



Commercial Real Estate – Office – Pune

**Healthy pre-leasing activity in Pune:
~42% of FY2026 office supply
already committed**

OCTOBER 2025





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Despite evolving global policies, commercial office leasing activity in India for top six cities has remained resilient and continues to show strong momentum. However, ICRA will closely monitor the situation, as macroeconomic and geopolitical factors evolve.



Pune recorded 9.9 million square feet (msf) of fresh Grade-A office supply in FY2025 and 4.4 msf in Q1 FY2026, against net absorption of 7.7 msf and 2.5 msf. The absorption is driven by healthy demand from the engineering & manufacturing and IT-BPM[^] sectors. As supply outpaced net absorption, occupancy declined by 180 bps to 84.2% by June 2025 from 86% in March 2024. Despite an expected high supply of ~9.5 msf in FY2026, occupancy is projected to remain steady between 85.0% and 85.5% by March 2026 (similar to March 2025), backed by continued leasing momentum.



As on June 30, 2025, Pune accounts for 11.7% (~120 msf) of the Grade-A office space across India's top six cities*. Within Pune, the Northwest and Northeast regions collectively hold 82% of the city's Grade-A office stock. The micro markets of Kharadi, Hinjewadi, and Viman Nagar are the top contributors, representing 43% of Pune's total office supply. In FY2026, vacancy in Hinjewadi is expected to decline, driven by limited upcoming supply and good net absorption momentum. The vacancy levels are expected to sustain in Kharadi and Viman Nagar in FY2026.



The top 10 developers in Pune collectively hold 51% of the city's Grade-A office stock, with seven of them maintaining occupancy above 90%. Rental rates across key micro-markets—Hinjewadi, Viman Nagar, and Yerawada—have grown at a compound annual growth rate (CAGR) of ~3–4% and Kharadi at 4–5% between FY2020-FY2025. The citywide average rental rate is projected to rise by 3–4% in FY2026.



Between FY2017 and FY2025, the Pune office market stock recorded a CAGR of approximately 7%, which was in line with the CAGR for India's top six cities. As on June 30, 2025, Pune contributed around 11.7% of the total office supply of the top six cities increasing from 10.4% as on March 31, 2022. ICRA projects this share to remain steady in FY2026.

*Top six Indian office markets include Bengaluru, Chennai, Delhi NCR, Hyderabad, Mumbai Metropolitan Region (MMR) and Pune; ^Information Technology-Business Process Management

1 ICRA's Outlook On Indian Commercial Real Estate Sector



2 Trends in Pune office market



3 Rating actions in commercial real estate - office





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