



# INDIA'S REAL ESTATE RESET: The New GCC Architecture

How India's workspace transformation is redefining  
the next decade of global enterprise capability



# Executive Summary

India's commercial real estate system is undergoing a once-in-a-generation transformation, one that mirrors, and in many ways accelerates, **the evolution of the Global Capability Centre (GCC) ecosystem**. The GCC model has shifted from cost optimization and labour arbitrage to becoming an indispensable engine of global innovation, digital acceleration, AI adoption, and cross-market operational leadership. As GCCs have evolved, so has the expectation from real estate: what was once a capital-intensive, static, location-bound infrastructural decision is now a strategic, capability-first, and deeply integrated enterprise lever.

India achieved a historic **83.3** million square feet of gross leasing in 2025, with GCCs accounting for nearly 40% of Grade A office absorption. The significance of this number lies not only in the sheer magnitude of space occupied, but in the kind of space global enterprises are now demanding. Traditional long-term leases and CapEx-heavy office buildouts are rapidly giving way to flexible, fully serviced, consumption-based workspace models that prioritize speed, scalability, elasticity, compliance integration, and operational resilience.

## Key Implications:

- ® **For Enterprises:** Real estate is no longer a static infrastructural need; it is an agile lever for talent acquisition, risk mitigation, and rapid market entry into emerging hubs.
- ® **For Developers:** The market is transitioning from pure asset leasing to service-led real estate, requiring developers to integrate hospitality, compliance and enterprise-grade technology.
- ® **For Investors:** The surge in enterprise demand for managed spaces is compressing yields in Grade A assets, creating highly stable, institutional-grade investment opportunities.

Simultaneously, India is experiencing a **geographic rebalancing unlike any period before. More than 94% of India's GCCs remain concentrated in six Tier-1 cities**, a concentration that has created structural constraints – wage escalation, urban congestion, infrastructure saturation, and rising real estate costs. As documented in SSF Global's 2026 knowledge paper, "**The Great GCC Rebalancing – North India's Moment,**" enterprises are now building distributed, multi-hub operating models anchored in Tier-2 cities for risk diversification, deeper talent access, and sustainable cost structures. This shift marks the emergence of India's new strategic real estate and capability corridor.



This paper aims to examine the evolving contours of India's commercial real estate market, its deepening connection to the GCC operating model, and the strategic choices that will determine which enterprises gain the strongest competitive advantage in the coming decade. It offers grounded insights, validated trends, sector examples, and SSF-developed perspectives for global CXOs navigating this complex but opportunity-rich landscape.

# India's Commercial Real Estate Evolution: A Market Pulling Ahead of Global Headwinds

India's commercial real estate sector has decoupled from the sluggish trends observed in several India has significantly decoupled from global real estate stagnation. As major Western economies continue to grapple with office vacancy rates ranging from 18% to 22% due to hybrid adoption and corporate downsizing, India's office markets – particularly Bengaluru, Hyderabad, Pune, Chennai, and NCR, have remained on a steep growth trajectory. This divergence is powered principally by the structural rise of GCCs, the expansion of global engineering centres, and the demand for high-quality, technology-integrated, ESG-compliant Grade A workspaces.

The transformation is not only quantitative but qualitative. Between 2017 and 2025, flexible and service-led workspace transactions expanded from 2.2 million sq. ft. to 18.6 million sq. ft., an 8.4-fold increase. Flex penetration rose from 5% to 21%, making India the second-largest flexible workspace market globally. This surge demonstrates that enterprises are no longer evaluating workspaces as real estate assets – they are evaluating them as operational infrastructure, parallel to cloud computing and digital platforms.

The rise of REITs has also played a critical role. The Embassy, Mindspace, and Brookfield REITs have institutionalized India's office asset class, injecting patient capital and raising governance standards. As a result, enterprise-grade buildings today offer advanced features – smart building technology, 24/7 security integration, ESG readiness, multimodal connectivity, and high-density digital infrastructure – making them suitable for AI-driven, data-intensive GCC operations.

