

0.41 msf GROSS LEASING (Q3 2023)

27.59 msf INVENTORY (Q3 2023)

2.83 msf UPCOMING SUPPLY (Q4 2023-25)

MARKET INDICATORS OVERALL Q3 2023

	Q3 2022	Q3 2023	12 month Forecast
Overall Vacancy	31.5%	25.4%	▼
Weighted Average Net Asking Rents (INR/sf/month)	48.1	48.6	▲
YTD Net Absorption (sf)	578,200	1,087,252	▲

Healthy momentum in quarterly lease volumes led by the IT sector

Kolkata witnessed gross leasing volumes of 0.41 msf in Q3, an 87% growth on a quarterly basis and a 40% expansion on a Y-O-Y basis. YTD GLV stood at 1.25 msf, a 52% growth compared to the same period last year. Net absorption was recorded at 0.34 msf in Q3, a growth of 80% and 29% on qoq and yoy basis respectively. YTD net absorption crossed the 1 msf mark for the first time in the post Covid period and stood at around 1.1 msf, an 88% growth in comparison to the same period last year. The IT-BPM sector remained dominant in quarterly leasing volumes contributing over 60% of the GLV, followed by the flex sector which held a share of around 12% on the back of expansion in footprint by reputed national operators. With a healthy active deal pipeline comprising multinational professional services and engineering firms, office space take-up is expected to remain strong in the near future. Salt Lake Sector V accounted for nearly 90% of quarterly GLV with a large space take-up by a multinational IT-BPM firm. Rajarhat and CBD accounted for remainder of the quarterly GLV.

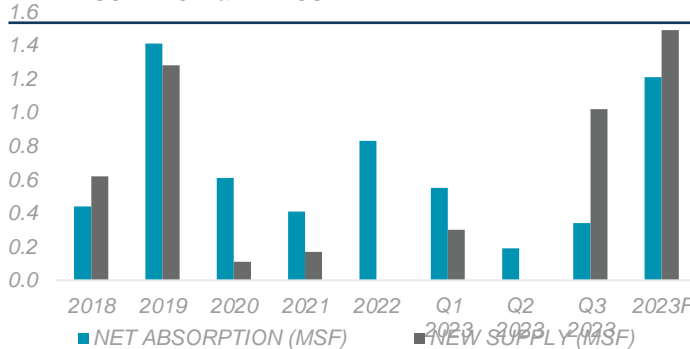
Highest quarterly supply addition in the post Covid period

After a prolonged period, Kolkata recorded good supply addition of about 1.0 msf in Q3. Salt Lake Sector V accounted for around 68% of this supply, while CBD submarket contributed the balance. With more supply expected in Q4 this year and first half of next year in Salt Lake Sector V and Park Circus Connector micromarkets, shortage of quality Grade A office spaces is likely to be addressed soon. A number of projects are in various stages of construction and are likely to hit the market over next 5-6 quarters. City wide vacancy levels maintained its declining trend in the quarter, particularly across premium projects in prime office corridors such as Salt Lake Sector V and Rajarhat.

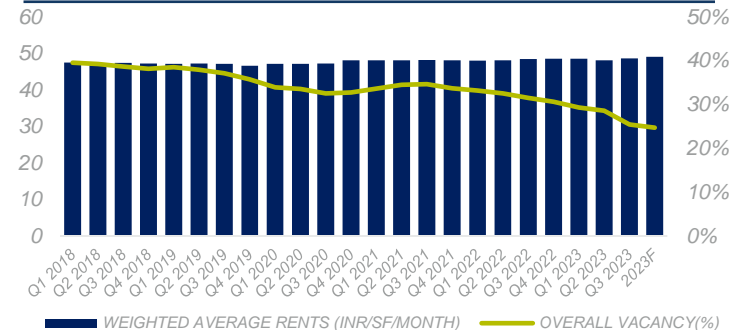
Stable city-wide rentals; premium projects witness an uptick in rentals

City-wide rentals remained largely unchanged in comparison to the previous quarter. However, rentals are gradually moving up in certain projects across prime office corridors such as Salt Lake Sector V and Rajarhat which have recorded healthy space take-up and lower vacancies. Headline rentals for the city could start moving up gradually in the next 6-12 months supported by healthy leasing momentum.

NET ABSORPTION & NEW SUPPLY



OVERALL VACANCY & WEIGHTED AVERAGE ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	VACANCY	YTD GROSS LEASING ACTIVITY# (SF)	PLANNED & UNDER CONSTRUCTION (SF)^	YTD CONSTRUCTION COMPLETIONS (SF)	YTD NET ABSORPTION (SF)	GRADE A WTD. AVG. RENT*		
							INR/SF/MO	US\$/SF/YR	EUR/SF/YR
CBD	1,872,454	27.3%	48,850	0	322,380	35,750	108.11	15.76	14.78
Park Circus Connector	710,260	17.1%	0	600,000	0	0	82.00	11.97	11.22
Rashbehari Connector	1,413,780	30.8%	0	0	0	0	80.40	11.68	10.95
Rajarhat	10,587,434	20.9%	327,828	569,643	300,000	252,828	39.10	5.69	5.34
Sector-V, Salt Lake*	13,009,650	28.5%	876,547	1,656,360	700,000	798,674	46.00	6.71	6.29
TOTAL	27,593,578	25.4%	1,253,225	2,826,003	1,322,380	1,087,252	48.60	7.09	6.65

The report highlights Grade A details only.

^ Includes planned & under construction projects until 2024

Net absorption refers to the incremental new space take-up

#YTD gross leasing activity includes pre commitments and term renewals

*Weighted average asking rental rates for vacant spaces that provide core facility, high-side air conditioning and 100% power back up

IT-BPM – Information Technology – Business Process Management

Key to submarkets:

CBD – Park Street, Camac Street, AJC Bose Road, Theatre Road

US \$ 1 = INR 82.21 € 1 = INR 87.68

Numbers for the third quarter are based on market information collected until 20th September 2023

KEY LEASE TRANSACTIONS Q3 2023

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Merlin Infinite	Sector V, Salt Lake	Bajaj Finance	30,000	Fresh Lease
Millennium City	Sector V, Salt Lake	Northern IT	25,000	Fresh Lease
Siddha Esplanade	CBD	Awfis	25,000	Fresh Lease
South City Business PARK	Sector V, Salt Lake	Loreal	20,000	Fresh Lease
Globsyn Crystals	Sector V, Salt Lake	Regus	13,773	Fresh Lease

SIGNIFICANT PROJECTS PLANNED AND UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION
Arch Square	Sector V, Salt Lake	NA	167,360	Q4 2023
Ideal Unique Centre	Park Circus Connector	NA	600,000	Q2 2024
Emami Business Bay	Sector-V, Salt Lake	NA	264,000	Q1 2025

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