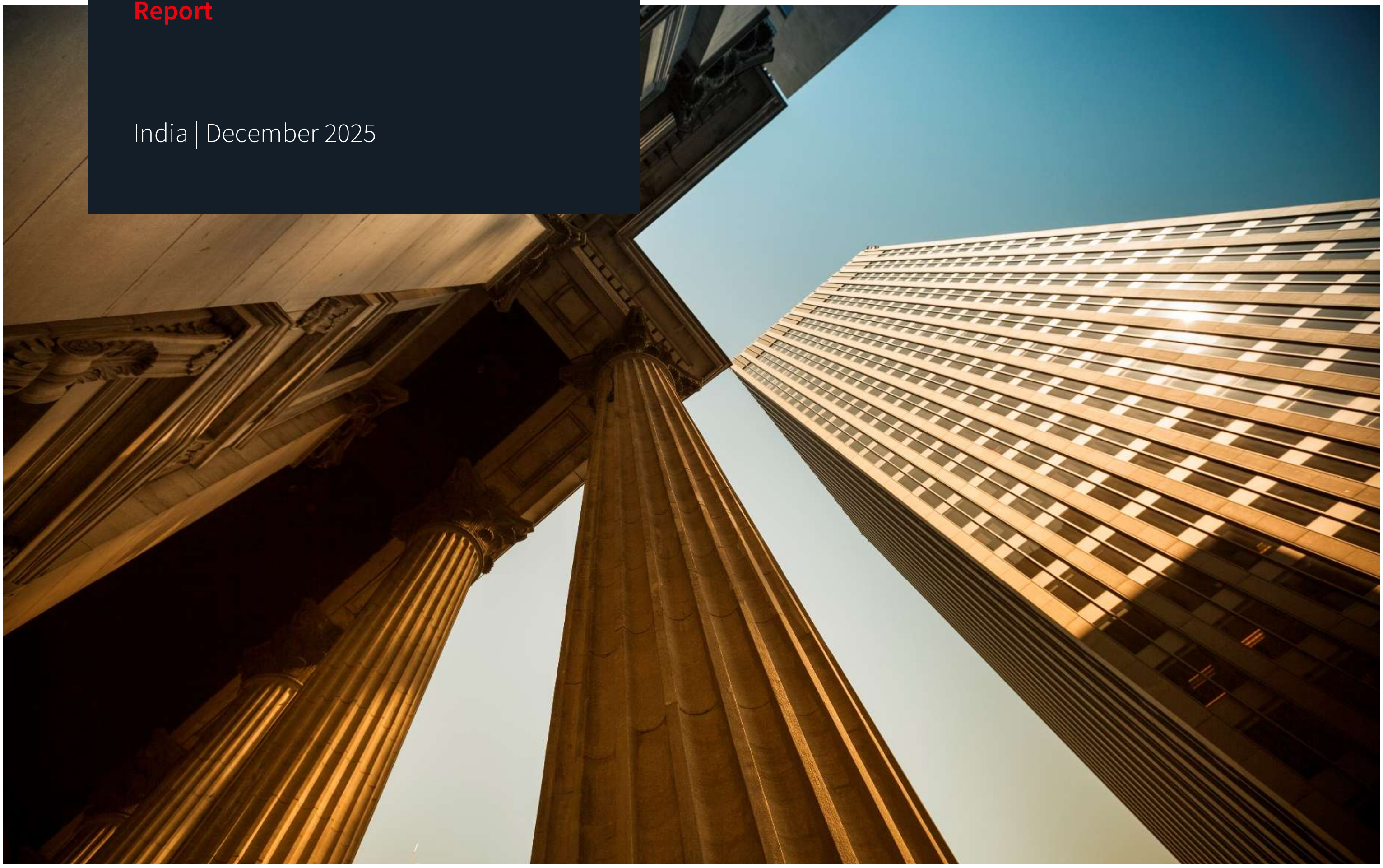
Report

India | December 2025



Industry Report on India’s Office Market

Prepared for Bagmane Prime Office REIT

Samantak Das

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List of Abbreviations

APAC	Asia-Pacific
BFSI	Banking-Financial Services and Insurance
BPM	Business Process Management
BPO	Business Process Outsourcing
CAGR	Compounded Annual Growth Rate
CBD	Central Business District
CSI	Current Situation Index
DPIIT	Department for Promotion of Industry and Internal Trade
EMEA	Europe, Middle East, and Africa
ER&D	Engineering, Research and Development
FDI	Foreign Direct Investment
FEI	Future Expectations Index
FOP	Fractional Ownership Platform
FY	Financial Year/ Fiscal Year
GCC	Global Capability Centre
GDP	Gross Domestic Product
GIS	Geographic Information System
GST	Goods & Services Tax
GVA	Gross Value Added
IBC	Insolvency and Bankruptcy Code
ICT	Information and Communication Technology
IIP	Index of Industrial Production
IMF	International Monetary Fund
₹ (INR)	Indian Rupees / Indian National Rupees
IT	Information Technology
ITeS	Information Technology enabled Services
JLL	Jones Lang LaSalle Property Consultants (India) Private Limited
KIA	Kempegowda International Airport
KIADB	Karnataka Industrial Area Development Board
MNC	Multi-National Corporation
MoSPI	Ministry of Statistics and Programme Implementation
MPC	Monetary Policy Committee
NIP	National Infrastructure Pipeline
NPA	Non-Processing Area
NSO	National Statistical Office
PBD	Peripheral Business Districts
PPP	Public Private Partnership
RBI	Reserve Bank of India
REIT	Real Estate Investment Trust
RERA	Real Estate Regulatory Authority
RTO	Return To Office
SBD City	Secondary Business District
SEZ	Special Economic Zones
SM REIT	Small and Medium Real Estate Investment Trust
STEM	Science, Technology, Engineering and Mathematics
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNPD	United Nations Population Division

USA	United States of America
US$	United States Dollar
UTs	Union Territories
Y-o-Y	Year-over-Year

Units

1 hectare	2.4711 acres
1 acre	43559.66 sq. ft.
1 acre	4046.825 sq. m
1 sq. m.	1.196 sq. yards
1 sq. m.	10.76391 sq. ft.
1 metre	1.0936 yards
1 metre	3.28 ft.

Glossary

Term	**Definition**
Business Parks	An integrated development encompassing multiple office buildings within a designated area of land to form a business ecosystem for multiple corporations. Business parks typically provide quality office space with flexible floorplates and high-quality building finishes and specifications, internal walkways, landscaping, support amenities – retail, F&B, gyms, creches within a planned development that offers a complete business ecosystem to multinational and large domestic corporates.
Build to Suit (BTS)	Built to Suit is a pre-leased area, mostly a complete building or multiple buildings, or certain floors as well, developed with specifications tailored to unique requirements of a specific tenant, going beyond the standard design/construction typically undertaken by the developer.
Stock	The square footage of Grade A commercial space that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation. It includes both occupied and vacant spaces in such buildings.
Supply/New Completions	The total amount of new Grade A commercial space added/ received a certificate of occupancy in the market for sale or lease during a specific period.
Net Absorption	Net absorption is calculated as the new floor space occupied less floor space vacated. Floor space that is pre-committed is not considered to be absorbed until it is physically occupied.
Gross Leasing	Gross leasing refers to all lease transactions recorded during the period, including confirmed pre-commitments, but does not include term renewals. Deals in the discussion stage are not included.
Vacancy Rate (%)	A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing stock. Under construction space is not included in vacancy calculations. A vacancy rate is the opposite of the occupancy rate, which is the percentage of space in a commercial property that is occupied.
Grade A office	Grade A buildings are high quality commercial properties that typically feature modern construction and design, high quality finishes and materials, efficient floor plans, large floor plates and layouts, advanced technological infrastructure, and superior building systems. They are well-maintained, professionally managed, and offer a range of amenities as well as facilities

Term	Definition
Grade A+ office	Grade A+ buildings are a subset of Grade A offices and are office assets of the highest quality. These have been identified based on project quality assessment, project age and upkeep, tenant quality, current rent and rental growth, sustainability certifications and other relevant factors.
Single Ownership	Single ownership assets, also known as fully owned office buildings, are properties where the entire building is owned by a single individual or entity. The owner has complete control and decision-making authority over the entire building, including individual office spaces, common areas, and facilities.
Hybrid Working	Hybrid working refers to a work arrangement where employees have the flexibility to divide their time between working remotely and working from a designated physical workspace, such as an office.
GCC	Global Capability Centers (GCCs) are offshore service units established by multinational corporations (MNCs) to perform strategic functions, leveraging knowledge-based talent, cost and operational efficiencies.
GCC units	GCC units are individual centers that make up a GCC and single GCC can have multiple units.
Tier 1 Cities	Largest and most developed cities in India characterized by their strong infrastructure, large population, significant business activity, and well-developed real estate markets. Classification of the cities has been done taken into consideration, amongst others, the following set of key criteria: (I) Population and city size, (ii) Economic output taking into account significant contributions to national or regional GDP, (iii) Human development indicators, which include measures such as education, and overall living standards, (iv) Infrastructure development of the city and availability of transport, utilities, and connectivity services, and (v) Real estate activity, considering the demand and supply of office space. These include the seven largest real estate markets in India, namely Bengaluru, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai, and Pune.
Tier 2 Cities	Tier 2 cities are the next level of cities in terms of size, development, economic activity, and size of real estate market. These are usually smaller in size compared to Tier 1 cities but still have significant economic importance in their respective regions. Includes emerging real estate markets like Ahmedabad (including Gandhinagar), Jaipur, Udaipur, Vadodara, Indore, Chandigarh tri-city, Kochi, Coimbatore, Bhubaneshwar, Rajkot and Surat.
Tertiary Sector	The tertiary sector provides intangible services to consumers and businesses rather than producing goods.
Business Process Outsourcing (BPO)	Contracting specific business operations to a third party to improve efficiency and reduce costs, allowing companies to focus on core activities. This was how the Indian IT industry started and has now moved onto more complex, value-added functions.
Hotel Aggregators	Hotel aggregators are technology-enabled platforms that aggregate inventory from multiple independent hotels and smaller hotel chains under a standardized brand umbrella. They typically operate on an asset-light model, partnering with existing hotel properties rather than owning the real estate directly.
US Secondary Markets	Typically, a mid-sized metropolitan area that is a regional hub with developing infrastructure and strong growth potential like Denver, Atlanta and Salt Lake City.
Fortune 500	The Fortune 500 (Global) companies, which include certain MNCs and domestic corporates. Fortune 500 (Global) is an annual list compiled and published by Fortune magazine that ranks 500 of the largest private and publicly listed corporations worldwide by total revenue for their respective fiscal years.
Carpet area	The net usable floor space within a leased property, measured from wall to wall, excluding the thickness of the inner walls, areas occupied by common spaces, and any structural elements.
SEZ	Refers to a development type that includes all IT-focused Special Economic Zones approved by the SEZ India Authority. It has different economic laws than the rest of the developments.
FTE	Full-time equivalent, a unit of measurement for a full-time workload of an individual
IT/ITeS	Information Technology and Information Technology Enabled Services also referred collectively as Technology/Tech sector

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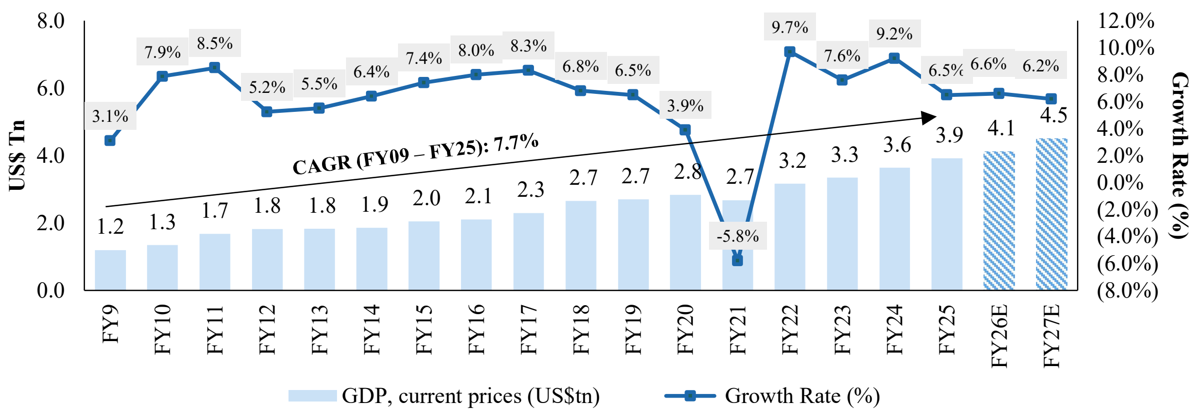
Chapter 1: Overview of the Indian Economy

1.1 World's Fastest Growing Major Economy

India's economy has demonstrated remarkable growth, positioning it as the fastest-growing major economy globally with real Gross Domestic Product ("GDP") growth of 6.5% in FY25. India's GDP growth has historically exhibited a CAGR of 7.7% between FY09 and FY25.This success can be attributed to a range of factors, including healthy macroeconomic parameters – stable inflationary environment, a large working age population, robust domestic consumption, significantly large skilled workforce, tech industry's long-standing credentials and a thriving entrepreneurial ecosystem. In FY25, India was the 5th largest global economy with estimated Nominal GDP of United States Dollars **("US$")** 3.9 trillion. India's Nominal GDP at current prices is estimated to be US$ 4.1 trillion in FY26, continuing to rank India as the fifth largest global economy, just behind Japan's Nominal GDP of US$ 4.3 trillion.

India GDP Size and Growth Rate (FY09-FY27E)



Source: MoSPI, IMF World Economic Outlook Update October 2025

1.1.1 Robust Economic Indicators

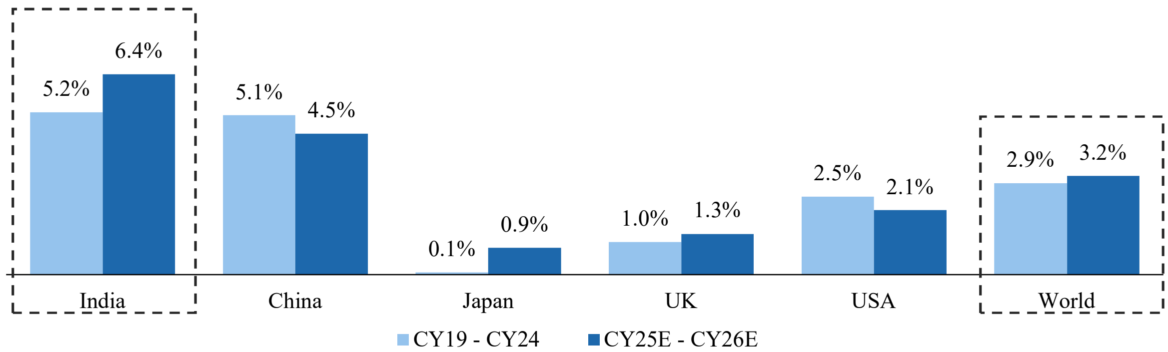
Economic Indicators for India	Value
GDP, current prices (FY25)	US$ 3,909 bn
Real GDP Growth Rate (FY25)	6.5%
Inflation (FY25)	4.6%
Repo Rate (As of December 2025)	5.25%
Foreign Direct Investments – FDI – FY25	US$ 81.0 bn

Source: IMF database as of October 2025, MoSPI, RBI, June 2025, DPIIT, 2025

1.1.2 Strong GDP Growth Outlook

India is expected to grow at an average of 6.4% per annum between FY26 and FY27, outperforming other major economies, with China expected to grow at average rate of 4.5%, USA at 2.1% and Japan at 0.9% during CY25 and CY26. India's robust domestic demand, strong services exports, and extensive talent pool position it as a key engine for global economic stability and expansion.

Major World Economies — Average Real GDP Growth Rates (CY19-24 & CY25-26E, %)



Source: MoSPI, IMF World Economic Outlook Update October 2025

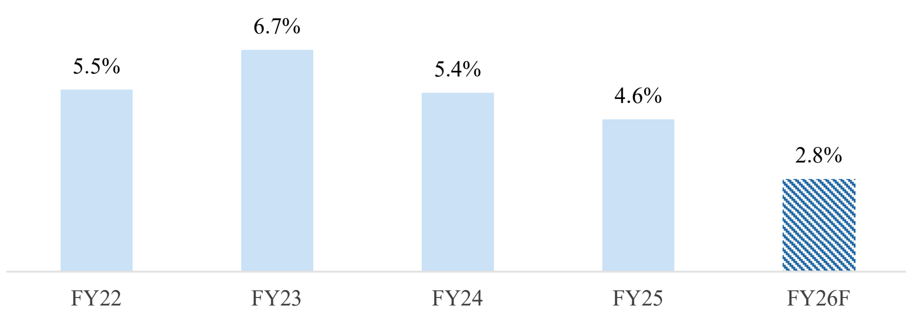
Note: For India, data and forecasts are presented on a fiscal year basis, CY19 – CY 24 refers to FY20 -FY25 and CY25E - CY26E refers to FY26E - FY27E

1.1.3 Stable Inflation Environment

In FY25, the average CPI inflation stood at approximately 4.6%, down from earlier peaks and is within Reserve Bank of India's (**"RBI"**) target range of 4.0% (+/- 2.0%).

Looking ahead, inflation is expected to remain well-contained, forecasted at 2.8% in FY26. The inflation outlook stays favorable, underpinned by subdued oil prices and abundant crop yields.

Inflation Rates, average consumer prices in India (Avg. % p.a.)

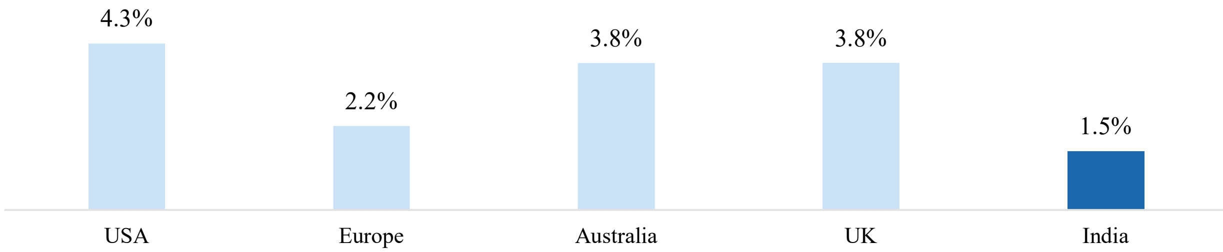


Source: IMF, World Economic Outlook, October 2025

1.1.4 Stable Interest Rate Regime

India’s interest rate regime, while impacted by global uncertainties, shows a much more stable trend compared to other major global economies. Since February 2025, the Reserve Bank of India has reduced the repo rate by 125 bps to 5.25% as of December 2025, which is expected to positively impact India’s growth and attractiveness.

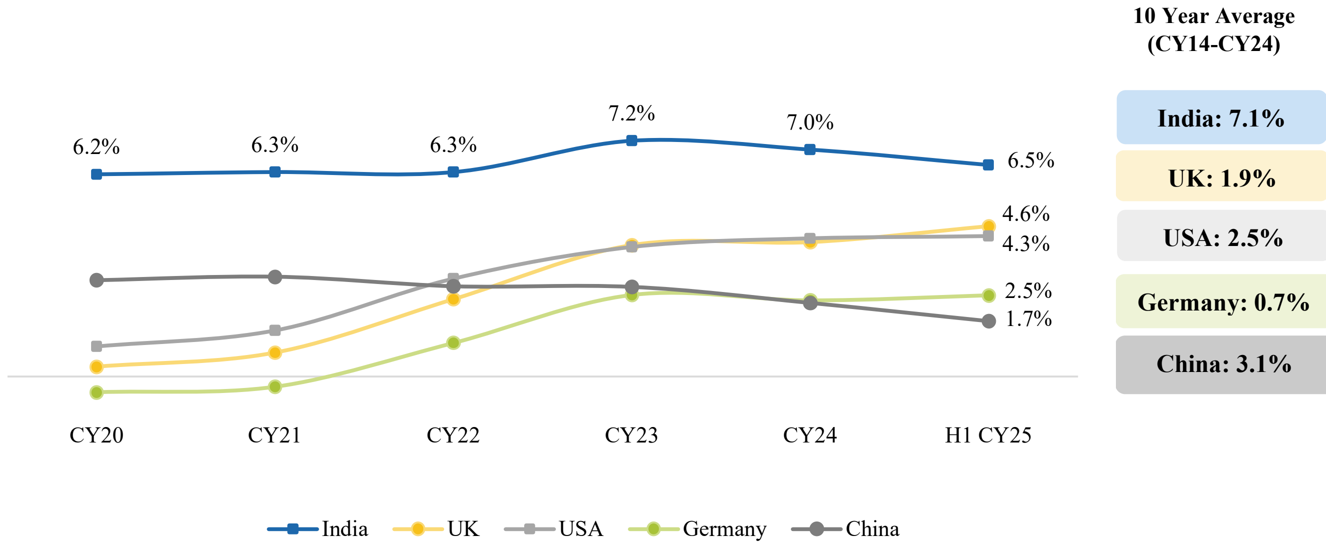
Change in Interest Rates since January 2022 – June 2025 - India v/s Other Economies (%)



Source: Central bank websites

India’s 10-year Government Securities (G-Sec) yields have remained relatively stable compared to a few large economies such as USA, which have witnessed a steep rise in the G-Sec yields post the pandemic. India’s G-Sec yield of 6.5% as of June 2025 is lower than its long-term (10-year) average of 7.1%.

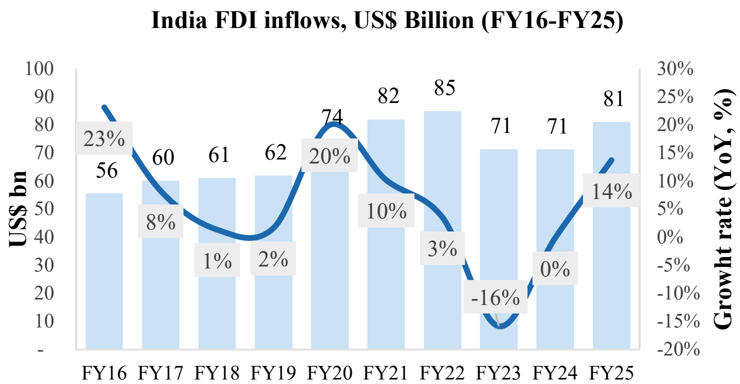
Government Securities (G-Sec) Yieds (CY20-H1CY25)

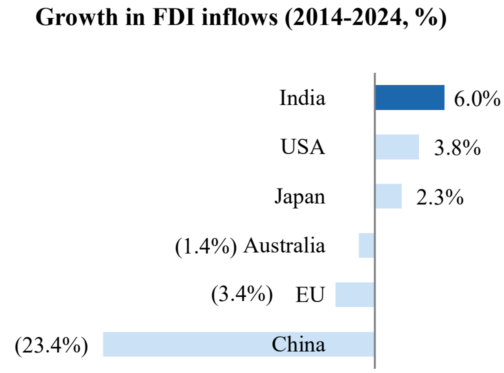


Source: Central bank websites

1.1.5 Prime Destination for Long-Term Foreign Capital Investments

India has successfully maintained its appeal as a prime destination for long-term foreign capital investments, benefitting from an inflow of Foreign Direct Investment (FDI) in recent years. FY25 saw a growth of 13.7% compared to FY24, underscoring continued investor confidence in India's economic landscape despite external geopolitical challenges.

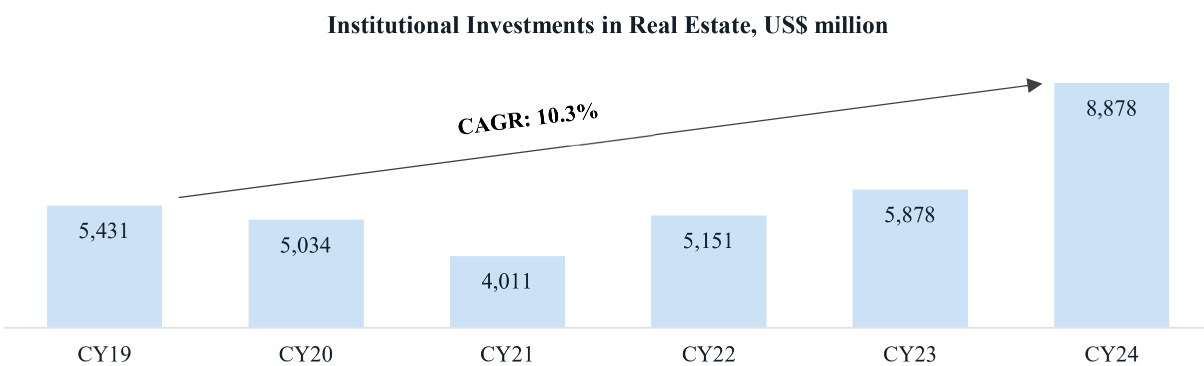




Source: DPIIT; World Investment Report, 2024
Note: FY25 figures are provisional

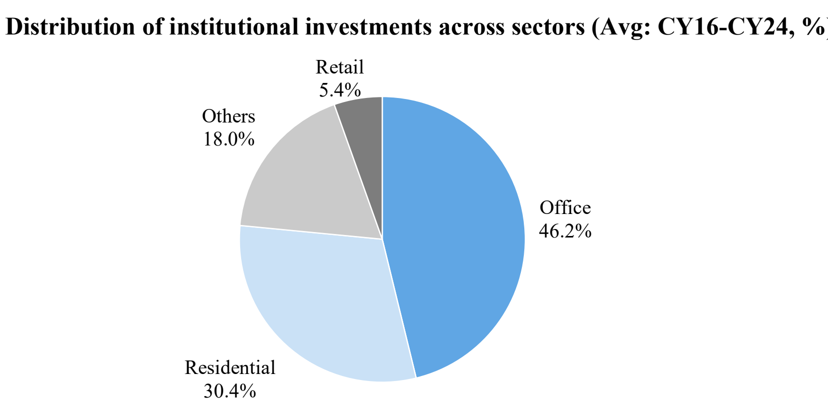
1.1.6 Surge in Institutional Investments in Real Estate

In CY24, the real estate sector in India witnessed a significant surge in institutional investments with a total value exceeding US$ 8.9 bn spread across 78 deals. This figure stands as the highest on record and represents a significant 51% increase compared to the previous year, showcasing sustained investor confidence in India's growth story amidst global uncertainties.



Source: JLL Research

The office sector has emerged as the front runner in institutional investments, commanding an average of 46.2% of the total share from CY16 to CY24, followed by the residential and warehousing sectors. Moreover, investors are demonstrating a preference for development partnerships with few reputed developers, driving market consolidation.

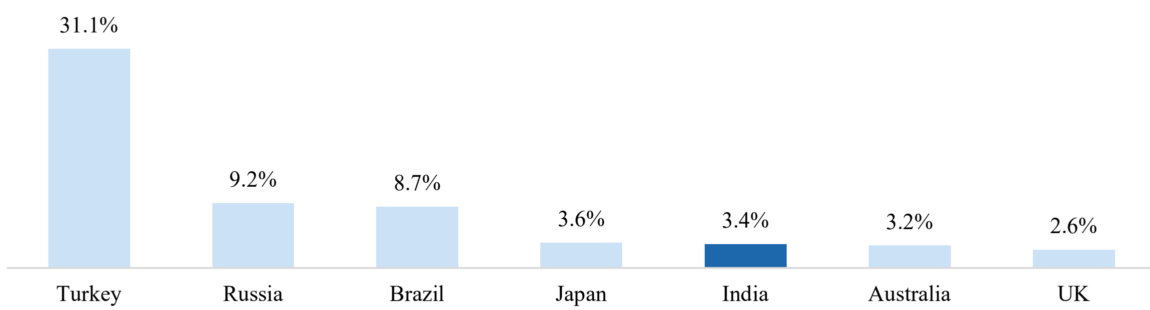


Source: JLL Research; Note: Others include Mixed use, Hotels, Warehousing and Alternatives

1.1.7 Stable Currency

Over the past decade, the Indian Rupee has outperformed most of its regional peers. The proactive stance of RBI of maintaining substantial foreign reserve US$ 689.7 bn (as of October 2025), proactive monetary policies along with government efforts to boost exports and promote the Rupee's internationalization, underpins its resilience and signals long-term stability amidst global uncertainties.

Currency Depreciation against US$ (CAGR: CY2014 – CY2024, %)



Source: World Bank

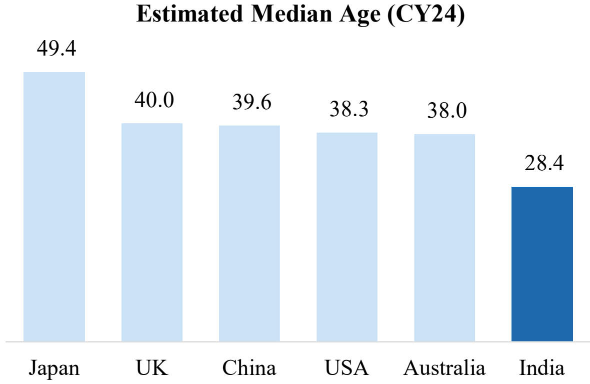
1.2 Demographic Advantage

India has a favorable demographic profile, with its population estimated at 1.4 Bn in CY24, making it the most populous country globally.

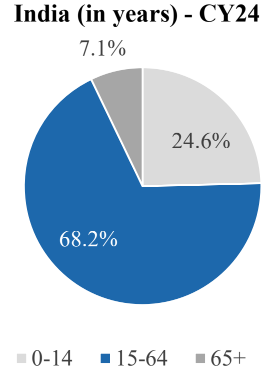
1.2.1 Largest youth population globally

India continues to have the largest youth population globally and the largest working-age population as of CY24, with a median age of 28.4 years (vs 39.6 years in China and 38.3 years in the United States) and 68.2% of the population between the age of 15-64 years as of CY24. A young working population with high disposable incomes is expected to play a crucial role in boosting economic output by increasing consumer demand and providing a large talent pool for technology and innovation related roles. This large, young workforce ensures a continuous supply of labour, providing a structural advantage that, if effectively leveraged with the right policies, can boost per capita GDP growth and drive the nation's economic expansion.

