




0.71 msf NET ABSORPTION (Q4 2019)**0.53 msf** NEW COMPLETIONS (Q4 2019)**1.69 msf** UPCOMING SUPPLY (2020 - 2022)**MARKET INDICATORS OVERALL
Q4 2019**

Q4 2018 Q4 2019 12 month
Forecast

Overall Vacancy	38.1%	35.7%	
Weighted Average Net Asking Rents (INR/sf/month)	47.2	46.6	
YTD Net Absorption (sf)	441,797	1,411,700	

Big-ticket transactions help push leasing activity by 3X in 2019

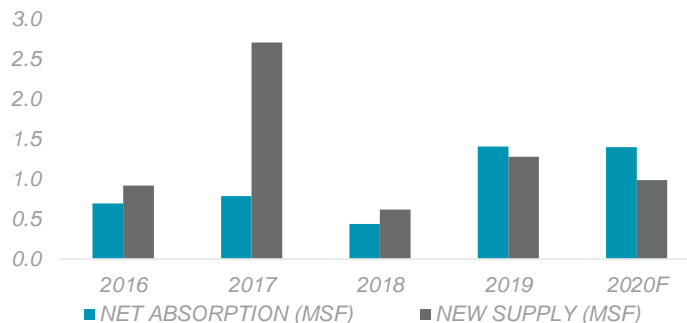
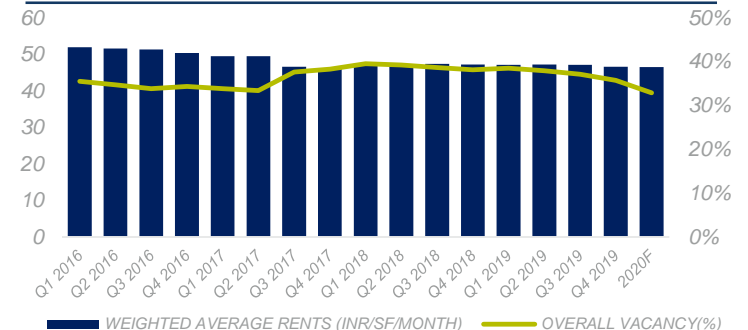
Q4 lent a strong finish to the year with the quarter's leasing at 0.98 msf surpassing the combined leasing activity in the previous three quarters. Large transactions (above 100,000 sf) were instrumental in helping push the leasing activity in Kolkata to grow threefold during the year. Such transactions contributed more than half of the annual leasing which stood at a relatively healthy 1.83 msf in 2019. Rajarhat accounted for the major share with a 48% contribution annually, closely followed by Salt Lake at 45%. Leasing during the year was led by the IT-BPM segment with a 40% share with engineering & manufacturing occupiers contributing 21%. BFSI and professional services had respective shares of 12% and 7% in leasing during 2019. Large IT-BPM transactions in Rajarhat contributed to this increase. Net absorption in 2019 also recorded a healthy 3X rise compared to the 2018 levels due to the positive momentum in office leasing.

Vacancy declines with improved office demand

Strong office leasing led to a 140 bps q-o-q decline in vacancy which still remained high at 35.7%. Kolkata also recorded a new SEZ supply addition of 0.5 msf in the Rajarhat submarket with healthy leasing activity also recorded in the same project. The city's Grade A inventory stood at 26.4 msf at the end of Q4 2019. Overall rents remained largely range-bound with sufficient availability of space keeping the market conditions favourable for occupiers. However, the new supply addition was being offered at a 10-15% premium over the prevailing market rates for the operational towers of the project.

New supply scheduled for completion in core city areas

The submarkets of Theatre Road (CBD) and Park Circus Connector are likely to witness new supply addition in H1 2020. The momentum in office leasing may sustain, even though the market has remained relatively slow-moving. Rents are likely to exhibit a stable trend with adequate availability of space in all markets. Flexible workspace operators are likely to expand in the city while IT-BPM along with engineering and manufacturing segments shall remain the major demand drivers.

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	1,375,174	24.3%	72,437	110,500	0	55,686	107.87	18.16	16.40
Park Circus Connector	710,260	22.0%	13,400	600,000	0	23,169	90.17	15.18	13.71
Rashbehari Connector	1,413,780	41.0%	41,400	0	0	48,067	78.02	13.14	11.86
Rajarhat	10,287,434	28.3%	880,479	0	534,445	476,974	36.98	6.23	5.62
Sector-V, Salt Lake	12,597,890	43.2%	820,242	977,360	743,000	807,804	43.34	7.30	6.59
TOTAL	26,384,538	35.7%	1,827,958	1,687,860	1,277,445	1,411,700	46.58	7.84	7.08

The report highlights Grade A details only.

^ Includes planned & under construction projects until 2022

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 71.26 € 1 = INR 78.92

Numbers for the fourth quarter are based on market information collected until 20th December 2019

KEY LEASE TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	TENANT	SF	TYPE
DLF IT Park II	Rajarhat	Cognizant	300,000	Expansion
DLF IT Park I	Rajarhat	L&T	160,000	Relocation
Candor TechSpace Tower C2	Rajarhat	Accenture	36,274	Expansion
Godrej Waterside	Sector-V, Salt Lake	I-PAC	34,000	New Lease
Godrej Waterside	Sector-V, Salt Lake	Serco	23,850	Expansion

SIGNIFICANT PROJECTS PLANNED AND UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION
Unimark Asian	CBD	NA	110,500	Q1 2020
Ideal Unique Centre	Park Circus Connector	NA	600,000	Q2 2020
Aurora Waterfront	Sector-V, Salt Lake	NA	110,000	Q2 2020
Arch Square	Sector-V, Salt Lake	NA	167,360	Q4 2020
Imagination	Sector-V, Salt Lake	NA	700,000	Q4 2021

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