



## Commercial Real Estate – Office – Delhi NCR

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**Office occupancy in Delhi NCR  
expected to surpass 80% for the first  
time by March 2027**

**December 2025**





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*Gurugram is the prime office destination with 60% market share in NCR followed by Noida and Delhi.*

*Despite global headwinds, including policy tightening and trade restrictions in the US, office leasing activities in India have remained buoyant in H1 FY2026. However, ICRA will closely monitor the situation, as macroeconomic and geopolitical factors evolve.*



**Delhi NCR recorded 7.4 million square feet (msf) of fresh Grade-A office supply in FY2025 and 7.3 msf in H1 FY2026, against net absorption of 11.4 msf and 8.0 msf.** The absorption is driven by healthy demand from the consulting and IT-BPM<sup>^</sup> sectors. As net absorption outpaced supply since FY2023, occupancy increased by 600 bps to 78.6% by September 2025 from 72.6% in March 2023. Despite an expected supply of ~14 msf in FY2026 and ~11 msf in FY2027, occupancy levels are projected to rise to 78.5-79.0% by March 2026 and 80.5-81.0% by March 2027, backed by continued healthy leasing momentum.



**As on September 30, 2025, Delhi NCR accounted for 20% (~204 msf) of the Grade-A office space across India's top six cities\*.** Gurugram is the prime office destination with 60% market share in NCR. Sector 24 (Cyber City), Sector 62 (Noida) and Sector 48 (Gurugram) are the top three micro-markets in Delhi NCR, accounting for 17% of the total office supply of the city. Vacancy is set to remain low in Sector 24 (Cyber City) with no new supply. Sector 62 (Noida) and Sector 48 (Gurugram) are projected to see a reduction in vacancy levels, driven by steady absorption and limited supply.



**The top 10 developers in Delhi NCR collectively hold 40% of the city's Grade-A office stock,** indicating the presence of many regional players in the market. Across top six cities in India, the vacancies are the highest in Delhi NCR due to low occupancy of 50-55% in peripheral business districts (PBD) of Gurugram with some old assets having moderate occupancy levels, contributing to elevated vacancy rates. ICRA expects the average rental rate for the Delhi NCR market to increase by 3-4% in FY2026.



**Between FY2018 and FY2025, the Delhi NCR office market stock recorded a CAGR of nearly 6%, which is slightly lower than the CAGR of 7% observed across India's top six cities.** Delhi NCR is expected to see around 17.5 msf of new office supply during H2 FY2026–FY2027, of which nearly 31% has been pre-leased.

\*Top six Indian office markets include Bengaluru, Chennai, Delhi National Capital Region (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 Delhi NCR Office Market



## 3 Rating Actions In Commercial Real Estate - Office





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