Estimated Median Age (CY24)



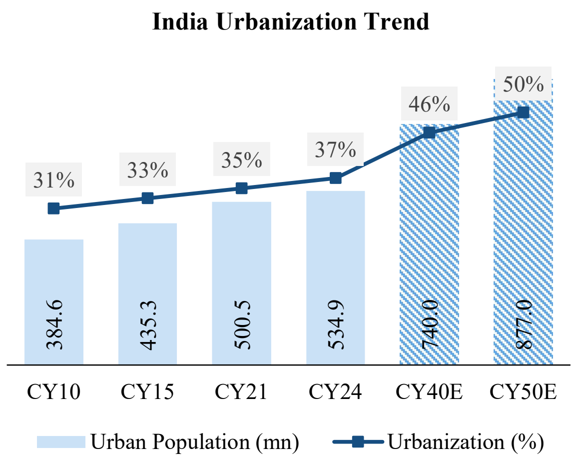
Population distribution by age across India (in years) - CY24

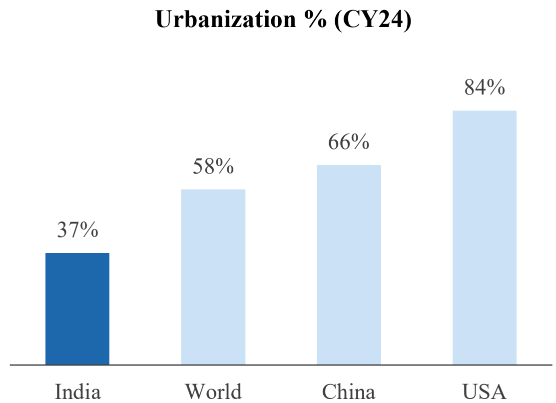


Source: World Bank, UN World Population Prospects

1.3 Rapid Urbanization

India's urban landscape is experiencing substantial transformation, with several cities establishing themselves among the world's largest metropolitan areas. As of CY24, India's urban population constitutes 37% of the total population and is projected to reach 50% by CY50. While this represents significant growth, it remains below the global average of 58% recorded in CY24, indicating considerable urbanization potential. This accelerated urbanization trend correlates directly with rising income levels nationwide. The expansion of urban populations, coupled with increasing disposable incomes, is generating enhanced purchasing power across demographic segments. This economic evolution is anticipated to drive substantial growth in commodity consumption in India's domestic market.

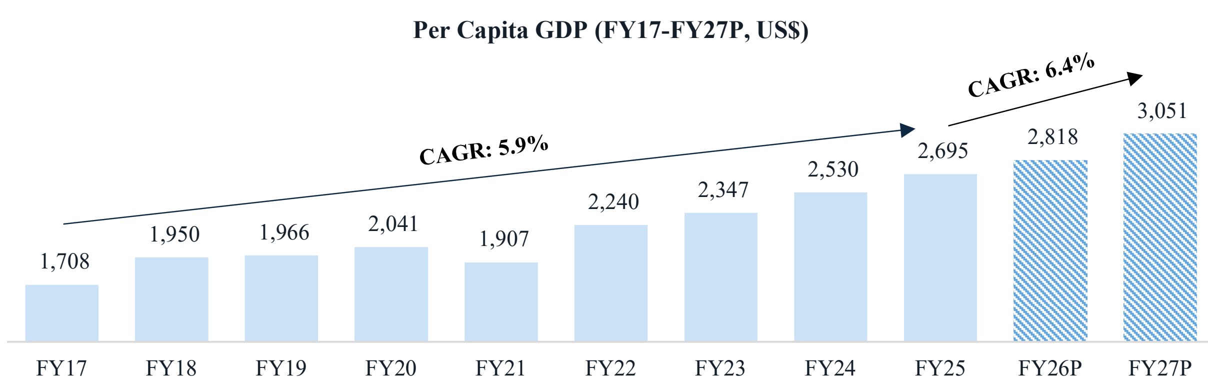




Source: World Bank, IEA, MOHUA, PIB

1.4 Rising Per Capita Income

India's per capita income (at current prices) has increased at a CAGR of 5.9% from FY17 to FY25 and is projected to grow at a CAGR of 6.4% from FY25 to FY27P. More than 140[1] mn households are expected to be added to the upper mid (₹1.5 mn-₹ 3 mn) and lower mid income (₹ 0.5 mn-₹ 1.5 mn) brackets between 2018 and 2030. Households belonging to these income brackets are expected to drive consumption and account for most of the real estate demand in Tier 1 and Tier 2 cities.



Source: IMF, World Economic Outlook, October 2025

[1]*Future of Consumption in Fast-Growth Consumer Markets: INDIA*

1.5 Enabling Government Reforms

Listed below are a few noteworthy measures and government initiatives that have had or are expected to have a substantial impact on the real estate sector in India.

a) **Real Estate (Regulation and Development) Act, 2016:** In 2016, the Central Government introduced the Real Estate (Regulation and Development) Act, as the first comprehensive central statute governing the real estate industry. The primary objective was to foster the growth of the real estate sector by creating a level playing field for all stakeholders and fostering an environment of trust, accountability, transparency, credibility, and efficiency.

b) **Goods and Services Tax**: GST was introduced in India on July 1, 2017. Post the introduction of GST, these multiple taxes were streamlined and consolidated into a uniform regime, providing clarity and simplicity for consumers in the real estate sector.

c) **Insolvency and Bankruptcy Code, 2016**: The implementation of the IBC has brought about a time-bound and unified insolvency process, providing investors with the opportunity to resolve issues related to unpaid assets and outstanding dues.

d) **Special Economic Zones (Fifth Amendment) Rules, 2023:** On December 6th, 2023, the Central Government's notification of Rule 11B under the Special Economic Zones Rules, 2006 paved the way for floor-wise demarcation in the built-up area of an IT/ITeS SEZ as a Non-Processing Area (NPA). This demarcated area may then be used for setting up and operation of IT/ITeS businesses servicing the domestic market, enabling this area to be leased to a wider cross-section of occupiers from the IT/ITeS sector. Typically, the conversion from SEZ to SEZ-NPA status takes around 6-8 months from start of the denotification process to securing the conversion approvals.

e) **Real Estate Investment Trusts (REIT) guidelines:** In 2014, the Securities and Exchange Board of India (SEBI) issued comprehensive guidelines to provide a regulatory framework for the establishment and functioning of REITs in India. Since their introduction, SEBI has made periodic amendments to the guidelines to further enhance the efficiency and transparency of the REIT markets.

1.6 Emphasis on Infrastructure Upgradation

India has achieved significant infrastructure progress from FY15 to FY25. The National Infrastructure Pipeline (NIP), launched in 2020, which initially targeted ₹111 lakh crore (US$ 1.5 trillion) investment from FY2020-FY2025 across 6,835 projects, has since expanded to over 14,000 projects spanning 61 sub-sectors with a capital outlay of approximately US$ 2.4 trillion as of July 2025. In addition to Public-Private Partnerships accelerating NIP infrastructure development, the 2021 PM Gati Shakti National Master Plan unified major infrastructure schemes like Bharatmala, Sagarmala, and UDAN on a single digital platform for better coordination and implementation. These advancements have greatly enhanced multimodal connectivity and urban mobility. Some of the major transformations are highlighted below:

Infrastructure Type	FY15	FY25	CAGR (%)	% growth during the period
Total Length of National Highways (km)	91,287	1,46,204	4.8%	60.2%
High Speed Corridors (km)	93	2,474	38.8%	2560.2%
Construction Speed (km/day)	12	34	11.0%	183.3%
Operational Metro Systems[1] (km)	248	1,013	15.1%	308.5%
Operational Airports	74	145	7.0%	95.9%

[1]For Operational metro systems refer FY15 as CY14 and so on

Source: Ministry of Road Transport and Highways Annual report 2024-2025, Press Information Bureau Government of India

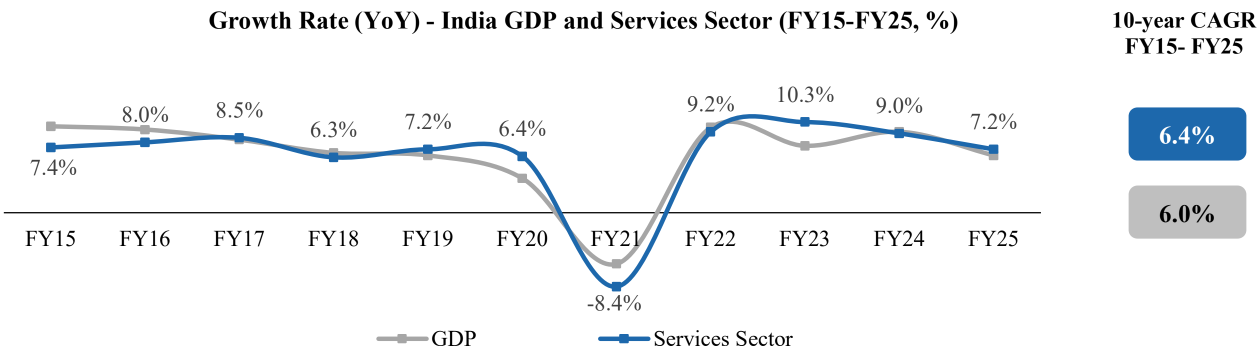
1.7 China + 1 Strategy

To de-risk supply chain requirements and mitigate production challenges, many multinational companies are adopting strategies like China+1 and Europe+1 to build a more resilient and flexible supply chain, reduce costs, and access new markets by leveraging alternative manufacturing hubs like India, Vietnam, and Mexico. This approach is benefitting India amongst other Southeast Asian countries across various sectors. Furthermore, manufacturing firms are expected to create more R&D jobs in India as it offers efficiencies in managing both research and production in the same geographical region.

Chapter 2: Overview of India's Services Sector

2.1 Services Sector: A pivotal driver of India's GDP

The services sector, also known as the tertiary sector, has consistently contributed over 50% to the country's Gross Value Added **("GVA")** since FY17. It not only holds dominance in India's GDP but also attracts significant foreign investments with a share of 19.0% in FY25[1]. Propelled by strong services exports, India is positioned as a global services hub. This significant growth translates into increase in office space leasing, driven predominantly by technology firms as Global Capability Centres **("GCCs")** setting up India operations as well. The sector grew by 7.2% in FY25 and is expected to grow by 8.2% in FY26, driven by growth in the tech sector.



2.2 Drivers of the Indian Services Sector

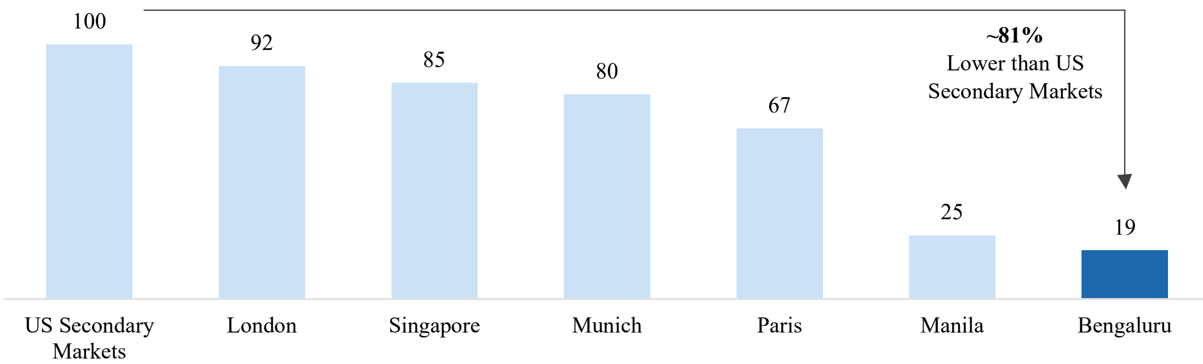
Competitive cost advantage, quality cost effective real estate, English-speaking talent pool with the largest working-age population, a growing technology ecosystem, favorable policy environment, and growth of GCCs have been the key drivers for India's competitiveness making it the most preferred outsourcing destination. In the recent years, India has emerged as a leading technology and corporate services hub that has driven demand for commercial office space from both domestic and global corporations.

2.2.1 Availability of Skilled Labor at Competitive Costs

India has the world's largest working-age population as of CY24. One of India's key strengths lies in its highly competitive cost structure. The operating costs for IT/ITeS operations in India are significantly lower compared to other parts of the world, with the cost differential in Bengaluru's favour being as high as 81% compared to Secondary United States Markets. The key office market in India – Bengaluru continues to be most cost competitive in terms of operating costs of a Full-time Employee (FTE) compared to major offshoring/outsourcing hubs globally.

[1] Press Information Bureau (PIB) Government of India

Operating costs comparison for typical Full-time Employee in the BPM segment - FY25

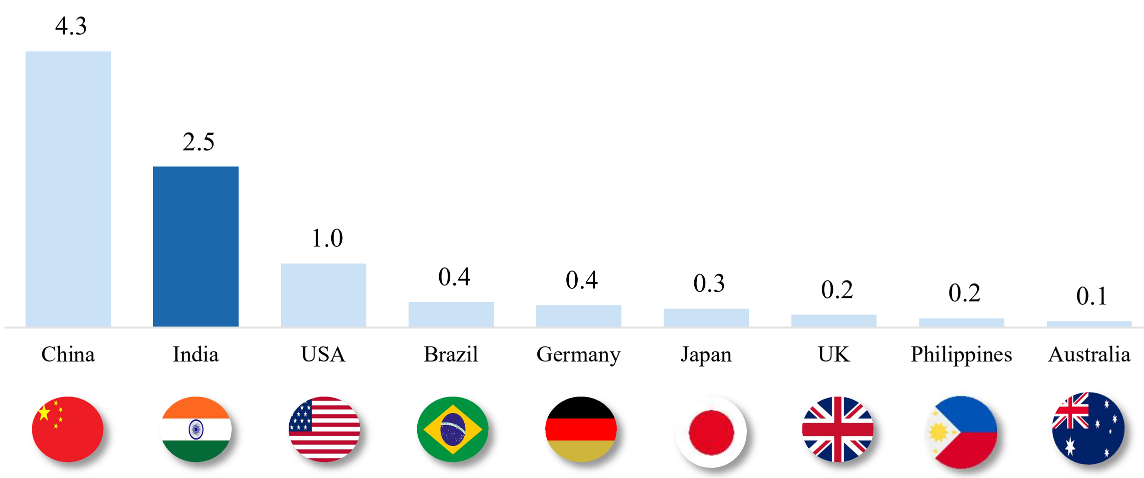


Source: NASSCOM, Indexed to US Secondary Markets = 100; Includes BPM - F&A services; FTE – Full Time Employee. These cities have been shortlisted as they are typical outsourcing hubs in the world

2.2.2 Large English-Speaking, STEM Talent Pool

As the second-largest English-speaking country worldwide after the USA as of June 30, 2025, India offers the additional advantage of a vast talent pool with minimal language barriers. India hosts one of the world's largest pools of STEM graduates at over 2.5 mn as of June 30, 2025, establishing itself as a major global source of highly skilled professionals.

Number of STEM graduates across countries - 2024 (in Mn)



Source: UNESCO Institute of Statistics, PayScale, JLL Research
Notes: Figures are estimated based on STEM graduates across all levels of higher education

2.2.3 Quality cost-effective real estate

India continues to be the most affordable real estate market amongst its global and regional peers, making it a preferred destination for businesses looking to optimize expenses. While India offers cost competitiveness, increasing institutionalization and focus on sustainability is driving the quality of commercial real estate. This results in the creation of a robust ecosystem for sustainable growth of India's office markets. Notably, cities such as Bengaluru, Delhi NCR, Hyderabad, Pune, Chennai, and Kolkata offer monthly rentals between US$ 0.8 psf and US$1.1 psf, which are significantly lower than those in major global hubs like London at US$ 14.1 psf and New York-Manhattan at US$ 7.2 psf as per JLL Research.

2.2.4 India's Tech Ecosystem: Key Growth Driver of Office Demand in India

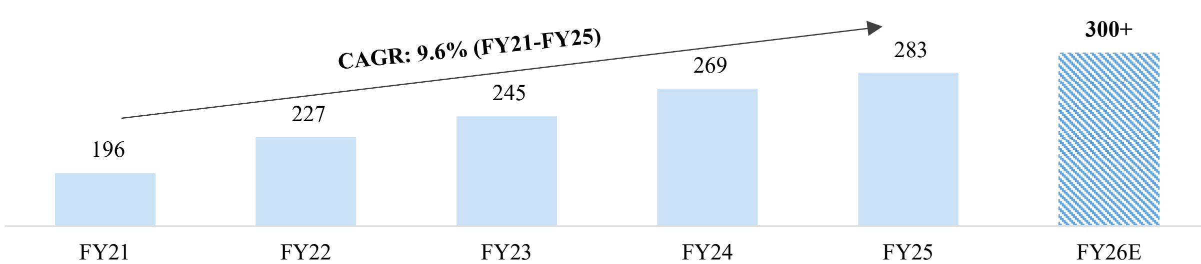
Technology Industry Snapshot (FY2025E)

Source: JLL Research, MeITY, NASSCOM, RBI

India's tech industry has transformed from a cost-effective outsourcing hub to a global innovation powerhouse. Beginning in the 1970s-80s with basic back-office functions, the journey accelerated through 1990s liberalization, Y2K demand, and 2000s BPO expansion. The 2010s saw multinational Global Capability Centres (GCCs) evolve from cost centres to innovation hubs focused on digital transformation and advanced technologies. Today's phase, driven by government initiatives like India AI Mission and a thriving startup ecosystem, positions India as an AI leader. Indian GCCs now serve as strategic "digital twins" of their foreign headquarters, spearheading cutting-edge R&D, AI development, and product innovation globally. Today, the Indian tech industry represents a major economic sector, with estimated revenues of US$ 283 Bn in FY25 and employing ~5.8 million people. The industry isn't just reshaping the nation's economic landscape; it is profoundly impacting the nation's commercial real estate sector by creating strong demand for modern office spaces, driving growth in tech-centric cities, and fostering the development of flexible and smart workspaces.

This growth is expected to continue, with revenues anticipated to exceed US$ 300 Bn by FY 2026 and employment expected to surpass 6.5 million people. Importantly, as employment numbers swell, the demand for office real estate intensifies, particularly for specialized, technologically advanced workspaces.

Tech Sector Revenue (US$ bn)



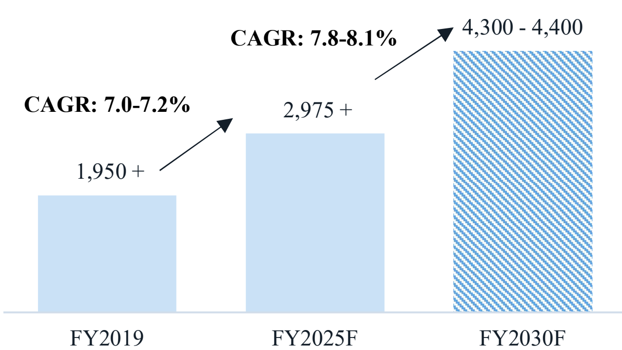
Source: Nasscom

2.3 GCCs: The new engine of office leasing

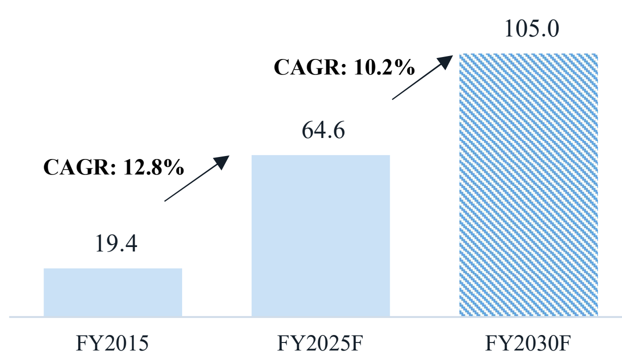
The evolution of India's technology sector has reached a pivotal juncture, marked by the rise of GCCs as the primary drivers of office space demand. Though direct leasing by third-party tech sector occupiers continues to be a notable part of the market, India's extensive tech capabilities and large talent pool are now primarily utilized through the GCC model. Third party tech sector occupiers refer to firms (domestic or global) who serve as service partners to multiple firms for their tech outsourcing or transformation work and are otherwise linked to such firms through separate vendor-principal contracts. GCCs on the other hand are fully-owned subsidiaries of the firm, serving the parent organisation only across various functions – both support as well as R&D work.

As of June 2025, India hosts over 2,975 GCC units, with Bengaluru accounting for ~30% of these establishments. The potential for new GCCs in India is substantial, as ~ 65% of Fortune 500 companies (excluding those headquartered in India) have yet to set up their GCC offices in India as of June 2025. The coming years are poised to see a surge in GCC establishments in India. This growth will be driven both by new entrants seeking to capitalize on India's favorable ecosystem and by existing GCCs expanding their operations within the country. India's established reputation and skilled workforce is expected to ensure its continued prominence as a hub for innovation. India is expected to remain among the top innovation geographies for R&D as companies increasingly look to offshore R&D activities and leverage GCCs as transformation centres to foster business excellence and organizational development. Accordingly, India is expected to remain a preferred destination for GCCs, and the number of GCCs units in India is projected to exceed 4,300 within the next 5 years by FY2030F. The GCC export revenue has increased from US$19.4 bn in FY15 to US$ 64.6 bn in FY25F and is further expected to grow at a CAGR of 10.2% by FY30F.

Number of GCC units in India



GCC Revenues (FY15-FY30F, US$ bn)



Source: NASSCOM GCC Annual Report 2024, JLL Research
Note: GCC units refer to the actual number of total GCC operations based in India. This figure includes cases where a single entity may operate multiple GCC facilities.

India's GCCs continue to rapidly move up the value chain, transitioning from purely cost-arbitrage centres to strategic hubs of innovation, R&D, and global business process transformation. This strategic pivot towards higher-value, more intricate business services limits their susceptibility to the risks posed by advancements in Artificial intelligence (AI) and automation. AI models are evolving at a rapid pace. From Generative AI maturity to Edge AI and Agentic AI ecosystems, the global AI market is primed for growth as enterprise AI adoption rates ramp up and companies move beyond experimentation to integrating AI into core business processes. AI-specific hardware demand is expected to drive significant investment in specialized chips, quantum computing research, and distributed computing architectures. While software development is expected to move towards AI-assisted coding tools, automating routine programming tasks, new roles in AI engineering, prompt engineering, and AI safety are rapidly expanding. Going forward, skills centered around AI/ML expertise, data engineering, and AI product management is expected to add more value to traditional technical skills.

The tech sector is experiencing a fundamental platform shift comparable to the mobile or cloud transitions, with AI becoming the primary driver of competitive differentiation and value creation across technology categories.

While routine, repetitive tasks are vulnerable to AI-driven automation, the core activities of evolved GCCs in India—such as strategic decision-making, complex problem-solving, creative ideation, customer-centric innovation, and highly specialized technical work—require human cognitive abilities that AI currently complements rather than replaces. This ensures that more AI-related jobs are expected to be added than automation-related job displacements creating demand for more office space in India. This is expected to keep India's office market more robust and growth oriented.

Evolution of GCCs

<table>
<tr><th>Phase 1: Pre-2010</th><th>Phase 2: 2011-2015</th><th>Phase 3: 2015-2023</th><th>Phase 4: 2023 Onwards</th></tr>
<tr>
<td>Centres for operational efficiency

As of FY 2010
Total no. of GCCs: ~650-700+
Revenues: ~US$11.5 bn
Total GCC Talent: ~400K+</td>
<td>From shared service center to value addition services

As of FY 2015
Total no. of GCCs: ~950-1,050+
Revenues: ~US$19.4 bn
Total GCC Talent: ~745K+</td>
<td>Rise of strategic innovation hubs

As of FY 2023
Total no. of GCCs: ~1,580+
Revenues: ~US$ 46.0 bn
Total GCC Talent: ~1,659K+</td>
<td>Consolidation as global business powerhouses

As of June 2025
Total no. of GCCs: ~1750+
Revenues: ~US$ 64.6 bn
Total GCC Talent: ~1,900K+</td>
</tr>
<tr><td colspan="4">GCCs are rapidly moving up the maturity curve with 53% of GCCs in the Portfolio and Transformation Hub stages in FY2024, compared to 18% a decade ago in FY2013</td></tr>
<tr>
<td>• Primarily cost saving hubs leveraging lower labor costs to perform basic transactional work such as data entry, payroll processing, and IT support and chieve operational efficiency.</td>
<td>• Evolved to value-driven entities utilizing higher skilled talent for more complex tasks like financial analysis and data analytics focusing on delivery excellence and innovation.

• "Centers of excellence" emerged focusing on specific functions and directly contributing to business outcomes while maintaining cost efficiency.</td>
<td>• Strategic enterprise-scale partners driving product innovation and digital transformation, specialized functions including AI/ML development, cybersecurity

• Talent moved into global leadership roles and helped shape global business strategy and creating new IP.</td>
<td>• GCCs are now developing tools in cutting-edge technologies like Generative AI and driving business-level transformation through automation

• Drive tangible profitability goals by monetizing service and delivery capabilities.</td>
</tr>
</table>

Source: JLL Research, NASSCOM

2.3.1 Bengaluru reigns as the preferred location for GCCs

Bengaluru remains the leading GCC hub in India in H1 2025, capturing a significant strategic preference from GCCs due to its well-established ecosystem that continues to attract investment. This concentration, accounting for 38.0% of total GCC leasing activity from 2021 to H1 2025, is largely driven by the city's abundant pool of highly skilled tech talent, coupled with competitive real estate costs, a substantial inventory of Grade A office spaces and favorable government policies, such as the Karnataka GCC Policy 2024-2029, which offers a range of incentives including fiscal benefits, streamlined regulatory approvals, and dedicated infrastructure support to attract and retain GCCs. The policy provides a comprehensive suite of incentives designed to attract new investments and retain existing centres. Key offerings include a range of fiscal benefits, such as rental and EPF contribution reimbursements. It also streamlines regulatory approvals through a digitized single-window system for faster clearances. Furthermore, the policy promises dedicated infrastructure support, and talent development initiatives like skilling expense reimbursements, making it a highly attractive framework for multinational corporations.

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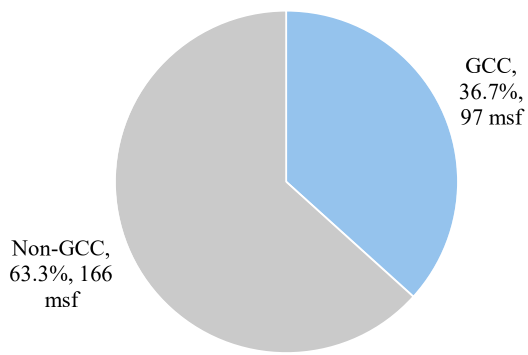
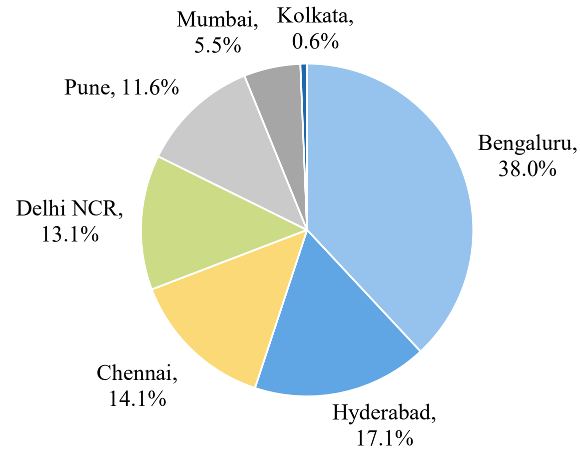
Aggregate GCC leasing activity from 2021 through H1 2025 reached 96.5 msf, representing ~36.7% of overall office gross leasing in India for 2021-H1 2025.

Share of office space leasing by GCCs (CY21-H1CY25, %, msf)



Distribution of GCC leasing across markets (CY21-H1CY25)

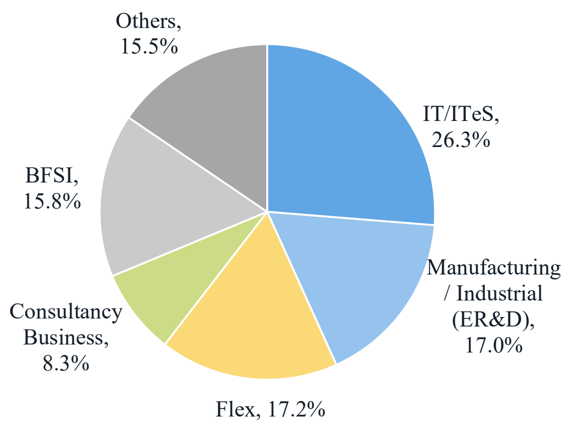


Source: NASSCOM, JLL Research

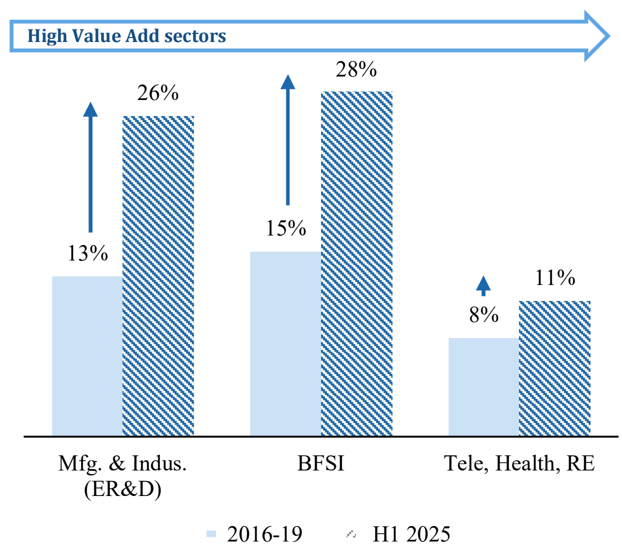
2.3.2 Leasing crosses industry boundaries

While tech occupiers have historically dominated GCC leasing activity, the leasing landscape is diversifying. Manufacturing and industrial **("ER&D")** and BFSI are rapidly growing segments where GCCs are ramping up their footprint at a quick pace. In 2024, tech was closely followed by BFSI and ER&D as the leading contributors to GCC leasing activity across India's top seven markets. Further, in the first six months of 2025, ER&D and BFSI have surpassed IT/ITeS to emerge as leading contributors to GCC leasing activity.

