

MARKET FUNDAMENTALS

	YOY Chg	Outlook*
16.4% Vacancy Rate	▼	▼
0.78 YTD 2025 Net Absorption (MSF)	▼	▲
INR 52.0 Stock Wtd. Rent (PSFPM)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook*
7.4% GDP Growth (Q4 FY24-25)	▼	▼
2.8% CPI Inflation	▼	▲
58.7 Services PMI (3 months average)	▼	▬

Source: MOSPI, RBI, HSBC

STRONG LEASING DRIVEN BY HIGHER GCC SPACE TAKEUP

Kolkata witnessed gross leasing volumes (GLV) of 0.52 msf in Q2, a 2x jump on a quarterly basis though lower than the exceptionally strong Q2 volume last year. Net absorption stood at 0.39 msf in the quarter, a 5.4% QoQ growth, driven by strong fresh leasing activity. At 0.36 msf, the city saw robust space takeup by IT-BPM and professional services GCCs during the quarter, with GCCs accounting for nearly 70% of GLV. Fresh leasing accounted for the whole of GLV in Q2, with occupiers in the bellwether IT-BPM segment accounting for 65% of GLV followed by 12% share of professional services. Salt Lake Sector V and Rajarhat micro markets cumulatively accounted for around 93% of GLV in the quarter, with CBD contributing the remaining 7%.

As of H1, GLV stood at 0.78 msf, a 22% drop as compared to the same period last year. Net absorption stood at 0.78 msf, a 11% decline as compared to H1 last year. Nearly half of the GLV in H1 was contributed by the IT-BPM segment, followed by engineering & manufacturing and professional services with shares of 17% and 12% respectively.

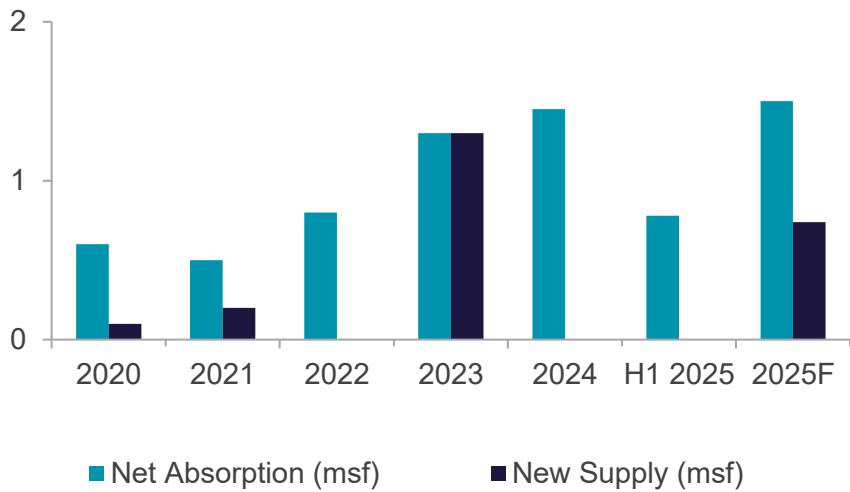
NO SUPPLY IN Q2; DECLINE IN OFFICE VACANCY

Kolkata recorded no new supply in Q2 on the back of delay in the grant of occupational certificate (OC) for a project at Salt Lake Sector V. However, supply pipeline for the current year remains fairly healthy with 0.74 msf expected to enter the market in the second half of the year. Given the steady demand and lack of new supply, headline city-wide office vacancy declined by 140 bps on a quarterly basis to 16.4% in Q2.

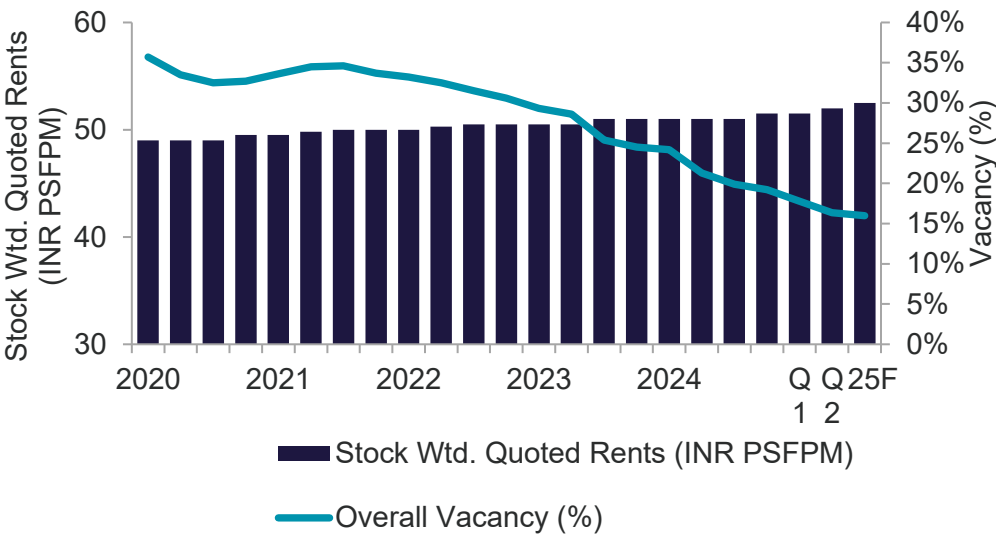
HEADLINE OFFICE RENTALS STABLE ON QUARTERLY BASIS

Headline office rentals remained unchanged during the quarter but recorded marginal appreciation on a yoy basis. Rentals are likely to remain rangebound in the near term with supply moving in line with the demand trajectory in the second half of the year.

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	21.5%	26,500	55,387	72,143	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	11.7%	250,000	312,000	453,000	0	2,270,643	₹ 46.5
Sector V, Salt Lake	13,009,650	18.5%	122,430	410,118	257,321	0	931,360	₹ 52.2
KOLKATA TOTALS	27,593,578	16.4%	398,930	777,505	782,464	0	4,231,609	₹52.0

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 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 = 85.4 INR € 1 = 96.4 INR
Numbers for the second quarter are based on market information collected until 16th June 2025

Outlook*: The Outlook represents our forward-looking view of key market indicators over the next 12 months, based on current market trends, economic conditions, policy developments, and available data. Projections are indicative and may be adjusted as market dynamics evolve.

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Candor Techspace	Rajarhat	Capgemini	300,000	Fresh Lease
Mani Casadona	Rajarhat	Asian Paints	25,000	Fresh Lease
Mani casadona	Rajarhat	Bandhan Bank	25,000	Fresh Lease
Godrej Waterside	Sector V, Salt Lake	KPMG	23,830	Fresh Lease
Godrej Waterside	Sector V, Salt Lake	IQVIA	22,000	Fresh Lease

KEY CONSTRUCTION COMPLETIONS YTD 2025

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

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