

0.45 msf GROSS LEASING (Q4 2023)

27.59 msf INVENTORY (Q4 2023)

2.83 msf UPCOMING SUPPLY (2024-25)

MARKET INDICATORS OVERALL Q4 2023

	Q4 2022	Q4 2023	12 month Forecast
Overall Vacancy	30.6%	24.5%	▼
Weighted Average Net Asking Rents (INR/sf/month)	48.5	49.2	▲
YTD Net Absorption (sf)	831,937	1,344,952	▲

Steady leasing activity in Q4; robust increase in net absorption in 2023

Gross Leasing Volume (GLV) of around 0.45 msf was recorded in Q4, registering a 10% q-o-q growth, driven by widespread leasing across multiple sectors. While IT-BPM sector continued to lead quarterly leasing volumes with a share of 22%, other sectors such as the telecom (20%), professional services (16%) and Engineering & Manufacturing (15%) also accounted for substantial shares in leasing. Net absorption for the quarter stood at 0.26 msf, a 25% decline on a quarterly basis.

For the full year, GLV stood at 1.70 msf, a 12% growth y-o-y and merely 5% below the pre-Covid high of 2019. In the annual volume, IT-BPM takes lead with a share of ~38% in GLV, followed by BFSI (22%) and the flex space (11%) sectors. Salt Lake Sector V accounted for around 60% of quarterly GLV and two-thirds of annual leasing volumes. Rajarhat contributed a third of quarterly leasing volumes and around 28% of annual GLV. The 2023 annual net absorption was clocked at 1.34 msf, i.e., 60% higher than 2022 levels and merely 5% below the 2019 record high volume.

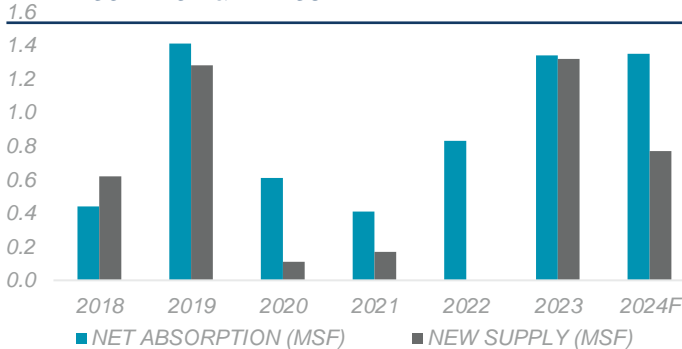
No new supply in Q4; headline vacancy rate continues to decline

Kolkata recorded no new supply addition in Q4. The OC for a greenfield project in Salt Lake Sector V, which was expected to enter the market in Q4, has been delayed. The year finished with a supply of 1.32 msf as against no supply in 2022. Despite good supply addition this year, city-wide vacancy levels declined by 90 bps on a quarterly basis on the back of healthy fresh leasing. A strong supply pipeline during the next couple of years, points towards the fact that Grade A projects across prime office corridors are being expedited by developers to meet occupier demand for premium office space.

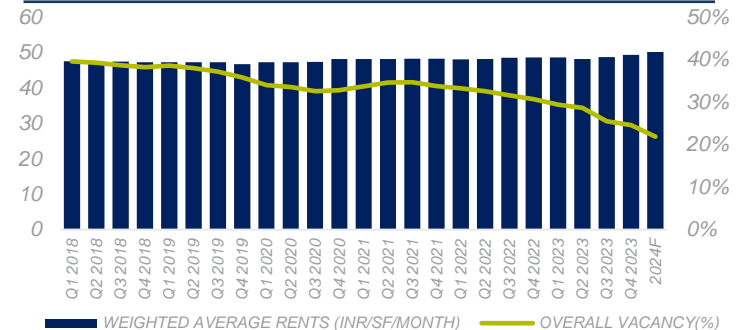
Headline rentals stable on a quarterly basis

City rentals, on average, have risen by 1-2% y-o-y during the quarter, although it remains stable from last quarter. This is primarily on the back of a gradual uptick in rentals across premium projects at Salt Lake Sector V and Rajarhat, which have been witnessing greater occupier demand preference. However, going forward, strong supply addition is likely to restrict any substantial rental growth even though demand for office space is likely to remain healthy.

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	1,872,454	27.3%	56,450	0	322,380	35,750	108.11	15.56	14.46
Park Circus Connector	710,260	17.1%	0	600,000	0	0	82.00	11.81	10.98
Rashbehari Connector	1,413,780	28.9%	26,000	0	0	26,000	80.40	11.52	10.71
Rajarhat	10,587,434	20.8%	473,828	569,643	300,000	277,828	41.00	5.91	5.49
Sector-V, Salt Lake*	13,009,650	26.9%	1,145,247	1,656,360	700,000	1,005,374	48.00	6.91	6.43
TOTAL	27,593,578	24.5%	1,701,525	2,826,003	1,322,380	1,344,952	48.60	7.09	6.59

The report highlights Grade A details only.

^ Includes planned & under construction projects until 2026

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 83.3 € 1 = INR 89.6

Numbers for the fourth quarter are based on market information collected until 20th December 2023

KEY LEASE TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	TENANT	SF	TYPE
DLF IT Park -II	Rajarhat	British Telecom	85,000	Term Renewal
BIPL	Sector V, Salt Lake	EY	70,000	Fresh Lease
BIPL	Sector V, Salt Lake	Sun Knowledge	36,000	Fresh Lease
Mani Casadona	Rajarhat	Cloud Kaptan	25,000	Fresh Lease
DLF IT Park - I	Rajarhat	Wood Plc	24,000	Fresh Lease

SIGNIFICANT PROJECTS PLANNED AND UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION
Arch Square	Sector V, Salt Lake	NA	167,360	Q1 2024
Ideal Unique Centre	Park Circus Connector	NA	600,000	Q2 2024
Emami Business Bay	Sector-V, Salt Lake	NA	264,000	Q1 2025

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