Sector -wise share of gross leasing - CY21 to H1CY25



Distribution of GCC leasing across sectors (%)

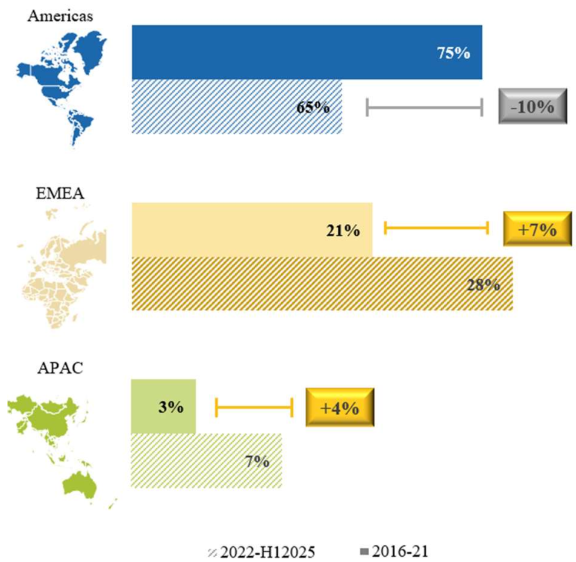


Source: JLL Research; Others include- E-commerce, Miscellaneous and Telecom, Healthcare- Biotech, Real Estate & Construction

2.3.3 Growing EMEA and APAC Contribution to GCC Leasing in India

While companies headquartered in the Americas continue to dominate GCC leasing in India, the contribution from EMEA and APAC regions to India's total GCC footprint has increased between CY22 to H1CY2025. The expanding geographical diversity of parent companies signals a broadening of India's GCC ecosystem beyond its traditional American client base, enhancing India's resilience to region-specific economic fluctuations.

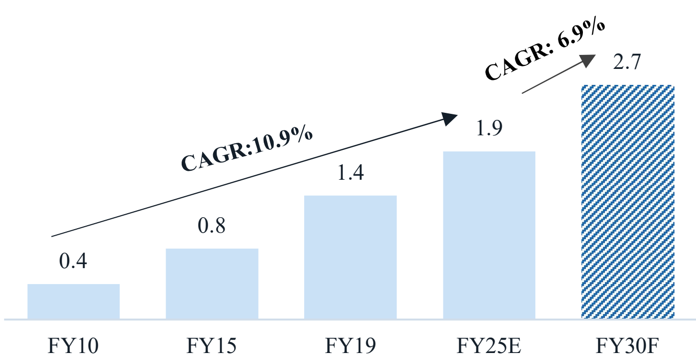
Contribution to GCC leasing based on tenant headquarter origin CY2016-21 & CY2022-H1CY2025, (%)



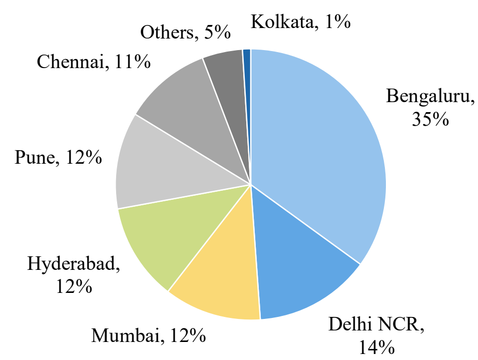
Source: JLL Research

Employee strength of GCCs in India has rapidly increased over the last decade and a half, from just 0.4 mn employees in FY10 to over 1.9 mn in FY25E, registering a CAGR of 10.9% during the period.

GCC headcount, mn



GCC Workforce city distribution as of June 2025



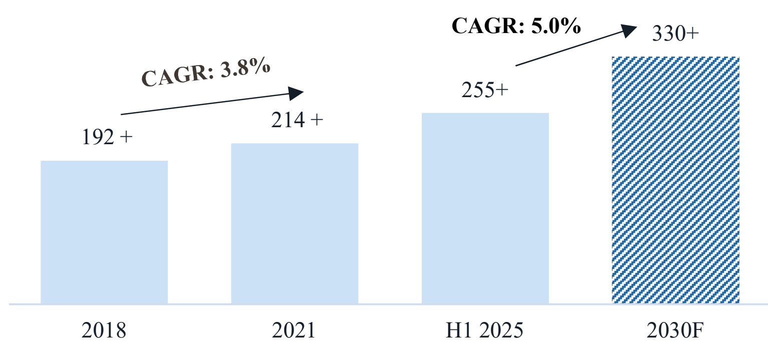
Source: Nasscom, JLL Research

Tier I cities remain the preferred destinations for GCCs in India. Bengaluru has remained the leader for GCCs in India, with dominant share of ~35% in the talent distribution across India as of June 30, 2025.

2.3.4 Office demand will continue to be driven by GCCs

India's evolution into the world's offshoring capital has become an attractive market for global firms seeking headcount augmentation and capacity growth. GCCs account for more than one-third of all occupied Grade A stock across the top seven cities in H1CY2025, translating to more than 255 msf. Over the next 5-6 years by CY2030, this office occupancy footprint is expected to grow to over 330 msf, driven by the expected growth in new GCCs entering the country and the expansion of existing ones.

Grade A office space occupied by GCCs in India, msf



Source: JLL Research

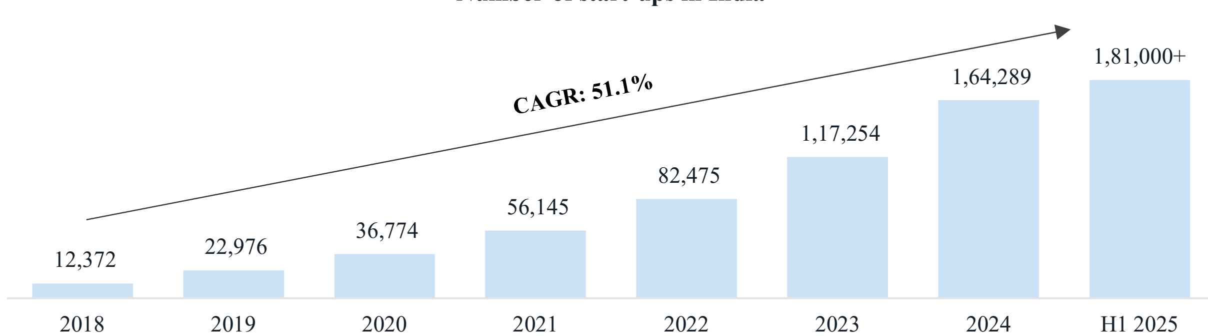
2.5 Favorable Policy Environment promoting the growth of GCCs in India

India's GCC policy ecosystem combines robust digital infrastructure through Digital India and BharatNet, comprehensive talent development via Skill India and educational reforms, streamlined regulations including GST and Labour Codes, and attractive incentives through SEZs and STPI schemes. The framework addresses data protection requirements whilst enabling cross-border operations, offers liberalised FDI norms and modern financial infrastructure through UPI and JAM trinity, and promotes innovation through R&D incentives and Centres of Excellence. This orchestrated approach, emphasising regulatory efficiency, infrastructure development, and continuous policy refinement, positions India as the premier destination for multinational corporations establishing GCCs.

2.6 Expansion of Innovation Driven Businesses and Start-Ups

Over the past decade, the startup ecosystem in India has experienced exponential growth, driven by innovation, substantial venture capital investments, and government support. The number of startups recognized by the Department for Promotion of Industry and Internal Trade (DPIIT) increased from around 12,372 back in CY18 to over 181,000 as of June 2025.

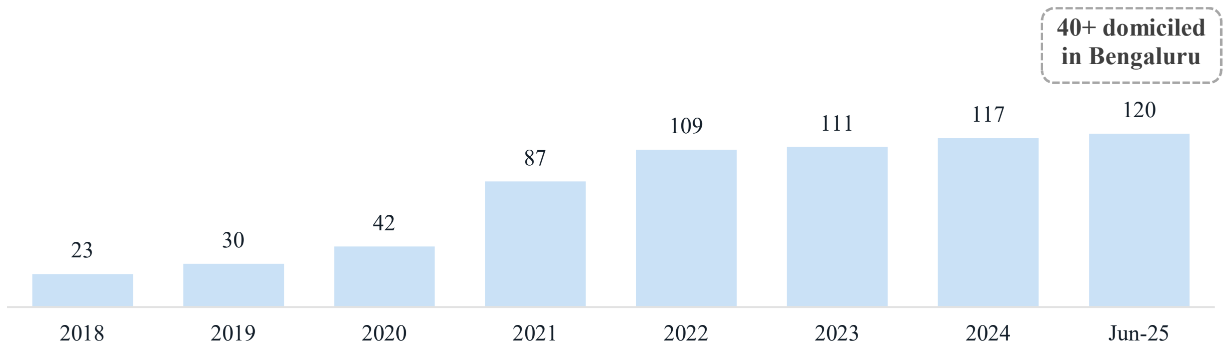
Number of start-ups in India



Source: Startup India, JLL Research

This growth has positioned India as the third-largest startup ecosystem in the world as of H1CY2025, which has yielded over 100 unicorn startups since 2018. The thriving startup ecosystem also presents opportunities for GCCs to leverage emerging technologies and evolving tech solutions. This enables them to tap into a digitally advanced ecosystem for serving their global clients effectively

Number of unicorn start-ups in India



Source: Invest India, JLL Research

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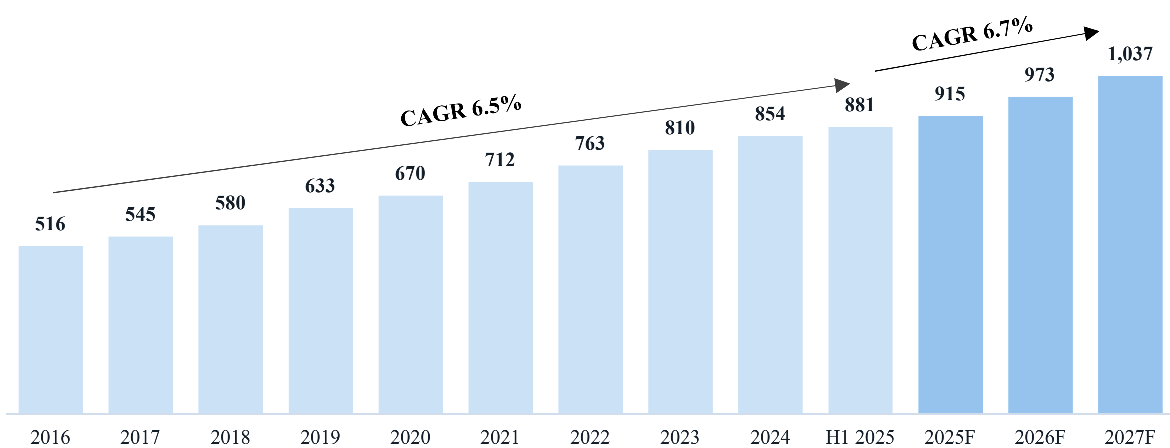
Chapter 3: India's Office Market in a Global Context

India's office market has witnessed significant growth over the past two and half decades, establishing itself as a prominent player in the global commercial real estate industry. The top seven markets (Bengaluru, Chennai, Mumbai, Delhi NCR, Hyderabad, Pune and Kolkata) in India have experienced a surge in Grade A office stock, growing by 1.7 times, from ~516.1 msf in 2016 to around 881.0 msf as of H1CY2025. India is one of the largest office markets in the world and has recorded the highest cumulative net absorption globally of 178.0 msf from CY2021 to H1CY2025, primarily driven by the Bengaluru market.

The rise of the business process outsourcing (BPO) industry in the early 2000s played a pivotal role in attracting major multinational companies to set up operations in the country, subsequently kickstarting the transformation of the office market. Today, India's office market presents a wide array of opportunities for companies seeking to expand their operations. With its robust economy, abundant cost-effective talent pool, and favorable business environment, India has become an attractive destination for both domestic and international companies looking to establish their presence in the country. Looking ahead, the Grade A stock is forecasted to grow at a CAGR of ~6.7% between H2CY2025 and 2027F to reach 1,037 msf.

Total Grade A office stock in India's top seven markets, msf



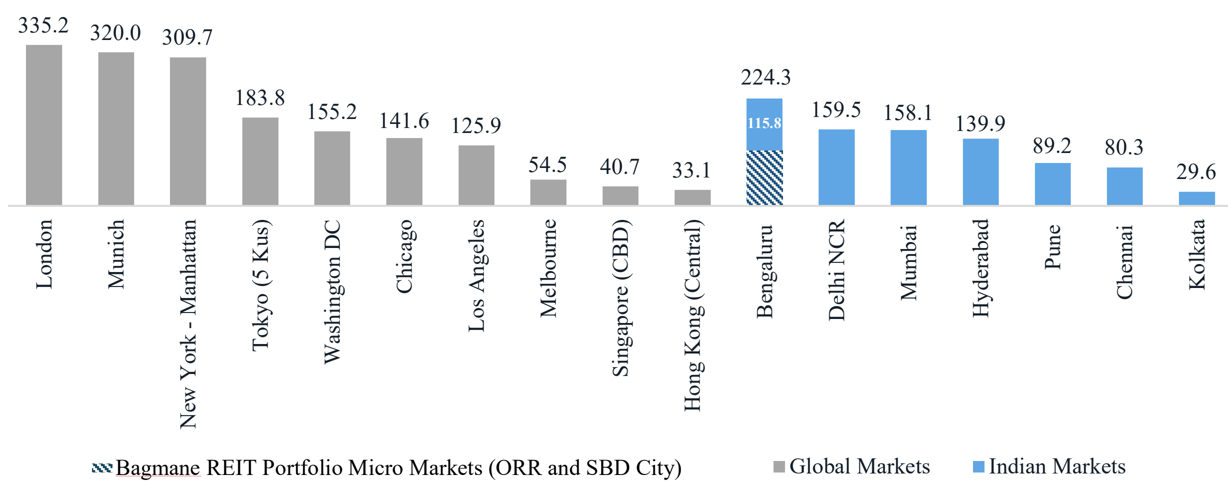
Source: JLL Research, June 30, 2025

3.1 Bengaluru: Largest office market in India and one of the largest in Asia-Pacific

3.1.1 One of the largest office stock globally

Bengaluru, where the Bagmane Prime Office REIT's **("Bagmane REIT")** assets are located, has established itself as a leading force in the global commercial real estate landscape, boasting the largest office stock in India and one of the largest Grade A office stock in the APAC region. With a substantial 224.3 msf of premium office space as of June 30, 2025, accounting for 25.5% of India's total office stock in the same period, the city surpasses many other major global hubs in terms of Grade A office stock. This impressive inventory underscores Bengaluru's continued growth as a global technology and business hub, attracting significant investment and multinational corporations. The city's robust tech sector, coupled with a burgeoning ecosystem for GCCs, drives demand for high-quality, modern office environments.

Select Major Global Cities - Grade A Office Stock (H1CY25, msf)

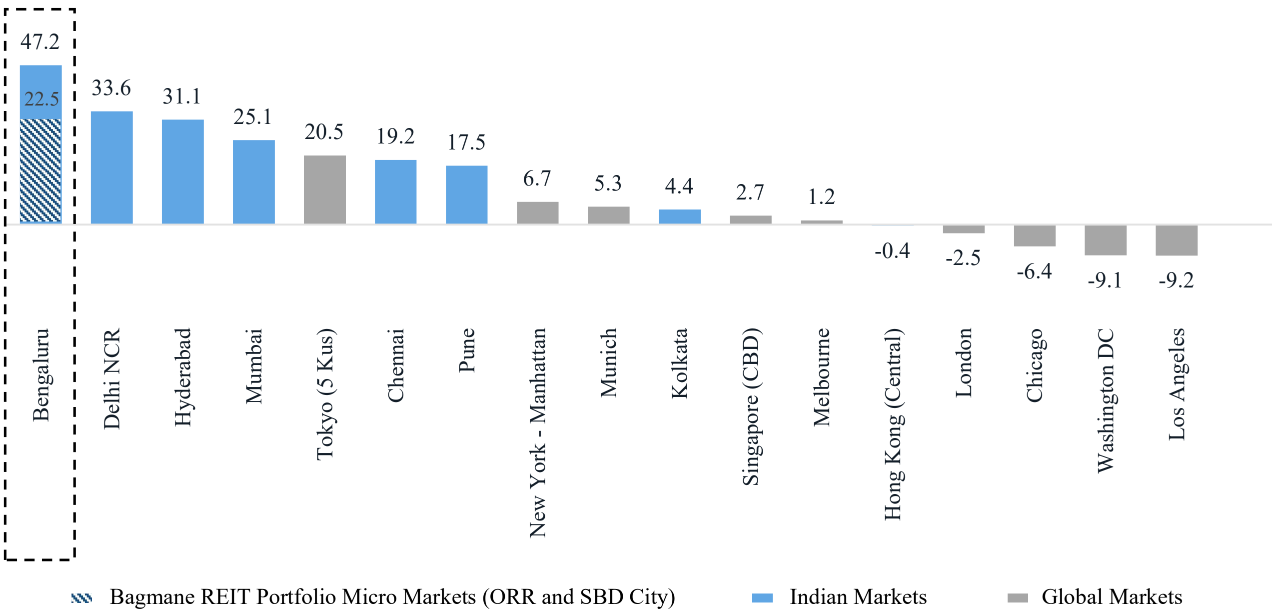


Source: JLL Research

3.1.2 Best performing office market globally (by absorption)

India's strong performance is significantly bolstered by Bengaluru, which alone accounts for 26.6% (47.2 msf) of the country's total net absorption from CY2021 to H1CY2025 which is also the highest net absorption across all major global cities. While global cities across other regions like Western Europe and APAC recorded healthy net absorption levels, the diverse dynamics globally, including shifts towards hybrid working, have led to varying market adjustments across different geographies. Bagmane REIT Portfolio Micro-Markets have outperformed prominent global office markets recording 22.5 msf of cumulative net absorption from 2021 to H1CY2025.

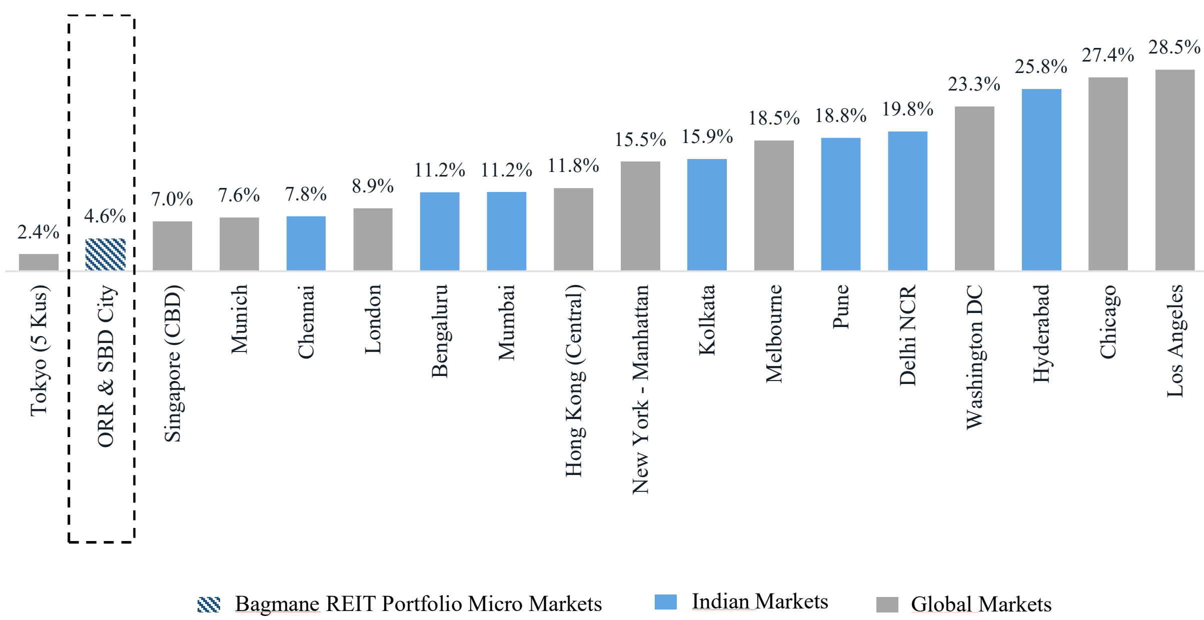
Cumulative Net Absorption comparison (CY21 – H1CY25), msf



Source: JLL Research

3.2 Vacancy comparison

Bagmane REIT Portfolio Micro-Markets recorded the second lowest vacancy across major global cities of 4.6% as of H1CY25.

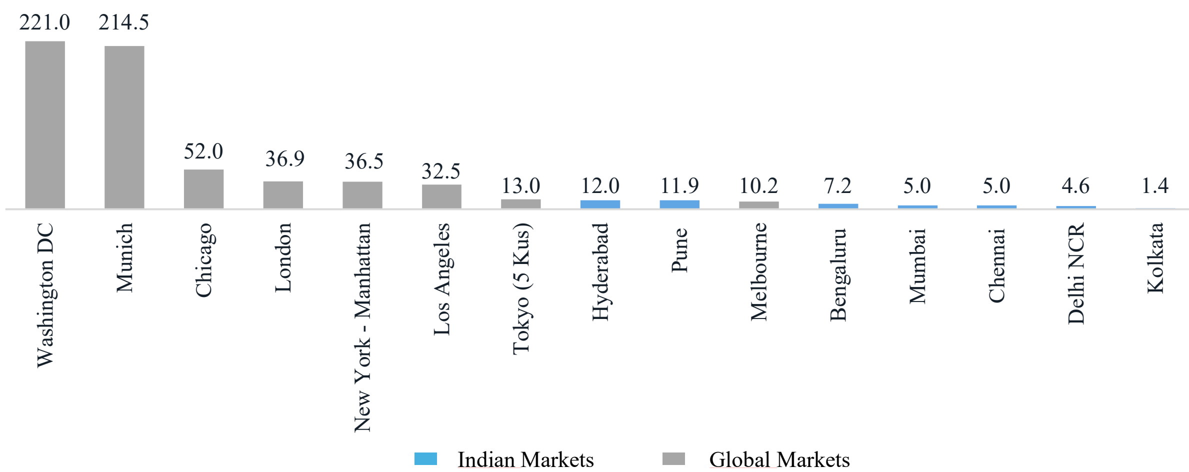


Source: JLL Research

3.3 Per Capita Stock

The per capita office stock in Indian cities is less compared to the other global cities, indicating opportunity for future growth.

Select Major Global Cities - Per Capita Stock (H1 CY25, sf)

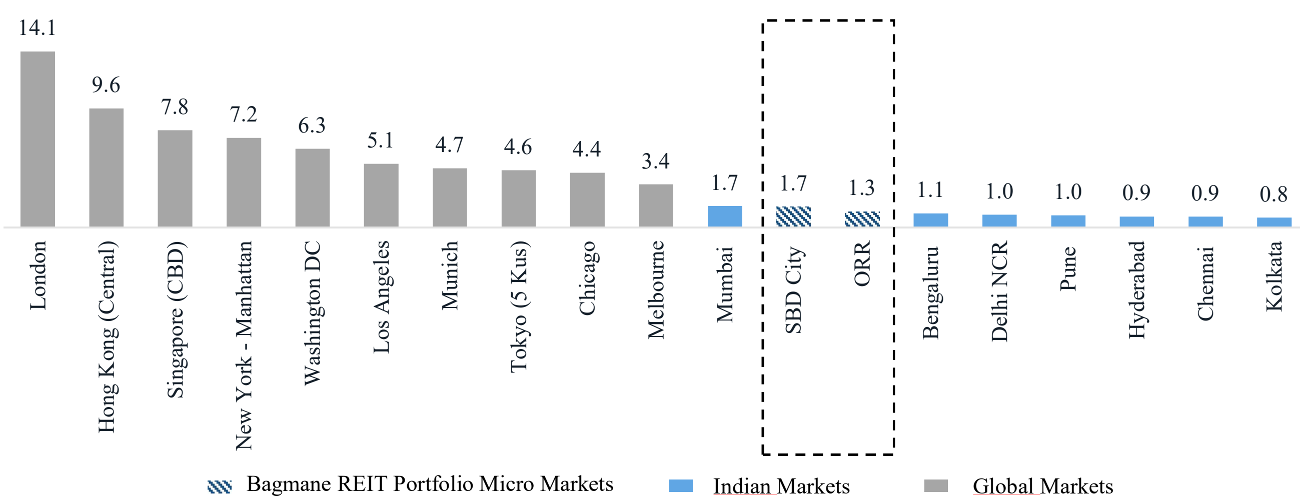


Source: JLL Research, UN World Population Prospect, Oxford Economics

3.4 Office cost competitiveness is intact

The cost advantage is particularly evident in the markets of Bengaluru, Delhi NCR, Hyderabad, Pune, Chennai and Kolkata, which offer significantly lower rentals of approximately US$0.8 to US$1.1 psf per month as compared to assets of similar scale and quality in other global commercial hubs. With office spaces often available at dollar rentals, these markets (Bengaluru, Delhi NCR, Hyderabad, Pune, Chennai and Kolkata) have accounted for more than 80% of the overall office market activity over the period of CY2021 to H1CY2025.

Rental comparison: average office rent (June 2025), US$ psf/month

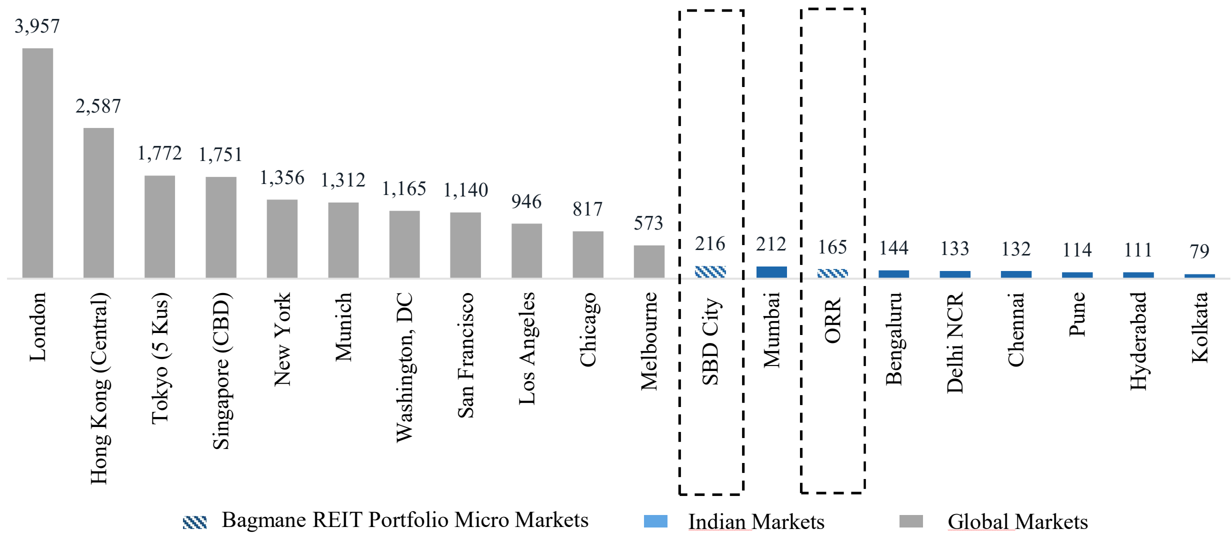


Source: JLL Research

3.5 Office capital values are among the lowest

At a city level, India's office markets offer most affordable entry points in terms of capital values for investors, with options available across a wide price spectrum for city-centric, core markets (CBD, office micro-markets which contribute for more than 70% of all office leasing activity in the city) and other emerging corridors (peripheral micro-markets where office demand is slowly rising and are usually more affordable micro-markets in the city) .

Capital Values: average office capital values (June 2025), US$/sq ft

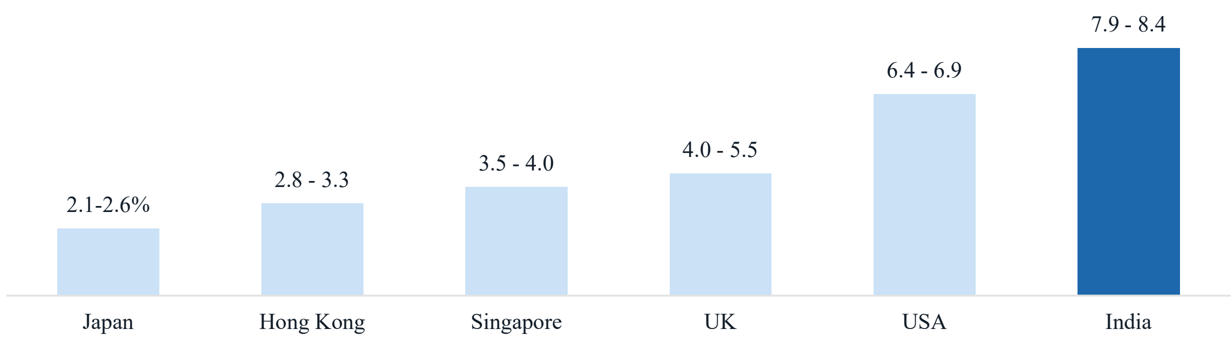


Source: JLL Research
Note: Capital values are for Grade A developments

3.6 Cap rates remain attractive for long-term investors

India’s office market offers some of the most attractive property yields (7.9-8.4% as of June 2025) and returns globally. This coupled with its strong office market performance makes it one of the most attractive destinations for global investors.

