NANO GCC REAL ESTATE · POINT OF VIEW

What a Nano GCC Needs From Its Landlord

For a small centre, the landlord is part of the operating model. Why the counterparty deserves as much diligence as the floor plate, and which commitments to get in writing before you sign.

Vertara Global · Point of View · October 2026

AT A GLANCE

- A nano GCC (20 to 200 people) is a small tenant with a large dependency: its parent expects enterprise-grade uptime and security from a building that may treat it as a minor account.
- GCCs now take over 40% of India office leasing and rents are rising in their preferred cities, so landlords have less reason to concede service and growth terms once the lease is signed[1],[2].
- Diligence the counterparty as well as the premises: put power, connectivity, access, growth and exit in the agreement, and run a landlord obligations register from day one.

01 The quiet failure

A mid-market software company opens a 50-person engineering centre in a well-located Grade A building. The rent is competitive and the fit-out finishes on time. Within four months, three things surface. A grid outage reveals that backup power covers lifts and common areas, while the tenant floor depends on a UPS nobody clearly owns. Road works cut the building's single fibre entry and take both "redundant" internet providers down together. And the team working US hours finds the air conditioning switches off at 8 pm, with extra hours billed at a rate the lease never mentioned.

None of this is dramatic. Together, it costs the new centre credibility with headquarters in its first quarter. The cause is rarely a bad building. It is a tenant that diligenced the premises but not the counterparty. A large GCC has a relationship manager, a place on the landlord's priority list and leverage at renewal. A nano GCC has none of these, yet its parent expects the same uptime, security and responsiveness. That gap is the risk.

> *For a small centre, the landlord or operator is part of the operating model. Its service standards belong in the agreement, not the brochure.*

02 Why the balance has shifted in 2026

GCCs took 41.7% of India office leasing in H1 2026, with GCC volumes up 14.2% year on year, according to JLL[3]. Cushman & Wakefield puts their share at 42% in Q3[4]. Rents are rising where GCCs want to be: JLL recorded year-

[1] 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

[2] Cushman & Wakefield, "India office market growth in Q3 2026" (October 2026). Top eight cities. www.cushmanwakefield.com/en/india/news/2026/10/india-office-market-growth-in-q3-2026

[3] JLL, see note 1; rents from JLL, India Office Market Dynamics Q2 2026. Top seven cities. www.jll.com/en-in/insights/market-dynamics/india-office

[4] Cushman & Wakefield, see note 2.

on-year growth of 11.9% in Hyderabad, 7.7% in Delhi NCR and 5.4% in Bengaluru in Q2, and Colliers reports average rents across its top seven markets up 7% in Q3[5]. Flex operators leased 12.6 million sq ft in the first nine months of 2026, up 37%, so for many nano GCCs the counterparty is now an operator rather than a landlord[6].

These series cover different city sets and periods and should not be blended into one number. Vacancy readings alone range from about 14% to 16% depending on the source. None of them predicts how a particular landlord will behave. Together, though, they point one way: good small suites are in demand, so the concessions that matter are easiest to win before signature and hardest to win after.

03 Looking ahead: 2027 and beyond

Nuvama expects about 176 million sq ft of new office space to be added by 2028, with annual completions of 56 to 58 million sq ft, and notes that supply may slightly outpace demand in the near term[7]. Colliers expects flex stock in the top seven cities to pass 100 million sq ft by 2027, about 10.5% of all office stock[8]. Three shifts follow for nano GCCs:

- **Leverage will vary by micro-market.** New supply may give tenants more room in some corridors while the Grade A buildings GCCs prefer stay tight. Benchmark terms building by building, not city by city.
- **The counterparty is increasingly an operator.** More nano GCCs will sign service agreements rather than leases. These are typically shorter and lighter documents, so negotiate seat blocks, rate locks, service levels and notice periods as firmly as you would a lease.
- **Headquarters will ask harder questions.** Anarock reports that green-certified Grade A stock in the top seven cities grew 65% between 2019 and H1 2025, and that MNCs and GCCs increasingly insist on sustainability features[9]. Expect site approval to require evidence on certification, energy and security, not just rent.

04 Five commitments to get in writing

Power you can test. Ask how backup power actually reaches your floor: generator capacity, who owns and maintains the UPS, and the changeover time. Ask for the last load-test record rather than a description.

Connectivity that is genuinely diverse. “Multiple providers available” is not the same as two physically separate routes into the building and up to your floor. Ask for route drawings and confirmation from the providers themselves.

Access and service hours as a right. If your team supports other time zones, make 24x7 access and after-hours air conditioning lease rights, with any charges stated. A building policy can change; a clause cannot, without your consent.

Growth on defined terms. Expansion is the term nano GCCs most often regret leaving vague. A right of first offer on adjacent space helps; a defined option with named area, rent formula, notice period and delivery date helps more. Agree approval timelines for layout, network and signage changes too.

