

AI and the Future of Flexible Workspaces

How AI is reshaping where and how India works

About Redseer Strategy Consultants

We solve the strategy behind scale, by guiding critical decisions in disruptive markets. For over 15 years, we have been at the forefront of shaping new-age business landscape, helping consumer-focused brands, digital platforms, and investors solve their most pressing growth and transformation challenges.

Our advantage lies in combining deep consumer understanding, innovation-first thinking, and an entrepreneurial mindset to deliver strategies that go beyond ideas into scalable, sustainable impact. This has made Redseer the trusted advisor to founders and boards as they build enduring businesses, the #1 partner for IPO strategy among new-age firms, and a leading advisory firm for private equity investors navigating high-stakes decisions.

Together with our global partner, OC&C, and a network of over 1,000 consultants across 22 countries and 5 continents, we bring a global perspective with local relevance, creating lasting value for clients as they transition from bold vision to scalable reality.

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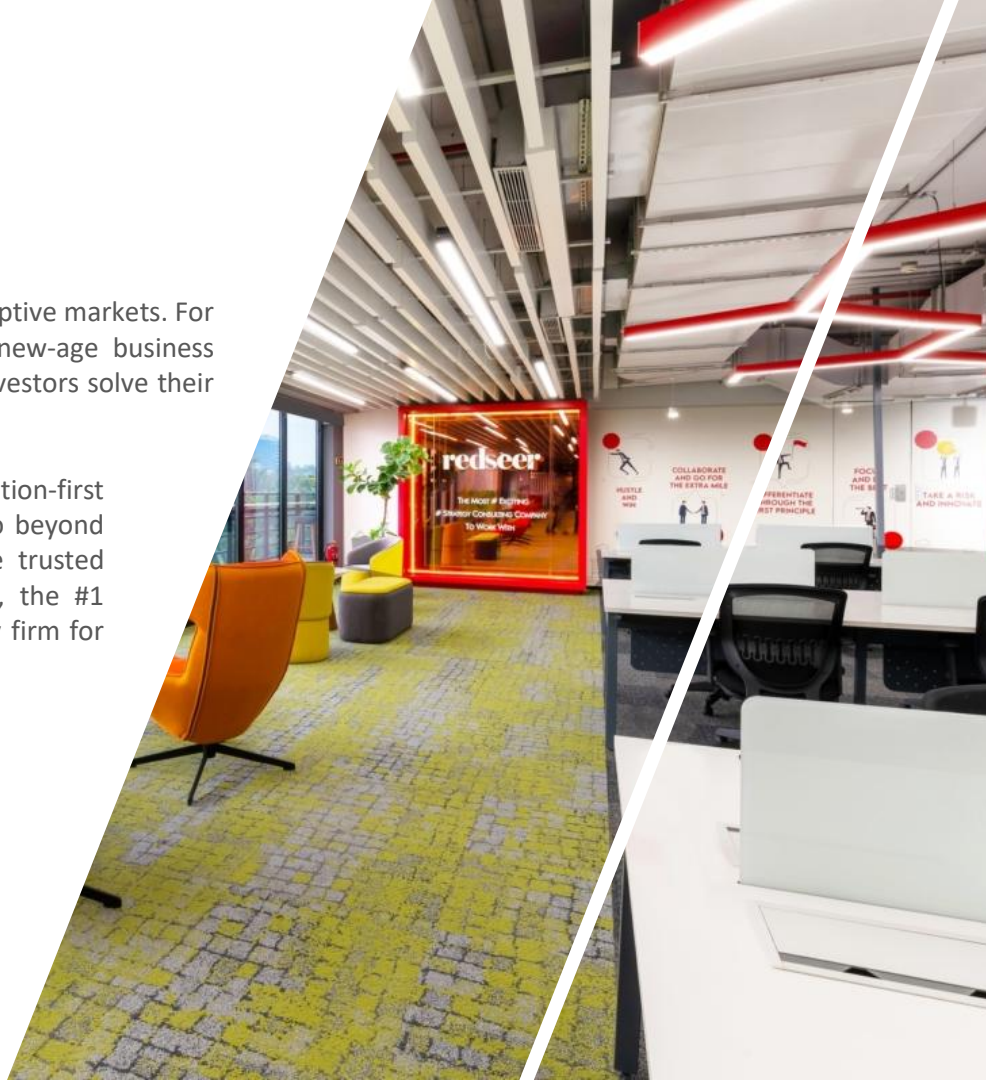


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HISTORICAL PRECEDENT

01

Each cycle creates more than it replaces

Summary

01

Every technological wave from mechanisation to computing to automation was expected to eliminate jobs, yet each consistently expanded India's employment base and office footprint, growing from near zero to ~915 Mn sq ft in CY2025

02

While each wave displaced specific roles, India responded by moving up the value chain from handloom workers to factory labour to IT services to AI-native roles, with total employees growing to ~330 Mn by CY2025

03

Unlike prior waves that displaced physical or routine work, AI targets cognition itself, yet historical evidence and current data suggest the human layer moves up and not out.

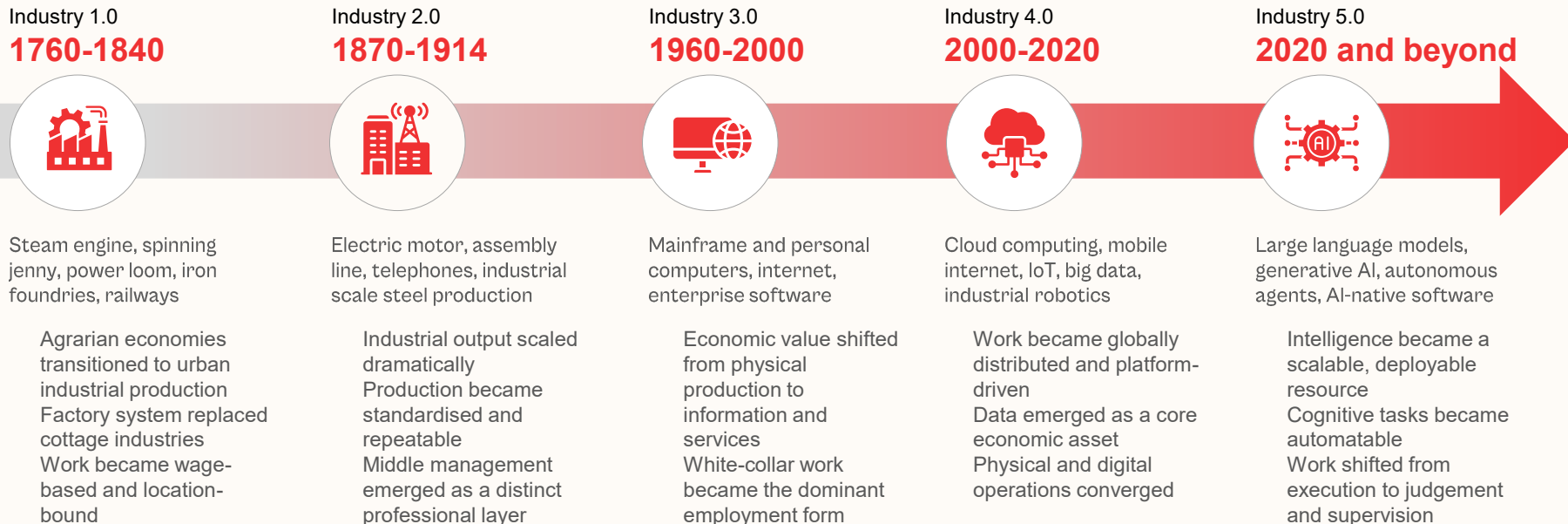
04

India's policy response through the IndiaAI Mission, with ~INR 104 billion committed across compute infrastructure, talent development, and governance, positions India as a country leading the AI wave rather than merely adapting to it



India has performed consistently through technological revolutions, turning disruptions into economic and employment opportunities, even amid recurring workforce displacement concerns. With targeted policy initiatives like the IndiaAI Mission, India is positioned to replicate and scale this outcome through the AI wave too

Every technological revolution in history has restructured how economies operate and generate value



Each wave shifted the nature of work up the value chain, consistently expanding the complexity and economic value of human contribution

With each technological wave, India has grown more adept at turning disruption into opportunity and the office stack has scaled multi-fold with each wave

	Industry 1.0	Industry 2.0	Industry 3.0	Industry 4.0	Industry 5.0
Dominant workforce concern	Mechanisation will permanently destroy artisan and craft	Mass production will render skilled trades economically obsolete	Computing will eliminate clerical and administrative work at scale	Automation will hollow out Western jobs and commoditise emerging market labour	AI will erode the cost-and-skill arbitrage underpinning India's services economy
Impact on Indian	Millions employed in artisan and handloom industries , forming the backbone of India's labour force	Factory employment grew from under 100,000 in 1860 to ~1Mn by 1900 centred around Bombay, Calcutta and Madras.	Direct IT employment grew at ~17% CAGR through the 1990s; over 1,250 software exporting companies operational by 2000. 45-55 Mn total employees.	Direct IT-BPM employment grew from ~1Mn in the early 2000s to 3.7Mn by FY2016 and 5.1Mn by FY2022; 180-190 Mn total employees	>700K AI-specific workforce in CY2025, with AI roles now one of India's fastest-growing hiring categories; ~330 Mn total employees
India office stock	NA	CY1900  5-10	CY1960  30-50	CY2005  ~192	CY2025  ~915

Unlike prior waves, AI targets cognition itself, yet the human layer has consistently moved up the value chain, not out of it



Every disruptive wave looked

Looms, calculators, computers, and the internet were each seen as the end of human work, yet each wave created more jobs than it

Every cycle moved work **UP** the value chain, not **OUT**. The 'this time is different' claim has a **250-year track record** of



AI automates pattern

What AI does today is recognise patterns across data at speed. Context, trust, ethical judgement, and accountability for outcomes continue to rest

Less than 5% of jobs can be fully automated; ~60% will be reshaped augmented,



When a capability gets cheaper,

History shows that when a task becomes cheaper and faster, businesses do more of it, not less. Spreadsheets did not reduce accounting work, they

More affordable tools historically drive more usage, not less employment, cheaper software led to more developers, not



Every deployment creates a new layer of human

Each new technology deployment spawns adjacent human roles around it. AI is no different, creating entirely new job categories that did not exist a

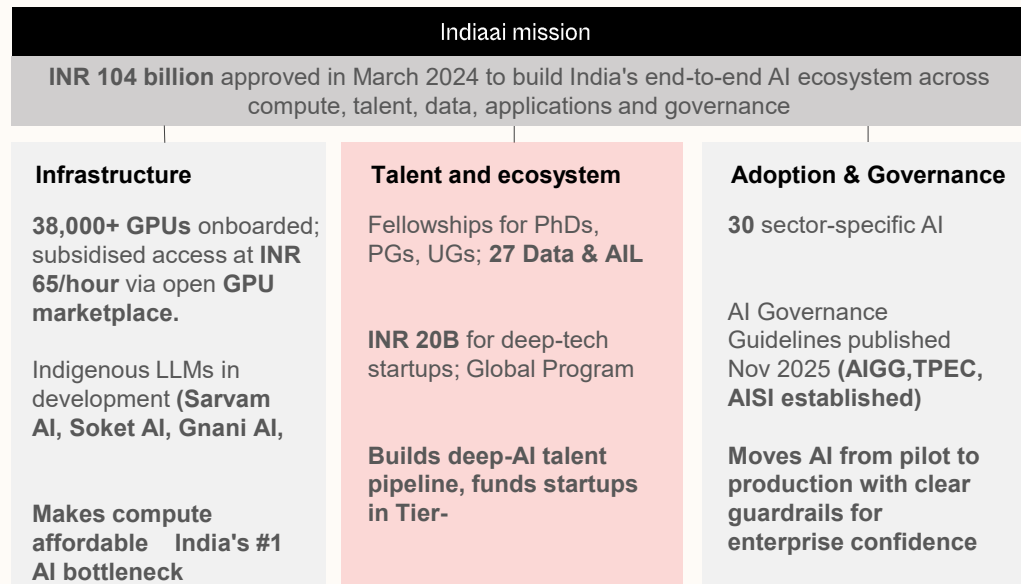
India is structurally positioned as the global supplier of the human layer that operationalises AI, not

The machine handles execution, people retain context, accountability, and direction. That balance has held across every wave, and the evidence suggests it will hold again

The IndiaAI Mission is a full-stack policy push to lead the AI wave, not just adapt to it

IndiaAI mission

Descriptive



Complementary initiatives

Descriptive



AIRAWAT

Sovereign AI supercomputer(ranked No. 75 globally) **reduces dependence on foreign**



BHASHINI

AI-driven language platform covering all 22 scheduled Indian languages **breaks the English-only barrier to AI**



Centres of Excellence

4 CoEs in Healthcare, Agriculture, Sustainable Cities and Education **drives sector-specific AI use cases to**



AI for India 2030

MeitY + WEF + NASSCOM + PSA joint initiative **extends AI adoption to agriculture and MSMEs via structured playbooks**

Note(s): 1. AIGG: AI Governance Guidelines, TPEC: Technology and Policy Expert Committee, AISI: Artificial Intelligence Safety Institute

Source(s): Redseer Research & Analysis

If the historical pattern holds, the next **24-36 months** should see enterprise AI adoption translate into **hiring, GCC formation, and office demand at unprecedented scale.**

The next chapter examines whether India is beginning to see the early signs of this shift with AI emerging as the next, and potentially largest, growth wave yet



AI ADOPTION IN INDIA

Rising investments, gradual operationalisation

Summary

01

Global AI momentum continues to accelerate, with investments nearing ~\$600B, and India emerging as a key beneficiary of

02

Marquee global and domestic investors are placing high-conviction bets on India's AI-native startups the same investors backing these startups also count OpenAI, Databricks, and Grab among their portfolios, signalling that India's AI ecosystem is being evaluated on the same parameters as global AI leaders

03

Enterprise adoption in India is gaining traction, with most firms in AI Scaling and AI

04

In parallel, a new wave of AI-native startups is driving the ecosystem forward, with rapid growth in company formation and diversification across sectors such as healthcare, BFSI,

05

AI hiring in India has grown 6x since CY2019 to over 290k job roles in CY2025, with India ranking second globally in AI talent concentration growth; demand is increasingly skewed towards execution-ready mid-experience talent in ML, Generative AI, and MLOps roles reflecting a shift from experimentation to scaled deployment

06

India's structural advantages including the second most cost-competitive office market globally, 2.1 million STEM graduates annually, and a youthful workforce are translating into large-scale GCC expansions by Microsoft, SAP, Vanguard, Walmart, and others, cementing India's position as the preferred destination for AI-driven global expansion

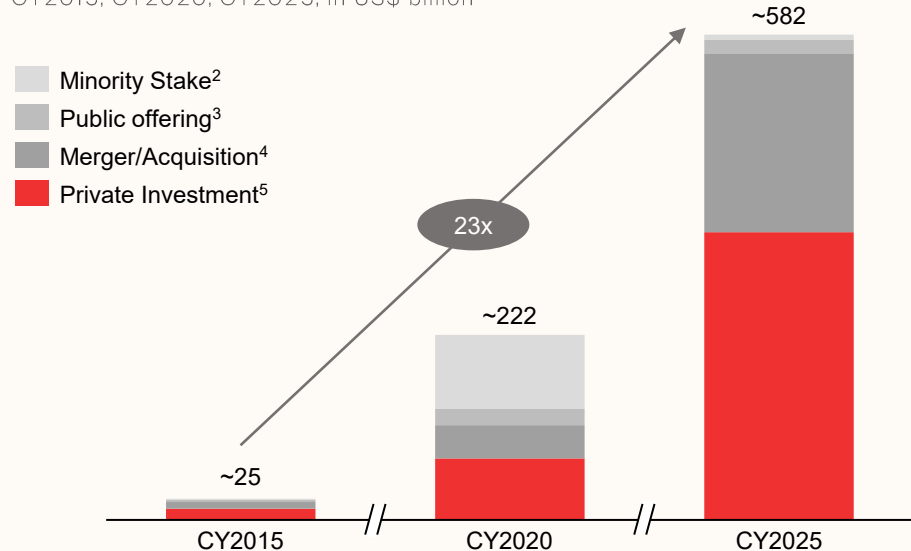


Overall, while incumbents are still catching up, startups and talent dynamics indicate a clear transition towards a more mature, execution-led AI ecosystem in India

Global AI investment neared \$600 billion last year, with India emerging as one of the most attractive destinations for that capital

