

MARKETBEATS

2.6 msf

UPCOMING MALL SUPPLY
(2019-2020)

9.7%

MALL VACANCY (Q2 2019)

57%

SHARE OF APPAREL & ACCESSORIES IN
TOTAL LEASING (Q2 2019)WHAT'S
NEXT

HIGHLIGHTS

Main Streets remain the focal point

With vacancy in quality malls continuing to be in single digits, main streets continue to dominate the retail activity scene in the city. Besides prominent ones such as Brigade Road, Indira Nagar, MG Road, and Koramangala, several other high street locations in RR Nagar, New BEL Road, Kammanahalli, Banshankari, Basaveshwar Nagar too contributed to the robust leasing activity recorded across the main streets. Most of the retail transactions this quarter were mid-sized ones (1,500-2,500 sf). Domestic brands were the most active with international brands such as Xtep, Illahui, MI also opening their stores across the city.

Lifestyle brands gaining momentum

Fashion, Apparel & Accessories followed by F&B retailers continue to dominate across malls and main streets, contributing about 57% and 15% respectively of the total leasing activity recorded this quarter. With lifestyle driven brands expanding, several fitness and wellness centers & salon brands like Cult, Sarva Yoga Studio, Sukho Tai and Luminous Studios have expanded their footprint in the main street markets. Large sized space take-up for experience studios by brands like Pepperfry has also been part of recent trends in physical retail space.

Mall supply likely to strengthen

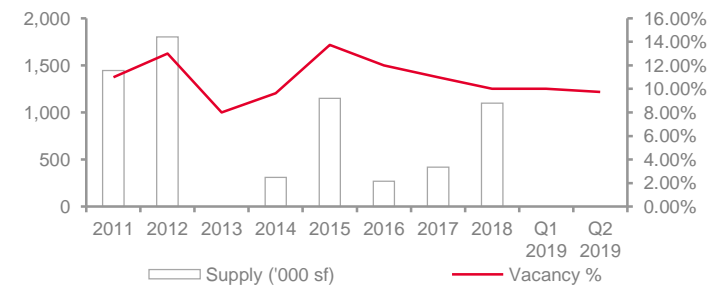
With upcoming retail mall supply of around 2.6 msf by end 2020, the soaring demand for quality retail space is likely to find some support. Many developers are also creating support retail formats as part of their upcoming residential projects, mostly in the peripheral locations, to counter the lack of organised retail space in such areas.

ECONOMIC INDICATORS

	2017	2018	2019 Forecast
GDP Growth	7.2%	6.8%	7.0%
CPI Growth	3.6%	3.5%	3.4%
Consumer spending	7.4%	8.1%	7.1%
Govt. Final Expenditure Growth	14.2%	9.2%	15.0%

Source: Oxford Economics, Central Statistics Office

MALL SUPPLY / VACANCY



Source: Cushman & Wakefield Research

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PRIME RETAIL RENTS – MAIN STREETS

	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
MG Road	240	36	41	0%	0%
Brigade Road	280	42	48	0%	0%
Commercial Street	300	46	52	0%	0%
Indiranagar 100 Feet Road	200	30	35	5.3%	5.3%
Jayanagar 4th Block, 11th Main	330	50	57	0%	0%
Sampige Road, Malleswaram	120	18	21	0%	0%
Koramangala 80 Feet Road	120	18	21	0%	0%
Vittal Mallya Road	270	41	47	0%	0%
New BEL Road	155	24	27	3.3%	3.3%
Marathahalli Junction	160	24	28	0%	0%
Kamanahalli Main Road	155	24	27	3.3%	3.3%
HSR Layout 27th Main	140	21	24	0%	0%

MALLS

Koramangala	420	64	72	0%	0%
Magrath Road	375	57	65	0%	0%
Cunningham Road	90	14	16	0%	0%
Mysore Road	65	10	11	0%	0%
Vittal Mallya Road	400	61	69	0%	0%
Whitefield	120	18	21	0%	0%
Rajarajeshwari Nagar	80	12	14	0%	0%
Malleshwaram	280	42	48	0%	0%
Bannerghatta Road	195	30	34	0%	0%

Note: Asking rent (INR/sf/month) on carpet area of ground floor
Vanilla stores is quoted
US\$ = INR 69.55 AND € = INR 79.10

SIGNIFICANT LEASING TRANSACTIONS

PROPERTY	LOCATION	TENANT	SF
Main Street	Uttarahalli main road	Reliance Mart	30,000
Mall	Forum Shantiniketan mall, Whitefield	Go Sports	15,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Orion 3	Old Madras Road (Brigade Golden Triangle)	250,000	Q4 2019
Mantri Arena	Kanakpura Road	900,000	Q1 2020

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