

	Warehouse	Industrial
LEASING in msf (H1 2023)	0.66	0.0
AVG RENTALS in INR/sf/month	21.5	24
LAND VALUE Avg. Y-o-Y growth	12%	8%

### Slowdown in warehouse transactions after a stellar 2022

Kolkata witnessed warehouse leasing volumes of 0.66 msf in the first half of 2023, a decline of around 53% as compared to the same period last year, when transactions surged after a relatively tepid 2021. The market seems to have slowed down in the current year with companies evaluating their leasing plans for the immediate future. The dearth of adequate Grade A supply in the NH2 submarket has had an impact on the market activity as well. On the other hand, some active deals could see closure over the next couple of quarters, particularly in the NH-6 submarket which has seen substantial completions in H1. NH2 submarket accounted for around 53% of warehouse leasing volumes in H1 with NH6 accounting for the remaining 47%, primarily in industrial parks at Amta. At 37%, manufacturing accounted for the highest share in leasing volumes followed by retail with 15% and healthcare & pharma with around 10%. Retail maintaining its position among the top two largest warehouse leasing contributors points towards steady consumer demand in Kolkata and the eastern region. Manufacturing got a boost from companies engaged in the production of consumer durables and batteries.

### Healthy supply at NH6; NH2 land transaction by global firm a key market highlight

Around 1 msf of new Grade A supply entered the market in H1 at the NH6 submarket, primarily at Amta- Ranihati Road. Developers have been adding supply in recent quarters at NH6 given the strong demand for quality warehousing space and lack of adequate options in the NH2 submarket. However, demand at NH2 remains steady with companies scouting for land, mainly for greenfield BTS developments. A key highlight of H1 was a land deal by Ascendas at Dankuni, which points at the increasing maturity of the market amidst interest from not just domestic firms but also from international ones. City wide warehouse rentals increased ~10% yoy in H1 driven largely by tight vacancies at NH2. Land prices moved up by around 10-12% yoy across NH2 and NH6.

### No notable industrial transaction in H1

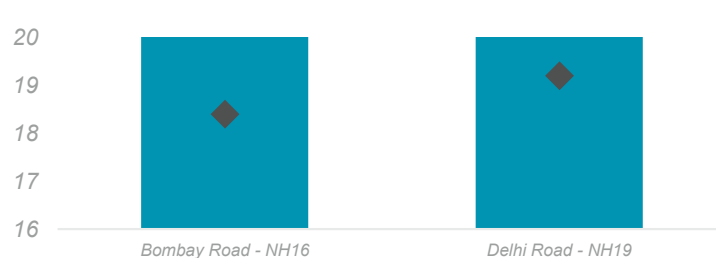
The city did not witness any notable industrial lease transaction in H1 though certain small and medium manufacturing enterprises (animal feed, iron forgings) are on the lookout for the right space at NH2 and NH6. City-wide industrial rentals increased marginally by 3-4% yoy in H1 and land rates moved up by 6-8% on an annual basis.

### ECONOMIC INDICATORS H1 2023

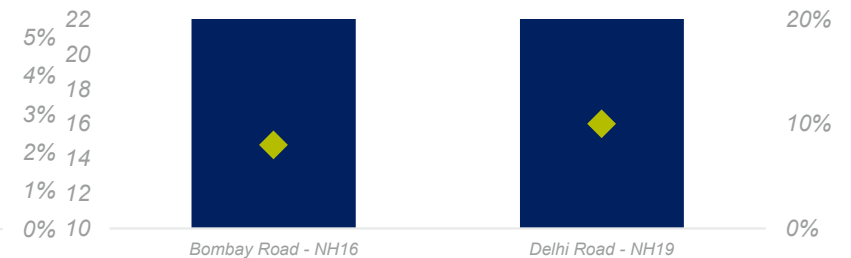
	2022	2023	2024 Forecast
GDP Growth	7.2%	6.1%	6.1%
CPI Growth	6.7%	5.3%	5.0%
Consumer Spending	7.5%	7.0%	6.7%
Govt. Final Expenditure Growth	9.7%	8.1%	7.4%

Source: Oxford Economics, RBI, IMF

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



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



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

## Industrial H1 2023

## KEY WAREHOUSING SUBMARKETS - RENTALS AND LAND RATES – June 2023

SUBMARKET	WAREHOUSE RENT		LAND RATES			
	INR/SF/MONTH	Y-O-Y Change	INR MN/ACRE	US\$ MN/ACRE	EURO MN/ACRE	Y-O-Y Change
Bombay Road – NH6	21	8 %	60*	0.73	0.67	10 %
Delhi Road – NH2	22	10 %	48**	0.58	0.54	12 %

## KEY INDUSTRIAL SUBMARKETS - RENTALS AND LAND RATES – June 2023

SUBMARKET	INDUSTRIAL RENT		LAND RATES			
	INR/SF/MONTH	Y-O-Y Change	INR MN/ACRE	US\$ MN/ACRE	EURO MN/ACRE	Y-O-Y Change
Bombay Road – NH6	24	3 %	60*	0.73	0.67	6 %
Delhi Road – NH2	25	4 %	48**	0.58	0.54	8 %

Note: quoted industrial and warehousing rents are historically corrected to reflect accurate market conditions.

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= 82..17 INR and Euro 1 = INR 89.43

## SIGNIFICANT INDUSTRIAL / WAREHOUSE TRANSACTIONS H1 2023

Buyer/Lessee	Seller/Landlord	Type	Submarket	Sale/Lease	Area (sf)
Johnson & Johnson	Prospace	Warehouse	Old Delhi Road, NH2	Lease	65,000
Blue Star	Prospace	Warehouse	Old Delhi Road, NH2	Lease	30,000
VIP	Prospace	Industrial	Old Delhi Road, NH2	Lease	250,000
Exide	Amta Industrial Park - I	Warehouse	Amta, NH6	Lease	210,000
Reliance	Amta Industrial Park - II	Warehouse	Amta, NH6	Lease	100,000

## SIGNIFICANT LAND TRANSACTIONS

Buyer	Seller	Type	Submarket / Location	Area (acre)
Ascendas	KWIC	Warehouse	Dankuni	21

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