

# GLOBAL

## CAPABILITY CENTERS

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POWERING THE GROWTH OF  
INDIAN COMMERCIAL REAL ESTATE



# SOLUTIONS PROVIDER TO THE WORLD

from cost optimization, to digital transformation



## Focused on process outsourcing



### Cost Optimization

- Focus on cost arbitrage
- Limited-service lines; mostly BPO functions
- Primary focus was to improve bottom lines of parent organization

### Value addition

- Value outsourcing in multiple functions such as IT, HR, Finance etc.
- Focus on process efficiency & workforce productivity
- More projects that required skilled workforce

## Focused on Innovation-based solutions



### Process Excellence

- Post GFC, development of Global In-house Centers (GICs)
- Process and delivery excellence was the key focus
- Focus on subject matter experts
- Higher revenue potential

### R&D and Innovation

- GCCs driving innovation
- Along with IT-BPM, rising investments in ER&D service lines
- Better integration with global
- Product development & patents

# GCC GROWTH DRIVERS FOR INDIA

## IT + ER&D centers

Strategic innovation hubs of global MNCs  
High-skill programming, data analytics



## Large Tech Talent pool

Cost Competitive  
Trained for delivery excellence



## Digital skills

Cloud computing, AI/ML, Big Data  
-High Demand  
-Healthy talent pool



## Upskilling & reskilling

- By Government & Enterprises

## Competitive office rentals

India's most expensive market is

~70-75% cheaper than Singapore,  
Tokyo, Hong Kong

~20-25% cheaper than many prominent  
ASEAN markets



## APAC-based GCCs expand

APAC-based GCCs contribute ~8-9%



Japanese



Korean

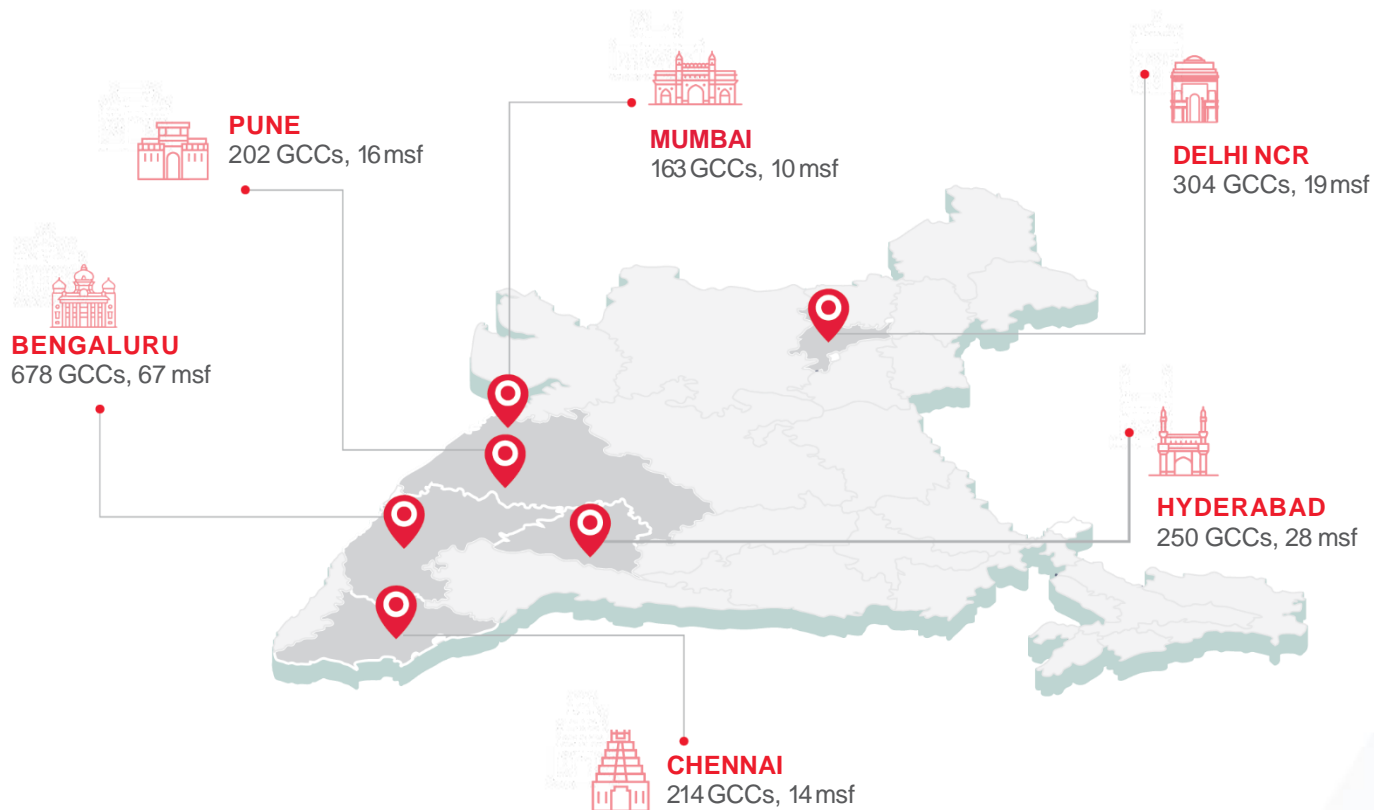


Australian



# MARKET PRESENCE OF GCCs:

Top-6 cities account for 95% share (in count)



## Top 6 cities

- Count of GCCs: **1811** (95% by count)
- GCC workforce: **~1.35 mn**
- GCC stock: **154 msf**

## PAN India

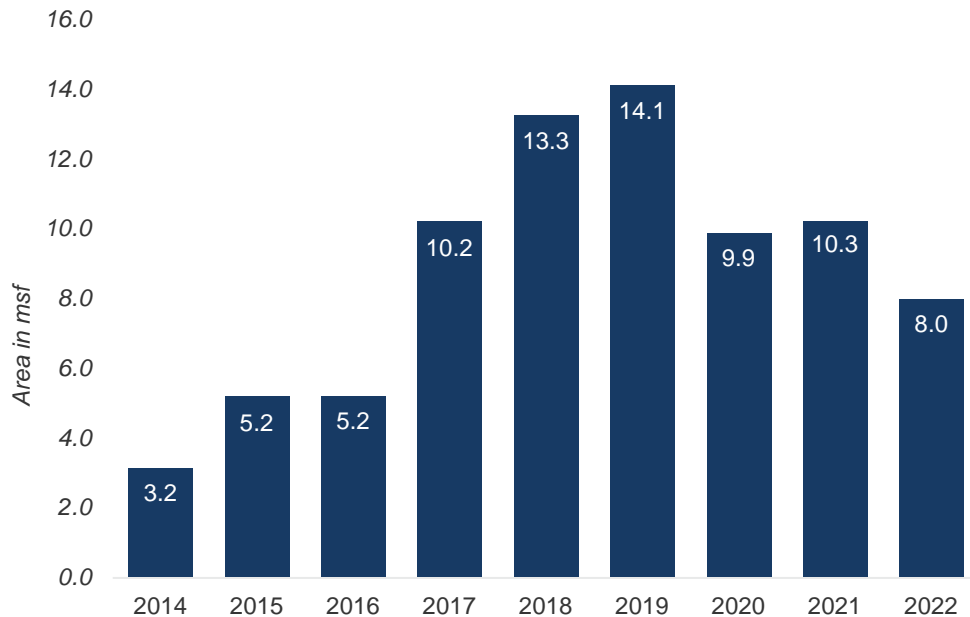
- Pan India GCC office stock: 158 msf
  - 42% in Bengaluru**
  - Followed by 18% in Hyderabad**
- GCC stock to Grade-A office stock ratio: ~23%
- 250-300 new GCCs to enter over next 3 years

