News Release

FOR IMMEDIATE RELEASE

Delhi NCR sustains record office leasing; premium housing anchors residential market in H1 2026: Knight Frank India

- **Delhi NCR records 7.2 mn sq ft of office leasing in H1 2026**
- **Office rents increase 13% YoY, making NCR India's second most expensive office market after Mumbai**
- **India-facing businesses account for 34% of leasing activity**
- **NCR records residential sales of 24,862 units and launches of 23,877 units during H1 2026**
- **Premium housing continues to dominate, with homes priced between INR 20–50 mn accounting for 60% of launches and 43% of sales**

New Delhi, July 09, 2026: Knight Frank India, in its latest *India Real Estate: Residential and Office (January–June 2026) H1 2026* report, cited that **the office market** of NCR sustained its record-breaking momentum, with **gross leasing of 7.2 mn sq ft** in H1 2026, equalling the historic high achieved during the corresponding period last year and reaffirming Delhi NCR's position as one of India's strongest office destinations. The average office rents increased **13% YoY to INR 106** per sq ft per month, making Delhi NCR the **second most expensive office market in India after Mumbai**.

The residential market, meanwhile, transitioned towards a more sustainable growth trajectory after the strong post-pandemic upcycle. During H1 2026, **24,862 housing units were sold**, while developers launched **23,877 new units** across the region. Although sales and launches moderated from last year's elevated base, demand remained healthy, led by the premium housing segment, with homes priced between **INR 20–50 mn accounting for 60% of launches and 43% of total sales**, reflecting continued buyer preference for larger, amenity-rich developments.

The report also highlights a structural shift underway across Delhi NCR. Commercial demand is becoming more geographically diversified, with Noida emerging as a significant office destination alongside Gurugram, while residential growth is increasingly being shaped by premium developments, enhanced connectivity and landmark infrastructure projects such as the operational Noida International Airport and the expanding Regional Rapid Transit System (RRTS).

Office Market Highlights of NCR

Delhi NCR continued its remarkable commercial real estate momentum during H1 2026, recording **7.2 mns quare feet of gross office leasing**, matching the highest half-year leasing volume ever achieved in the market. Despite global macroeconomic uncertainties, occupier confidence remained resilient as multinational corporations, domestic enterprises, Global Capability Centres (GCCs) and flexible workspace operators continued to expand their footprint across the region.

The sustained leasing momentum reflects Delhi NCR's growing importance within India's office landscape, supported by a deep occupier base, expanding Grade A office inventory, improving infrastructure and the emergence of new business districts. With approximately **208.1 mn sq ft** of completed office stock, Delhi NCR today accounts for nearly **20% of India's total Grade A office inventory**, further strengthening its position among the country's largest and most mature commercial real estate markets.

NCR OFFICE MARKET SUMMARY

Parameter	H1 2026	H1 2026 Change (YoY)
Completions in mn sq ft	4.0	-2%
Transactions in mn sq ft	7.2	-1%
Average transacted rent in INR/sq ft/month	106	13%

Source: Knight Frank Research

India-facing businesses and flex operators drive record leasing activity

The composition of office demand in Delhi NCR witnessed a significant shift during H1 2026, highlighting the market's increasing diversification. While Global Capability Centres (GCCs) remained a key source of leasing demand, India-facing businesses emerged as the largest occupier segment, accounting for **34% of total office transactions compared to 31% in H1 2025**. This reflects the continued expansion of domestic enterprises across sectors such as financial services, manufacturing, consulting, insurance and professional services, underpinned by India's resilient economic growth and growing corporate confidence.

The most notable development, however, was the rapid expansion of the flexible workspace segment. Flex operators accounted for **30% of all office leasing**, making them the second-largest contributor to demand during H1 2026. Leading operators including **Tablespace, Smartworks, Simpliwork, Workshaala and Onward Workspaces** continued to aggressively expand across Delhi NCR as enterprises increasingly sought agile workplace solutions that enable scalability, operational flexibility and lower upfront capital expenditure.

Meanwhile, **Global Capability Centres (GCCs)** contributed **21% of overall leasing activity**, supported by pre-commitments from organisations such as **BlackRock and Amdocs**, alongside completed transactions by **ANSR, Bank of America** and several multinational occupiers.

