

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
19.9% Vacancy Rate	▼	▼
1.25 YTD Net Absorption (MSF)	▲	▲
INR 51 Stock Wtd. Rent (PSFPM)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
6.70% GDP Growth (Q1 FY24-25)	▼	▲
3.65% CPI Inflation	▼	▲
59.6 Services PMI (3 months average)	▲	▲

Source: MOSPI, RBI, HSBC

LEASING ACTIVITY REMAINS BROADLY CONSISTENT

Kolkata witnessed gross leasing volumes (GLV) of 0.41 msf in Q3, around the same level on a yoy basis. GLV as of YTD 2024 stood at 1.41 msf, a 13% growth on an annual basis. Net absorption stood at 0.37 msf in Q3, a 9% growth on a yoy basis; on a YTD basis, net absorption was 1.25 msf, a 15% growth over the same period last year.

Fresh leasing accounted for the whole of GLV in the quarter, with professional services sector accounting for nearly 37% of GLV. Professional services was followed by engineering and manufacturing sector with a 19% share and IT-BPM segment contributed around 14% of Q3 GLV. Flex space operators continued to remain an important contributor with a share of around 11% in GLV. Lease transactions at Salt Lake Sector V contributed around 53% of the quarterly GLV followed by a 23% contribution by Rajarhat submarket.

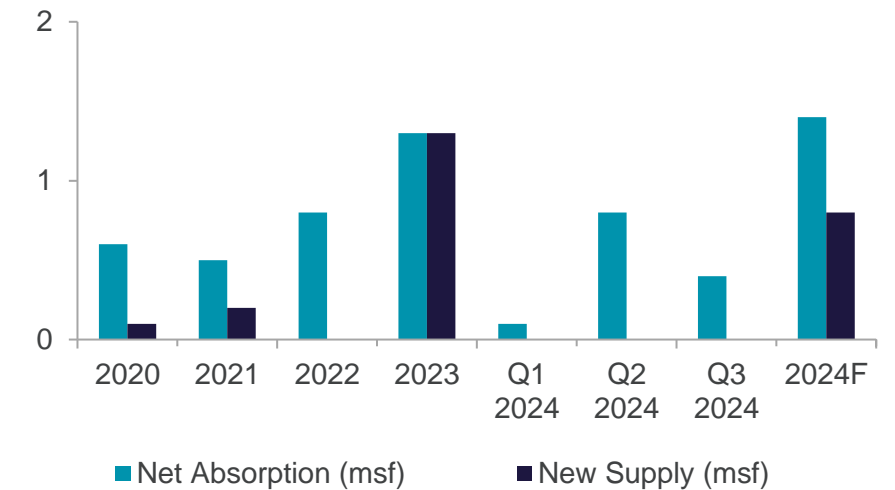
NO SUPPLY IN Q3; DROP IN HEADLINE OFFICE VACANCY

Kolkata recorded no new supply in Q3 as few projects at the Park Circus Connector and Salt Lake Sector V submarkets were deferred to the last quarter. The current year is likely to end with a supply of around 0.8 msf but the supply pipeline up to 2026 is 3.9 msf, with several Grade A projects currently under development. Consequently, headline office vacancy rate declined by 140 bps on a quarterly basis.