Cap Rates: average range for select Grade A offices (June 2025), %



Source: JLL Research
Note: Cap rates vary across a range basis asset quality and other factors which affect property values.

Chapter 4: Prominent Trends in India Office Market

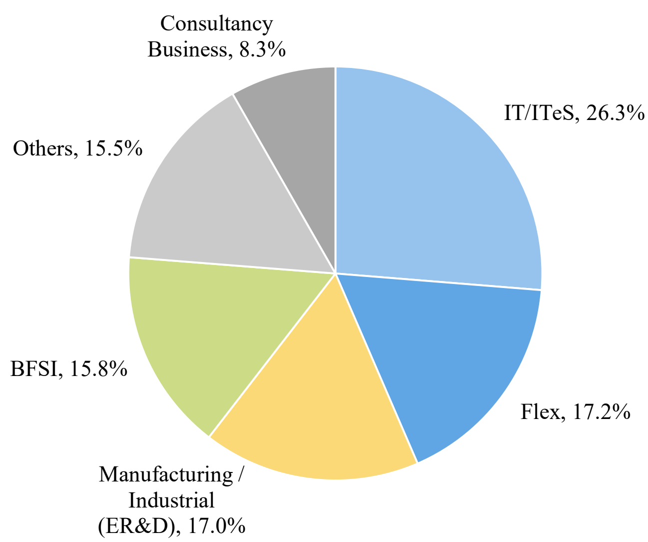
4.1 Hybrid a reality but with an 'Office-first' approach

The modern office has transformed into a space for collaboration, innovation, and expressing company culture to diverse workforces. This makes employee return-to-office strategies critical, with companies focusing on hybrid models, workplace flexibility, and unique employee offerings to facilitate the transition back. Office portfolios are likely to expand further as hybrid working evolves with a strong 'office-first' approach. Furthermore, many Indian firms expanded workforces without adding office space, making remote work necessary. As return-to-office mandates increase occupancy, enterprises face space shortages that cannot accommodate higher attendance, creating pent-up demand expected to drive significant office leasing growth. Office portfolios are likely to expand further as hybrid working evolves with a strong 'office-first' approach.

4.2 Diversification of Occupier Demand

IT/ITeS has been the largest occupier category in India's office market in overall leasing activity during CY2021to H1CY2025 period with a 26.3%, followed by flex, manufacturing/industrial (ER&D) and BFSI sector with 17.2%, 17.0% and 15.8% shares, respectively.

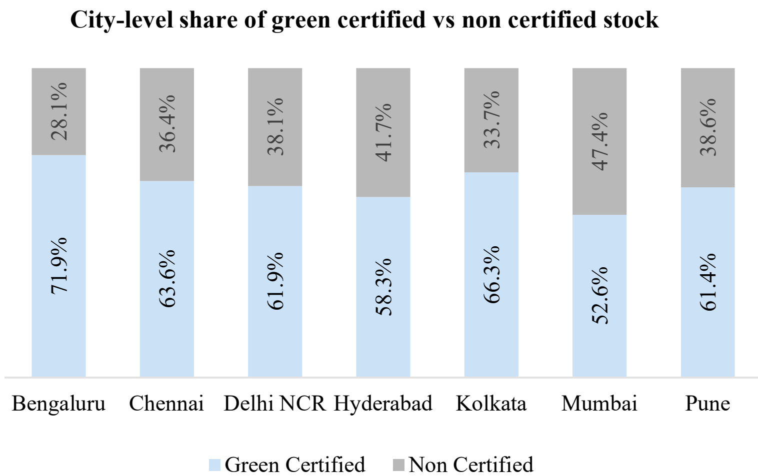
Sector-wise share of gross leasing: CY2021-H1CY2025

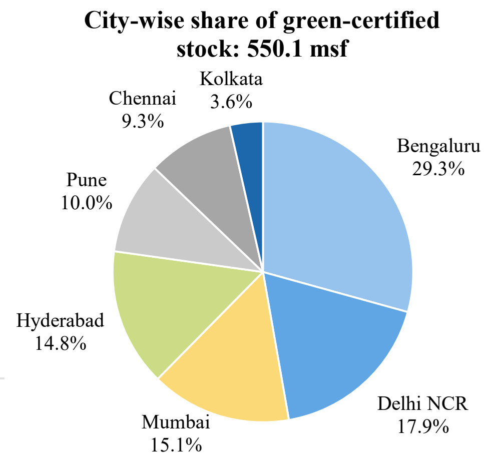


Source: JLL Research, June 30, 2025; Others include- E-commerce, Miscellaneous and Telecom, Healthcare- Biotech, Real Estate & Construction

4.3 ESG & Sustainability

Sustainable office spaces are increasingly prioritized by tenants, particularly multinational tenants, with green certification expected to become standard by 2030. The focus is shifting toward credible sustainability data and transparent landlord-tenant collaboration. Corporates must integrate sustainability into operations, leveraging technology to reduce environmental impact and enhance workplace quality. As of H1CY2025, green-certified assets maintain competitive advantage, commanding 7-10% rental premiums over non-certified projects.





Source: JLL Research, June 30, 2025

4.4 Flight to quality

It is pertinent to note that recently completed projects and lower-quality assets contribute the most to headline vacancy numbers. The flight to quality is evident in terms of office occupancy being polarized towards core markets and superior-grade projects. Institutionally owned and green certified projects continue to find favour from occupiers and hence see much better occupancy levels. As of H1CY2025 premium quality assets[2] enjoy 500 – 800 bps higher occupancy levels and command rental premiums of 10% - 20% when compared to other Grade A assets. This trend is expected to continue as institutionally owned assets account for a large share (~50%) of the upcoming supply and is expected to remain the first choice for corporate occupiers.

4.5 Tenant Improvement Capex Trends

Established developers in India have been keen to create deeper tenant relationships by providing premium quality assets and spaces complete with support amenities for a modern workplace and willing to align project planning and development in line with demands of a prospective tenant.

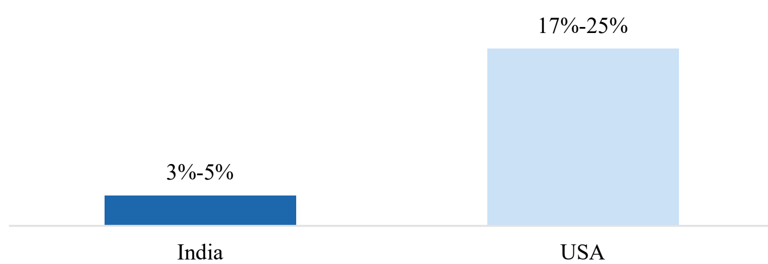
Fit-out costs incurred by tenants vary based on the location and type of operations with the costs as of H1CY2025, varying between ₹ 2,000-6,000 psf which can go further up to ₹ 7,500-12,000 psf as well depending on the finishes and quality of movable fixtures. With most tenants in India incurring these capital expenses on their own account, they tend to stay longer in their premises beyond the initial 3-5 years lock in period. In fact, tenant capex results in greater stickiness and longer occupancy tenures in premium quality office projects.

[2] Premium quality assets have been identified based on project quality assessment, project age & upkeep, tenant quality, current rent and rent growth, sustainability certifications and other relevant factors.

Most premium projects in India offer spaces to tenants on a ‘warm shell’ basis, where the landlords’ expenditure on tenant improvement capex is just between 3-5% of the rental income of the asset. On the other hand, tenants usually incur significant fit out expenditure by tenants’ equivalent to 3-5 years’ rent. In more developed office markets like the US and Europe, Tenant Improvement capex (also called Tenant Improvement Allowance) is largely borne by the landlord and usually falls in the range 17-25% of the total rent in prime office markets as landlords look to offer more concessions in premium buildings to attract and retain desirable tenants.

The practice in India creates longer tenant stickiness and lease tenures, amplifying the overall rental income from the property and achieving better margins and returns to landlords.

T1 Capex Comparison (% of rental income) as of H1CY2025



Source: JLL Research, US Office REITs

4.6 Artificial Intelligence and Real Estate

Artificial Intelligence may bring about a significant change in the type of jobs that stay relevant and those that get displaced. As per the WEF Future of Jobs Report 2025, between 2025 and 2030, global job creation and displacement will affect 22% of current formal jobs, with 14% new jobs (170 mn) and 8% jobs displaced (92 mn), resulting in net growth of 7% or 78 mn positions. The fastest-growing segments are technology-driven roles—AI and Machine Learning Specialists, Big Data Specialists, Software Developers. Roles most at risk include clerical and secretarial jobs, Data Entry, Bank Tellers and Administrative Assistants, primarily due to automation and digitisation. Rapid re-skilling is essential as 39% of workers’ core skills will change by 2030. The net increase in jobs essentially creates a positive demand for office spaces globally which will require new buildings to be developed and new office space requirements from occupiers.

Segments with accretive job creation

170 mn

- Big Data Specialists
- FinTech Engineers
- AI and Machine Learning Specialists
- Software and Applications Developers
- Security Management Specialists
- Data Warehousing Specialists
- Autonomous and Electric Vehicle Specialists

Segments likely to face job displacement

92 mn

- Accounting, Bookkeeping and Payroll Clerks
- Administrative Assistants and Executive Secretaries
- Data Entry
- Bank Tellers and Related roles
- Client Information and Customer Service Workers
- Business Services and Administration

Source: WEF Future of Jobs Report, January 2025

GCCs of foreign-headquartered firms in India which make up a significant share of office demand, are at the forefront of cutting-edge, Artificial Intelligence transformation and development roles and hence the activities of evolved GCCs in India—such as strategic decision-making, complex problem-solving, creative ideation, customer-centric innovation, and highly specialized technical work which entails human cognitive abilities is complemented by AI. This is likely to ensure that current GCC roles in India face a very limited risk of displacement. In fact, the type of roles coming in driven by the proliferation of AI are centered around data science, machine learning, cybersecurity, and automation management. In India, where GenAI training enrolment is increasingly driven by corporate sponsorship, new AI-driven roles will continue to be created. GCCs will benefit from India's large, upskilled talent pool, particularly in AI, cybersecurity, and data analytics, supporting rapid AI adoption and innovation. This will have a cascading impact on office space requirements with new job creation needing quality office spaces for the increasing workforce.

4.7 India’s office market to remain growth-oriented

India’s strong leasing momentum is driven by its strong tech ecosystem which is seeing strong offshoring and R&D work across multiple sectors. The combination of the available and qualified talent pool, cost advantage and quality real estate is creating a sustained growth trend even as the country’s office markets were impacted to a limited extent by the global headwinds.

As ‘office to the world’, India is key to headcount augmentation and capacity growth for global firms, while domestic occupiers remain growth-oriented in the wake of economic resilience and growth opportunities. This has created a sustained runway for the market to grow further.

The fundamentals support India’s continued dominance as an office destination among global firms, mostly driven by its prominence as a R&D capability hub across multiple industry domains. While the growth is expected to pivot around GCC activity, domestic occupiers will likely play a substantial role as well, especially those from the flex, BFSI and manufacturing (including engineering R&D) segments. India’s growing strength as an offshoring destination will be crucial to the continued resilience and growth of India’s office markets. GCCs remain the biggest industry segment in terms of potential growth, accounting for over 50% share of current active space requirements. BFSI firms lead in terms of active space requirements followed by the IT/ITeS sector. Going forward, these two sectors along with engineering R&D are expected to continue to drive demand for GCCs in India.This multi-year trend is expected to keep the Indian office markets among the most growth-oriented globally.

Chapter 5: Overview of India's Office Markets

5.1 Overview

India is a leading office market globally, supported by strong demographic trends, favorable market conditions, resilient economy, improving infrastructure, etc. The country's leading office market consists of the top seven cities – Bengaluru, Delhi-NCR, Mumbai, Chennai, Hyderabad, Kolkata and Pune.

Bengaluru emerges as the dominant force in India's office market with a Grade A office stock reaching around 224.3 msf as of June 30, 2025, making it one of the largest office markets in the APAC region. Following Bengaluru, Delhi NCR, Mumbai, and Hyderabad take the lead as the top office markets in India.

	Bengaluru	Chennai	Delhi NCR	Hyderabad	Kolkata	Mumbai	Pune	Overall
Grade A Stock, msf (June 2025)	224.3	80.3	159.5	139.9	29.6	158.1	89.2	**880.8**
Vacancy, % (June 2025)	12.0%	7.2%	20.7%	26.3%	15.2%	11.7%	18.5%	**16.1%**
Vacancy, % (2027F)	10.0%	7.3%	18.4%	26.4%	19.0%	10.7%	14.9%	**15.0%**
Cumulative Gross Leasing Volumes, msf (2021 – H1 2025)	68.4	30.5	60.4	34.5	5.8	37.3	26.1	**263.0**
Cumulative Net Absorption, msf (2021 – H1 2025)	47.2	19.2	33.6	31.1	4.4	25.1	17.5	**178.0**
Cumulative New Supply, msf (2021 – H1 2025)	59.4	15.1	31.9	58.3	1.2	22.3	22.8	**211.0**
Average Rent, ₹ psf pm (June 2025)	97.2	74.8	87.8	75.3	68.3	144.8	82.4	**96.0**

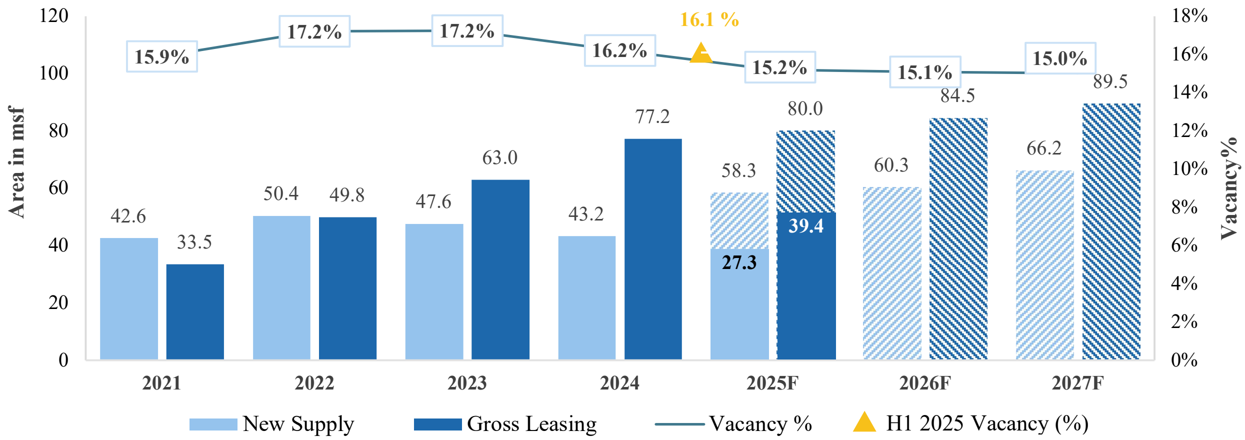
Note: Figures are in Gross Floor Area (GFA) and include only Grade A stock. Gross Floor Area refers to all covered areas including the thickness of external walls, common areas such as services areas and parking area.
Source: JLL Research, June 30 2025

5.2 Trends in Demand, Supply and Vacancy

The office market in India has shown sustained resilience and growth trends over the past few years. Gross leasing in India's top seven markets exceeded the 60 msf milestone for the very first time in 2023, reaching 63.0 msf, a significant 26.4% y-o-y increase. In a year marked by global headwinds, these achievements were a testament to the market's strong underlying fundamentals and growth prospects. The annual gross leasing of 77.2 msf across the top seven cities in 2024 was the best-ever for the India office market, outshining the previous peak recorded in 2023 by a significant 22.6% y-o-y.

India's office market continues to demonstrate strong momentum despite global economic uncertainties and headwinds with gross leasing numbers hitting a new high of 39.4 msf in H1 2025 and up by 17.6% y-o-y. This was achieved on the back of a stronger-than expected Q2 with multinational firms (foreign-headquartered global firms) leading the charge. They accounted for a strong 61.5% share in leasing volumes in Q2 2025 with India's continued prominence as a global talent hub. All indicators point towards another historic year in the making with leasing volumes expected to touch 80 msf or even higher in 2025.

New supply, gross leasing, and vacancy trends

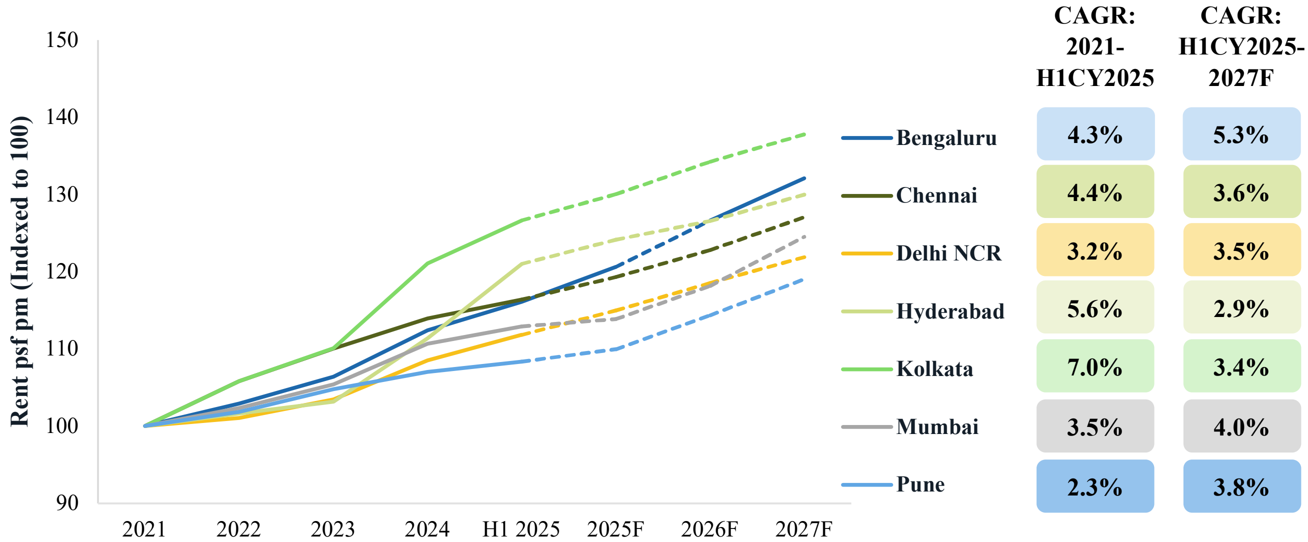


Source: JLL Research, June 30, 2025

5.3 Rental Trends

Rents have moved up post pandemic across most cities, with core micro-markets seeing healthy growth in rents driven by sustained demand and higher-grade, amenitized buildings being able to command a premium. Going forward, Bengaluru is expected to witness the highest CAGR % growth in average rental values of 4.8% during H1CY2025 till 2027F period, followed by Mumbai and Pune with 4.0% and 3.8% growth, respectively during the similar period.

Market-wise rental index trend

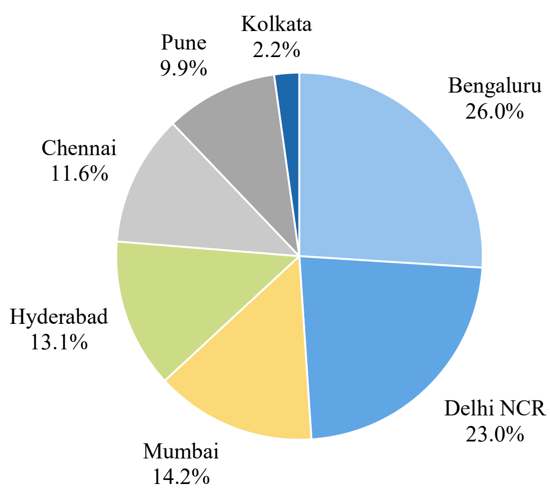


Source: JLL Research, June 30, 2025

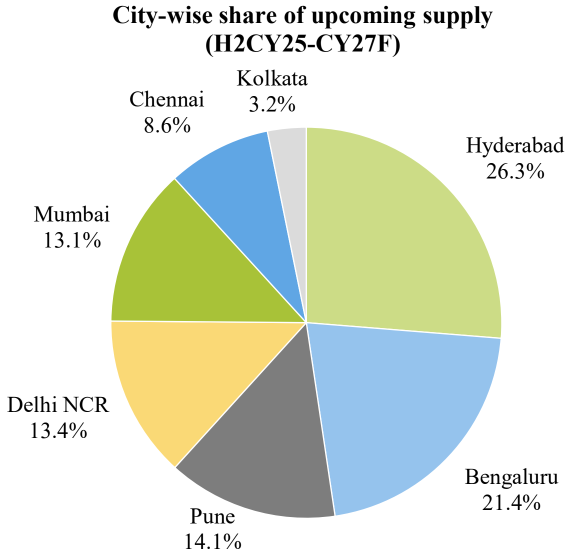
5.4 Market wise trends in Gross leasing

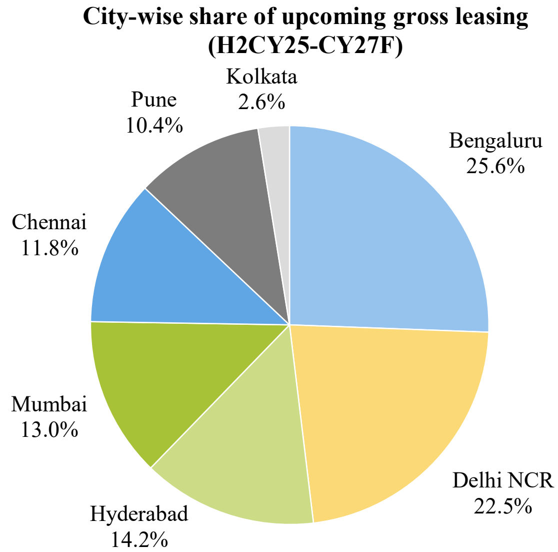
Bengaluru and Delhi NCR followed by Mumbai, Chennai and Hyderabad have dominated the gross leasing activity over CY21-H1CY25.

Distribution of gross leasing by markets (CY21-H1CY25)



Source: JLL Research, June 30, 2025





Source: JLL Research, June 30, 2025

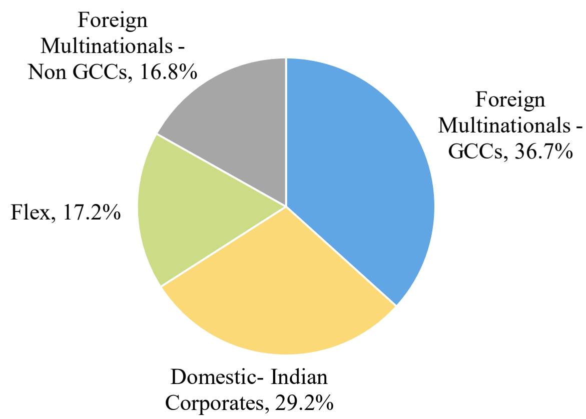
5.5 Gross leasing activity by Occupier type

Foreign headquartered multinational firms have dominated the Indian office market in terms of driving demand. On average, they accounted for around 53.6% of leasing activity across the top seven cities between CY2021 to H1CY2025. Within the foreign headquartered multinational firms, 68.6% of the demand between CY2021 to H1CY2025 has been driven by GCCs, making them the biggest occupier group by activity during this period. Foreign headquartered multinational firms’ and GCCs’ demand for office space closely matches global office standards, and they generally tend to lease premium office spaces at higher average dollar rents, commit to longer lease terms, occupy larger contiguous spaces, incur more tenant improvement capital expenditure which can lead to tenant ‘stickiness” and provides greater stability and predictable cash flows and rent escalations for landlords.

Domestic corporates have accounted for one-third of the occupier activity between CY2021 to H1CY2025. Around 40.0% demand from domestic corporates is derived from domestic headquartered multinational firms between CY2021 to H1CY2025, indicating that Indian firms with a global footprint are big contributors to demand for office space from domestic firms in India.

The flexible office space segment holds a 17.2% share between CY2021 to H1CY2025, representing the increased demand for flex sector in recent years. At a sector level, the strong demand from flex sector with momentum from global BFSI firms for their offshoring hubs and manufacturing have led to strong demand levels driven by the policy ecosystem of Make in India and PLI schemes which are key drivers for the long growth runway ahead.

Occupier wise share of gross leasing - CY2021-H1CY2025



Source: JLL Research, June 30, 2025

5.6 Built to Suit Developments versus conventional, speculative builds

Built to Suit is a pre-leased area, mostly a complete building or multiple buildings or certain floors as well, developed with specifications tailored to unique requirements of a specific tenant, going beyond the standard design/construction typically undertaken by the developer. This has distinct advantages for both the occupier and the developer.

With such high level of specifications, there are generally longer lease tenures and lock-in periods, resulting in longer WALL (Weighted Average Lease Length) which benefit the developer through predictable cash flows. Such builds also thus support greater tenant stickiness and higher retention ratio as tenants tend to stay for longer durations in buildings which are customized to their requirements. In such BTS builds, tenants also tend to generally spend a higher amount of capex for fit outs as their space is leased from a long-term perspective, which fosters a higher retention rate and longer occupancy tenures in premium quality office projects. BTS developments foster a stronger partnership between tenant and developer, given the close coordination required to align the project design, specifications and delivery timelines with the tenant's long-term space planning needs leading to a deeper and more collaborative relationship. Such relationships can also facilitate expansion of the tenant in other portfolio assets of the developer, thus providing captive demand for the developer's assets.

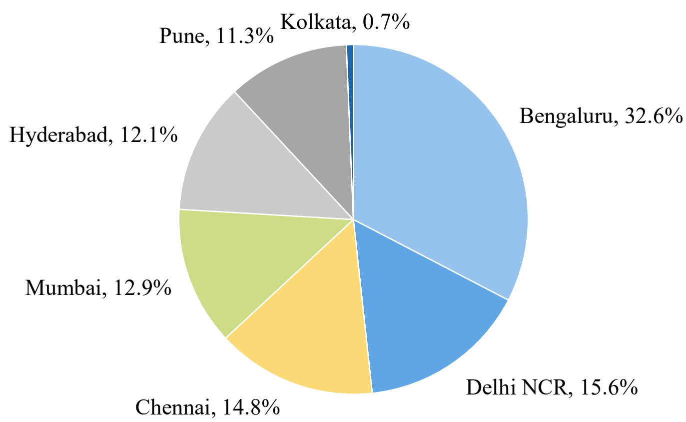
Chapter 6: Understanding India's REIT market

6.1 India REIT Market – a long runway ahead

India's four major office-led REITs cumulatively account for 132.2 msf, which equates to 15.0% of the total operational Grade A office stock across the top seven cities as of June 30, 2025. Within the existing REITs, there is construction pipeline of ~31.6 msf as of June 30, 2025. Also, all of the REITs hold Right of First Offer on other sponsor assets as of June 30, 2025.

The Grade A office market across the top seven cities, still holds many operational assets which are either held under institutional ownership (complete, partial including minority take) or are single developer owned. Our estimates show that the current REIT-able potential across the top seven cities stands at ~415 msf across operational projects which are currently not under REITs. The current estimates indicate the rising density of quality office assets in the India office market which are a result of greater institutionalisation and the office market's strong and sustained performance attracting additional investment capital. It is no surprise that Bengaluru with the highest office stock in the India and the largest amount of stock held under single or institutional ownership leads the contribution in 'REITable assets' market size with a 32.6% share in as of June 30, 2025, much higher than the other cities.

City-wise REITable stock (msf) as of June 2025



Note: REITable stock includes all buildings which have institutional participation. (private equity funds – global or domestic and sovereign funds which have invested fully or partially, irrespective of size of investment or stake) For non-institutional, single ownership buildings we considered buildings with leasable area of min. 100,000 sf and vacancy levels under 20%. Buildings which are lesser than 100,000 sf but form part of integrated developments have also been included in the analysis of REITable assets.

