

6.3% MALL VACANCY RATE (Q4 2021)

0.28 msf MALL SUPPLY BY Q2 2022

4.71 msf MALL INVENTORY (Q4 2021)

ECONOMIC INDICATORS Q4 2021

	2020	2021	2022 Forecast
GDP Growth	-7.3%	9.2%	8.5%
CPI Growth	6.1%	5.3%	5.0%
Consumer Spending	-8.5%	6.3%	7.2%
Govt. Final Expenditure Growth	5.7%	10.8%	9.7%

Source: Oxford Economics, IMF, RBI

Festive season drove retail recovery in Q4

Kolkata's retail leasing remained in the positive territory in Q4 on the back of improving consumer sentiments and higher discretionary spending induced by the festive season. Mall footfalls recovered to around 75-80% of pre-Covid levels with retailers across sectors such as jewellery, apparel, cosmetics and consumer electronics witnessing robust sales transactions. In fact, some retailers reported sales above pre-Covid levels with festive season offers and incentives attracting consumers and resulting in a sharp improvement in sales conversions. Leasing momentum in certain Grade A malls in the CBD micromarket saw an uptick. Business sentiments across the city's F&B sector improved significantly driven by a sharp spurt in dine-ins though takeaways and home deliveries continued across both small eateries and bigger, upscale restaurants. A number of retailers have reportedly been finalizing their expansion plans and looking for space in Grade A malls to leverage the growth opportunities ahead. Leasing activities at some of the city's prominent main streets continued to show strength with Park Street in the CBD micromarket and Baguihati and Kankurgachi at SBD witnessing retail space leasing by leading jewellery and sportswear brands.

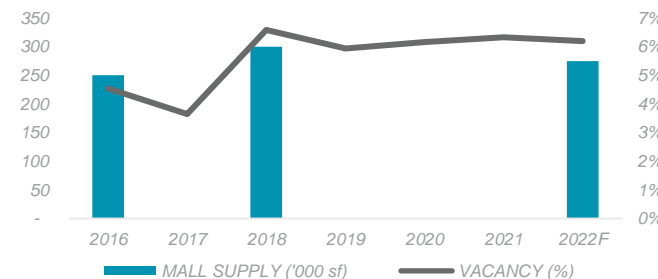
Third wave concerns threatens immediate recovery; near-to-medium term impact is limited

Despite the leasing and sales growth momentum in Q4, concerns surrounding the re-emergence of Covid-19 and rising number of cases surfaced once again towards the end of the year. With local government authorities imposing capacity restrictions and social distancing norms, footfalls may start to dwindle again. A number of retailers started expressing concerns on potential adverse business impact, especially since the early months of the year is expected to drive post festive stock clearance sales. However, the impact on the city's malls and the broader retail sector is likely to be limited as compared to the first and second Covid waves. A complete lockdown has been ruled out by the government due to better health infrastructure and faster vaccinations, which will reduce hospitalizations. Retail establishments have been allowed to function though they are likely to witness a near term decline in evening and weekend business. There was no new supply in Q4 but 0.28 msf of supply is expected in Q2 2022.

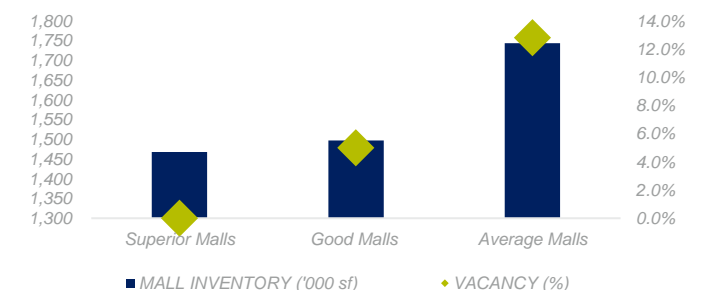
Mall rentals unchanged; main streets rentals witness marginal recovery

Quoted rentals at the city's Grade A malls remained unchanged on a quarterly basis though there has been a move towards pre-Covid rentals in certain malls on the back of business recovery. In most properties, however, revenue share arrangements continued with retailers sharing a larger proportion of their revenues with the landlords/developers. Near term Covid-induced uncertainty could possibly bring back rental negotiations. Landlords are likely to be accommodative for a limited period after conducting thorough business assessments. Revenue share agreements will remain in place and rental discounts might be provided on a case-to-case basis. City-level mall vacancy rate remained unchanged at 6.3% in Q4 on the back of tight vacancies in Grade A superior malls. Prominent main streets such as Park Street, Camac Street and Theatre Road witnessed marginal recovery in rentals of around 2-3% qoq.

MALL SUPPLY / VACANCY



CATEGORY-WISE STOCK / VACANCY



MARKET STATISTICS

PRIME RETAIL RENTS - MAIN STREETS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q ** CHANGE	Y-O-Y CHANGE
Park Street (CBD)	470	67	77	3%	-2%
Camac Street (CBD)	380	54	62	2%	-3%
Lindsay Street (CBD)	375	54	61	0%	-6%
Elgin Road (CBD)	270	39	44	0%	-2%
Theatre Road (CBD)	205	29	34	3%	0%
Gariahat (South)	250	36	41	0%	0%
Shyambazar (North)	125	18	20	4%	-11%
Hatibagan (North)	130	19	21	4%	-7%
Kankurgachi (North East)	165	24	27	0%	-8%
VIP Road (North East)	120	17	20	3%	-8%
PRIME RETAIL RENTS - MALLS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q ** CHANGE	Y-O-Y CHANGE
South Kolkata	440	63	72	0%	0%
East Kolkata	415	59	68	0%	0%
Rajarhat/New Town	130	19	21	0%	0%
Elgin Road	500	71	82	0%	-3%
Howrah	190	27	31	0%	-8%
Park Circus	600	86	98	0%	0%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
 US\$ 1 = INR 73.30, € 1 = INR 84.04

Note: The above mentioned asking rentals are similar to those that were prevalent during Q3 2021, except for certain prominent main streets that have witnessed a marginal recovery in post Covid rentals. Mall rentals have remained largely stable during Q4 2021 on a quarterly basis. We shall continue to monitor the retail rental scenario in the coming quarters, especially against the backdrop of Covid re-emergence towards the end of Q4 2021.

SIGNIFICANT LEASING TRANSACTIONS Q4 2021

PROPERTY	LOCATION	TENANT	SF
Main Street	Kankurgachi	BlueStone	1800
Main Street	Park Street	Decathlon	800
Quest Mall	Park Circus	Address Home	2000
Forum Mall	Elgin Road	Little Shop Toys	2000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Genexx Square	Joka	275,000	Q2 2022

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