

QUARTERLY REPORT

India Office | Q4 CY'24

Executive Summary

CY'24 witnessed records being broken in India's office leasing market. At 81.7 msf, India witnessed its highest ever leasing in a calendar year, surpassing its previous best by 19% in CY'23. In an unusual year which witnessed the national elections, GDP growth rates slowing down and an increasing rate of inflation, it was the overall business sentiment and a strong demand for flexible workspace models which powered India's office leasing to record levels. Bengaluru, Hyderabad, and Mumbai led the market, collectively accounting for 62% of the demand and recording a 20% Y-o-Y growth. Except Bengaluru & Hyderabad, each of the top 6 cities, witnessed their all-time high of office leasing demand in CY'24.

Despite new office completions, totaling to 53 msf, dipping by 19% in CY'24 as compared to CY'23, India crossed the milestone of 900 msf of Grade A office stock in CY'24. Bengaluru and Hyderabad, the largest supply contributors, added 55% to this supply as compared to 51% in CY'23. The average demand-to-supply ratio of 1.5x in CY'24 led to a drop in vacancy rates across Delhi NCR, MMR, and Chennai, reducing the Pan-India vacancy rate to 15.7% in CY'24, as compared to 17.7% in CY'23.

The co-working / flex segment contributed 13 msf to office leasing demand in CY'24, as compared to an average of 10 over last 3 years, an increase of 30%. Demand from co-working operators grew 25% Y-o-Y, with Delhi NCR doubling and Bengaluru rising by 1.4 times in CY'24 as compared to CY'23. The IT/ITeS sector dominated leasing activity in CY'24, accounting for 42% of total demand, as compared to 28% in CY'23.

Large transactions (above 100,000 sqft) made up 41% of total office demand in CY'24, registering a 13% Y-o-Y increase vs CY'23, with Bengaluru and Pune witnessing notable growth in this segment.

Pan-India office rental rates reached ₹106 per square foot, reflecting an 13% Y-o-Y growth, primarily driven by a high demand-supply ratio, with Hyderabad, Pune, and Mumbai playing key roles in this surge.

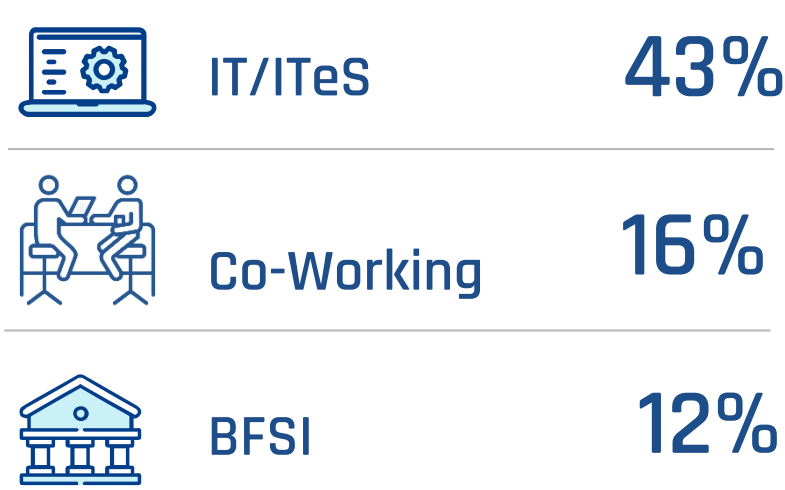
Pan India

Grade A Fundamentals

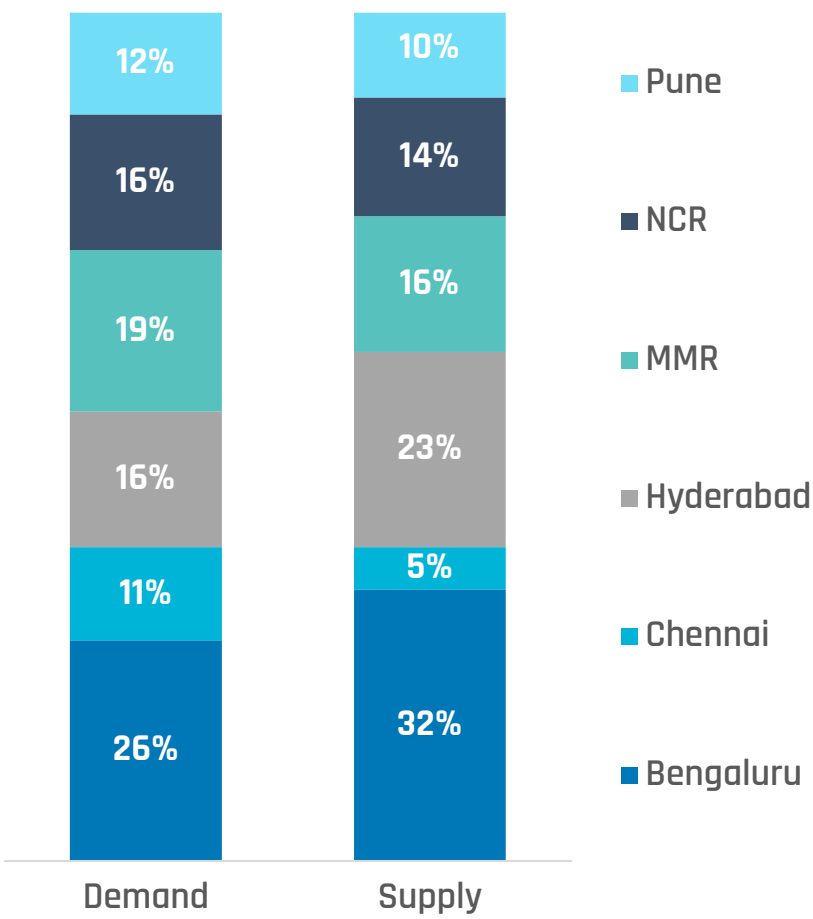
CY'24 Demand (msf)	81.7
CY'24 Supply (msf)	53.3
Current Grade A Stock (msf)	901.0
Vacancy	15.7%
Under-Construction (msf)	295.7*

