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# GCC WAVE DRIVING OFFICE SPACE DEMAND IN INDIA

Global Capability Centers leased record 24 mn sft of Grade-A office space across top-6 cities, accounting for 37% in total leasing

## IN FOCUS

- Bengaluru, Chennai, Delhi-NCR, Hyd, Mumbai and Pune
- Need for collaboration between realty, govt, industry
- India needs infra, frameworks, quick execution
- Prime office rentals at \$1-2/sft most affordable globally



**HYDERABAD:** Rating agency ICRA has estimated that the number of Global Capability Centers (GCCs) in India will increase to more than 2,500 in the next five years, creating huge demand for office space.

In 2024-25 fiscal, GCCs leased a record 24 million sft of Grade A office space across the top six cities, with their share in total leasing rebounding to 37 per cent from a low of 27 per cent in FY23, the rating agency said in a statement. ICRA

projected that GCCs would take on lease 50-55 million square feet of Grade-A office space during FY26 and FY27, potentially contributing 38-40 per cent to the total office space demand in the top-six markets- Bengaluru, Chennai, Delhi-NCR, Hyderabad, Mumbai Metropolitan Region (MMR) and Pune.

ICRA expects "the number of GCCs to rise from about 1,700 currently to more than 2,500 by 2030, generating over \$100 bil-

lion in revenue and scaling workforce capacity by 1.5-2 times."

Anupama Reddy, Vice President and Co-Group Head, Corporate Ratings, ICRA, said the country's unique combination of cost competitiveness, deep talent pool, and proactive policy support are attracting global enterprises to establish and expand their strategic operations here. Commenting on the report, Shivam Agarwal, V-P (strategic growth) at Bengaluru-based realty

firm Sattva Group, said: "India has become what China is to manufacturing, the undisputed GCC capital of the world. The fundamentals are irresistible: a young, English-speaking workforce delivering world-class expertise at unmatched cost efficiency."

To sustain the leadership position, Agarwal, however, said there is a need for collaboration between real estate, government, and industry to build infrastructure and frameworks at the speed of this ambition.

"This is India's generational opportunity: to move from being a destination of choice to the only choice that matters," he added.

In its report, the ICRA noted that the US-based GCCs have led Grade A office space demand in India, accounting for 70 per cent of total GCC absorption since 2021.

India's prime office rentals, at just \$1-2 per sq ft per month, are the most affordable globally, making the country a highly cost-effective destination for mul-

tinational firms, the rating agency said.

Shesh Rao Paplikar, Founder and CEO of BHIVE Workspace, said this demand signals a structural transformation in how global enterprises view India for setting up their GCCs.

"The focus is clearly shifting from cost arbitrage to innovation, high-end capability building, and workplace experience. Companies are looking for offices that can scale easily, offer a better experience for their people, and simplify day-to-day operations. This is an opportunity to rethink the workplace, making it flexible while still building long-term value," he added.

Sijo Jose, Co-Founder of SpazeOne, said the surge in GCC activity and their growing contribution to India's office demand highlight the country's rising status as a global business hub. This momentum is driving a clear preference for flexible, tech-enabled and collaborative work environments, he added.