Source: JLL Research, June 30, 2025

6.2 India Office REITs - At a Glance

	Embassy Office Parks REIT	Mindspace Business Parks REIT	Brookfield India REIT	Knowledge Realty Trust (March 2025)	Bagmane Prime Office REIT (Proposed)
Sponsor Name	Blackstone and Embassy	K Raheja Corp	Brookfield	Blackstone and Sattva	**Bagmane Group**
Total Leasable area (msf)	51.2	37.3	29.0	46.3	**19.6**
Completed Leasable area (msf)	40.4	30.2	24.5	37.1	**16.1**
SEZ Completed Leasable Area (msf)	13.6	15.8	16.4	6.9	**3.6**[1]
SEZ Exposure (%)	33.7%	52.3%	66.9%	18.6%	**22.1%**
In-place Rents (₹ psf pm)	92.0	72.9	97.0	91.2	**105.1**
Committed Occupancy (%)	88.0%	91.2%	89.0%	91.4%	**97.9%**
SEZ Occupancy (%)	NA	NA	~87%	NA	**93.5%**
WALE (Years)	8.3	7.6	6.8	8.4	**7.3**
MTM Potential (%)	5.0%	10.4%	12.0%	22.6%	**20.3%**
NOI (₹ mn)	32,835 (FY25) 8,718 (Q1 FY26)	20,616 (FY25) 6,164 (Q1 FY26)	19,528 (FY25) 4,986 (Q1 FY26)	34,323 (FY25)	**20,844 (FY25) 5,642 (Q1 FY26)**
Share of Gross Contracted Rentals – MNCs (%)	NA	73.7%[#]	NA	74.1%[**] (March 2025)	**98.8%**[2]
Share of Gross Contracted Rentals – GCCs (%)	64.0%[**]	51.4%[#] (March 2025)	NA	43.6%[**] (March 2025)	**88.6%**
Share of Gross Contracted Rentals – Fortune 500 (%)	45.0%[**]	41.8%[#]	NA	38.2%** (March 2025)	**66.6%**
GAV (₹ mn)	611,632 (March 2025)	366,473 (March 2025)	379,542[##] (March 2025)	619,989 (March 2025)	**387,908**[***] **(June 2025)**
Dividend Component (%)	35.0% (Q1 FY26)	55.1% (Q1 FY26)	12.0% (Q1 FY26)	62-76% (Based on projections in Offer Document)	**~65-75%**[3]
LTV (%)	33.0%	26.2%	25.0%	~19.1% (March 2025)	**~7%***
Share of built-to-suit developments in the portfolio	NA	NA	NA	NA	**44.2%**[4]
ROFO Asset (msf) in REITs	NA	1.9	~1.5 msf (Brookfield Group's 100% owned properties in Mumbai)	6.7 (March 2025)	**47.1**
ROFO assets at the time of listing	42.8	8.6	6.7	6.7	**47.1**

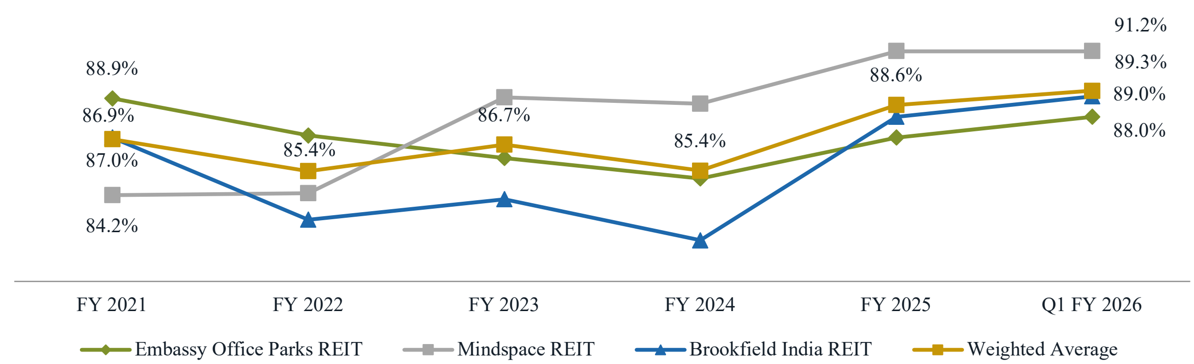
	Embassy Office Parks REIT	Mindspace Business Parks REIT	Brookfield India REIT	Knowledge Realty Trust (March 2025)	Bagmane Prime Office REIT (Proposed)
Renewable energy consumed in the portfolio	70% (FY25)	40.2% (FY25)	37% (FY25)	43% (FY25)	**47% (FY25)**
Proportion of assets that each have a Leasable Area of 3.5 msf or more	70%	63%	74%	42%	**81%**

Source: Financial statements, prospectus and investor presentations of respective REITs; For Bagmane Prime Office REIT – Received from Company
Note: Data is as of June 30, 2025, unless mentioned otherwise; LTV calculated as the ratio of Net Debt to GAV. Data for Knowledge Realty Trust is as of March 31, 2025 (unless otherwise indicated) as the data as of June 30, 2025, is not available in public domain
1) 17.0% share of Gross Contracted Rentals for the month ended June 30, 2025
2) Share of Gross Contracted Rentals –MNCs represents Gross Contracted Rentals from foreign-headquartered MNCs
3) Projected for the period FY27-FY29P
4) Share of 47.2% of Total Development Area (Total Leasable area plus partner's share of area)
** Expected following the completion of the Offer*
*** Gross Contracted Rentals refer to Gross Rentals and are defined as the sum of Base Rentals, fit-out and car parking income from Occupied Area.*
 # Gross Contracted Rentals refer to Gross Rentals and are defined as the sum of Base Rentals and fit-out income from Occupied Area.
GAV basis for 100% of portfolio assets including north commercial where the REIT owns 50%
**** The Market value of Bagmane Rio Business Park as of June 30, 2025, represents 93% interest of the Bagmane REIT in it.*

Physical performance parameters of listed office REITs

The chart below shows the portfolio occupancy trends of three REITs – Embassy, Mindspace and Brookfield between FY2021 to Q1FY2026 as well as the combined weighted average occupancy of the three REITs.

Occupancy Trend of Office REITs



Source: Investor Presentations and Annual Reports of respective REITs; Weighted average occupancy for office REITs is excluding Knowledge Realty Trust as the historical data is not available in public domain

Chapter 7: Bengaluru Office Market Overview

7.1 Bengaluru Profile

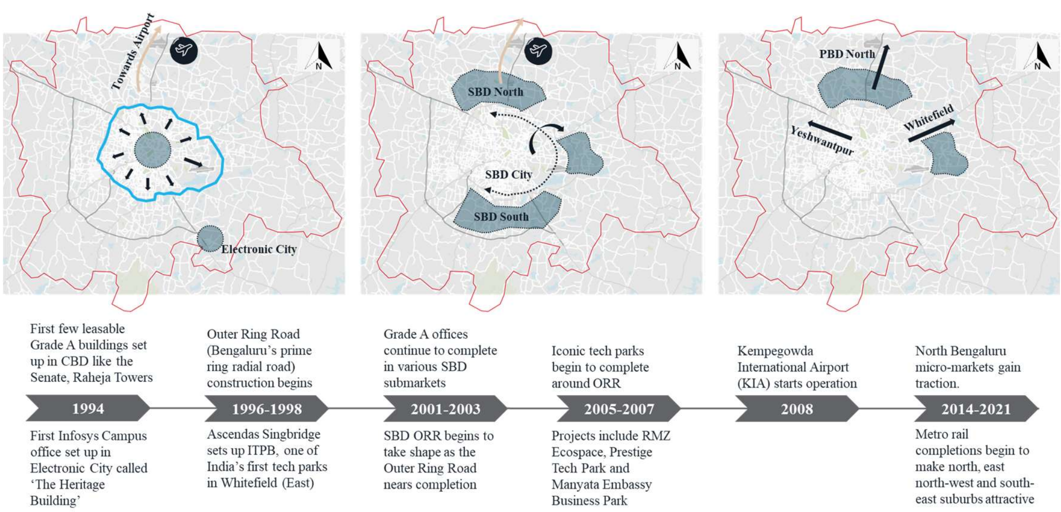
Parameter	Description
Administrative Status	Capital of Karnataka
Population	8,443,675 (2011 census), 16,282,960 (2025 estimate)
Population Growth (2011-2025E)	4.8% (CAGR)
Area	741 square kilometres
Real Gross State Domestic Product – GSDP (FY25)	₹16769.08 bn (2011-12 prices)
Transport Linkages	Bengaluru International Airport Limited (BIAL), Southern Western Railway Zone, Namma Metro
Economic Significance	At current prices, Net State Domestic Product (NSDP) of Karnataka reached ₹ 30.70 trillion (US$ 359.45 bn) in FY26.
Key Economic Growth Drivers	In 2023-24, the tertiary sector contributed 66.72% to the state's GSDP at current prices, followed by the secondary (20.24%) and primary (13.04%) sectors.
Prime Commercial Areas	ORR, Whitefield, Indiranagar, Koramangala, Marathahalli, and the Central Business District (CBD)
City Advantages	• Financial Powerhouse • Thriving IT Industry • Startup Ecosystem • Robust Transport Network • Excellent social, education & health facilities

Source: JLL Research, June 2025

7.2 Evolution of Bengaluru's Office Market

Bengaluru, located in the Indian state of Karnataka has gradually transformed into one of the world's leading technology hubs. Referred to as the Silicon Valley of India and the largest technology and innovation hub in Asia, Bengaluru accounted for over 43% of India's software exports from STPI (Software Technology Parks of India) registered units and nearly 98% of Karnataka's software exports between 2022-2023. In addition to the technology sector, Bengaluru is home to defense organizations, public sector industries, aerospace companies, biotechnology firms, and more. Bengaluru, the aerospace capital of India, contributes nearly 60% of India's aerospace manufacturing and defense industry. The economy also benefits from manufacturing, research, and other industries.

7.2.1. Spatial Evolution and Growth of Bengaluru Office Market



Source: JLL Research, NASSCOM

The city can be divided into five zones namely central, east, south, west, and north. The central area consists mainly of administrative setups, public sector industries, and corporate offices. The IT and ITeS hubs are predominantly located in the eastern and southern parts of the city, specifically Whitefield and Outer Ring Road respectively. The western zone is characterized by industrial clusters such as Peenya and Yeshwanthpur and is expanding towards Nelamangala-Dabaspete on Tumkur Road. This region has witnessed the development of IT parks, aerospace parks, and industrial hubs, making it a prominent real estate destination in Bengaluru. The city's favorable climate, supportive government policies, and comparatively affordable property rates have been influential in attracting numerous global IT/ITeS firms to establish their presence in Bengaluru over the past two decades. Bengaluru, an innovation-oriented city, is undergoing notable demographic changes as it enters the Fourth Industrial Revolution, also known as the digital revolution. This transition offers abundant opportunities for professionals in various fields. Therefore, it attracts migrants, forming a multicultural, cosmopolitan city. The city population stands at around 15.98 mn (2024), of which at least 12.0 mn constitute the working population. 30% of India's GCCs are in Bengaluru and the city also accounts for 35% of the country's total GCC workforce[3]

7.3 Drivers of Commercial Real Estate in the City

Demographic dividend: Bengaluru which experienced its highest decadal population growth rate between 2001 and 2011 has 75.1% of the population in the working age group (15 – 64 years). Importantly, the dependency ratio (ratio of the number of non-working-age individuals /dependents relative to the working-age population) is low at 25% and the population is relatively young with only around 11% of individuals over 64 years in age in CY2024.

Talent pool: Bengaluru is known for its thriving technology sector and the ICT (Information & Communications Technology) sector accounts for ~25% of the total employment in the city in 2024. Total employment continues to increase at a steady pace with manufacturing, construction, wholesale and retail trade, transportation and ICT contributing more than 65% to the total employment figure in 2024. When compared to the national average of 3.2%, the unemployment rate in Bengaluru of 1.8%, (2023-2024) is generally lower with factors such as the presence of IT giants, a robust start-up ecosystem, and a highly skilled workforce contributing to higher employment levels in the city.

Diversified tenant mix: The city is not just a hub for the IT industry but also biotechnology, textiles, automobiles, and manufacturing of electronics and has emerged as one of the highest employment generating cities over the years. Initially, major public sector undertakings made the city their base, later with globalization and IT sector growth, Bengaluru became a hub of Information Technology and related services.

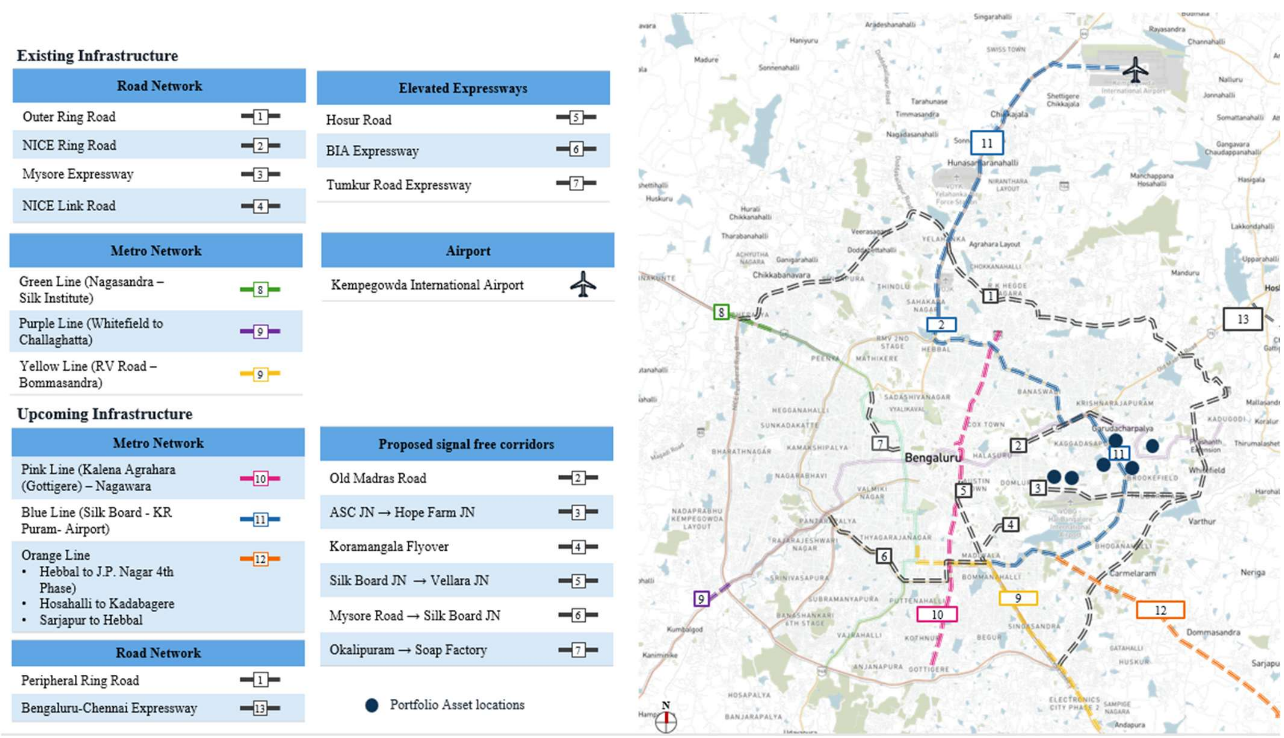
Evolution of support infrastructure enabling continued dominance in India's office story: The city's remarkable information technology-driven growth has created exciting opportunities for infrastructure enhancement. Upcoming developments are set to significantly strengthen road infrastructure, optimize the efficiency of existing transportation networks, and expand the public transport system to better connect all areas of the city. These strategic improvements are expected to transform mobility and accessibility, supporting the city's continued dynamic growth while creating a more seamless urban experience for residents and businesses alike.

[3] *(Source: Karnataka Global Capability Center (GCC) Policy - 2024)*

7.3.1 Upcoming Infrastructure: Bengaluru

Project Name	Completion Timeline	Details	Impact Zone
Peripheral Ring Road	December 2027	- 65 km long road connecting Tumkur Road & Hosur Rd thereby completing the NICE Road loop	SBD North, PBD North, Whitefield
Pink Line	2026	- Gottigere to Nagawara – 18 stations	SBD North, SBD South
Blue Line	Phase 2A: mid 2025/December 2025 Phase 2B: December 2027	- Central Silk Board to KR Puram - KR Puram to Kempegowda International Airport	SBD North, PBD North, ORR
Orange Line	2028-2029	- Hebbal to J.P. Nagar 4th Phase - Hosahalli to Kadabagere - Sarjapur to Hebbal	North and South Bengaluru
Bengaluru-Chennai Expressway	Partially completed during Q4 2024 Full completion expected by mid-2026	- Hoskote-Malur-Bangarpet in Karnataka to Sriperumbudur & Chennai in Tamil Nadu via Chittoor in Andhra Pradesh	Whitefield

7.3.2 Existing and Upcoming Infrastructure of Bengaluru



Source: JLL Research

Bengaluru, where the Portfolio Assets are located, has firmly established itself as a leading force in the global commercial real estate landscape, boasting one of the largest Grade A office stock in the APAC region, which stands at a substantial 224.3 msf, accounting for 25.5% of India's total office stock, as of June 30, 2025. Bengaluru is the highest contributor (26.6%) to net absorption (CY2021-H1CY2025) among India's top 7 cities and has been driving India's exceptional performance of recording the highest cumulative net absorption during the period globally.

GCC and Flex hub: Bengaluru remains the biggest GCC ecosystem with its existing tech base and GCC footprint acting as a pull factor for similar firms. The city has emerged as the biggest GCC cluster in India by capturing 38.0% (36.5 msf) of the office space leased by GCCs (96.5 msf) in India during CY2021-H1CY2025. The city's success comes from its established business environment, large pool of skilled technology workers, affordable office space costs, and ample stock of high-quality office buildings. These factors are expected to create a favorable opportunity for Bagmane REIT's portfolio, which focuses on accessibility, campus style developments, sustainability, and best in class amenities, and would benefit from the growth-oriented GCC market. Bengaluru has also been the leader in operational flex stock, accounting for ~36.8% pan India share on average from CY2021 to H1CY2025. In line with its flex space inventory expansion, Bengaluru achieved the largest end-user seat take-up (i.e. flex seats taken up by occupiers or end-users in the flexible workspace centres) during the CY2023-H1CY2025 period, followed by Pune and Delhi NCR.

7.4 Key Office Micro-markets: Snapshot

7.4.1 Overview of Bengaluru's office micro-markets

	CBD	SBD City*	ORR*	North Bengaluru	SBD South	Whitefield	Electronic City	Overall
Completed Stock, msf, June 2025	8.9	**23.3**	**92.5**	18.8	15.0	55.0	10.8	**224.3**
Vacancy (%), June 2025	2.0%	**5.8%**	**4.3%**	46.1%	19.1%	14.9%	15.9%	**12.0%**
Cumulative Gross Leasing Volumes, msf (CY2021-H1CY 2025)	2.6	**6.5**	**29.2**	5.9	4.6	16.4	3.2	**68.4**
Cumulative Net Absorption, msf (CY2021 – H1CY2025)	1.6	**3.6**	**19.0**	5.8	2.7	12.7	2.0	**47.2**
Cumulative New Supply, msf (CY2021 – H1CY2025)	0.9	**3.7**	**19.9**	10.9	4.4	17.6	1.9	**59.4**
Average Rent, ₹ psf pm, June 2025	162.7	**141.7**	**111.0**	72.0	78.2	69.1	64.1	**97.2**

Source: JLL Research, June 30, 2025
**Bagmane REIT's Portfolio Micro-Markets*

7.4.2 Bengaluru's Office Market delineation

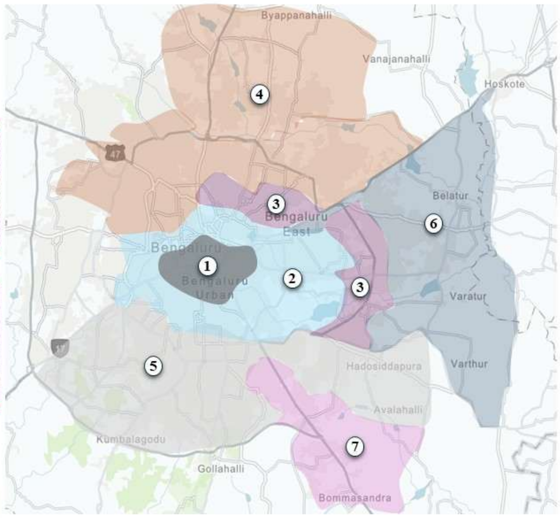
Outer Ring Road -Bengaluru and SBD City –Bengaluru micro markets account for around 33% and 10% of the city's office stock respectively

1 CBD	
Current Stock (msf)	8.9
Vacancy (%)	2.0
Rent (INR/sq ft/month)	162.7

2 SBD City	
Current Stock (msf)	23.3
Vacancy (%)	5.8
Rent (INR/sq ft/month)	141.7

3 ORR (Outer Ring Road)	
Current Stock (msf)	92.5
Vacancy (%)	4.3
Rent (INR/sq ft/month)	111.0

4 North Bengaluru	
Current Stock (msf)	18.8
Vacancy (%)	48.0
Rent (INR/sq ft/month)	72.0



Source: JLL Research, June 2025

5 SBD South	
Current Stock (msf)	15.0
Vacancy (%)	19.1
Rent (INR/sq ft/month)	78.2

6 Whitefield	
Current Stock (msf)	55.0
Vacancy (%)	14.9
Average Rent (INR/sq ft/month)	69.1

7 Electronic City	
Current Stock (msf)	10.8
Vacancy (%)	15.9
Average Rent (INR/sq ft/month)	64.1

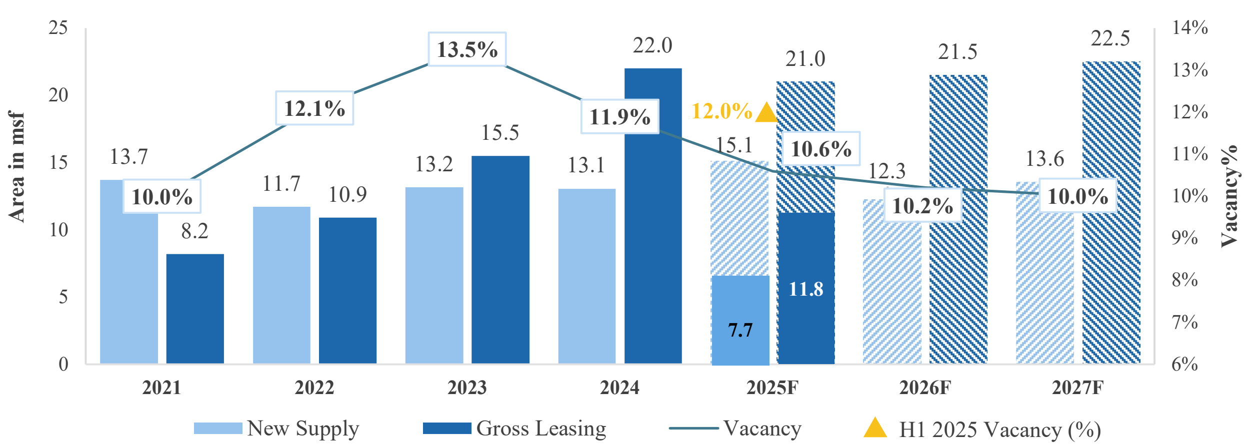
Source: JLL Research, June 2025

7.5 Market Dynamics - Demand, Supply, Vacancy & Rental Trend

Bengaluru with a cumulative new supply of 59.4 msf ranked #1 among the top 7 cities in terms of supply additions between CY2021-H1CY2025. Bengaluru's average share in annual pan India supply between CY2021 to H1CY2025, has been between 25-30% which indicates that the robust demand is backed by a strong supply pipeline.

The city is expected to witness office space supply addition of around 15.0-15.5 msf by end 2025. Most of this is expected to be in the SBD City, ORR, North Bengaluru, and Whitefield micro-markets. As of June 2025, 12-14 msf of new office space requirement is ongoing in the market among various occupiers, which is anticipated to result in approximately 21.0 msf of gross leasing volume during 2025. Bengaluru office market traction is expected to sustain the leasing momentum observed during 2025 with GCCs (across the tech, manufacturing/industrial, BFSI and healthcare/biotech sectors), other non-GCC occupiers and flex operators continuing with their footprint expansion across the city and projected to contribute around 21.0 - 23.0 msf of annual gross lease volume during 2026 and 2027. Office vacancies in the city are expected to remain low (at 10.0% by end 2027) despite new supply additions, fueled by strong ongoing demand.

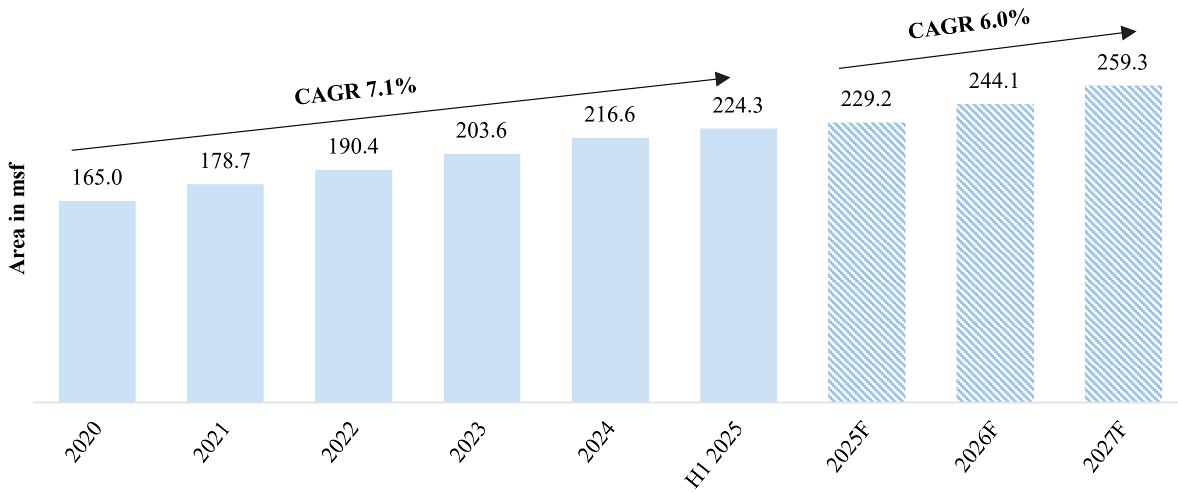
New supply, gross leasing and vacancy trends



Source: JLL Research, June 30, 2025

The city boasts of an expansive Grade A office market of 224.3 msf as of June 30, 2025. This growth has been possible with the strong occupier demand momentum propelling the city's development. With demand keeping pace with new supply, the average vacancies remained in single digits ranging from 3.5-9.5% (between CY2016-H1CY2021) for the largest office market in the country. While the city's office vacancy rates rose to double digits (ranging between 10-14%) between H2CY2021 and CY2024 backed by healthy annual supply addition (average annual supply of 12.0-14.0 msf between CY2021-2024) , Bengaluru remains one of the few major Indian cities with low vacancy levels (other Indian city vacancies during H2CY2021-2024 were: Pune: 11-14.5%; Hyderabad: 15-26%; Mumbai: 12-15% and Delhi NCR above 20%) which is attributable to the strong growth in absorption level and the healthy prospect of the city in terms of office demand.

Expansion of Grade A office stock (msf) in Bengaluru, CY2020-CY2027F

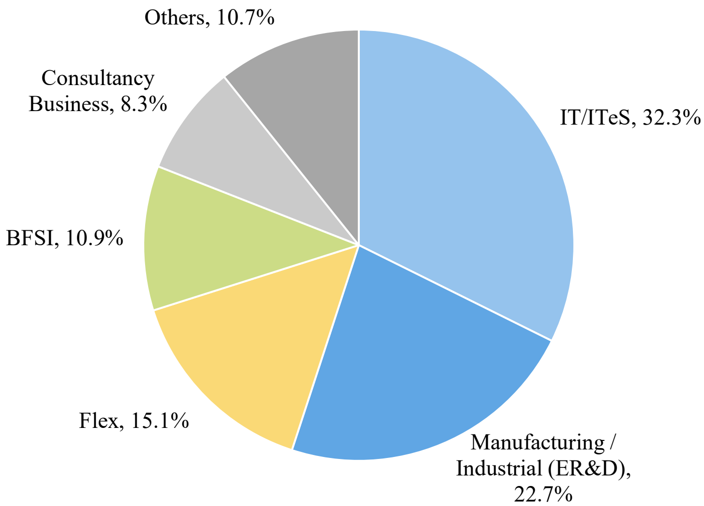


Source: JLL Research, June 30, 2025

7.5.1 Sectors driving gross leasing activity

Bengaluru's status as a leading technology center has attracted numerous tech companies, making the IT/ITeS sector the dominant driver of the city's annual gross leasing volume. The manufacturing and industrial segment typically ranks as the second-largest contributor to leasing activity, followed by Telecom, Healthcare-Biotech, Real Estate & Construction and BFSI occupiers. Since the pandemic, flex operators have been expanding their footprint resulting in a consistent 14-15% share in the city's annual gross leasing activity, with their space absorption showing steady growth from 2020 onward. This upward trajectory is driven primarily by corporates, entrepreneurs, and small businesses favoring flexible, premium workspace solutions.

Sector-wise share of gross leasing: CY2021-H1CY2025

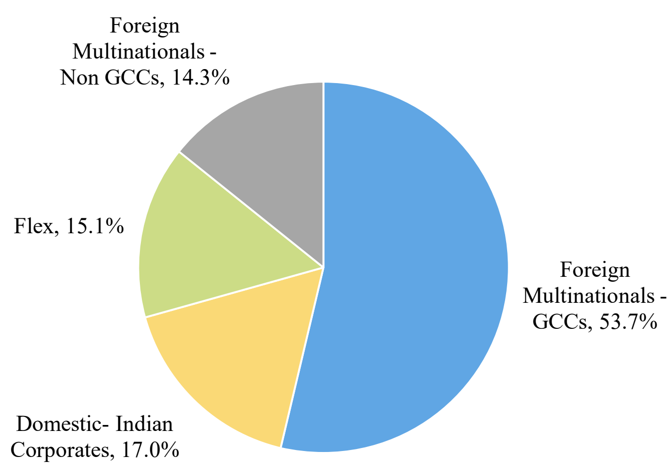


Source: JLL Research, June 30, 2025; Others include E-commerce, Miscellaneous, Healthcare- Biotech, Real Estate & Construction

7.5.2 Gross leasing activity by Occupier type

Foreign multinational occupiers have been dominating the leasing activity in Bengaluru during CY2021 to H1CY2025. GCCs, an important segment within foreign multinationals, accounted for the highest share in the total space leased by foreign multinationals during the period, indicative of the global tech ecosystem that is established in Bengaluru, and which continues to thrive. Bengaluru, though popularly known as the big tech GCC hub, is emerging as a key GCC center for engineering R&D firms as well, as is visible from the rising share of the manufacturing/industrial segment (accounting for more than 20% share between CY2021-H1CY2025).