*till CY'27

Office Demand Contributors in Q4 CY'24



Q4 CY'24 City Snapshot



City-wise Highlights

MMR & Bengaluru

Contributed

45% To CY'24 Demand

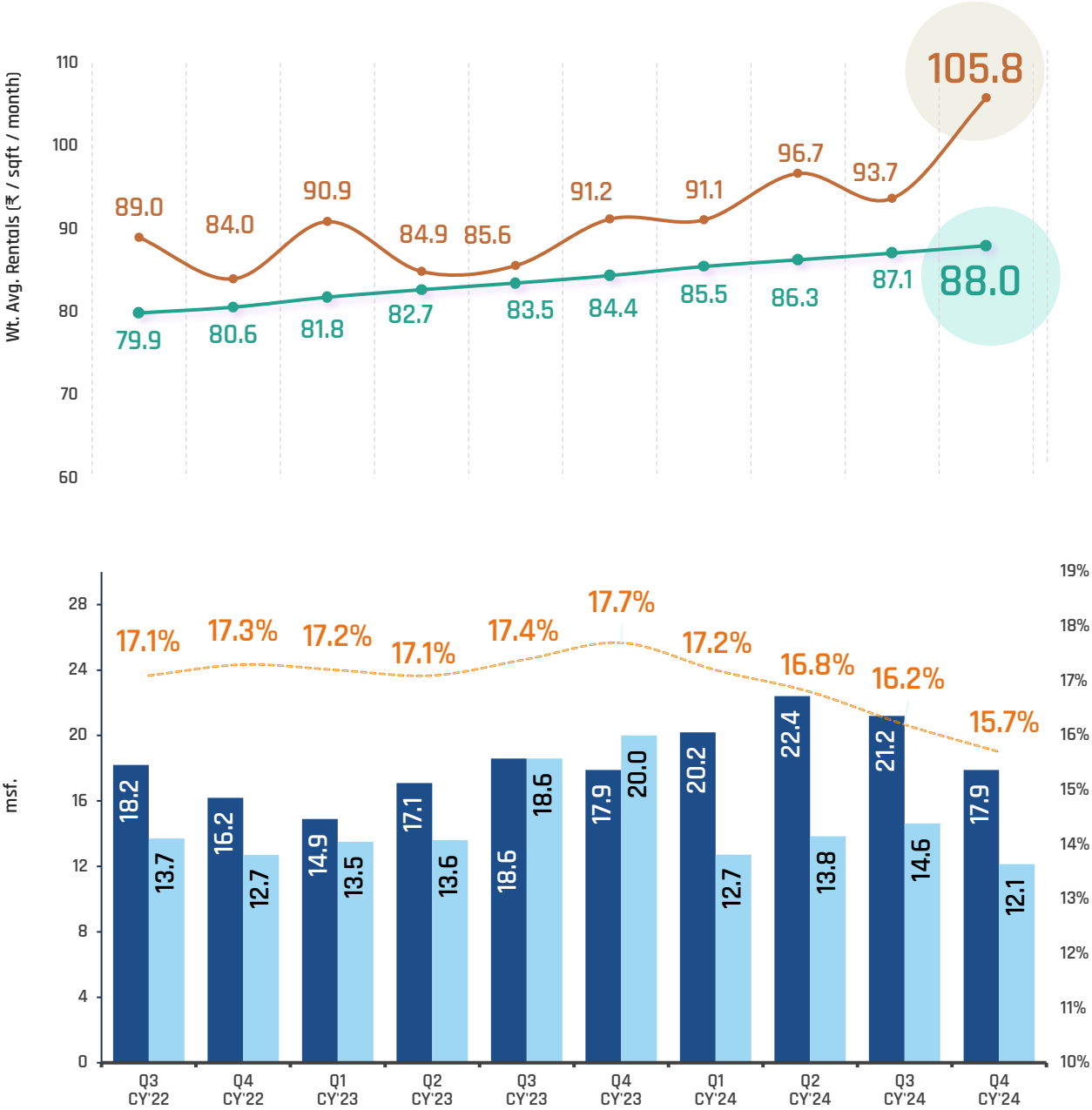
Bengaluru & Hyderabad

Contributed

55% To CY'24 Supply

Market Trends

Demand Supply Vacancy Passing Rent* Market Rent*



Note

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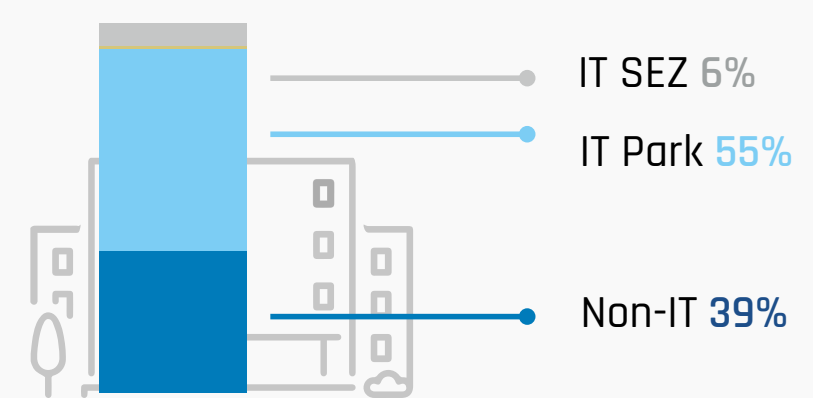
Bengaluru

Grade A Fundamentals

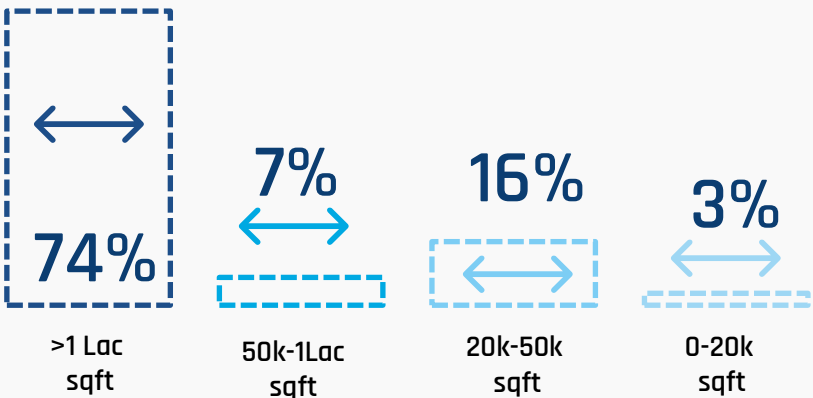
CY'24 Demand (msf)	21.5
CY'24 Supply (msf)	16.9
Current Grade A Stock (msf)	242.3
Vacancy	10.0%
Under-Construction (msf)	87.1

*till CY'27

Upcoming Supply 2025:



Office Transaction Size



Major Office Transactions

24/7 Customer, Prestige Tech Platina
246,935 sqft | ₹138 psf

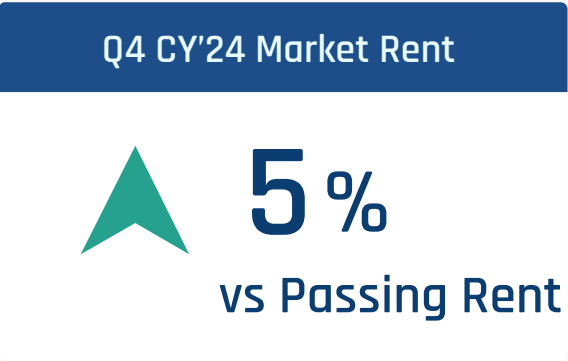
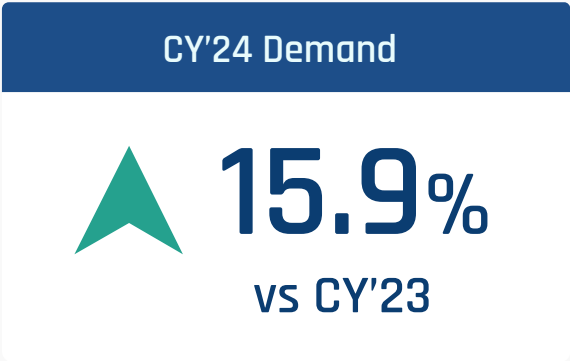
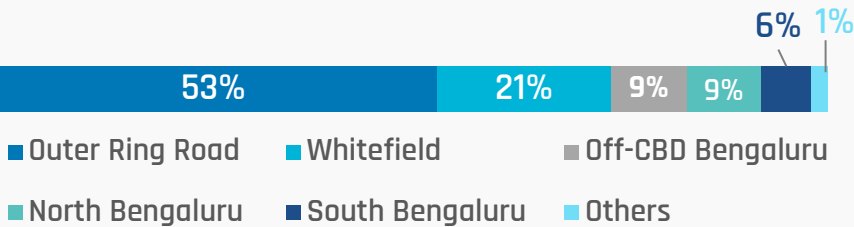
Walmart, Prestige Tech Pacific Park
203,408 sqft | ₹86 psf

Lam Research India, Bagmane Cosmos
120,800 sqft | ₹177 psf

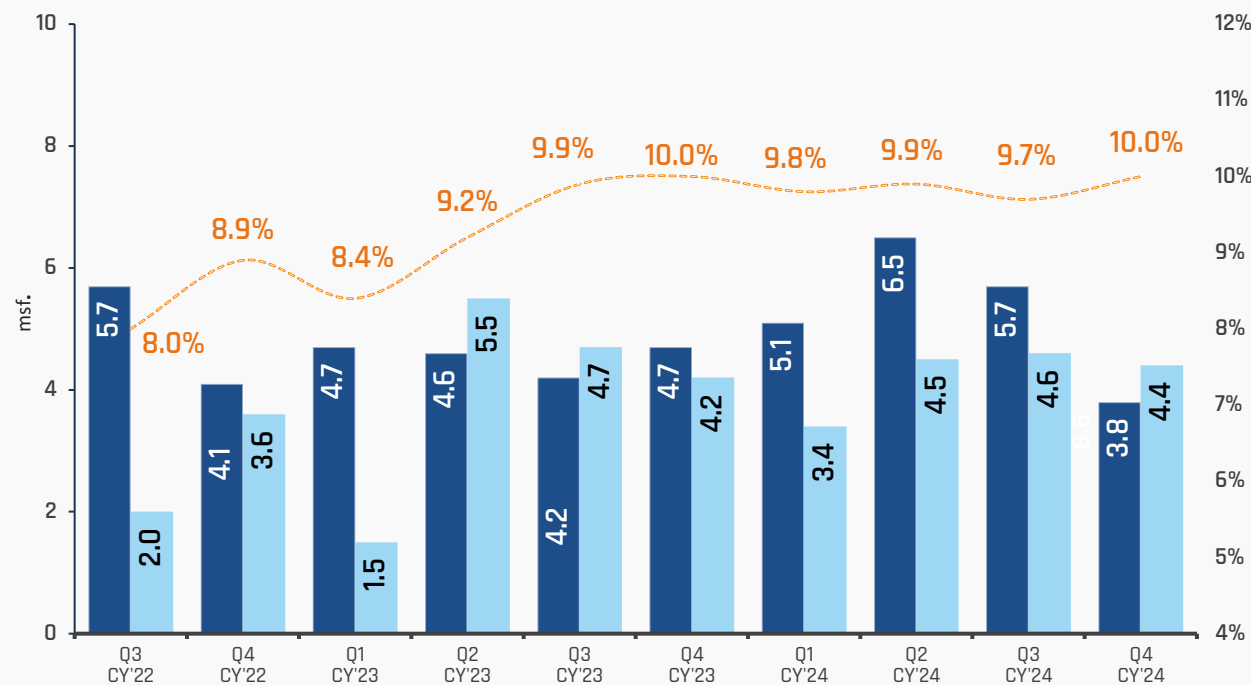
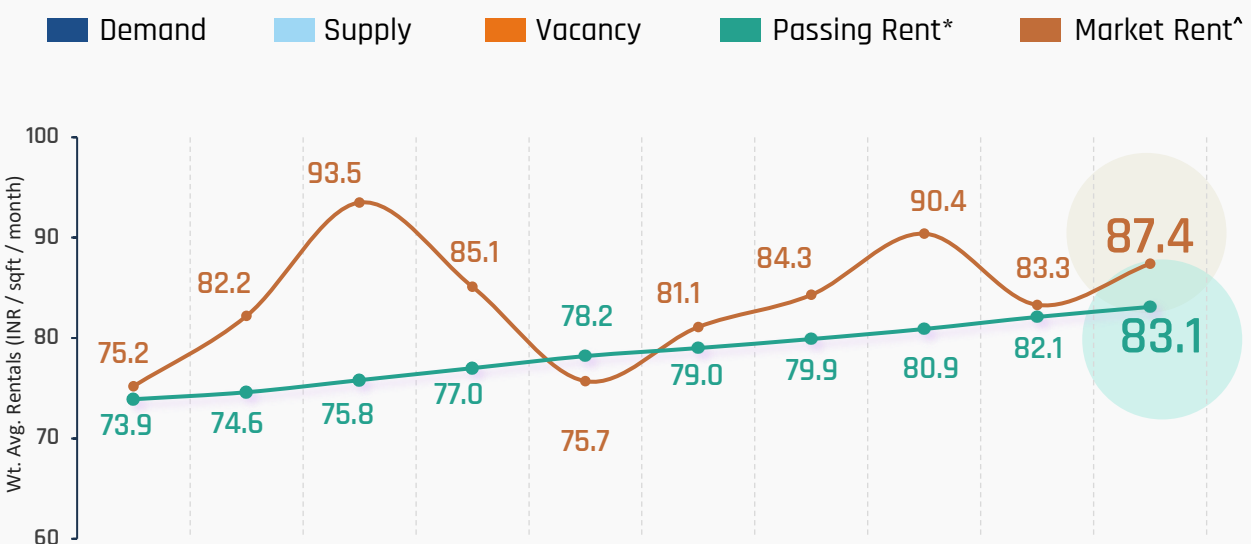
Palo Alto Networks, Bagmane Cosmos
101,500 sqft | ₹192 psf