End-User Split in H1 2026	India-Facing Business	Flex	GCC	Third Party IT	Total
Area transacted in mn sq ft	2.4	2.16	1.5	1.1	7.2

Source: Knight Frank Research

Mudassir Zaidi, Executive Director – North, Knight Frank India, *said "Delhi NCR's office market has demonstrated remarkable resilience by sustaining record leasing activity for the second consecutive year, reaffirming its position as one of India's leading commercial real estate markets. Demand has become increasingly diversified, with India-facing businesses, GCCs and flexible workspace operators driving absorption. Noida's emergence as a major commercial hub, supported by the operational Noida International Airport and a robust pipeline of Grade A developments, has further strengthened the region's growth story. While new supply has led to a moderate increase in vacancy, strong pre-commitments, record average deal sizes and rising rentals underscore healthy market fundamentals. Going forward, demand is expected to remain focused on premium Grade A developments as occupiers continue to prioritise quality, flexibility and long-term value."*

Noida emerges as NCR's fastest-growing commercial destination

While Gurugram remained Delhi NCR's largest office market with a 45% share of leasing activity in H1 2026, occupier demand became more geographically diversified across the region. Noida emerged as the biggest gainer, increasing its share of leasing from 24% to 39%, driven by new Grade A office developments, competitive rentals and infrastructure upgrades, including the operational Noida International Airport. SBD Delhi also strengthened its position, with its share rising from 8% to 15%, supported by strong demand for premium office developments in Aerocity. The trend highlights Delhi

NCR's evolution into a more balanced, multi-nodal office market, with occupiers increasingly prioritising connectivity, high-quality assets and emerging business corridors.

Demand for premium Grade A offices pushes rentals to record levels

The quality of office leasing improved significantly during H1 2026, with the average transaction size rising 30% YoY a record 70,912 sq ft. The increase reflects occupiers' growing preference for larger, institutional-grade workplaces that offer greater operational efficiency, scalability and enhanced employee experience. This continued flight-to-quality also translated into strong rental growth, with average transacted **office rents rising 13% YoY to INR 106 per sq ft per month**, positioning Delhi NCR as the second most expensive office market in India after Mumbai. Rental appreciation was particularly pronounced across premium office corridors such as Aerocity, SBD Delhi and Noida, where strong occupier demand and pre-commitment activity in newly completed Grade A developments supported higher rental benchmarks.

Residential Market Highlights of NCR

Residential market enters a phase of sustainable growth as premium housing continues to dominate demand

Following three years of exceptionally strong post-pandemic demand, Delhi NCR's residential market entered a phase of healthy consolidation during H1 2026. While sales and launches moderated from the record levels witnessed over the past two years, underlying demand fundamentals remained robust, supported by infrastructure-led urbanisation, improving inventory health and sustained buyer preference for premium residential developments.

According to Knight Frank India's latest assessment, **24,862 residential units were sold across Delhi NCR during H1 2026**, representing a **7% YoY moderation** from the high base recorded during the corresponding period last year. New residential launches also eased marginally by **5% YoY** to **23,877 units**, as developers recalibrated supply in line with evolving market conditions.

The moderation in residential sales and launches reflects the market's transition towards a more balanced and sustainable growth trajectory following the exceptional post-pandemic upcycle. As developers adopt a more calibrated approach to new supply, the focus has increasingly shifted towards premium and luxury housing, driven by rising land and construction costs, evolving buyer preferences and sustained demand for larger, amenity-rich homes. This continued premiumisation is reshaping Delhi NCR's residential landscape, with developers prioritising high-quality, integrated developments that cater to discerning homebuyers seeking enhanced lifestyle offerings.

NCR RESIDENTIAL MARKET SUMMARY

Parameter	H1 2026	H1 2026 Change (YoY)
Launches (housing units)	**23,877 units**	-5%
Sales (housing units)	**24,862 units**	-7%

Source: Knight Frank Research

Gurugram continues to anchor NCR's residential growth

Gurugram retained its position as Delhi NCR's largest residential market during H1 2026, accounting for **50% of all new launches** and **42% of total residential sales** across the region.