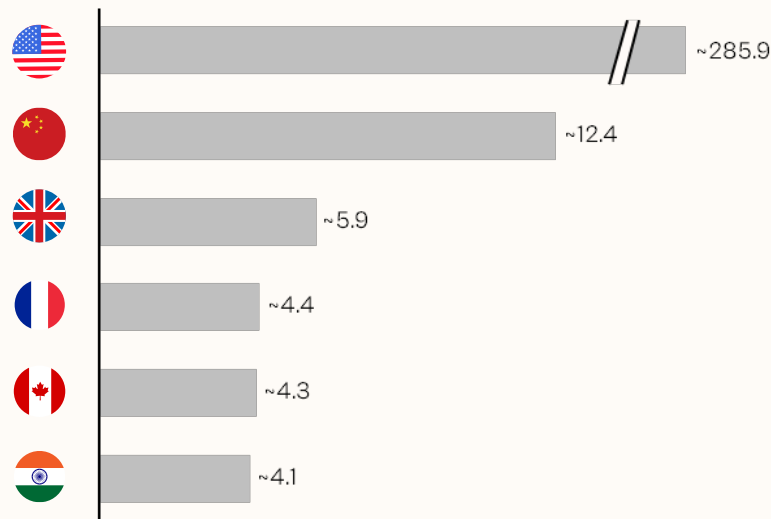
Global corporate investment¹ in AI by investment activity

CY2015, CY2020, CY2025, in US\$ billion



Top countries by private investment in AI

CY2025, in US\$ billion



Note(s): 1. The total value of merger and acquisition activity, minority stake purchases, private investment rounds, and public offerings involving AI and ML companies globally; 2. Corporate or financial investor purchases of a non-controlling stake in an AI or ML company, without full acquisition; 3. Capital raised through IPOs and secondary public offerings by AI and ML companies on public markets; 4. The total value of completed M&A transactions where an AI or ML company was the acquisition target; 5. A subset of corporate investment, defined specifically as venture capital, private equity funding rounds raised by AI and ML companies receiving over US\$ 1.5 million in funding

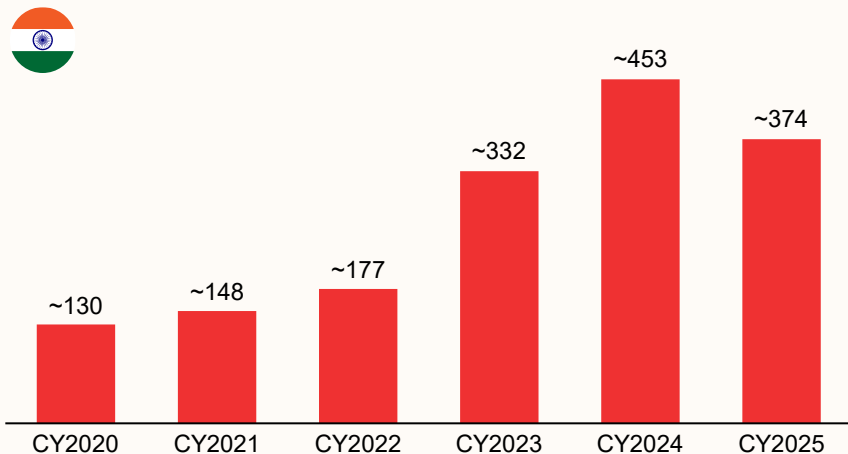
Marquee global investors are backing India's AI-native startups, signalling conviction in the country's AI potential

Key funding rounds in the Indian native AI startups

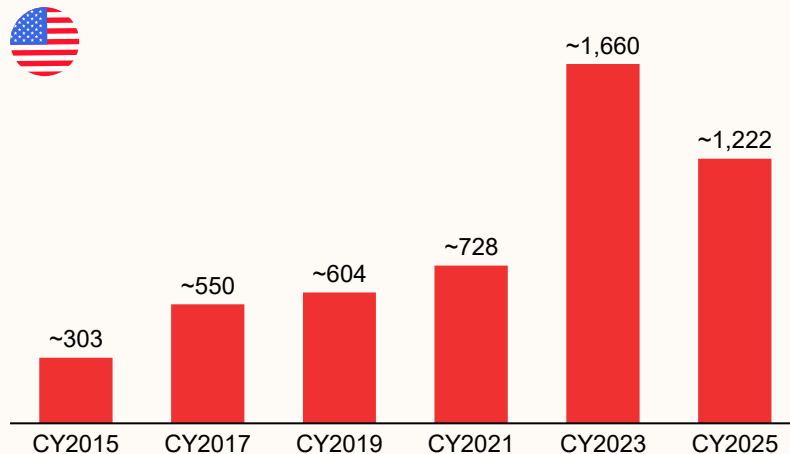
Company	Key investors	Total equity funding (YTD)	Funding rounds till date	Other portfolio companies of investors
 neysa	360One, Blackstone	US\$ 650 million	~3	OpenAI, Databricks, Swiggy
 qure.ai	Lightspeed Venture Partners, Merck	US\$ 123 million	~9	BeiGene, Grail, PhysicsWallah
 QπAI	SIDBI Venture Capital, Parish Capital	US\$ 66 million	~6	DrinkPrime, Zappfresh, Ixigo
 C5i	IIFL Finance, Nuvama	US\$ 54 million	~3	BlueStone, Swiggy, Cult.fit
sarvam.ai	Lightspeed Venture Partners, Peak XV Partners	US\$ 41 million	~3	Grab, Affirm, Groww

India's AI-native startup formation has nearly tripled since CY2020, but remains a fraction of US, signaling significant runway ahead

AI native startups¹ founded over the years - India
CY2020-2025, # of startups



AI native startups founded over the years - USA
CY2015-2025, # of startups



The dip in new AI-native startup formation in CY2025 is a result of investors growing increasingly selective, consolidating capital into fewer, larger bets on proven AI infrastructure rather than funding new entrants, with mega rounds of \$100M+ accounting for a record 60% of global VC in 2025.

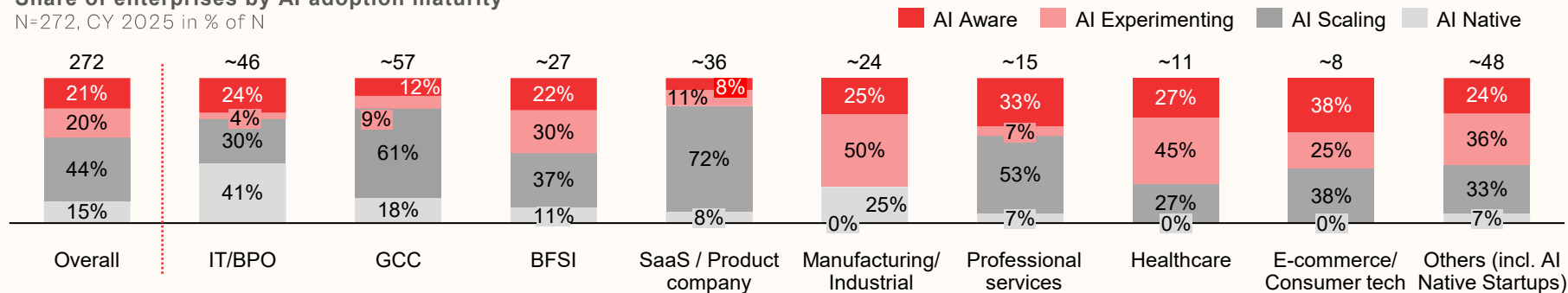
Note(s): 1. A company founded with AI as the core architecture of its product or service, not a traditional software company that has added AI features

Source(s): Redseer Research & Analysis

AI maturity across Indian firms can be mapped across four broad stages, with most firms concentrated in the early to mid maturity stages

Share of enterprises by AI adoption maturity

N=272, CY 2025 in % of N



AI Aware

Watching & Learning

Leadership aware of AI potential. No active deployment
AI is on the agenda but not the budget

AI Experimenting

Piloting and Proving

Active pilots underway in 1-2 functions
Investment is exploratory; ROI unproven

AI Scaling

Deploying and measuring

AI in production across multiple functions. Dedicated AI teams formed
Measurable impact on productivity or revenue

AI Native

Transforming and leading

AI embedded in core business model.
Organisation structure, hiring, and strategy AI-first

GCCs and SaaS/Product companies lead AI adoption in India, while **E-commerce, IT/BPO** and **BFSI** are rapidly scaling deployment across functions

Note(s): 1. Survey question: Which of the following best describes your

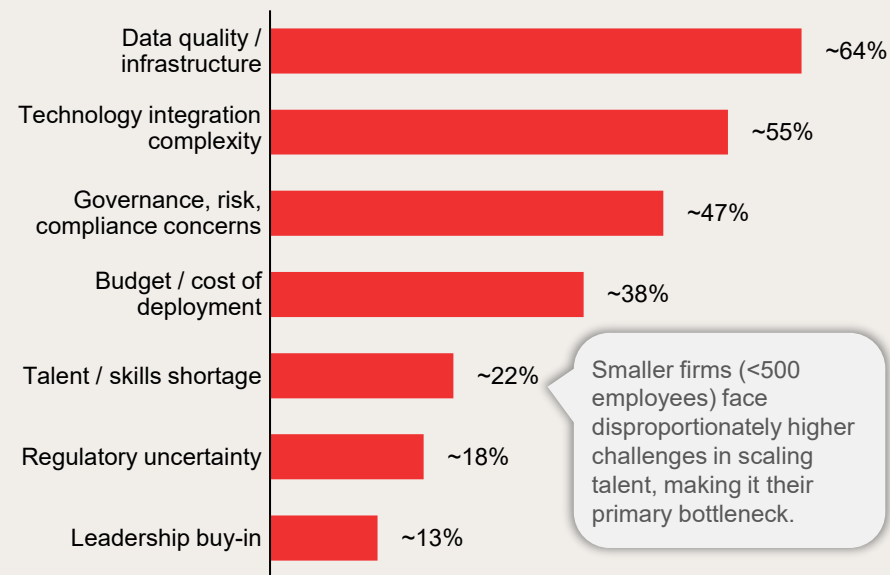
current stage of AI adoption overall?

Source(s): Redseer Research & Analysis

AI adoption is currently constrained by data readiness, integration complexity, and governance-related challenges

Current Bottlenecks in AI Deployment¹

N=272, in % of N



Data quality / Infrastructure

"Most Indian enterprises are sitting on decades of unstructured, multilingual data scattered across siloed systems before you can start deploying AI, you need

Ramakrishna |

Enterprise SaaS

Technology integration complexity

to AI adoption. The real bottleneck lies in integrating AI into fragmented legacy systems, which we expect will become significantly

Harshvardhan | Domestic Enterprise

Governance, risk, compliance concerns

"Unclear liability around AI outputs and evolving data protection rules make enterprises hesitant to deploy AI, especially in customer-

Dhaval | Startup

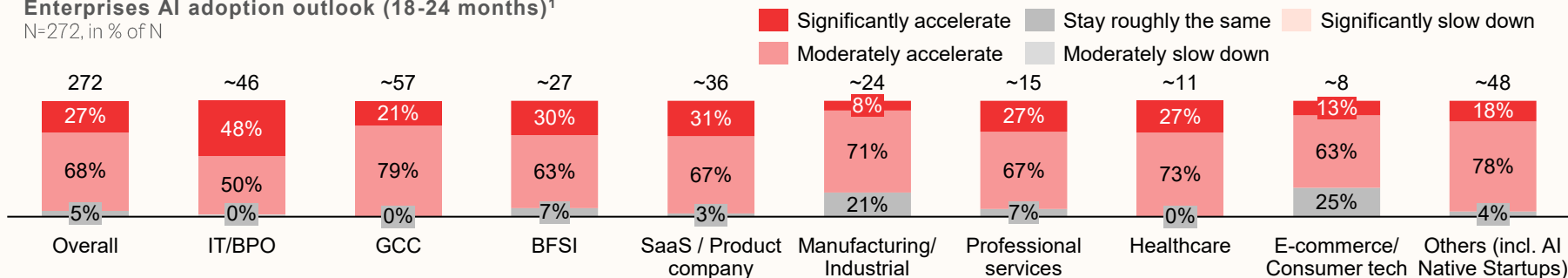
Note(s): 1. Survey question: What are the major bottlenecks slowing your organisation's AI adoption?

Source(s): Redseer Research & Analysis

But as deployment bottlenecks ease, enterprises are expected to accelerate AI adoption focusing on scalable, ROI-led use case

Enterprises AI adoption outlook (18-24 months)¹

N=272, in % of N



95% of enterprises plan to increase AI adoption over the next 1.5 2 years, with IT/BPO and SaaS firms leading the momentum; ~50% have already established dedicated AI labs or Centers of Excellence (CoEs)

ROI-led Scaling Focus

clearly on scalable, ROI-driven use cases, which is why investments in AI labs are being aligned closely with business outcomes rather

Naresh | GCC

AI-enabled customer operations

-led automation is becoming central to customer operations, with a growing share of interactions managed through AI-driven voice and chat workflows, alongside predictive models

Abhijit | BFSI

Client-led AI Transformation

client demand as enterprise clients are far more informed today and expect embedded AI

Dinesh |

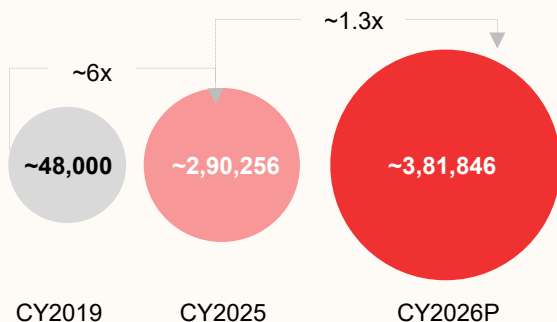
IT/Tech

Note(s): 1. Survey question: Over the next 18-24 months, do you expect your AI adoption to accelerate, stay at its current pace, or slow down?; 2. Survey question: Does your organisation have, or plan to establish, a dedicated AI lab, AI Centre of Excellence, or AI-focused GCC in India?; 3. Centre of Excellence

Source(s): Redseer Research & Analysis

...leading to India's growing demand for AI hiring since CY2019 and ranking #2 globally in terms of AI talent concentration growth

AI job postings India
CY2019, CY2025, in #



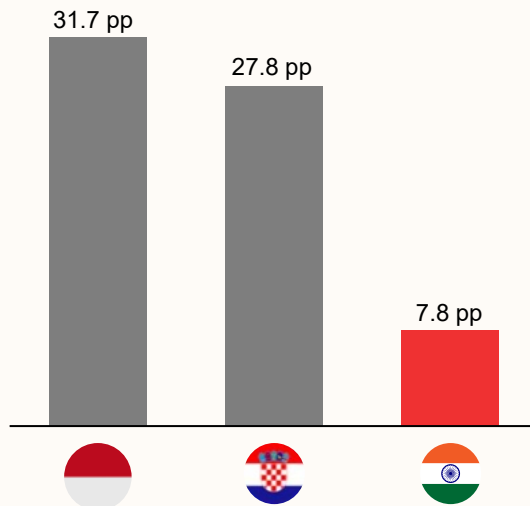
MNCs and large enterprises lead with 49% of AI jobs, with startups (incl. AI-0 native and SaaS) commanding a 23% share in CY2025

IT anchors AI hiring at 37%, but BFSI is growing fastest at 41% YoY in CY2025

Total AI workforce stands greater than **700,000** as of CY2025

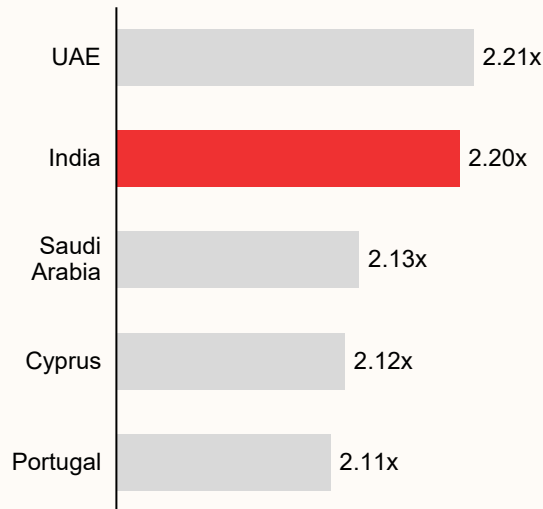
AI hiring growth spread Top 2 countries vs India¹