Expansion

Top Markets by Demand

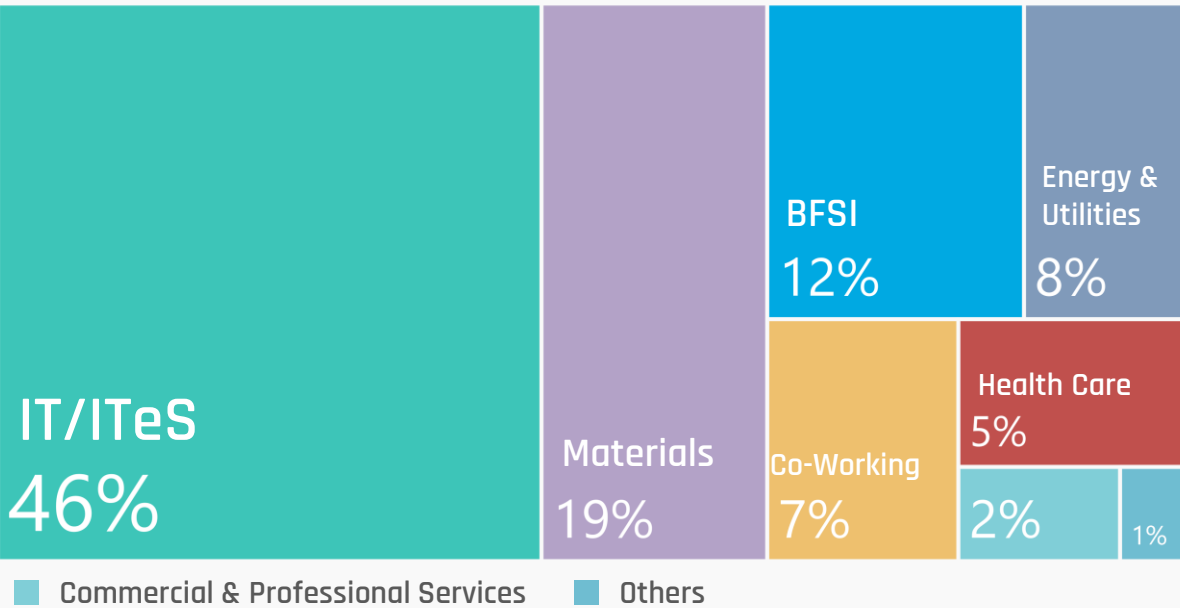


Market Trends



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Demand by Sector

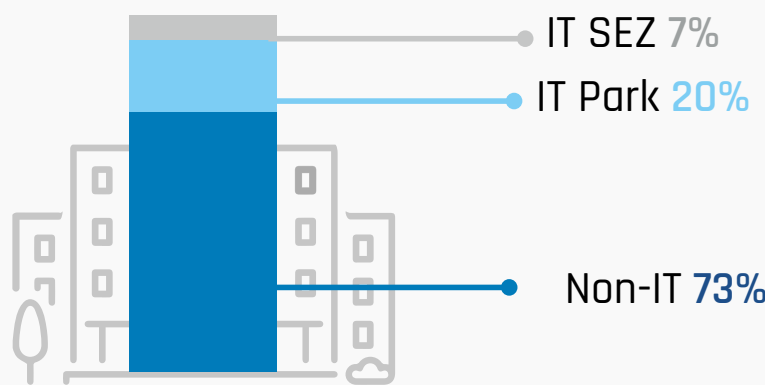


Grade A Fundamentals

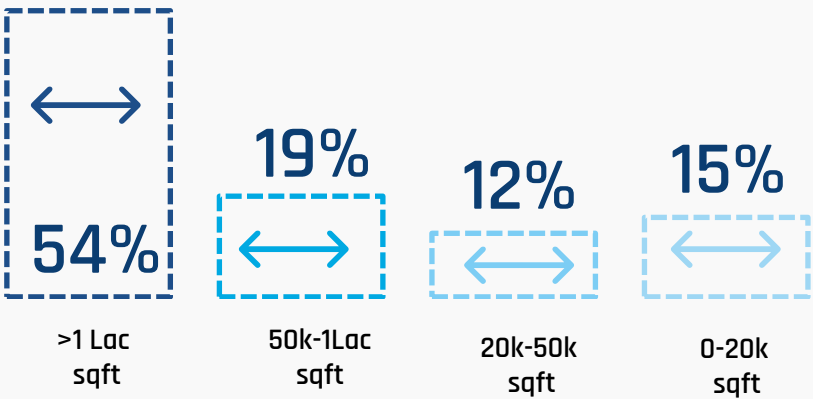
CY'24 Demand (msf)	13.3
CY'24 Supply (msf)	7.5
Current Grade A Stock (msf)	180.3
Vacancy	20.8%
Under-Construction (msf)	63.7

*till CY'27

Upcoming Supply 2025:



Office Transaction Size



Major Office Transactions

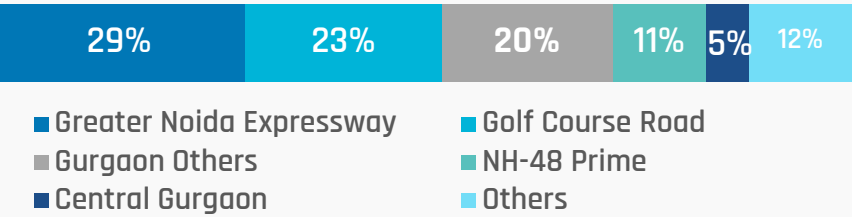
Smartworks,
DLF Building (Block - 1, Zone 6)
475,304 sqft | ₹166 psf