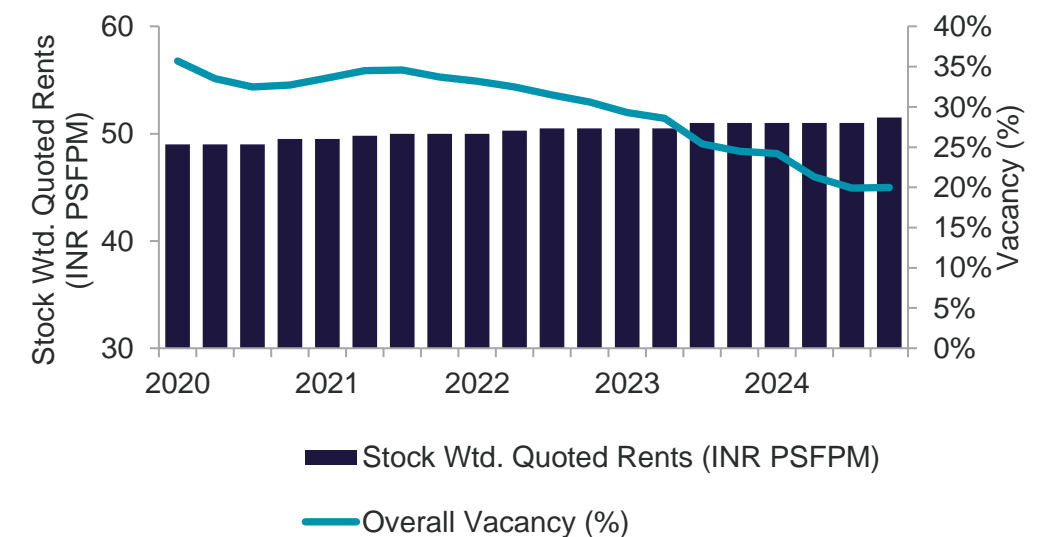
PRIME SUBMARKETS WITNESS RENTAL APPRECIATION

Salt Lake Sector V and Rajarhat, the prime office corridors, recorded rental appreciation of 2-3% on a quarterly basis and this trend could continue in the near future as demand remains healthy for quality office spaces in these locations. Headline city-wide rentals remained largely stable on a qoq basis.

NET ABSORPTION / NEW SUPPLY



OVERALL VACANCY & STOCK WTD. QUOTED RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANCY RATE	CURRENT QUARTER NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	PLANNED & UNDER CONSTRUCTION (SF)^	GRADE A STOCK WEIGHTED AVERAGE RENT (INR/SF/M)
CBD	1,872,454	25.1%	28,415	40,915	56,915	0	0	₹ 110.1
Park Circus Connector	710,260	17.1%	0	0	8,000	0	825,000	₹ 85.0
Rashbehari Connector	1,413,780	24.4%	44,478	63,525	63,525	0	0	₹ 82.0
Rajarhat	10,587,434	15.1%	94,800	694,800	694,800	0	2,270,643	₹ 45.7
Sector V, Salt Lake	13,009,650	22.8%	206,600	450,486	589,786	0	1,531,360	₹ 52.0
KOLKATA TOTALS	27,593,578	19.9%	374,293	1,249,726	1,413,026	0	4,627,003	₹51.0

The report highlights Grade A details only. Certain indicators are historically corrected by addition / deletion of older / refurbished projects as per grade A classification and accounting for changes in built-up / leasable area besides adjusting tenant leases to reflect accurate market conditions.

Net absorption refers to the incremental new space take-up. YTD gross leasing activity includes pre commitments and term renewals. ^Includes planned & under construction projects until 2026 *Stock weighted average asking rental rates for vacant spaces that provide core facility, high-side air conditioning and 100% power back up

Key to submarkets:

CBD- Park Street, Camac Street, AJC Bose Road, Theatre Road

US\$ 1 = 83.7 INR € 1 = 92.1 INR

Numbers for the third quarter are based on market information collected until 20th September 2024

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
BIPL Omega	Sector V, Salt Lake	EY	118,000	Fresh Lease
DLF IT Park	Rajarhat	Ericsson	36,000	Fresh Lease
Mani Casadona	Rajarhat	Workshaala	23,000	Fresh Lease
Millennium City	Sector V, Salt Lake	Zioks	21,600	Fresh Lease
Infinity IT Lagoon	Sector V, Salt Lake	EIILM	9,200	Fresh Lease

KEY CONSTRUCTION COMPLETIONS YTD 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
No completions as of YTD 2024				

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