The market has fundamentally moved from **“real estate availability”** to **“capability readiness.”** Enterprises no longer ask whether space exists; they ask whether the space can support global transformation programs, cybersecurity protocols, hybrid operational footprints, and AI-intense workloads. This shift is at the heart of the new GCC operating architecture in India.





# GCCs Have Become India's Primary Engine of Office Demand

India's GCC landscape has expanded and diversified at a pace unmatched globally. From approximately 1,250 centres in 2019 to more than 1,700-1,800 centres today, the country has transformed into the world's most dense and complex capability ecosystem. These centres employ roughly two million professionals, a number expected to rise to nearly 2.8 million by 2030.

What is most striking is the nature of work now being executed in India. GCCs are no longer back-office processors; they have matured into global strategic hubs. In sectors like BFSI, life sciences, medical technology, advanced engineering, retail, and automotive, India-based teams lead global mandates, including AI/ML model development, cloud platform modernization, supply chain digitalization, advanced risk modelling, clinical data management, and cybersecurity strategy.

In 2025 alone, GCCs absorbed **31.4 million sq. ft. of Grade A space** – an unprecedented figure.

Sectoral diversification is also reshaping spatial demand. While **IT** and **ITeS** remain foundational at 49% of the ecosystem, BFSI now occupies 17% of the footprint, engineering centres 12%, and healthcare and life sciences 8%. Target, Bosch, Rolls-Royce, AstraZeneca, Goldman Sachs, PepsiCo, and Boeing each operate India-based teams that influence global decision systems and mission-critical workflows.

From SSF's vantage point, the defining shift is this:

**Real estate is no longer a cost attached to GCCs; it is the enabler of capability maturity.**

AI-native workflows require secure, high-density, tech-forward environments capable of supporting thousands of employees across hybrid models. This demands an entirely different class of workspace.





# The Structural Pivot to Consumption-Based Workspaces

For decades, enterprises followed a predictable rhythm: secure a long-term lease, deploy millions in capital expenditure, build out office interiors, integrate IT infrastructure, and then manage vendor ecosystems over long operating cycles. This approach is increasingly incompatible with the velocity of digital business and the volatility of global macroeconomic environments.

The new model, service-led, consumption-based workspace deployment, eliminates the friction associated with traditional real estate. These fully serviced environments combine premium infrastructure, enterprise design, embedded technology, and integrated hospitality into a single, predictable operating contract. This shift provides enterprises with three strategic advantages that cannot be achieved through traditional leasing:

- » First, the eradication of CapEx preserves capital for AI engines, platform engineering, data modernization, and talent expansion. Fit-outs alone can cost ₹800-₹2,500 per square foot, cost global enterprises increasingly prefer to avoid.
- » Second, deployment speed has become a competitive differentiator. Instead of 9-12 months of site readiness, consumption-based models allow offices to go live within 4-8 weeks, enabling GCCs to scale talent acquisition and project execution without waiting for construction timelines.
- » Third, these models offer elasticity – allowing companies to expand or contract space without disruption. With market cycles now more volatile, this flexibility has become indispensable for global CFOs and CIOs navigating budget tightening, sudden surges in demand, or strategic pivots in capability allocation.

**These factors position integrated workspace ecosystems as the new structural foundation of GCC real estate strategy. Not as a trend, but as a long-term operating system.**





# The Shift to Strategic Innovation Hubs

Today, the GCC is frequently the strategic nerve centre of the enterprise. Functions have moved beyond rule-based execution to driving AI/ML development, complex financial modelling, global clinical trials, and enterprise cybersecurity. This operational elevation requires premium, highly secure, and technologically advanced physical infrastructure.

