NANO GCC REAL ESTATE · POINT OF VIEW

The Hidden Cost of Moving Twice

Many nano GCCs launch in a managed office and plan to move once the team is proven. The move is rarely the problem. Leaving it unplanned is. How to price the second move before you sign for the first.

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AT A GLANCE

- A managed office gets a nano GCC (20 to 200 people) running in weeks, but the contracts behind it are rarely short: large enterprises at WeWork India averaged 32-month terms at the end of 2025[1].
- With top-city vacancy at a five-year low and GCCs taking 41.7% of office leasing in H1 2026, the permanent site takes longer to secure than most first-year plans assume[2].
- Plan the exit at entry: set the search trigger by lead time, spend on what can move, and price an early-exit right. In our illustration, planning cuts the cost of the second move from ₹66 lakh to ₹16 lakh.

01 The second move

A US software company opens a 60-seat centre in a Bengaluru managed office. It signs a 30-month term at ₹10,000 per seat a month, a little above the ₹8,600 national median for branded flex seats[3], because the price beats a shorter commitment. The team is live within weeks. By month 18 the floor is full, a new workstream needs 20 more seats and the building has none. Only then does the search for a permanent home begin. Nine months later the company moves, having paid for overflow seats in the meantime and with three months of fees still owed on a floor it has left.

None of this was a forecasting error. The company knew it would grow; what it lacked was a plan for leaving. Most of what the second move costs is fixed at the start: by the term, the exit clause, what gets built into the floor and when the search begins.

> *A temporary office is only temporary if the exit is designed in. Otherwise the timing and cost of the second move are set by the contract, not by the business.*

[1] WeWork India Management Ltd, Investor Presentation Q3 FY26 (NSE filing, January 2026). nsearchives.nseindia.com/corporate/WEWORK_27012026114605_WeWork_-_Investor_Presentation.pdf

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

[3] myHQ Flex Pricing Report 2026, 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/

02 Why the second move is harder in 2026

JLL reports that GCCs took 41.7% of office leasing across India's top seven cities in H1 2026, up from 37.7% for 2025 as a whole, while vacancy fell to 14.5%, a five-year low[4,5]. Mumbai and Delhi NCR vacancy is at its lowest in 15 to 16 years, and flex operators, who supply most first sites, leased a record 10.2 million sq ft in the half[6]. At WeWork India, the average contract for large enterprises reached 32 months in December 2025, four months longer than a year earlier[7]. Fitting out the permanent site costs ₹5,847 to ₹6,567 per sq ft across major cities, and ₹6,027 in Bengaluru[8].

These figures come from different series and describe the market, not any one building. The direction is consistent, though: the first site is less flexible than its label, and the permanent one takes longer to secure. A search that starts when the floor is full starts too late.

03 Looking ahead: 2027 and beyond

Three shifts will shape the second move for nano GCCs launching in late 2026:

- **The permanent home will probably be in a tech park.** CBRE expects 65% to 68% of new office supply in 2026–27 to come from tech parks, up from 54% to 58% in 2024–25, as India's total stock passes 1 billion sq ft[9]. Expect institutional landlords and longer approval cycles, and plan the search runway accordingly.
- **The second fit-out will cost more than the launch plan assumed.** Cushman & Wakefield notes that GCCs are pushing spend per sq ft up through wellness features, technology and certified green buildings[10]. Budget the permanent site to the standard the team will expect in 2028, not the one it has in 2026.
- **The second move may stay with the operator.** More than half of WeWork India's new desk sales come from existing members[11]. Moving within an operator's portfolio can be the cheapest second move, but only if transfer rights and pricing are written into the first agreement.

04 Four rules for the first site

Design the exit at entry. Before signing, agree when you can leave, on what notice and at what cost. An early-exit or portfolio-transfer right is worth a modest premium; our paper The 20-Seat Lease Trap shows how to price it.

Set the search trigger by lead time, not headcount. Work back from the date the team will outgrow the floor, allowing for search, negotiation, approvals, fit-out and the move itself. If that adds up to nine months, the search starts nine months before the floor is full, not on the day it is.

Spend on what travels. Keep physical changes light, and own the furniture, AV and network kit you pay for so it can move with you. Anything bespoke built into an operator's floor is paid for twice: once to install and once to replace.

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[4] JLL, see note 2.

[5] JLL, "India's office market scales unprecedented highs with gross leasing activity at 83.3 million sq ft for the year 2025" (January 2026). www.jll.com/en-in/newsroom/india-s-office-market-scales-unprecedented-highs-with-gross-leasing-activity-at-83-3-million-sq-ft-for-the-year-2025-jll

[6] JLL, see note 2.