# CONTRIBUTION OF GCC IN OFFICE LEASING VOLUMES

Post-pandemic rebound not yet seen, but looks imminent



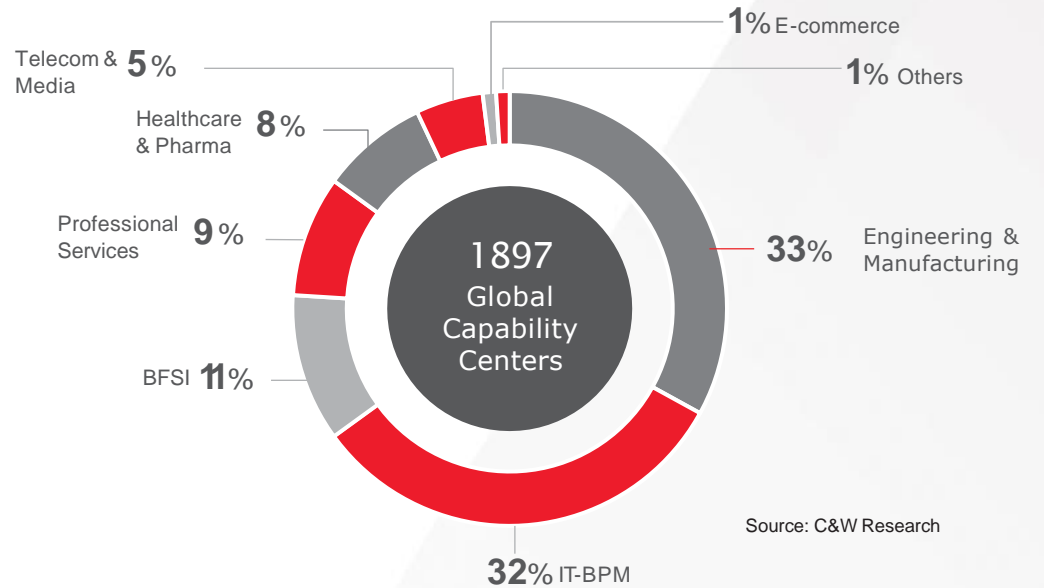
## GCCs contribution to India's office leasing volume



■ Gross Leasing by GCCs (msf)

As more employees are returning to office, the space take-up is likely to go up

## GCCs Profile

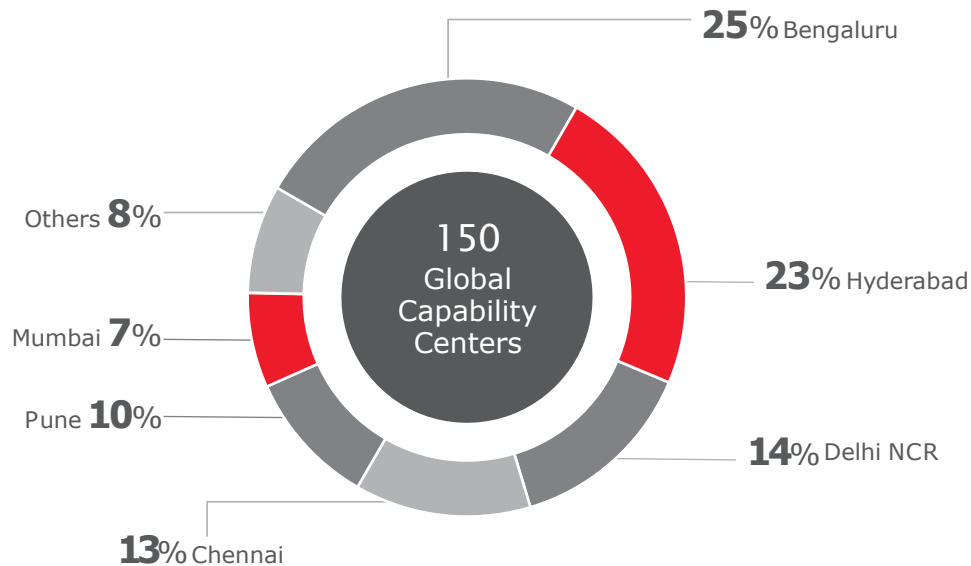


Source: C&W Research

<b>1897</b>	<b>1430</b>	<b>~1.41 million</b>
<i>Pan-India no. of GCCs</i>	<i>No. of MNCs having GCCs in India</i>	<i>GCC talent pool across India</i>

