MARKETBEAT
KOLKATA
OFFICE Q3 2025

MARKET FUNDAMENTALS

	YOY Chg	Outlook*
14.8% Vacancy Rate	▼	▼
1.21 YTD Net Absorption (MSF)	▼	▲
INR 52.5 Stock Wtd. Rent (PSFPM)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook*
7.80% GDP Growth (Q1 FY25-26)	▲	▼
2.07% CPI Inflation	▼	▲
61.3 Services PMI (3 months average)	▲	▼

Source: MOSPI, RBI, HSBC

IT SECTOR DRIVES ROBUST LEASING ACTIVITY

Kolkata witnessed gross leasing volumes (GLV) of 0.67 msf in Q3, a 29% growth on a quarterly basis and 65% expansion as compared to the same period last year. Net absorption stood at 0.43 msf in the quarter, a growth of 7% on a quarterly basis and a 14% increase on YoY basis. Fresh leasing remained strong, accounting for 70% of quarterly GLV. IT sector remained dominant in leasing activity during the quarter, contributing 57% of lease volumes. Flexible workspace operators continued to expand their footprint in the city, driven by rising demand for managed offices. Flex operators accounted for 22% of quarterly GLV, followed by engineering & manufacturing segment with a share of 7%. Salt Lake Sector V and Rajarhat submarkets cumulatively accounted for around 94% of GLV in the quarter.

As of YTD 2025, GLV stood at 1.46 msf, a 3% rise over same period last year. Net absorption stood at 1.21 msf a marginal 4% decline on an annual basis. Around 53% of YTD-25 GLV was contributed by IT-BPM segment, followed by flex operators (13%), and engineering & manufacturing (12%).

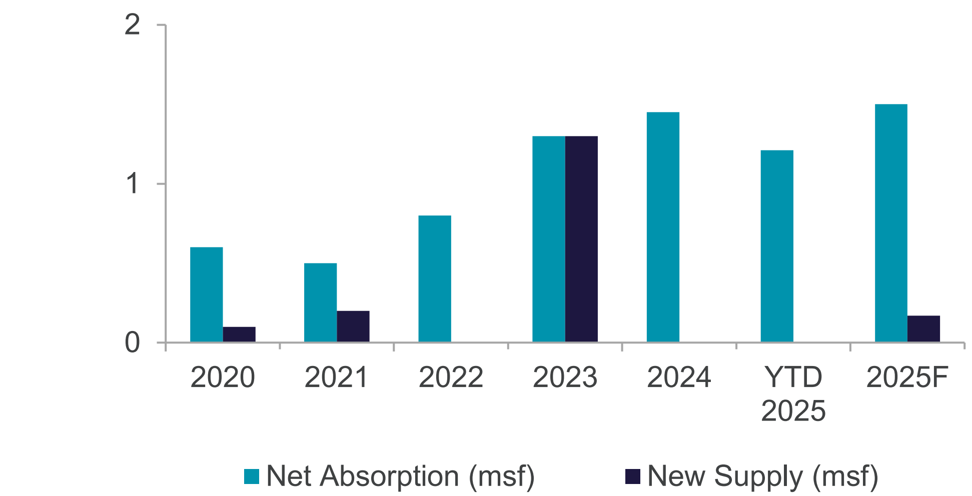
NO SUPPLY IN Q3; SHARP FALL IN OFFICE VACANCY

Kolkata recorded no new supply in Q3 and supply for the current year is likely to be low at 0.17 msf. However, supply pipeline for 2026 remains fairly healthy with 1.36 msf expected to enter the market. Headline city-wide office vacancy fell sharply by 160 bps on a quarterly basis on the back of sustained demand and lack of new supply.

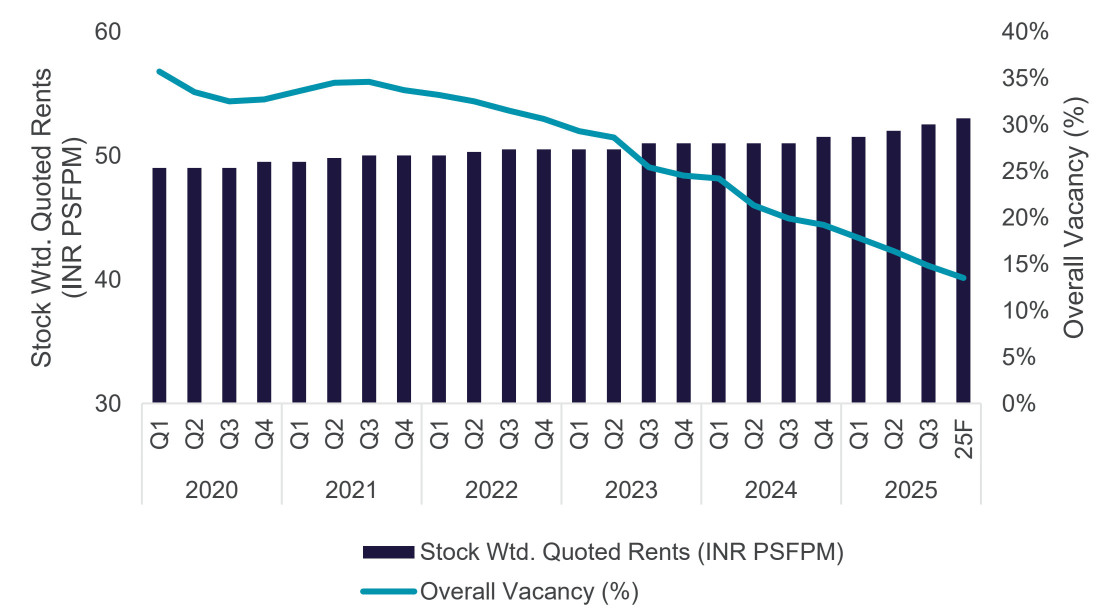
STABLE HEADLINE OFFICE RENTALS

Headline office rentals remained unchanged on a quarterly basis but recorded marginal growth on an annual basis. Rentals are likely to remain rangebound over the next few quarters as more supply enters the market and demand – supply balance is restored.

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%	0	55,387	73,843	0	0	₹ 110.1
Park Circus Connector	710,260	16.1%	7,000	7,000	7,000	0	825,000	₹ 85.0
Rashbehari Connector	1,413,780	22.1%	33,200	33,200	33,200	0	0	₹ 82.0
Rajarhat	10,587,434	10.6%	114,500	426,500	767,500	0	2,270,643	₹ 47.0
Sector V, Salt Lake	13,009,650	16.4%	272,800	682,918	574,702	0	931,360	₹ 53.0
KOLKATA TOTALS	**27,593,578**	**14.8%**	**427,500**	**1,205,005**	**1,456,245**	**0**	**4,027,003**	**₹52.5**

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 = 87.0 INR € 1 = 101.6 INR
Numbers for the third quarter are based on market information collected until 15th September 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 Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
RDB Primarc	Rajarhat	IBM	200,000	Term Renewal
Rudramani	Rashbehari Connector	Tata Consumer Products	22,500	Fresh Lease
Godrej Waterside – Tower 1	Sector V, Salt Lake	SREI	19,000	Fresh Lease
Delta Tower	Sector V, Salt Lake	Be10X	16,200	Fresh Lease
RDB Boulevard	Sector V, Salt Lake	DSV	10,000	Fresh Lease

KEY CONSTRUCTION COMPLETIONS YTD 2025

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

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