[7] WeWork India, see note 1.

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

[9] CBRE, as reported in "Nearly 65 pc of India office supply to come from tech parks by 2026-27" (IANS, March 2026). ianslive.in/nearly-65-pc-of-office-supply-to-come-from-tech-parks-by-2026-27-report--20260318113538

[10] Cushman & Wakefield, Fit-Out Cost Guide, as reported in "Office fit-out costs rise amid demand for premium, tech-enabled, sustainable workspaces" (RealtynMore, March 2025). realtynmore.com/office-fit-out-costs-rise-amid-demand-for-premium-tech-enabled-sustainable-workspaces

[11] WeWork India, see note 1.

Run the first site as research. Track attendance, room demand, commute patterns, team adjacencies and service use from month one. Six months of that evidence makes a better brief for the permanent site than any assumption made at launch.

05 What planning is worth

Return to the opening scenario. In the unplanned case, the search starts at month 18, when the floor is full, and with a nine-month lead time the move happens at month 27. In the planned case, the company paid ₹500 per seat a month extra for the right to leave after month 15 on three months' notice, started its search at month 9 and moved at month 18. Both cases fit out the same 10,000 sq ft permanent site, about ₹6 crore at the Bengaluru benchmark[12]; it is excluded because it is incurred either way.

EXHIBIT 1 · COST OF THE SECOND MOVE (ILLUSTRATIVE)

Cost line	Unplanned	Planned	Saving
Move date	Month 27	Month 18	9 months earlier
Overflow seats for 20 people while the floor is full	₹23.4 lakh	–	₹23.4 lakh
Fees on the first site after moving out	₹18.0 lakh	₹6.0 lakh	₹12.0 lakh
First-site spend that cannot move	₹25.0 lakh	₹5.0 lakh	₹20.0 lakh
Premium for the early-exit right	–	₹5.4 lakh	−₹5.4 lakh
Total	**₹66.4 lakh**	**₹16.4 lakh**	**₹50.0 lakh**

Assumptions chosen for clarity, not market quotes: 60 seats at ₹10,000 a month on a 30-month term; 20 overflow seats at ₹13,000 a month; a nine-month search-to-move lead time; one month of overlap in the planned case. Excludes the permanent fit-out, deposits, GST and escalation. Vertara Global analysis.

The exit right costs ₹5.4 lakh and the planned move saves about ₹50 lakh, roughly eight months of fees on the first site. The larger cost is not in the table: nine months of a growing team split across two locations, and hires delayed for want of seats. Without the exit right, leaving at month 18 would have meant paying out 12 months of the old contract, ₹72 lakh. That is why the clause matters more than the seat price.

06 How to run the transition

Treat the first site and the second move as one programme in four phases, each with its own decision test.

Phase	What happens	Decision test
Launch	Managed site signed; exit, transfer and notice terms agreed	Can we leave, or move within the portfolio, and at what cost?
Learn (months 1–6)	Attendance, room demand and commute data collected	Is the permanent brief built on evidence or on assumption?
Decide	Search starts one lead time before capacity; options compared on total cost	Will the new site be ready before the old one is full?
Move and close	Staged move; notice served; first site closed out	Are deposits, restoration and assets fully accounted for?

[12] Cushman & Wakefield, see note 8.

- **Model both moves on one schedule.** Set occupancy, notice, overlap, fit-out, deposits, restoration and internal time side by side, with total cash at 12, 24 and 36 months. Compare a first site that could last longer with a cheaper one that will not.
- **Assign owners and dates.** Real estate owns the search and notice dates; IT owns migration and testing; HR uses first-site commute data and tells employees early; finance tracks deposits and overlap. The transition belongs in someone's objectives.
- **Close out the first site properly.** Keep an asset register from day one, agree restoration scope in writing and chase deposit recovery. These sums are small and easily lost.

QUESTIONS FOR THE BOARD

1. When will the team outgrow its first site, and when must the permanent search start to beat that date?
2. What would it cost to leave the first site at month 12, 18 or 24?
3. How much of what we are spending on the first site can move with us?
4. Who owns the transition, and is it in their objectives?

07 How Vertara Global helps

We plan the second move before the first contract is signed, while exit and transfer rights are still cheap to secure. We compare a flexible first site with a cheaper but less adaptable one on total cost to year three, and deliver a transition plan: the clauses to secure, the evidence to collect, the date the search must start and the cost of getting it wrong.

Whichever operating model the client chooses, including build–operate–transfer, we can run the permanent-site search, manage the staged move and close out the first site, staying engaged into year two. The test of success: a move made on the company's timetable, not the contract's.

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.