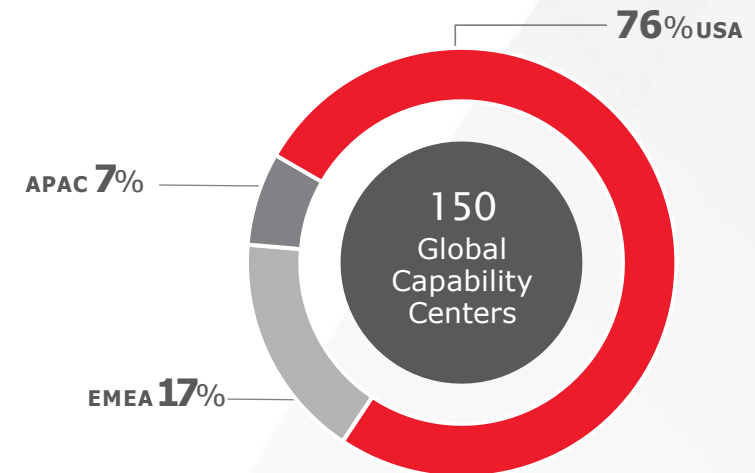
# NEW GCC ENTRANTS: POST-PANDEMIC

Nearly half of new GCCs in Bengaluru & Hyderabad



- 150 GCCs established in 2021 & 2022
  - Total area leased ~18 msf
- IT and Engineering accounted for 60% of new GCCs

New GCCs post-pandemic (2021-22)

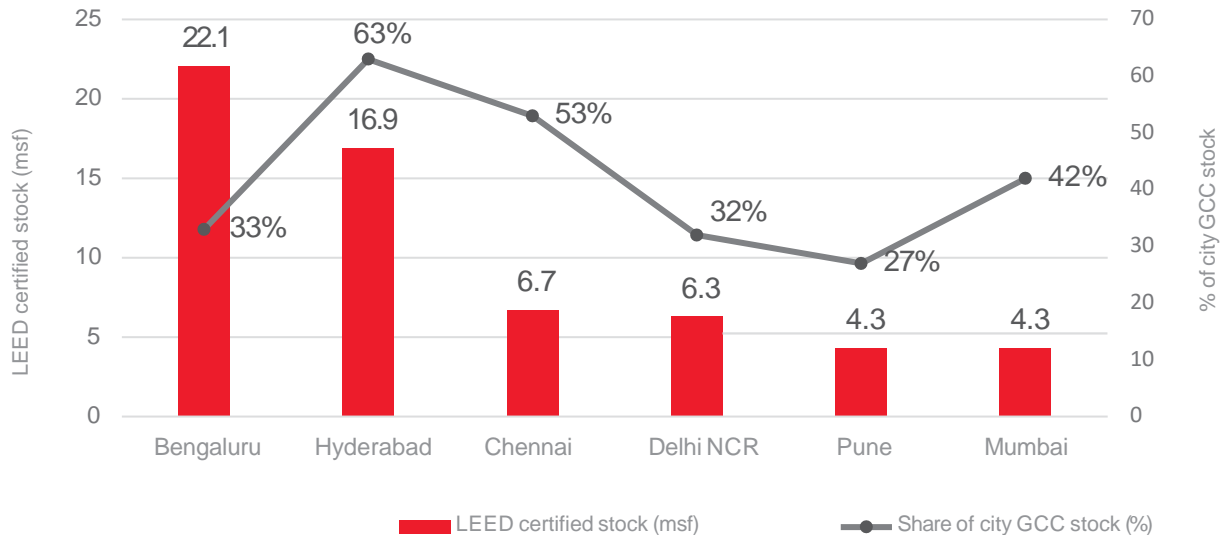


Source: C&W Research

- USA remains dominant, with 3/4th share in new GCCs
- EMEA and APAC GCCs making in-roads or expanding
- APAC GCCs largely from Japan, Korea, Singapore & Australia

# GCCs IN INDIA, HIGH ON SUSTAINABILITY GOALS

Pan-India LEED certified GCC stock (in msf)



Source: C&W Research

On average, **40%** of all GCC-occupied stock are LEED certified; Pan India average LEED stock is ~22% of overall stock

