News Release

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Kolkata housing demand remains resilient in H1 2026; Office market sees rental growth amid measured leasing activity: Knight Frank India

- **0.8 mn sq ft office leasing volume recorded in H1 2026**
- **Flex operators accounted for 40% of office leasing activity**
- **Residential sales increased 3% YoY to 8,368 units in H1 2026**
- **Unsold inventory declined to its lowest recorded level of 18,578 units**

Kolkata, 09 July 2026: Knight Frank India, in its latest report, **India Real Estate: Residential and Office (January – June 2026) H1 2026**, observed that Kolkata's residential market remained resilient during the first half of 2026 despite a measured pace of new launches. Housing sales increased by **3% YoY** to **8,368 units**, while residential launches moderated by **5% YoY** to **7,316 units** as developers maintained a disciplined approach towards fresh supply. The moderation in launches was also influenced by a temporary slowdown in project announcements during the state election period. Demand remained supported by Kolkata's relatively affordable housing market, improving connectivity and expanding infrastructure network. Residential prices increased by **5% YoY** to **INR 5,942 per sq ft**, while unsold inventory declined by **9% YoY** to its lowest recorded level of **18,578 units**.

The report also highlighted that Kolkata's office market witnessed a moderation in leasing activity after recording its strongest annual performance in a decade in 2025. Office transactions stood at **0.8 mn sq ft** in H1 2026, registering a **26% YoY decline** owing to the absence of large transactions witnessed in the previous year and a cautious approach by occupiers towards expansion. Despite lower leasing volumes, demand remained healthy across key business districts, vacancy declined to **27.5%**, its lowest recorded level, while average office rents increased by **15% YoY** due to sustained demand for Grade A office spaces and limited availability across major business districts.

Office Market Highlights of Kolkata

Following a record year in 2025, Kolkata's office market entered a phase of consolidation during H1 2026. Leasing activity stood at **0.8 mn sq ft**, with occupiers adopting a measured approach towards expansion decisions. Unlike the previous year, which witnessed a few large transactions, H1 2026 was characterised by a larger number of small and mid-sized deals. No new office completions were recorded during the period as developers continued to adopt a cautious approach towards new developments.

KOLKATA OFFICE MARKET SUMMARY

Parameter	H1 2026	H1 2026 Change (YoY)
Completions in mn sq ft	-	-
Transactions in mn sq ft	0.8	-26%
Average transacted rent in INR/sq ft/month	51.1	15%

Source: *Knight Frank Research*

Peripheral Business Districts (PBDs) remained the preferred office destinations, with **Salt Lake City (PBD-1)** and **Rajarhat New Town (PBD-2)** together accounting for approximately **94%** of all office transactions during H1 2026. Their established office ecosystem, Grade A office stock, superior connectivity and relatively competitive rentals continued to attract occupiers across sectors.

Technology occupiers continued to anchor Kolkata's office market in H1 2026, with third-party IT services and flex space operators together accounting for 76% of total leasing activity, reflecting the growing importance of managed workspaces and outsourced technology services. Flex space emerged as the largest occupier segment, contributing 40% of total leasing, followed by third-party IT services at 36% and India-facing businesses at 20%. Leasing in the flex segment was led by operators such as Awfis, Akasa and IndiQube, with most transactions concentrated in Salt Lake City, underscoring the rising preference among occupiers flexible and scalable workspace solutions, particularly small and mid-sized enterprises and technology firms.

End-User Licensee/Buyer	Flex	India-Facing Business	Third Party IT	GCC	Total
Area transacted in mn sq ft	0.3	0.2	0.3	0.0	0.8

Source: *Knight Frank Research*

Average office rents in Kolkata rose by 15% YoY in H1 2026, driven largely by strong demand in Salt Lake City and Rajarhat New Town. Within these peripheral business districts, average rents increased by about 17% and 27% YoY, respectively. This increase reflects the limited availability of quality office space and sustained occupier preference for Grade A developments in these locations.

BUSINESS DISTRICT-WISE RENTAL MOVEMENT

Business District	Rental value range in H1 2026 (INR/sq ft/month)	12-month change	6-month change
CBD & Off CBD	82–115	13%	4%
SBD-I (Park Circus Connector)	65–77	9%	1%
SBD-II (Rashbehari Connector)	65–98	9%	2%
PBD-I (Salt Lake City)	52–67	17%	8%
PBD-II (Rajarhat New Town)	42–62	27%	9%

Source: *Knight Frank Research*

Joydeep Paul, Senior Director- Occupier Strategy & Solutions, Knight Frank India, said, *"Following the exceptional leasing activity witnessed in 2025, Kolkata's office market experienced a healthy phase of consolidation during the first half of 2026. While overall transaction volumes moderated due to the absence of large-sized deals, occupier demand remained resilient across the city's key business districts. The continued preference for Grade A office assets, declining vacancy levels and strong rental appreciation across Salt Lake City and Rajarhat New Town demonstrate the improving fundamentals of Kolkata's commercial real estate market. Looking ahead, deferred occupier requirements, combined with the limited availability of quality office stock, are expected to support leasing momentum in the coming quarters."*

Residential Market Highlights of Kolkata

Kolkata's residential market demonstrated resilience during H1 2026, recording steady growth in home sales despite a moderation in new project launches. Residential sales increased by **3% YoY** to **8,368 units**, while new launches declined by **5% YoY** to **7,316 units** as developers adopted a measured approach towards fresh supply additions. The moderation in launches was also influenced by a temporary slowdown in project announcements during the state election period. Despite the cautious backdrop, demand remained supported by the city's relatively affordable housing market, improving connectivity and expanding infrastructure network.

