

KOLKATA

Retail Q3 2023

CUSHMAN & WAKEFIELD

6.3% OVERALL MALL VACANCY (Q3-23)

0.35 msf MALL SUPPLY (Q3 2023 – 2024)

4.71 msf MALL INVENTORY (Q3-23)

Main streets drive leasing volumes in Q3

Kolkata recorded retail leasing volumes of over 48,000 sf in Q3, an 8% increase over the previous quarter. Main streets continued to dominate space takeup by retailers with key locations in the city accounting for 100% of the city's quarterly leasing activity. With tight vacancies prevailing in the city's Grade A malls and no new mall supply expected in the next couple of quarters, main streets will continue to contribute a major chunk of leasing volumes, particularly over the upcoming festive period. The quarter saw a number of transactions across peripheral locations in the south of the city with space takeup by leading fashion, CDIT and sports goods brands. Locations such as Garia, NSC Bose Road and Narendrapur in Peripheral South were active during the quarter along with Gariahat in suburban south and VIP Road in north east. Fashion segment accounted for around 35% of quarterly leasing while F&B saw higher activity as well, particularly in the QSR segment.

No new mall supply in Q3; peripheral main streets witness higher traction

Kolkata recorded no new Grade A mall supply in Q3. In the near term, demand-supply imbalance in Grade A mall space is expected to continue, thereby prompting brands to look for suitable properties across main streets, especially during the upcoming festive period. Demand for space at key CBD main streets such as Park Street, Camac Street, Theatre Road remains high and there is a supply crunch at these locations. A number of retailers are therefore looking at alternative locations in suburban (Gariahat, EM Bypass, Kankurgachi) as well as peripheral areas (Southern Bypass, Rajarhat) of the city where properties are available, and rentals are relatively lower.

A new mall under development by Merlin Group, a prominent city-based developer, is expected to enter the market by Q2 next year which will partially address the demand for quality mall space.

Mall rentals unchanged; appreciation in main street rentals

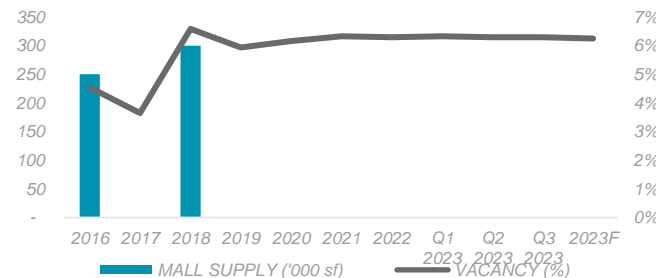
City-wide mall rentals remained unchanged on a quarterly basis. With no new mall supply in the quarter and no lease transaction, mall vacancy remained stable as well. Rentals appreciated by 2-4% on a quarterly basis in select main streets such as Park Street, Camac Street, Gariahat and VIP Road where demand remains healthy. Park Street, in particular, continues to command premium rentals on the back of strong demand but lower availability of space.

ECONOMIC INDICATORS Q3 2023

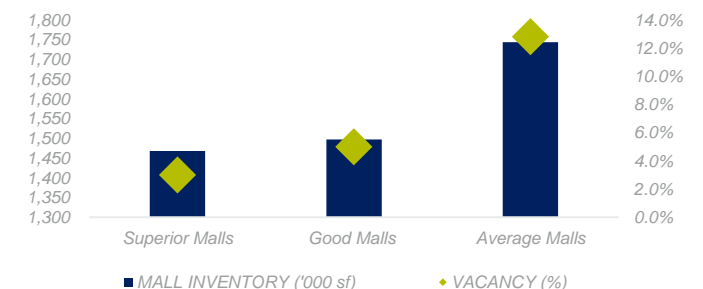
	2022	2023	2024 Forecast
GDP Growth	7.2%	6.1%	6.5%
CPI Growth	6.7%	5.3%	5.0%
Consumer Spending	7.5%	7.0%	6.7%
Govt. Final Expenditure Growth	9.7%	8.1%	7.4%

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)	590	81	86	2.0%	20%
Camac Street (CBD)	500	68	72	2.1%	18%
Lindsay Street (CBD)	427	58	62	0%	10%
Elgin Road (CBD)	295	40	43	0%	8%
Theatre Road (CBD)	270	37	39	2.7%	15%
Gariahat (South)	290	40	42	3.6%	13%
Shyambazar (North)	125	17	18	0%	0%
Hatibagan (North)	130	18	19	0%	0%
Kankurgachi (North East)	184	25	27	2.2%	8%
VIP Road (North East)	124	17	18	3.3%	10%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
 US\$ 1 = INR 82.21 € 1 = INR 87.68

SIGNIFICANT LEASING TRANSACTIONS Q3 2023

PROPERTY	LOCATION	TENANT	SF
Main Street	NSC Bose Road	Reliance Digital	12000
Main Street	NSC Bose Road	Bazaar Kolkata	9000
Main Street	Garia	Decathlon	8000
Main Street	VIP Road	Kalyan Jewellers	3000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

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

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