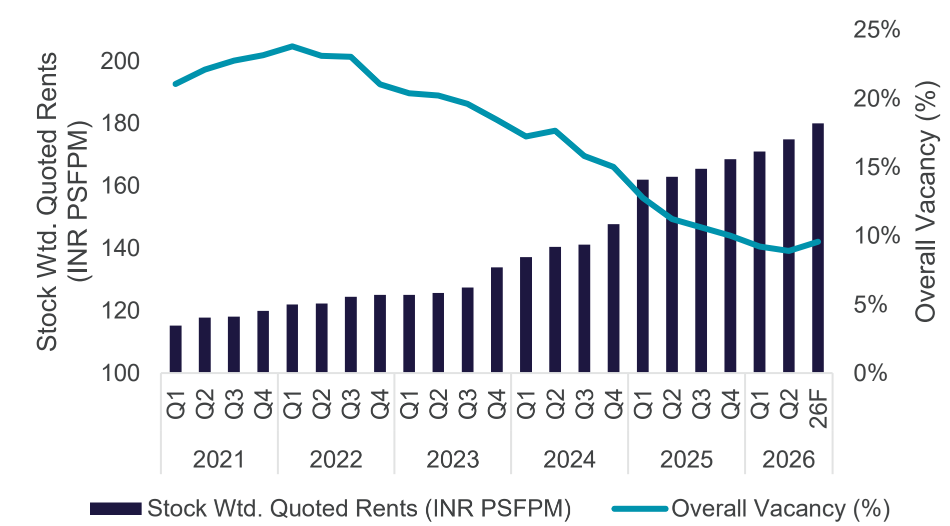
RENTALS GROW ON ACCOUNT OF SUPPLY CRUNCH

The stock-weighted average rent increased by 2.3% q-o-q to INR 174.9 per sq. ft. in Q2 2026, driven by strong net absorption across the suburban and peripheral office corridors. Looking ahead, sustained demand for high-quality office space, coupled with constrained supply across key submarkets, is expected to exert upward pressure on Grade A office rentals.

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)*
CBD	19,62,814	2.75%	2,090	6,566	1,32,817	0	0	₹ 292.75
SBD-BKC	1,10,99,808	3.19%	54,843	1,46,503	8,22,337	0	50,02,766	₹ 372.65
Worli	31,19,504	2.67%	62,253	62,253	4,62,162	0	41,70,945	₹ 347.83
Lower Parel	1,21,69,730	9.26%	2,29,506	4,81,794	10,95,512	0	11,00,000	₹ 248.91
Andheri-Kurla	1,85,57,800	10.85%	38,775	5,78,495	12,25,399	90,000	31,01,000	₹ 166.87
Powai	86,56,286	12.42%	4,15,835	5,38,191	27,37,590	1000000	22,50,000	₹ 181.74
Malad-Goregaon	1,87,79,347	9.06%	1,18,770	4,40,607	9,55,793	0	10,80,000	₹ 170.19
Vashi	16,45,068	5.07%	5,290	11,067	86,706	0	0	₹ 104.37
Thane-Belapur Rd.	2,42,80,404	8.85%	2,55,539	6,33,652	19,53,125	0	21,00,000	₹ 77.08
Thane	1,23,98,323	11.77%	1,53,695	1,92,903	3,88,342	8,00,000	9,50,000	₹ 88.12
Central Suburbs	1,25,20,532	8.27%	-23,757	-8,593	8,69,466	0	47,00,000	₹ 165.10
TOTAL	**12,51,89,616**	**8.89%**	**13,12,839**	**30,83,438**	**1,07,29,249**	**18,90,000**	**2,44,54,711**	**₹ 174.89**

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. 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*

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 to submarkets:

CBD – Ballard Estate, Colaba, Churchgate, Fort & Nariman Point; SBD – Bandra-Kurla Complex, Bandra East, Kalina; Lower Parel- Lower Parel, Parel, and Dadar; Andheri-Kurla- Andheri (E), Chandivali, Marol; Malad Goregaon- Malad, Goregaon, Jogeshwari, and Borivali; Central Suburbs- Bhandup, Kanjurmarg, Vikhroli, Kurla, and Wadala; Thane- Belapur Rd- Airoli, Ghansoli, Mahape, Juinagar, Seawoods, and Dombivili; Thane- Thane, Kapurbawdi, Ghodbunder Road, and Wagle Estate

US$ 1 = 94.6 INR € 1 = 110.4 INR
Numbers for the second quarter is based on market information collected until 22nd June 2026

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
L&T Innovation Campus Tower-B	Powai	Marsh Mclennan	127,822	Fresh Lease
One World Centre	Lower Parel	TransUnion CIBIL	72,542	Term Renewal
Centaurus	Thane	Euronet Services India	100,122	Fresh Lease
Mindspace Airoli East	Airoli	Syntel	1,36,931	Term Renewal
Oberoi Commerz III	Goregaon	Tablespace	57,278	Fresh Lease

KEY CONSTRUCTION COMPLETIONS Q2 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
L&T Innovation Campus Tower B	Powai	Marsh Mclennan	10,00,000	L&T Realty

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