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## India office market days away from becoming world’s fourth largest office market; Set to cross 1 bn sq ft of office stock: Knight Frank India

- Bengaluru, NCR, and Mumbai collectively make up for nearly 60% of this stock
- Grade A office accounts for 53% of overall office stock
- Office Stock valued at INR 16 Tn (USD 187 Bn)

**Mumbai, 4 August 2025** – Knight Frank’s exclusive report- **A Billion sq ft and Counting– India Office Supply Growth Story**, states that the country’s total office stock is set to cross the landmark 1 billion square feet (bn sq ft) in office supply by Q3 2025, a major landmark in office real estate market bringing India’s stock a few steps closer to that of other global gateway markets. . From under 200 mn sq ft in 2005 to nearly 1 bn sq ft in 2025, office supply has grown at a CAGR of 8.6% in the last 20 years. The expansion underscores India’s emergence as one of the fastest-growing and most future-ready office markets globally.

According to the report, the cumulative office stock across the top 8 Indian cities<sup>1</sup> stood at 993 million sq ft (mn sq ft) as of H1 2025. Bengaluru leads with 229 mn sq ft (23%), followed by NCR with 199 mn sq ft (20%) and Mumbai at 169 mn sq ft (17%). India’s office stock has grown at a CAGR of 8.6% over CY2005–2025. Bengaluru, NCR, and MMR have led this expansion, collectively accounting for 60% of the total stock. Close behind, Hyderabad, Pune, and Chennai contribute another 33%, while Ahmedabad and Kolkata make up the remaining 7% of India’s office stock.

### India Office Market Snapshot: Stock, Growth Rate, and Value Analysis

Region	Stock* (mn sq ft)	% Share	CAGR# (%)	Value of the Stock	
				(INR/bn)	USD (bn)
Bengaluru	229	23%	8.4%	3,745	49
NCR	199	20%	7.4%	3,543	44
MMR	169	17%	8.0%	4,249	41
Hyderabad	123	12%	9.2%	1,358	16
Pune	106	11%	8.9%	1,404	16
Chennai	92	10%	7.6%	1,140	13
Ahmedabad	41	4%	11.3%	328	4
Kolkata	34	3%	3.2%	303	4
<b>India</b>	<b>993</b>		<b>8.6%</b>	<b>16,070</b>	<b>187</b>

