

MARKET FUNDAMENTALS

	YOY Chg	Outlook*
10.57% Vacancy Rate		
10.96 YTD Net Absorption (MSF)		
INR 99.0 Stock Wtd. Rent (PSFPM)		

ECONOMIC INDICATORS

	YOY Chg	Outlook*
7.80% GDP Growth Q1 FY26-27		
4.82% CPI Inflation		
54.9 Services PMI (3 months average)		

Source: MOSPI, RBI, HSBC

STRONG GCC LEASING ACTIVITY DROVE SPACE TAKE-UP IN Q3

Office gross leasing volume (GLV) stood at 5.2 msf, marking an annual growth of 16% but a 6% decline on a quarterly basis. Healthy fresh leasing and operationalization of pre-committed projects resulted in robust net absorption of 4.0 msf during the quarter, i.e., 14% growth on a quarterly basis and a 16% expansion as compared to the same period last year. In Q3, global capability centres (GCCs) drove leasing activity with the segment accounting for 65% of GLV, up from 52% in the previous quarter. On the components of GLV, fresh leasing accounted for 61% share while contribution of pre-commitments jumped to 38% of GLV, up from around 22% in Q2. From sectoral standpoint, IT-BPM led leasing with a share of 34% in GLV, while BFSI accounted for 29%. Engineering & manufacturing (E&M) followed with a 23% share, while flexible workspace operators accounted for 6%. Outer Ring Road (ORR) contributed 61% of GLV, followed by Peripheral East with a 16% share. As of YTD 2026, GLV stood at 15.6 msf, a 10% growth over the same period last year. Net absorption reached 10.9 msf, a 16% growth on y-o-y basis. E&M contributed 28% of GLV followed by IT-BPM (22%), BFSI (20%) and flexible workspace operators (14%).

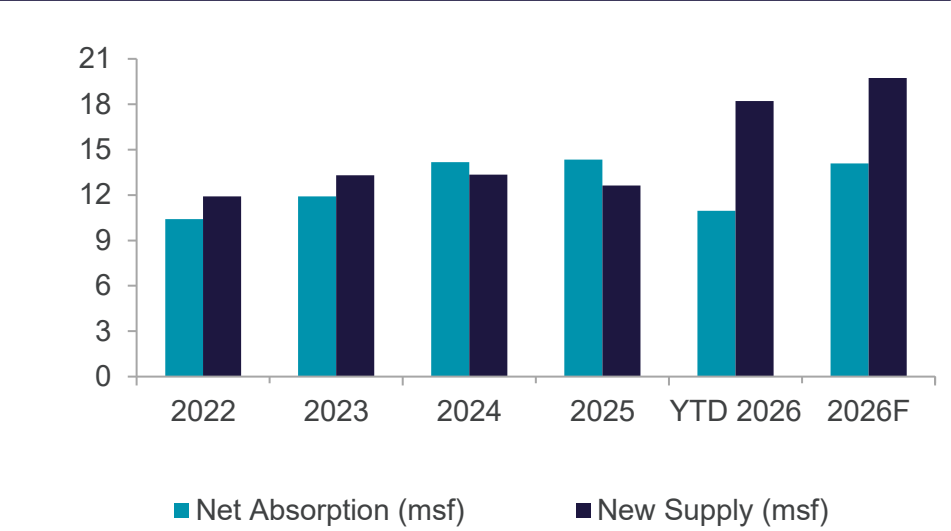
RECORD HIGH QUARTERLY SUPPLY; ORR STOCK CROSSED 100 MSF

Bengaluru recorded new supply of 9.8 msf in Q3, a record high in a quarter. Supply surged by nearly 3x on an annual basis in the quarter with developers expediting projects to meet healthy demand. The prime submarket of Outer Ring Road (ORR) recorded completions of 5.7 msf, a record high, taking the submarket's stock above 100 msf. Vacancy rose to 10.6% in the quarter due to the surge in supply.

