

Kolkata Warehousing Market – Strong Momentum, Poised for Landmark Transactions

By Dr. Samantak Das¹

1. What factors driving the Kolkata warehousing market?

Kolkata's warehousing market is transitioning from a traditional storage market into a modern logistics ecosystem. GST removed tax-induced fragmentation, enabling the warehousing sector to transition from small, scattered facilities to large, modern, efficient hubs. While other factors like e-commerce, industrial growth, and infrastructure development also contributed, GST was the key enabler for structural change in Kolkata.

Kolkata's main advantage is geography. The city acts as a gateway to Northeast India, a trade link to Bangladesh, Nepal and Bhutan and a distribution hub for Eastern India. As a result, the city has the advantage of huge demand for regional distribution centres, cross-border trade warehousing and FMCG and retail stocking hubs.

E-commerce has been one of the strongest demand engines for warehousing sector in Kolkata. Large occupiers like Amazon, Flipkart, FMCG distributors and retail



logistics operators have considered the city in their expansion plans. In a big way, Kolkata is coming into reckoning as a warehousing and logistics hub and it is reaping the benefits of aggressive supply chain expansion in India of players like Amazon, which has signed a built-to-suit lease deal for a 600,000 lakh square feet facility at Oswal Logistics Park in Kolkata, expected to be ready by 2027-28. 3PL and e-commerce together account for more than 50% of warehouse leasing demand in Kolkata, with engineering & manufacturing increasing its footprint. In addition, the same-day delivery, quick commerce and urban fulfilment centres have increased demand for in-city and peripheral warehouses.

Major infrastructure upgrades have materially improved Kolkata's logistics attractiveness and the key enablers are eastern dedicated freight corridor linkages, improved NH16 and NH19 connectivity, port access via Kolkata and Haldia, multimodal connectivity and expansion of logistics parks. These developments have significantly increased the appetite of major institutional investors/platforms like ESR group, Blackstone, Logos, Indospace, Welspun, etc., for Kolkata and East India.

¹ Dr. Samantak Das is a former Chief Economist and Research Head of Knight Frank India and JLL India. Currently, Samantak is an advisor and mentor to team ACRA.

Disclaimer: The views expressed in this blog are solely those of the author and do not reflect the views of the organization. The author is exclusively responsible for the content within

2. What are the challenges still limiting the growth of Kolkata warehousing sector?

The most important hurdle in the development of modern warehousing and logistics hubs in Kolkata is fragmented land ownership and aggregation issues. Since The Urban Land (Ceiling and Regulation) Act, 1976 (ULCRA) is still not revoked in the state, large parcels of land are not available. Aggregation of land takes a lot of time and efforts making the projects unviable. Once the Act is revoked, areas like Rajarhat, Barasat and Airport Corridor, Howrah-Liluah and Dankuni can become modern hubs which would be capable of competing with the Western and Northern part of the country.

As a consequence of the above factors, there is limited Grade A quality supply of warehouses in the city and its peripheral areas. In spite of the fact that the proportion of Grade A warehousing stock in Kolkata is more than 50% and higher than the national average of around 45%, the growth in stock is muted. Interesting to note that the demand momentum in the last few years is very robust and in terms of yearly leasing volume, the city ranks among the top 4 centres; in terms of stock, it is one of the smallest.

In addition, the physical infrastructure bottlenecks in certain locations and overall governance in the state need to significantly improve for keeping this sector in the high growth trajectory.

To conclude, Kolkata's warehousing market is transitioning from a traditional storage market into a modern logistics ecosystem. The strongest structural themes are eastern India consumption growth, e-commerce expansion, cross-border trade, port-led logistics and visible institutionalization of Grade A warehouses through global players. The city still trails western and Northern India in scale, but growth rates and strategic relevance have improved substantially after GST and the post-pandemic supply-chain reconfiguration. The city is going to be one of the hotspots of Indian warehousing market once the newly elected government focusses on reducing the challenges that the sector has been facing for so many decades now.