Workshala Spaces,
Galaxy Business Park
441,119 sqft | ₹46 psf

Energy Efficiency Services,
Ikon Tower
71,964 sqft | ₹139 psf

Louis Dreyfus Company,
ITPG International Tech Park
68,979 sqft | ₹71 psf

Top Markets by Demand



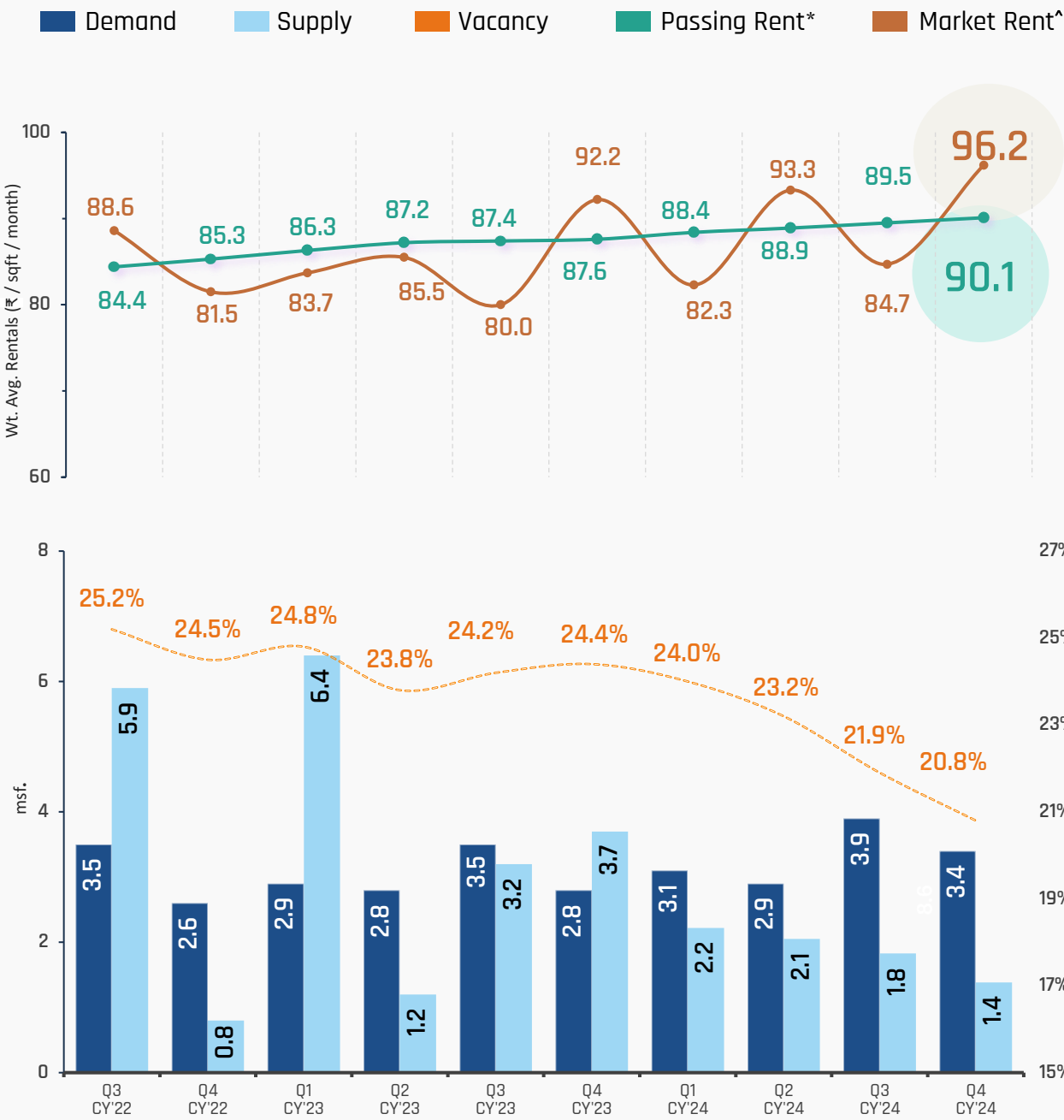
Demand to Supply Ratio

1.8x
CY'24

Vacancy drops by

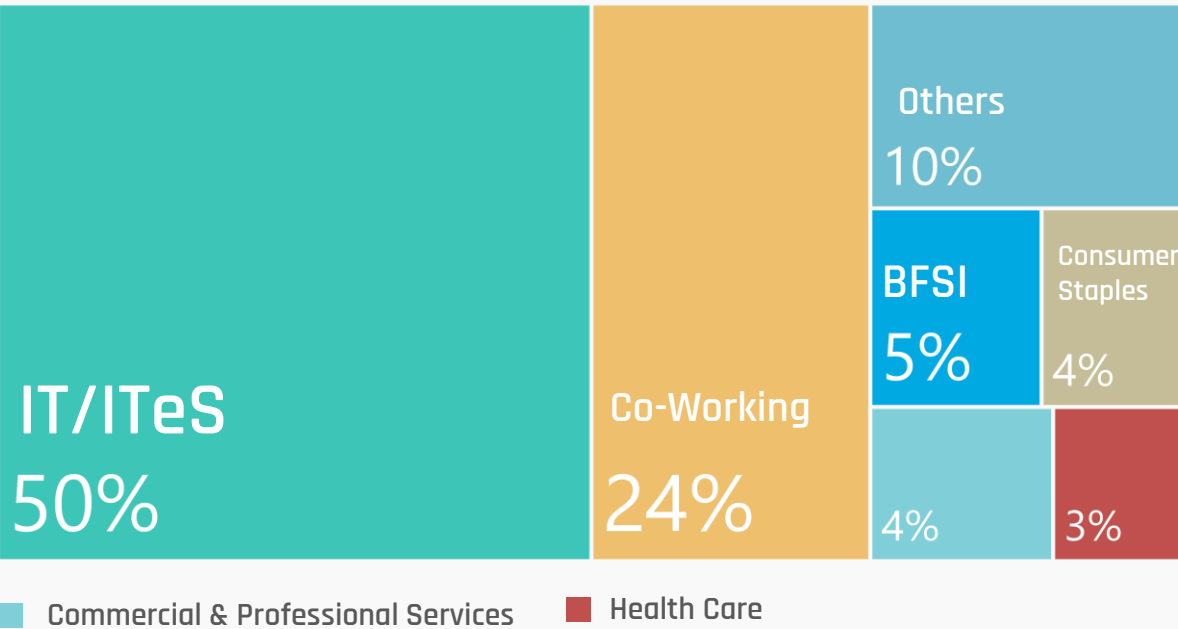
4.6%
Vs CY'23

Market Trends



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Demand by Sector

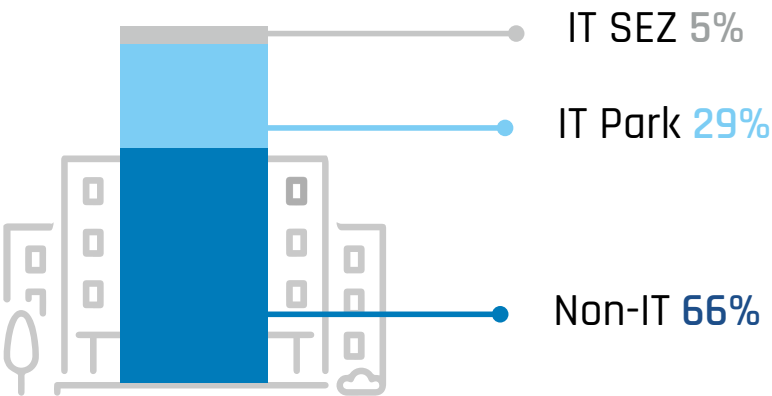


Grade A Fundamentals

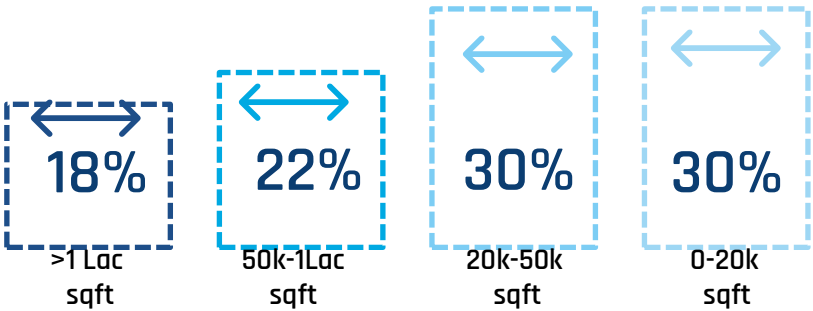
CY'24 Demand (msf)	15.7
CY'24 Supply (msf)	8.7
Current Grade A Stock (msf)	155.6
Vacancy	15.0%
Under-Construction (msf)	44.5

*till CY'27

Upcoming Supply 2025:



Office Transaction Size



Major Office Transactions

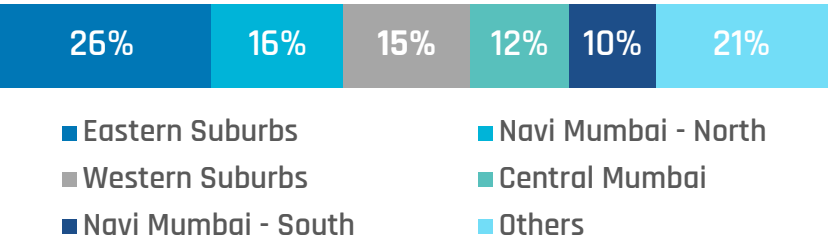
Awfis, Inspire BKC
164,664 sqft | ₹300 psf