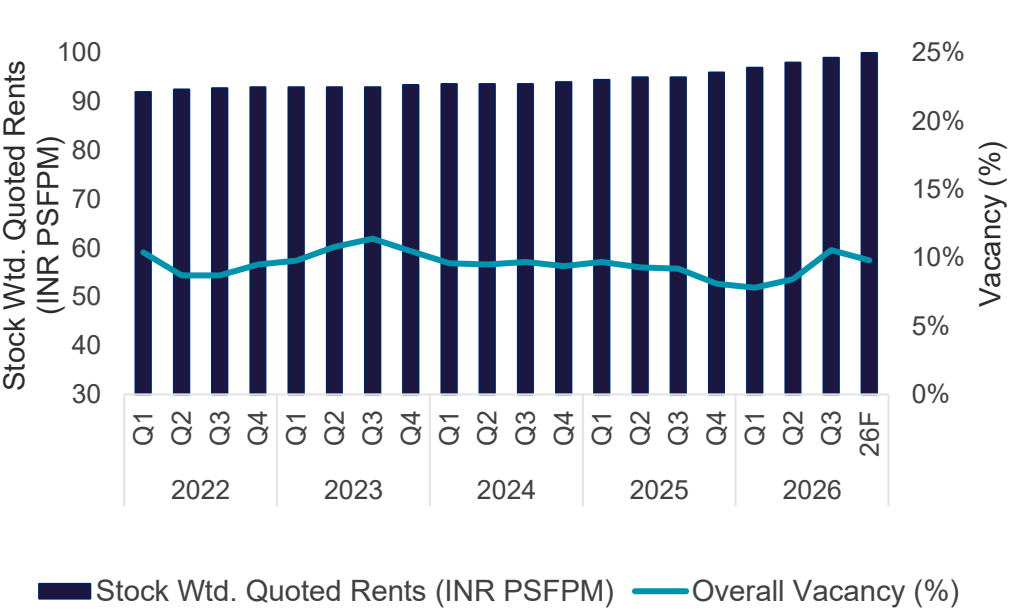
RENTALS CONTINUED TO RECORD GROWTH

Headline city-wide office rentals increased 4-5% on an annual basis in Q3. Despite expected higher supply in the upcoming quarters, rentals are likely to witness growth on the back of continued healthy demand, especially across prime submarkets.

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/Off CBD	8,611,906	2.9%	0	31,000	121,500	81,000	1,912,377	₹ 163.0
Outer Ring Road	102,874,490	7.4%	3,123,000	6,246,378	8,255,614	9,608,000	11,529,174	₹ 108.0
Peripheral East	48,765,848	13.9%	212,911	2,205,364	3,573,995	4,133,856	11,150,415	₹ 76.0
Peripheral North	18,875,898	25.5%	673,000	1,138,000	1,322,336	2,500,000	3,736,007	₹ 77.0
Peripheral South	12,982,885	6.8%	0	347,102	643,502	0	5,738,518	₹ 70.0
Suburban East	24,096,477	2.3%	0	226,185	755,180	0	1,000,000	₹ 138.0
Suburban North West	3,895,000	41.3%	20,000	273,260	272,435	127,000	0	₹ 125.0
Suburban South	11,709,337	17.2%	0	490,000	607,089	1,760,000	1,065,000	₹ 92.0
BENGALURU TOTALS	231,811,841	10.6%	4,028,911	10,957,289	15,551,651	18,209,856	36,131,491	₹99.0

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:
CBD/Off-CBD – M.G. Road, Millers Road, Vittal Mallya Road, Residency Road, etc.; Peripheral South – Electronic City, Hosur Road, Mysore Road; Outer Ring Road – Sarjapur, KR Puram, Hebbal; Suburban East – Indira Nagar, Old Airport Road, C.V. Raman Nagar; Peripheral East – Whitefield; Suburban South – Koramangala, Bannerghatta Road, Jayanagar; Peripheral North – Bellary Road, Thanisandra Road, Tumkur Road; Suburban Northwest – Rajaji Nagar, Malleshwaram.

US\$ 1 = 95.5 INR € 1 = 110.1 INR
Numbers for the third quarter are based on market information collected until 25th September 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 Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Prestige JRC Signature Towers	Outer Ring Road	HSBC	1,200,000	Pre-commitment
Bagmane Solarium Building 14	Peripheral East	Infineon	630,000	Pre-commitment
Capitaland Garden City	Peripheral Nouth	TVS Motors	320,000	Fresh Lease
Karle Hub 5	Outer Ring Road	Resource Pro	215,000	Fresh Lease

KEY CONSTRUCTION COMPLETIONS Q3 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Bhartiya Centre for Information Technology Block 4	Peripheral North	FM Global	1,200,000	Bhartiya Group

SWARNAVA ADHIKARY
Assistant Vice President
Tel: +91 80 40465555
swarnava.adhikary@cushwake.com

SUVISHESH VALSAN
Senior Director, Research
Tel: +91 22 6771555
suvishesh.valsan@cushwake.com

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