

# MARKETBEAT

**73.0%**  
NET ABSORPTION  
DECLINE (QoQ)

**21.3%**  
REDUCTION IN  
AVERAGE DEAL  
SIZE (QoQ)

**2.5 msf**  
SUPPLY PIPELINE  
(2018 & 2019)

## HIGHLIGHTS

### Steep fall in net absorption

Net absorption declined by 73.0% in the first quarter of 2018 on account of subdued demand. The average transaction size also declined to 10,540 square feet (sf) from 13,400 sf during the previous quarter, with no large-sized transaction recorded (above 50,000 sf) during the quarter. Salt Lake accounted for 78.6% of net absorption, while Rashbehari Connector made up the rest. Coworking operators, along with the engineering and manufacturing sectors, constituted more than half of the transaction activity with respective shares of 30.4% and 25.7% in overall leasing.

### Supply infusion in Rashbehari Connector

The submarket of Rashbehari Connector continued to witness influx of new supply for the second consecutive quarter, with addition of 452,000 sf spread across two commercial projects. This led to a sharp rise in vacancy over the quarter to 48.2% from 25.6% for the submarket. The weighted average rent for Rashbehari Connector decreased 7% quarter-on-quarter (QoQ) due to new supply being added at less than the average rent for the submarket.

### Strong development pipeline in peripheral areas

Close to three-fourths of the supply scheduled for completion in 2018 and 2019 is expected to be in the peripheral submarkets of Salt Lake and Rajarhat. This will further increase the vacancy in these occupier-friendly submarkets and exert pressure on rents with opportunities for rental renegotiations.

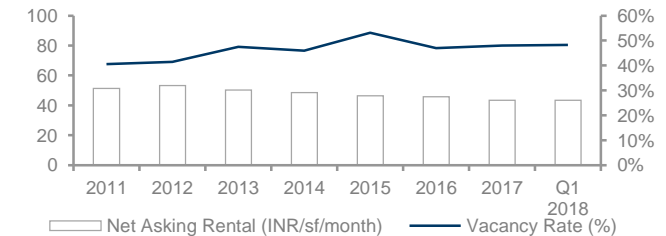
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Research Publication

DATA  
INTO  
ACTION

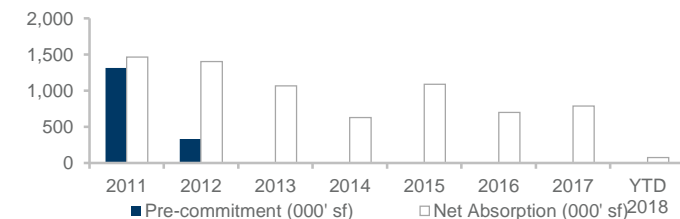
### MARKET INDICATORS

	Q1 2017	Q1 2018	12 month Forecast
Overall vacancy	33.8%	39.5%	▲
Weighted Average Rents (INR/sf/month)	49.46	47.45	■
YTD Net Absorption (sf)	111,000	74,900	▲

### GRADE A OVERALL RENT & VACANCY RATE - SALT LAKE



### GRADE A PRE-COMMITMENTS & NET ABSORPTION



# KOLKATA OFFICE MARKETBEAT

MARCH 2018



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SUBMARKET	INVENTORY (SF)	VACANCY RATE	YTD LEASING ACTIVITY (SF)	PLANNED & UNDER CONSTRUCTION (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	YTD NET ABSORPTION (SF)	GRADE A WTD. AVG. RENT*		
							INR/SF/MO*	US\$/SF/YR	EUR/SF/YR
CBD	1,375,200	30.6%	0	110,500	0	0	107.48	US\$19.84	€16.14
Park Circus Connector	710,300	25.2%	0	600,000	0	0	88.81	US\$16.40	€13.34
Rashbehari Connector	1,413,800	48.2%	16,000	0	452,000	16,000	78.17	US\$14.43	€11.74
Rajarhat	9,753,000	30.1%	0	529,000	0	0	36.87	US\$06.81	€05.54
Sector-V, Salt Lake	11,854,900	48.2%	89,400	1,250,400	171,000	58,900	43.48	US\$08.03	€06.53
<b>TOTALS</b>	<b>25,107,200</b>	<b>39.5%</b>	<b>105,400</b>	<b>2,489,900</b>	<b>623,000</b>	<b>74,900</b>	<b>47.45</b>	<b>US\$8.76</b>	<b>€7.13</b>

The report highlights Grade A details only

Net absorption refers to the incremental new space take-up; renewals not included in leasing activity statistics

\*Weighted average asking rental rates for vacant spaces that provide core facility, high-side air conditioning and 100% power back up

IT-BPM – Information Technology – Business Process Management

Key to submarkets:

CBD – Park Street, Camac Street, AJC Bose Road, Theatre Road

US\$ 1 = INR 65.0; € 1 = INR 79.9

Numbers for the first quarter are based on market information collected until 10th March 2018

## KEY LEASING TRANSACTIONS – Q1 2018

PROPERTY	SUBMARKET	TENANT	SF	LEASE TYPE
BioWonder	Rashbehari Connector	Awfis	16,000	Expansion
Ecocentre	Sector-V, Salt Lake	Apeejay Business Center	16,000	Expansion
PS Srijan Tech Park	Sector-V, Salt Lake	Tata BSS	12,500	Expansion
Saltee Corporate Park	Sector-V, Salt Lake	BBA Group	7,200	New Lease
Godrej Genesis	Sector-V, Salt Lake	Yokogawa India	5,500	New Lease

## SIGNIFICANT PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION DATE
Aurora Waterfront	Sector-V, Salt Lake	NA	110,000	Q4 2018
Infinity Magnacon	Sector-V, Salt Lake	NA	973,000	Q1 2019
Ideal Unique Centre	Park Circus Connector	NA	600,000	Q4 2019
Candor TechSpace	Rajarhat	NA	529,000	Q2 2019

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