GCCs are currently the dominant driver of office absorption in India, commanding nearly 40% of total office leasing. In 2025, GCCs absorbed a record 31.4 million square feet of Grade A space, reinforcing their status as the cornerstone of the commercial real estate market. By 2030, GCCs are expected to drive an estimated 160 to 200 million square feet of cumulative office space demand.

**Sectoral Diversification** – While the Technology and IT/ITeS sectors historically dominated GCC activity, the occupier base is rapidly diversifying to reflect broader global enterprise transformation:

- ® **IT/ITeS:** Remains the largest segment, representing ~49% of the GCC ecosystem.
- ® **BFSI:** Financial institutions hold ~17% of the market, leveraging GCCs for quantitative analysis, compliance, and global risk management.
- ® **Engineering & Manufacturing:** Accounts for ~12% of GCCs, driven by R&D and product design.
- ® **Healthcare & Life Sciences:** Represents ~8%, with 23 of the world's top 50 life sciences companies now operating advanced clinical and data hubs in India.

## GCC Growth & Sectoral

### Landscape

| Metric                  | 2019 / 2021      | 2025 (Current)                  | 2030 (Projected)          |
|-------------------------|------------------|---------------------------------|---------------------------|
| Total Active GCCs       | ~1,250           | 1,700 - 1,800+                  | 2,400 - 2,550             |
| Total Talent Employed   | ~1.0 million     | ~1.9 - 2.1 million              | ~2.8 million              |
| Annual Space Absorption | 15-20 Mn sq. ft. | ~31.4 Mn sq. ft.                | 60-65 Mn sq. ft. (Annual) |
| Dominant Sectors        | IT/ITeS (80%+)   | IT (49%), BFSI (17%), Eng (12%) | Deep-Tech, Pharma, ER&D   |

Source: SSF Global, JLL, and CBRE Research (2024-2026).

# The Shift to 'Workspace-as-a-Service' Model

Enterprises are aggressively pivoting to the Workspace-as-a-Service model. This model goes beyond traditional "co-working." It is an integrated commercial framework that combines Grade A physical infrastructure, bespoke enterprise design, IT security, and end-to-end facility management into a single, subscription-based service agreement. It transfers the operational friction of real estate from the enterprise to a specialized service provider.



## Why are Enterprises Shifting?

- 1. Zero CapEx & Financial Engineering:** The model preserves crucial cash reserves by eliminating heavy upfront fit-out costs. Furthermore, under lease accounting standards like Ind AS 116 and IFRS 16, traditional leases heavily inflate balance sheet liabilities. Agreements, when structured strictly as service contracts without identified asset control, can often be kept off the balance sheet, maintaining healthier financial ratios.
- 2. Speed to Market:** The model compresses the operational readiness timeline from 6-12 months down to 4-8 weeks, allowing GCCs to synchronize workspace readiness with rapid talent acquisition.
- 3. Frictionless Scalability:** It offers elastic contracts, allowing enterprises to scale up seating during growth phases or contract during consolidations without massive financial penalties

## Traditional Lease vs. Managed Office vs. 'Workspace-as-a-Service'

| Feature                     | Traditional Lease              | Managed Office       | Enterprise WaaS         |
|-----------------------------|--------------------------------|----------------------|-------------------------|
| Capital Expenditure (Capex) | Extremely High (Fit-outs, IT)  | Moderate to Zero     | Zero (Bundled as OpEx)  |
| Deployment Speed            | 6 to 12 months                 | 3 to 6 months        | 2 to 8 weeks            |
| Scalability & Elasticity    | Rigid; bound by square footage | Moderate             | High; fluid scaling     |
| Operational Management      | Enterprise manages 10+ vendors | Shared management    | 100% Provider managed   |
| Accounting Risk             | Heavy balance sheet liability  | Liability recognized | Structured as a service |

