NANO GCC REAL ESTATE · POINT OF VIEW

Managed Office or Your Own Space?

Neither is the grown-up choice. Why a managed office often wins the first years of a nano GCC, what your own space really costs, and how to decide in advance when to switch.

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AT A GLANCE

- Both models are growing fast. Flex operators leased a record 10.23 million sq ft in H1 2026, and GCCs took 44% of flex seats[1,2].
- A managed fee and a rent cheque are not comparable. Once fit-out is counted, a managed office is often cheaper for the first three years at nano GCC scale.
- Choose for the stage you are at, buy speed with clear controls, and agree the evidence that would trigger a move before you sign.

01 The false saving

An 80-person centre is weighing two offers in Bengaluru. A managed operator quotes ₹10 lakh a month for a ready suite. A landlord quotes ₹8 lakh a month for a bare floor of about 8,000 sq ft. The finance team sees ₹24 lakh a year in favour of the lease, and signs it.

Six months later the team is still not in. The floor needed design, approvals, a fit-out contractor, furniture, network and security vendors, and someone to run them all. The fit-out bill is close to a crore. Facilities, housekeeping and utilities now sit on separate budgets, and the lease has a multi-year lock-in. The saving has not disappeared; it was never there.

The mistake is not choosing a lease. It is comparing two prices that buy different things. A managed fee buys a finished, serviced workplace. A rent cheque buys empty space and a project.

> *A managed office buys speed and a predictable bill. Your own space buys control. Decide which you need now, and what would change that answer.*

02 Why both models are winning in 2026

India's office market is backing both. JLL reports flex operators leased 10.23 million sq ft across the top seven cities in H1 2026, a first-half record, while GCCs took 41.7% of all office leasing[3]. Cushman & Wakefield counts 191,306 flex seats leased across the top eight cities in the same period, up 68% year on year, with GCCs taking

[1] JLL, "India office leasing dips 3.9% to 37.9M sf; GCCs strong" (H1 2026 release). www.jll.com/en-in/newsroom/india-office-leasing-dips-3-point-9-percent-to-379m-sf-gccs-strong

[2] 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

[3] JLL, see note 1.

44%[4]. In CBRE's 2026 survey, three in four occupiers plan to expand their India portfolios within two years[5], and 67% expect flex space to be part of their portfolio, up from 58% today[6].

These series measure different things and should not be added together. None of them tells a particular team which contract to sign. What they do show is that managed space is no longer a stopgap for start-ups. GCCs are using it at scale, which means operators are being pushed to meet enterprise standards, and buyers have more to negotiate with.

03 Looking ahead: 2027 and beyond

Colliers expects flex stock in the top seven cities to pass 100 million sq ft by 2027, about 10.5% of all office stock, with enterprises already accounting for nearly 70% of flex seat demand[7]. Two consequences follow for nano GCCs:

- **Managed space becomes a long-term home.** Treat a managed agreement like a lease: seat blocks, rate locks, escalation caps, notice periods and expansion rights in writing, not in an email.
- **The switch to your own space becomes a choice, not a rite of passage.** Some centres will stay managed at 150 seats; others will need their own floor at 60. The trigger is the work, not the headcount.

04 Three rules for choosing

Buy speed with your eyes open. A managed office compresses months of design, approvals and vendor contracting, and bundles facilities and security into one fee. It does not transfer accountability. Network separation, data access, meeting privacy, after-hours access and incident response remain yours. If an operator cannot evidence how it handles them, you are not buying speed. You are deferring a problem.

Price your own space on the full bill. A functional fit-out in Bengaluru typically costs ₹800 to ₹1,500 per sq ft, and a conventional lease usually comes with a lock-in of five years or more[8]. A full collaborative hybrid workplace averages about ₹6,000 per sq ft in the city[9]. Add deposits, facilities staff, utilities, restoration and exit. That is the number to compare with the managed fee.

Agree the switch point before you sign. Teams often move into their own space because they hit a round number. That is the wrong trigger. Write down the evidence that would justify a move: an operator premium above the break-even you modelled, growth the building cannot absorb, a lab or secure room the operator cannot support, or repeated security and service gaps. Then make sure the first agreement lets you act on it.

05 What the numbers say

Return to the opening scenario: 80 seats in Bengaluru. Managed space in the city typically runs ₹8,000 to ₹15,000 per seat a month, and bare-shell rents in established business districts ₹70 to ₹150 per sq ft[10]. We used

[4] Cushman & Wakefield, see note 2.

