

KOLKATA

Retail Q2 2023

CUSHMAN & WAKEFIELD

6.3% OVERALL MALL VACANCY (Q2 2023)

0.35 msf MALL SUPPLY (Q3 2023 – 2024)

4.71 msf MALL INVENTORY (Q2 2023)

While leasing in malls pick-up in Q2, main streets continue to dominate

Kolkata witnesses retail leasing volumes of ~45000 sf in Q2, a decline of around 20% as compared to the previous quarter. While at the broader city-level, leasing volumes were low, prominent malls recorded higher leasing activity, thereby accounting for a 30% share in Q2 leasing volumes. In the previous quarter, malls accounted for just 6% share in leasing. Demand for space in Grade A malls continues to remain strong, further highlighted by Q2 transactions in properties such as Acropolis Mall, Forum Courtyard and South City Mall. On the other hand, main streets contributed to 70% share in the Q2 leasing volume, thereby retaining its dominant position in overall retail leasing activity. Notable transactions were recorded at EM Bypass (suburban south), Narendrapur (peripheral south), Rajarhat (northeast) and Kalikapur (suburban south). Given the limited availability of space across prominent malls, main streets are likely to drive leasing volumes in the coming quarters.

CDIT retailers accounted for a 37% share in quarterly leasing, followed by automobile and fashion & apparel with shares of 30% and 20%, respectively. A number of brands across fashion and apparel and accessories are reportedly on the lookout for right space across CBD and suburban submarkets and the next couple of quarters could witness stronger leasing activity.

No mall supply in Q2; retailers scout for suitable space in main streets

Kolkata did not witness any new mall supply in Q2 and will likely witness a greenfield mall completion only next year at Joka. Tight vacancies of around 5% in prominent Grade A malls has led to retailers looking at main streets to establish their footprint into the city or expand store counts. This trend is likely to continue over the next few quarters given that a second greenfield mall being built by Phoenix Mills at Alipore in South Kolkata is at an early stage of construction and will be completed only by 2025. With the festive season just a quarter away, some retailers are reportedly on the lookout for the right properties at prominent main street locations.

Rents rise across Grade-A malls and prominent main streets

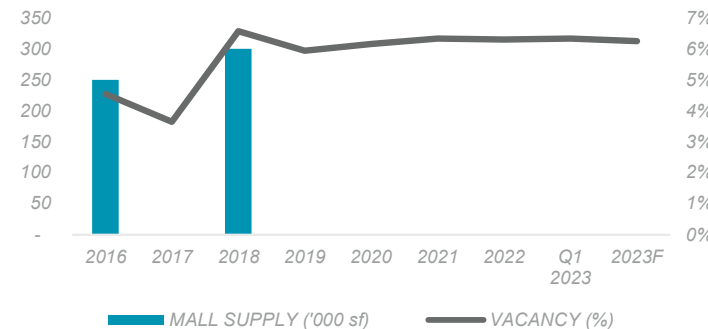
In Q2, grade A malls reported a rental growth of 4-5% qoq. Rentals across the average malls remained unchanged and some of these malls recorded relatively high vacancies (10-15%). Mall rentals in the Grade-A category is expected to rise further owing to tight vacancy rates and strengthening demand on the back of upcoming festive season. Prominent main streets such as Park Street, Camac Street, Gariahat reported 5-6% qoq rental growth in continuation of the uptrend seen in the last few quarters on the back of strong space demand.

ECONOMIC INDICATORS Q2 2023

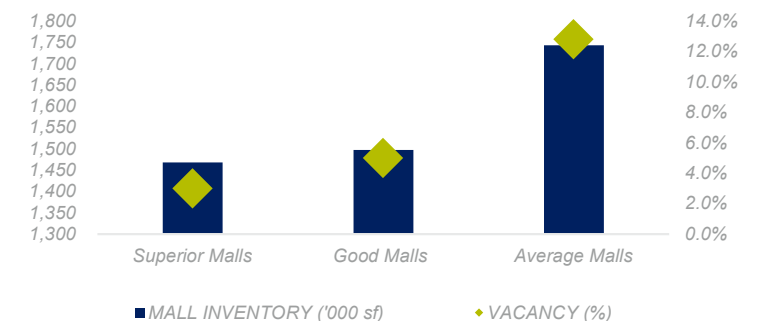
	2022	2023	2024 Forecast
GDP Growth	7.2%	6.1%	6.5%
CPI Growth	6.7%	5.3%	5.0%
Consumer Spending	7.5%	7.0%	6.7%
Govt. Final Expenditure Growth	9.7%	8.1%	7.4%

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)	580	78	85	6%	0%
Camac Street (CBD)	490	66	72	5%	0%
Lindsay Street (CBD)	427	57	62	2%	0%
Elgin Road (CBD)	295	40	43	3%	0%
Theatre Road (CBD)	263	35	38	3%	0%
Gariahat (South)	280	38	40	5%	0%
Shyambazar (North)	125	17	18	0%	-2%
Hatibagan (North)	130	17	19	0%	-2%
Kankurgachi (North East)	180	24	26	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	490	66	72	4%	0%
City Centre – I, Salt Lake	428	57	63	3%	0%
Axis Mall, Rajarhat	137	18	20	2%	0%
Forum – I, Elgin Road	554	75	81	3%	0%
Riverside Mall, Howrah	190	25	28	0%	-0%
Quest Mall, Park Circus	655	88	96	5%	0%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
US\$ 1 = INR 82.17 € 1 = INR 89.43

SIGNIFICANT LEASING TRANSACTIONS Q2 2023

PROPERTY / MAIN STREET	LOCATION	TENANT	SF
Main Street	Kalikapur	Reliance Digital	8,000
Main Street	Narendrapur	Croma	8,000
Mall	Forum Courtyard	Gap	5,500
Main Street	EM Bypass	Nexa	3,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

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

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