MARKETBEAT
PUNE
OFFICE Q2 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook*
13.19% Vacancy Rate	▲	▲
3.55 H1-26 Net Absorption (MSF)	▼	▲
INR 93.4 Stock Wtd. Rent (PSFPM)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook*
7.80% GDP Growth (Q4 FY25-26)	▲	▼
3.93% CPI Inflation	▲	▲
58.2 Services PMI (3 months average)	▬	▼

Source: MOSPI, RBI, HSBC

GCC' AND FLEX DEMAND FUEL LEASING GROWTH IN Q2

The city recorded a gross leasing volume (GLV) of 3.22 MSF in Q2 2026, reflecting a 54% q-o-q and 12.5% y-o-y increase, taking H1 2026 leasing to ~5.31 MSF. Leasing activity in the quarter was led by large managed space transactions, with Flexible Workspace operators accounting for 45% of total leasing, followed by IT-BPM (20%), BFSI (10%), and Others (10%). Global Capability Centers (GCCs) remained a key source of demand, contributing approximately 52% (~1.66 MSF) of the total leasing volume. SBD East (~56%) and PBD West (~33%) together accounted for nearly 90% of leasing activity during the quarter, highlighting their continued prominence as the city's preferred Grade-A office destinations. Looking ahead, infrastructure upgrades such as Metro Line 3 and the Pune Ring Road are expected to improve connectivity and reinforce Pune's long-term office market fundamentals.

Net absorption increased to 2.51 MSF in Q2, up 141.0% q-o-q and 4.4% y-o-y, taking H1 2026 net absorption to approximately 3.55 MSF. Space uptake during the quarter was primarily driven by flexible workspace operators and IT-BPM occupiers, with GCCs continuing to remain a key source of demand.

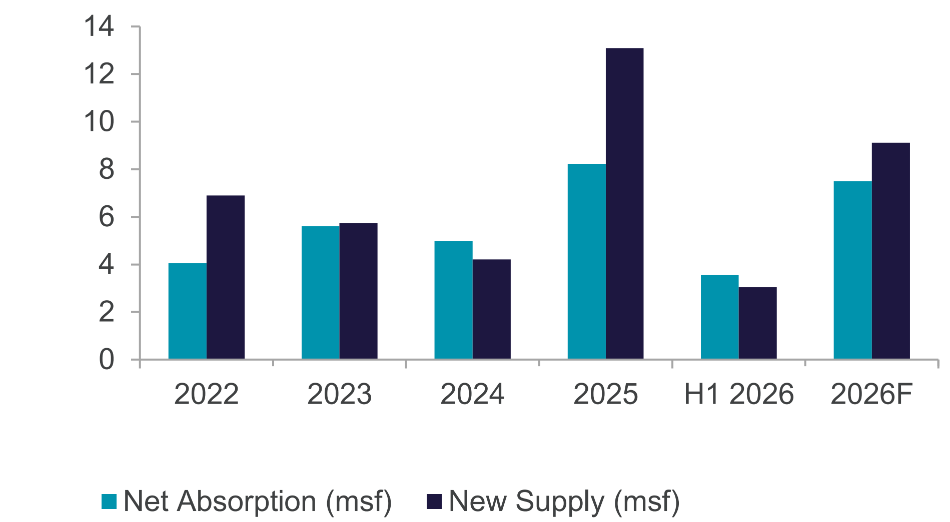
VACANCY EDGES UP MARGINALLY AMID NEW SUPPLY

The city witnessed 3.04 MSF of new Grade-A supply in Q2 2026, primarily concentrated in SBD East. Strong absorption, led by managed space operators, largely offset fresh completions, keeping the vacancy rate broadly stable q-o-q while remaining 51 bps lower y-o-y. Vacancy is expected to witness a marginal uptick over the near term, in line with the upcoming supply pipeline.

