

**1.40 msf** WAREHOUSING TRANSACTION  
VOLUME H1 2022

**1.16 msf** WAREHOUSING TRANSACTION  
IN NH6 SUBMARKET H1 2022

**1.0 msf** SUPPLY ADDITION IN H1 2022

#### ECONOMIC INDICATORS Q2 2022

	2021	2022	2023 Forecast
GDP Growth	9.0%	7.2%	7.0%
CPI Growth	5.3%	6.7%	5.0%
Consumer Spending	6.3%	7.5%	7.8%
Govt. Final Expenditure Growth	10.8%	9.7%	8.5%

Source: Oxford Economics, IMF, RBI

### Healthy leasing, backed by FMCG, 3PL and Retail

Kolkata witnessed warehousing lease volume of 1.4 msf in H1 2022, surpassing the total transaction volume of 2021 by a significant margin and maintaining the growth trajectory in warehousing demand in the post pandemic period. FMCG was the leading sector accounting for ~36% of half yearly lease volume, followed by 3PL and retail sectors with shares of 26% and 21%, respectively. Stronger economic recovery and improvement in consumption levels across the eastern region are leading to business growth for the FMCG and retail sectors and driving Grade A warehousing demand. On the flip side, transactions by e-commerce sector, which has been the primary driver of lease volumes, were relatively subdued. Over 80% of the transaction volume was in the NH6 submarket across locations such as Amta, Bagnan and Panchla. NH2 submarket, which historically has been the primary destination for tenants, witnessed relatively lower activity during this quarter, mostly owing to the lack of adequate supply. Thus, potential tenants are increasingly taking up space in NH6 due to larger quantum of Grade A supply addition across multiple locations.

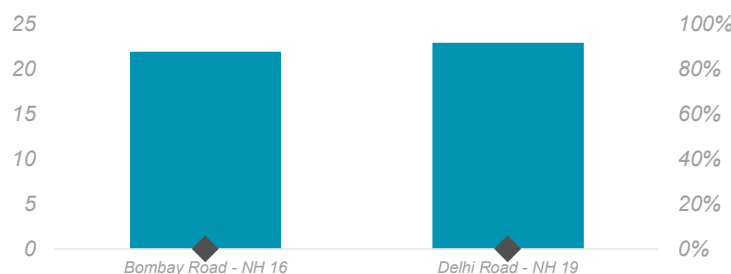
### H1 saw healthy supply added in NH6 submarket; global players increase stakes

Around 1.0 msf of new Grade A supply entered the market in H1-22, primarily in the NH6 submarket across locations such as Amta, Sankrail and Panchla. Developers have shown confidence in launching projects in NH6 given a positive demand outlook, and also due to low availability in NH2 market. Some developers have acquired land parcels in NH2 for a likely built-to-suit (BTS) developments in future. Refurbishing of lower grade warehouses is a modus operandi some developers/landlords are adopting to improve supply and cater to near-term demand. The city has started witnessing greater interest for investment grade warehouses and superior logistics facilities from global players. For instance, Logos has entered into an agreement with Shriram Properties to acquire 90 acres from the latter for a logistics park at Uttarpara. Logos is expected to invest around US\$100 million and plans industrial and warehousing space of around 2.2 msf.

### Land rates are rising; warehousing rentals move up

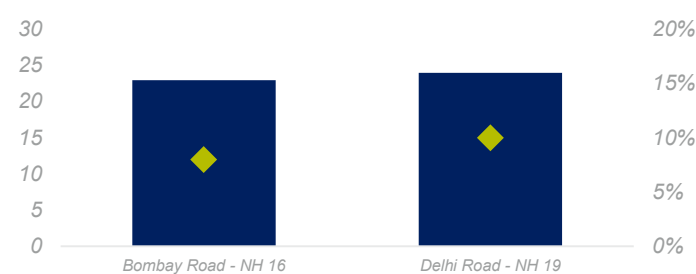
Warehousing rentals increased by around 8-10% yoy in the first half of the year across NH2 and NH6 submarkets. Healthy demand and tight vacancies, especially in NH2, have moved rentals higher over past couple of quarters. Going forward, as supply improves and moves in line with expansion in demand, rentals are likely to gradually stabilize. Land prices appreciated by around 10-12% yoy in NH2 and NH6 with developers acquiring good sites for speculative developments as well as potential BTS facilities.

#### INDUSTRIAL RENT / Y-O-Y GROWTH



■ INDUSTRIAL RENT (INR/SF/MONTH) ◆ INDUSTRIAL RENT Y-O-Y % GROWTH

#### WAREHOUSING RENT / Y-O-Y GROWTH



■ WAREHOUSING RENT (INR/SF/MONTH) ◆ WAREHOUSING RENT Y-O-Y % GROWTH

## LAND RATES - JUNE 2022

SUBMARKET	INR MN/ACRE	US\$ MN/ACRE	EURO MN/ACRE	Y-O-Y Change
Bombay Road (NH-16)*	60.0*	0.8	0.7	10%
Delhi Road (NH-19)**	48.0**	0.6	0.6	12%

Note: Quoted land rates for serviced industrial land parcels are mentioned

\*NH-16 is the primary highway number for NH-6 / Bombay Road, Land prices vary between INR 18 – 60 mn / acre

\*\*NH-19 is the primary highway number for NH-2 / Delhi Road, Land prices vary between INR 2.0 – 48 mn / acre

Land price variation is based on location, size of land parcel, development of land including filling and boundaries.

Percentage growth are in local currency; Y-O-Y – Year on Year

Conversion Rate: US\$1= 77.3 INR and Euro 1 = INR 82.2

## SIGNIFICANT TRANSACTIONS H1 2022

Buyer/Lessee	Seller/Landlord	Type	Submarket	Sale/Lease	Area (sf)
Pepsi	Individual Landlord	Warehouse	Panchla, NH6	Lease	225,000
Dabur	NDR Logistics	Warehouse	Panchla, NH6	Lease	150,000
DB Schenker	Prospace Industrial Parks	Warehouse	Old Delhi Road	Lease	150,000
Godrej	Individual Landlord	Warehouse	Amta, NH6	Lease	130,000
Maersk	Individual Landlord	Warehouse	Bagnan, NH6	Lease	110,000

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