Commercial real estate – Office

Global capability centres: Driving the next wave of commercial real estate growth in India

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Highlights

ICRA

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India offers the world's most affordable prime office rentals at just USD 1–2 per sq ft per month, making it a highly cost-effective destination for GCCs. Combined with significantly lower employee costs plus a vast pool of skilled talent, a growing domestic market and rapidly improving urban infrastructure, India delivers unmatched scalability and operational efficiency for GCCs.

Office leasing by GCCs in India stayed strong despite global headwinds; ICRA monitors evolving risks

US-based Global Capability Centres (GCCs) have led Grade A office space demand in India, accounting for 70% of the total GCC absorption since 2021. While the US remains dominant, the UK, Germany, France, Japan, Australia, and Singapore are steadily increasing their presence. Global firms prefer cities with strong talent pools and established ecosystems, with 65% of new leasing in green-certified integrated tech parks.

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. From ~1,700 GCCs today, ICRA projects the number to exceed 2,500 by 2030, generating over USD 100 billion in revenue and scaling workforce capacity by 1.5-2 times. This growth is fuelling demand for tech-enabled, flexible workspaces, creating significant commercial real estate opportunities.

India's office space market has regained momentum post-pandemic, driven by the steady rise of GCCs. In FY2025, GCCs leased a record 24 million square feet (msf) of Grade A office space across the top six cities, with their share in the total leasing rebounding to 37% from 27% in FY2023. Looking ahead, ICRA anticipates GCCs to lease 50–55 msf during FY2026 and FY2027 (April 2025 – March 2027), potentially contributing to 38-40% of the overall incremental office demand in top six markets—signaling strong long-term commitment and strategic growth.

Between FY2023 and FY2025, Bengaluru led GCC office leasing with a dominant 40% share, followed by Hyderabad at 18% and Chennai at 16%. While tech 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. The share of Eng & Mfg surged to 25% in FY2023–FY2025 from 12% in FY2018–FY2020, and BFSI rose to 21% from 15% over the same period—highlighting India's growing attractiveness for diversified global operations.

**The top six Indian office markets include the Delhi National Capital Region (NCR), the Mumbai Metropolitan Region (MMR), Bengaluru, Hyderabad, Chennai and Pune*

Agenda

1 Why global enterprises are investing in GCCs

2 Global competitiveness of India in GCC landscape

3 Trend in GCC leasing – Top six office markets

4 Trends & outlook – Top six office markets

5 Rating actions in commercial real estate

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