# India's Geographic Rebalancing: Tier-2 Cities Enter the Strategic Mainframe

India's GCC ecosystem remains heavily concentrated in six Tier-1 cities – Bengaluru, Hyderabad, Chennai, Pune, Mumbai, and Delhi-NCR. While these hubs remain powerhouses for advanced engineering, R&D, and digital operations, they are increasingly burdened by wage inflation, high attrition, traffic congestion, and steep real estate appreciation

North India remains significantly underpenetrated, with Delhi-NCR hosting approximately 16% of the national total (roughly 272 GCCs), but the broader northern region is lagging southern tech clusters. However, state-level policy frameworks, such as the Rajasthan GCC Policy 2025 and Uttar Pradesh's land-linked subsidy programs are aggressively targeting new investments. Enterprises have begun correcting this imbalance through distributed, multi-hub operating models that anchor primary operations in major metros while establishing secondary or tertiary centres across Tier-2 cities. SSF's research shows that the strongest momentum lies across North India, including Jaipur, Chandigarh-Mohali, Lucknow, Indore, and Ahmedabad (particularly GIFT City). A new GCC growth corridor is emerging:

**Delhi NCR → Jaipur → Ahmedabad → Lucknow → Chandigarh**

The cost advantages are substantial: total operating expenses are 25-40% lower, real estate costs are often 50% lower, and talent wages for mid-level engineering and analytics roles can be 18-22% lower for similar capability profiles. Attrition, an ongoing challenge in Tier-1 cities – drops from 16-22% to 10-14% in emerging hubs.

But the more compelling story is talent availability. Northern India produces nearly one million STEM graduates annually, supported by a strong network of national institutes and regional universities. This talent base is particularly suited to AI engineering, product development, financial analytics, and customer operations – capabilities central to the next wave of GCC evolution.

The rise of consumption-based workspace ecosystems has accelerated Tier-2 adoption because enterprises can now pilot teams of 20-100 professionals within weeks, without committing capital. If the model succeeds, scale becomes seamless; if not, enterprises can recalibrate without sunk cost. Across this emerging belt, the combination of talent availability, government incentives, and high-quality managed workspace infrastructure is creating India's next generation of capability hubs.

## Tier-1 vs. Tier-2 GCC Ecosystems

| Parameter                | Tier-1 Hubs                         | Emerging Tier-2 Cities                   |
|--------------------------|-------------------------------------|------------------------------------------|
| Operational Cost         | High baseline                       | 25% - 40% Lower                          |
| Talent Attrition         | High (16% - 20%+)                   | Moderate to Low (10% - 14%)              |
| Real Estate Availability | Saturated prime CBDs; high rentals  | Readily available; high growth potential |
| Strategic Role           | Global HQs, Advanced R&D, Core Tech | Spoke centres, Deep-Tech Nano-GCCs       |

## Drivers for Tier-2 Expansion

- ® **Profound Cost Arbitrage:** Operating costs in emerging Tier-2 cities are frequently 25% to 40% lower than in prime Tier-1 business districts. Real estate leasing costs present an even steeper arbitrage, often up to 50% lower.
- ® **Talent Availability and Retention:** North India alone produces roughly 1 million STEM graduates and 200,000 MBA graduates annually. Furthermore, GCCs in Tier-2 cities report significantly lower attrition rates (10% to 14%) compared to the hyper-competitive 16% to 20% rates typical in Tier-1 markets.
- ® **Risk Diversification:** According to SSF Global research, 48% of enterprise leaders cite "risk diversification and business continuity" as the primary driver for expanding beyond traditional hubs, significantly outweighing pure real estate arbitrage (12%).

### Emerging Tier-2 GCC Cities & Capability

#### Strengths

| City                  | Primary Ecosystem Strengths                                                 | Target GCC Capabilities             |
|-----------------------|-----------------------------------------------------------------------------|-------------------------------------|
| Jaipur                | Strong IT services ecosystem, large talent pool from Rajasthan universities | Digital services & Fintech          |
| Chandigarh-Mohali     | High quality of life, strong engineering education ecosystem                | R&D and Engineering                 |
| Lucknow               | Large talent pool, major IT campuses, aerospace focus                       | IT services and Analytics           |
| Ahmedabad (GIFT City) | Strong convergence of financial institutions and IT services                | Global Finance, Compliance, Fintech |

# How Enterprise Leaders Are Using Workspace Agility to Build High-Impact GCCs

Several large enterprises have already tested and validated the effectiveness of flexible, consumption-based workspace strategies.

