


**210,474 sf** GROSS LEASING (Q1 2022)

**26.27 msf** INVENTORY (Q1 2022)

**1.85 msf** UPCOMING SUPPLY (2022 - 2024)

**MARKET INDICATORS OVERALL  
Q1 2022**

Q1 2021      Q1 2022      12 month  
Forecast

Overall Vacancy	32.3%	30.6%	▼
Weighted Average Net Asking Rents (INR/sf/month)	48.1	48.0	■
Net Absorption (sf)	178,857	119,500	▲

**Kolkata office market on the recovery path led by flex space leasing**

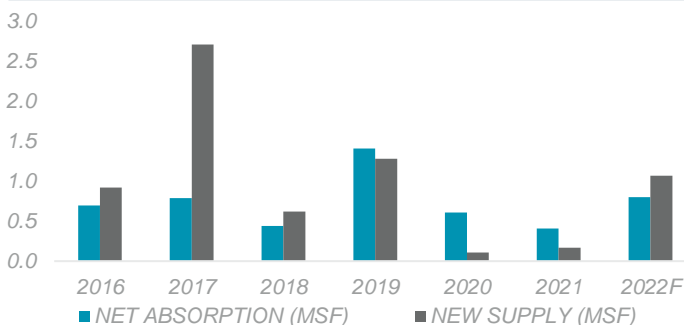
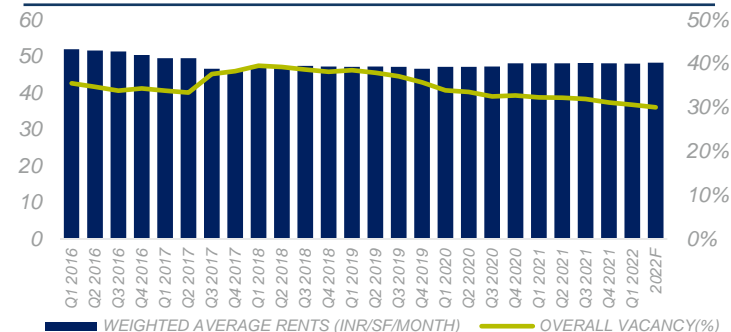
Despite the onset of the third Covid wave and temporary disruption in office market activity, Kolkata's office market witnessed steady momentum in the new year. Gross leasing volumes stood at 210,474 sf in Q1, up by 13.1 % on a yoy basis but lower on a quarterly basis. Last quarter's strong leasing volume was largely owing to one single major transaction in the IT space. Office enquiries have been rising in the city as occupiers looking to bring employees back to workplaces in a phased manner. Fresh leases comprised all of the transaction volume in the current quarter, which is encouraging and possibly suggests that occupiers are moving ahead with their expansion plans. Flexible workspace sector drove fresh leasing in the quarter, accounting for around 37% of gross leasing volumes, followed by IT-BPM and engineering & manufacturing with shares of around 27% and 17% respectively. Attractiveness of flex spaces remains unabated given occupier's focus on flexibility, cost control and risk management. A prominent Indian IT company has formally inaugurated its development centre in the city, having plans to increase its hiring over next few quarters. Salt Lake Sector V, the chief office corridor of the city, dominated leasing activity with a share of 72% in quarterly leasing volumes. Net absorption stood at 0.12 msf for the quarter.

**New supply expected to increase with developers looking to address higher demand**

There was no new supply addition in Q1. However, a number of new developments are underway which is likely to be completed or are expected to get the occupancy certificates (OC) over next couple of quarters. The city is expected to record new supply of around 1.1 msf in 2022 primarily across Park Circus Connector and Rajarhat micromarkets, which will cater to rising demand for premium office space in the city. As the city's IT sector continues to expand and attracts investments, office demand is likely to rise further in the medium term. City wide vacancy levels moved down by 50 bps on a quarterly basis to 30.6% and is expected to decline further in the next 2-3 quarters given the positive outlook on office demand.

**Rentals stable in Q1 but could bottom out in the next few quarters**

City wide office rentals remained unchanged in the quarter and occupier-friendly conditions continued in the market. However, given the improving demand conditions and limited supply of Grade A properties, rentals could likely bottom out in the next few quarters.

**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	1,550,074	27.9%	43,015	84,500	0	0	110.40	18.07	15.76
Park Circus Connector	710,260	22.1%	2,300	600,000	0	2,300	80.00	13.09	11.42
Rashbehari Connector	1,413,780	37.2%	13,600	0	0	0	75.00	12.28	10.71
Rajarhat	10,287,434	23.6%	0	300,000	0	0	37.35	6.11	5.33
Sector-V, Salt Lake*	12,309,650	36.5%	151,559	867,360	0	117,200	42.67	6.88	5.99
<b>TOTAL</b>	<b>26,271,198</b>	<b>30.6%</b>	<b>210,474</b>	<b>1,851,860</b>	<b>0</b>	<b>119,500</b>	<b>48.01</b>	<b>7.88</b>	<b>6.87</b>

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

\*Grade A inventory in Salt Lake has been adjusted by excluding a project which does not fit into the definition of Grade A.

US \$ 1 = INR 75.06 € 1 = INR 83.82

Numbers for the first quarter are based on market information collected until 20<sup>th</sup> March 2022

## KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Globsyn Crystal	Sector V, Salt Lake	Mpokket	32,859	Fresh Lease
Godrej Genesis	Sector V, Salt Lake	Akasa	31,000	Fresh Lease
Infinity IT Lagoon	Sector-V, Salt Lake	Zensar Technologies	12,000	Fresh Lease
Godrej Genesis	Sector-V, Salt Lake	Bajaj Auto	11,500	Fresh Lease
Asyst Park	Sector V, Salt Lake	Urban Company	11,500	Fresh Lease

## SIGNIFICANT PROJECTS PLANNED AND UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION
PS Abacus	Rajarhat	NA	600,000	Q2 2022
Ideal Unique Centre	Park circus Connector	NA	600,000	Q3 2022
Arch Square	Sector-V, Salt Lake	NA	167,360	Q3 2022

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