---

[5] JLL, see note 3. Colliers India Q3 2026 data, as reported in “India office space demand reaches 54.4 million sq ft in Jan–Sep 2026” (The Realty Today, September 2026). Top seven cities. therealtytoday.com/news/market-insights/india-office-space-demand-reaches-544-million-sq-ft-in-jan-sep-2026-colliers-india-report

[6] Colliers, see note 5.

[7] Nuvama, as reported in “Office market stabilising, vacancies to decline marginally, rents to rise” (The Tribune / ANI, April 2026). www.tribuneindia.com/news/business/office-market-stabilising-vacancies-to-decline-marginally-rents-to-rise-nuvama/

[8] 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/

[9] ANAROCK Research, as reported in “India’s top 7 cities record 65 pc jump in green office space since 2019” (International Business Times, 2025). www.ibtimes.co.in/indias-top-7-cities-record-65-pc-jump-green-office-space-since-2019-report-885884

An exit you have priced. Lock-in, notice, reinstatement and deposit recovery decide what it costs to move or shrink. Escalation commonly runs at around 15% every three years or 5% a year[10], and the structure matters more than the headline. Agree the reinstatement standard on day one, with photographs.

05 What the headline rent hides

Two comparable suites of about 6,000 sq ft. Suite A has the lower entry rent, at ₹7.8 lakh a month with a 5% escalation every year. Suite B starts at ₹8.0 lakh with 15% every three years. A comparison on first-year rent picks Suite A.

EXHIBIT 1 · MONTHLY RENT UNDER TWO ESCALATION STRUCTURES (ILLUSTRATIVE)

	Suite A: +5% a year	Suite B: +15% every 3 years	A minus B
Year 1	₹7.80 lakh	₹8.00 lakh	−₹0.20 lakh
Year 2	₹8.19 lakh	₹8.00 lakh	+₹0.19 lakh
Year 3	₹8.60 lakh	₹8.00 lakh	+₹0.60 lakh
Year 4	₹9.03 lakh	₹9.20 lakh	−₹0.17 lakh
Year 5	₹9.48 lakh	₹9.20 lakh	+₹0.28 lakh
Year 6	₹9.95 lakh	₹9.20 lakh	+₹0.75 lakh
Six-year rent	**₹6.37 crore**	**₹6.19 crore**	**+₹17.5 lakh**

Assumptions chosen for clarity, not market quotes. Rent only; excludes maintenance charges, parking, power, deposits and GST. Vertara Global analysis.

Suite A is cheaper in only two of the six years. A 2.5% saving at entry becomes roughly 2.8% more rent over the term, about ₹17.5 lakh, before any of the service gaps in section 01 are priced in. If Suite A also lacks a second fibre route or contractual after-hours access, the saving is gone well before year six. The point is not that annual escalation is always worse. It is that every contractual line needs modelling on its own, and market rent growth is not the escalation you sign.

06 How to run the diligence

Turn each commitment into a line in a landlord obligations register before you sign: what was promised, where it is enforceable and the evidence behind it.

EXHIBIT 2 · LANDLORD OBLIGATIONS REGISTER (EXTRACT)

Commitment	Where it should sit	Evidence to ask for
Backup power to tenant floor	Lease schedule	Generator capacity, load-test record, changeover time
Two separate fibre routes	Lease or side letter	Route drawings, provider confirmations
24x7 access and after-hours cooling	Lease, with charges stated	Building rules, tariff for extra hours
Expansion on adjacent space	Lease option clause	Named area, notice period, rent formula
Service response times	Service agreement	Named escalation matrix, past service reports

[10] Mynd Solution, "Handling rent escalation clauses in lease management in India". www.myndsolution.com/best-practices/handling-rent-escalation-clauses-in-lease-management-in-india/

Commitment	Where it should sit	Evidence to ask for
Fire and life safety	Building compliance	Fire NOC, occupancy certificate, drill records

- **Meet the people who run the building.** The leasing team signs the deal; the facilities team decides your first year. Visit on a late evening and a weekend, when after-hours policies apply, and speak to a tenant of similar size if you can.
- **Place every promise.** Each commitment should sit in the lease, the building rules or a separate service contract. A promise that sits in none of them is a hope.
- **Assign owners.** IT confirms routes and power; security checks access control against the parent's standards; finance validates deposits and charges; legal confirms each right is enforceable.
- **Keep the register live.** Log incidents and missed service levels, and review the register before every expansion or renewal decision.

QUESTIONS FOR THE BOARD

1. Which building services does our operating model depend on, and which of them are contractual?
2. When a service fails, who owns it and how fast must it be fixed?
3. What do we need from the landlord to grow by half in 18 months, and is it written down?
4. What is the all-in cost of leaving before the planned end date?

07 How Vertara Global helps

We enter before the term sheet, while service and growth commitments are still cheap to secure. We run operational diligence on the landlord or operator alongside the commercial negotiation. The deliverable is a negotiation brief and a landlord obligations register: the clauses to secure, the evidence behind each one and the owner on both sides.

Whichever operating model the client chooses, we can set up the opening workplace, run the register through mobilisation and escalate missed service levels, staying engaged into year two. The test of success: the centre's leadership can name, for every critical building service, who is accountable and what the contract says.

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.