Occupier-wise share of gross leasing: CY2021-H1CY2025



Source: JLL Research, June 30, 2025

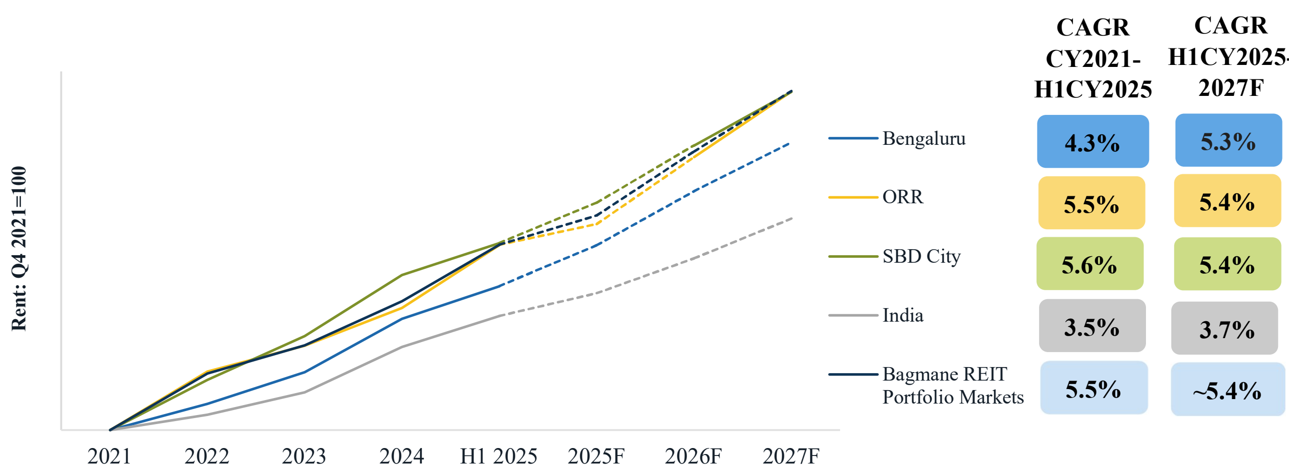
During CY2016 to H1CY2025, multinational tenants such as Google, Amazon and Samsung leased an average of around 20-25% of their total leased space across India in Bagmane REIT's Portfolio Assets compared to other Indian assets. During the same period, Volvo and Texas Instruments concentrated much more of their Indian presence in the Portfolio Assets, with 51.8% and 82.9% respectively. Looking specifically at Bengaluru from CY2021 to H1CY2025, share of leasing in Portfolio Assets by Google was 47.8%, Amazon 60.9% Samsung 69.0%, Volvo 71.8%, and Texas Instruments around 83.8% of their total leasing activity across Bengaluru.

The Portfolio Assets serve a number of these tenants engaged in cutting-edge and highly specialized technical work which directly involves or complements the development of technology and AI innovation. For example, some of its technology tenants (such as Google, OpenText and a leading technology company) and electronics and e-commerce tenants (such as Amazon, Samsung and a leading PC manufacturer) are involved in the development and deployment of AI and AI-related technology in products, services and infrastructure, and its semiconductor tenants (such as Nvidia, Texas Instruments, Qualcomm, Infineon and ARM) develop hardware and technologies to support the AI ecosystem. With increasing AI related work being done in India, such type of tenants are expected to remain growth oriented and expand in superior quality assets. This can support a more resilient portfolio.

7.6 Rental Trend

The strong market fundamentals and superior quality office assets in Bengaluru have resulted in steady upward movement of rents across prime office markets in the city. The overall city office rent has increased even during the pandemic, due to deals signed at earlier prevailing market rates backed by steady demand for quality space in Bengaluru. Office rents in the Portfolio micro-markets of ORR and SBD City stood at ₹ 111.0 psf pm and ₹ 141.7 psf pm respectively (as of June 30, 2025).

Bengaluru, ORR & SBD City Office market rental index trends



Source: JLL Research, June 30, 2025

As per current market practice, across Bengaluru markets, new leases typically have a leasing efficiency (ratio of carpet area to leasable area) in the range of 70%-76%. This allows MTM potential of historical leases to benefit from the efficiency adjustments, in addition to being re-rated to the market rents. The reduction in leasing efficiency is attributable to buildings become more sophisticated as developers allocate greater areas for amenities such as lobbies, corridors, restrooms, and other shared facilities and common area. This dual impact—market rent escalation and efficiency adjustment—leads to a higher MTM/releasing spread under new lease structures as compared to previous agreements.

7.7 Bagmane Prime Office REIT: Sponsor

Bagmane Group has a proven track record of delivering over 27.7 msf across 7 commercial real estate projects since the inception of its real estate business in 1999 representing approximately 12.3% of Bengaluru's total Grade A office stock. It has an additional 7.1 msf under development and ~ 43.5 msf of future development planned across Bengaluru, Delhi and Chennai. (All data as of June 30, 2025).

The Bagmane Group is among one of the pioneers in commercial real estate development in Bengaluru contributing to the city's transformation into a global business hub. It emerged as one of the early pioneers in developing software technology parks in Bengaluru since 2002 and developed one of the first SEZ parks in the city. It is one of the first few developers in India to become a RE100 member, committing to the transition to 100% renewable electricity. The Bagmane Group is one of India's leading and Bengaluru's largest pure play Grade A+ office owner and developer as of June 30, 2025. During CY2021-H1CY2025, Bagmane Group dominated the ORR market, leading in both net absorption (39.3% market share) and new supply additions (35.4% market share). Whereas, within the SBD City micro-market, Bagmane Group was third in terms of net absorption with an 18.3% share, despite no new supply additions during the same period, indicating healthy demand for their assets whenever space was available in the existing stock.

7.8 Bagmane Prime Office REIT – Micro-markets

Bagmane Prime Office REIT's portfolio (19.6 msf leasable area) includes 6 premium, high-quality Grade A+ business parks. Of this the completed portfolio of 16.1 msf represents approximately 11.6% of Bengaluru's total Grade A+ office stock* (138.9 msf) as of June 30, 2025.

Portfolio Assets are strategically located across Bengaluru's premier office micro-markets, delivering dynamic and integrated campus-style environments providing best-in-class amenities designed to meet the evolving needs and expectations of modern tenants. These REIT assets are conveniently connected to key transport and social infrastructure, including major business districts and residential catchments. The Portfolio Assets are considered to be of superior quality due to their scale, excellent connectivity, best in class/premium infrastructure, amenities, focus on sustainability and professional management. This has enabled Bagmane REIT to create a high-quality asset portfolio that is difficult to replicate given the size and scale of its Portfolio Assets in Bengaluru, extensive range of on-campus amenities and facilities and strategic location with excellent connectivity internally and externally and thereby has attracted a high-quality tenant roster. As of June 30, 2025, over 150,000 employees are estimated to work across the tenant companies located within the Bagmane REIT Portfolio Assets.

The constrained land availability in ORR and SBD City (Collectively, "Portfolio Micro-Markets") micro-markets creates high barriers for new large-scale tech park developments making the business parks of the Bagmane REIT (Collectively, "Portfolio Assets") difficult to replicate in the respective portfolio micro-markets. The Bagmane REIT's portfolio demonstrates healthy performance with a committed occupancy rate of 97.9% as of June 30, 2025—the highest among listed office REITs in India. It outperforms the average occupancy across the Portfolio Micro-Markets having (95.7% for ORR and 94.2% for SBD City) and Bengaluru's overall occupancy of 88.0%, as of June 30, 2025. The portfolio also has the lowest SEZ exposure in terms of Leasable Area and a strong Committed Occupancy of Leasable Area notified as SEZs of 93.5%. Further, upon listing, Bagmane REIT will have a significant 44.2% BTS area in the Portfolio.

**Grade A+ office includes single ownership – institutionally owned or managed by leading developers, green certified assets with high occupancy levels and qualitative amenities that make them preferred options for global and domestic occupiers, thereby commanding higher rental premium than the existing average market rentals.*

Below is the table of Business Parks owned by Bagmane REIT, compared with respective micro-markets (As of June 30, 2025)

Business Parks	Micro-market	Leasable Area (msf)	Completed Area (msf)	Vacancy (%)
Bagmane World Technology Centre **("BWTC")**	Outer Ring Road	4.5	4.5	5.1%
Bagmane Cosmos Business Park **("Bagmane Cosmos")**	SBD City	3.6	0.6	0.0%
Bagmane Rio Business Park **("Bagmane Rio")**	Outer Ring Road	1.1	1.1	0.0%
Luxor at Bagmane Capital Business Park **("Luxor @ Bagmane Capital")**	Outer Ring Road	1.0	1.0	0.0%
Bagmane Tech Park **("BTP")**	SBD City	4.4	3.9	2.1%
Bagmane Constellation Business Park **("BCBP")**	Outer Ring Road	4.9	4.9	0.5%
Total		**19.6**	**16.1**	**2.1%**

Micro-market	Grade A Stock (msf)	Grade A+ Stock* (msf)	Vacancy (%)
Outer Ring Road	92.5	84.3	4.3%
SBD City	23.3	15.4	5.8%
Portfolio Micro-Market	**115.8**	**99.7**	**4.6%**

There is an increasing demand for high-quality Grade A+ office space, particularly by GCCs and multinational tenants in the Portfolio Micro-Markets. The Portfolio Assets host foreign headquartered multinational and Fortune 500 companies with significant global operations in diversified sectors, including technology, semiconductor, electronics and e-commerce, many of whom focus on innovation and highly specialized technical work. The tenants include Nvidia, Google, Amazon and a leading technology company which rank among the largest companies globally by market cap[4], as of June 30, 2025. Fortune 500 companies and Global Capability Centres account for 66.6% and 88.6% of gross rentals respectively in the portfolio assets, as of June 30, 2025. Some of Bagmane REIT's prominent tenants have selected its Portfolio Assets as strategic hubs for their global operations. These include marquee foreign-headquartered multinational tenants such as Google (with a market cap of US$ 2.14 trillion as of June 30, 2025; having their largest standalone building in Bagmane Rio Business Park, outside home country-USA), Volvo (with a market cap of US$ 57.6 bn as of June 30, 2025; having their largest research facility globally outside of their home country-Sweden), Samsung (with a market cap of US$ 370.0 bn as of June 30, 2025; having their largest R&D facility outside South Korea), Texas Instruments (with a market cap of US$ 188.7 bn as of June 30, 2025; a leading global semi-conductor company with their largest presence in India at Bagmane Cosmos Business Park upon its completion, Amazon (with a market cap of US$ 2.34 trillion as of June 30, 2025) and Nvidia (with a market cap of US$ 3.8 trillion as of June 30, 2025). Volvo is based at Bagmane Tech Park, which serves as their largest research facility globally outside of Sweden, their home country. This center is a hub for over 1,600 engineers who are engaged in pioneering work across a spectrum of advanced technologies, including electromobility, automation, and the integration of cutting-edge tools such as Internet of Things (IoT), Virtual Reality/Augmented Reality (VR/AR) and data science. Samsung, another marquee tenant, operates their largest their largest R&D facility outside of South Korea at Bagmane World Technology Centre, serving as an innovation hub for both global and local product development. This Samsung facility is focused on technological advancement, with core areas spanning modem technology, multimedia, AI, and IoT. Samsung has filed over 11,000 global patents as of June 30, 2025.

[4] *Source: Yahoo Finance*

Chapter 8: ORR (Outer Ring Road) Office Market Overview

8.1 Evolution of ORR Office Market

The Outer Ring Road, popularly referred to as ORR, stretching from Hebbal to KR Puram, Marathahalli and Sarjapur, and then till Silk Board Junction, provides uninterrupted access to the North-East-South corridors of Bengaluru. The ORR belt has developed manifold in the past decade, primarily owing to the ease of connectivity, easy access to Central Business District (CBD) areas, tech sector growth and has emerged as one of the preferred residential and commercial destinations in the city. Corporates have been leasing office spaces in this micro-market due to additional benefits it offers, such as access to large talent pools, availability of contiguous land parcels, and the competitive edge the market provides in terms of presence of several MNC and domestic firms.

ORR's development as an IT growth corridor commenced in early 2000s with land acquisition and allotment by Karnataka Industrial Areas Development Board (KIADB) to promote tech sector growth in Bengaluru. KIADB acquired large land parcels along ORR and ensured conversion of the same for industrial hi-tech use. Announcement of the Special Economic Zone (SEZ) Act in 2005, led to the export-oriented IT sector to focus on their growth in upcoming SEZs due to expiry of the incentive structure under the Software Technology Parks India (STPI) scheme. Readily available large land banks near Outer Ring Road and Karnataka Government's initiative on the revised Master Plan 2007-2015 acted as a catalyst in IT sector development in this part of the city backed by favorable zoning regulations. Prior to 2008, developments were largely concentrated between Marathahalli-Sarjapur stretch. With the commencement of Bengaluru International Airport Limited (BIAL) in 2008 at Devanahalli, the KR Puram-Hebbal stretch of ORR micro-market started gaining prominence as Hebbal-Silk Board Junction served as the main artery between BIAL and the tech hubs of the city at Marathahalli-Sarjapur, Whitefield and Electronics City. Currently the Sarjapur-Marathahalli-KR Puram Stretch (ORR Southeast) and KR Puram-Hebbal stretch (ORR North) together comprising the ORR micro-market account for ~41% share in Bengaluru's total Grade A office inventory, as of June 30, 2025

8.1.1 Overview of ORR office micro-market, June 2025

Parameters	ORR
Completed Stock, msf	**92.5**
Vacancy, %, June 30, 2025	**4.3%**
Cumulative Gross Leasing Volumes, msf (CY2021 – H1CY2025)	**29.2**
Cumulative Net Absorption, msf (CY2021 – H1CY2025)	**18.9**
Cumulative New Supply, msf (CY2021 – H1CY2025)	**19.9**
Average Rent, ₹ psf pm	**111.0**

Source: JLL Research, June 30, 2025

8.2 ORR Office Market Overview

ORR (which includes the south-east and north quadrants) is the largest office micro-market in Bengaluru as well as India and enjoys the highest traction and occupancy levels with the most Fortune 500 occupiers and major tech occupiers present in the city, being based out of this corridor. This is a single corridor which holds a higher volume of office space in comparison to most Indian cities like Pune (~89 msf), Chennai (~80 msf) and Kolkata (~30 msf) and also exceeds global markets like

Singapore (~40 msf ft) as of June 30, 2025. It is the most sought-after office micro-market in Bengaluru, with several tech parks being taken over partly or wholly by international institutional investors like Blackstone and Brookfield. Mostly dotted with tech parks having campus-like development, located along the semi-circular spine of ORR, the micro-market houses prominent hospitality and residential projects by prominent developers. The ORR micro-market remains the biggest in terms of all physical parameters such as new supply, total office stock and share of net absorption vis-vis the city numbers.

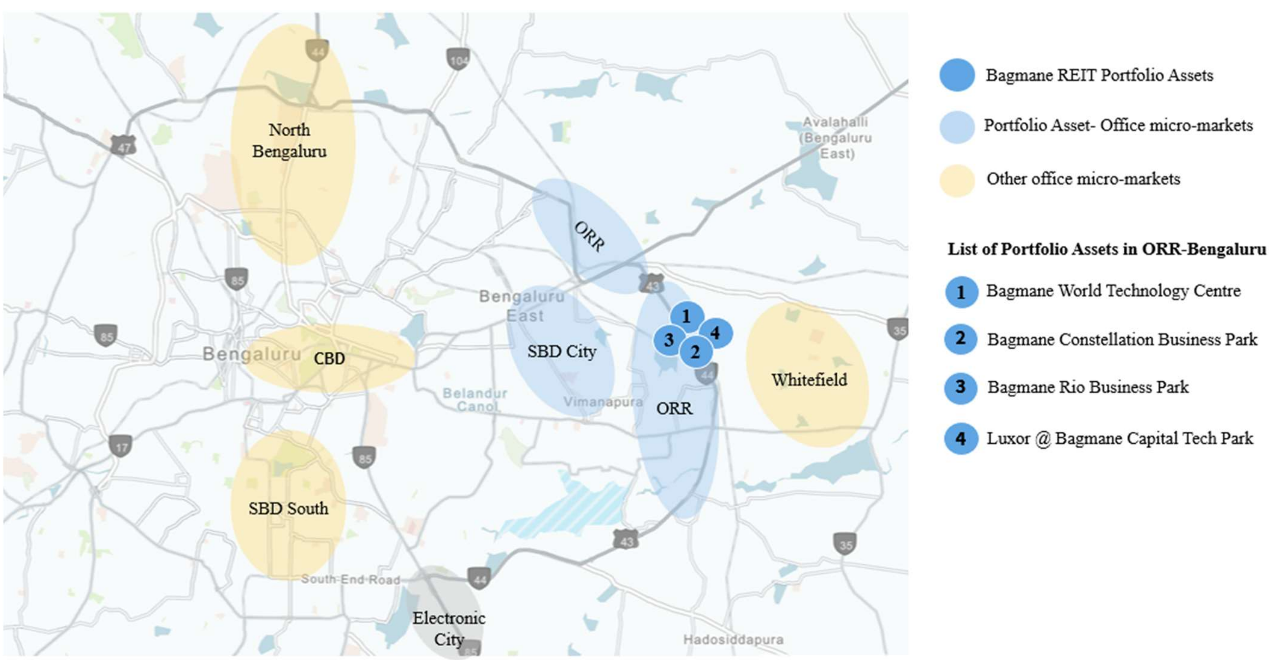
Bagmane REIT owns a total of 11.6 msf of Completed Area in ORR accounting for 13.8% of the total Grade A+ office space in this micro-market, as of June 30, 2025.

8.2.1 Highlights of ORR office micro-market (as of H1CY2025)

- **92.5** msf of operational Grade A office space, ~**41.2%** of city stock & **11.0%** of India's stock; **Largest** office micro-market in Bengaluru and India
- **Largest contribution (~40%)** to the net absorption in Bengaluru, contributing around 18.9 msf during 2021-H1 2025
- Recorded cumulative gross leasing volumes of **29.2 msf** during 2021-H1 2025, surpassing all other micro-markets in India
- **Lowest micro-market vacancies at 4.3%** in the overall Bengaluru office market and one of the lowest micro-market vacancies in India, vis-a vis **12.0%** at the city level & **16.1%** at pan India level
- Accounted for **highest** share of **33.6%** in the city's cumulative office supply (CY2021-H1CY2025) amounting to **59.4 msf**; expected to sustain the momentum with **highest share (~38%)** in city's upcoming office supply during H22025-2027F
- ORR holds **~45.2%** share in Bengaluru's total operational IT space
- **26.3** msf of REIT owned office space in ORR, accounting for more than **80%** of total REIT owned space in entire Bengaluru office market, as of June 30, 2025. Bagmane REITs 11.6 msf portfolio in ORR, would enhance the REIT space share in the city.
- **16.0-17.0** msf of Grade A office space under construction (H1CY2025-CY2027) in ORR, vis-vis city's total expected supply of **40.0-45.0** msf, as of June 30, 2025

Source: JLL Research, June 30, 2025

8.2.2 Portfolio Asset Locations in ORR office micro-market



8.2.3 Social and Lifestyle Infrastructure around REIT Portfolio Assets in ORR office micro-market

#	Lifestyle Infrastructure	#	Social Infrastructure	#	Commercial Developments
1	Hyatt Centric Hebbal	1	Trilife Hospital	1	Bagmane Capital
2	Courtyard by Marriott	2	Trust-in Hospital	2	Luxor @ Bagmane Capital
3	Hilton Embassy Manyata	3	Bangalore Baptist Hospital	3	Bagmane Constellation Business Park
4	Aiden by Bestwestern	4	Aster CMI Hospital	4	Bagmane Rio Business Park
5	Howard Johnson by Wyndham	5	Ramaiah Memorial Hospital	5	Bagmane World Technology Center
		6	KIMS Hospitals Mahadevpura	6	Brookfield – Ecoworld
		7	Jeevika Hospital	7	Brookfield – Ecospace
		8	ARK Advanced Multi-speciality Hospital	8	Embassy Manyata Business Park
		9	VIBGYOR High	9	Embassy Tech Square
		10	MMECT English Highschool	10	Embassy Tech Village
		11	The Indian Public School Bengaluru	11	Global Technology Park
				12	Kalyani Tech Park (Helios Business Park)
				13	Karle Town Centre
				14	Exora Business Park
				15	Cessna Business Park
				16	Prestige Platina
				17	Prestige Tech Pacific Park
				18	Pritech Park
				19	Sattva Softzone
				20	Capitaland Business Park

Portfolio Assets in Bengaluru's ORR micro-market are strategically and contiguously positioned or within proximity to each other, offering an integrated campus environment with comprehensive high-quality infrastructure and amenities. The assets are located between the Outer Ring Road and Whitefield micro-markets (the second largest office market in the city after ORR) along major arterial routes, offering connectivity to key business districts and seamless access to key transport infrastructure, social infrastructure and residential catchments both in ORR and Whitefield. The assets are located within proximity to other IT parks, office buildings, established residential catchment and are close to various social and lifestyle amenities such as notable hotels, schools, hospitals, and malls. The developer has built a dedicated internal road system that provides dual entry and exit points—one along ORR and another in Whitefield to the east.

ORR micro-market's accessibility is expected to be further enhanced with the city's ongoing infrastructure projects, such as the Namma Metro Blue line (Airport – Hebbal – ORR – Silk Board) expected to be operational by CY2027. The upcoming sub-urban rail (K-Ride) expected to be operational by end 2027, a joint venture between the Government of Karnataka and the Ministry of Railways, has been created to execute the Bengaluru Suburban Railway Project (BSRP), a 148 km suburban rail network across four corridors in Bengaluru to reduce traffic congestion, improve connectivity, and provide affordable public transport integrated with other modes. By offering a high-capacity public transport option which is affordable, and faster alternative to road travel, the suburban rail aims to shift thousands of commuters from private vehicles and cabs, alleviating pressure on the already congested ORR.

To further enhance future accessibility, the Bagmane Group has entered into a Memorandum of Understanding (MoU) with Bengaluru Metro Rail Corporation Limited (BMRCL) and invested in direct concourse-level connectivity of upcoming Namma Metro Blue Line Phase 2A & 2B stations to Bagmane World Technology Centre after obtaining approval from the Government of Karnataka. This will be one of the few assets in the micro-market with this feature, which is expected to enjoy enhanced accessibility to the Metro. The group is funding the DRDO Sports Complex Metro Station of Phase-2A Project (Blue line) from Central Silk Board to K.R Puram. The Bagmane DRDO Sports Complex Metro Station is expected to be located outside the entrance of Bagmane World Technology Centre, in close proximity to Bagmane Rio Business Park and adjacent to Bagmane Constellation Business Park and Luxor @ Bagmane Capital. This is expected to further enhance connectivity for the Portfolio Assets in ORR, following Namma Metro Phase 2A's (Blue line from Central Silk Board to K.R Puram) completion which is expected by end 2026.

8.2.4 Portfolio Asset Locations & Metro Connectivity (Existing and Upcoming) in ORR micro-market

Following is a brief description of the Portfolio Assets:

1. **Bagmane World Technology Centre** is located on the KR Puram - Marathahalli stretch of ORR which is a preferred location for GCC tenants in the technology and manufacturing sectors. It has excellent connectivity with multiple entry and exit points, and by virtue of its location on ORR benefits from proximity to key social and lifestyle locations offering a diverse mix of commercial hubs, residential neighbourhoods, education institutions, hospitals and retail centers.

2. **Bagmane Constellation Business Park** is also located on ORR and in proximity to upcoming and established transportation networks, including the upcoming suburban rail, and the network of BMTC (Bengaluru Metropolitan Transport Corporation) buses for connectivity across Bengaluru. The asset also benefits from its proximity to prime social and lifestyle infrastructure, including F&B offerings, schools, hospitals and retail centers due to its micro-market.

3. **Luxor @ Bagmane Capital** is strategically located on ORR, with access to Whitefield and key city centers, as well as prominent suburban residential catchments which have a high density of professionals and expatriates, making it a preferred location for multinational corporates.

For the above three Portfolio Assets, the dual entry/exit points one along ORR and another in Whitefield to the east, make Bagmane Constellation Business Park, Bagmane World Technology Centre and Luxor @ Bagmane Capital the only developments on the ORR stretch with this unique connectivity feature which provide access to key residential nodes across two different sides of the city. This feature presents a competitive advantage for Bagmane REIT's assets compared to other commercial properties in ORR as it is able to reduce travel time significantly for tenants and employees moving between these business parks and from ORR to Whitefield.

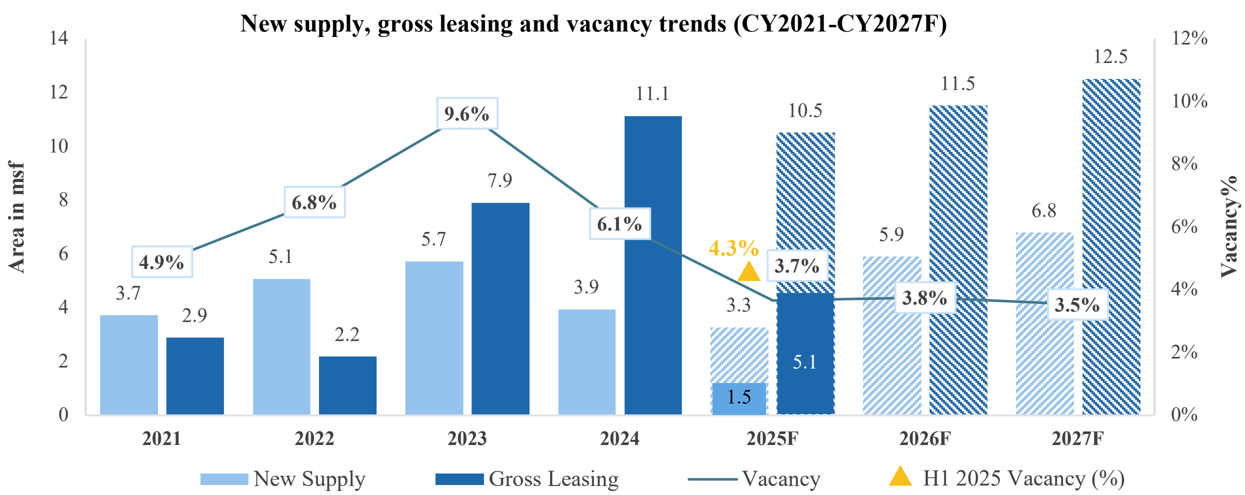
4. **Bagmane Rio Business Park** is a ultra-modern and advanced BTS development for Google. It serves as Google's India headquarters for its AI entity, which focuses on AI research and serves as its hub for cutting-edge research and development in artificial intelligence and machine learning—such as AlphaGo and advancements in healthcare. The asset is strategically located near Marathahalli as well as Sarjapur and well-connected with the Old Madras Road corridor. Accessibility of this asset will be enhanced by Bagmane DRDO Sports Complex Metro Station, an under-construction metro station located outside its entrance A differentiating feature of the asset is that it has the world's largest electro

chromatic auto-tinting glass façade. The asset has contiguous floor plates of nearly 150,000 sf, which is almost 3 times larger than standard office formats which generally range from 45,000 sf to 60,000 sf on average.

8.3 ORR - Demand, Supply and Vacancy Trends

ORR experienced steady supply growth from 2021-2023. Although demand also increased during this period, strong completions from 2022 and supply additions in 2023, resulted in vacancy levels rising, but they continued to remain below 10%. In 2024, vacancy rates dropped significantly due to strong leasing activity, making this micro-market one of the lowest vacancy areas among India's prime office locations. Continued high demand through the first half of 2025 has further reduced vacancy to 4.3% by June 30, 2025. The strong demand and low vacancies have driven consistent rental growth in the micro-market, which remained stable even during the pandemic period.

The ORR micro-market is expected to lead in terms of upcoming supply and leasing volumes and continue to remain a popular micro-market with key developers and global occupiers in the coming years. The micro-market is expected to witness annual average new supply of around 5.5-7.0 msf during 2026-2027F, accounting for around 35-40% share in the city's overall supply. Demand is expected to continue to complement supply with an average annual gross leasing of 11.5-12.5 msf during the period. Demand momentum is expected to continue to sustain driven by active space take-ups by GCCs across the technology, manufacturing/industrial and BFSI segments as well as other non-GCC occupiers across the same segments and flex occupiers. Vacancy levels in the micro-market's office sector are expected to continue to remain low, backed by a healthy balance in supply and demand.



Source: JLL Research, June 30, 2025

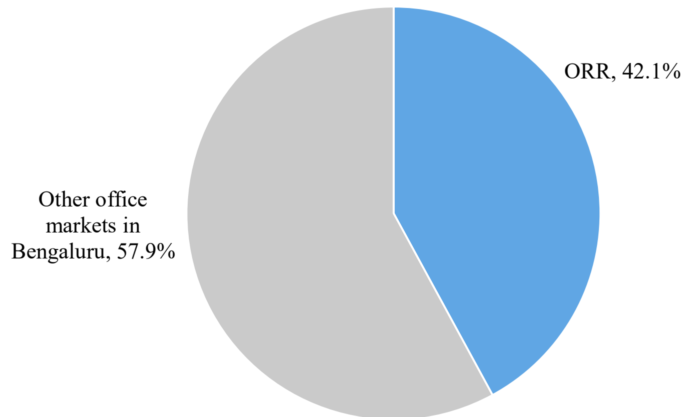
Bagmane Group contributed to 35.2% share in ORR's cumulative net absorption during CY2021-H1CY2025. Bagmane REIT holds 11.6 msf of completed office stock in the ORR micro-market, accounting for 12.6% of the ORR micro-market's Grade A office stock as of June 30, 2025. It added around 3.0 msf to the micro-market's office stock, during CY2021-H1CY2025.

8.4 Trends in Gross Leasing Activity

ORR has been the best performer in Bengaluru office leasing activity. The presence of superior grade buildings in SEZ as well as non-SEZ tech parks have been a driving factor for the tenants across categories. The availability of larger floor plates in these buildings, technical specifications that are offered and adoption of the latest sustainable standards have been attracting tenants over the years.

ORR micro-market's contribution in overall city leasing has been significant with an average 42.1% share during 2021-H1CY2025. This clearly outlines the enduring appeal of this corridor among occupiers.

