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Bengaluru Leads India Office Stock, recorded at 229 mn sq ft; Forms 23% of India's total stock: Knight Frank India

- **70% of space is Grade A, highest in the country**

Bengaluru, August 04, 2025: Knight Frank India, in its landmark report **A Billion Sq Ft and Counting – India Office Supply Growth Story**, has reaffirmed **Bengaluru's position as the country's largest and most advanced office market**. Bengaluru leads India's office market with a total stock of 229 million square feet (mn sq ft) as of H1 2025. Approximately 70% of this is Grade A space, underscoring the city's status as the dominant hub for high-quality commercial real estate. The market has grown at a CAGR of 8.4% over the past 20 years.

Driven by a thriving technology ecosystem, abundant talent pool, and consistent infrastructure investments, Bengaluru continues to serve as India's **Silicon Valley** and a global hub for innovation, offshoring, and enterprise operations.

PBDs Drive Scale, While SBDs Offer Strategic Growth Zones

Bengaluru's office market reflects a **strong peripheral orientation**, with **52% of its stock located in Peripheral Business Districts (PBDs)** such as **Whitefield, Electronic City, Yelahanka, and Tumkur Road**. These areas have evolved into high-capacity, tech-centric corridors featuring campus-style business parks that host major IT firms and Global Capability Centres (GCCs).

SBDs including **Koramangala, Marathahalli ORR, Hebbal, and Indiranagar** account for **39%** of the city's stock, offering an optimal balance between connectivity, talent access, and infrastructure. **CBDs**, such as **MG Road, Lavelle Road, and Residency Road**, comprise just **9%**, reflecting the city's transition from core-centric to corridor-led office development.

Highest Share of Grade A Inventory in India

Bengaluru stands out as the **most future-ready market in India**, with **70% of its total office stock classified as Grade A** – the highest among all Indian cities. This is a direct result of consistent occupier demand for high-quality, tech-integrated campuses and proactive planning by developers catering to global standards.

Grade B accounts for 25%, while just 5% of Bengaluru's stock is classified as Grade C, underlining the city's relatively **young, institutional, and premium real estate footprint**.

Key Milestones in India's Office Stock Evolution

Period	Phase	Key Drivers	Stock Growth (mn sq ft)	% Change
1990–2000	Tech Boom Foundation	Economic liberalization, early IT services growth, emergence of tech parks, limited supply mainly in CBDs, rise of Indian software exports	Grew to 192	–
2000–2008	IT/ITES Expansion Era	Offshoring boom, rise of IT/ITES occupiers, large integrated campuses, suburban corridor expansion (e.g., Whitefield, Hinjewadi, Cyberabad)	192 → 278 (+86)	45%
2008–2010	Great Recession Impact	Global financial crisis, demand contraction, rental corrections, consolidation of occupier footprints	278 → 355 (+77)	28%
2010–2014	Recovery and Consolidation	Demand recovery, infrastructure investments (metros, roads), growth of BFSI/consulting demand, entry of global funds	355 → 544 (+188)	53%
2015–2019	Policy Reforms Era	Launch of REIT framework, India's first REIT (Embassy), implementation of RERA & GST, infra push, entry of coworking office players	575 → 756 (+181)	31%
2020–2023	COVID Era, Recovery and proliferation of flex space	Pandemic-led disruption, hybrid work adoption, resilience of REITs, rise in enterprise adoption of flex and managed offices, technology integration	791 → 922 (+131)	17%
2024–Present	Rise of GCCs and AI	Rapid GCC expansion is accelerating demand for AI-integrated, tech-enabled workplaces. Flex space is becoming mainstream, ESG mandates are shaping asset choices, and design is increasingly centred on wellness, productivity, and innovation.	973 → 993 (+20)	2%

Source: Knight Frank Research

Rahil Gibran, Executive Director - Occupier Strategy and Solutions and Industrial & Logistics (Bangalore), Knight Frank India, said: “Bengaluru stands as India’s largest and most mature office market, distinguished by its sophisticated tenant mix, high-quality assets, and readiness for the future. With a strong base of Global Capability Centres and technology firms, the city continues to draw sustained investor and occupier interest. Its 70% share of Grade A stock reflects its evolution, while the robust PBD footprint offers ample room for scalable growth.”

Bengaluru remains the **preferred destination for GCCs, IT/ITeS firms, startups, and R&D operations**. The presence of large integrated campuses across PBDs allows for scale, while flex space operators continue to thrive in both CBD and SBD zones, catering to evolving hybrid workplace needs.

As one of the earliest adopters of **managed workspaces, wellness-focused campuses, and ESG-compliant buildings**, the city is witnessing a wave of **retrofitting and repositioning** in older office parks, particularly in ORR and Whitefield, to align with tenant expectations and sustainability norms.

With ongoing metro expansions (e.g., Blue and Pink Lines), airport connectivity, and arterial road upgrades across Outer Ring Road (ORR), Bellary Road, and Sarjapur Road, **Bengaluru’s infrastructure development is well-aligned with its commercial expansion**.

The **flight to quality, rising demand for hybrid-ready spaces, and continued momentum in tech hiring** are expected to keep vacancy levels tight and support healthy rental appreciation in Grade A assets.

As India's office stock aims for its next billion sq ft, **Bengaluru is poised to remain at the forefront**, offering unmatched depth, talent, and infrastructure resilience for global and domestic occupiers alike.

Market Level Zone-wise Rentals (INR/sq ft)

	Ahmedabad	Bengaluru	Chennai	Hyderabad	Kolkata	MMR	NCR-Delhi	NCR-Gurugram	NCR-Noida	Pune
CBD	40-51	130-220	70-95	55-65	70-105	190-277	220-390	120-192	80-110	82-143
SBD	47-55	100-180	75-105	70-95	55-95	98-427	90-230	85-140	50-65	64-128
PBD	55-60	60-95	38-70	30-65	27-65	54-99	NA	40-45	30-35	48-110

Source: Knight Frank Research

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