KOLKATA RESIDENTIAL MARKET SUMMARY

Parameter	H1 2026	H1 2026 Change (YoY)
Launches (housing units)	7,316	-5%

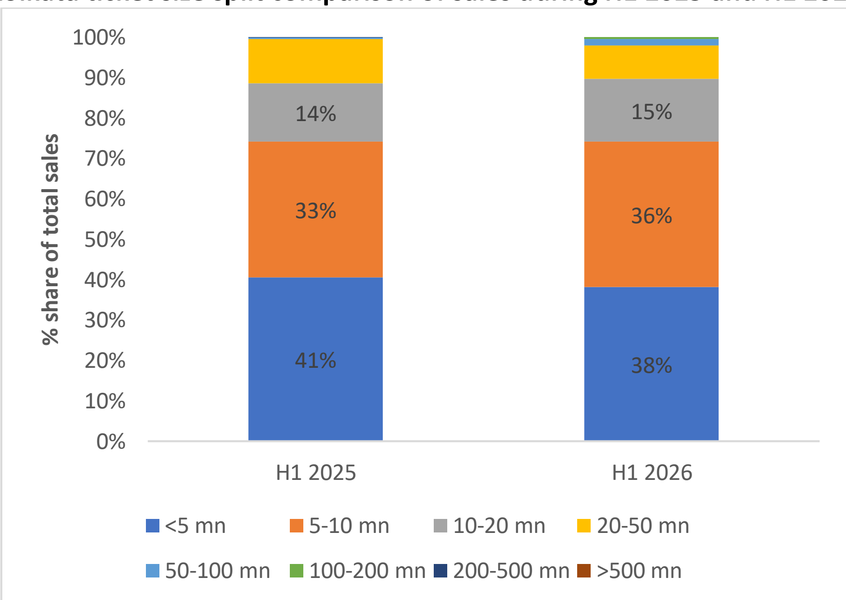
Sales (housing units)	8,368	3%
Average Price in INR/ sq ft	5,942	5%

Source: *Knight Frank Research*

South Kolkata and Rajarhat continued to dominate residential activity during H1 2026, together accounting for nearly **60% of new launches** and over **62% of total sales**. South Kolkata retained its position as the city's largest residential market, supported by established social infrastructure, expanding metro connectivity and strong end-user demand. Rajarhat continued to benefit from its proximity to major employment centres and a wide range of housing options across price segments.

Homebuyer preferences continued to shift towards higher-value homes during H1 2026. The share of homes priced below **INR 5 mn** declined from **41% in H1 2025 to 38% in H1 2026**, while the **INR 5–10 mn** and **INR 10–20 mn** categories increased their share of sales to **36%** and **15%**, respectively. Together, these two categories accounted for more than half of all residential transactions, reflecting growing demand for the INR 5-20 mn price range while maintaining Kolkata's strong end-user orientation.

Kolkata ticket size split comparison of sales during H1 2025 and H1 2026



Source: *Knight Frank Research*

During H1 2026, the INR 5–10 mn ticket-size segment recorded an 11% YoY growth, with sales of 3,020 units, followed by the INR 10–20 mn segment, which grew by 10% YoY to 1,291 units. The sub-INR 5 mn remained the largest contributor to residential sales, accounting for 3,191 units, sales in this category moderated by 3% YoY. Notably, the INR 50–100 mn segment recorded an exceptional 286% YoY growth, highlighting the increasing traction for luxury housing in Kolkata, albeit on a relatively small base.

TICKET-SIZE SPLIT OF SALES

Ticket Size Categories (INR)	<5 mn	5-10 mn	10-20 mn	20-50 mn	50-100 mn	100-200 mn	200-500 mn	Total
H1 2026	3,191	3,020	1,291	689	135	42	-	8,368

YoY % change	-3%	11%	10%	-22%	286%	-	-	3%

Source: *Knight Frank Research*

The city's residential fundamentals continued to improve during the period. Unsold inventory declined by 9% YoY to 18,578 units, the lowest level recorded for the market, while the quarters-to-sell (QTS) improved to 4.4 quarters from 4.9 quarters a year ago. The sub-INR 5 mn and INR 5–10 mn segments remained the healthiest categories, supported by sustained demand and healthy absorption levels. The INR 20–50 mn segment also recorded a significant 30% decline in unsold inventory, reflecting improved demand in the premium housing category.

Residential prices increased by 5% YoY to INR 5,942 per sq ft, supported by improving inventory conditions, resilient end-user demand and sustained activity in higher ticket-size categories. Select residential locations including Behala, Salt Lake, Narendrapur and Rajarhat outperformed the city average, benefiting from infrastructure improvements, expanding metro connectivity and growing residential activity.

Joydeep Paul, Senior Director- Occupier Strategy & Solutions, Knight Frank India *"Kolkata's residential market continued to demonstrate resilience during the first half of 2026 despite a measured pace of new launches. Healthy end-user demand, improving infrastructure and expanding connectivity continued to support housing sales across the city. At the same time, declining inventory levels and steady price appreciation indicate strengthening market fundamentals. Demand is gradually shifting towards the INR 5–20 mn segment, reflecting growing buyer confidence and preference for larger and better-quality homes. With developers maintaining a disciplined approach towards new launches and the state's continued focus on infrastructure and industrial development, Kolkata's residential market is well positioned for balanced and sustainable growth in the coming quarters."*

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