

KOLKATA

Retail Q1 2023

CUSHMAN & WAKEFIELD

6.3% MALL VACANCY (Q1 2023)

0.35 msf MALL SUPPLY (Q4 2022 – 2024)

4.71 msf MALL INVENTORY (Q1 2023)

Retail leasing remains strong; prominent main streets dominate leasing

Kolkata witnessed healthy retail leasing volumes in Q1 across categories such as fashion and apparel, jewellery, consumer durables and F&B with the city recording space take-up by some new brands which opened their outlets across prominent main streets. Total retail leasing volume stood at ~54000 sf in the quarter, lower than the figure recorded than Q4 last year but consistent with the 50000-55000 sf quarterly average leasing volumes seen over last 4-5 quarters. Expansion plans are reportedly in the works for a few retailers, and they are on the lookout for suitable locations not just in core micro-markets of Kolkata but also in certain surrounding peripheral locations. Main streets drove leasing volumes in the quarter accounting for around 94% of transactions, in continuation of a trend that has been witnessed over the past several quarters. Notable transactions were recorded across Park Street (CBD micromarket), Rashbehari Avenue (South Suburban), BT Road (North Peripheral) and Southern Bypass (South Peripheral). Malls recorded limited transactions, accounting for merely 6% of quarterly leasing volumes. With space across superior malls in the city quite limited and no new supply expected in the immediate short term, retailer expansion plans are likely to benefit prime main streets, particularly in emerging locations which are witnessing healthy consumption growth.

No new mall supply in Q1; city-wide mall vacancy remains rangebound

Kolkata did not witness any new Grade A mall supply in Q1 and is not likely to record any supply addition this year. A greenfield project by a prominent city-based developer is expected to be completed at Joka by the first half of 2024. This will be a welcome addition to the city's mall inventory given the demand-supply gap currently being faced by retailers. City-wide mall vacancy rates remained stable in the quarter with superior malls reporting tight vacancy rates of ~3-5%. Retailers who are reportedly looking to expand will continue to look for suitable properties across main streets for enhance their footprint.

City-wide mall rentals unchanged; rents appreciate across prominent main streets

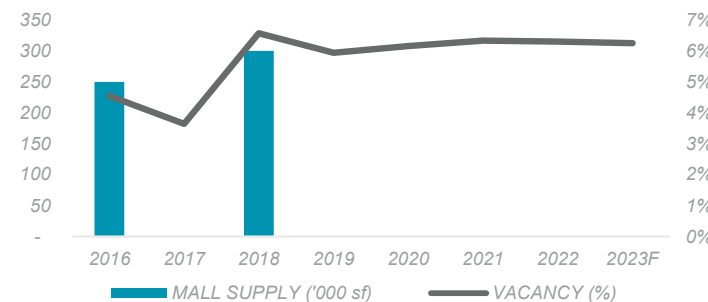
In Q1, grade A malls across the city reported a rental growth of 3-4% qoq though at the city-level mall rentals remained stable. Rental growth is expected to continue going forward with mall footfalls and retailer sales above pre-Covid levels. Most of the malls have reverted to pre-Covid arrangement of minimum guaranteed rents with option of revenue-share only on a case-to-case basis for certain brands which have not recovered completely. Prominent main streets reported 5-6% qoq rental appreciation with more growth expected over the upcoming quarters given the strong demand for space among retailers.

ECONOMIC INDICATORS Q1 2023

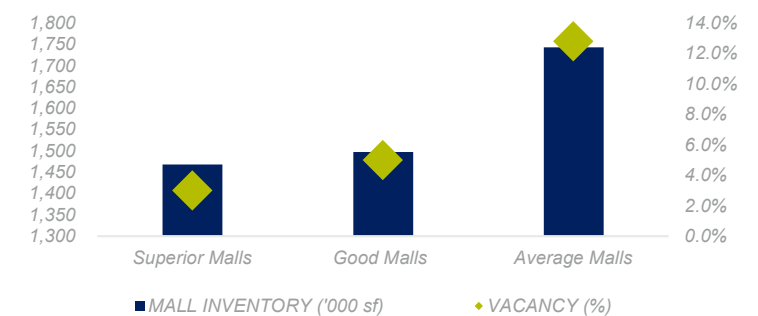
	2022	2023	2024 Forecast
GDP Growth	6.8%	6.1%	6.5%
CPI Growth	6.7%	5.3%	5.0%
Consumer Spending	7.5%	7.0%	6.7%
Govt. Final Expenditure Growth	9.7%	8.1%	7.4%

Source: Oxford Economics, IMF, RBI

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)	570	78	83	5%	0%
Camac Street (CBD)	485	66	71	4%	0%
Lindsay Street (CBD)	425	57	62	2%	0%
Elgin Road (CBD)	290	40	42	0%	0%
Theatre Road (CBD)	260	35	38	3%	0%
Gariahat (South)	270	37	39	3%	0%
Shyambazar (North)	125	17	18	0%	-2%
Hatibagan (North)	130	18	19	0%	-2%
Kankurgachi (North East)	175	24	25	3%	0%
VIP Road (North East)	120	16	18	0%	0%
PRIME RETAIL RENTS - MALLS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q ** CHANGE	Y-O-Y CHANGE
South City Mall, Prince Anwar Shah Road	485	66	70	3%	0%
City Centre – I, Salt Lake	425	58	62	3%	0%
Axis Mall, Rajarhat	135	18	20	2%	0%
Forum – I, Elgin Road	550	75	80	4%	0%
Riverside Mall, Howrah	190	26	28	0%	-0%
Quest Mall, Park Circus	650	88	95	4%	0%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
US\$ 1 = INR 82.27 € 1 = INR 88.15

SIGNIFICANT LEASING TRANSACTIONS Q1 2023

PROPERTY	LOCATION	TENANT	SF
Main Street	Southern Bypass	Croma	8500
Main Street	BT Road	Puma	7500
Main Street	Park Street	Zudio	7000
Mall	Axis Mall	Urban Ladder	3500

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Acropolis South	Joka	350,000	Q2 2024

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