

MARKET FUNDAMENTALS

	YOY Chg	Outlook
17.8% Vacancy Rate	▼	▼
0.38 Q1-25 Net Absorption (MSF)	▲	▲
INR 51.5 Stock Wtd. Rent (PSFPM)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
6.20% GDP Growth (Q3 FY24-25)	▼	▲
3.60% CPI Inflation	▼	▲
58.3 Services PMI (3 months average)	▲	▬

Source: MOSPI, RBI, HSBC

STABLE LEASING MOMENTUM IN Q1

Kolkata witnessed gross leasing volumes (GLV) of 0.26 msf in Q1, a 21% growth on an annual basis, on the back of stable leasing momentum. Net absorption was around 0.38 msf in the quarter, driven by continued fresh leasing activity and absorption of office space across prime micromarkets such as Sector V, Salt Lake and Rajarhat.

Fresh leasing accounted for the whole of GLV in Q1, with occupiers in the engineering & manufacturing segment accounting for 39% of leasing volumes. The traditional bellweather IT-BPM sector occupied the second spot with a 16% a share in leasing volumes. BFSI occupiers contributed 13% to quarterly GLV. Space takeup by flex operators, who have been expanding their footprint steadily, was lower with a share of 8% in GLV. Salt Lake Sector V and Rajarhat micromarkets cumulatively accounted for around 87% of GLV in the quarter, cementing their status as the prime office corridors of the city. CBD micromarket contributed the remaining 13% of quarterly lease volumes.

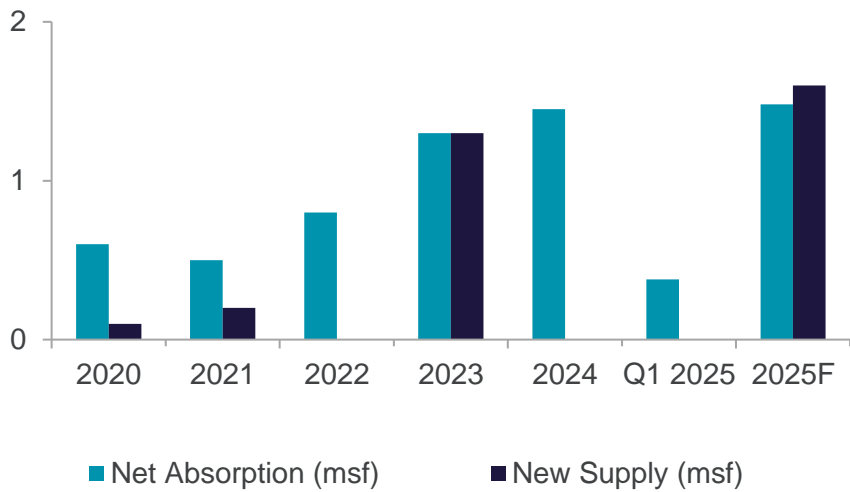
NO SUPPLY IN Q1; DROP IN HEADLINE OFFICE VACANCY

Kolkata recorded no new supply in Q1 as a couple of projects at Park Circus Connector and Salt Lake Sector V micromarkets were deferred. However, supply pipeline for the current year remains strong at around 1.6 msf with a number of projects under development. Given the steady demand across prime micromarkets and lack of new supply, headline city-wide office vacancy declined to ~18% in Q1 from over 19% in the previous quarter.

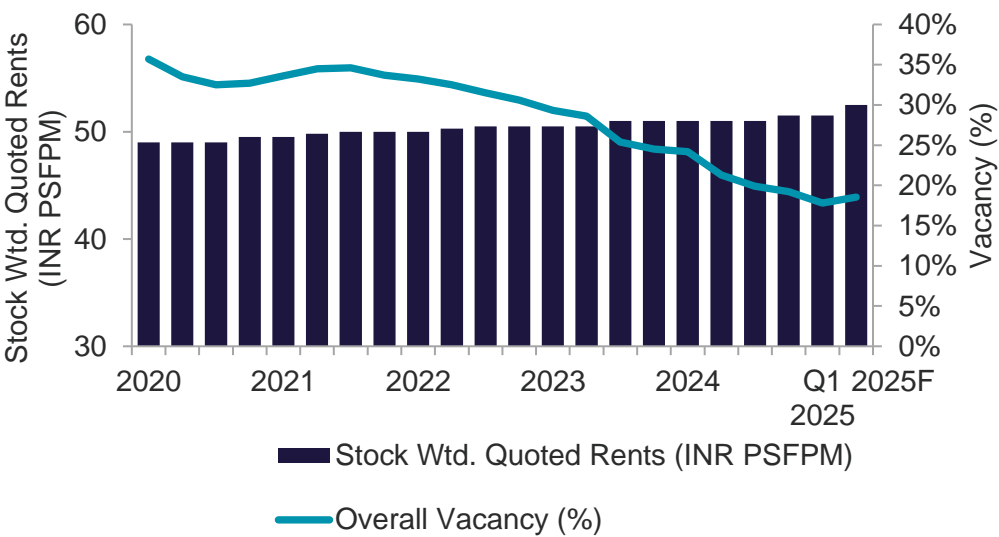
MARGINAL ANNUAL GROWTH IN HEADLINE OFFICE RENTALS

Headline city-wide office rentals remained largely stable on a quarterly basis but recorded marginal appreciation on a yoy basis. Rentals are likely to remain rangebound in the near term on the back of expected healthy supply influx despite stable demand trajectory.

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	22.9%	28,887	28,887	34,187	0	0	₹ 110.1
Park Circus Connector	710,260	17.1%	0	0	0	0	1,029,606	₹ 85.0
Rashbehari Connector	1,413,780	24.4%	0	0	0	0	0	₹ 82.0
Rajarhat	10,587,434	14.0%	62,000	62,000	103,000	0	3,158,143	₹ 46.0
Sector V, Salt Lake	13,009,650	19.4%	287,688	287,688	121,100	0	931,360	₹ 52.2
KOLKATA TOTALS	27,593,578	17.8%	378,575	378,575	258,287	0	5,119,109	₹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 = 86.7 INR    € 1 = 90.5 INR  
Numbers for the first quarter are based on market information collected until 20th March 2025

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
RDB Primarc	Rajarhat	Linde India	50,000	Fresh Lease
DLF-ii	Rajarhat	LTi Mindtree	41,000	Fresh Lease
Siddha Esplanade	CBD	Standard Chartered Bank	28,887	Fresh Lease
Godrej Waterside	Sector V, Salt Lake	Iqvia	26,982	Fresh Lease
Mani Casadona	Rajarhat	Kalpataru Projects	12,000	Fresh Lease

KEY CONSTRUCTION COMPLETIONS Q1 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
No completions as of YTD 2025				

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