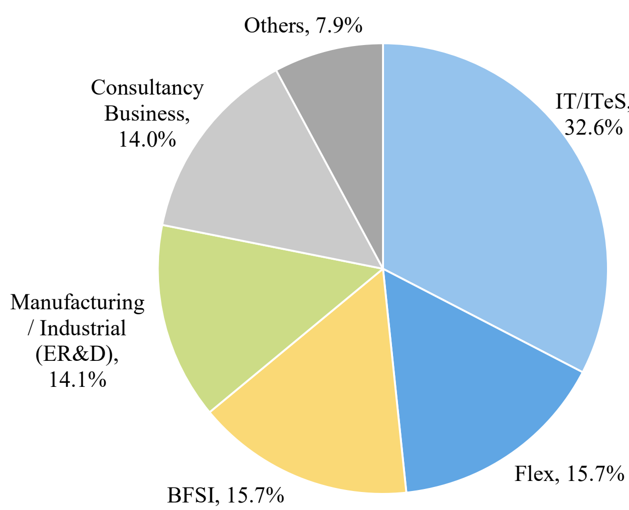
Gross leasing trends-ORR's share in City leasing volume, CY2021-H1CY2025



Source: JLL Research, June 30, 2025

8.4.1 Sectors driving gross leasing activity

Sector-wise share of gross leasing: CY2021-H1CY2025



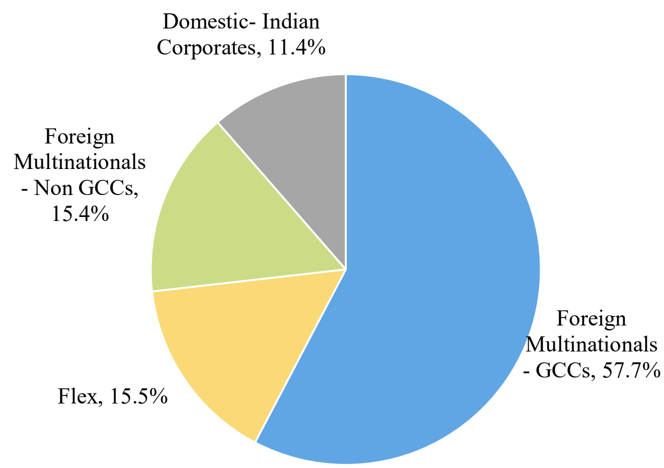
Source: JLL Research, June 30, 2025; Others include- E-commerce, Miscellaneous and Telecom, Healthcare- Biotech, Real Estate & Construction

The IT/ITeS sector has maintained its position as the primary driver of annual gross leasing volume in ORR micro-market from 2021 through H1 2025, consistently accounting for 30-35% of activity—mirroring the trends observed at the overall city level. Among other office occupiers, BFSI as well as manufacturing and industrial (ER&D) segments represented an average of 14-16% of the micro-market' average annual leasing activity over the last five years (CY2021-H1CY2025). The flex sector also gained significant traction post-pandemic, accounting for 15-20% of annual leasing volume during the period which reflects the shift by corporates, entrepreneurs, and small businesses toward flexible, premium office solutions.

8.4.2 Gross leasing activity by Occupier type

The leasing trend in ORR indicates contribution by foreign headquartered multinationals (including GCCs) have always been the highest (around 70 to 71% share in annual average lease volume) during 2021-H1 2025. Flex Operators who have been undertaking a footprint expansion post the pandemic, contributed around 15.5% share in Gross leasing followed by Indian corporates/domestic headquartered multinationals followed with 10 to 15% share during the period. ORR has emerged as the preferred micro-market for all tenant categories, particularly GCCs, due to its quality projects developed by reputed developers and robust supporting ecosystem. Among the foreign multinational occupiers taking up space in the ORR, GCCs captured the highest average share of approximately 57.7% in the micro-market's total leasing activity during 2021-H1 2025. Despite an increase in space take-up by flex operators from 2022 onwards, GCC sector's share in total space leased by foreign multinationals remained unchanged. This is relevant as GCCs are also expanding footprint through the flex route and hence additional space requirement is also being fulfilled through flexible space solutions. Therefore, the consistency of conventional space take-up by GCCs indicates continued expansion and footprint growth across both conventional space along with flex space route. GCCs prominence as the highest contributors to leasing activity in the micro-market during 2021-H1 2025, reinforces ORRs s position as India's premier destination for global capability centers.

Occupier-wise share of gross leasing: CY2021-H1CY2025

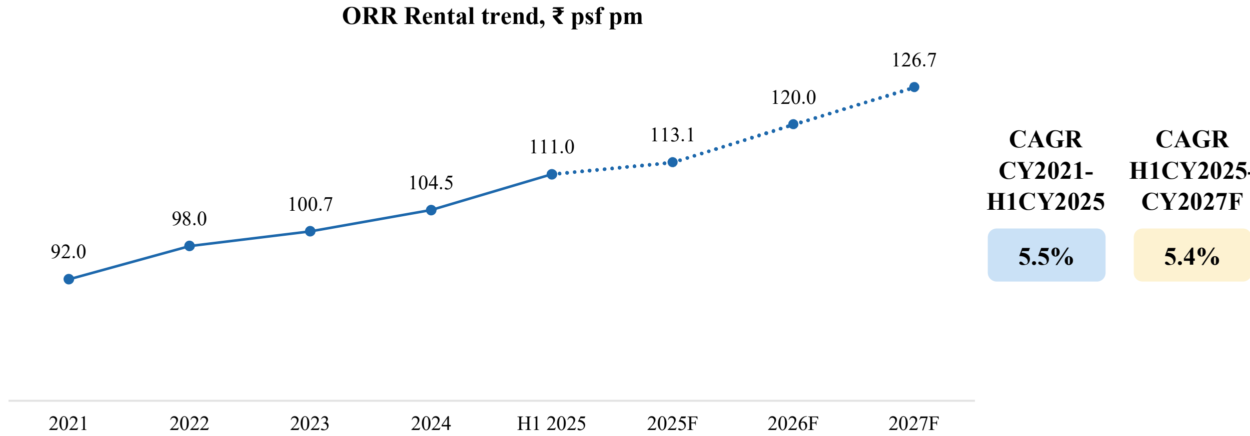


Source: JLL Research, June 30, 2025

8.5 Rental Trends

With rentals growing at a CAGR of 5.5% from CY2021 to H1CY2025 vis-à-vis a 4.3% CAGR in Bengaluru, the ORR micro-market has demonstrated consistent rental appreciation. As of June 30, 2025, the average Grade A office rents in this micro-market stand at ₹ 111.0 psf pm. The car park rentals in premium grade business parks in ORR micro-market range between ₹ 5,000-6,000 per slot per month as of June 30, 2025 (assuming an average size of car park slots between 160-170 sf.)

The ORR office market is expected to continue its growth trajectory over the coming months, with rents forecast to rise steadily. This positive trend will be supported by new and existing premium office developments and properties with strong tenant profiles likely to lead this market advancement. Projections indicate that the micro market's office rents could grow annually by 5.0% to 6.0% from H1CY2025 – CY2027F. This outlook is reinforced by persistent demand and low vacancy conditions, especially in premium quality assets with institutional presence. These elements collectively suggest that ORR office market will remain dynamic and resilient in the near- to medium-term, driven by healthy demand and supply dynamics and annual rent increases with prominent developers commanding premium rates for high-quality spaces.



Source: JLL Research, June 30, 2025

Chapter 9: SBD City Office Market Overview

9.1 Evolution of SBD City Office Market

Comprising premium office developments across Koramangala, Malleswaram, Rajaji Nagar, Domlur, Indiranagar, CV Raman Nagar and Old Madras Road, Bengaluru's SBD City office micro-market emerged as the city's secondary commercial hub following the establishment of Mahatma Gandhi Road and CBD areas. Early developments consisted primarily of smaller independent structures with basic infrastructure, largely attracting IT/ITeS firms looking for affordable options outside the CBD. The early 2000s marked a substantial transformation with the emergence of structured developments, notably Embassy Golf Links Business Park in Domlur becoming an iconic landmark. Around 2006-2007, the micro-market expanded further with the initial phases of Bagmane Tech Park in CV Raman Nagar and RMZ Infinity along Old Madras Road. CV Raman Nagar and Domlur saw initial interest from defense PSUs and technology firms. Enhanced airport corridor connectivity boosted these areas' attractiveness, leading to their rapid development into established office hubs, with prominent tenants like IBM and Flipkart setting up operations in Domlur.

The micro-market has attracted numerous multinational corporations, Fortune 500 companies and major technology firms owing to its strategic position near Old Airport Road and Indiranagar, multi-phase expansion plans, larger floor plates meeting growing client needs and improved infrastructure including dedicated power substations. Connectivity has also been enhanced through the micro-market's easy road access to Old Madras Road, Old Airport Road and Whitefield and its proximity to Byappanahalli Metro station that connects it to other prominent parts of the city like CBD and Whitefield. Building sizes have increased significantly from 50,000 sf to exceeding 200,000 sf as the market matured with premium Grade A developments. Commanding the city's second-highest office rentals after the CBD, the area has seen steady appreciation due to supply constraints. Tech parks have upgraded to global standards, attracting a diverse tenant mix including financial services and consulting firms. With near-full occupancy secured through long-term leases, older buildings underwent sustainability retrofits and smart management system integration. This evolution transformed basic IT parks into sophisticated business ecosystems, establishing the SBD City micro-market as a leading office destination in Bengaluru.

9.1.1 Overview of SBD City office micro-market, June 2025

Parameters	SBD City
Completed Stock, msf	**23.3**
Vacancy, %	**5.8%**
Cumulative Gross Leasing Volumes, msf (CY2021 – H1CY2025)	**6.5**
Cumulative Net Absorption, msf (CY2021 – H1CY2025)	**3.6**
Cumulative New Supply, msf (CY2021 – H1CY2025)	**3.7**
Average Rent, ₹ psf pm	**141.7**

Source: JLL Research, June 30, 2025

9.2 SBD City Office Market Overview

After ORR and Whitefield, SBD City ranks as Bengaluru's third-largest office hub for both new supply and net absorption, between CY2021 and H1CY2025. This micro-market, characterized by campus-style tech parks, has gained prominence as one of the city's established and high-value residential areas. It boasts of strong demand (annual average gross leasing volume of 1.5 msf during CY2021-H1CY2025) and high occupancy rates (90-95% occupancy levels) across its tech parks, housing numerous Fortune 500 companies and major technology firms.

The SBD City micro market benefits from direct links to the Outer Ring Road (ORR) and Old Airport Road, which provide seamless access to Central Business District areas, technology hubs along ORR and in Whitefield, and residential neighbourhoods throughout the city. The micro-market's transportation infrastructure received a substantial boost with the establishment of Byappanahalli Metro Station, with the metro connectivity having considerably enhanced the area's reach, linking it not only to central city locations but also to peripheral areas, thereby significantly strengthening its overall accessibility and appeal.

The connectivity and commercial sector growth in the micro market has resulted in its evolution as one of the preferred residential destinations. The micro-market offers diverse residential options for different budgets and lifestyles. CV Raman Nagar provides premium housing with central location benefits, while Kaggadasapura offers affordable apartment complexes with good amenities. Marathahalli, situated on ORR but accessible from this area, has become a popular choice for quality rental housing with comprehensive facilities.

The micro-market has strong social and lifestyle infrastructure centered around major destinations like Phoenix Marketcity and Gopalan Signature Mall, and Indiranagar's high street retail, offering extensive shopping, dining, and entertainment options for a vibrant city life. Healthcare is well-covered with several multispecialty hospitals providing quality medical services nearby and the area also features good educational institutions serving local residents.

This combination of good connectivity, diverse housing choices, and comprehensive amenities makes SBD City a well-rounded business hub that meets both professional needs and lifestyle preferences. Corporates largely from IT/ITeS and manufacturing/industrial (ER&D) sectors have shown preference for this micro market due to additional benefits it offers, such as access to large talent pools being in proximity to established residential catchments in core areas of the city.

Bagmane REIT owns a total of 4.5 msf of Completed Area in SBD City accounting for 29.2% of the total Grade A+ stock in this micro-market, as of June 30, 2025. Bagmane Tech Park accounted for 28.4% of the total Grade A+ office space in the SBD City micro-market as of June 30, 2025.

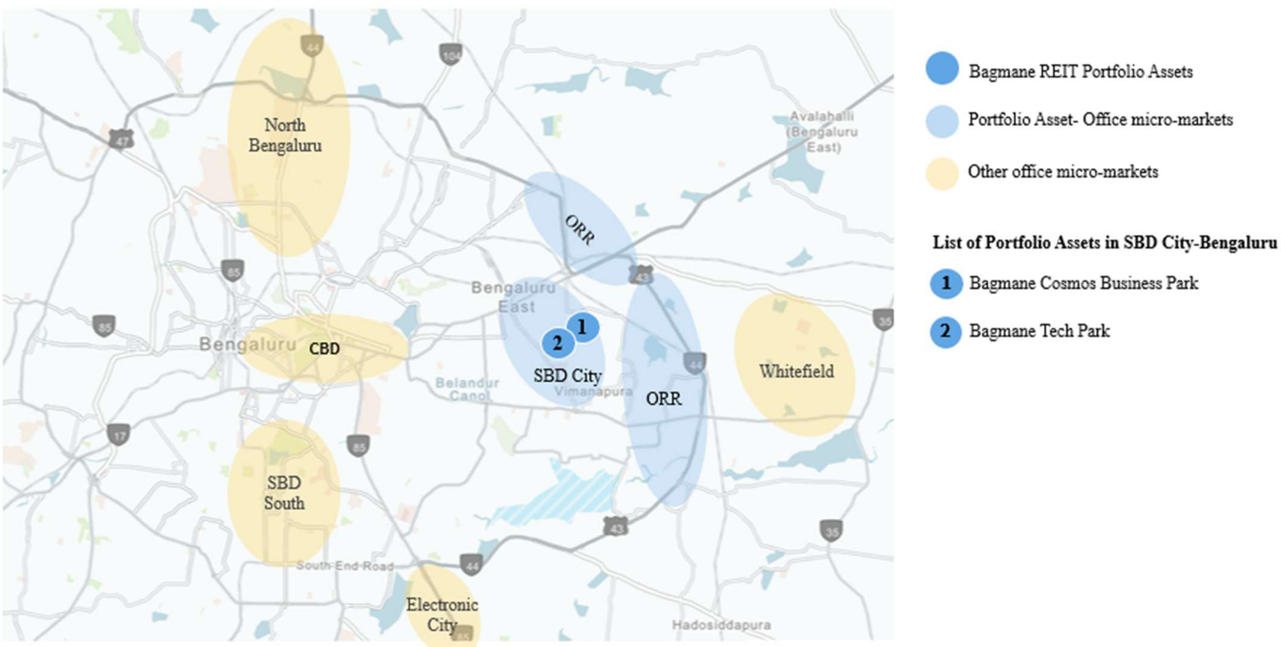
Highlights of SBD City office micro-market (as of H1CY2025)

- **23.3 msf** of operational Grade A office space, ~**10%** of city stock; **third largest** office micro-market in Bengaluru
- **Third highest contributor (~3.6 msf)** to city’s office net absorption (CY2021-H1CY2025) with **7.6%** share
- **Third highest** share in the city’s cumulative office supply (CY2021-H1CY2025) with **6.2% share**, amounting to **3.7 msf**
- Expected to contribute around ~**12.5%** share in the city’s cumulative supply during H1CY2025 to CY2027F period
- Following, the completion of Bagmane Cosmos, which is expected in FY29, this asset is expected to become the largest new development in SBD City
- **4.5 msf** (3.9 msf of completed and 0.6 msf of ready to occupy space) of REIT owned office space, ~**16%** of total REIT owned space in Bengaluru
- **5.8%** of vacant space, as compared to **12.0%** vacancy at the city level

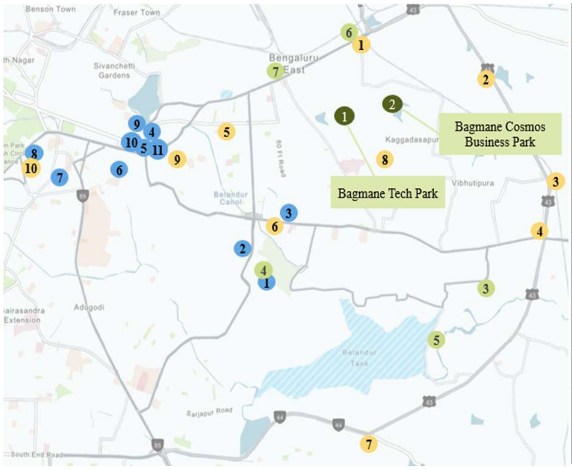
Source: JLL Research, as of June 30, 2025

SBD City serves as a key commercial hub that is located close to Bengaluru's Central Business District (CBD) and commands premium rentals and is characterized by limited availability of large-format tech parks. The micro-market contains only four such developments, with Bagmane REIT owning two of them, namely BTP and Bagmane Cosmos (under construction). These assets are strategically positioned in the prime C.V. Raman Nagar district, surrounded by prestigious organizations including DRDO (Defence Research and Development Organisation), BEML (Bharat Earth Movers Limited), and HAL (Hindustan Aeronautics Limited). Portfolio Assets are strategically located within close proximity to one another, forming an integrated campus ecosystem with extensive facilities and services. SBD City micro-market benefits from smooth connectivity to the CBD and prominent residential neighborhoods via both arterial road and metro networks frontage. To enhance connectivity further, Bagmane Group has developed a flyover between the two properties which became operational during Q2CY2025, enabling inter-campus transportation and strengthening the overall connectivity infrastructure within the business parks. SBD City micro-market enjoys connectivity to the CBD and major residential neighborhoods, and is supported by well-planned road and transportation infrastructure, including arterial road connectivity and metro access, with the nearest metro station, Swami Vivekananda Road Metro Station, located approximately 2 km away. It is also well-connected to the CBD and major residential areas through well-connected arterial roads and metro networks.

9.2.2 Portfolio Asset Locations in SBD City office micro-market



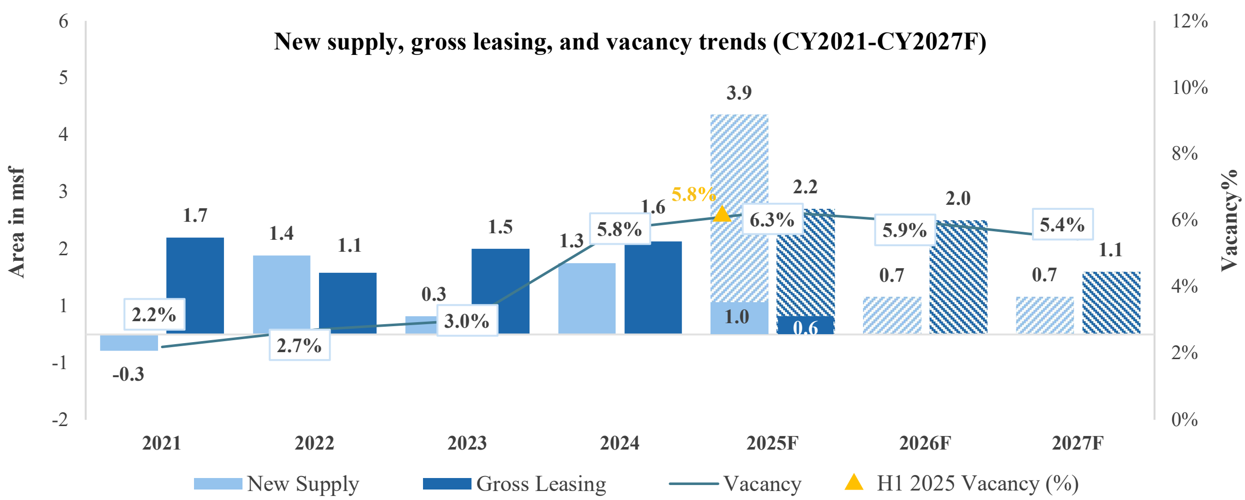
9.2.3 Social and Lifestyle Infrastructure around REIT Portfolio Assets in SBD City office micro-market



#	Lifestyle Infrastructure	#	Social Infrastructure	#	Commercial Developments
1	Hilton Bangalore Embassy Golf links	1	Aditya Multi Speciality Hospital	1	Bagmane Tech Park
2	Ramada Encore by Wyndham	2	KIMS Hospitals, Mahadevapura	2	Bagmane Cosmos Business Park
3	Leela Palace Bengaluru	3	Jeevika Hospital	3	Divyasree 77 Town Centre Technopolis
4	Conrad Bengaluru	4	ARK Advanced Multi specialty Hospital	4	Embassy Golf Links
5	Taj MG Road Bengaluru	5	Revive Hospitals	5	Prestige Lakeshore
6	Welcome Hotel by ITC	6	RxDx NM Medical Clinic, Domlur	6	RMZ Infinity
7	The Ritz-Carlton, Bangalore	7	Manipal Hospital Sarjapur	7	Godrej Centre
8	Mariott Executive Apartments	8	Orchids International School		
9	Radisson Hotel Bengaluru City	9	The Frank Anthony Public School		
10	The Oberoi, Bengaluru	10	St. Joseph's School		
11	Hyatt Centric MG Road				

9.3 SBD City- Demand, Supply and Vacancy Trends

SBD City's development initially surged in the early 2000s, followed by renewed construction activity beginning in 2018. Occupier demand followed a similar pattern, increasing significantly after new space became available in the micro-market. With demand matching supply consistently, vacancy rates remained extremely tight at or below 5% between 2018 and 2019. During 2020, higher vacancy rates emerged primarily from new developments in the less prominent areas of SBD City. These standalone properties experienced tenant exits resulting in an overall vacancy increase. In the post pandemic period, during 2021-2022 though few of these standalone properties continued to witness slower leasing momentum, certain blocks/buildings expanding within established technology and business parks contributed to the micro-market's lower vacancy between 2021 and 2023. 2024's surge in vacancy level to only ~5.8% was caused by higher supply influx in the micro-market. During H1 2025, the vacancy rate stood unchanged with supply and demand being largely at par. With existing tech parks maintaining minimal vacancies and strong pre-leasing activity in upcoming park expansions, SBD City's overall vacancy is expected to remain range bound between 5.0%-6.0% over the short to medium term.



Source: JLL Research, June 30, 2025

Bagmane Prime Office REIT owns a total of 4.5 msf of Completed Area in SBD City-Bengaluru accounting for ~19.3% of the micro-market's Grade A office stock, as of June 30, 2025. Following, the completion of Bagmane Cosmos, which is expected in FY29, this asset is expected to become the largest new development in SBD City.

Office space development in SBD City has maintained consistent momentum since 2019, comprising both independent office buildings and expansions within established technology parks. The micro-market is anticipated to receive significant addition in 2025 with the completion of a major business park.

SBD City anticipates approximately 3.9 msf of new office completions in 2025, with net absorption expected to match this volume, maintaining vacancy rates at a stable 6.0-6.3%. Looking ahead to 2026-2027F, supply is likely to moderate to around 0.5-1.0 msf annually. Leasing activity is likely to sustain to around 2.0 msf in 2026F before moderating in 2027F due to lack of new supply and declining vacancy. Leasing momentum is expected to remain robust, primarily driven by technology companies, GCCs, and flexible workspace operators. The micro-market's vacancy levels will likely continue to be low due to a healthy balance between supply and demand, ensuring SBD City remains attractive to premier developers and international occupiers in the foreseeable future.

9.4 Trends in Gross Leasing Activity

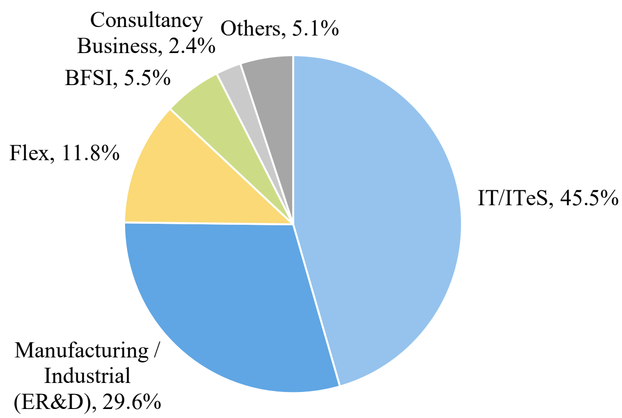
SBD City has consistently been a key contributor to Bengaluru's office leasing activity. The micro-market has demonstrated persistent leasing momentum with new developments typically being absorbed rapidly, as evidenced by consistently low vacancy rates. Notably, the micro-market maintained robust leasing activity during 2018, 2021, and 2023 despite minimal or low new supply, indicating strong demand for second-generation spaces and highlighting its enduring appeal among tenants. Tenants have been drawn to this micro-market due to the integrated mixed-use developments featuring retail and hospitality components, the availability of expansive floor plates within technology parks, advanced technical specifications, and the implementation of contemporary sustainability standards.

The SBD City micro-market typically accounts for 10-11% of citywide net absorption volume. Despite this relatively modest share, SBD City has consistently ranked among the top-performing areas for office leasing in Bengaluru, highlighting its preference among tenants. This sustained popularity stems from the high quality of its building stock, strategic location advantages, and the competitive benefits offered by the presence of leading multinational tenants across diverse industries. SBD City's importance in Bengaluru's office landscape is further demonstrated by its persistently low vacancy rates and significant churn leasing activity, (refers to immediate occupancy of space by a new tenant upon the previous tenant's exit) both indicators of steady demand for office space in this micro-market.

9.4.1 Sectors driving gross leasing activity

Like observed in ORR, IT/ITeS occupiers held the major share during CY2021-H1CY2025 in SBD City micro-market. The manufacturing & industrial sector (ER&D) which saw a spike in its share in Bengaluru’s gross leasing during 2023-2024 contributed around 29.6% share in the micro-market’s gross lease volume. While IT/TeS and Manufacturing & Industrial (ER&D) sector were the main contributors to the micro-market’s office space leasing during the pre-covid period, post the pandemic, flex operators accounted for prominent share. Flex operators, who have been undergoing active expansion in the city, saw a spike in their share in SBD City micro-market’s gross lease volume during 2024, and this trend is likely to sustain in the near to medium term. Manufacturing & Industrial occupiers are likely to witness increased demand in the coming years thereby generating higher demand from other ancillary companies.

Sector-wise share of gross leasing: CY2021-H1CY2025

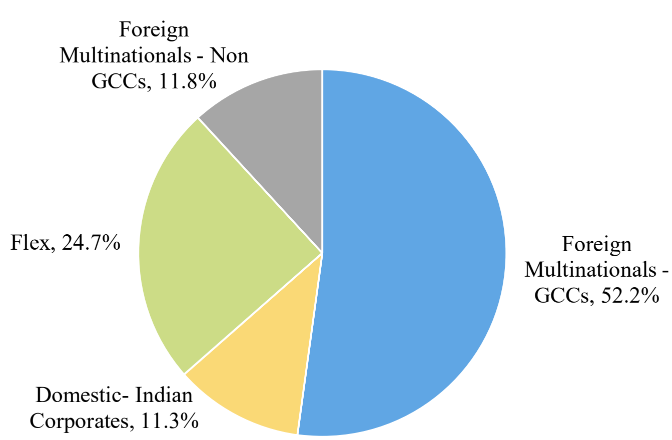


Source: JLL Research, June 30, 2025

9.4.2 Gross leasing activity by Occupier type

Like the ORR micro-market, SBD City has established itself as a favored location for all tenant categories, particularly GCCs, drawn by the availability of premium developments from established landlords. GCCs have historically claimed the largest share of space leased by foreign headquartered multinational firms from CY2021 to H1CY2025 followed by the Foreign IT/ITeS and MNC front office occupiers. Tenant profile in the Portfolio Assets in SBD City is largely dominated by foreign multinational occupiers that mostly includes GCCs and MNC Front offices. These high-quality portfolio assets are particularly attractive to GCCs, Fortune 500 companies and major technology firms due to their strategic location, substantial size and scale, and scarcity within a micro-market where office space supply is constrained and large land parcels are rare.

Occupier-wise share of gross leasing: CY2021-H1CY2025



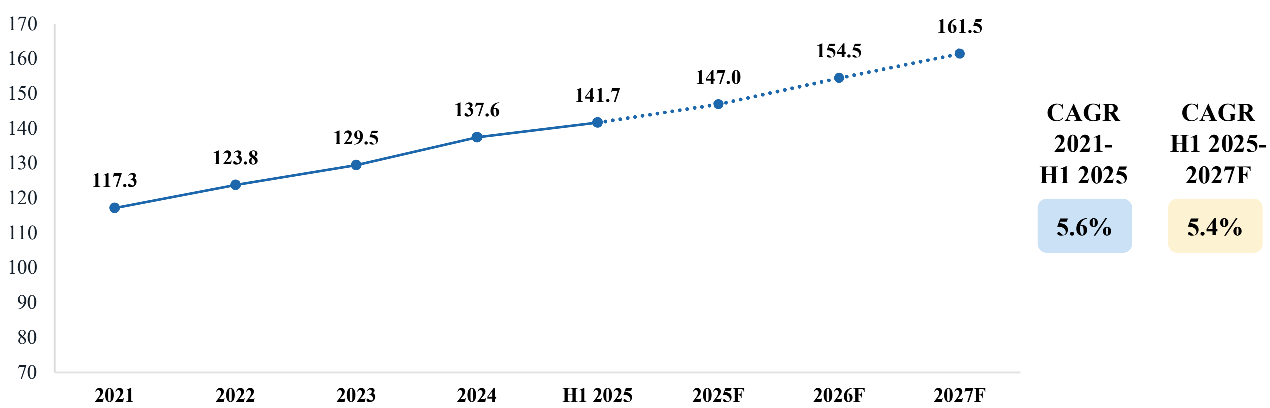
Source: JLL Research, June 30, 2025

9.5 Rental Trends

SBD City commands the city's second-highest office rentals of ₹ 141.7 psf pm as of June 30, 2025, after CBD office micro-market and has experienced consistent rental appreciation, with a CAGR of 5.6% between CY2021 and H1CY2025, driven by supply constraints and low vacancy rates (annual average vacancy of ~3.5% between 2021-2024. The car park rentals in prime business parks in SBD City micro-market range between ₹ 5,500-6,500 per month as of June 30, 2025 (assuming an average size of car park slots between 160-170 sf).

Driven by healthy leasing momentum and tight vacancy levels, the rentals in the SBD City – Bengaluru micro-market are expected to witness an upward growth trajectory with 5.4% annual growth forecasted till 2027F, and the micro-market is expected to maintain its status as a preferred destination for leading developers and multinational tenants.

SBD City Rental trend, ₹ psf pm



Source: JLL Research, June 30, 2025

9.6 Challenges for the Commercial Office Market

The commercial office market in India has seen a period of sustained growth and resurgence, emerging stronger form the pandemic to exhibit record performance in terms of overall leasing activity as well as robust growth in other market parameters. However, like for any other industry, the risks and potential headwinds to future growth when undertaking investment decisions should be evaluated. These factors are crucial in understanding challenges to the office market growth story.

