

MARKETBEAT



24.7msf
MALL INVENTORY

18.0%
MALL VACANCY

1.05 msf
UPCOMING MALL SUPPLY (2019-20)

WHAT'S
NEXT

HIGHLIGHTS

Retailer churn headlines Q3 activity

The Q3 leasing activity in malls was recorded at 0.49 mn sf, a marginal 4% q-o-q drop. An additional 50,000 sf worth of retail transactions were recorded in the key main streets during the quarter. Retailer churn in prominent malls, which are running at high occupancies, and store count expansion pushed space take-up activity during the quarter. A few instances of store re-sizing and lease expiries resulted in a churn in mall vacancy levels. Apparel & lifestyle brands across domestic and international retailers like H&M, Louis Phillips, Ralph Lauren, Manyavar, Zara and Tommy Hilfiger were active during the quarter. Online retailers like Caratlane, Lenskart and Studio Pepperfry added to their physical stores with a few others like Salt Attire and Turn Black opening their offline stores in the city. Theos, Bread Talk, Creamery, Theobroma and French Bakery were among the F&B retailers who were active on main streets.

New mall completion in Q3

Delhi NCR saw the year's second mall completion in Greater Noida (West), adding 0.83 msf to the city's inventory, which now stands at 24.7 msf. This is the first organized retail project in this dense residential area and received a healthy response from both domestic and global retailers. The overall vacancy rose marginally by 230 bps q-o-q to 18.0% with the new completion and some retailer exits as part of churn. All superior malls continue to have limited, single digit vacancy levels.

Rents exhibit stability

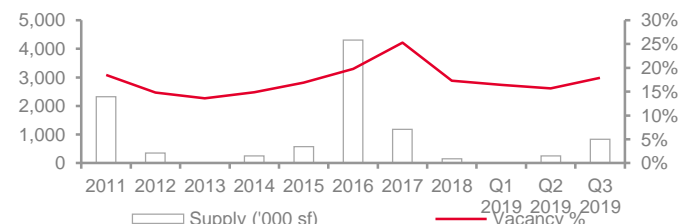
Rents for both malls & main streets were unchanged during the quarter. We expect rents to remain stable till end-2019, though prominent malls which continue to see intense retailer traction may look to make nominal increases to rents going forward.

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

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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
Khan Market	1,400	216	237	0%	3.7%
South Extension I & II	700	108	119	0%	0%
Lajpat Nagar	250	39	42	0%	0%
Connaught Place	1,050	162	178	0%	0%
Greater Kailash I, M Block	375	58	64	0%	0%
Rajouri Garden	225	35	38	0%	0%
Punjabi Bagh	225	35	38	0%	0%
Karol Bagh	385	59	65	0%	0%
Kamla Nagar	380	59	64	0%	0%
Dwarka	450	69	76	0%	0%
Vikas Marg	175	27	30	0%	0%
DLF Galleria (Gurugram)	675	104	114	0%	0%
Sector 29 (Gurugram)	235	36	40	0%	-9.6%
Sector 18 (Noida)	250	39	42	0%	0%
PRIME RETAIL RENTS - MALLS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
South Delhi	600	93	102	0%	0%
West Delhi	325	50	55	0%	0%
Gurugram	350	54	59	0%	0%
Noida	250	39	42	0%	0%
Greater Noida	125	19	21	0%	0%
Ghaziabad	200	31	34	0%	0%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
 #Market statistics have been recalibrated historically to exclude malls which cannot be categorized in the definition of retail inventory
 US\$ = INR 70.79 € = INR 77.81

SIGNIFICANT LEASING TRANSACTIONS

PROPERTY	LOCATION	TENANT	SF
Gaur City Mall	Greater Noida (West)	Shoppers Stop	43,000
Mall of India	Noida	Decathlon	33,411
The Chanakya	Delhi	Ralph Lauren	3,800

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Vegas Mall	Delhi	650,000	Q3 2019
Pacific D21	Delhi	300,000	Q2 2020

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