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Bengaluru continues to lead GCC office transactions in India, Residential prices rise 9% on sustained demand: Knight Frank India

- Bengaluru records 14.1 mn sq ft of office transactions in H1 2026; highest amongst the eight Indian cities
- GCCs drive Bengaluru's office leasing activity in H1 2026
- Residential sales grow 5% YoY to 27,968 units, while launches rise 4% YoY
- Average residential prices rise 9% YoY to INR 9,354 per sq ft

Bengaluru, July 09, 2026: Knight Frank India in its latest report, **India Real Estate: Residential and Office (January - June 2026) H1 2026**, cited that Bengaluru continued to reinforce its position as India's premier destination for Global Capability Centers (GCCs), **recording 8.5 mn sq. ft.** of GCC-led office space leasing in H1 2026, the highest among all cities. GCCs accounted for 60% of the city's total office transactions, highlighting sustained confidence from multinational corporations in Bengaluru's deep talent ecosystem and mature office market. Large-format leasing by GCCs, coupled with rising demand for flexible workspaces and sustained rental appreciation across premium office corridors, reinforced Bengaluru's leadership in India's office market.

Overall office transactions in Bengaluru stood at **14.1 mn sq. ft.** during the first half of 2026. While this represented a 23% YoY moderation due to an exceptionally high base in H1 2025 driven by large pre-commitments, leasing activity excluding pre-commitments reached a historic high, underlining the city's resilient occupier demand. New office completions surged to 10.4 mn sq. ft., marking a significant increase as several delayed Grade A developments were completed. The healthy demand environment also supported rental growth across premium office locations, with average transacted rents **increasing 8% YoY to INR 102 per sq ft per month.**

On the residential front, Bengaluru maintained healthy growth momentum with **27,968 housing units sold** during H1 2026, registering a **5% YoY increase**, while new launches increased **4% to 34,749 units.** Although the market witnessed some moderation following the decadal high performance of 2025, demand remained resilient, supported by the city's expanding employment base, continued infrastructure investments and sustained demand for premium housing. Residential prices continued their upward trajectory, increasing **9% YoY** to an average of **INR 9,354 per sq ft**, reflecting healthy absorption and a continued shift towards higher-value homes.

Office Market Highlights of Bengaluru

Bengaluru's office market continued to be underpinned by high-quality demand from multinational occupiers, reaffirming the city's role as the country's premier destination for knowledge-led businesses. The completion of **10.4 mn sq. ft.** of Grade A office space during H1 2026, the highest level of new supply in recent years, expanded the city's office stock to **254 mn sq. ft.**, strengthening its capacity to accommodate the next wave of corporate expansion. Leasing activity remained increasingly concentrated in institutional-grade developments, with the **Outer Ring Road (ORR)** accounting for **52%** of total transactions and **PBD East** contributing **29%**, together representing more than **81%** of citywide leasing. This concentration reflects occupiers' continued preference for large-format office space offering modern infrastructure, scalability and access to Bengaluru's deep technology talent pool.

Parameter	H1 2026	H1 2026 Change (YoY)
Completions in mn sq ft	10.4	407%
Transactions in mn sq ft	14.1	-23%
Average transacted rent in INR/sqm/month (INR/sq ft/month)	102	8%

Note: 1. 1 square metre (sq m) = 10.764 square feet (sq ft), Source: Knight Frank Research

GCCs continue to drive Bengaluru's office market

The city's transformation into a GCC-led office market became even more pronounced during H1 2026. Global Capability Centres leased 8.5 mn sq. ft., accounting for 60% of all office transactions, up from 53% a year ago, reinforcing Bengaluru's position as the preferred destination for multinational enterprises establishing or expanding their global operations. Flexible workspace operators remained the second-largest occupier segment, contributing 20% of leasing activity, reflecting increasing enterprise adoption of agile workplace strategies. At the same time, premium office assets continued to command pricing power, with average transacted rents increasing 8% YoY to INR 102 per sq. ft. per month, led by sustained demand across the city's established business districts.

Beyond traditional technology occupiers, artificial intelligence (AI) is emerging as a key demand driver for Bengaluru's office market. Growing investments by AI-native companies, enterprise AI firms, semiconductor and deep-tech businesses, alongside the expansion of AI-focused teams within existing Global Capability Centres, are reinforcing the city's position as a global hub for innovation, engineering and R&D.

End-User Licensee/Buyer	GCC	Flex	India-Facing Business	Third Party IT	Total
Area transacted in mn sq ft	8.5	2.2	1.1	1.6	14.1

Source: Knight Frank Research

Rahil Gibran, Executive Director, Occupier Strategy and Solutions, Bengaluru, Knight Frank India, said, "Bengaluru's office market continues to demonstrate exceptional resilience despite global economic uncertainties. The city's ability to consistently attract Global Capability Centre investments reflects its enduring competitive advantages, including a highly skilled talent pool, a mature technology ecosystem and world-class office infrastructure. The increasing scale of GCC leasing, coupled with growing enterprise adoption of flexible workspaces, indicates that Bengaluru's role within global corporate real estate strategies is becoming increasingly strategic rather than purely operational. As AI, semiconductor and deep technology investments continue to gather pace, we expect Bengaluru to remain India's strongest office market over the medium term."

