

MARKETBEAT

9.71%

MALL VACANCY (Q3 2019)

2.6 msf

UPCOMING MALL SUPPLY
(2019-2020)

46%

SHARE OF FASHION AND F&B SEGMENTS
IN TOTAL LEASING (Q3 2019)WHAT'S
NEXT

HIGHLIGHTS

City level retail leasing gains momentum

Overall retail leasing activity in the city across malls and main streets has gained momentum with total lease volume of 0.8 msf recorded in Q3 as against 0.3 msf in Q2. With most of the traction being observed in the main streets, they accounted for approx. 89% share of the quarterly retailer activity. Most active retailer categories were fashion, apparel and accessories followed by hypermarkets and F&B. While apparel retailers like Pantaloons, Max Lifestyle, Chennai Silks and Vishal Mega Mart have taken up spaces ranging between 12,000-20,000 sf, hypermarket formats like Big Bazaar and D' Mart have leased in the range of 60,000-80,000 sf of retail space. F&B stores have leased space across main streets like Indira Nagar, Marathahalli, Koramangala, JP Nagar, Dr. Rajkumar Road, Whitefield, Thanisandra Road, New BEL Road and Banashankari among prominent locations.

Automobile brands plan expansion

Automobile brands like KIA Motors and Morris Garages, who are establishing their footprint in the city, have taken up medium sized spaces this quarter ranging between 2,500-10,000 sf across locations like JP Nagar, Hosur Road, Mysore Road, Outer Ring Road among others.

Low traction in malls resulting in stable rentals

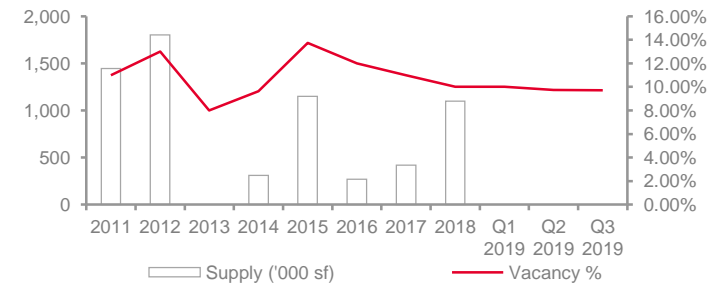
City level quarterly mall vacancy recorded a marginal dip from 9.73% to 9.71% q-o-q, with lower traction observed in malls. This in turn affected the rentals which showed no positive growth movement during the quarter. Lack of quality supply addition even as main malls operate on high occupancies and main streets remain the preferred option for retailers, has also impacted mall rental movement. However, we expect some appreciation in lease rentals in the medium term with some of the under-construction malls coming on-stream by 2020.

ECONOMIC INDICATORS

	2017	2018	2019 Forecast
GDP Growth	7.2%	6.8%	6.1%
CPI Growth	3.6%	3.5%	3.4%
Consumer spending	7.4%	8.1%	5.5%
Govt. Final Expenditure Growth	14.2%	9.2%	6.0%

Source: Oxford Economics, RBI, Central Statistics Office

MALL SUPPLY / VACANCY



Source: Cushman & Wakefield Research

Rohan Sharma

Director
Research Services, India
Tel: +91 124 4695555
Rohan.Sharma1@cushwake.com

BENGALURU RETAIL MARKETBEAT

SEPTEMBER 2019



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	37	41	0%	0%
Brigade Road	280	43	47	0%	0%
Commercial Street	300	46	51	0%	0%
Indiranagar 100 Feet Road	200	31	34	0%	5.3%
Jayanagar 4th Block, 11th Main	330	51	56	0%	0%
Sampige Road, Malleswaram	120	19	20	0%	0%
Koramangala 80 Feet Road	120	19	20	0%	0%
Vittal Mallya Road	270	42	46	0%	0%
New BEL Road	155	24	26	0%	3.3%
Marathahalli Junction	160	25	27	0%	0%
Kamanahalli Main Road	155	24	26	0%	3.3%
HSR Layout 27th Main	140	22	24	0%	0%
PRIME RETAIL RENTS - MALLS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
Koramangala	420	65	71	0%	0%
Magrath Road	375	58	64	0%	0%
Cunningham Road	90	14	15	0%	0%
Mysore Road	65	10	11	0%	0%
Vittal Mallya Road	400	62	68	0%	0%
Whitefield	120	19	20	0%	0%
Rajarajeshwari Nagar	80	12	14	0%	0%
Malleshwaram	280	43	47	0%	0%
Bannerghatta Road	195	30	33	0%	0%

*Note: Asking rent (INR/sf/month) on carpet area of ground floor
Vanilla stores is quoted
US\$ = INR 70.79 AND € = INR 77.81*

SIGNIFICANT LEASING TRANSACTIONS

PROPERTY	LOCATION	TENANT	SF
Main Street	24 th Main Road, JP Nagar	RV Astra	80,000
Main Street	30 th Main Road, Banashankari	D Mart	80,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Orion 3	Old Madras Road (Brigade Golden Triangle)	250,000	Q4 2019
Salarpuria Sattva Divinity	Mysore Road	250,000	Q4 2020

A Cushman & Wakefield
Research Publication

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of \$8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

www.cushmanwakefield.com