


**0.48 msf** NET ABSORPTION (Q1 2020)

**0 msf** NEW COMPLETIONS (Q1 2020)

**1.69 msf** UPCOMING SUPPLY (2020 - 2022)

**MARKET INDICATORS OVERALL  
Q1 2020**

Q1 2019    Q1 2020    12 month  
Forecast

Overall Vacancy	38.5%	33.9%	▲
Weighted Average Net Asking Rents (INR/sf/month)	47.1	47.1	■
YTD Net Absorption (sf)	350,859	477,638	▼

**One large transaction supports a somewhat strong start for leasing activity in 2020**

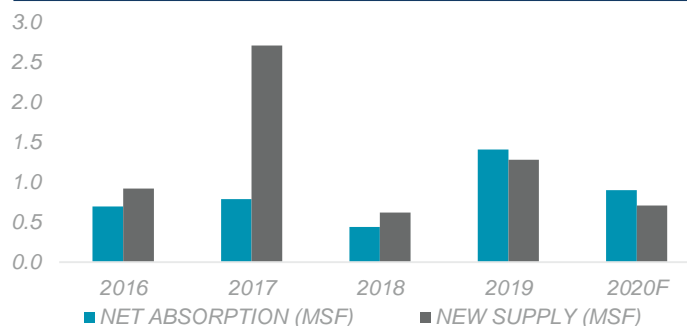
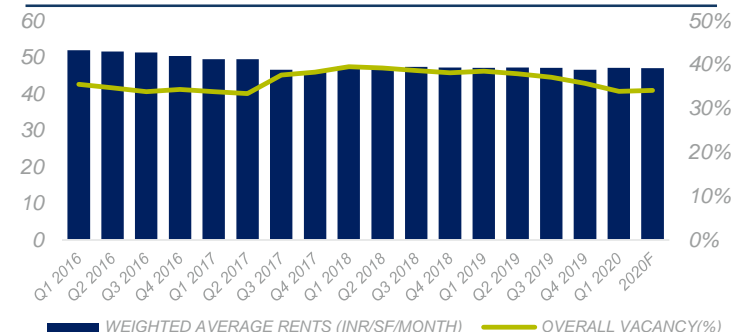
The year started on a relatively strong note with the city recording a gross leasing of 0.51 msf, albeit led by a singular large transaction (above 100,000 sf) in Rajarhat. Infact as a result, the Rajarhat submarket accounted for a 95% share in gross leasing for the first quarter. Availability of large contiguous spaces in Grade A projects at competitive rentals is a key driver for sustained occupier interest in this submarket. The Salt Lake submarket has continued to be the most active market, but this quarter accounted for a mere 4% share in gross leasing. Leasing during the quarter was led by the IT-BPM segment with an 84% share followed by e-commerce with a share of 8%. Flexible workspace segment saw the entry of a new market player with a centre in Salt Lake, even though the segment had a 2% share in overall leasing. Net absorption for the quarter stood at 0.48 msf on the back of strong space take-up. Demand for office space in the upcoming months is expected to remain muted as occupiers will evaluate the impact of the COVID-19 pandemic on business performance. Companies are likely to exercise prudence while taking decisions on new space take-up or any plans for expansion. The earlier envisaged space take-up plans might also get curtailed atleast in the short to medium term.

**Vacancy declines due to positive leasing in a zero supply addition environment**

Vacancy declined by a significant 179 bps q-o-q to 33.9%, backed by the leasing activity in the quarter and no new corresponding supply addition in Q1. Overall rents remained unchanged with adequate space availability that continued to skew the market conditions in favour of the occupiers. While no upward revision is expected in rents, the demand for renegotiations and rent waivers in the current market conditions is only likely to put a downward pressure on market rents in the short term.

**Part of the new supply scheduled for completion expected to be deferred**

Construction activity being stalled amidst the prevailing market uncertainty and delays expected on account of labour and raw material re-mobilisation going forward due to COVID-19 is likely to defer scheduled project completions. The submarkets of Theatre Road (CBD) and Park Circus Connector are likely to witness new supply infusion by end of 2020, while supply addition in Salt Lake is expected to be deferred to 2021.

**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%	0	110,500	0	0	107.72	16.94	15.79
Park Circus Connector	710,260	22.5%	0	600,000	0	(3,544)	89.51	14.08	13.12
Rashbehari Connector	1,413,780	40.8%	3,000	0	0	3,000	77.99	12.27	11.43
Rajarhat	10,287,434	23.9%	488,008	0	0	457,443	37.28	5.86	5.47
Sector-V, Salt Lake	12,597,890	43.0%	20,912	977,360	0	20,739	43.32	6.81	6.35
<b>TOTAL</b>	<b>26,384,538</b>	<b>33.9%</b>	<b>511,920</b>	<b>1,687,860</b>	<b>0</b>	<b>477,638</b>	<b>47.13</b>	<b>7.41</b>	<b>6.91</b>

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 76.30 € 1 = INR 81.85

Numbers for the first quarter are based on market information collected until 20<sup>th</sup> March 2020

## KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Mani Casadona	Rajarhat	Capgemini	400,000	Expansion
DLF IT Park I	Rajarhat	Flipkart	40,000	New Lease
Candor TechSpace Tower C1	Rajarhat	Indorama	17,443	Expansion
PS Srijan Corporate Park	Sector-V, Salt Lake	Akasa Coworking	11,000	New Lease
Ecocentre	Sector-V, Salt Lake	Mentor Graphics	8,500	New Lease

## SIGNIFICANT PROJECTS PLANNED AND UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION
Unimark Asian	CBD	NA	110,500	Q4 2020
Ideal Unique Centre	Park Circus Connector	NA	600,000	Q4 2020
Aurora Waterfront	Sector-V, Salt Lake	NA	110,000	Q1 2021
Arch Square	Sector-V, Salt Lake	NA	167,360	Q2 2021
Imagination	Sector-V, Salt Lake	NA	700,000	Q4 2022

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