CY2024-25, in percentage points



Change in AI talent concentration²
– Global benchmarks

CY2025 vs CY2019, in multiple



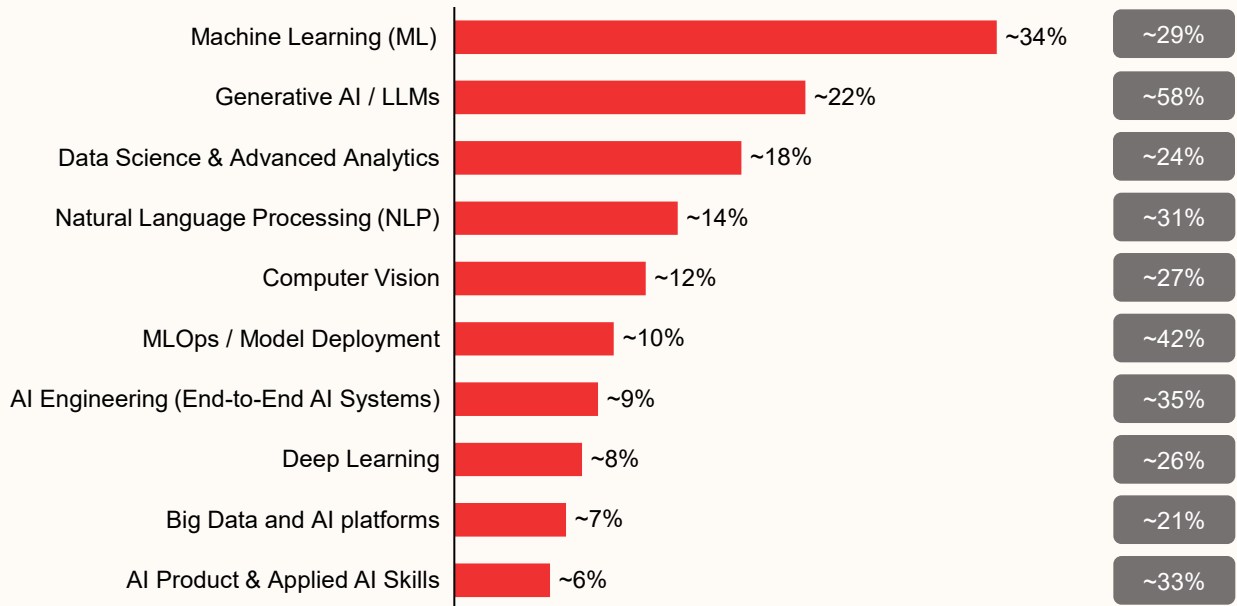
Note(s): 1. AI hiring growth relative to overall hiring, measured in percentage point; 2. Change in AI's share of total employment, CY2019 vs. CY2025

Source(s): Redseer Research & Analysis

AI disruption is driving demand for specialised skills, led by ML and GenAI; mid-experience talent accounts for >50% hires

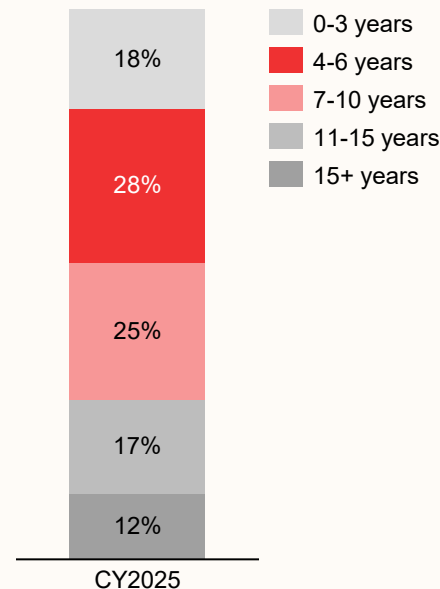
AI skills share in job postings

CY2025, share in %



Experience levels for AI jobs

CY2025, share in %

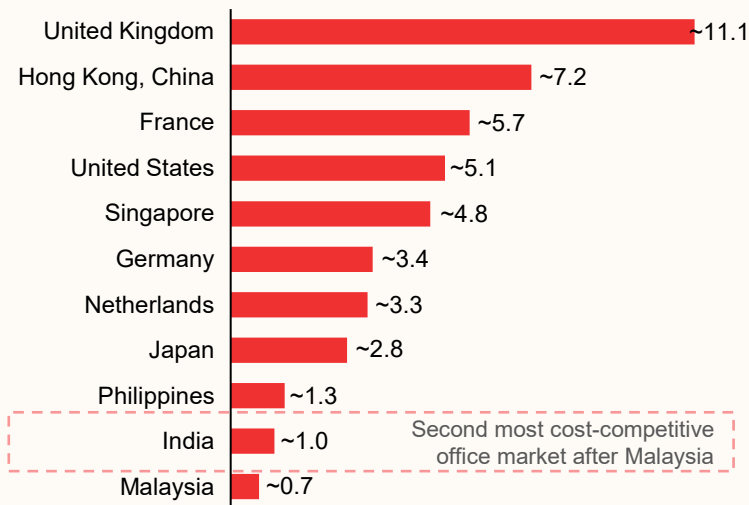


India offers a large skilled talent base with one of the most cost-competitive office markets globally driven by STEM leadership

Office space rentals global benchmarks

CY2025, in USD/sq ft/month

Indian Rupee depreciation against the US Dollar is further
-efficient office destination



Descriptive

Cost Arbitrage

India provides 25-35% cost savings versus comparable Asia-Pacific destinations and 60-80% savings compared to developed markets

Global STEM Leadership

~2.1 million+ STEM graduates annually, with software engineering talent, second only to China

Large Domestic Market and Digital Infrastructure

India provides access to a fast-growing consumer and enterprise market alongside established IT/IT Tech and GCC ecosystem

Youthful Workforce

India's median age is 28-29 years, significantly lower than 38-40 years in the US and China, supporting young long-term talent availability

Note(s): 1. Survey question: What are the major bottlenecks slowing your organisation's AI adoption?

Source(s): Redseer Research & Analysis

As a result, global companies are opening large campuses to expand their presence in India, with GCCs playing a central role

New offices¹ set up by global companies in India

Descriptive

Company	Sector	HQ	Location	Year	Key Highlight
 Microsoft	Tech	USA	Noida / NCR	2025	New Noida campus has become Microsoft's largest R&D hub outside the US.
 SAP	Tech	Germany	Bengaluru	2025	New 15,000+ seat campus strengthens India's role in SAP's global R&D network.
 McDonald's	Retail/QSR	USA	Hyderabad	2025	Largest GCC outside the US, focused on global digital and technology operations.
 Vanguard	BFSI	USA	Hyderabad	2025	Permanent GCC with 2,500 planned hires, positioned as a talent-led strategic hub.
 AIRBUS	Manufacturing	Europe (FR/DE)	Bengaluru + Hyderabad	2025	Expanded India presence across engineering, manufacturing, training, and supply chain functions.
 Rolls-Royce	Manufacturing	UK	Bengaluru	2025	Bengaluru GCC evolved into Rolls-Royce's largest and most advanced global engineering and technology hubs.
 Walmart	Retail/QSR	USA	Bengaluru + Pune	2025	Expanded India GCC footprint with new Pune centre focused on supply chain and digital engineering.
 NTT DATA	Tech	Japan	Mumbai	2025	Opened India's largest data centre campus, strengthening digital infrastructure capabilities.
 Carlsberg Group	FMCG (Beverages)	Denmark	Gurugram	2025	Launched its first-ever IT GCC in Gurugram, employing 300+ professionals
 ICE Mortgage Technology	Fintech	USA	Pune	2025	Chose Magarpatta Cyber City, Pune for its India GCC expansion, signalling Pune's rise as a leading BFSI destination.

Note(s): 1. The list is non-exhaustive

Source(s): Redseer Research & Analysis

GCC GROWTH ENGINE

Scaling hiring for advanced digital capabilities



Summary

01

ecosystem is steadily moving beyond traditional support roles, with centres increasingly taking on strategic and transformation-led mandates.

02

GCC formation is accelerating across sectors beyond traditional tech, with BFSI and healthcare leading diversification; 43 new mid-market GCCs have been established in the past two years and are scaling faster with higher innovation intensity, making them the most dynamic segment of new office demand

03

Mid-market and sub-mid-market GCCs are structurally oriented towards flex, with mid-market GCCs prioritising agility and lower upfront capital commitments and approximately 35% of sub-mid-market GCCs using GCCaaS, meaning flex is their default from day one rather than a transitional choice

04

The GCC workforce is shifting towards specialised, innovation-led roles, with R&D share rising from 15% in CY2015 to a projected 35% by CY2030 and global leadership roles growing from 6,500 to over 30,000; 86% of GCCs report a planned net increase in India headcount over the next two years, with AI workforce growing 4x from 181,000 to 730,000 by CY2030

05

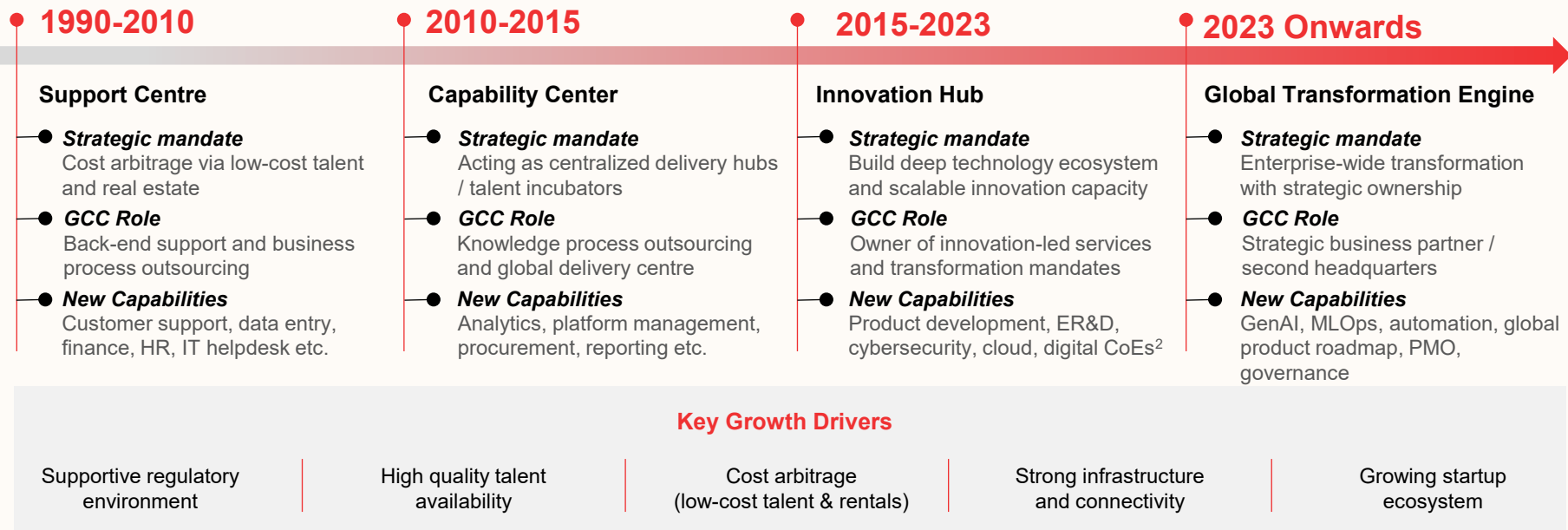
Driven by this AI-led workforce expansion, GCCs are expected to drive ~ 55 Mn sq ft of gross annual leasing by CY2030, with their share of overall annual office leasing growing from 38% in CY2025 to 48% by CY2030, concentrated in top micro markets across Bengaluru, Hyderabad, Chennai, Pune and Mumbai



The GCC ecosystem in India is entering a more mature phase, characterized by capability-led growth, deeper sectoral presence, and a gradual shift towards distributed expansion

GCCs in India have moved beyond cost centres to become global transformation hubs, now at the forefront of AI demand

Evolution of GCCs in India



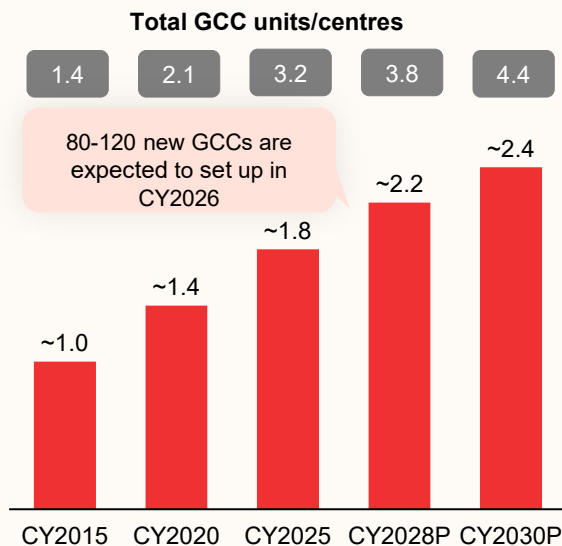
Note(s): GCC stands for Global Capability centres; 2. CoE refers to centre of excellence

Source(s): Redseer Research & Analysis

This shift in mandate is accelerating both expansion and new GCC formation as India continues to drive the global GCC support

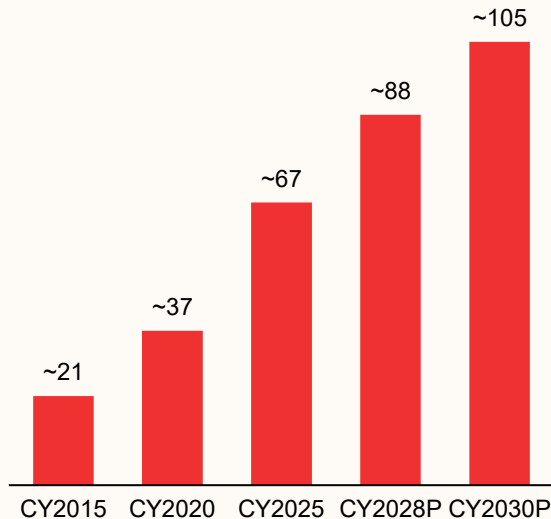
Total GCCs

CY2015, CY2020, CY2028P, CY2030P, in '000



Market Size¹

CY2015, CY2020, CY2028P, CY2030P, US\$ billion



India hosts over **55% of the total GCCs worldwide in CY2025**, projected to retain **50-55% share by CY2030P**.



