News Release

FOR IMMEDIATE RELEASE

Mumbai records its historic best half-yearly office transaction performance in H1 2026, Residential market maintains sales momentum: Knight Frank India

- **Office market in H1 2026 driven by large institutional transactions, JP Morgan's office lease accounts for 31% of the overall leasing volume**
- **Attributed 30% of the India facing business transactions across eight markets in country**

Mumbai, July 09, 2026: **Knight Frank India** in its latest report, **India Real Estate: Residential and Office (January - June 2026),** cited that sustained occupier demand has resulted in Mumbai scaling to its highest half-year leasing volumes in H1 2026. The market continued to be driven by large institutional transactions, a diversified occupier base and changing leasing patterns across key office corridors. The period was anchored by JP Morgan's 2.2 mn sq ft office lease in Powai, which accounted for nearly 31% of total leasing activity during the half-year and significantly influenced overall market performance

Recording a 33% YoY increase, gross office absorptions increased to 7.3 mn sq ft in H1 2026 from 5.5 mn sq ft in H1 2025. New office completions moderated by 30%YoY to 1.6 mn sq ft in H1 2026. The moderation in supply, combined with the substantial rise in leasing activity, contributed to vacancy declining of 205 basis points YoY to 15.6%. From end-user buyer, GCCs and India facing businesses both recorded leasing volumes of 3.3 mn sq ft each. Almost 30% of the India facing business transactions were executed in Mumbai, also making the city to recorded highest India facing office transacted market in the country. GCC focussed transactions expanded by 269% YoY during H1 2026.

Mumbai's residential market maintained stable sales momentum in H1 2026 while continuing to broaden across both geography and price segments. Housing sales stood at 47,355 units in H1 2026, broadly in line with the corresponding period last year, while new launches increased by 8% YoY to 49,161 units. The pickup in launches follows the moderation witnessed in 2025. Despite higher supply additions, unsold inventory declined by 4% YoY, indicating continued absorption across the market. Higher launches, declining inventory and continued price appreciation point to a market where supply additions have largely kept pace with end-user demand.

Over the past decade, **Navi Mumbai's average share of residential launches within the MMR has increased from 18% in 2014 to 21% in H1 2026**, while its share of residential sales has grown from 16% to 22% over the same period. More importantly, residential sales have consistently exceeded Navi Mumbai's share of launches in recent years, suggesting that demand is strengthening faster than new supply is entering the market. This indicates that infrastructure-led improvements are increasingly being reflected in homebuyer preferences rather than merely influencing future development activity.

Office Market Highlights of Mumbai

Demand-Supply Economics

Gross office absorptions in H1 2026 stood at 7.3 mn sq ft, recording a 33% YoY increase. Leasing activity was supported by large enterprise requirements across GCCs, especially BFSI firms and third-party IT/ITeS occupiers, reflected in higher average deal sizes during the half-year. Office completions moderated to 1.6 mn sq ft, down 30% YoY following elevated completions in the corresponding period last year.

MUMBAI OFFICE MARKET SUMMARY

Parameter	H1 2026	H1 2026 Change (YoY)
Transactions in mn sq ft	1.6	-30%
Completions in mn sq ft	7.3	33%
Average transacted rent in INR/sq ft /month	130	0.5%

Source: *Knight Frank Research*

The distribution of leasing activity across business districts also changed during H1 2026. SBD Central emerged as Mumbai's largest office district, accounting for 46% of total leasing activity, largely driven by transactions in Powai. SBD West and the PBD corridor accounted for 20% and 14% of leasing activity respectively, with the three districts together contributing nearly four-fifths of total transactions. The concentration of leasing across these corridors reflects continued occupier preference for locations offering large Grade A developments and established office ecosystems.

End-User Occupiers

The occupier profile witnessed a notable shift in H1 2026, with GCCs accounting for 46% of total leasing compared with 11% a year earlier. While the increase was influenced by a landmark transaction, GCC leasing was also supported by global financial institutions, technology firms and multinational corporations, indicating continued diversification of Mumbai's occupier base. India-facing occupiers contributed 45% of transactions, while third-party IT/ITeS firms and flex operators accounted for the remaining share.