Bank of America, Cignus Westin
158,460 sqft | ₹129 psf

ICICI Bank, Arihant Aura
153,732 sqft | ₹48 psf

Deloitte, Commerz III
134,748 sqft | ₹155 psf

Top Markets by Demand



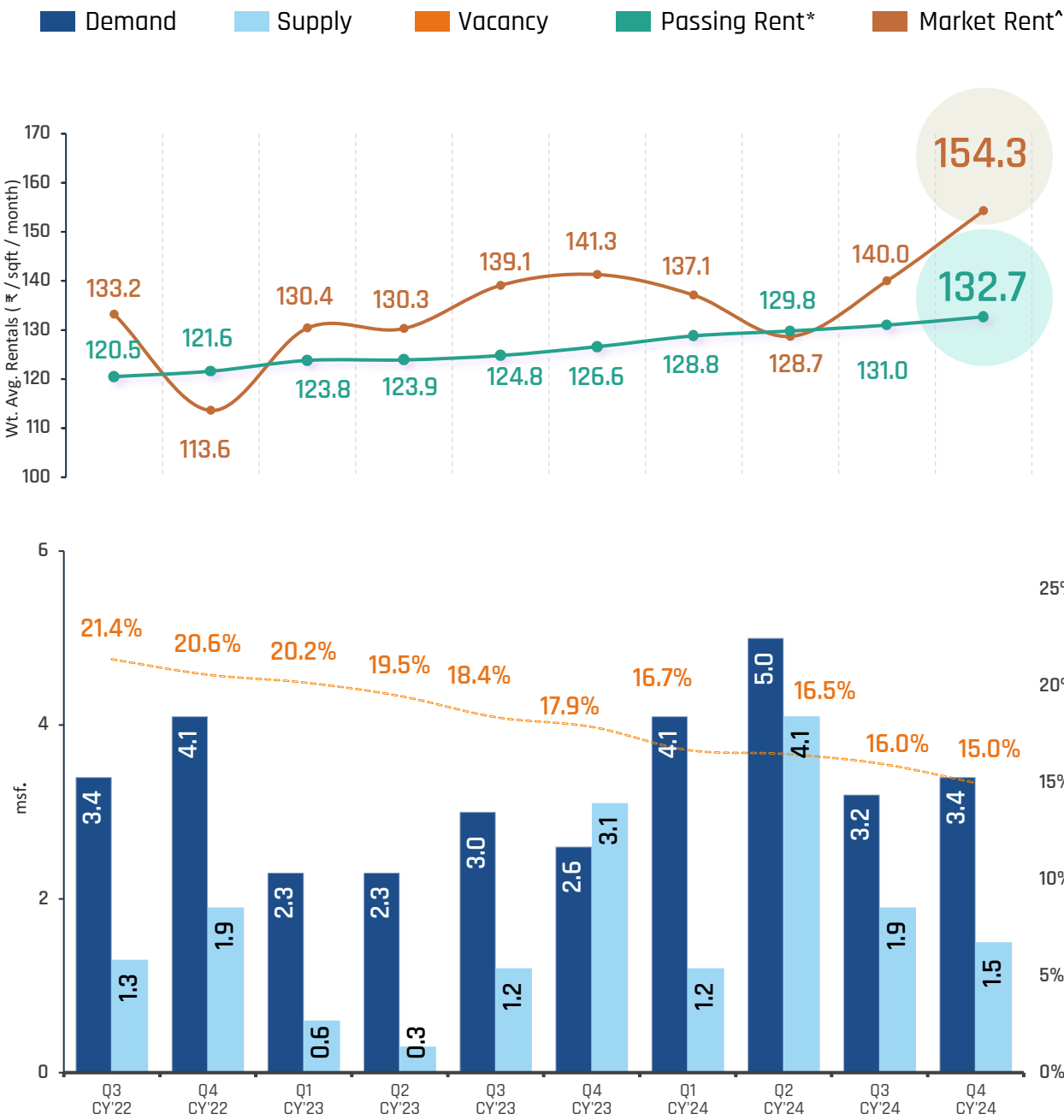
CY'24 Supply

Demand to Supply Ratio

54%
vs CY'23

1.8x
CY'24

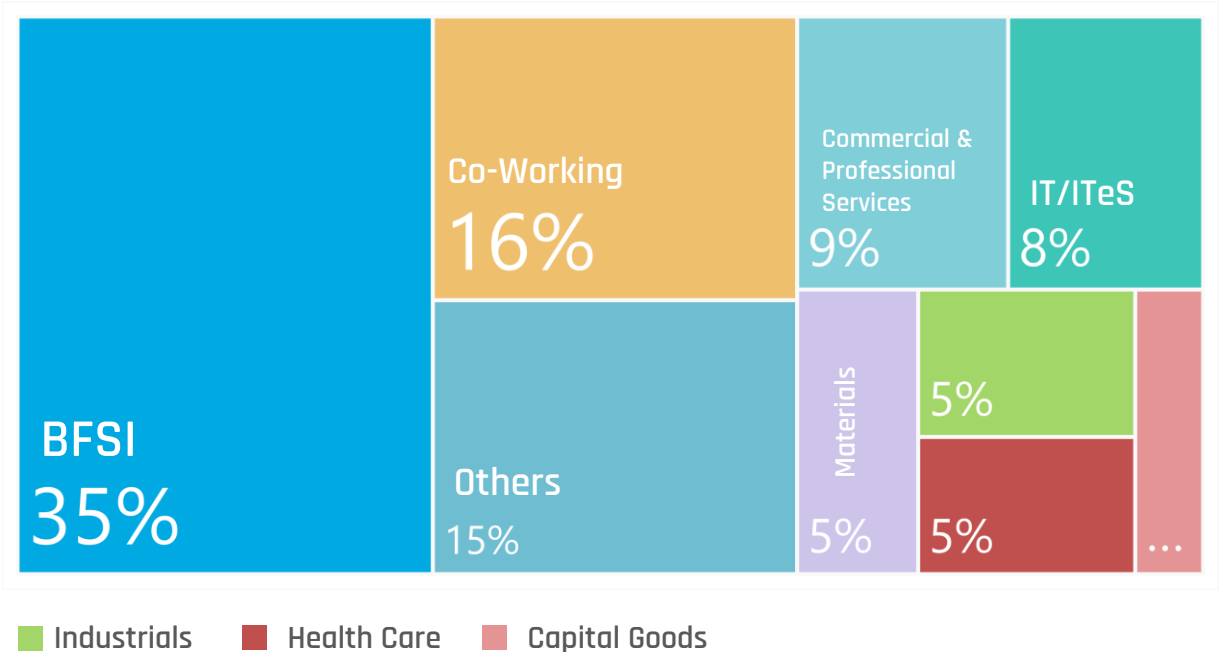
Market Trends



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Demand by Sector



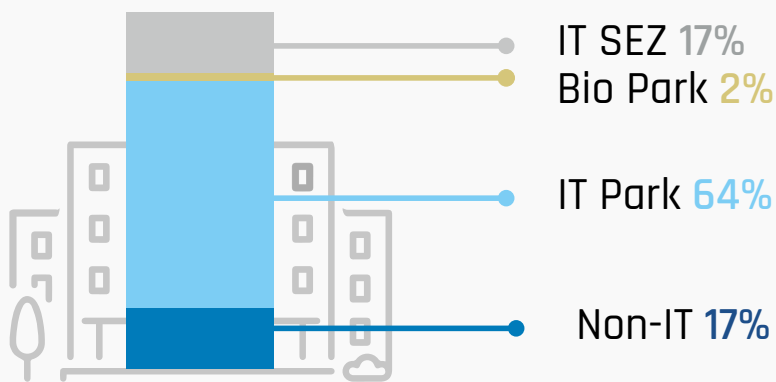
Hyderabad

Grade A Fundamentals

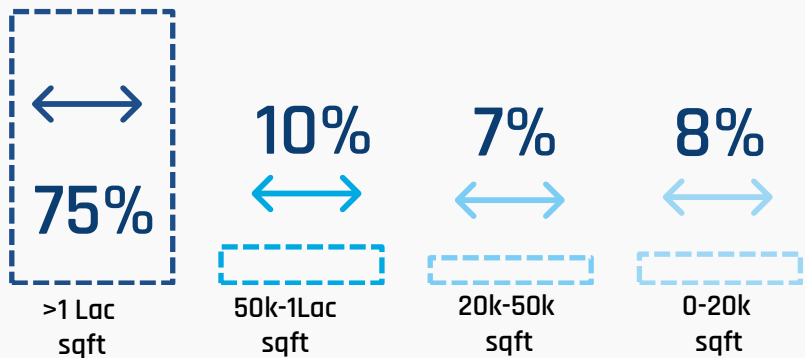
CY'24 Demand (msf)	12.9
CY'24 Supply (msf)	12.4
Current Grade A Stock (msf)	152.4
Vacancy	23.2%
Under-Construction (msf)	57.2

*till CY'27

Upcoming Supply 2025:



Office Transaction Size



Major Office Transactions

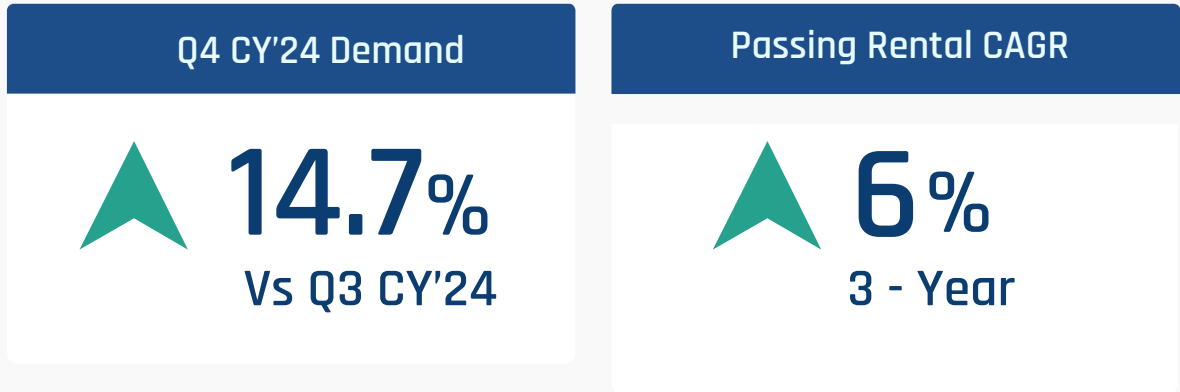
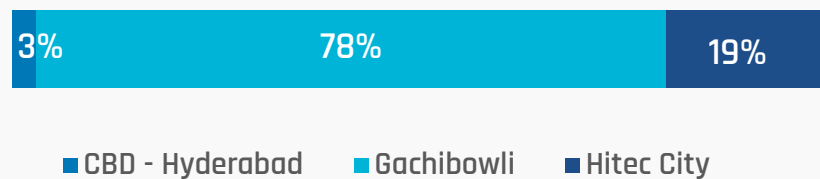
Google, Elegans Emperia
550,617 sqft | ₹154 psf