Bengaluru's premium office corridors continued to witness healthy rental appreciation in H1 2026, reflecting sustained demand for Grade A office assets despite a significant increase in new supply. The CBD & Off-CBD market remained the city's most expensive office destination, with rents rising **17% YoY to INR 160-250 per sq ft/month**, while the Secondary Business District (SBD) recorded a **12.5%** annual increase. **PBD East** emerged as one of the strongest-performing markets, with rentals increasing **10% YoY to INR 70-95 per sq. ft. per month**, supported by infrastructure upgrades and sustained occupier demand. Meanwhile, the **Outer Ring Road (ORR)**, the city's largest office corridor and preferred GCC destination, recorded rentals of **INR 105-135 per sq. ft. per month**, reflecting a **6.7% YoY** increase. The continued rental growth across Bengaluru's key office markets highlights the city's strong occupier fundamentals and sustained demand for premium office space.

Business District-Wise Rental Movement

	Rental value range in H1 2026 INR/sq ft/month	12-month change	6-month change
CBD & Off CBD	160-250	17%	3.8%
SBD	125-190	12.5%	0.0%
PBD East	70-95	10.0%	7.1%
PBD South	68-87	0.0%	0.0%
PBD North	60-95	0.0%	0.0%
ORR	105-135	6.7%	2.1%

Source: Knight Frank Research

Residential Market Highlights of Bengaluru

The resilience of Bengaluru's residential market continues to be closely linked to the city's expanding economic base. As multinational companies deepen their presence and high-value employment continues to grow, housing demand has remained healthy despite rising prices and affordability pressures. Following its strongest annual performance in over a decade during 2025, the residential market entered a phase of healthy consolidation in H1 2026, with both launches and sales continuing to register positive annual growth. Average residential prices rose **9% to INR 9,354 per sq. ft.**, supported by healthy absorption, rising construction costs and increasing demand for premium homes.

One of the defining trends of H1 2026 was the growing alignment between Bengaluru's commercial and residential growth corridors. While South Bengaluru continued to account for the largest share of housing activity, North Bengaluru emerged as the fastest-growing residential market, recording **10% growth in launches** and **11% growth in sales**. The corridor is increasingly benefiting from expanding office development across Hebbal and Airport Road, metro connectivity, airport-led growth and the emergence of new employment hubs around Devanahalli. Together, these factors are creating a self-reinforcing cycle in which commercial expansion is supporting housing demand, while infrastructure investments are unlocking new opportunities for long-term urban growth.

The premiumisation of Bengaluru's housing market also continued during H1 2026. Homes priced between **INR 10-20 mn** accounted for the largest share of demand, while the **INR 20-50 mn** segment recorded the fastest growth, reflecting rising incomes, aspirational homeownership and wealth creation associated with the city's expanding GCC ecosystem. The strong performance of premium housing further underscores Bengaluru's transition towards a more mature, end-user-driven residential market.

Bengaluru Residential Market Summary

Parameter	H1 2026	H1 2026 Change% (YoY)
Launches (housing units)	34,749	4%
Sales (housing units)	27,968	5%
Average price in INR/sq ft	9,354	9%

Source: Knight Frank Research

Rahil Gibran, Executive Director, Occupier Strategy and Solutions, Bengaluru, Knight Frank India, said, "Bengaluru's residential market continues to benefit from strong economic fundamentals, sustained job creation and significant infrastructure investments. While rising prices have encouraged a more measured pace of buying, demand remains fundamentally healthy, particularly across

premium housing segments and emerging growth corridors. North Bengaluru is increasingly evolving into one of India's most compelling residential investment destinations as commercial development, airport-led growth and large-scale infrastructure projects converge to create a powerful long-term growth story."

The premiumisation trend continued to shape Bengaluru's residential market in H1 2026, driven by rising incomes, wealth creation and evolving homebuyer preferences. Homes priced between **INR 10-20 mn** accounted for the largest share of residential sales at **46%**, reaffirming the segment's dominance. Meanwhile, the **INR 20-50 mn** category emerged as the fastest-growing segment, with sales increasing **39% YoY**, reflecting growing demand for larger, amenity-rich homes. The luxury segment also witnessed strong momentum, highlighting the increasing appetite for premium and luxury housing among Bengaluru's affluent homebuyers.

Ticket-Size Share of Sales

	<2.5 mn	2.5-5 mn	5-7.5 mn	7.5-10 mn	10-20 mn	20-50 mn	50-100 mn	100-200 mn	200-500 mn	>500 mn
H1 2025	0.1%	5.8%	9.3%	14.7%	46.7%	22.1%	1.2%	0.0%	0.0%	0.0%
H1 2026	0.0%	2.8%	7.2%	12.0%	45.8%	29.2%	2.6%	0.2%	0.1%	0.0%

Source: Knight Frank Research

Micro-market Split of Sales in H1 2026

	Central	East	North	South	West
Share in total sales	0%	29%	31%	34%	6%

Source: Knight Frank Research

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