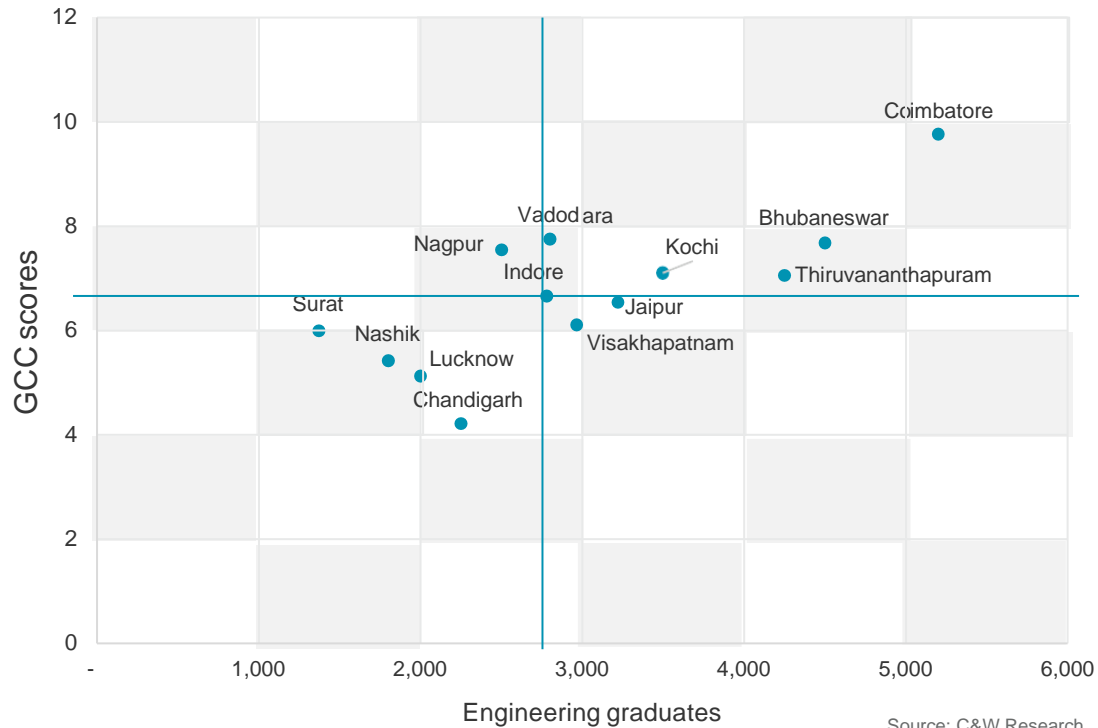
**Bengaluru** leads in terms of LEED-certified GCC inventory, although in % terms Hyderabad is highest

GCCs have been focusing on sustainability through efficient use of physical space, lower business travel, recycling of e-waste

Source: C&W Research

# INDIAN TIER-II CITIES HAVING GCC POTENTIAL

## Pan-India LEED certified GCC stock (in msf)



Source: C&W Research

**13 secondary cities** selected basis economic / political capital across various states. Parameters include –

- State GDP and city's share
- No. of engineering institutes
- Airport connectivity
- Presence of MNCs etc.

**Weighted scores assigned** to the cities based on key parameters that would determine a GCC investment decision. Parameters used for evaluation:

- Number of engineering graduates
- Ease of Doing Business
- Ease of Living Index
- Good Governance Index
- Smart City
- International Connectivity
- Existing GCC presence





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CONCLUSION

- 1 India has been a **solutions provider** to MNCs **globally**, right since the Y2K trouble, or the dot-com bubble
- 2 Today, in the post-pandemic era, India is seen as the **digital-transformation partner** by several economies /MNCs
- 3 A stable government, **favorable policies**, a **robust digital ecosystem** and deep **tech-talent pool** are key drivers for India
- 4 Besides the existing ~1900, **another 250-300 GCCs** are expected to enter India over next three years – NASSCOM predicts
- 5 GCCs likely to enable **major transformation** in the Indian commercial real estate space  
– rents, building quality, sustainability accreditations, future of work etc.
- 6 GCCs in India are well-positioned to become **alternative HQs of MNCs** –  
The Economic Times GCC Transformation Series



THANK YOU

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