

**0.63 msf** GROSS LEASING (Q1 2023)

**26.57 msf** INVENTORY (Q1 2023)

**3.6 msf** UPCOMING SUPPLY (Q2 2023-25)

**MARKET INDICATORS OVERALL Q1 2023**

	Q1 2022	Q1 2023	12 month Forecast
Overall Vacancy	30.6%	29.1%	▲
Weighted Average Net Asking Rents (INR/sf/month)	48.0	48.5	■
YTD Net Absorption (sf)	119,500	551,717	▲

**Kolkata maintains healthy leasing momentum in Q1 led by BFSI and IT sectors**

Kolkata witnessed gross leasing volume of 0.63 msf in Q1 2023, a jump of nearly 3x as compared to the same period last year. While there was a 10% q-o-q decline in quarterly leasing volumes, Q1 recorded the second highest leasing volumes since Q2 2021. The quarter saw uptake of large spaces by a couple of prominent domestic banks, as the BFSI sector accounted for over half of the Q1 leasing volumes. IT-BPM, which normally is the key driver of market activity, accounted for around 17% of quarterly leasing volumes and finished at second spot. The flexible workspaces segment accounted for 11% of leasing volumes, backed by a major pan-India operator expanding its operations in the city. Flex operators are witnessing strong enterprise demand, especially from professional services firms who are looking to expand in the city. The quarter saw healthy flex seat take-up by such enterprises, thereby reinforcing a belief that going forward, flex spaces will continue to account for healthy leasing activity.

Salt Lake Sector V remained the prime micromarket, recording over 75% of quarterly lease volumes, followed by Rajarhat with a contribution of 23%. Net absorption stood at 0.55 msf during the quarter, over 2x jump on a quarterly basis on the back of healthy fresh leasing.

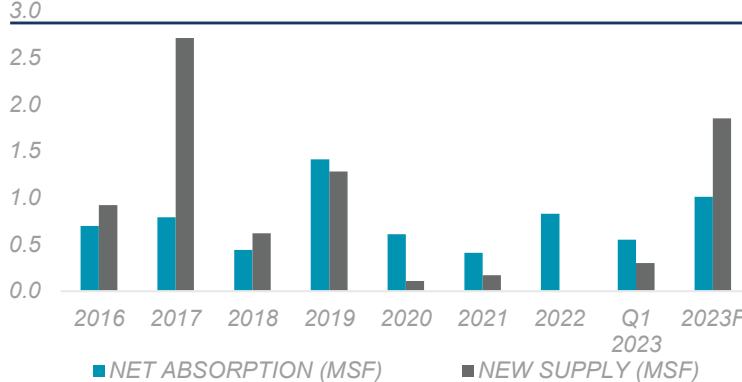
**Supply addition in Rajarhat; stable vacancy despite new supply**

Kolkata recorded new supply of 0.3 msf in the Rajarhat micromarket in Q1. A few more Grade A projects are at an advanced stage of construction and are scheduled to be completed over the next couple of quarters across Salt Lake Sector V, CBD and Park Circus Connector micromarkets. This augurs well for the city's office market given that there was persistent shortage of quality Grade A supply amidst rising demand. City-wide vacancy remained largely unchanged despite this new supply addition as demand was strong during the quarter. However, higher completions over the next couple of quarters is likely to drive up city vacancy levels.

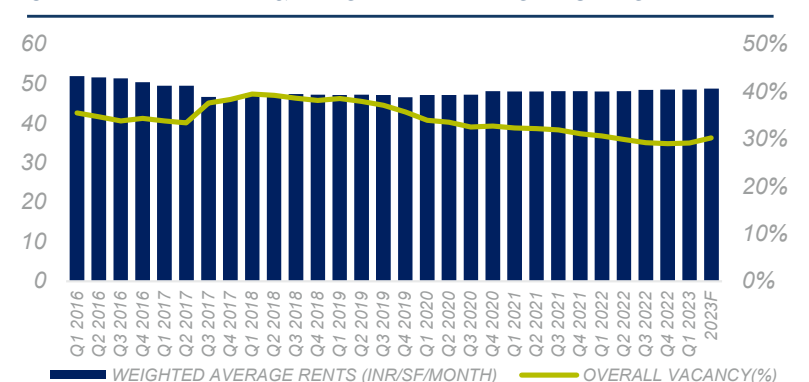
**City-wide rentals stable in Q1; high upcoming supply is likely to keep rentals rangebound**

Rentals remained unchanged on a quarterly basis across the city. An uptick in the short term is unlikely due to high supply addition in the remainder of 2023. Kolkata is likely to remain a largely occupier-friendly market with developers/landlords looking to retain/attract tenants and maintain healthy occupancy levels across their office portfolios.

**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	26.9%	10,750	84,500	0	10,750	109.11	15.89	14.84
Park Circus Connector	710,260	21.0%	0	600,000	0	0	80.00	11.67	10.89
Rashbehari Connector	1,413,780	37.5%	0	0	0	0	78.40	11.37	10.62
Rajarhat	10,587,434	22.8%	144,293	569,643	300,000	69,293	37.14	5.39	5.04
Sector-V, Salt Lake*	12,309,650	34.0%	471,674	2,356,360	0	471,674	43.02	6.42	5.98
<b>TOTAL</b>	<b>26,571,198</b>	<b>29.0%</b>	<b>626,717</b>	<b>3,610,503</b>	<b>300,000</b>	<b>551,717</b>	<b>48.50</b>	<b>7.07</b>	<b>6.60</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

US \$ 1 = INR 82.27 € 1 = INR 88.15

Numbers for the third quarter are based on market information collected until 22nd March 2023

## KEY LEASE TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Godrej Waterside	Sector V, Salt Lake	HDFC Bank	260,000	Fresh Lease
Godrej Genesis	Sector V, Salt Lake	Smartworks	70,000	Fresh Lease
Infinity IT Lagoon	Sector V, Salt Lake	KPMG	47,000	Fresh Lease
DLF IT Park - I	Rajarhat	Concentrix	45,000	Fresh Lease
Mani Casadona	Rajarhat	Infosys	42,000	Fresh Lease

## SIGNIFICANT PROJECTS PLANNED AND UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION
PS Volt	CBD	NA	84,500	Q2 2023
Ideal Unique Centre	Park Circus Connector	NA	600,000	Q3 2023
Imagine Tech Park	Sector-V, Salt Lake	NA	700,000	Q2 2023

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