**A leading global financial institution** needed rapid expansion in Hyderabad and required a location that met stringent compliance and security norms. Instead of waiting a year for a custom fit-out, the firm occupied a pre-built, enterprise-grade managed workspace, even paying a premium over bare-shell rentals. The decision allowed them to deploy their teams instantly, protecting revenue and accelerating global mandates.

**A global retail and technology giant** adopted a multi-city scaling strategy by combining airport-proximate locations with deep engineering hubs in Chennai and North Bengaluru. These choices were designed to support global collaboration, rapid market-facing releases, and leadership travel efficiency – factors that play a significant role in the speed of enterprise transformation.

**A Forbes 2000 customer experience firm** consolidated its facilities across 4 major metropolitan cities into a single operator network, ensuring unified compliance standards, unified employee experience, and streamlined facility management across more than 5,000 seats. The rationale was to eliminate complexity and create operational homogeneity – both critical for global CX centres that require consistency across markets.

These examples showcase the broader trend: workspace decisions are now capability decisions, directly influencing talent, transformation velocity, and enterprise resilience.



# Strategic Implications for the Future of GCC Real Estate

The rise of service-led, flexible workspace ecosystems and distributed GCC models carries far-reaching consequences for enterprise leaders, developers, and investors.

**For GCC leaders and CXOs**, the shift offers newfound strategic freedom. Real estate is no longer a multi-year sunk cost; it is a dynamic, adjustable lever that can be aligned with transformation priorities. With global businesses undergoing rapid AI adoption cycles, this flexibility allows enterprises to scale specialized teams in weeks, build experimentation pods, or create new business capability units with minimal friction.

**For developers and workspace operators**, the expectation has changed from building “offices” to creating **experience-driven capability environments**. Buildings must now provide advanced digital infrastructure, high-availability networks, ESG-aligned design, secure access systems, and hospitality-grade service. This requires new operating models, new training architectures, and stronger integration with enterprise IT and compliance requirements.

**For investors**, the rise of service-led, enterprise-anchored campuses creates a new class of stable, long-duration assets. As Fortune 500 GCCs commit to multi-year managed workspace partnerships, yields are tightening in Grade A+ buildings, creating strong capital appreciation. ESG-ready buildings especially are beginning to command a valuation premium.

The ecosystem is transitioning toward Real Estate 3.0, a model where physical space becomes the foundational layer on which enterprise capabilities, digital workflows, and AI engines are built.



# Outlook 2025-2030: The New Real Estate Operating System for GCCs

By 2030, India is expected to host between 2,400 and 2,550 GCCs, employing nearly 2.8 million professionals. This surge will drive between 160 and 200 million sq. ft. of cumulative Grade A office space demand. Flexible, consumption-based workspace models will not just support this growth – they will shape it.

The future landscape will be defined by real estate platforms that allow enterprises to deploy small, specialized “nano-GCCs” of 20-100 deep-tech professionals across Tier-2 cities at speed and then scale only when capability performance validates the location.

Integrated workspace providers that offer multi-city networks, unified compliance systems, and enterprise-grade technology layers will become the new infrastructure backbone of GCCs.

The most competitive enterprises will build **distributed, resilient, capability-first real estate portfolios** that allow them to attract diverse talent, withstand global volatility, and accelerate strategic transformation.

India is entering its most mature decade yet in GCC evolution, and real estate is no longer the environment in which work happens; it is now the **engine that determines how quickly, flexibly, and effectively global capability can be built.**



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