

MARKET FUNDAMENTALS

	YOY Chg	Outlook*
9.48% Vacancy Rate	▼	▲
1.06 YTD Net Absorption (MSF)	▼	▲
INR 56 Stock Wtd. Rent (PSFPM)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook*
7.80% GDP Growth (Q1 FY26-27)	▲	▼
4.82% CPI Inflation	▲	▲
54.9 Services PMI (3 months average)	▼	▲

Source: MOSPI, RBI, HSBC

IT-BPM, E&M DROVE LEASING ACTIVITY

Kolkata witnessed gross leasing volumes (GLV) of 0.58 msf in Q3, a 4% decline on a quarterly basis. Net absorption stood at 0.30 msf in the quarter, a 40% drop on a quarterly basis, largely due to lower fresh leasing in the quarter amid inadequate Grade A supply. Fresh demand accounted for 53% of GLV, down from 85% in the previous quarter, with term renewals contributing 47%. GCC leasing slowed sharply in the quarter as well, accounting for just 2% of GLV as compared to 50% in the previous quarter. In terms of the sectoral break-up, IT-BPM segment dominated leasing activity, accounting for 54% of the GLV while engineering & manufacturing segment contributed 25%. Leasing by flexible workspace operators slowed in the quarter with the segment contributing 8% of GLV, down from 17% in Q2. The BFSI segment contributed 5% of quarterly GLV. Salt Lake Sector V and Rajarhat submarkets cumulatively accounted for 95% of GLV in the quarter, maintaining their status as the prime office corridors while CBD and Rashbehari Connector cumulatively contributed around 4%.

As of YTD 2026, GLV stood at 1.34 msf, an 8% decline on an annual basis. IT-BPM sector contributed 55% of GLV during this period followed by engineering & manufacturing (21%) and flexible workspace operators (15%).

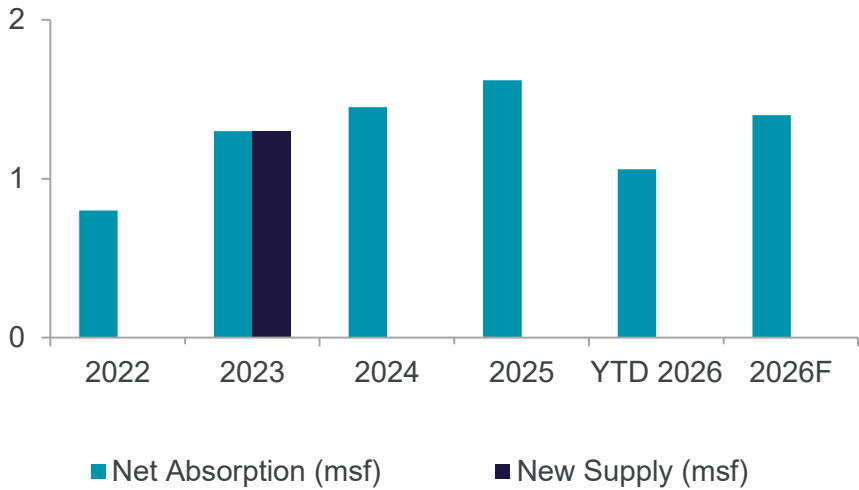
NO SUPPLY IN Q3; CONTINUED DECINE IN OFFICE VACANCY

Kolkata recorded no new supply in Q3; while the remainder of the year is not expected to witness any supply, over 5 msf of project completions are forecasted for the next couple of years. Headline city-wide office vacancy fell by 110 bps on a quarterly basis largely due to no new supply.

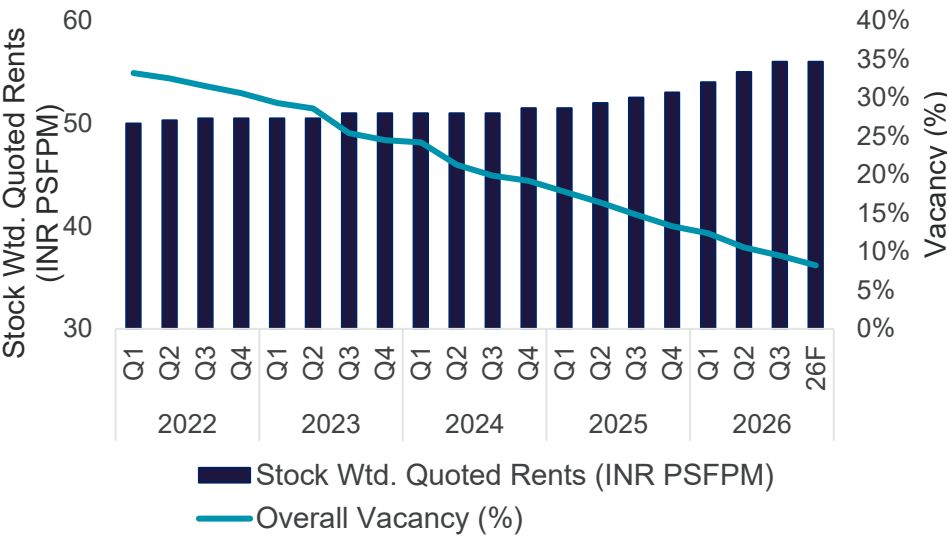
RENTALS MAINTAINED GROWTH TREND

Headline office rentals recorded growth of 4-5% on an annual basis in Q3 with prime office submarkets of Salt Lake Sector V and Rajarhat recording higher rental growth of 5-6% on the back of stable demand and no new supply. Rental appreciation is likely to continue across the prime office submarkets despite expected higher supply.

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	18.7%	12,300	46,300	46,400	0	0	₹ 110.1
Park Circus Connector	710,260	15.6%	3,800	3,800	3,800	0	429,606	₹ 85.0
Rashbehari Connector	1,413,780	20.5%	12,200	21,900	27,400	0	0	₹ 82.0
Rajarhat	10,587,434	5.2%	52,630	407,139	684,792	0	3,158,143	₹ 50.0
Sector V, Salt Lake	13,009,650	10.1%	221,895	580,554	573,985	0	1,531,360	₹ 55.0
KOLKATA TOTALS	27,593,578	9.5%	302,825	1,059,693	1,336,377	0	5,119,109	₹56.0

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 2028 * 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 = 95.5 INR € 1 = 110.1 INR

Numbers for the third quarter are based on market information collected until 25th September 2026

***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 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Candor Techspace	Rajarhat	TCS	270,000	Term Renewal
Srijan Tech Park	Sector V, Salt Lake	Be10X	31,000	Fresh Lease
Merlin Infinite	Sector V, Salt Lake	Urbanwrk	30,000	Fresh Lease
Infinity Thinktank	Sector V, Salt Lake	Ingreens	25,000	Fresh Lease
Mani Casadona	Rajarhat	Jindal Steel	23,000	Fresh Lease

KEY CONSTRUCTION COMPLETIONS Q3 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
No completions in Q3 2026				

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