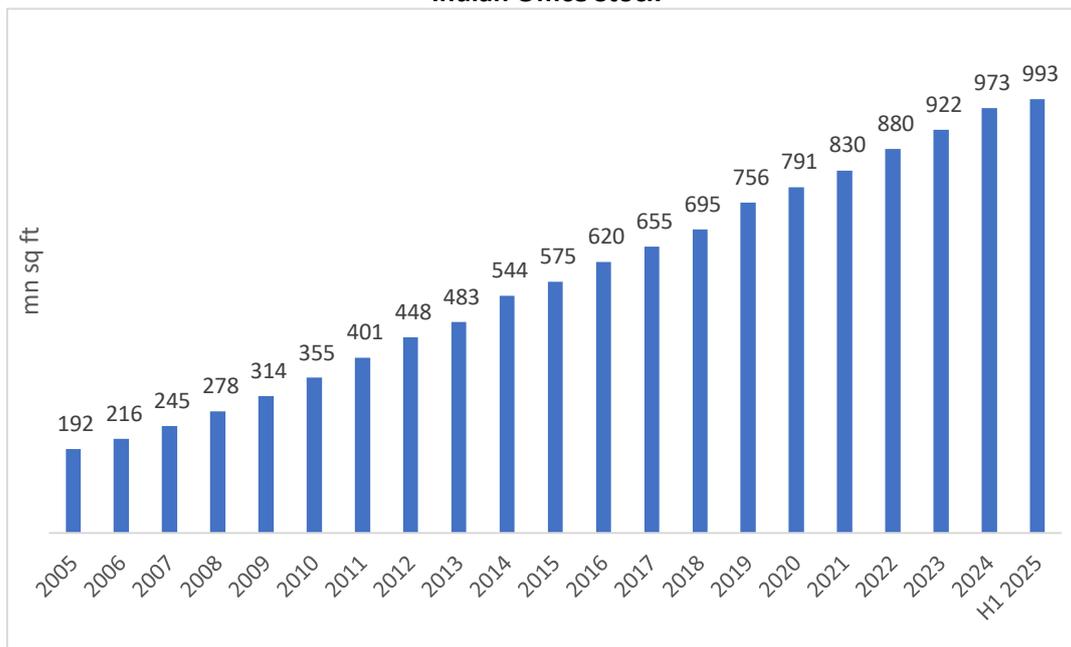
*Source: Knight Frank Research*

\*As of 30 June 2025

# CAGR for Bengaluru, NCR, MMR, Hyderabad, Chennai and Pune is over for a 20-year time frame whereas for Kolkata and Ahmedabad is it over a 11 year and 9-year timeframe

<sup>1</sup> Mumbai, NCR, Bengaluru, Hyderabad, Chennai, Pune, Ahmedabad and Kolkata

### Indian Office Stock



Source: Knight Frank Research

### Evolution of India's Office Market

India's office demand has transformed dramatically from 1990 to 2025, evolving from a tech-industry support base into a global hub for capability centres, rising in the value chain. Spanning seven distinct phases, this journey reflects resilience, innovation, and policy-led reform. Milestones like the SEZ policy, regulatory improvements, and infrastructure investments have enabled the market to reach the 1 billion sq ft mark—underscoring scale, quality, and institutional depth.

However, to bridge India's office growth gap requires policy and capital interventions to address supply constraints, or risk rental inflation, occupier shifts, and missed investment opportunities amid rising demand.

### Global Office Stock

Region	In bn sq ft
<b>APAC</b>	
Japan	1.77
Hong Kong	0.14
China	6.26
Singapore	0.09
Australia	0.16
India	0.99
<b>Europe</b>	
UK	0.31
France	0.31
Germany	0.48
<b>Americas</b>	
USA	10.2
New York	0.78

Source: Knight Frank Research, CoStar, CRESA

**Shishir Bajjal, Chairman and Managing Director, Knight Frank India, said,** “As we prepare to cross the 1 billion sq ft threshold, it’s not just a number, it reflects the growing institutionalisation, maturity, and global relevance of India’s office market. This transformation has been powered by an ecosystem of world-class developers, investors, and occupiers who have continually raised the bar in creating dynamic, sustainable workspaces. It also reinforces India’s positioning as a global economic powerhouse, offering a compelling value proposition for multinational businesses and institutional capital.”

## India’s Sub-Dollar advantage

A defining competitive edge of India’s office market lies in its remarkable cost efficiency, especially when benchmarked in dollar terms. India’s office market offers a unique cost advantage, with average rents declining to USD 0.96/sq ft/month in 2025, reinforcing its sub-dollar status globally. This affordability, paired with rising Grade A supply, has accelerated the growth of GCCs. As global occupiers seek cost-effective, high-quality, ESG-compliant workspaces, India’s value proposition continues to strengthen its strategic role in corporate real estate portfolios.

**Viral Desai, Senior Executive Director- Occupier Strategy & Solutions, Industrial & Logistics, Capital Markets and Retail Agency, Knight Frank India, further added,** “India’s sub-dollar rental positioning is a powerful differentiator in the global office landscape. This milestone validates the country’s strategic evolution from volume-led expansion to value-driven growth. As occupiers increasingly prioritise ESG compliance, productivity, and flexibility, the spotlight is firmly on asset quality, location efficiency, and user-centric design. In this context, India’s ability to offer modern, tech-enabled, green-certified workspaces at sub-dollar rates presents a compelling proposition for global enterprises looking to optimise costs while enhancing workplace experience. This cost-quality dynamic will continue to fuel sustained occupier interest and reinforce India’s central role in global corporate real estate portfolios.”