Around **60% of Fortune 500 companies** have established their GCCs in India by CY2025



Global leadership roles (CIOs, SVPs) based in Indian GCCs are projected to grow from 6,500 in CY2025 to over **30,000 by CY2030**

Vanguard, McDonald's, Medtronic, Walmart Global Tech, DAZN, Rakuten, Entain India, Carlsberg Group, T-Mobile US, Marriott International, Zeiss India, Infineon Technologies, Best Buy, Agilent Technologies have launched or expanded their GCCs presence in 2025

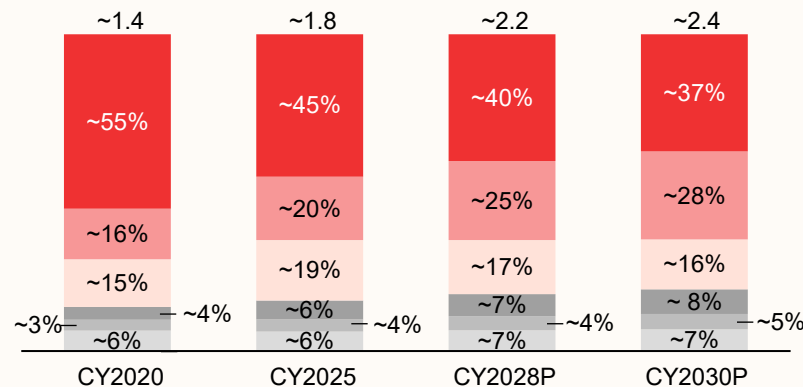
Note(s): Refers to total revenue earned by Indian GCCs

Source(s): Nasscom, CII, Zinnov, JLL, CBRE, Redseer Research & Analysis

Beyond tech & software, BFSI and healthcare are leading GCC growth, with mid-market GCCs accelerating diversification

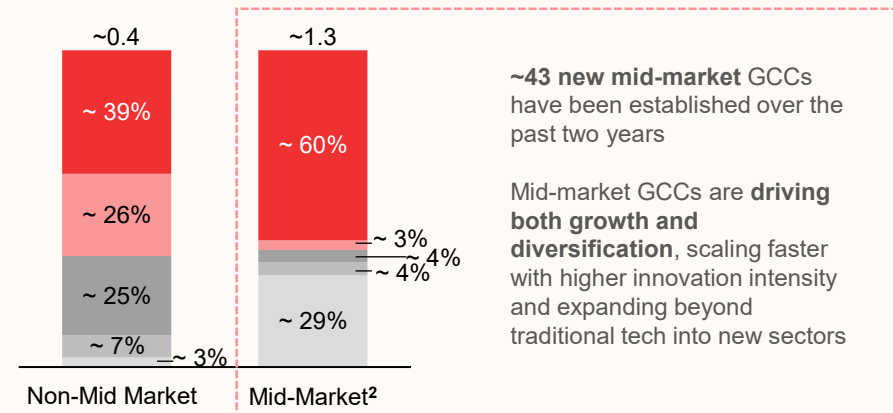
Total GCCs split by sector

CY2020, CY2025, CY2028P, CY2030P, in '000s



Mid-market and non-mid-market GCCs split by sector

CY2025, in % of '000s



~43 new mid-market GCCs have been established over the past two years

Mid-market GCCs are **driving both growth and diversification**, scaling faster with higher innovation intensity and expanding beyond traditional tech into new sectors

■ Tech / Software and Internet
■ BFSI
■ Manufacturing
■ Healthcare
■ Retail & Ecommerce
■ Others¹

■ Tech / Software and Internet
■ Manufacturing
■ BFSI
■ Healthcare
■ Others (incl. Retail and Ecommerce)

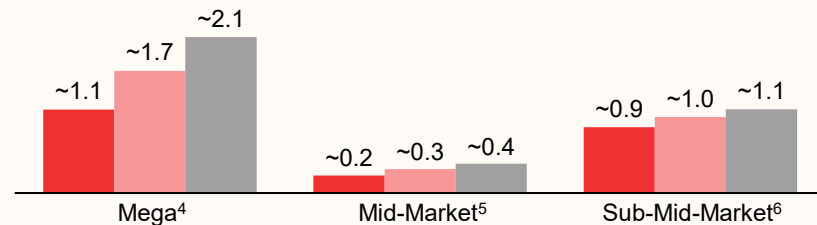
Note(s): 1. Others include automotive, telecom, media, consulting, energy etc.; 2. Mid Market GCC refers to capability centres established by mid-sized enterprises with annual global parent revenue typically ranging between USD 100 Mn to USD 1 Bn

Source(s): Nasscom, CII, Zinnov, JLL, CBRE, Redseer Research & Analysis

While large GCCs dominate employment; mid-market GCCs are growing faster in both scale & headcount

Employment in GCCs split by size

CY2025, CY2028P, CY2030P, in Mn

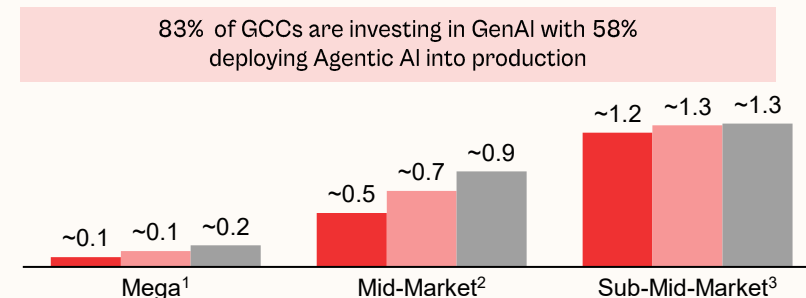


Mega GCCs: Employment growing from ~1.1 Mn to ~2.1 Mn by 2030, but the growth rate is slowing. These are anchor tenants for large managed

Mid-market GCCs: Fastest-scaling segment with uncertain trajectories, making flex the natural choice as they need quality space quickly without long-term lock-in

Total GCCs split by size

CY2025, CY2028P, CY2030P, in '000s



83% of GCCs are investing in GenAI with 58% deploying Agentic AI into production

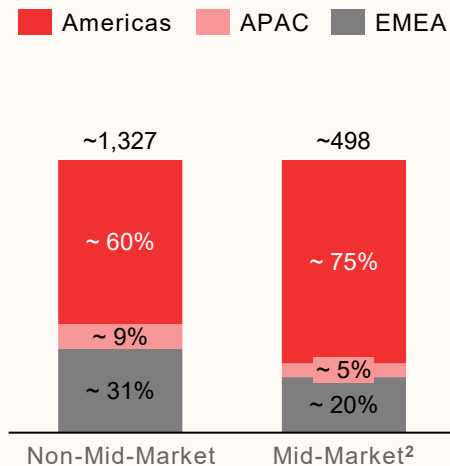
Sub-mid-market GCCs: ~35% use GCCaaS, meaning they enter India without setting up their own real estate at all. Flex is their default from day one, making this segment a structural demand driver as APAC-

Note(s): 1. Mega GCCs refers to centres with 500+ employees and parent companies earning over USD 1 Bn in revenue; 2. Mid Market GCC refers to capability centres established by mid-sized enterprises with annual global parent revenue typically ranging between USD 100 Mn to USD 1 Bn; 3. Sub mid-market GCCs refers to GCCs not classified under Mega or Mid-market GCC, having annual global parent revenue < USD 100 Mn; 4. Americas includes companies headquartered in North and South America, primarily including the USA and Canada; 5. EMEA includes companies headquartered in Europe, Middle East, and Africa, with key countries in this analysis including the UK, Germany, France, Switzerland, and Netherlands; 6. APAC includes companies headquartered in the Asia-Pacific region, including developed markets such as Japan, Singapore, and Australia; 7. GCC as a

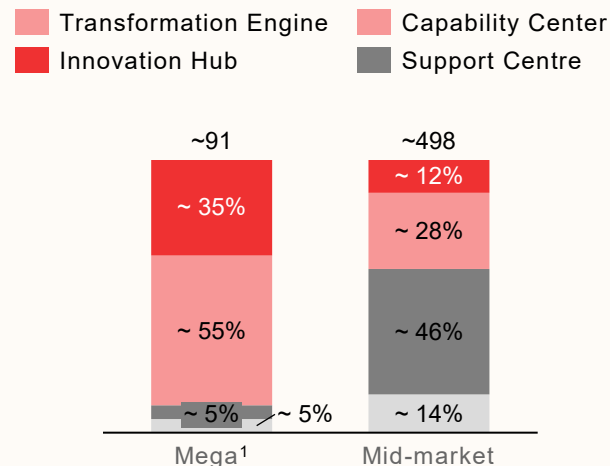
Source(s): Redseer Research & Analysis

Mid-market GCCs formations are driven by APAC enterprises, with growth-stage operations and leaner team structures

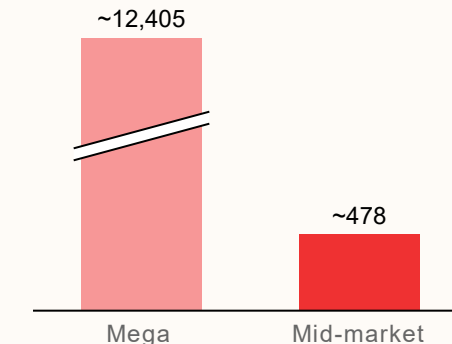
Total GCCs split by region
CY2025, in %



Mega and Mid-Market GCCs split by maturity
CY2025, in %



Average employees per GCCs
CY2025



Mid-market GCCs prioritize agility, scalability, and lower upfront capital commitments during growth phase, often operating with smaller teams and evolving workspace needs

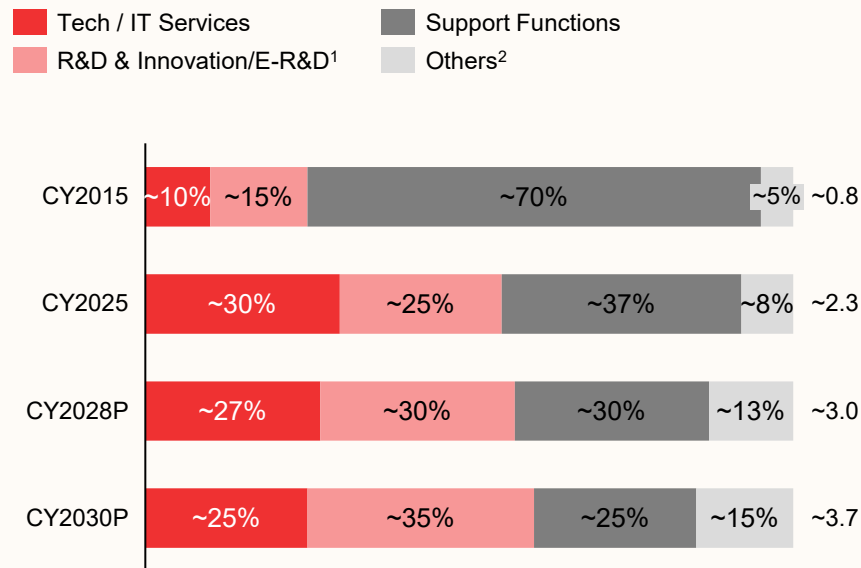
Note(s): 1. Mega GCCs refers to centres with 500+ employees and parent companies earning over USD 1 Bn in revenue; 2. Mid Market GCC refers to capability centres established by mid-sized enterprises with annual global parent revenue typically ranging between USD 100 Mn to USD 1 Bn;

Source(s): Redseer Research & Analysis

AI/ML-led innovation is reshaping the GCC workforce towards more specialised, innovation-led roles

Total employment in GCCs split by roles

CY2025, CY2028P, CY2030P, in Mn, %



Key themes shaping employment within GCCs in India



Significant shift in workforce composition toward tech and innovation-led roles

R&D and IT roles is expected to increase to ~60% by CY2030P, with R&D alone rising from 15% in CY2015 to 35% by CY2030P



Emergence of diversified, high-value functional roles

The share of roles across advanced analytics, product management, legal, procurement, ESG etc., is expected to increase from 8% to ~15% by CY2030P



Move towards leaner teams

Average employees per GCC are expected to decline from ~1,240 in CY2025 to ~1,100 by CY2030P, driven by AI/ML and automation-led efficiency gains



Increasing concentration of global leadership

Global roles are expected to grow from ~6.5K to 30K+ by CY2030, as GCCs evolve into second headquarters with greater strategic ownership

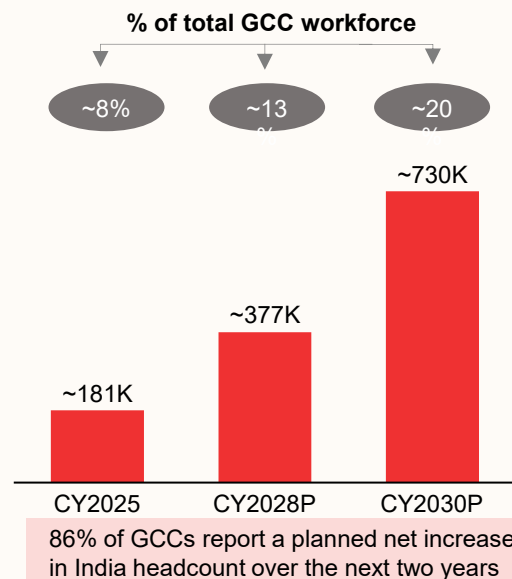
Note(s): 1. E-R&D refers to Engineering Research and Development; 2. Others include legal, analytics, procurement, product management, marketing, ESG etc.

Source(s): Nasscom, CII, Zinnov, JLL, CBRE, Redseer Research & Analysis

...enabling the AI talent in GCCs to scale rapidly, with sector-specific maturity shaping distinct adoption priorities

GCC AI workforce¹

CY2025, CY2028P, CY2030P, in 000, %



Sector	AI Work-force	AI adoption & strategic focus
Software and Internet	~24%	Leads AI maturity with large-scale LLMOps , AI product development , and platform-led innovation Driving frontier capabilities across multimodal AI , chip design , and AI infra.
BFSI	~22%	Deploying AI at scale for risk , fraud , and customer intelligence (~70% focused on core banking use cases) Adoption of explainable AI and agentic systems for compliance and decisioning
Manufacturing	~10%	Leveraging AI for smart factories , digital twins , and predictive maintenance Driving innovation in autonomous systems, and engineering-led AI applications
Healthcare	~7%	Rapidly scaling AI in diagnostics , drug discovery , and clinical trials Advancing frontier use cases in genomics , digital twins, personalized medicine
Retail & Ecommerce	~11%	Scaling AI for personalization , pricing , and demand forecasting across customer lifecycle Expanding into multimodal commerce, autonomous retail , and AI-driven supply chains
Others ³	~26%	Accelerating adoption in domain-specific AI use cases such as 5G, energy grids, and aerospace systems; most industries are in the pilot to production stage

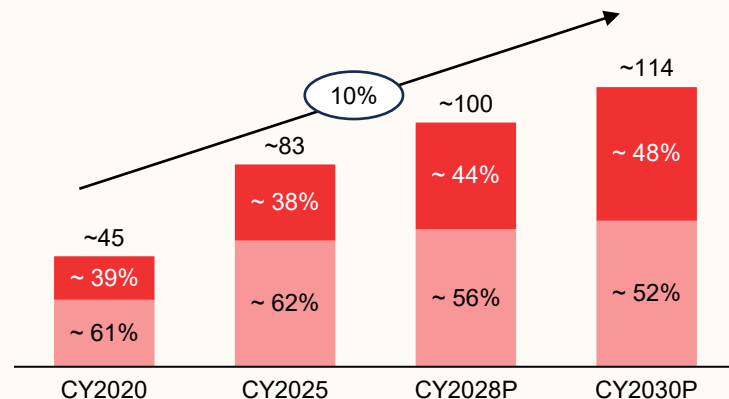
Note(s): 1. AI workforce refers professionals enabling and driving AI development, deployment, and scaling, including both support roles (e.g., software, data, cloud, DevOps, QA) and core specialists (e.g., data scientists, ML/MLOps engineers, AI researchers, GenAI, NLP/CV) focused on building, training, and optimizing AI/ML systems across pipelines, infrastructure, and applications.

Source(s): ANSR, Redseer Research & Analysis

Driven by the rapid expansion of an AI-led workforce, GCCs are expected to drive ~55 Mn sq ft of leasing by CY2030P

Share of gross annual GCC leasing¹ in overall office leasing

CY2020, CY2025, CY2028P, CY2030P, in Mn Sq Ft, %



■ GCC Leasing¹ ■ Other Office Leasing²

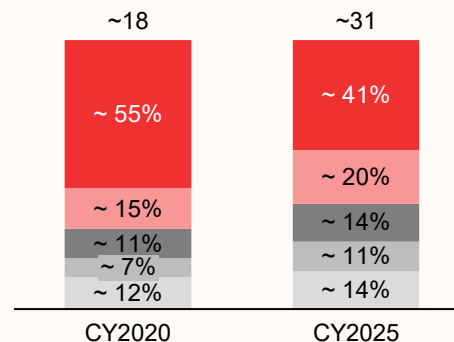
Global firms account for ~58% share in overall office leasing

Note(s): 1. Leasing volume pertains exclusively to Grade A assets and refers to new market demand and exclude term renewals or lease extensions where the occupier remains in the same space.; 2. Other office leasing includes leasing by domestic firms, startups, MNCs, non-GCC etc.; 3. Others include automotive, telecom, media, consulting, energy, healthcare etc.; . Top 10 micro markets include Bengaluru (ORR, Whitefield, SBD 1, North) Bengaluru, Hyderabad (SBD, OMR Zone 1), and Chennai (Off-SBD, MPR), Pune (Kharadi), and Mumbai (Mald/Goregaon/JVLR)

Source(s): Nasscom, CII, Zinnov, JLL, CBRE, Colliers, Redseer Research & Analysis

GCC gross annual leasing volume: split by sector

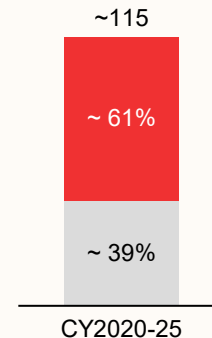
CY2020, CY2025, in Mn Sq Ft, %



■ Tech / Software and Internet³ ■ BFSI ■ Manufacturing ■ Retail & Ecommerce ■ Others³

GCC gross annual leasing volume: split by micro market

CY2020-2025, in Mn Sq Ft, %



■ Top 10 Micromarkets⁴ ■ Rest of the Micromarkets



GCCs are expanding, AI is expected to accelerate this growth, **and the workspace needs that follow look very different from five years ago.**

The next chapter explores how AI-driven workforce shifts are reshaping real estate needs - from team structures and collaboration to headcount planning - and why flex is well-placed to address them.