HCA Global Services,
Salarpuria Knowledge Park
429,048 sqft | ₹75 psf

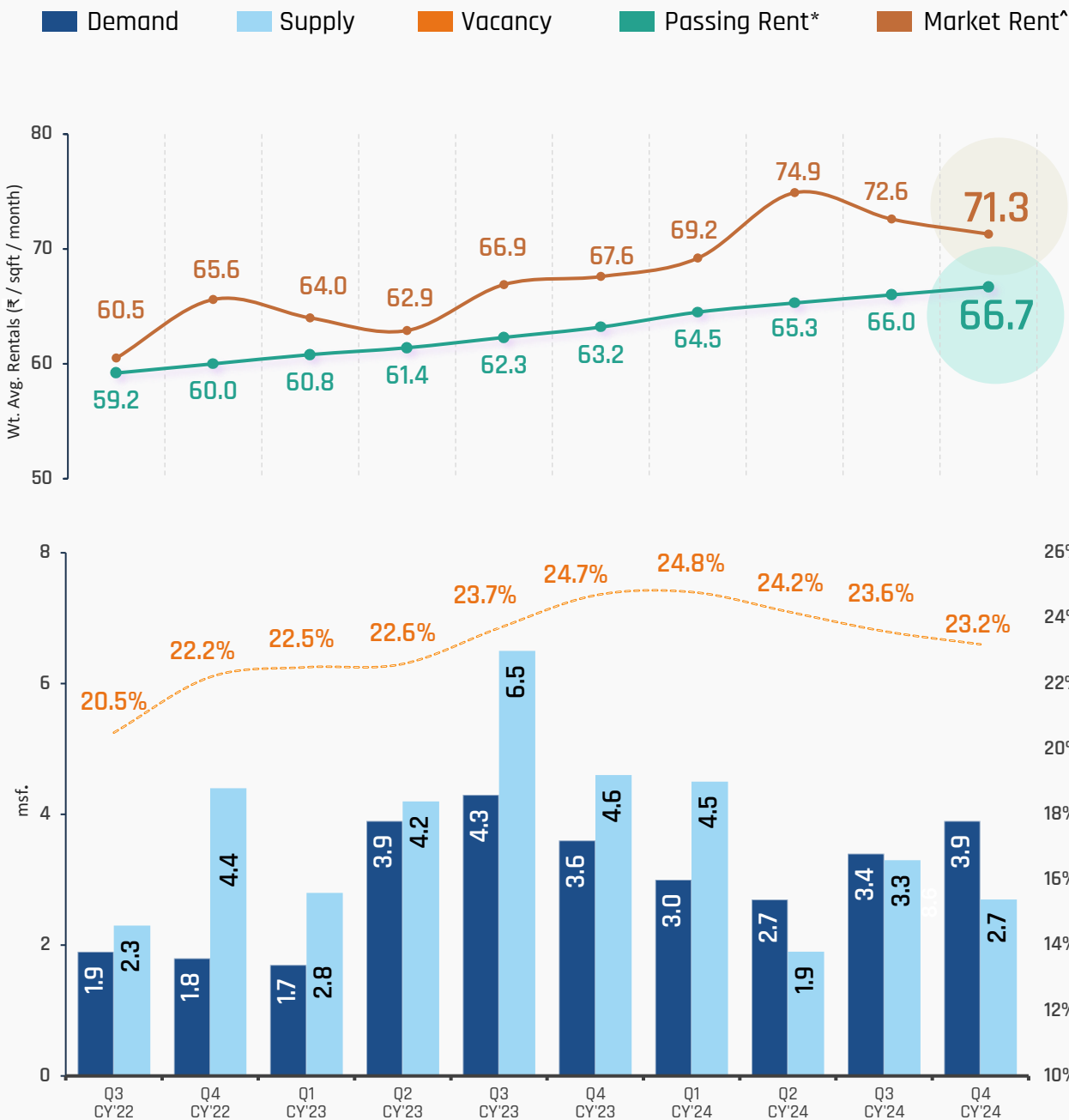
Micron Technology Operations,
Phoenix Aquila
199,602 sqft | ₹62 psf

Metlife Services East, Prestige Skytech
155,254 sqft | ₹49 psf

Top Markets by Demand

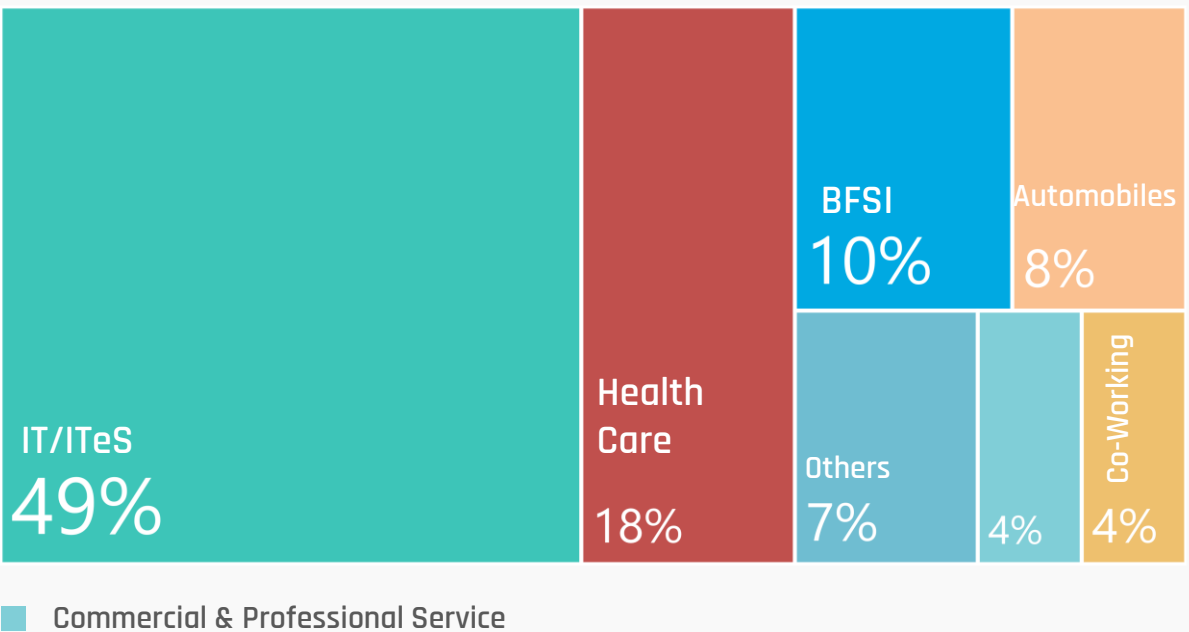


Market Trends



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Demand by Sector

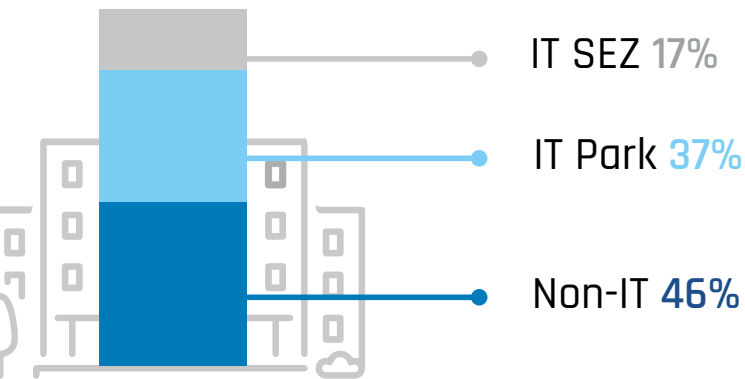


Grade A Fundamentals

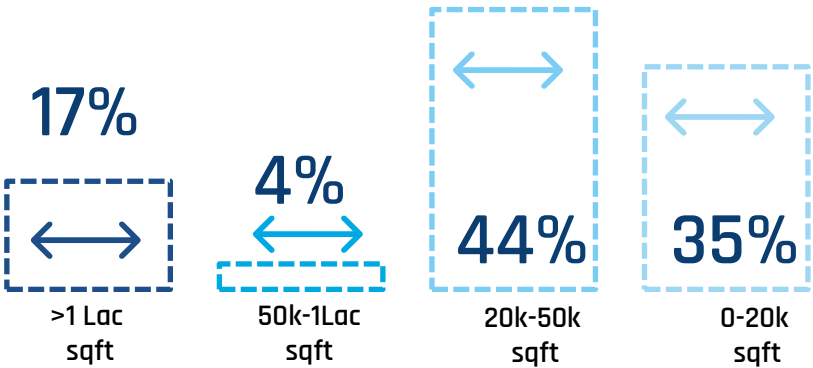
CY'24 Demand (msf)	9.6
CY'24 Supply (msf)	5.4
Current Grade A Stock (msf)	90.0
Vacancy	12.1%
Under-Construction (msf)	26.4

