



Office spaces have become a key differentiator for talent attraction and retention.

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What are the latest market trends in the commercial real estate sector?

India's office stock is nearing one billion square feet milestone, positioning the country as the fourth largest office market in the world today. In CY2025, India office lease absorption stood at 82.6 msf, surpassing the previous record of 74 msf on the back of strong GCC (Global Capability Centre) demand and we expect 2026 to set a new high with an office absorption of ~85 msf. The demand from domestic players is strengthening who accounted for 46% total absorption in Q4. Given the demand from global occupiers and new age talent, flight to quality is an important criterion in the real estate acquisition process. Offices today are no longer seen as just a place of work, but one which provides them with holistic experience. Occupiers look forward to Grade-A, future-ready office ecosystems that offer superior connectivity, sustainability credentials, and integrated amenities, a shift that has broadened beyond traditional notions of "commercial space" to enabling holistic workplace experience. The demand for quality space is expected to continue with technology and sustainability adoption occupying the mainstream positions. At Embassy REIT, all our parks are built on the philosophy of Total Business Ecosystem that includes offices, hotels, and amenities delivering complete occupier experience, enabling them to attract talent, integrate seamlessly, and operate at global standards. That expectation is only accelerating.

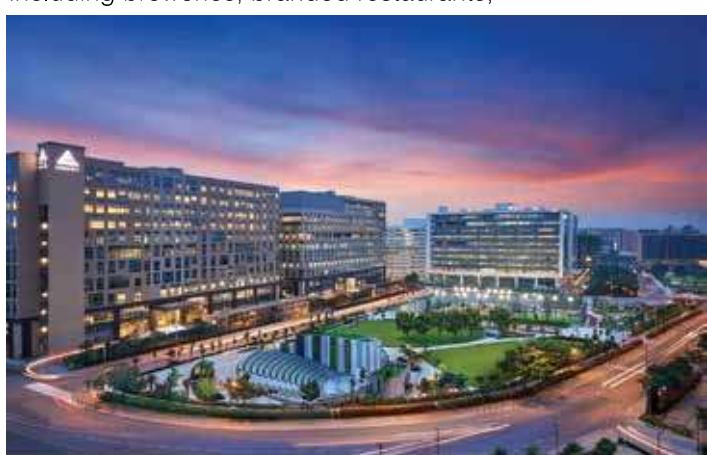
How is demand picking up in office space across the country?

CY 2025 has been a robust year for commercial real estate. With record leasing of 82.5 msf across the country, Bangalore continues to lead the pack with 26%

absorption, followed by Mumbai and NCR. Office market demand has continued to strengthen across the country. Approximately 59 msf of new supply was added in CY25, while overall vacancy declined to the late-teens range (18-20%). In high-demand micromarkets, vacancy remains tight at 4-6%, supporting steady year-on-year rental growth of around 5-10%. Technology firms continue to lead absorption, followed by flex space operators and BFSI occupiers, with GCCs remaining the primary demand drivers. In the first two quarters of FY26, Embassy REIT leased around 3.5 million sq ft with occupancy reaching 93% by value. Given the demand, we have launched 7.2 million square feet of organic development at capex spend of Rs 3,700 crores.

What is trending in retail and hospitality segments?

Embassy REIT has always been at the forefront to provide complete workplace ecosystem to the occupiers and across portfolio have integrated retail, hospitality, and wellness amenities – like the NXT complex at Embassy Manyata Business Park in Bengaluru with ~100,000 sq ft of retail and ~16 outlets including breweries, branded restaurants,



and its own hospitality brands. The hospitality sector too is evolving from a standalone, transactional industry to an experience-driven, integrated ecosystem asset. Embassy sees hotels as strategic components within business parks, not standalone assets aligning with our 'Total Business Ecosystem' philosophy. At Embassy Manyata and Embassy TechVillage, we have the metro station located at the cusp of the park. Today's workforce can seamlessly access the park, enjoy the cuisine at the multiple restaurants the park offers, play at the multiple sports zones, stay at the hotels if you have travelled and exit again through the metro.

What are the key design innovations evolving in commercial buildings?

As GCCs take on global mandates, the workplace itself has become a strategic collaboration tool. We increasingly see companies designing for interaction, breaking the monotony of workstations with collaboration zones at regular intervals, and creating larger areas for town halls and team gatherings. Demand is strong for large, contiguous floorplates, hybrid collaboration zones, leadership and decision rooms, advanced digital infrastructure for seamless global connectivity, and customised, branded environments that mirror headquarters, among others.

Occupiers want integrated campuses with hospitality-grade arrival experiences, sustainability-led buildings, and amenities that support productivity and well-being. Office spaces have become a key differentiator for talent attraction and retention, and our parks are built around exactly this philosophy.

What are the sustainability and energy efficiency features coming up in commercial buildings?

Commercial buildings are ever evolving with emphasis on sustainability, smart technology, and overall occupant well-being. Modern workspaces are designed in an adaptive, energy-efficient way with integrated systems powered by IoT, AI and automation ensure real-time monitoring, optimization of lighting, HVAC, security, and management of energy. Such technology not only reduces carbon footprints and operational costs but also enables employee well-being, productivity

which enhances overall workplace experience through personalized and wellness-centred amenities. Embassy REIT has accelerated its efforts to build smart office ecosystems with deployment of intelligent building systems while sustainability has remained a core value proven by investments in rooftop solar capacity, enhanced water treatment and recycling systems and the expansion of EV charging infrastructure, supporting LEED and IGBC-certified operations. Water conservation is a key focus - rainwater harvesting, wastewater recycling, and groundwater recharge are standard across our parks. We have been awarded a 5-star rating by GRESB, the leading global ESG standard for real estate and infrastructure investments, and our commitment to achieving Net Zero Carbon by 2040 remains a cornerstone of our ESG strategy. Today, 100% of our properties are USGBC LEED certified, and renewable energy powers more than half our portfolio. We have achieved ISO 50001 certification and are actively pursuing BEE energy ratings to further enhance efficiency.

As India's leading REIT (Real Estate Investment Trust), what's the outlook for the sector this year?

With India having the largest talent pool, delivering some of the latest innovations in technology, the country continues to be the preferred destination for global organizations to harness the talent. Driven by India's cost arbitrage advantage and the talent ecosystem, global companies continue to invest and expand their presence fueling an increase in demand. Supported by a series of structural policy reforms, including the reclassification of REITs as equity and a simplified GST slab structure, alongside SEBI's ongoing engagement with IRDAI, EPFO and PFRDA to facilitate broader institutional participation, the sector is well poised for sustained growth and long-term stability. On the backdrop of these reforms and widespread demand, Embassy REIT delivered a 25% total return in 2025. Looking ahead, the outlook for India's office and REIT industry remains decisively positive. REITs will continue to play a central role in channelising long-term capital into high-quality commercial real estate, powering economic growth while delivering sustainable value for stakeholders. ■