NANO GCC REAL ESTATE · POINT OF VIEW

Cost per Seat Is the Wrong Number

Two offices can carry the same monthly bill and deliver very different value. Why a nano GCC should compare workplaces on cost per productive seat, and how to build that number before you sign.

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AT A GLANCE

- A seat rate is a purchasing unit, not a measure of value. Extras outside the quote, and desks the team cannot use for its real work, can push the true cost per head well above the headline.
- Offices are filling up. Global peak utilisation now averages 80%, and more than half of Indian occupiers report average utilisation above 75%[1,2].
- Compare options on cost per productive seat and cost per FTE, sized for the peak day, with the same cost base and seat count for every option.

01 The cheaper quote

A company setting up a 30-person engineering centre in Bengaluru shortlists two managed offices. Offer A is ₹13,000 a seat a month. Offer B is ₹15,000. Leadership picks A and books a saving of ₹60,000 a month.

Six months in, the saving has gone. Meeting rooms beyond a small allowance are billed by the hour, and the team needs them daily. Calls with US colleagues run into the evening, so after-hours access is a standing charge. Engineers take calls in the corridor because the floor has two phone booths for thirty people, and on the busiest days some desks go unused because they sit next to the breakout area. The monthly bill has caught up with Offer B, and fewer seats do useful work.

Nobody made a bad forecast. The comparison was simply made on the wrong number. A seat rate tells you what an operator charges for a desk, not what it costs to get the work done. On a large campus the difference gets absorbed. In a centre of 20 to 200 people, one missing project room or an add-on billed separately moves the cost per head noticeably, and it shows up in productivity before it shows up in the budget.

> *The quote prices desks. The business case should price the work those desks have to support.*

[1] CBRE, "The hybrid reality: Why the office is more important than ever", 2026 Global Workplace & Occupancy Insights (January 2026). www.cbre.com/insights/articles/the-hybrid-reality-why-the-office-is-more-important-than-ever

[2] CBRE, 2025 India Office Occupier Survey (September 2025). www.cbre.com/insights/reports/2025-india-office-occupier-survey

02 Two numbers, both usually wrong

Cost per seat is a fraction, and both halves tend to be misstated. **The numerator is incomplete.** Quotes show the recurring fee; the rest of the cost sits elsewhere.

EXHIBIT 1 · WHAT SITS OUTSIDE THE QUOTE

Cost type	Typical items	How to treat it
Recurring	Operator fee or rent, common areas, utilities, base connectivity, security, housekeeping	Monthly run cost
Usage-billed	Meeting-room hours beyond the allowance, after-hours access and air-conditioning, parking, dedicated bandwidth	Estimate from planned usage, not the brochure
One-time	Customisation, IT and network setup, security controls, move costs	Spread over the realistic occupancy period
Contingent	Security deposits, lock-in penalties, exit and reinstatement costs	Show as cash tied up or as risk, not as monthly expense

The denominator is too generous. Installed seats are what the floor plan shows. Productive seats are what the team can use for its real work on its busiest day. The gap can run either way. A 30-seat floor serves fewer than 30 people well if engineers need focus space, client calls need privacy or secure work needs a segregated zone. A hybrid team with predictable attendance, on the other hand, can share desks comfortably and support more people than it has seats.

03 Why the number matters more in 2026

Three trends make the seat rate a weaker guide than it was.

- **Flex has become the default first home.** GCCs took 44% of the flex seats leased across India's top eight cities in H1 2026[3]. For most nano GCCs, the first workplace decision is now a choice between operator quotes, which is exactly where the seat rate dominates.
- **Seat prices vary for reasons unrelated to usable space.** myHQ's pricing data shows national flex brands charging a median 19% more per seat than comparable independent operators, and discounts of around 12% for bookings above roughly 50 seats[4]. Mid-market managed space in Bengaluru typically runs ₹8,000 to ₹15,000 a seat a month[5]. Neither the brand nor the discount tells you how much of the floor your team can use.
- **Offices are fuller, so the peak day decides.** CBRE reports average global building utilisation of 53% in 2025, up from 38% a year earlier, with average peak utilisation of 80% and global occupancy of 111%, meaning more people are allocated than there are seats[6]. India runs fuller still: 55% of firms in CBRE's 2025 occupier survey reported average utilisation above 75%, and 94% of occupiers preferred at least three office days a week[7].