*till CY'27

Upcoming Supply 2025:



Office Transaction Size



Major Office Transactions

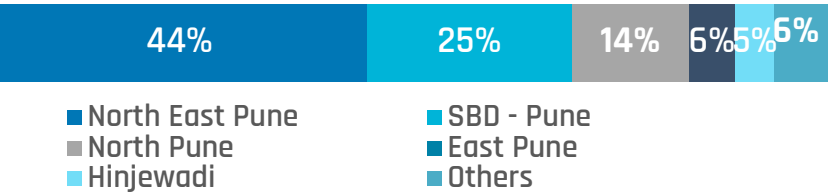
Red Brick, Panchshil Avenue
261,832 sqft | ₹93 psf

BP Business Soultions,
Commerzone (Yerwada)
128,994 sqft | ₹110 psf

Bajaj Finserv Asset Management,
Sky One Corporate Park
44,985 sqft | ₹95 psf

Bajaj Allianz, Orville Business Port
41,983 sqft | ₹103 psf

Top Markets by Demand



CY'24 Demand

Landlord's Market: Market Rent

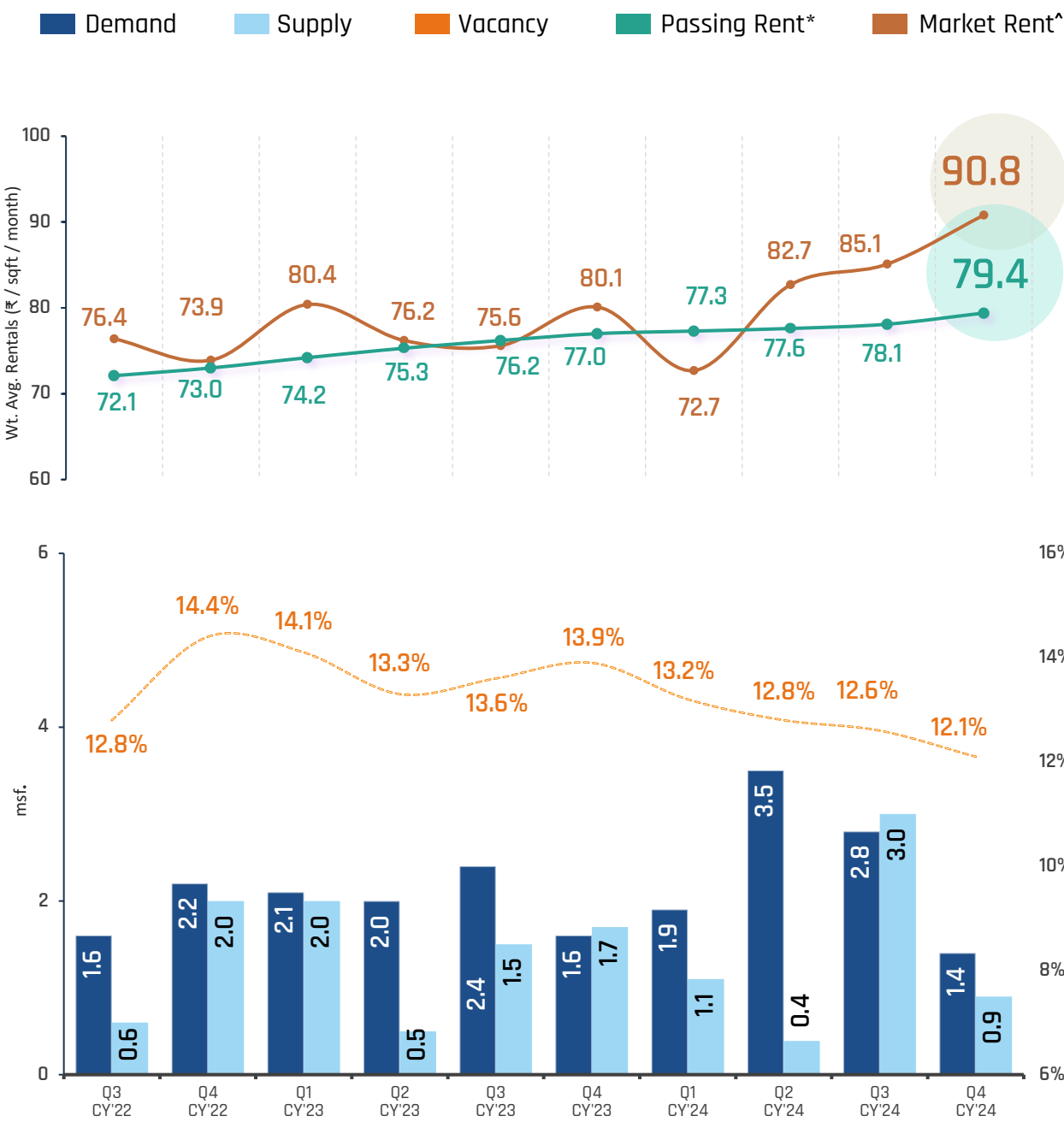


18.5%
CY'23



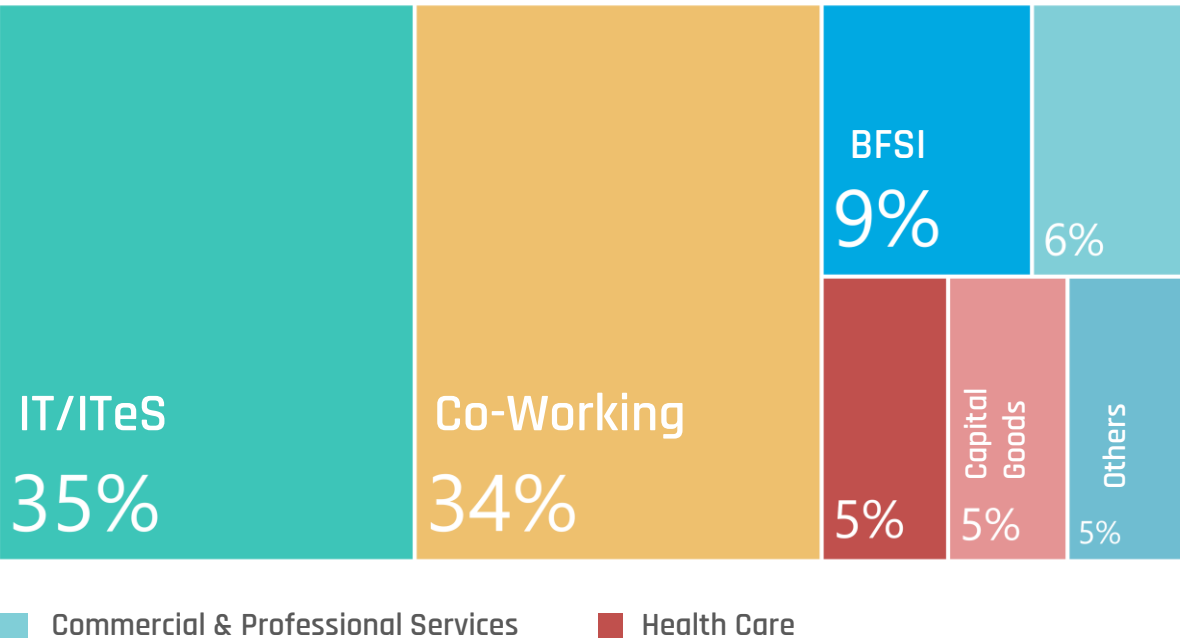
14%
vs Passing Rent

Market Trends



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Demand by Sector

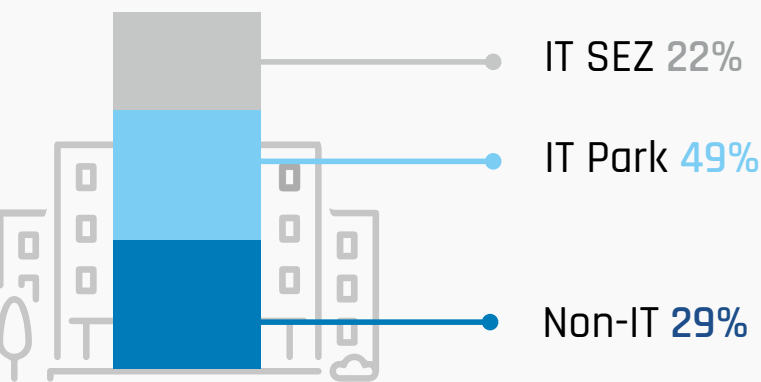


Grade A Fundamentals

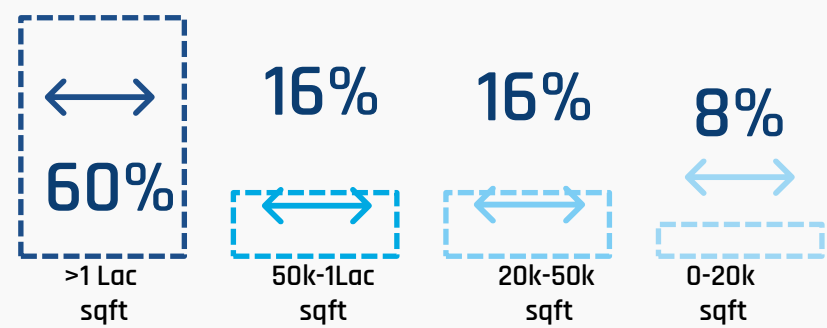
CY'24 Demand (msf)	9.1
CY'24 Supply (msf)	2.5
Current Grade A Stock (msf)	80.4
Vacancy	12.6%
Under-Construction (msf)	16.7

