

MARKET FUNDAMENTALS

	YOY Chg	Outlook
19.2% Vacancy Rate	▼	▼
1.46 Full-Year Net Absorption (MSF)	▲	▲
INR 51.5 Stock Wtd. Rent (PSFPM)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
5.40% GDP Growth (Q2 FY24-25)	▼	▲
5.48% CPI Inflation	▼	▼
58.2 Services PMI (3 months average)	▼	▲

Source: MOSPI, RBI, HSBC

NET ABSORPTION OF 2024 SURPASSES PRE-COVID PEAK

Kolkata witnessed gross leasing volumes (GLV) of 0.28 msf in Q4, lower than the previous quarter. However, for the full year, GLV stood at around 1.7 msf, similar to the post-Covid high seen in during 2023. Net absorption was 0.21 msf in Q4 with the full year figure at 1.46 msf, thereby surpassing the previous highest volume seen in year 2019, on the back of sustained fresh leasing activity and healthy absorption of office space across prime micro markets.

Fresh leasing accounted for the whole of GLV in Q4, with flex operators accounting for nearly 39% of GLV followed by IT-BPM with a 25% share. For the full year, IT-BPM (32%), BFSI (25%) and professional services (12%) were dominant sectors in annual GLV. Salt Lake Sector V micro market contributed around 57% of quarterly GLV, followed by Rajarhat with 33% share. For the full year, Rajarhat and Salt Lake Sector V cumulatively accounted for 90% of annual GLV.

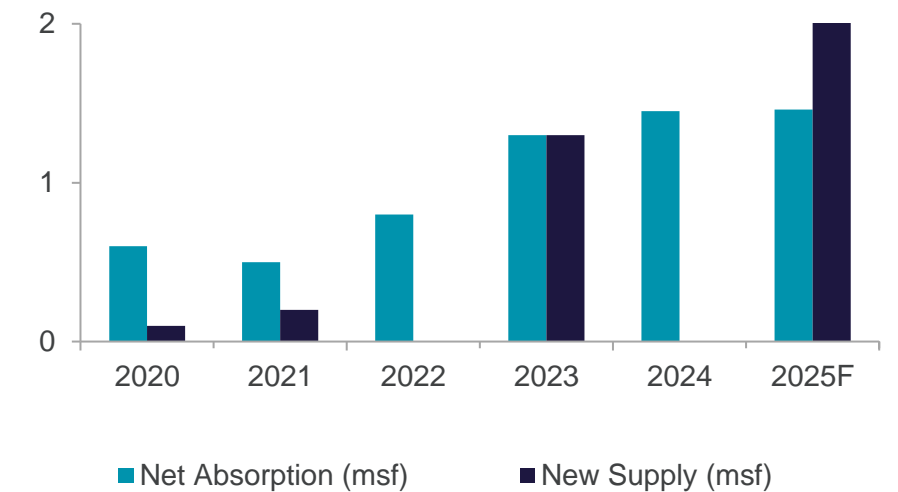
NO SUPPLY IN Q4; VACANCY DROPS BY 70 BPS

Kolkata recorded no new supply in Q4 and the full year as a couple of projects at Park Circus Connector and Salt Lake Sector V micro markets were deferred. As against that, demand remained strong resulting in headline vacancy rate decline by 70 bps to ~19% during the quarter. The supply pipeline for 2025 is strong as addition of 2.3 msf is expected, which is likely to help meet rising occupier demand for premium office spaces.

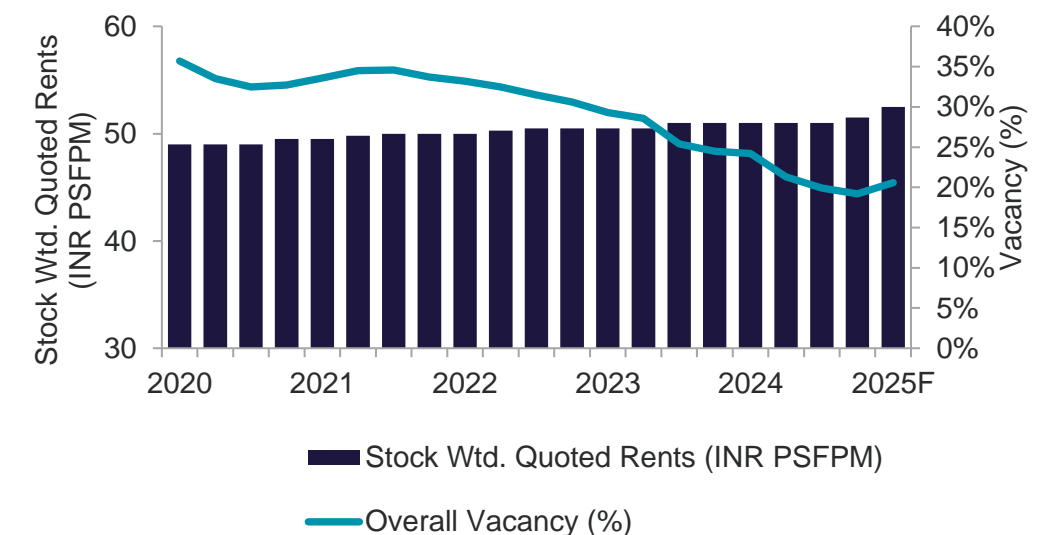
MARGINAL GROWTH IN HEADLINE OFFICE RENTALS

Headline city-wide office rentals recorded marginal appreciation on a quarterly basis driven by space take-up across the prime micro markets Salt Lake Sector V and Rajarhat. However, rentals are likely to remain rangebound in the near term on the back of expected healthy supply addition.

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	24.5%	12,270	53,185	70,685	0	0	₹ 110.1
Park Circus Connector	710,260	17.1%	0	0	18,000	0	1,199,606	₹ 85.0
Rashbehari Connector	1,413,780	24.4%	0	63,525	70,525	0	0	₹ 82.0
Rajarhat	10,587,434	14.6%	49,500	744,300	787,300	0	3,158,143	₹ 46.0
Sector V, Salt Lake	13,009,650	21.7%	144,060	594,546	750,846	0	1,531,360	₹ 52.2
KOLKATA TOTALS	27,593,578	19.2%	205,830	1,455,556	1,697,356	0	5,889,109	₹51.5

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 2027 * Stock weighted average asking rental rates for 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 = 84.4 INR € 1 = 90.1 INR

Numbers for the fourth quarter are based on market information collected until 20th December 2024

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Godrej Genesis	Sector V, Salt Lake	Akasa	46,000	Fresh Lease
DLF IT Park - I	Rajarhat	Concentrix	43,000	Fresh Lease
Godrej Waterside	Sector V, Salt Lake	Simpliworks	42,000	Fresh Lease
DLF IT Park – II	Rajarhat	Visteon Corporation	32,000	Fresh Lease
Ecocentre	Sector V, Salt Lake	Grant Thornton	16,000	Fresh Lease

KEY CONSTRUCTION COMPLETIONS YTD 2024

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

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