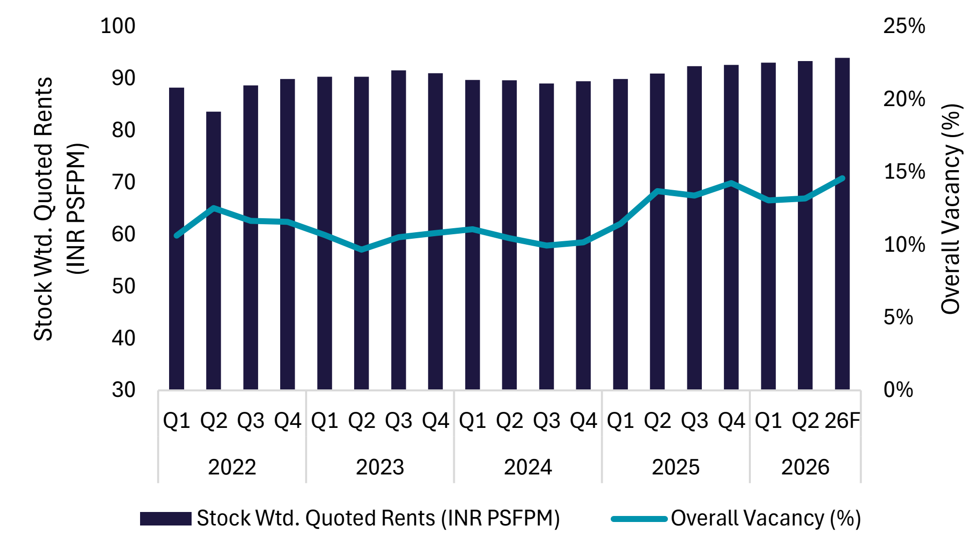
CITYWIDE RENTALS EDGE UP AMID QUALITY SUPPLY

Stock-weighted average rentals recorded a 0.4% q-o-q and 2.7% y-o-y increase, reflecting sustained demand for quality Grade-A assets. Although the upcoming supply pipeline will expand occupier options, premium Grade-A developments are expected to continue commanding rental growth, driven by sustained demand from quality occupiers.

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)	CURRENT QUARTER CONSTRUCTION COMPLETIONS (SF)	PLANNED & UNDER CONSTRUCTION (SF)^	GRADE A STOCK WEIGHTED AVERAGE RENT (INR/SF/M)
CBD	7,169,600	21.2%	149,386	177,069	434,442	360,000	4,070,000	₹ 111.8
SBD East	49,715,136	14.7%	1,703,759	19,70,773	2,774,532	2,678,000	14,012,270	₹ 100.8
SBD West	11,278,858	2.5%	19,262	1,96,424	229,766	-	11,819,000	₹ 95.7
PBD East	2,866,209	29.5%	-	-	-	-	-	₹ 73.2
PBD West	18,917,277	10.2%	637,585	12,07,059	1,870,010	-	1,987,000	₹ 68.6
TOTAL	**89,947,080**	**13.2%**	**2,509,992**	**3,551,325**	**5,308,750**	**3,038,000**	**31,888,270**	**₹ 93.4**

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. Current quarter's 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: Laxmi Road, Camp, Bund Garden, Boat Club, Koregaon Park, Dhole Patil Road, Pune Station, Shivaji Nagar, FC Road, JM Road, Wakdewadi, SB Road, Model Colony, Ganeshkhind Road; SBD East: Kalyani Nagar, Kharadi, Mundhwa, Yerwada, Nagar Road, Viman Nagar, Hadapsar, Kondhwa; SBD West: Aundh, Baner, Pashan, Kothrud, Karve Nagar, Khadki, Paud Road; PBD East: Phursungi, Wagholi, Charoli, Solapur Road, Saswad Road, Katraj; PBD West: Hinjewadi, Wakad, Pimpri, Bhosari, Chinchwad, Bavdhan, Mulshi, Talawade, Tathawade, Nanded, Pimple Saudagar

US$ 1 = 94.6 INR € 1 = 110.4 INR
Numbers for the second quarter are based on market information collected until 20th June 2026

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Panchshil Eastside	SBD East	Smartworks	850,000	Fresh
Phoenix Millenium	PBD West	Accenture	600,000	Fresh
Phoenix Millenium	PBD West	Wework	204,286	Fresh
Eon Free Zone- B	SBD East	Maersk Global	193,458	Fresh

KEY CONSTRUCTION COMPLETIONS Q2 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
AP 4 IT Tower A Phase 1	SBD East	Redbrick	967,750	Amar Builders
AP 4 IT Tower B Phase 1	SBD East	-	967,750	Amar Builders
Panchshil Eastside (Phase 1)	SBD East	Smartworks	742,500	Panchshil Realty
RB 101	CBD	Redbrick	360,000	Pittie Group

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