End-User Split in H1 2026	India-Facing Business	GCC	Flex	Third Party IT	Total
Area transacted in mn sq ft	3.3	3.3	0.44	0.3	7.3

Source: *Knight Frank Research*

Gulam Zia, International Partner, Senior Executive Director, Research, Advisory, Infrastructure and Valuation, Knight Frank India, said, *"Mumbai's office market is expected to be supported by continued expansion of global occupiers, an upcoming supply pipeline and improving connectivity across key office corridors. The operationalization of Metro Line 3, connecting the western suburbs with BKC and south Mumbai, has enhanced accessibility to major office districts, while the concentration of new Grade A developments across suburban markets is likely to provide occupiers with greater choice and support future leasing activity."*

Rental Value

Average transacted rents increased marginally by 0.5% YoY to INR 1,399/sq m/month (INR 130/sq ft/month). However, the city-wide trend masked stronger rental appreciation across select office districts, reflecting sustained demand for quality office assets in established locations.

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

	Rental value range in H1 2026 INR/sq ft/month	12-month change	6-month change
BKC & Off-BKC	237-446	3%	2%
CBD & Off-CBD	200-279	2%	1%
Central Mumbai	195-279	2%	1%
PBD	56-100	2%	1%
SBD Central	130-232	1%	1%
SBD West	102-195	2%	1%

Source: *Knight Frank Research*

Residential Market Highlights of Mumbai

Ticket Size Price Segment

During H1 2026, residential sales in the premium housing segment (INR 1 cr and above) remained resilient, with the category recording 18,637 units sold, led by strong growth in higher ticket-size homes. Sales in the INR 10–20 cr and INR 20–50 cr segments surged by 70% and 73% YoY, respectively, while the INR 5–10 cr and INR 1–2 cr categories grew by 20% and 13% YoY. The INR 2–5 cr segment also registered a modest 5% YoY increase. In contrast, the affordable segment (below INR 0.5 cr) declined by 8% YoY to 17,148 units, while the INR 0.5–1 cr category remained largely stable, witnessing a marginal 1% YoY decline to 11,570 units.

TICKET-SIZE SPLIT OF SALES

Ticket Size Categories (INR)	<0.5 cr	0.5-1 cr	1-2 cr	2-5 cr	5-10 cr	10-20 cr	20-50 cr	>50 cr	Total
H1 2026	17,148	11,570	10,651	6,116	1,295	338	214	23	47,259
YoY % change	-8%	-1%	13%	5%	20%	70%	73%	-32%	1%

Source: *Knight Frank Research*

The composition of housing demand continued to shift towards higher-value segments. The share of homes priced below INR 0.5 cr declined to 36% from 40% a year ago, while the INR 1–2 cr and INR 2–5 cr segments expanded their share of total sales. Higher ticket-size categories above INR 5 cr also recorded incremental gains, indicating that residential demand continues to move up the value chain.

Residential Sales and Launches

The geographical distribution of demand evolved during H1 2026. While Peripheral Central Suburbs remained the largest residential market with a 23% share of sales, Navi Mumbai increased its contribution to 20%, followed by Peripheral Western Suburbs at 21%. Together, these three markets accounted for nearly two-thirds of city-wide sales, reflecting continued buyer preference for locations offering infrastructure upgrades, redevelopment opportunities and better price-value propositions.

Launch activity mirrored demand trends, with Peripheral Central Suburbs, Peripheral Western Suburbs and Navi Mumbai together accounting for almost two-thirds of new launches. The concentration of supply in these markets reflects continued alignment between new project launches and locations demonstrating sustained absorption.

MUMBAI RESIDENTIAL MARKET SUMMARY

Parameter	H1 2026	H1 2026 Change (YoY)
Launches (housing units)	49,161	8%
Sales (housing units)	47,355	1%
Average Price in INR/ sq ft	INR 14,948	4%

Source: *Knight Frank Research*

Gulam Zia, International Partner, Senior Executive Director, Research, Advisory, Infrastructure and Valuation, Knight Frank India, said, *"Mumbai's residential market remains fundamentally strong, supported by infrastructure-led growth and healthy end-user demand. Yet, the industry's myopic focus on premium housing risks creating a supply-demand imbalance, as the strongest unmet demand continues to lie in the mid and affordable segments. A broader supply response, coupled with redevelopment led by well-capitalised developers, will be critical to creating a more balanced and sustainable housing market."*

Residential Prices

Average residential prices increased by 4% YoY to INR 14,948/sq ft. While the pace of appreciation moderated from the previous year, prices continued to firm across most micro-markets, supported by redevelopment-led supply, higher construction costs and sustained demand for larger homes.

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