## India’s Office Stock: National Overview

**Commenting on the occasion, Gulam Zia, Senior Executive Director- Research, Advisory, Infrastructure, and Valuation, said,** “India’s office market is at a defining moment. Poised to cross the 1 billion sq ft threshold in 2025 with 0.99 billion sq ft already achieved India has become the world’s fourth-largest office market. This milestone speaks to the sheer scale of our commercial real estate, but more importantly, it underscores the sector’s resilience, institutional strength, and unwavering growth trajectory. Crossing this mark in 2025 highlights India’s ascent as one of the fastest-growing, most future-ready office markets globally a testament to our emergence as a true global office powerhouse.”

## Grade-wise Composition of Office Buildings

India’s office market showcases a varied grade mix, with Grade A spaces being 53% of total supply, followed by Grade B at 43% and Grade C at 4%. Cities like Bengaluru, Hyderabad, and Chennai lead in Grade A stock due to strong IT and GCC demand. Legacy markets like Mumbai and NCR show a more equitable grade mix, reflecting slower transitions. Kolkata has the highest share of Grade C properties at 11%, highlighting asset upgrade needs. This distribution underscores the growing importance of asset repositioning and redevelopment in shaping the sector’s next growth phase.

### Distribution of Grade A, Grade B and Grade C office Stock in H1 2025

Region	A	B	C
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Ahmedabad	19%	75%	6%
Bengaluru	70%	25%	5%
Chennai	64%	33%	3%
Hyderabad	68%	30%	1%
Kolkata	53%	37%	11%
MMR	40%	51%	10%
NCR	43%	55%	2%
Pune	50%	49%	1%
<b>Total</b>	<b>53%</b>	<b>43%</b>	<b>4%</b>

Source: Knight Frank Research

## India's Office Sector Not Just Growing, But Evolving

India's office market is evolving from sheer expansion to value-driven growth, marked by sustainable design, smart infrastructure, and tech integration. As the country strives to become a USD 10 tn economy by 2030, demand for modern, future-ready spaces will surge. Backed by a young digital workforce, low-dollar rents, and rising institutional interest, India is poised for inclusive, globally relevant growth.

Looking ahead, the growth runway remains significant. With current office stock nearing 1 bn sq ft, India is poised to add its next billion square feet by 2036–2041, depending on the pace of expansion. These projections are not merely assumption-based; they are anchored in India's expected nominal GDP growth, historical absorption trends, and increased institutionalisation of the office sector. At a 12.7% CAGR, supported by strong economic momentum and formalisation, the milestone could arrive by 2036. Even under a more measured 10.9% CAGR, aligned with realistic GDP-linked demand projections, India would still cross the 2 bn sq ft mark by 2041. The report highlights how India's office market has scaled both in volume and quality. It attributes this success to long-term economic fundamentals, favourable demographics, digital transformation, and a sustained focus on developing high-quality, sustainable workspaces.

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### About Knight Frank

*Knight Frank LLP is a leading independent, global property consultancy. Headquartered in London, Knight Frank has 20,000+ people operating from over 600+ offices across more than 50 territories. The Group advises clients ranging from individual owners and buyers to major developers, investors, and corporate tenants. For further information about the Company, please visit [www.knightfrank.com](http://www.knightfrank.com)*

*Knight Frank India is headquartered in Mumbai and has more than 1,900 experts across Bangalore, Delhi, Pune, Hyderabad, Chennai, Kolkata and Ahmedabad. Backed by strong research and analytics, our experts offer a comprehensive range of real estate services across advisory, valuation and consulting, transactions (residential, commercial, retail, hospitality, land, and capitals), facilities management and project management. For more information, visit [www.knightfrank.co.in](http://www.knightfrank.co.in)*

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