WORKSPACE REIMAGINED

How AI is changing work and the workspace



Summary

01

AI is fundamentally restructuring workforce composition across all sectors, with teams becoming leaner, more senior-weighted, and specialist-heavy as execution layers erode and routine work gets absorbed by AI tools

02

knowledge-economy office stock is projected to add ~79 Mn sq ft of incremental knowledge-economy office demand by CY2030, over and above the pre-AI baseline, driven by net new seat creation from AI-specific roles, GCC AI workforce expansion, and accelerating enterprise

03

AI is increasing collaboration intensity, with 93% of firms reporting teams are more collaborative than a year ago, driving demand for high-spec workspaces with strong connectivity, video infrastructure, and large collaboration zones

04

AI is making headcount planning significantly less predictable, compressing real estate planning horizons to 3 years or less for 75% of enterprises, with the traditional long-term lease model no longer suited to AI-driven workforce volatility

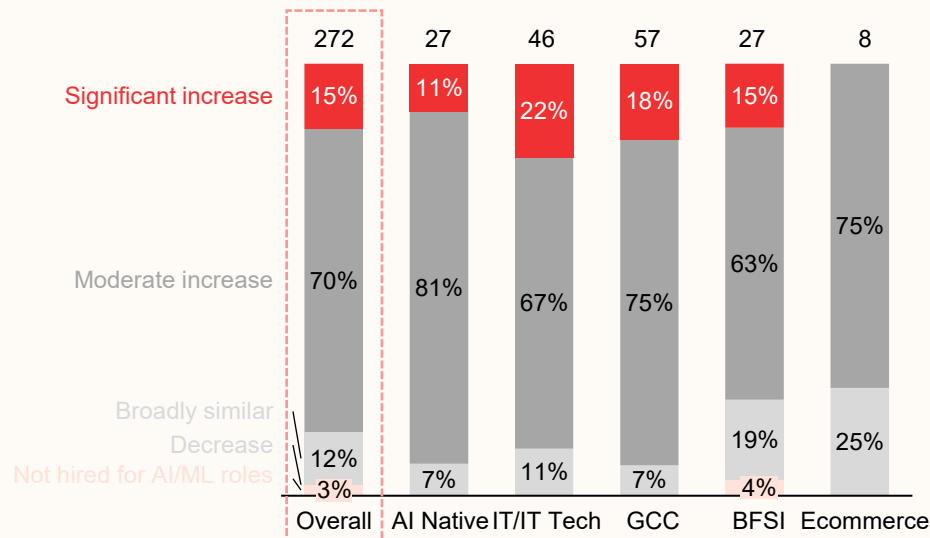
05

In response, enterprises are shifting to a core plus flex model, with flexible workspaces emerging as the strategic solution for cost efficiency, portfolio agility, rapid multi-city expansion, and attracting scarce AI talent



AI is reshaping work into a more collaborative and dynamic model, accelerating the shift toward flexible, infrastructure-led workspaces

AI/ML hiring is surging across sectors – 85% of firms have grown headcount, signalling a structural shift led by AI-native firms, GCCs & IT



Demand inflection, not experimentation

With 85% of firms growing AI/ML headcount, this reflects a structural hiring shift – not isolated pilots

The scale and breadth of increase signals AI as a core workforce priority across sectors



Moderate growth dominates

70% report moderate growth, indicating measured, sustainable scale-up – not reactive over-hiring

However, GCC and IT/IT tech firms are aggressively building AI/ML bench strength



Near-zero non-adoption

Only 3% have not hired for AI/ML roles, underscoring how mainstream AI talent demand has become. Zero firms reported a decrease – signaling one-directional demand momentum for AI/ML talent



AI-native and GCC companies have witnessed the highest growth in AI/ML hiring with an increase of over 91%

Note(s): 1. Survey question: In the last 12 months, what has happened to the number of new AI/ML-specific roles you have hired for in

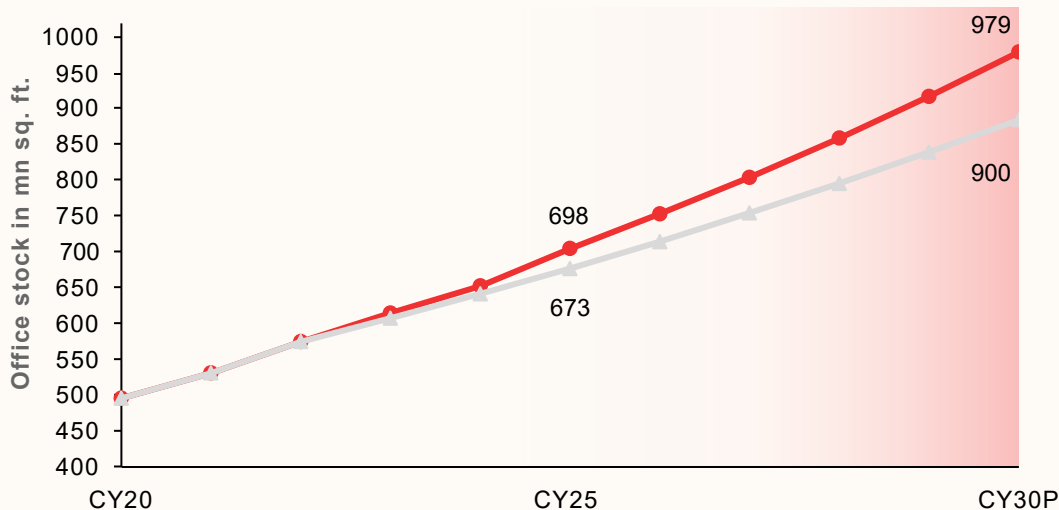
Source(s): Redseer Research & Analysis

Post the AI wave, India's knowledge-economy office stock is projected to see an incremental ~79 Mn sq. ft. addition between CY2025–30P

Total office stock for knowledge economy

CY2020-2030, in Mn sq. ft.

— Knowledge economy workspace — Knowledge economy workspace (Without AI)



Note(s): Knowledge Economy: Sectors where economic value is generated through intellectual activity, skilled human capital, and information processing rather than physical labour or natural resources. For this analysis, the knowledge economy universe includes IT/TeS, BFSI, E-commerce, Consultancy, Co-working, Pharma/Biotech/Telecom, and Miscellaneous services. Knowledge economy office stock is estimated by applying the sectoral absorption share of these segments in total to the total Grade A office stock of ~915 Mn sq ft for CY2025. The pre-AI trajectory is extrapolated using India's knowledge economy office stock CAGR for CY2015–CY2022, prior to the onset of the generative AI wave

Source(s): Redseer Research & Analysis

+ ~79 Mn sq. ft.

net-new office demand by CY2030

Key drivers of this incremental knowledge economy office demand due to AI

Investment surge

Global AI investment has grown 23x since 2015, with India ranking among the top 6 destinations for private AI capital

Enterprise acceleration

95% of Indian enterprises plan to scale AI adoption in the next 18-24 months, generating workspace demand

Structural advantage

India's talent depth, cost competitiveness, and STEM scale make it the default destination for AI-driven global expansion

Creating a new blueprint for workforce structure and workspace design

Teams are becoming leaner and more manager-heavy as execution work is increasingly automated

Teams are placing greater emphasis on coordination as automation reduces the burden of execution.

Workspaces must support faster alignment, cross-functional coordination, and flexible collaboration

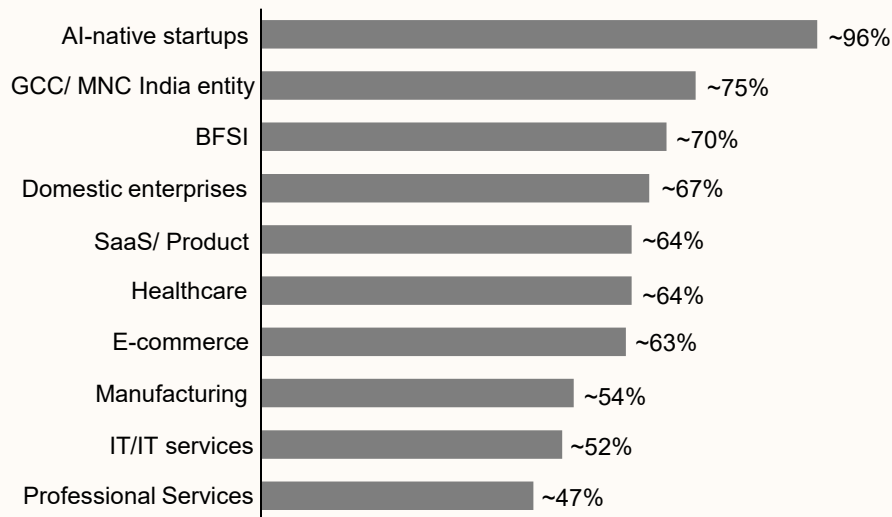
AI-driven operating models are increasing variability and unpredictability in headcount planning



AI is restructuring workforce composition, teams are getting more senior-weighted across all sectors

Seniority shift by sector - % expecting more senior-weighted workforce over next 3-5 years

N=239, in % of N



As teams become leaner and more senior, companies are increasingly spending more per seat to support collaboration, productivity and employee experience through higher-quality workplaces and amenities

Note(s): 1. Survey question: Over the next 3-5 years, how do you expect AI to affect the seniority composition of your India workforce?

Source(s): Redseer Research & Analysis



Output over hierarchy

AI native firms and GCCs are built around small, high ownership teams
No room for execution layers that AI now handles autonomously



Pyramid base eroding

Routine coding, testing and tier 1 support are being absorbed by AI tools
Entry level roles that once formed the bulk of IT headcount are shrinking fast



Specialists over generalists

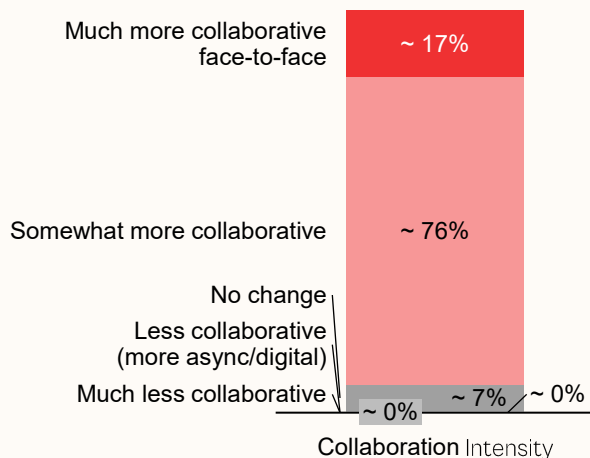
Training, fine-tuning, and governing models demands deep technical and domain
The cost of a wrong AI model is high, only specialists can catch what the model cannot

AI is driving the shift of work from execution to coordination, increasing collaboration intensity

AI-led workflows require greater human validation, alignment, and exception handling driving higher collaboration intensity

Change in collaboration intensity in last 12 months due to AI2

N=272, in % of N



| GCC

- Pankaj

- Umang | Professional Services

With AI generating a large share of code, teams now collaborate more on refining, reviewing, and validating outputs rather than writing code individually - Aaditya | SaaS

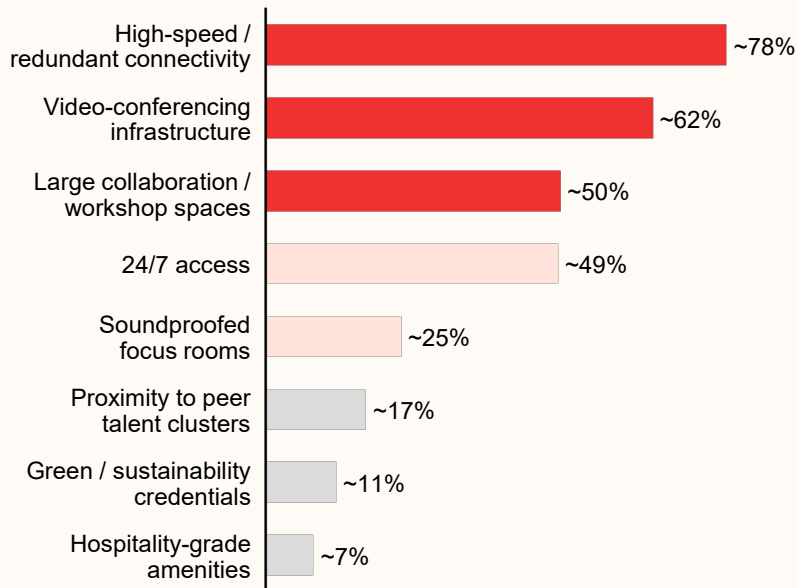
Note(s): 1. Survey question: How has AI changed the collaboration intensity of your India teams in the last 12 months?; 2. Survey question: How has AI affected the predictability of your India headcount plans?

Source(s): Redseer Research & Analysis

AI is driving the need for coordination-intensive environments & high-spec, collaboration-centric workplaces

Workplace features important for AI-augmented teams¹

N=239, in % of N



Always-on infrastructure

AI teams need high-bandwidth connectivity and resilient power infrastructure
24/7 access aligns with global innovation cycles
Shift toward infra-heavy workspace specs vs basic office setups



Collaboration - centric spaces

Meeting room demand +30-50%
Offices used for collaboration, not individual work
Return-to-office driven by cross-team collaboration



Talent & ecosystem enablers

Talent clusters enable faster access to specialised skills and execution bandwidth
Amenities and sustainability factors influence experience, but remain secondary

Note(s): 1. Survey question: Which workspace features have become more important for your AI-augmented teams?

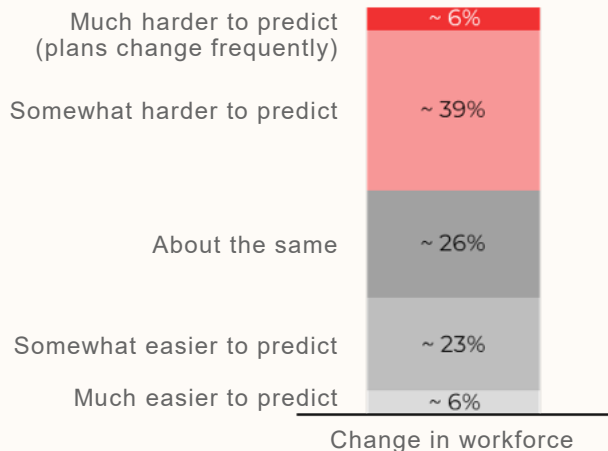
Source(s): Redseer Research & Analysis

Finally, AI is changing how companies plan headcount, making workforce forecasting significantly less predictable

Rising automation is making workforce needs increasingly dynamic, with reduced visibility on future hiring requirements

Impact of AI on future headcount predictability¹

N=272, in % of N



The New Economics of Headcount



Block eliminated nearly 4,000 roles as AI reshaped how the company operates and builds products.



As automation and AI systems take on more operational work, Citigroup expects its headcount to decline by approximately 20,000



While AI is driving leaner teams across industries, OpenAI is scaling aggressively growing 4.5x in under a year and targeting ~8,000 employees by 2026.

"AI is changing roles faster than we can plan for them. Teams, skill requirements, and hiring priorities are evolving quarter to quarter, which makes long-term headcount planning much less predictable." - **Rohan | BFSI**

In response to these changes, enterprises are shortening real estate planning horizons & shifting toward flexible workspace models

Planning horizon for real estate commitments¹

N=272, in % of N

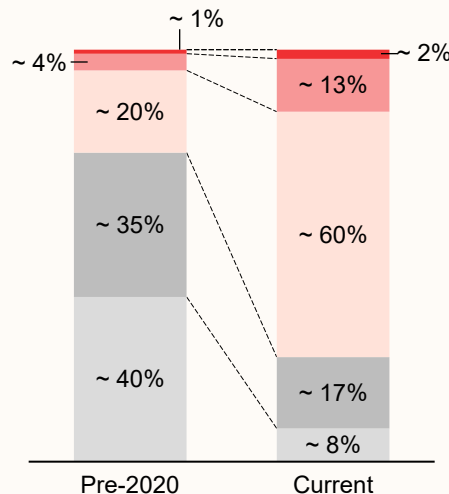
Month-to-month 6-12 months 1-3 years 3-5 years 5+ years

Traditional real-estate model (Prior to 2020)

Long-term leases (5-10 years) dominated
Workforce growth relatively predictable
Offices optimized for seat capacity and cost efficiency
Setup timelines aligned with multi-month planning cycles

Current AI-driven, flexible model (2025+)

Planning horizons compressed
enterprises
Workforce volatility increasing risk of long-term lease lock-ins
Time-to-operation expectations compressed from months to weeks
Shift toward core + flex model
70 80% core, 20 30% flex)



Note(s): 1. Survey question: What is the typical planning horizon for your India real estate / workspace commitments?