[5] CBRE, "Three in four occupiers plan to expand their office portfolios in India over next two years" (India Office Occupier Survey 2026, August 2026). www.cbre.co.in/press-releases/three-in-four-occupiers-plan-to-expand-their-office

[6] Allwork.Space, reporting the CBRE India Office Occupier Survey 2026 (August 2026). allwork.space/2026/08/77-of-indian-companies-plan-office-expansion-even-as-ai-changes-how-work-gets-done/

[7] Colliers, "Flex India: Pioneering the Future of Work", as reported in The Realty Today (December 2025). therealtytoday.com/news/market-insights/indias-flex-market-to-cross-100-msf-with-penetration-above-10-by-2027-says-colliers-india-report/

[8] myHQ, "Office Space Cost in Bangalore for 80–100 Employee Teams" (June 2026). myhq.in/blog/office-space-cost-bangalore-for-80-100-people

[9] Cushman & Wakefield, India Office Fit Out Costs and Market Insights 2026. www.cushmanwakefield.com/en/india/insights/office-fit-out-cost-guide

[10] myHQ, see note 8.

₹10 lakh a month for the managed suite, ₹8 lakh a month for an 8,000 sq ft floor, and fit-out at ₹1,000 (low) and ₹1,500 (high) per sq ft. We compared total cash committed over three horizons.

EXHIBIT 1 · CASH COMMITTED, 80 SEATS (ILLUSTRATIVE)

Horizon	Managed office	Own space, low fit-out	Own space, high fit-out	Own space vs managed
3 years	₹3.60 cr	₹3.68 cr	₹4.08 cr	₹8–48 lakh more
5 years	₹6.00 cr	₹5.60 cr	₹6.00 cr	Level to ₹40 lakh less
7 years	₹8.40 cr	₹7.52 cr	₹7.92 cr	₹48–88 lakh less

Assumptions chosen for clarity, not market quotes. Excludes escalation, deposits, GST, and facilities, utilities and security costs on the direct lease, which would narrow its advantage. Vertara Global analysis.

At three years, the managed office is cheaper even before the direct lease carries its facilities costs. At five years, the two are roughly level. Your own space pulls clearly ahead only over a long, stable mandate. At nano GCC scale, the case for your own space usually rests on control, not on cost, until the mandate is long enough to absorb the fit-out.

The test cuts both ways. Read a managed offer closely for what it leaves out: change fees, after-hours charges, dedicated network costs, escalation and the price of adding seats.

06 How to run the decision

Write one performance brief and issue it to managed operators and landlords alike. Price every response over the same horizon, against the same requirements, and test each lens below.

Lens	Managed office	Own space	Decision test
Speed	Ready, serviced suite	Design, approvals and fit-out first	Elapsed time to full readiness, not the date a suite is offered
Control	Set by the operator contract	Direct, with direct responsibility	Which requirements cannot be delegated
Growth	Depends on capacity in the building	Depends on lease options and capital	Expansion rights, notice and delivery date
Exit	Shorter commitment; lock-ins vary	Long lock-in; restoration costs	All-in cost of leaving or switching

- **Compare on one schedule.** Set fee or rent, fit-out, deposit, escalation, services included and excluded, expansion rights and exit liabilities side by side, with total cash committed at three, five and seven years.
- **Name an owner for every control.** Even when an operator delivers the service, someone inside the centre owns network security, access, privacy and service levels.
- **Set a review gate, not a headcount trigger.** Review the model when a specialist function or a material hiring phase is approved, early enough to search, approve and fit out without disrupting delivery.
- **Track the evidence after launch.** Monitor cost per seat, service response, incidents, change requests and the requirements the current model cannot meet. Reopen the decision when the same signals repeat, not after one bad month.

QUESTIONS FOR THE BOARD

1. How quickly must the centre be live, and what does a month of delay cost?
2. Which workplace and technology controls are non-negotiable, and who owns them?
3. Over what horizon, and at what headcount, does each option win on total cost?
4. What evidence would make us change model, and does the first contract let us act on it?

07 How Vertara Global helps

We start without a preferred model. We write one performance brief, put it to managed operators and landlords alike, and price both over the same horizon with one cost model. With our real estate partners, we verify what is promised (the suite, technology, fire and life safety, service levels, privacy and room to grow) before you commit. The deliverable is a recommendation for the fastest viable launch and the conditions under which a different model becomes the better choice.

Whichever operating model the client chooses, we can stand up the opening workplace, set the review gates and hand over a register of workplace obligations to real estate and finance owners, staying engaged into year two. The test of success: a centre that opens on time and changes its workplace only when the evidence says it should.

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.