

## MARKETBEAT

38%

Q-O-Q GROWTH IN F&B  
LEASING (MAIN STREETS)

8.2%

MALL VACANCY  
(Q3 2019)

0.20 msf

UPCOMING MALL  
SUPPLY (BY H1 2020)WHAT'S  
NEXT

## HIGHLIGHTS

## Popular F&amp;B brands marking their presence

Retailers in the fashion & apparel category and food & beverage continue to dominate leasing activity in the city, commanding leasing shares of 30% and 26%, respectively across malls & main streets. Space take-up by the F&B segment in the main streets of Chennai has recorded an increase of 38% q-o-q with a strong rush for space from key global and national brands like Lord of the Drinks, Toscano, Burger King and others expanding their retail footprint both, backed by the ever evolving cosmopolitan tastes of the city. Some of these brands were also active in taking up space freeing up in quality malls in the city.

## Robust leasing activity in Q3

Retail leasing in Chennai gained momentum with traction observed both in quality malls and prominent main streets, resulting in leasing volumes being up 21% q-o-q. With malls like Phoenix Marketcity, Express Avenue and Forum Vijaya operating at near full occupancy, there is a clear affirmation of demand for quality retail space in the city. Some of the notable mall transactions this quarter are CaratLane, Bath and Body works and Laida among others. The city continues to showcase a strong main street flavour with emerging locations like Pallavaram and Guduvanchery and established corridors like Anna Nagar and Nungambakkam being the preferred ones among retail brands.

## Stable mall rents with main streets growing

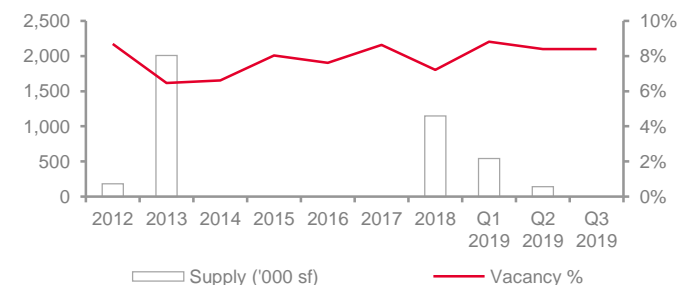
Rents remained stable across malls during the quarter. However, prominent main street locations like Adyar, Anna Nagar and Ambattur have witnessed a 3-5% growth q-o-q in lease rentals on the back of steady demand. Similar trends could be expected in the upcoming quarters. However, with limited upcoming mall supply and prominent malls operating at high occupancies, some rental strengthening on account of churn and lease renewals is likely in these mall projects.

## 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 &amp; 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
Nungambakkam High Road	135	21	23	0.0%	8.0%
Khadar Nawaz Khan Road	145	22	25	0.0%	3.6%
Cathedral Road – R.K. Salai	115	18	19	0.0%	4.5%
Usman Road - South	95	15	16	0.0%	5.6%
Usman Road - North	105	16	18	0.0%	5.0%
Adyar Main Road	140	22	24	3.7%	16.7%
Anna Nagar 2nd Avenue	155	24	26	3.3%	29.2%
Purasawalkam High Road	110	17	19	0.0%	0.0%
Pondy Bazar	150	23	25	0.0%	15.4%
Velachery	110	17	19	0.0%	10.0%
Ambattur (MTH Road)	100	15	17	5.3%	17.6%
PRIME RETAIL RENTS - MALLS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
Chennai - CBD	225	35	38	0.0%	2.3%
Chennai - Western	185	29	31	0.0%	5.7%
Chennai - South	190	29	32	0.0%	2.7%

*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	SUBMARKET	TENANT	SF
Independent Building	Mylapore	Koskii	12,500
Independent Building	Annanagar	Reliance Trends	10,000
Marina Grand Mall	Siruseri	Toys R Us	8,700

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Esthell Mall	Velachery	200,000	Q1 2020