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NCR Emerges India's Second Largest Office Market with 199 Mn Sq Ft; CBD Dominates with 44% share: Knight Frank India

- **CBD share, highest among Indian cities**
- **Gurugram and Noida drive SBD and PBD expansion**

New Delhi, August 04, 2025: Knight Frank India, in its flagship study **A Billion Sq Ft and Counting – India Office Supply Growth Story**, has highlighted **NCR** as one of the **most diversified and strategically balanced office markets in India**. With a total office stock of **199 million square feet (mn sq ft)** as of H1 2025, NCR ranks second nationally, contributing **20%** to India's overall commercial real estate footprint. With a **7.4% CAGR** since 2005, the region's growth has been underpinned by consistent demand across sectors and ongoing infrastructure development.

CBD Dominance with Expanding Peripheral Appeal

Continued dominance of **CBDs**, which account for **44%** of its total office stock in **NCR**, the highest share across major metros in India. Key CBD micro-markets include **Connaught Place, Barakhamba Road (Delhi); DLF Cyber City, Golf Course Road (Gurugram); and Sector 16 (Noida)**.

SBDs, including Noida Expressway, Jasola, Aerocity, and Golf Course Extension Road, comprise 41%, while PBDs such as Manesar, Greater Noida, and Knowledge Parks contribute 15%

This spatial distribution offers **occupiers multiple formats across price bands**, supporting startups, GCCs, BFSI, consulting, and e-commerce firms.

Grade A Dominance in Key Hubs, Legacy B Stock in Others

NCR's commercial real estate market is split between modern, investment-grade assets and legacy office clusters. As of H1 2025, **43% of the total stock is classified as Grade A**, reflecting sustained investments in new-age campuses and greenfield developments. Another **55% falls under Grade B**, mostly in older Delhi submarkets and older towers in Gurugram and Noida.

With increasing emphasis on **ESG compliance, wellness features, and hybrid readiness**, NCR is seeing growing traction for **asset repositioning and retrofitting**, particularly in the CBD and SBD zones.

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 & 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

Anand Patil, National Director - Occupier Strategy and Solutions and Industrial & Logistics (NCR), Knight Frank India, said, “NCR offers a uniquely balanced and strategic real estate footprint, combining the prestige of its CBD locations, the scale and modernity of its secondary hubs, and the affordability of its emerging peripheries. From Gurugram’s premium office corridors to Noida’s institutional ecosystems and Delhi’s timeless appeal, NCR continues to be a magnet for both domestic and global occupiers. With ongoing infrastructure enhancements and progressive policy support, the region is well poised to shape the next wave of commercial real estate growth in India.”

The upcoming infrastructure projects, such as the **Noida International Airport, Dwarka Expressway, Rapid Rail Transit System (RRTS), and Delhi Metro extensions**, are expected to **catyalse leasing activity and developer interest in PBDs and emerging SBDs**.

Gurugram’s Golf Course Extension Road, Sohna Road, and Udyog Vihar have already emerged as high-demand corridors, offering large floor plates and integrated business parks. Meanwhile, **Noida’s Film City, Knowledge Park, and Expressway precincts** are gaining traction for their affordability, planned infrastructure, and large-scale SEZs.

With **India-facing businesses, GCCs, and flex operators** all deepening their footprint across NCR, the region is expected to maintain its **strategic advantage** in India’s office real estate growth journey. The

diverse tenant mix, strong transport backbone, and availability of space across micro-markets make NCR a future-ready region for large-scale leasing and long-term institutional investment.

As India's office stock approaches the next billion sq ft milestone, **NCR will continue to be a cornerstone market**, offering both stability and scale in a rapidly transforming workplace ecosystem.

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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For further information, please contact
Knight Frank press office:

Piyali Dasgupta

+91 9833571204

piyali.dasgupta@in.knightfrank.com

Tania Banerjee

+91 9819004431

tania.banerjee@in.knightfrank.com

Neha Mokal

+91 7021630296

neha.mokak@2020msl.com