1. **Economic uncertainty**: The Indian real estate market is susceptible to economic fluctuations, both domestically and globally. With office demand strongly correlated to the macro-economy, a period of uncertainty in the business environment and global trade may impact commercial office market dynamics. Any factors that affect global businesses as well as occupiers servicing the domestic market may translate to reducing demand for office space while uncertainty may cause delayed decision-making which in turn will affect market momentum.
2. **Regulatory policy changes:** Any local regulatory changes including amendments to local zoning and building laws, environment regulations or tax rules may affect profitability and business continuity of commercial estate players and projects. These factors can also adversely impact property values, increase project costs as well as operating expenses.
3. **Political environment –** commercial office market is susceptible to any sort of instability at a political level. It can adversely impact investor as well as tenant confidence thereby deterring future investments. Other disruptions related to overall business environment, currency volatility, and inflationary environment are also potential risks which may impact commercial office sentiment for developers, tenants and investors. Office demand can be negatively impacted as a result of such economic disruptions as well.
4. **Impact of technology –** technology-led disruptions such as automation and Artificial Intelligence have the ability to disrupt conventional work roles/profiles. As the nature of work evolves routine, repetitive tasks become vulnerable to AI-driven

automation and, such disruptions may have an impact on the overall direction of space demand with lower space requirements or contraction creating risks for the overall market.

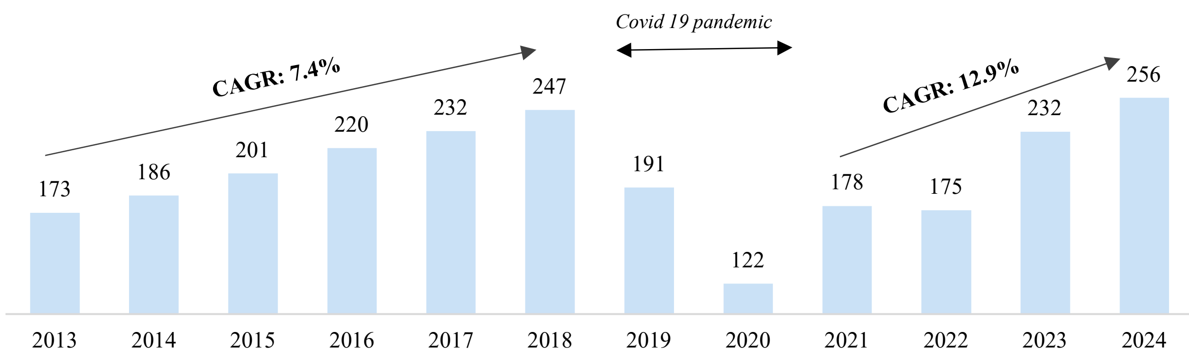
5. **Risk of oversupply:** As demand remains robust, more investments are funneled into creating office projects where the risk of oversupply may manifest itself in the near to medium term. Oversupply may also result in rising vacancies which in turn will impact rental growth as well as overall project values.
6. **Risk to leasing momentum due to competition:** While the Indian office market is evolving, there is a risk of increased competition to existing locations against more affordable office clusters as well as more players entering the market becoming a threat to existing ones. Any global destination that also offers similar advantages may also pose a risk to leading office markets in India as a viable alternative.
7. **Interest rate and currency risks:** A high-interest rate environment is likely to have an adverse impact on new construction activity in the commercial space while also increasing overall development costs. Lower profit margins may impact new supply in the market which in turn may affect demand fulfillment. Change to the Indian Rupee against the US$ can potentially impact revenue of tech companies and those from other sectors as well that are geared towards export of services and goods. An appreciating ₹ also increases occupancy costs in dollar terms which may make the Indian market less affordable taking away significant tenant advantages.
8. **Infrastructure constraints**: The real estate market is directly impacted by the availability and quality of infrastructure. Efficient transportation networks, and connectivity play crucial roles in determining the continued attractiveness of office clusters. The existing infrastructure in larger markets is overloaded and delays in completing planned projects impact the attractiveness and viability of real estate projects as well as tenant demand moving away to locations with lower business continuity risk in terms of support infrastructure quality.

Chapter 10: Hospitality Sector Overview

10.1 India Travel and Tourism Overview

`India's travel and tourism sector experienced disruptions during the pandemic, with contributions falling to US$ 191.3 Bn in 2019 and decreasing to US$ 121.9 Bn (-36%) in 2020, marking the lowest point. Recovery began dramatically in 2021, with a remarkable 46% growth to US$ 178.0 Bn, though still below pre-pandemic levels. The sector continued its rebound and by 2024, the contribution reached US$ 256.1 Bn with 10.6% y-o-y growth, exceeding the 2018 pre-pandemic benchmark and demonstrating the sector's resilience and recovery from COVID-19 impacts. As per World Travel and Tourism Council (WTTC), by 2034, India is expected to have one of the largest travel and tourism contribution to the GDP, worth US$ 523.6 Bn.

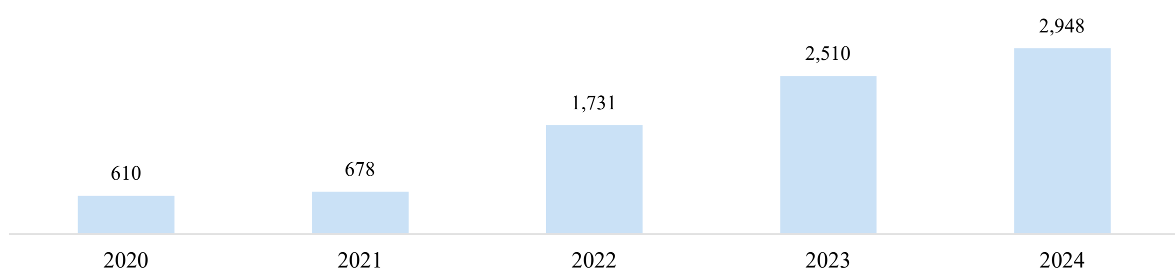
Total Contribution of Travel and Tourism to GDP of India (in US$ bn)



Source: JLL Research

10.1.1 Domestic and Foreign Tourist Arrivals

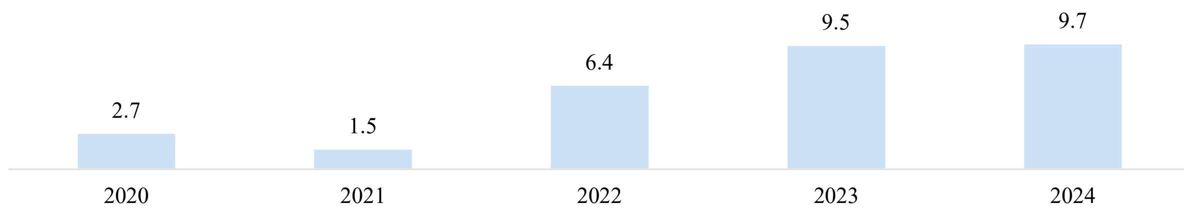
Domestic Tourist Visits in India (in mn)



Source: Ministry of Tourism, JLL Research

Post-Covid recovery began in 2021 with 678 mn visits (11% growth), accelerating significantly in 2022 with 1,731.1 mn visits with a stellar 155.5% increase. By 2023, domestic tourism had not only recovered but surpassed pre-pandemic levels, reaching a then all-time high of 2,509.6 mn visits which was further surpassed in 2024 with 2,948 mn visits. International tourism to India shows a more prolonged recovery pattern. 2017 to 2019 consistently saw over 10 million foreign tourist arrivals with the 2019 number nearing 11 million. Post Covid, the country saw 9.5 million arrivals in 2023 and continuing to improve slightly in 2024 with 9.7 million arrivals. While domestic tourism was the first to recover and continues to perform well, foreign tourist arrivals (FTAs) are anticipated to reach 30.5 million by 2028.

Foreign Tourist Arrivals in India (in mn)



Source: Ministry of Tourism, JLL Research

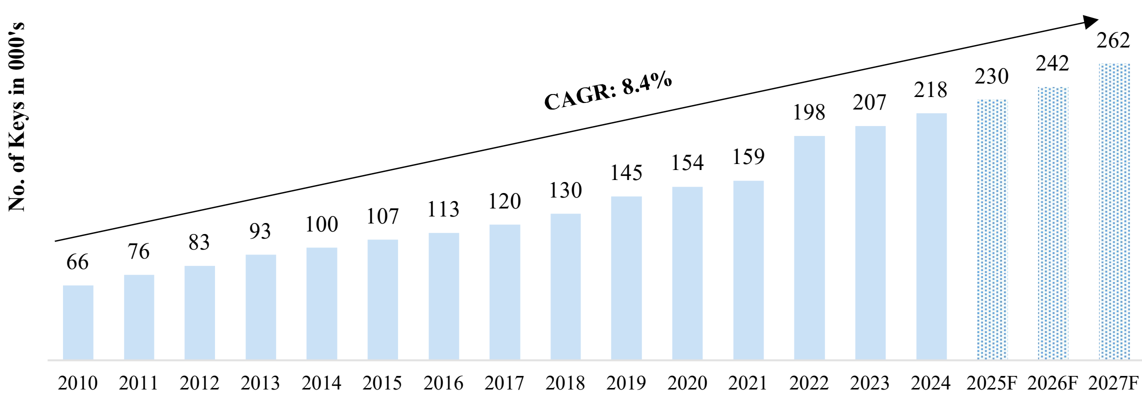
10.2 India Hospitality Sector Overview

10.2.1 Inventory Overview

As of June 30, 2025, India has over ~417,000 keys comprising branded hotels, independently run hotels and those run by hotel aggregators. (such as OYO, Fab Hotels and Treebo). While branded supply (220,896 keys) includes hotels which are managed by hotel operating chains, independently run hotels are typically owned and managed by the same entity.

The graph below maps out the inventory growth trends in India since 2010 with projections till 2027F. The increase in volume in 2022 by 24.9% can be attributed to the completion of several projects which were on hold for the two years before that due to COVID. The number of keys has since seen a steady growth of 5.5% between 2023 and 2024.

India Hotels Branded Inventory Trend (2010-2027F)



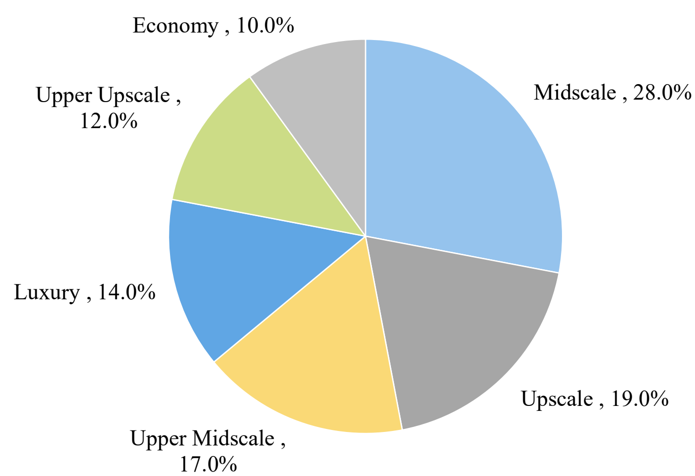
Source: JLL Research

10.2.2 Hotel inventory in India is typically categorized into the following segments:

Hotel Segment	Description
Economy	These are typically two-star hotels providing functional accommodations and limited services, while being focused on price consciousness.
Midscale	These are usually three-to-four-star hotels with distinctly moderate room sizes and pricing. Hotels in the category may have select services and facilities.
Upper Midscale	These hotels are full-service hotels, typically with lesser public areas and facilities with relatively smaller room sizes in comparison to upper upscale and upscale hotels. In India, these would generally be classified as four-star hotels.
Upscale	These are hotels which are more moderately positioned and priced lower than upper upscale hotels. This category would have moderate dining and recreational facilities and public areas. In India, these would generally be classified as four to five star hotels
Upper Upscale	These are hotels which are more moderately positioned and priced lower than luxury hotels. This category would have multiple dining and recreational facilities with large public areas. In India, these would generally be classified as five-star hotels.
Luxury	Typically refers to the topmost tier of hotels. In India, these would generally be classified as five-star deluxe hotels.

10.2.3 Inventory classification by segmentation

India Inventory Classification by Segmentation as of June 2025



Source: JLL Research as of June 30, 2025

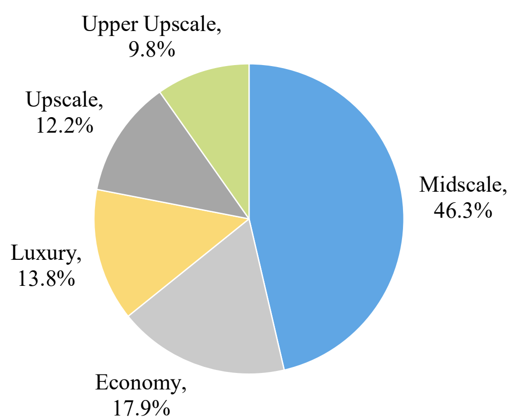
10.3 Bengaluru Hospitality Market Overview

10.3.1 Existing Hotel Supply

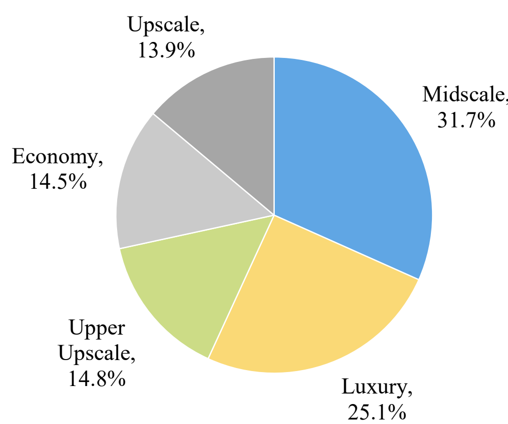
There are 122 branded hotels with over 17,800 keys in Bengaluru as of June 30, 2025. The midscale category dominates the market numerically, representing 46.3% of properties (57 hotels) and 31.7% of room inventory (5,673 rooms) as of June 30, 2025. Despite accounting for only 13.8% of properties as of June 30, 2025, the luxury segment contributes a substantial 25.1% of the total room supply with 4,492 keys, indicating larger property sizes in this category. The economy segment comprises 14.5% of the room inventory and the upper upscale and upscale segment comprise of 28.7% collectively as of June 30, 2025.

This distribution reveals Bengaluru's balanced hospitality ecosystem catering to diverse traveller segments, with strength in both midscale and premium offerings.

Bengaluru Hotel Market Segmentation Existing Supply by Hotel Count



Bengaluru Hotel Market Segmentation Existing Supply by Room Count

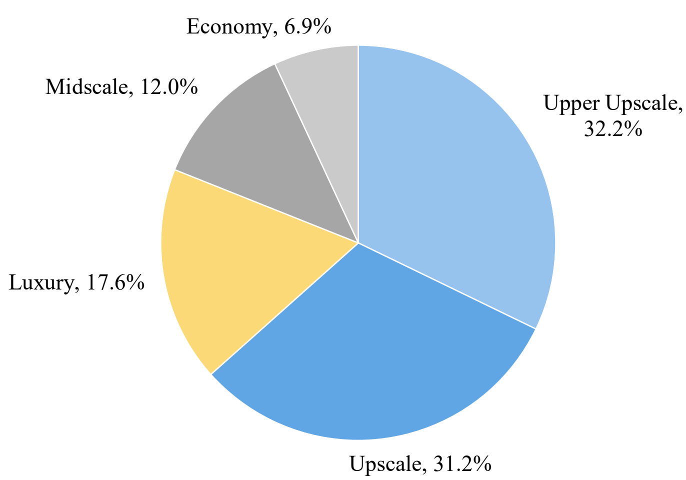


Source: JLL Research, June 30, 2025

10.3.2. Upcoming Hotel Supply

As of June 2025, there are 26 branded hotel projects under active development within Bengaluru that are expected to open between late 2025 to 2027. New Signings in Q1 2025 include Holiday Inn Express Lalbagh Bengaluru (100 Keys), Ginger Bommasandra Bengaluru (125 Keys), Gateway Bengaluru (255 Keys), Courtyard by Marriott Bengaluru HI Tech Defence and Aerospace Park (350 Keys), Radisson Resort Whitefield Bengaluru (150 Keys), Radisson RED Bengaluru City Centre (111 Keys), Radisson Individuals Stella Bengaluru (100 Keys). A new signing in Q2 2025 includes Ozen Nandi Hills (70 Keys, 2026 opening).

Bengaluru Upcoming Hotel Supply Segmentation Room Count



Source: JLL Research, June 2025

10.3.3 Demand Drivers

The nature of lodging demand in Bengaluru is dominated by corporate demand owing to the presence of well-established tech industries, contributing to over 75% of demand in FY 2025. The remaining demand is derived from leisure (10%) and Meetings, Incentives, Conventions and Exhibitions (MICE) (15%) in FY 2025. Room night demand in Bengaluru is primarily driven by the IT/ITeS industry, with leading companies such as IBM, Accenture and Oracle having a strong presence in the city.

Corporate

Commercial real estate development has played a pivotal role in shaping Bengaluru's hotel markets. Over last two decades, Bengaluru has gained a special significance in the real estate market due to significant growth of Information Technology (IT) and IT enabled services (ITES) industry. Other than IT and ITES, other sectors like automobile, garments, finance, and real estate have also witnessed phenomenal growth over the past decade. The increasing demand for commercial sector reflected in generation of more employment as well as higher disposable income apart from need for better residential enclaves and different formats of retail, leisure, and entertainment. There is substantial office supply in pipeline over next three years with clear indication of increasing stock towards East and North of the city. By the end of year 2027, additional area of 35.0 msf is expected to be operational.

MICE

Corporate MICE, particularly IT /ITeS, Defence, Pharma and BFSI, drive MICE demand in Bengaluru. One of the major events held at Bengaluru is Aero India, the world's fourth largest aero show which is held biennially, during the month of February. The event is organised by the Ministry of Defence and attracts visitors and exhibitors from all over the world. In addition, the Bengaluru Technology summit, India's flagship technology event and Asia's largest tech summit, is held in Bengaluru annually. They contribute to a substantial spike in both occupancy levels and rates across segments.

Leisure

Due to the city's predominantly commercial profile, the leisure segment contributes a relatively smaller percentage of room demand. For foreign tourists, Bengaluru serves mainly as an entry point into India for connectivity to other destinations in Karnataka and South India. Being home to the famous M. Chinnaswamy Stadium, Bengaluru boasts an annual events calendar for several cricket matches. The city also hosts various other events like Comic Con and concerts, catering to millennial demand.

10.4 Micro Market Overview – ORR

10.4.1 Existing Hotels: ORR micro-market, as of June 30, 2025

Hotel Name	Location	Classification	Year of Opening	Keys
DoubleTree Suites Bengaluru	Sarjapur Road	Upscale	2014	172
Courtyard Bengaluru Outer Ring Road	Outer Ring Road	Upscale	2015	170
Novotel Bengaluru Techpark	Sarjapur Outer Ring Road	Midscale	2012	215
Aloft Hotel Bengaluru Cessna Business Park	Outer Ring Road	Midscale	2014	191
Citrus Hotel Bengaluru	Survey 80/2 Marathahalli Sarjapur Outer Ring Road	Economy	2011	69
Ibis Bengaluru Techpark	Sarjapur Outer Ring Road	Economy	2011	311
Fairfield Inn Bengaluru Outer Ring Road	Outer Ring Road	Economy	2015	166
Radisson Blu Bengaluru Outer Ring Road	Outer Ring Road	Upper Upscale	2011	218
Total				**1,512**

Source: JLL Research

10.4.2 Upcoming Hotel Supply: ORR micro-market

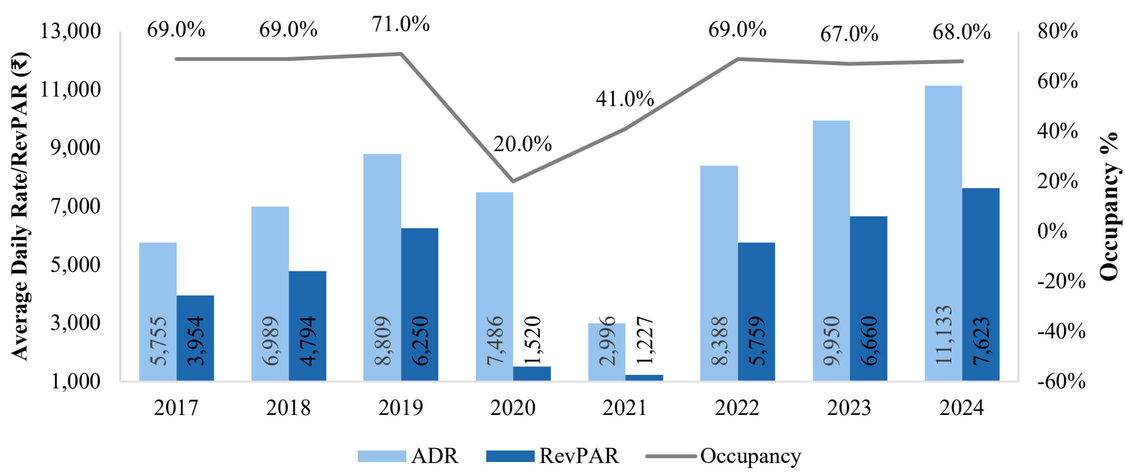
Hotel	Location	Classification	Year of Opening	Keys	Parent Brand	Status
Hilton Embassy TechVillage Business Park	ORR	Upper Upscale	2026	300	Hilton	Under Construction
Marriott Executive Apartments Bengaluru	Bellandur	Upper Upscale	2026	102	Marriott	Under Construction
Hilton Garden Inn Tech Village Business Park	ORR	Upscale	2026	200	Hilton	Under Construction
Moxy Bengaluru ORR Prestige Tech Park	ORR	Midscale	2026	130	Marriott	Under construction
Luxury Hotel at Bagmane World Technology Centre	ORR	Luxury	2028#	207	Under Discussions	Under Construction
Upscale Hotel at Bagmane World Technology Centre	ORR	Upscale	2028#	400	Under Discussions	Under Construction
Total				**1,339**		

Source: JLL Research
 # Expected completion in Q1FY29

Bagmane REIT is also adding hospitality assets in an underserved ORR market. Following the completion of the 2 hotels, it will be among the few business parks in Bengaluru which offer on-campus hotels.

On-campus hotels located close to major business districts or office parks often experience a faster pace of occupancy ramp-up, largely to corporate demand from nearby companies. This proximity tends to deliver a predictable base of business travellers and visitors, helping these hotels achieve steadier fill rates soon after opening or expansion.

Performance of Upper Upscale and Upscale Hotels



Source: JLL Research

Pre-pandemic metrics show strong performance with occupancy rates holding steady at 69-71% (2017-2019), before plummeting to 20.0% in 2020 and 41.0% in 2021 during COVID-19. Average Daily Rate (ADR) demonstrates remarkable resilience, growing from ₹5,755 in 2017 to ₹11,133 in 2024, nearly doubling despite pandemic disruptions. RevPAR followed a similar pattern, dropping sharply in 2020-2021 before achieving robust recovery, reaching ₹7,623 in 2024 - significantly higher than pre-pandemic levels. The sector has not only recovered but thrived post-pandemic, with 2024 showing the highest metrics across all performance indicators as shown in the above chart, underscoring strong market demand and pricing power in the upscale and upper upscale hotel segments.

10.5 Outlook on ORR Hospitality Sector

Despite supply constraints in the ORR hospitality market, the current demand levels as of June 30, 2025, stands at 3,20,000-3,50,000 occupied room nights per annum. As a heavily undersupplied market demand is displaced to adjacent micro markets, projected commercial demand is anticipated to generate annual hospitality market growth of 6% to 7% over the next few years. With additional supply entering the ORR market, much of this demand is expected to return to the ORR micro market and will be absorbed by ORR hotel supply.

10.6 Challenges for the Hospitality Market

- Development Delays - Project timelines often extend beyond initial projections due to regulatory approvals, permitting processes, and supply chain disruptions that slow construction progress.

- Increased Development Costs - Budgets for new builds rise steadily from escalating material prices, labor shortages, and financing pressures amid volatile economic conditions.

- Increased Operating Costs - Daily expenses climb with higher energy bills, maintenance needs, food and beverage supplies, and wage pressures across hotel and restaurant operations.

- High Level of Attrition - Staff turnover remains notably high given the sector’s demanding schedules, seasonal demands, and competition from other industries offering better work-life balance.

- Cyclical Nature - Demand patterns fluctuate significantly with economic cycles, peak travel seasons, and external factors like global events or consumer spending shifts.

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- Other relevant information provided to JLL by the Client and its affiliates at JLL's request;
- Other relevant information available to JLL; and
- Other publicly available information and reports.

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    ii. the Offer Document (the “OD”)

    iii. the Final Offer Document (the “FOD”) to be filed with the Registrar of Companies, Karnataka at Bangalore, SEBI and the Stock Exchanges

    iv. or any other document to be issued or filed in relation to i. to iii. above in the form and context in which they are included, including in any presentation issued by the Client

v. or as permitted by JLL by way of any consents issued by it.

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Annexure 1

Data on FY basis

INDIA	FY21	FY22	FY23	FY24	FY25	Q1 FY26	FY26F	FY27F	FY28F
SUPPLY (MSF)	40.7	50.2	38.6	43.1	49.3	16.9	60.7	58.8	63.3
STOCK (MSF)	682.7	732.9	771.5	814.7	863.9	880.8	914.4	973.2	1,036.5
GROSS LEASING (MSF)	31.1	36.4	52.8	64.8	81.5	20.0	NA	NA	NA
NET ABSORPTION (MSF)	20.7	30.2	34.2	42.8	54.4	11.3	54.4	50.4	53.7
OCCUPIED STOCK (MSF)	582.3	610.1	638.2	675.4	728.1	738.7	768.9	819.3	873.0
VACANCY (%)	14.7%	16.8%	17.3%	17.1%	15.7%	16.1%	15.9%	15.8%	15.8%
RENTAL (₹ PSF PM)	85.0	85.4	87.0	89.2	94.9	96.0	99.0	102.1	105.9

BENGALURU	FY21	FY22	FY23	FY24	FY25	Q1FY26	FY26F	FY27F	FY28F
SUPPLY (MSF)	11.3	15.5	14.3	11.8	14.6	5.5	15.9	12.3	13.6
STOCK (MSF)	169.3	183.3	194.7	205.0	218.8	224.3	231.8	244.0	257.6
GROSS LEASING (MSF)	9.9	8.0	12.4	15.5	23.2	7.5	NA	NA	NA
NET ABSORPTION (MSF)	6.7	7.0	9.3	8.8	16.3	3.4	13.2	11.5	12.2
OCCUPIED STOCK (MSF)	156.8	162.5	169.4	177.8	193.9	197.4	203.9	215.4	227.6
VACANCY (%)	7.4%	11.3%	13.0%	13.3%	11.4%	12.0%	12.0%	11.7%	11.7%
RENTAL (₹ PSF PM)	82.5	84.2	86.8	90.3	95.9	97.7	102.2	107.1	111.2

PORTFOLIO MICRO-MARKETS	FY21	FY22	FY23	FY24	FY25	Q1 FY26	FY26F	FY27F	FY28F
SUPPLY (MSF)	6.2	3.5	8.1	5.8	5.5	1.0	6.4	5.7	7.4
STOCK (MSF)	93.4	96.3	103.8	109.2	114.8	115.8	119.9	127.0	134.4
GROSS LEASE VOLUME (MSF)	6.5	3.8	4.6	9.3	13.3	3.4	NA	NA	NA
NET ABSORPTION (MSF)	3.9	2.3	5.0	3.6	9.1	1.6	7.3	6.7	7.0
OCCUPIED STOCK (MSF)	90.0	91.9	96.6	99.8	108.9	110.5	113.8	120.4	127.4
VACANCY (%)	3.7%	4.6%	6.9%	8.6%	5.2%	4.6%	5.1%	5.2%	5.2%
RENTAL (₹ PSF PM)	95.5	99.3	103.8	108.4	114.7	117.2	122.1	128.9	135.1

ORR BENGALURU	FY21	FY22	FY23	FY24	FY25	Q1 FY26	FY26F	FY27F	FY28F
SUPPLY (MSF)	3.8	3.1	7.1	4.5	5.3	0.0	3.1	4.5	6.8
STOCK (MSF)	73.7	76.6	83.0	87.1	92.5	92.5	94.3	100.2	106.9
GROSS LEASE VOLUME (MSF)	5.6	2.6	3.5	7.1	12.3	3.0	NA	NA	NA
NET ABSORPTION (MSF)	2.2	2.0	3.8	3.1	8.3	1.2	4.3	5.1	6.2
OCCUPIED STOCK (MSF)	71.1	72.8	76.4	79.1	87.3	88.5	89.8	94.8	101.1
VACANCY (%)	3.6%	4.9%	7.9%	9.2%	5.6%	4.3%	4.8%	5.3%	5.5%
RENTAL (₹ PSF PM)	90.2	94.8	98.5	102.1	108.8	111.0	114.8	121.6	128.4

SBD CITY BENGALURU	FY21	FY22	FY23	FY24	FY25	Q1 FY26	FY26F	FY27F	FY28F
SUPPLY (MSF)	2.4	0.4	1.1	1.3	0.2	1.0	3.3	1.2	0.7
STOCK (MSF)	19.7	19.8	20.8	22.1	22.3	23.3	25.6	26.8	27.5
GROSS LEASE VOLUME (MSF)	0.9	1.2	1.1	2.1	1.0	0.4	NA	NA	NA
NET ABSORPTION (MSF)	1.8	0.4	1.2	0.5	0.9	0.4	3.0	1.6	0.8
OCCUPIED STOCK (MSF)	18.9	19.1	20.2	20.7	21.6	22.0	24.0	25.6	26.4
VACANCY (%)	3.7%	3.5%	2.7%	6.4%	3.5%	5.8%	6.2%	4.5%	4.1%
RENTAL (₹ PSF PM)	115.3	116.7	124.8	133.1	138.9	141.7	148.8	156.2	161.1

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