

KOLKATA

Retail Q4 2022

CUSHMAN & WAKEFIELD

6.3% MALL VACANCY (Q4 2022)

0.35 msf MALL SUPPLY (2023 – 2024)

4.71 msf MALL INVENTORY (Q4 2022)

Leasing volumes remain strong driven by Fashion & apparel and CDIT

Kolkata's retail leasing momentum remained strong in the final quarter of the year driven by continued bullishness in consumer spending on categories such as fashion, consumer electronics, jewellery and accessories. Prominent shopping malls and main streets reported a sharp increase in footfalls in the quarter exceeding pre-Covid levels, both on weekdays and weekends, with festive season demand driving retail sales higher. Total retail leasing volumes stood at around 78,000 sf in Q4, a 25-30% growth over previous quarter. Malls accounted for around a quarter of leasing volume in Q4 as compared to less than 5% in the previous quarters.

Main streets accounted for around 75% of leasing volumes with a national departmental store chain opening a large store at Rajarhat (PBD micromarket) and another national consumer electronics and durables retailer inaugurating a store at Tollygunge (SBD – South Kolkata micromarket). Fashion and apparel segment accounted for around 60% of retail leasing in Q4, followed by consumer electronics at ~20%. Retailers are reportedly bullish about business prospects going forward and expansion plans are firmly in place. QSR segment within the F&B sector is likely to expand not just in Kolkata but also in surrounding markets. However, a major proportion of this expansion is likely to be concentrated around main streets due to space constraints in existing Grade A malls and a low visibility of mall supply over next few quarters.

Main streets to dominate near-term leasing due to limited mall supply

There was no new mall completion in Q4, and no new supply is expected in 2023 as well. A greenfield mall at Joka (Southwest micromarket), which was stalled for the past few quarters, has been acquired by a prominent city-based developer and plans are afoot to complete and inaugurate the project by mid-2024. This is expected to partially address the gap in demand-supply of quality Grade A mall space in the city. In the near term, prominent main streets are likely to witness higher leasing activity in the absence of adequate mall supply.

Prominent malls report rental growth; main street rents appreciate too

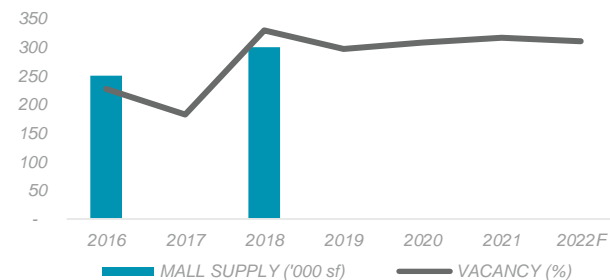
City wide mall rentals remained stable in Q4 although select Grade A malls saw 4-5% qoq rental growth taking it closer to pre-Covid levels. Landlords/developers are negotiating minimum guaranteed rents with existing tenants and reportedly charging higher rents from new tenants. Rentals appreciated by around 5-7% qoq at prominent main streets such as Park Street and Camac Street, thereby maintaining the rental uptrend seen in recent quarters.

ECONOMIC INDICATORS Q4 2022

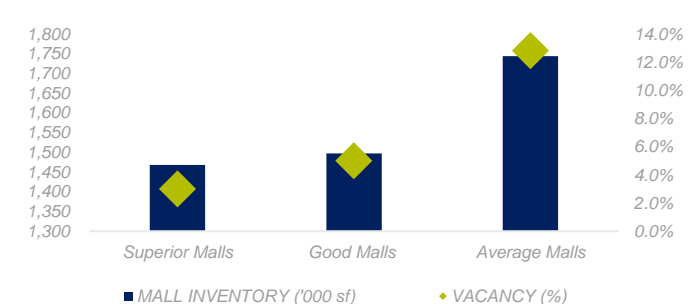
	2021	2022	2023 Forecast
GDP Growth	8.7%	6.8%	6.1%
CPI Growth	5.3%	6.7%	5.0%
Consumer Spending	6.3%	7.5%	7.2%
Govt. Final Expenditure Growth	10.8%	9.7%	8.5%

Source: Oxford Economics, IMF, RBI

MALL SUPPLY / VACANCY



CATEGORY-WISE STOCK / VACANCY



MARKET STATISTICS

PRIME RETAIL RENTS - MAIN STREETS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q ** CHANGE	Y-O-Y CHANGE
Park Street (CBD)	550	78	81	7%	0%
Camac Street (CBD)	475	68	69	6%	0%
Lindsay Street (CBD)	415	60	60	3%	0%
Elgin Road (CBD)	290	42	42	0%	0%
Theatre Road (CBD)	255	36	37	5%	0%
Gariahat (South)	260	37	38	0%	0%
Shyambazar (North)	125	18	18	0%	-5%
Hatibagan (North)	130	19	19	0%	-3%
Kankurgachi (North East)	170	24	25	0%	-2%
VIP Road (North East)	120	17	17	0%	-2%
PRIME RETAIL RENTS - MALLS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q ** CHANGE	Y-O-Y CHANGE
South City Mall, Prince Anwar Shah Road	475	68	69	4%	0%
City Centre – I, Salt Lake	415	60	61	0%	0%
Axis Mall, Rajarhat	130	19	19	0%	0%
Forum – I, Elgin Road	530	76	77	5%	0%
Riverside Mall, Howrah	190	27	28	0%	-5%
Quest Mall, Park Circus	635	91	93	4%	0%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
 US\$ 1 = INR 82.3, € 1 = INR 83.6

SIGNIFICANT LEASING TRANSACTIONS Q4 2022

PROPERTY	LOCATION	TENANT	SF
Main Street	Rajarhat	Shoppers Stop	21000
Mall	Forum Courtyard	Marks & Spencer	12000
Main Street	Lindsay Street	Reliance Trends	9000
Main Street	Tollygunge	Croma	7000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Acropolis South	Joka	350,000	Q2 2024

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