News Release

Development activity remained concentrated across the Dwarka Expressway, Golf Course Road, New Gurugram and Manesar, where developers continued to launch premium and luxury residential projects. A notable trend emerging from Gurugram is the overwhelming concentration of launches within the premium housing segment. 75% of all new residential developments launched during H1 2026 were priced above **INR 20 million**, reflecting developers' strategic focus on affluent end-users and investors seeking larger homes, integrated townships and lifestyle-oriented communities.

While this premiumisation continues to support healthy pricing and project viability, it has simultaneously narrowed the availability of products catering to mid-income homebuyers. Consequently, demand within the affordable and mid-income categories is increasingly shifting towards relatively economical markets across the broader NCR region.

Premium housing remains the defining theme of Delhi NCR's residential market

Homes priced between **INR 20 mn and INR 50 mn accounted for 60% of all residential launches**, making it by far the largest ticket-size category introduced during the period. During H1 2026, the INR 20–50 mn ticket-size category continued to dominate residential demand, recording sales of 10,783 units, a 9% YoY increase, and accounting for 43% of total sales.

The INR 10–20 mn segment remained the second-largest contributor with 5,995 units sold, despite an 8% YoY decline. Sales in the INR 5–10 mn and affordable (<INR 5 mn) segments declined by 17% and 30% YoY to 2,619 units and 1,267 units, respectively, reflecting the continued shift in demand towards premium housing. At the luxury end, the INR 200–500 mn segment witnessed the strongest growth, with sales more than doubling to 92 units, registering a 130% YoY increase.

TICKET-SIZE SPLIT OF SALES

Ticket Size Categories (INR)	<5 mn	5-10 mn	10-20 mn	20-50 mn	50-100 mn	100-200 mn	200-500 mn	>500 mn	Total
H1 2026	1,267	2,619	5,995	10,783	3,108	986	92	12	24,862
YoY % change	-30%	-17%	-8%	9%	-25%	-7%	130%	-92%	-7%

Source: Knight Frank Research

Mudassir Zaidi, Executive Director – North, Knight Frank India, said *"Delhi NCR's real estate market has entered a phase of greater maturity, where sustainable growth is increasingly replacing the rapid expansion witnessed over the past few years. While residential sales have moderated from record highs, the underlying market remains exceptionally healthy, supported by improving inventory metrics, disciplined supply and strong buyer confidence in premium developments. Infrastructure continues to be the defining catalyst for the region's transformation. The operationalisation of the Noida International Airport, expansion of the RRTS network and continued investments in urban connectivity are reshaping both commercial and residential demand across NCR. We are witnessing the emergence of a more diversified market where Gurugram continues to lead while Noida, Greater Noida and other emerging corridors are becoming increasingly important growth centres. Looking ahead, Delhi NCR remains one of India's most resilient and attractive real estate markets, offering significant opportunities for occupiers, homebuyers, developers and institutional investors alike."*

Healthy inventory and infrastructure-led growth reinforce long-term market fundamentals

Beyond healthy sales and sustained premium demand, Delhi NCR's residential market continued to strengthen on key inventory indicators during H1 2026, reflecting a well-balanced market despite moderating transaction volumes.

Unsold inventory declined marginally by **1% year-on-year** to **103,984 units**, underscoring the market's ability to steadily absorb fresh supply even as developers continued to launch new projects. More importantly, the **age of unsold inventory improved significantly**, falling from **14.8 quarters in H1 2025 to 11.5 quarters** in H1 2026. This indicates that older inventory is steadily being absorbed, resulting in a healthier stock profile with a greater proportion of recently launched projects available in the market.

The market's **Quarters-to-Sell (QTS)** ratio stood at **7.9 quarters**, comfortably below the two-year threshold generally considered indicative of a balanced residential market. This reflects disciplined supply additions by developers and sustained end-user demand across key micro-markets.

-***END-***

For further information, please contact Knight Frank press office:

Piyali Dasgupta	**Tania Banerjee**	**Mansoor Khan**
+91 9833571204	+91 9819004431	+91 8108385015
piyali.dasgupta@in.knightfrank.com	tania.banerjee@in.knightfrank.com	mansoor@whitemarquesolutions.com