

0.21 msf GROSS LEASING (Q1 2024)

27.59 msf INVENTORY (Q1 2024)

2.83 msf UPCOMING SUPPLY (Q2 2024-26)

MARKET INDICATORS OVERALL Q1 2024

	Q1 2023	Q1 2024	12 month Forecast
Overall Vacancy	29.3%	24.2%	▼
Weighted Average Net Asking Rents (INR/sf/month)	48.5	49.5	▲
YTD Net Absorption (sf)	551,717	100,000	▲

Slower office leasing activity in Q1

Kolkata recorded gross leasing volumes (GLV) of 0.21 msf in Q1 2024, a 52% decline on a quarterly basis and a drop of 66% as compared to the same period last year. While enquiries for office spaces remain intact, the first quarter possibly saw smaller number of enquiries converting into actual transaction, so in a way it is largely seen as an interim delay in decision-making.

IT-BPM segment remained dominant in the quarter accounting for around 70% of quarterly leasing volume, while engineering & manufacturing contributed just 4%. Occupiers from other industry categories such as aviation and retail contributed 26% of quarterly GLV. The city's prime office corridor, Salt Lake Sector V, accounted for nearly 90% of leasing volumes with Rajarhat contributing the rest. Net absorption stood at 0.1 msf in the quarter, a 61% decline on a quarterly basis.

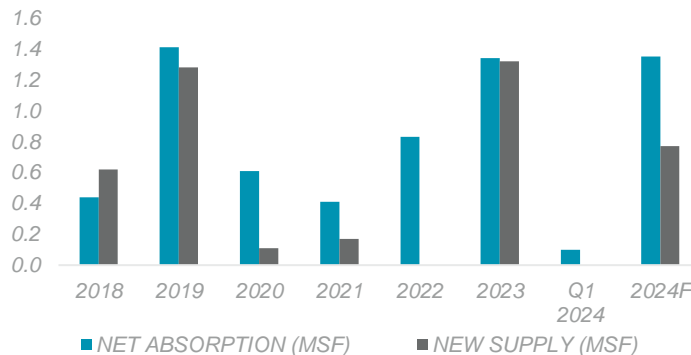
No new supply in Q1; marginal decline in headline vacancy rate

With occupation certificate of a greenfield project at Salt Lake Sector V getting delayed, the city saw no new supply in the first quarter. After robust supply addition in the previous year, the pipeline for the current year is low at around 0.8 msf though it is expected to pick up substantially in 2025 with a number of projects under development. Headline office vacancy rate edged down by 30 bps on a quarterly basis, maintaining its downward trajectory witnessed over the past several quarters. Vacancies across Salt Lake Sector V and Rajarhat are likely to decline further in the upcoming quarters given higher occupier preference for projects in these prime IT corridors.

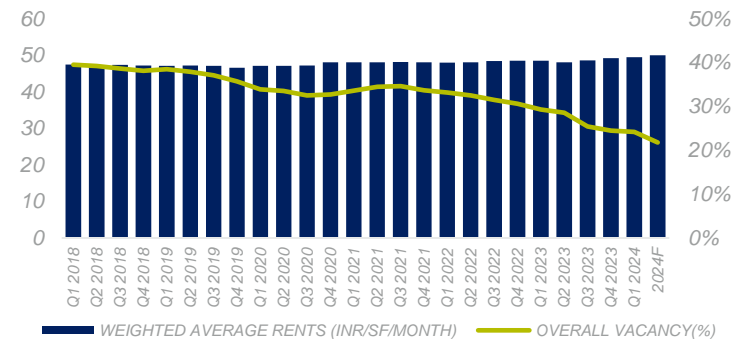
Rental appreciation in prime office corridors

Office rentals moved up by 2-3% on a quarterly basis across Salt Lake Sector V and Rajarhat on the back of steady demand for relevant Grade A properties across these micromarkets. Headline city-wide rentals remained largely stable in the quarter. Going forward, gradual rental growth is likely to continue in the prime office corridors.

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%	0	0	0	0	109.00	15.78	14.52
Park Circus Connector	710,260	17.1%	0	600,000	0	0	82.00	11.87	10.92
Rashbehari Connector	1,413,780	28.9%	0	0	0	0	81.00	11.72	10.79
Rajarhat	10,587,434	20.6%	22,000	569,643	0	22,000	42.00	6.08	5.59
Sector-V, Salt Lake*	13,009,650	26.5%	191,000	1,656,360	0	78,000	49.00	7.09	6.53
TOTAL	27,593,578	24.2%	213,000	2,826,003	0	100,000	49.50	7.17	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 82.9 € 1 = INR 90.1

Numbers for the first quarter are based on market information collected until 20th March 2024

KEY LEASE TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Infinity Benchmark	Sector V, Salt Lake	MPokket	25,000	Fresh Lease
PS Srijan Tech Park	Sector V, Salt Lake	Style Bazaar	25,000	Fresh Lease
Ambuja Ecospace	Rajarhat	Indigo Aviation	22,000	Fresh Lease
Godrej Genesis	Sector V, Salt Lake	NRS Group	10,000	Fresh Lease
Ambuja Ecocentre	Sector V, Salt Lake	Legrand	7,800	Fresh Lease

SIGNIFICANT PROJECTS PLANNED AND UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION
Arch Square	Sector V, Salt Lake	NA	167,360	Q2 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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