Source(s): Redseer Research & Analysis

...which are emerging as a strategic solution for agility, scalability, and operational flexibility with strong employer branding

Cost Optimization/ Efficiency

Flex workspaces eliminate large capital outlays, enabling companies to scale office space cost-effectively during early-stage growth or short-term business cycles

Flex workspaces offer fully managed, cost-efficient office solutions with lower fixed commitments and higher operational flexibility

Flight-to-Quality & Employer Branding

Flex workspaces deliver premium collaborative environments that enhance employee experience and strengthen employer brand to attract top talent

Flex operators provide ready Grade A offices with premium amenities, infrastructure and managed services

Hybrid Work & Business Uncertainty

Flex workspaces offer scalable, on-demand solutions that adapt to hybrid and cyclical workforce models, eliminating the risk of AI-driven headcount unpredictability

Flex workspaces enable companies to dynamically manage occupancy, distributed teams, and changing space requirements across locations

Portfolio Flexibility and Agility

Flex workspaces enable rapid multi-city expansion, placing offices closer to localized talent pools and employee catchments

Presence of ready-to-use flex spaces enables faster market entry and rapid office deployment across cities

Key Growth Drivers for Flexible Workspaces

Core + Flex strategies are gaining traction as enterprises balance long-term stability with agile, scalable, and managed flexible workspace solutions

FLEX AS THE NEW DEFAULT



Distributed teams become structurally embedded

Summary

01

Flex has evolved from a startup amenity to a strategic enterprise real estate solution, with India emerging as the most mature flex market globally, ahead of the UK, France, and the US

02

Flex economics have become increasingly compelling, with managed spaces and premium flex offering materially lower upfront capex requirements and lower total occupancy costs versus traditional leases across 1-5 years horizons, while also enabling faster setup, operational flexibility, and scalable expansion

03

82% of enterprises plan to increase flex share over the next 2 years, driven by business volatility, need for multi-city presence, and workspace quality becoming a hiring differentiator; 89% say workspace quality matters more than it did two years ago and 82% cite it as a meaningful factor in their

04

Flex stock has scaled from 33 Mn sq ft in CY2020 to 103 Mn sq ft in CY2025, led by GCCs, with GCC annual flex leasing growing 1.7x faster than other segments. Flex is also driving structural shift in occupier mix toward high-growth, innovation-focused,

05

AI-led workforce is expected to account for 16-18% of flex seats leased by CY2028P, while workplace premiumization, driven by workforce seniorisation and higher space requirements per seat, is expected to keep the flex market structurally resilient despite volatile headcount growth trends.

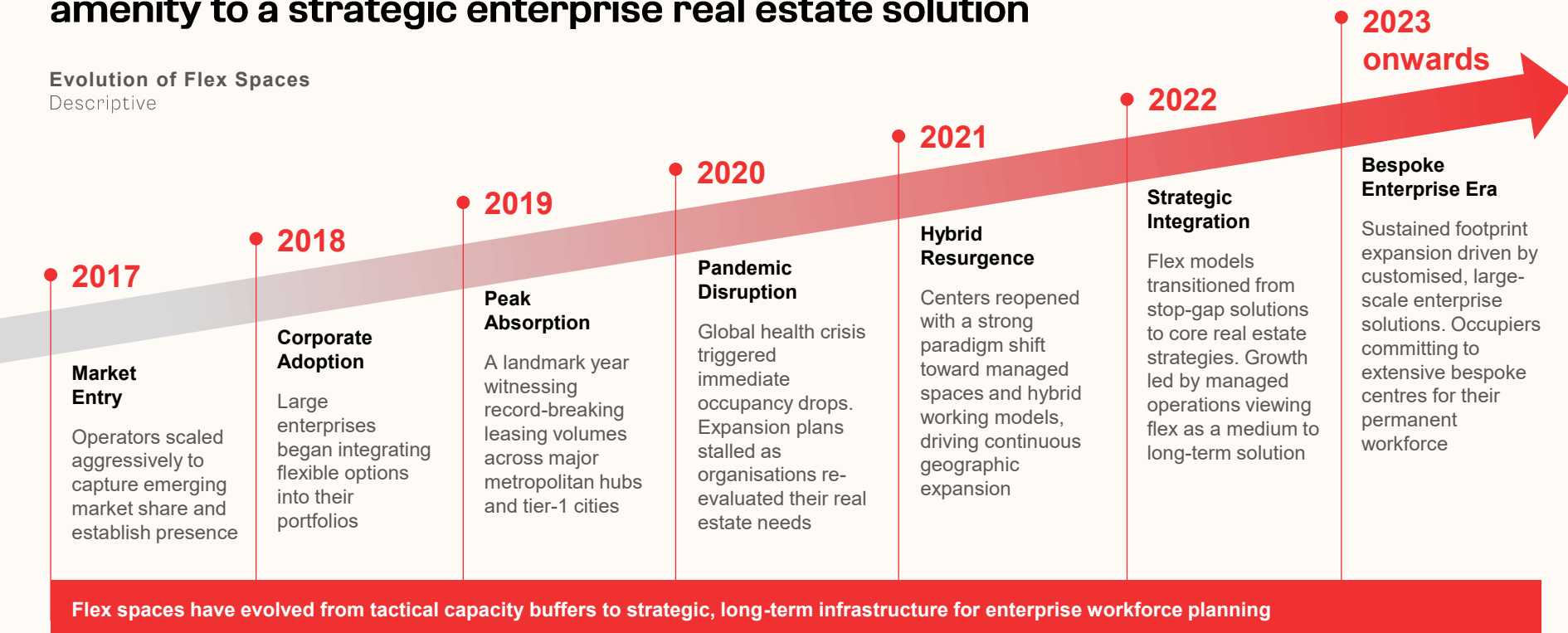


Overall, flex is transitioning from a space solution to an operating model, reshaping how enterprises plan, scale, and manage their real estate footprint

Flex workspaces have evolved from a tactical alternative or startup amenity to a strategic enterprise real estate solution

Evolution of Flex Spaces

Descriptive



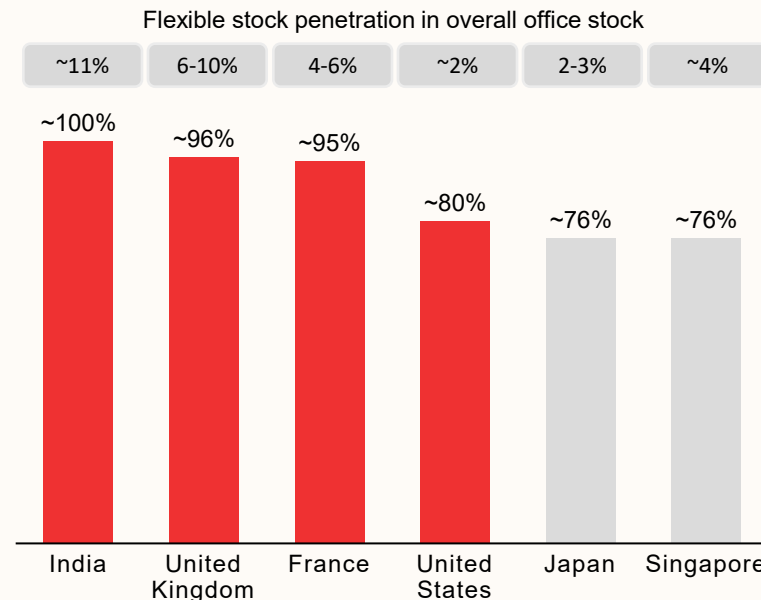
The shift toward flex is a global trend, and India is well-positioned with one of the most mature flex markets in the world

Global Case Studies



Flex market maturity¹ across the world

CY2025, in %



Note(s): 1. Market maturity scored several measures, including flexible inventory as a percent of total office space; the number of flexible providers in a market; leasing activity of flexible providers; the presence of emerging flexible agreement structures; and other variables; 2. Refers to flex stock penetration in top 7 cities office stock

Source(s): Cushman & Wakefield, Nasscom, CII, Zinnov, JLL, CBRE, Colliers, Redseer Research & Analysis

The economics become a significant driver – flex achieves cost advantages against traditional leases with zero capex risk

Cost comparison - traditional vs flex
CY2025

Particulars	Unit	Traditional ¹	Flexible Workspace	
			Premium Flex ³	Managed Space
Office Area	Sq Ft	~30,000		
Employees	# employees	~300	~300	~300
Base rental	INR/Sq Ft/Month	~120		
Capex / Fit-out		~4,80,00,000	Bundled (Customized)	Bundled (Customized)
Maintenance / CAM	INR/Sq Ft/Month	~16	Bundled	Bundled
IT / Utilities cost	INR/employee	~1400	Bundled	Bundled
Parking charges	INR/employee	~450	Bundled	Bundled
Total Monthly Occupancy Cost (capex amortized over 1/3/5 years):				
~1-year horizon	INR/seat	~28,783	~15,422	
~3-year horizon	INR/seat	~20,737	~16,206	~16,601
~5-year horizon	INR/seat	~19,864	~17,043	~15,920

Low High

Capex

Flex removes the largest barrier to entry (~INR 30M capex), enabling faster expansion without capital allocation trade-offs

Maintenance/CAM

Ongoing maintenance costs are absorbed in premium flex/managed models reducing operational overhead

Base rental vs. per seat pricing

Flexible spaces shift from area-based pricing to per-seat pricing. This aligns cost directly with utilisation vs. fixed space commitments. Premium flex has a lower per-seat cost than managed spaces in shorter time horizon due to

Total occupancy cost

Flexible workspaces are cost effective than traditional leasing across 1 to 5 years time horizon

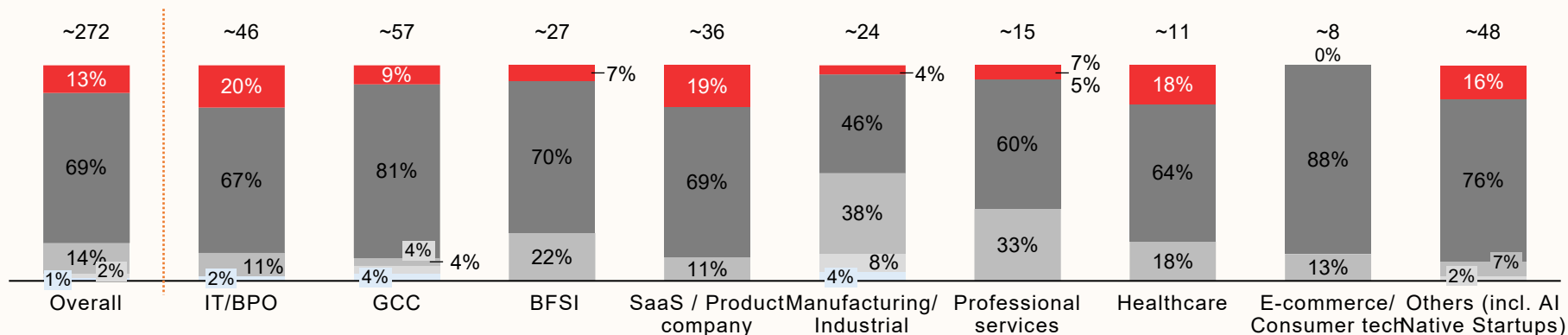
Note(s): 1. Traditional leasing typically involves higher security deposits and longer lock-in periods, resulting in greater capital commitment and reduced financial flexibility 2. Year 1 monthly cost (excluding amortization) stands at INR 46,35,000 for the traditional lease model and INR 46,26,616 for Premium Flex. For Years 2 - 5, monthly costs under the traditional lease model stand at INR 48,83,400, INR 51,45,112, INR 54,20,850, and INR 57,11,366 respectively, while under Premium Flex, they stand at INR 48,57,947, INR 51,00,845, INR 53,55,887, and INR 56,23,681 respectively 3. Premium flex refers to flexible private offices/co-working spaces with little to no customisation 3. Refer to annexure for backend assumptions behind calculations

Enterprises across sectors in India are planning to increase the share of flex in their workplace portfolios over the next 2 years

Change in flex share over the next 2 years¹

N=272, in % of N

■ Significantly larger share ■ About the same ■ Uncertain
■ Somewhat larger ■ Smaller share



Business volatility and Talent mobility

business volatility and talent mobility. Flex enables faster market entry, decentralized hiring, and premium employee experience with significantly

Sandeep | IT/BPO

Agility in Workplace Portfolios

-led workflows and project-based delivery models evolve, we need workspace portfolios that can expand or contract quickly. Managed flexible spaces give us the agility traditional

Shiv | GCC

Premium Workplace Infrastructure

hospitality-grade amenities, technology-enabled infrastructure, and employee-centric environments that are often difficult to replicate across traditional

Ranadeep | SaaS

Note(s): ¹ Survey question: Over the next 2 years, do you expect flex to be a larger, smaller, or similar share of your India workspace portfolio?

Source(s): Nasscom, CII, Zinnov, JLL, CBRE, Colliers, Redseer Research & Analysis

Enterprises are clear on the direction.

The question is:

What are they looking for in a flex partner?

Consistent quality and readiness
across locations

Workspace that helps attract and
retain AI/tech talent

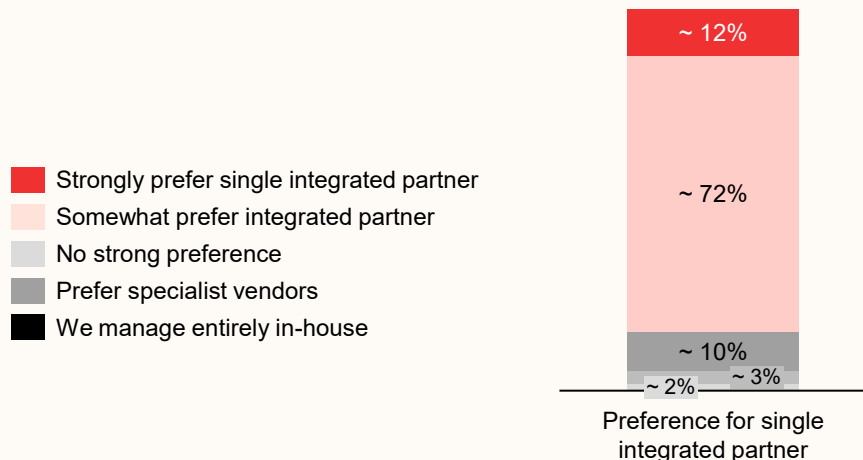
Multi-city delivery capability under a
single partner

84% of enterprises prefer a single integrated workspace partner, though 25% see meaningful gaps in market readiness

Enterprises increasingly prefer a single verified partner across markets to deliver consistent quality and cost advantages

Preference for single integrated workspace partner¹

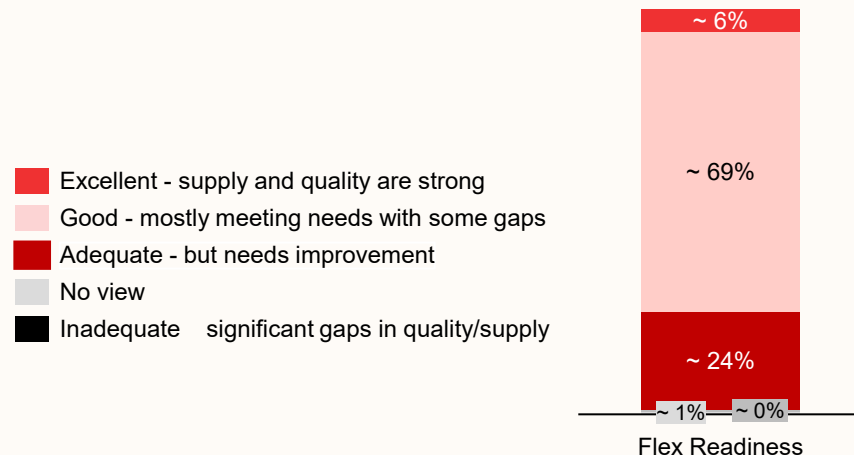
N=272, in % of N



infrastructure seen as adequate, particularly well-suited for smaller and newer firms

Readiness of India flex/managed office market²

N=272, in % of N



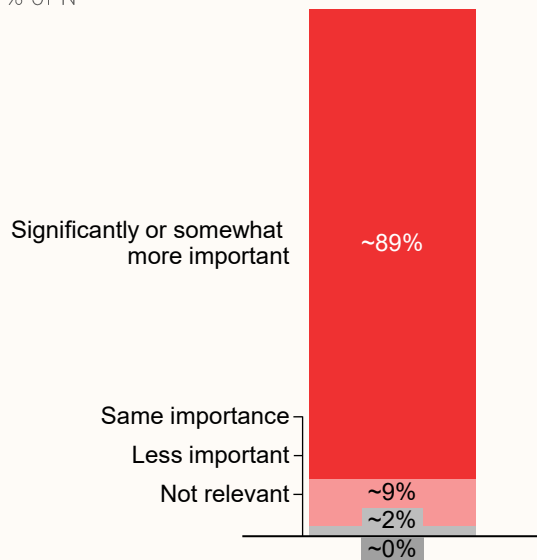
Note(s): 1. Survey question: How important is having a single, integrated workspace partner (space + design + IT + FM + compliance) vs. managing multiple specialist vendors?; 2 Survey question: Overall, how would you rate India's flex / managed office market in terms of readiness to serve AI-era enterprise needs?