*till CY'27

Upcoming Supply 2025:



Office Transaction Size

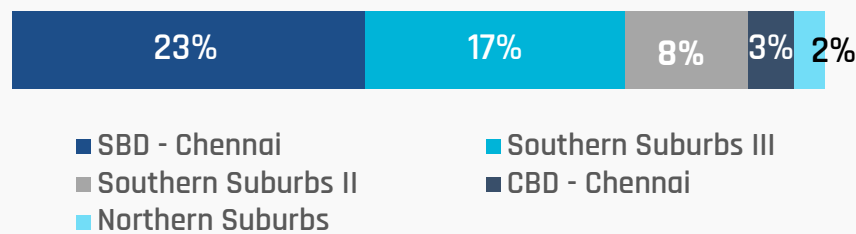


Major Office Transactions

- Citi, DLF IT Park
3,01,698 sqft | ₹77 psf
- Barclays, DLF IT Park
134,241 sqft | ₹75 psf
- Caterpillar India, World Trade Centre
1,23,915 sqft | ₹85 psf
- Datamark BPO Services, Karuna Conquest
45,873 sqft | ₹43 psf

Expansion

Top Markets by Demand



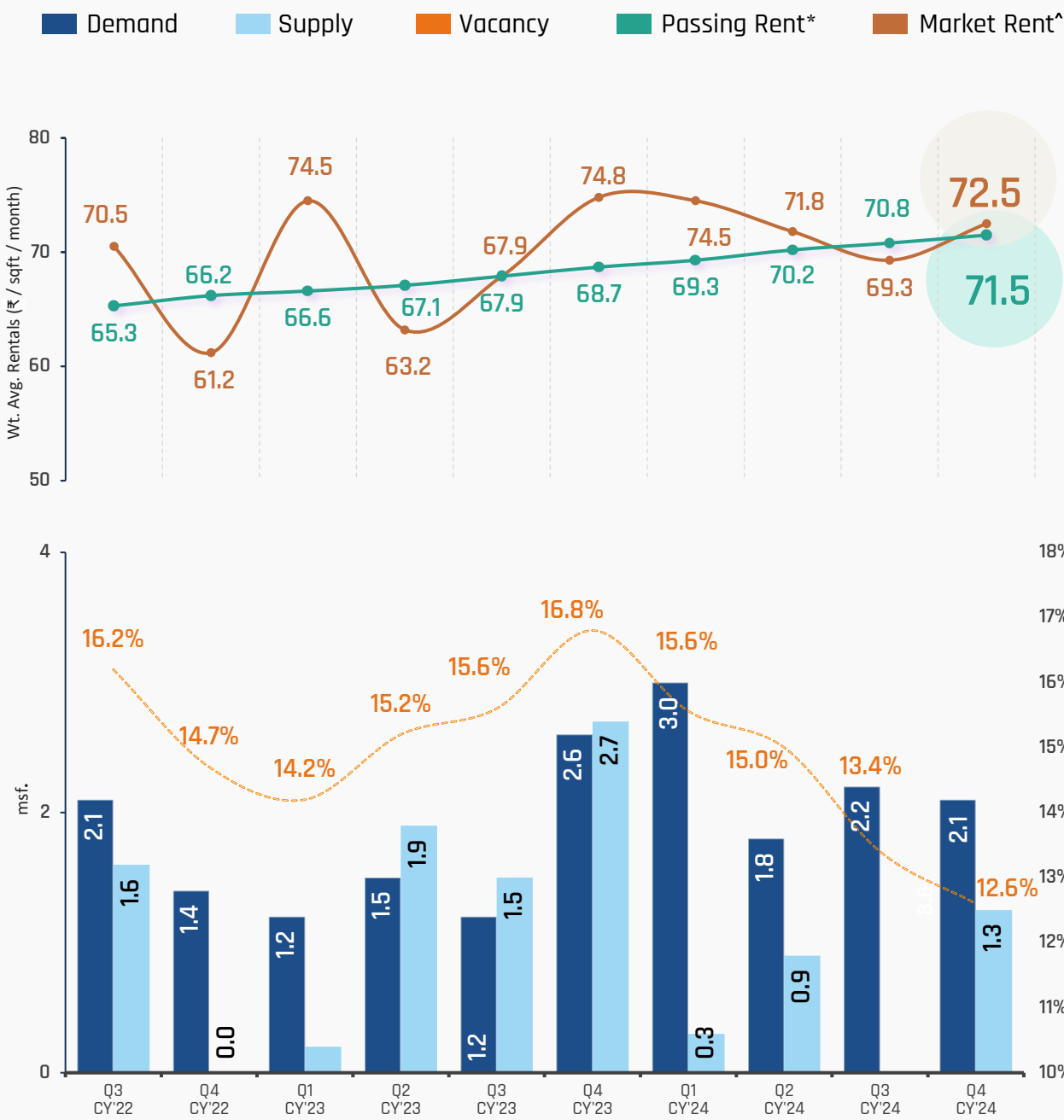
Demand to Supply Ratio

3.8x
CY'24

Vacancy drops by

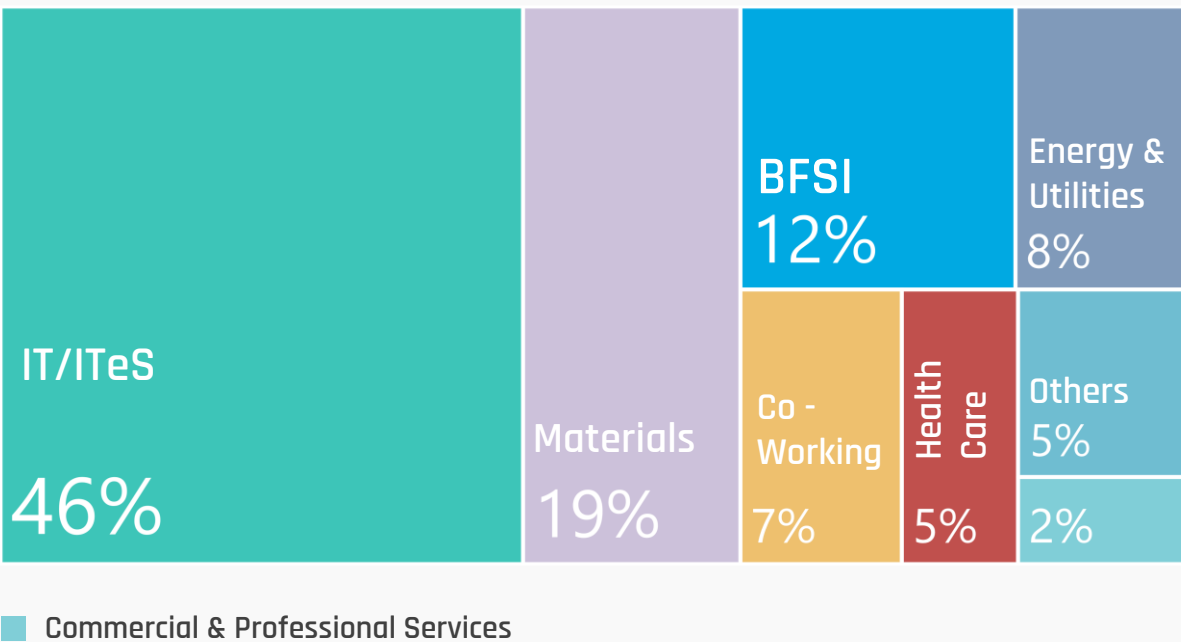
4%
vs Q4 CY'23

Market Trends



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Demand by Sector





Manoj Gaur
Chairman



Boman Irani
President



Shekhar G Patel
President-Elect



Mr. G Ram Reddy
Secretary



Deepak Goradia
Vice President (West)



Anand Singhania
Vice President (Central)



Nandu Belani
Vice President (East)



Sunil Furde
Vice President (Special)



Swaminathan Sridharan
Vice President (South)



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IndexTap

IndexTap, a product by CRE Matrix, is India's largest and most authentic platform that provides comparable transactions data across residential, commercial and loan transactions. IndexTap deploys sophisticated algorithms to empower brokers, buyers and sellers.

CRE Lease Matrix

CRE Lease Matrix is a cloud-based Lease Management and Asset Management platform developed by CRE Matrix after experience of abstracting more than 2 Lakh leases in the commercial real estate space. The product offers Lease abstraction solutions, Inventory Management, Document Management & Invoicing for management of your commercial real estate portfolio or leases. Users can track Critical dates, create Revenue-Expense reports, configure Alerts on renewals, notices, escalations etc.

FloorTap

FloorTap is India's first and only CRE marketplace platform that uses authentic data to empower brokers, tenants and landlords to close faster and better deals. FloorTap's technology, built on terra-bytes of authentic transactions, allows seamless collaboration, powerful automation, and efficient decision-making that are designed to empower all stakeholders.



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