These are different data series and should not be combined. The global benchmark reflects large corporate portfolios, the India figures are self-reported, and none of them is a planning target for a 40-person centre. The

[3] Cushman & Wakefield, India flex space trend in H1 2026 (August 2026). www.cushmanwakefield.com/en/india/news/2026/08/india-flex-space-trend-in-h1-2026

[4] myHQ flex pricing report, as reported in "India's flex office market shows 19% brand premium" (The Realty Today, July 2026). therealtytoday.com/news/market-insights/indias-flex-office-market-shows-19-brand-premium-expected-to-reach-25-by-fy28-myhq-report/

[5] myHQ, "Office space cost in Bangalore for 80–100 employee teams" (June 2026). myhq.in/blog/office-space-cost-bangalore-for-80-100-people

[6] CBRE, see note 1.

[7] CBRE, see note 2.

useful signal is the gap between the average day and the peak: a nano GCC has to be designed for its busiest day, or have a clear plan for managing it.

04 What the cheaper quote really cost

Return to the opening scenario and put both offers on the same basis. Offer A bills meeting rooms, after-hours access and dedicated bandwidth separately; Offer B includes most of them, along with more phone booths and a project room. Both need the same one-time IT and security setup.

EXHIBIT 2 · 30-SEAT OFFICE, MONTHLY COST ON A LIKE-FOR-LIKE BASIS (ILLUSTRATIVE)

Line item	Offer A	Offer B
Quoted rate per seat	₹13,000	₹15,000
Quoted monthly fee (30 seats)	₹3.9 lakh	₹4.5 lakh
Usage-billed extras	₹0.9 lakh	₹0.3 lakh
Setup of ₹7.2 lakh, spread over 36 months	₹0.2 lakh	₹0.2 lakh
Full monthly cost	**₹5.0 lakh**	**₹5.0 lakh**
Productive seats on the peak day	22	26
Cost per productive seat	**₹22,700**	**₹19,200**
Deposit (two months of fees, cash tied up)	₹7.8 lakh	₹9.0 lakh

Assumptions chosen for clarity, not market quotes. Excludes GST and escalation. Vertara Global analysis.

Once the extras are in, the two offers cost the same each month. The difference is in what that money buys. Offer B supports four more productive seats, so each one costs about 15% less. The cheaper quote is the more expensive workplace. Offer A asks for less cash up front, and finance should see that, but as a separate line rather than a reason to choose.

None of this means Offer A is always wrong. If the team works in predictable shifts, rarely meets and has little need for privacy, its service model may fit well. The point is that you cannot tell from the seat rate.

05 How to run the comparison

- **Build the full cost base.** Ask every operator or landlord to price the same service level: rooms, hours, connectivity, security and support. Separate recurring, usage-billed, one-time and contingent costs, and record the source and confidence of each assumption.
- **Test functional capacity, not seat count.** Use the planned attendance pattern, peak-day headcount, meeting-room demand in hours and the share of work that needs privacy or segregation. Decide the productive seat count before comparing prices.
- **Compare on one schedule.** Put cost per productive seat and cost per FTE side by side over the same horizon, with an expected case and a stress case of higher attendance or slower hiring.
- **Keep cash and run cost apart.** Show deposits, lock-ins and exit costs as cash at risk, reviewed by finance, not folded into the monthly figure. IT and security should confirm that a low fee does not leave out essential controls.
- **Keep the model live after launch.** Track cost per FTE, cost per productive seat, peak-day occupancy, meeting-room refusals and service incidents each quarter, and record why a number moved. A falling average cost can hide an overcrowded Tuesday; a higher one can be buying privacy the work needs.

QUESTIONS FOR THE BOARD

1. What will we pay each month that is not in the quoted seat price?
2. How many seats support our work on our busiest day?
3. Are all options priced at the same service level and over the same period?
4. How much cash is tied up in deposits, and what does exit cost?

06 How Vertara Global helps

We build one occupancy cost model before leadership is asked to choose a site. Operator quotes, lease terms, fit-out, IT, service fees, deposits and exit exposure go on the same basis and the same time horizon. Alongside it, we test functional capacity against the client's real work pattern: peak attendance, private calls, meeting demand and secure zones. The deliverable is a comparable cost per productive seat and cost per FTE for each option, with every assumption visible.

Whichever operating model the client chooses, we keep the model current through launch as hiring, attendance and the work mix change, then hand the dashboard and its definitions to the client's finance and workplace teams, staying engaged into year two. The test of success: a workplace that still fits the work when the team has doubled, with no surprises in the monthly bill.

ABOUT VERTARA global

Vertara Global is a practitioner-led GCC advisory firm. We help mid-market companies across sectors and geographies design, set up, scale and transform their Global Capability Centres, from the first business case and location choice to the operating model, entity, talent and workplace.

Our services span five pillars:

1. **GCC Consulting**
2. **Legal & Entity Support**
3. **People Advisory**
4. **Digital & AI**
5. **Engineering GCC Solutions**

Client-first and leader-led: senior practitioners run every engagement, and we stay involved after handover, because year two is where many GCCs are tested.