Source(s): Redseer Research & Analysis

Workspace quality has become a talent imperative, with 89% saying it matters more than it did two years ago

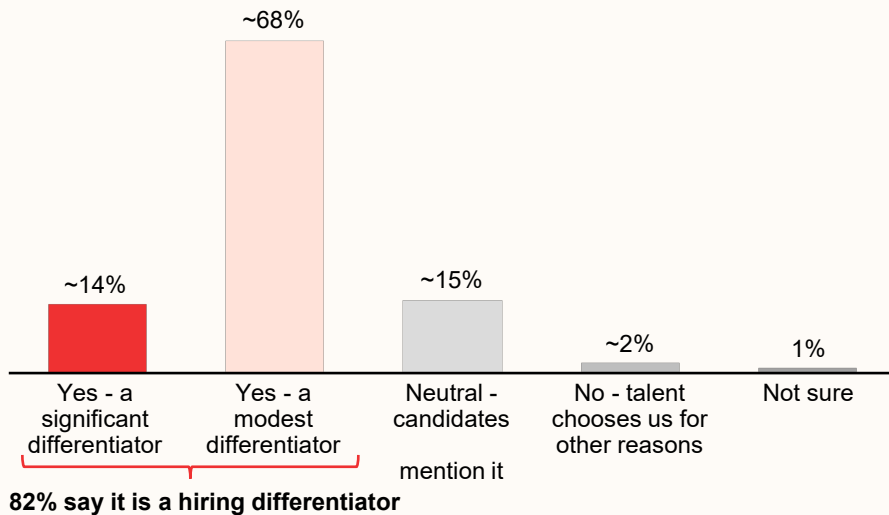
Importance of workplace quality in attracting AI/tech talent compared to 2 years ago

N=272, in % of N



How meaningful is workplace quality in a hiring pitch to AI/ tech talent

N=272, in % of N

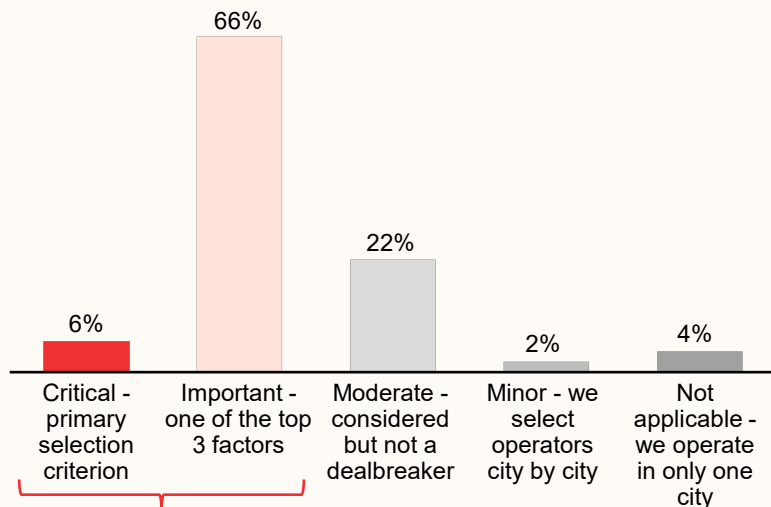


Note(s): 1. Has workspace quality become a more important factor in your ability to attract AI/tech talent compared to 2 years ago?; 2 Survey question: Has workspace quality (building grade, design, amenities) become a meaningful factor in your hiring pitch to AI/tech talent?

72% of enterprises choose flex operators based on multi-city delivery capability, making it a structural driver of flex adoption

Importance of multi-city coverage in flex operator selection

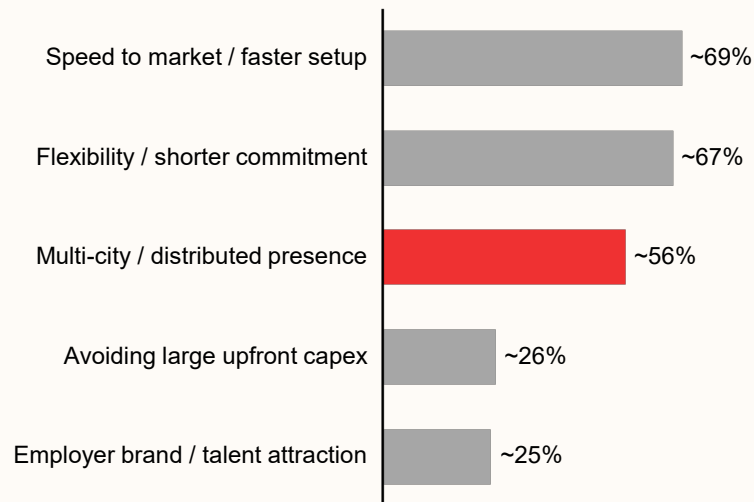
N=272, in % of N



72% critical or important

Primary reason for choosing flex over traditional leases

N=272, select top 3, in % of N

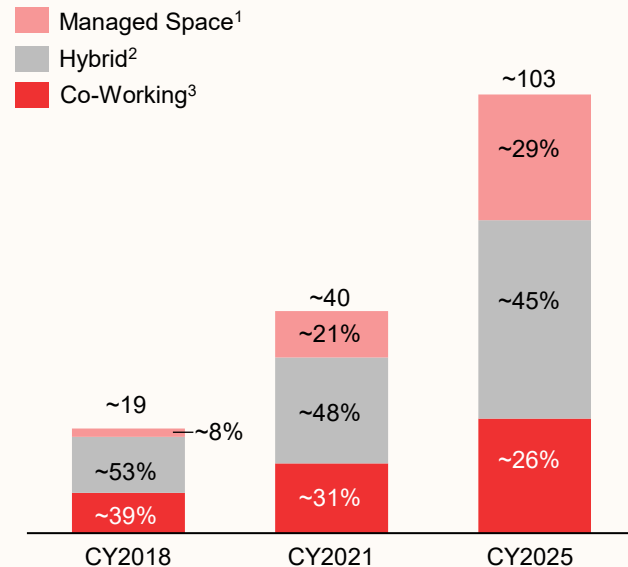


Note(s): 1. Survey question: How important is it that your flex / managed office operator can provide consistent, quality space across their India locations? 2. Survey question: What are the primary reasons you use or would use flex over traditional leases in India? (Select top 3?)

As a result, flex stock has scaled rapidly, led by managed spaces, rising GCC participation and higher sq. ft. leased per seat

Flex stock⁴ - split by type

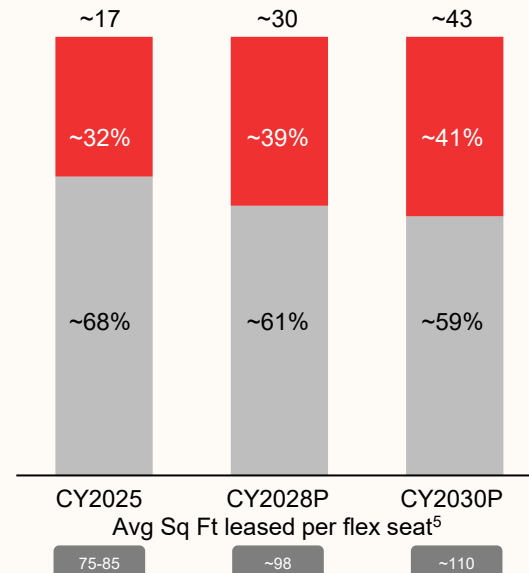
CY2018, CY2021, CY2025, in Mn Sq Ft, %



Annual flex leasing split by GCC and other

CY2025, CY2028P, CY2030P, in Mn Sq Ft, %

Other
GCC



GCC flex leasing is growing ~1.7x faster than other segments, at ~28% CAGR during CY2025-30P, with its share in overall GCC leasing projected to increase from ~18% in CY2025 to ~32% by CY2030P

Flex leasing / incremental flex demand for **CY 2030P** is expected to **exceed the entire India flex stock of CY2020**

Note(s): 1. Managed spaces refers to fully customized, furnished, and serviced workspaces designed to meet specific client requirements; 2. Hybrid spaces refers to fully serviced, mix of open and dedicated desks, meeting rooms and private cabins; 3. Co-working spaces refers to Membership based, social working environment, events and community set up, includes hot /dedicated desks and private offices 4. Stock refers to the square footage of Grade A commercial space that have received a certificate of occupancy and can be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation. It includes both occupied and vacant spaces in such buildings; 5. Includes super build up area (common area, washrooms etc.) as well

Source(s): Nasscom, CII, Zinnov, JLL, CBRE, Redseer Research & Analysis

With premiumization tailwinds and pricing power further expected to materially expand the flex market opportunity

Monthly flex market size scenario analysis
CY2028, in INR Cr

Favourability for flex operator



Base price per seat (CY2025): ~INR 15,422

Base seats leased (CY2028P) - ~305k

Base price per seat (CY2028): ~INR 17,853

Base monthly revenue (CY2028P) - ~544Cr

Change in Flex Base Seats Leased	Change in Flex Base Price Per Seat from CY2025 YoY			
	+5% Inflation	+8%	+10%	+12%
		Driven by premiumization →		
+5%	~571	~621	~657	~693
0%	~544	~592	~625	~660
-5%	~517	~562	~594	~627
-10%	~490	~533	~563	~594
-15%	~462	~503	~532	~561

Increasing premiumization expected to provide additional buffer against potential dips in team sizes

Even with a ~10% decline in seat demand, premiumization-led pricing growth of 10% or higher is expected to offset the impact.

Change in flex seats leased Demand volume movement	Base Annual Price Increase Standard yearly increase	Premiumization uplift Additional pricing uplift from	Net pricing Outcome
Can be negative	Always positive	+	+
		Incremental and over and above base increase	=
			Net positive impact in majority of the scenarios

Even amid fluctuations in flex seat, workplace premiumization driven by workforce seniorisation and higher space requirements per seat is expected to offset a significant part of the impact and support overall market resilience

Structural Drivers of Premiumisation in Flex Workspaces

Workforce seniorization & talent clustering

AI-driven senior talent concentration and collaboration-focused work models are increasing demand for premium, talent-centric flex workspaces

Increase in flexible workspace adoption

Companies are moving from traditional offices to high-spec managed workspaces with greater customization and services

Higher sq ft demand per seat

Collaboration-led workplace design is increasing average space allocation per employee from 80-90 in CY2025 to 95-100 by CY2028P, raising per-seat flex costs

Need for high performance workspaces

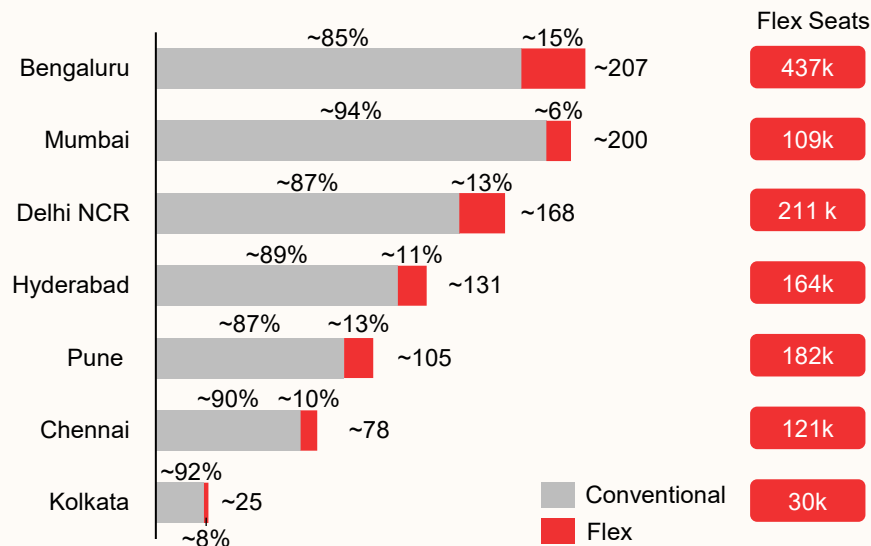
AI teams require always-on, infrastructure-heavy workspaces with high-bandwidth connectivity, resilient power, and 24/7 operational

Note(s): 1. Net increase in the number of flex workspace seats leased compared to base case CY2028 scenario 2. Variation in the average price charged per flex workspace seat YoY from CY2025

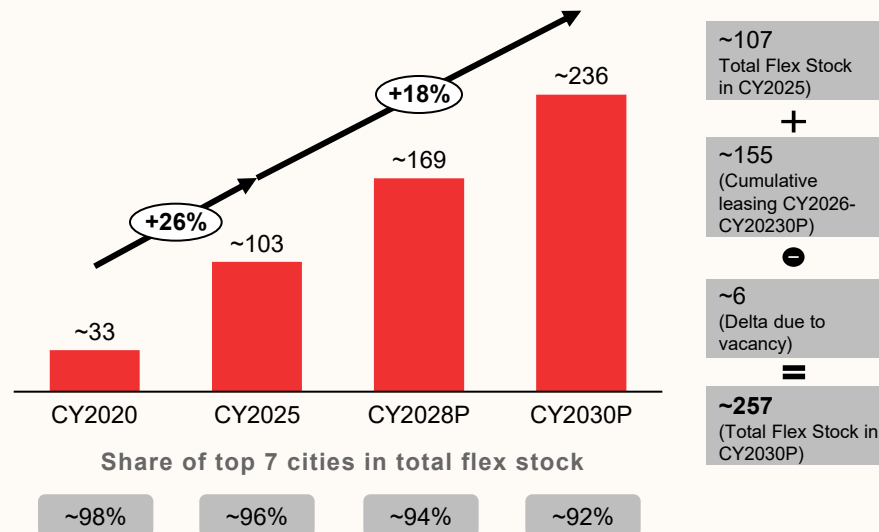
Source(s): Nasscom, CII, Zinnov, JLL, CBRE, Colliers, Redseer Research & Analysis

Flex adoption remains concentrated in metros, with leading cities continuing to account for ~92% of total flex stock by CY2030P

Office stock¹ in top 7 cities split by conventional and flex
CY2025, in Mn Sq Ft, %



Flex stock in top 7 cities
CY2020, CY2025, CY2028P, CY2030P, in Mn Sq Ft



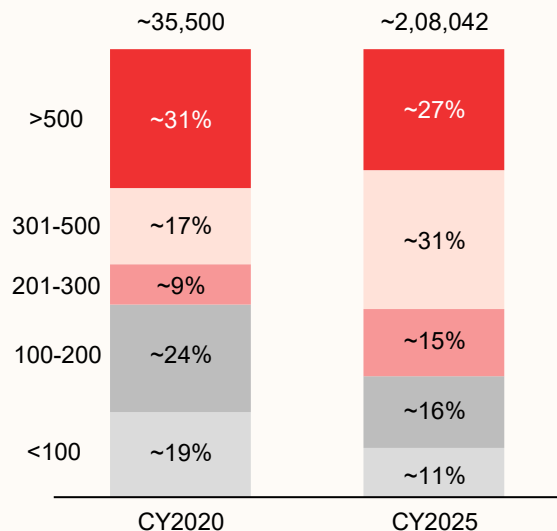
Note(s): 1. Stock refers to the square footage of Grade A commercial space that have received a certificate of occupancy and can be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation. It includes both occupied and vacant spaces in such buildings; 2. Top seven cities include Bengaluru, Mumbai, Delhi NCR, Hyderabad, Chennai, Pune, Kolkata

Source(s): Nasscom, CII, Zinnov, JLL, CBRE, Redseer Research & Analysis

Flexible workspace demand is undergoing structural upscaling, resulting in larger-seat transactions and sectoral diversification

