

PRESS RELEASE

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GCCs to incrementally lease 50-55 msf, powering 40% of office demand in India's Top-6 markets during FY2026-FY2027: ICRA

- Number of GCCs expected to surge to more than 2,500 by 2030 from 1,700 today

Rating agency ICRA projects global capability centres (GCCs) to incrementally lease 50-55 million square feet (msf) of Grade A office space during FY2026-FY2027, potentially contributing 38-40% to the top six markets' (Bengaluru, Chennai, Delhi National Capital Region [NCR], Hyderabad, Mumbai Metropolitan Region [MMR], and Pune) overall office demand. Moreover, ICRA expects the number of GCCs to rise from approximately 1,700 at present to more than 2,500 by 2030, generating over \$100 billion in revenue and scaling workforce capacity by 1.5-2.0 times.

The rapid expansion of GCCs has emerged as one of the key growth drivers for India's commercial office real estate sector in recent years. Their incremental demand for leased space signals a strong long-term commitment and strategic growth by global enterprises in India. Several states are also introducing targeted subsidies, training incentives and infrastructure support to further accelerate GCC investments.

Giving more insight, **Anupama Reddy, Vice President and Co-Group Head, Corporate Ratings, ICRA**, said: *"India's commercial office sector is at a pivotal juncture, with GCCs driving a structural transformation in demand. Manpower cost and rental expense account for 70-75% of GCC's cost structure. 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. As GCCs evolve into innovation and R&D hubs, ICRA expects sustained leasing momentum, especially in tech-enabled and green-certified office spaces. This trend strengthens India's position as a global business destination and underpins long-term growth prospects for the commercial real estate sector."*

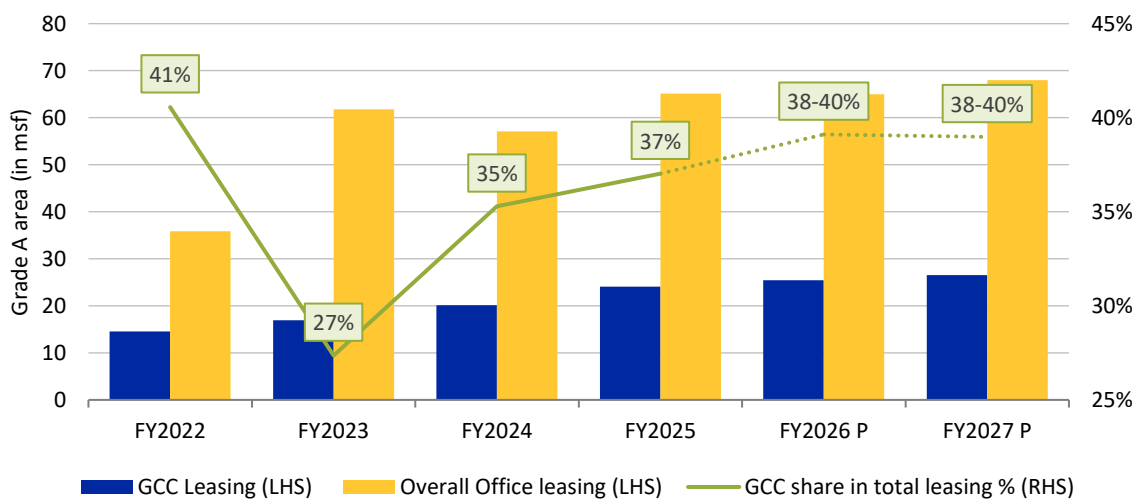
The US-based GCCs have led Grade A office space demand in India, accounting for 70% of total GCC absorption since 2021. While the US market remains dominant, players from the UK, Germany, France, Japan, Australia, and Singapore are steadily increasing their presence. Global firms prefer cities with strong talent pool and established ecosystems, with 65% of new leasing taking place in green-certified integrated tech parks. Despite global headwinds stemming from policy tightening (trade restrictions) in the US, office leasing activities by GCCs in India remained buoyant in H1 FY2026. However, ICRA will closely monitor the situation, as macroeconomic and geopolitical factors evolve.

Between FY2023 and FY2025, Bengaluru led GCC office leasing with a dominant 40% share, followed by Hyderabad at 18% and Chennai at 16%. While technology occupiers remain the primary drivers of GCC demand, sectors like Engineering & Manufacturing (Eng & Mfg) and Banking, Financial Services & Insurance (BFSI) are rapidly expanding their footprint. Eng & Mfg's share surged to 25% during FY2023-FY2025 from 12% during FY2018-FY2020, while BFSI's share rose to 21% from 15% during the same period, highlighting India's growing attractiveness for diversified global operations.

"India's office space market has regained momentum post pandemic, driven by the steady rise of GCCs. 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 multinational firms. Compared to other low-cost

markets like Vietnam, Mexico, and the Philippines, India stands out by offering a rare blend of affordability, capability and scale, making it the preferred choice for global occupiers. In FY2025, GCCs leased a record 24 msf of Grade A office space across the top six cities, with their share in total leasing rebounding to 37% from a low of 27% in FY2023. GCCs in India are evolving from back-office functions to hubs of innovation, driving product development, artificial intelligence (AI)/machine learning (ML), cloud, and digital transformation. With approximately 1,700 GCCs today, the number is expected to exceed 2,500 by 2030, generating over \$100 billion in revenue and scaling workforce capacity by 1.5-2.0 times,” **Reddy** added.

EXHIBIT 1: YEARLY TRENDS IN GCC LEASING FOR TOP SIX INDIAN OFFICE MARKETS



Source: Propequity, ICRA Research; P – Projected Click [here](#) to read our previous releasee.

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