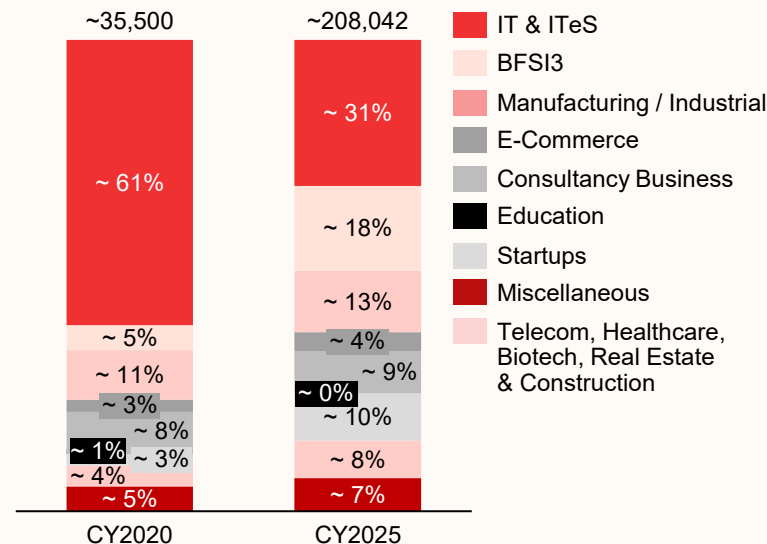
Annual flex seats leasing - split by size of transactions¹

CY2025, # seats, %



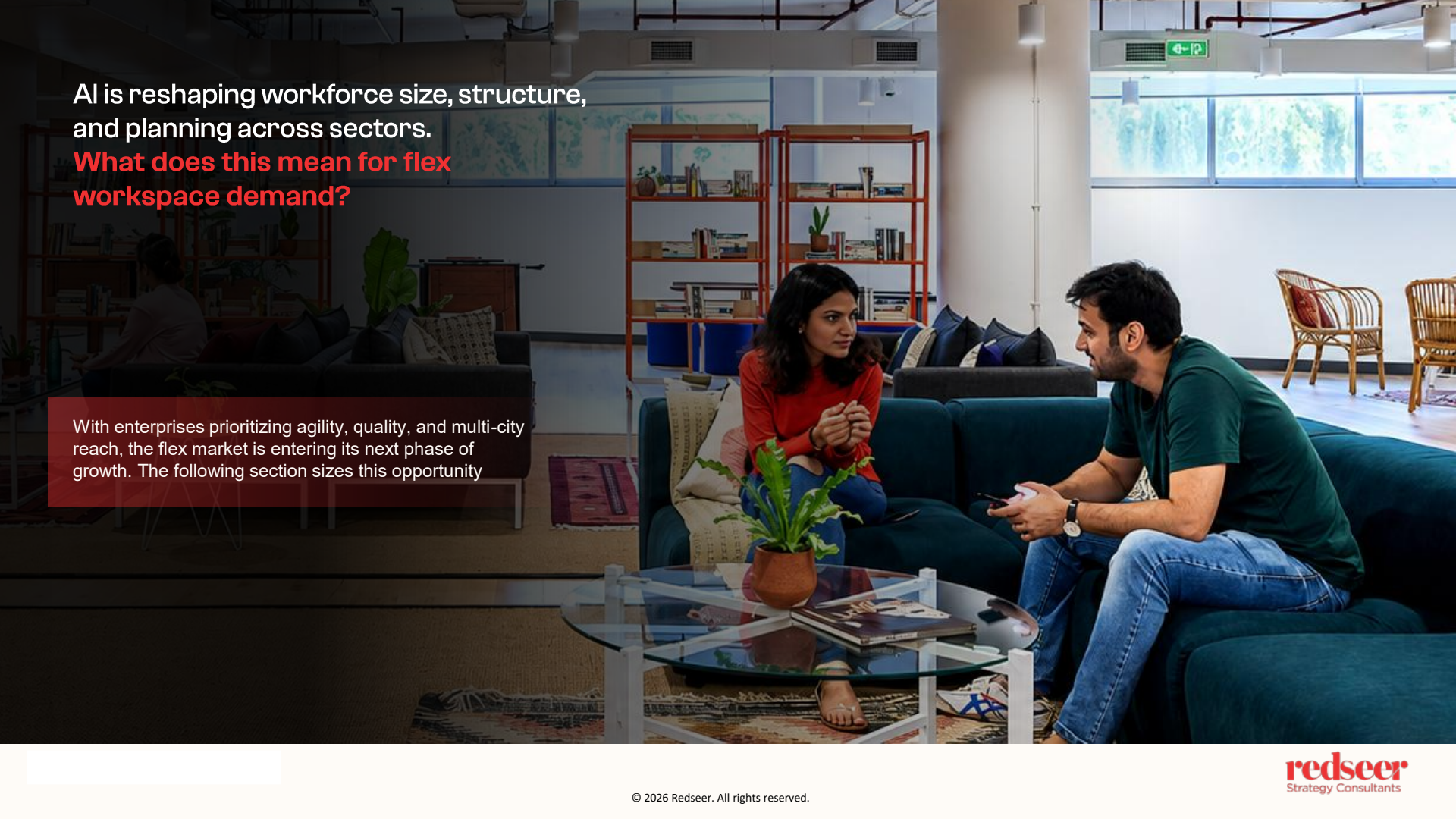
Annual flex seats leasing - split by sector

CY2020, CY2025, # seats, %



Note(s): 1. Size of transactions refer to number of seats leased

Source(s): Nasscom, CII, Zinnov, JLL, CBRE, Redseer Research & Analysis



AI is reshaping workforce size, structure,
and planning across sectors.

**What does this mean for flex
workspace demand?**

With enterprises prioritizing agility, quality, and multi-city reach, the flex market is entering its next phase of growth. The following section sizes this opportunity

AI-led hiring is expected to contribute ~31% of flex seat leasing by CY2030P, emerging as a key driver of future flex demand

Flex seats leasing Monthly
CY2025, CY2028, CY2030P, # seats

CY2025:		AI Led seats: ~14K	Total seats: ~208k	AI Share: ~7%
		Conservative	Base Case	Aggressive
CY2028	AI led seats leased ¹	~38k	~49k	~61k
	Total seats leased	~271k	~305k	~341k
	AI seats share	~14%	~16%	~18%
CY2030	AI led seats leased	~86k	~120k	~158k
	Total seats leased	~323k	~393k	~475k
	AI seats share	~27%	~31%	~33%

Across scenarios, AI-led demand is expected to accelerate flex workspace adoption, driven by rapid GCC expansion alongside the rise of AI-native startups and product companies. While GCCs remain a key demand anchor, the broader non-GCC AI ecosystem is projected to scale faster over time, gradually diversifying the AI flex occupancy mix.

Note(s): 1. AI workforce refers professionals enabling and driving AI development, deployment, and scaling, including both support roles (e.g., software, data, cloud, DevOps, QA) and core specialists (e.g., data scientists, ML/MLOps engineers, AI researchers, GenAI, NLP/CV) focused on building, training, and optimizing AI/ML systems across pipelines, infra and apps

Source(s): Nasscom, CII, Zinnov, JLL, CBRE, Colliers, Redseer Research & Analysis

The thesis, in one page

AI makes flex the structural answer for India's next decade of knowledge work

01

The argument of this report is straightforward

AI is reshaping where and how India works, and the workplace stack must change in response. We map clear **emerging trends** of inflecting adoption, GCCs scaling and specialising, workforce composition shifting senior, planning horizons compressing, and believe that flex is the format that maps to the work that is

02

We do not claim certainty

Whether the demand we project arrives on the timeline we project will depend on factors that sit outside any office model: **data readiness in enterprises, regulatory clarity**, the pace at which compute costs fall, the willingness of incumbents to restructure faster than their cultures want to. **The numbers in this deck are directional, not deterministic**

03

What does hold structurally is the shape of the work.

Teams will be smaller and more senior. **Collaboration will outweigh seat capacity.** Planning cycles will run in years, not decades. A workplace stack built for ten-year leases and fixed footprints was not built for that work. **Flex is**

India's advantages of talent depth, policy posture, and GCC footprint, give it more room than peers to build the operating model for AI-era work. **The decade ahead will reward whoever sees the shift earliest, and operationalises**

ANNEXURE

06

Post the AI wave, India's knowledge-economy office stock is projected to see an incremental ~79 Mn sq. ft. addition between CY2025–30P

Total office stock for knowledge economy
CY2020-2030, in Mn sq. ft.

	Unit	CY2016	CY2022	CY2023	CY2024	CY2025	CY2028P	CY2030P	CAGR 16-22P	CAGR 22-30P	Assumptions
Office stock	Mn Sq Ft	516	763	810	854	915	1098	1239	~7%	~6%	
Share of knowledge economy	%	70%	74%	75%	76%	76%	77%	79%			Gradual increase in knowledge economy share assumed from 70% to 79%
Knowledge economy Office stock	Mn Sq Ft	361	566	606	645	698	847	979	~8%	~7%	
Knowledge economy Office stock Pre AI wave	Mn Sq Ft	361	566	600	635	673	802	900	~8%	~6%	Assumed to grow at a ~1.25% lower CAGR versus the post-AI wave growth trajectory

Compared to the pre-AI trajectory, knowledge economy sectors is projected to create an incremental ~79 Mn sq. ft. of office demand by CY2030P, driven by additional employment generation of ~716k people

Note(s): Knowledge Economy: Sectors where economic value is generated through intellectual activity, skilled human capital, and information processing rather than physical labour or natural resources. For this analysis (refer annexure), the knowledge economy universe includes IT/ITeS, BFSI, E-commerce, Consultancy, Co-working, Pharma/Biotech/Telecom, and Miscellaneous services.

Source(s): Nasscom, CII, Zinnov, JLL, CBRE, Colliers, Redseer Research & Analysis

Traditional workspace economics derived from blended occupancy and operational cost assumptions

Traditional office spaces calculation

Descriptive.

S. No.	Particulars	Assumption	Explanation
1	Building maintenance	~INR 11/sq. ft. per month	Derived using blended maintenance benchmarks across Grade A commercial properties in Bengaluru, Mumbai, Delhi NCR and other metro markets
2	Floor maintenance / cleaning	~INR 5/sq. ft. per month	Reflects blended housekeeping, janitorial and floor maintenance costs across premium commercial office assets and flex operators
3	Utilities (Power / Water)	~INR 11/sq. ft. per month	Based on average commercial utility consumption benchmarks across high-occupancy Grade A office assets in metro cities
4	IT Infrastructure	~INR 3/sq. ft. per month	Includes internet connectivity, networking infrastructure and basic IT support costs benchmarked across premium flex operators
5	Parking & ancillary services	~INR 3,000 per parking user per month	Represents blended parking lease rentals and ancillary workplace service costs across premium commercial office assets
6	Employees availing parking & ancillary services	~15% parking utilisation ratio	Assumes proportion of employees opting for parking and ancillary services based on observed enterprise office utilization patterns
7	Monthly Cost Calculation (Excluding Amortisation) ¹	46,35,000 INR/month for Year 1	Calculated by adding rental and maintenance costs across total office area, along with utilities, IT infrastructure, and parking expenses for applicable employees, excluding fit-out amortization.
8	Monthly Cost Calculation (Including Amortisation) ²	28,783 INR/month for Year 1	Calculated by adding total occupancy costs, utilities, IT infrastructure, and parking expenses, without including fit-out/CapEx amortisation.

Note(s): 1. Calculated by inflating base rent by 5% annually, building maintenance and parking costs by 10%, and floor maintenance, utilities, and IT infrastructure costs by 7%, excluding fit-out / CapEx amortisation. For year 2,3,4,5. 2. Total all-in cost for 3-year and 5-year tenures includes fit-out / CapEx amortisation, calculated by averaging the respective yearly operating costs across the tenure and adding fit-out costs amortised over the total lease duration and employee base.

Source(s): Redseer Research & Analysis

The economics become a significant driver – flex achieves cost advantages against traditional leases with zero capex risk

Premium flex calculation

Descriptive

S. No.	Particulars	Assumption	Explanation
1	Average rental paid by flexible workspace operators	INR 120 per sq. ft. per month	Represents the average rental payable by premium flexible workspace operators across selected micro-markets
2	Bulk leasing discount	8%	Assumes discount availed by operators on account of long-term and large-scale leasing commitments
3	Adjusted rental cost	INR 110.4 per sq. ft. per month	Derived after adjusting the average rental for the assumed bulk leasing discount
4	Revenue-to-rent multiple	2.2x	Represents the assumed revenue markup applied by flexible workspace operators over underlying rental costs
5	Realised revenue per sq. ft.	INR 242.9 per sq. ft. per month	Derived by applying the revenue-to-rent multiple to the adjusted rental cost
6	Average saleable area per employee	45 sq. ft.	Represents the average saleable workspace area allocated per employee

S. No.	Particulars	Assumption	Explanation
7	Occupancy efficiency ratio	73%	Reflects the proportion of employee-occupied area excluding common areas, circulation spaces and washrooms
8	Total area attributable per employee	61.6 sq. ft.	Derived by adjusting the saleable workspace area for the occupancy efficiency ratio
9	Workspace cost per employee	INR 14,972 per seat per month	Calculated based on realised revenue per sq. ft. and total attributable area per employee
10	Monthly parking charges	INR 3,000 per parking user	Represents the assumed monthly parking cost incurred per employee availing parking facilities
11	Parking utilisation ratio	15%	Assumes proportion of employees opting for parking facilities
12	Allocated parking cost per employee	INR 450 per seat per month	Derived by allocating parking costs across the overall employee base
13	Total premium flexible workspace seat cost	INR 15,422 per seat per month	Aggregate of workspace cost per employee and allocated parking cost per employee

Note(s): Annual inflation of 5% has been assumed to arrive at year 2, year 3, year 4 and year 5

Source(s): Redseer Research & Analysis

The economics become a significant driver – flex achieves cost advantages against traditional leases with zero capex risk

Managed space calculation

Descriptive

S. No.	Particulars	Assumption	Explanation
1	Fit-out expenditure	INR 1,750 per sq. ft.	Represents the assumed upfront fit-out and interior development cost for managed office spaces
2	Fit-out amortisation period	5 years	Assumes fit-out costs are amortised over the contractual tenure
3	Average rental cost	INR 120 per sq. ft. per month	Represents the assumed base rental payable for managed office space
4	Operating expenditure Opex	INR 40 per sq. ft. per month	Includes facility management, utilities, maintenance and related operating costs
5	Inflation escalation assumption	5.4% per annum	Assumed annual escalation applicable to rental and operating expenditure
6	Mid-cycle inflation adjustment period	2.5 years	Inflation impact has been applied over the mid-point of the 5-year contractual tenure to reflect average effective escalation during the amortisation period
7	Adjusted rental and operating cost	INR 181.6 per sq. ft. per month	Derived after applying inflation adjustment to rental and operating expenditure

Note(s): Annual inflation of 5% has been assumed to arrive at year 2, year 3, year 4 and year 5

Source(s): Redseer Research & Analysis

S. No.	Particulars	Assumption	Explanation
8	Operator margin	15%	Represents the assumed operating margin earned by managed office operators
9	Realised revenue charged to occupiers	INR 213.7 per sq. ft. per month	Derived by grossing up adjusted costs to incorporate operator margin (i.e., dividing by 85%)
10	Average saleable area per employee	45 sq. ft.	Represents the average saleable workspace area allocated per employee
11	Occupancy efficiency ratio	73%	Reflects the proportion of employee-occupied area excluding common areas, circulation spaces and washrooms
12	Parking charges and utilisation	INR 3,000 per parking user; 15% utilisation	Represents assumed parking charges and percentage of employees availing parking facilities
13	Total managed office seat cost (300 employee centre, 5-year term)	INR 15,920 per seat per month	Derived based on realised revenue per sq. ft., attributable area per employee and allocated parking costs

Methodology



50+ Industry expert interactions

In-depth conversations with C-suite leaders across AI-native startups, BFSI, professional services, consulting,

Targeted discussions with Heads of AI, AI/Analytics CoE leaders, National Real Estate Heads, and Heads of Talent Acquisition across enterprises

Company Type	N
	17
IT Services & BPO	7
AI-native Startups (<5 yrs)	7
SaaS & Product-led	5
BFSI	3
Domestic Enterprise	3
Prof. Services / Consulting	2
	2
E-commerce/ Consumer tech	2
Total	50



~272 Quant

Company Type	N
	85
IT Services & BPO	40
AI-native Startups (<5 yrs)	30
SaaS & Product-led	30
BFSI	20
Domestic Enterprise	20
Prof. Services / Consulting	15
	15
E-commerce/ Consumer tech	5
Total	270

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