

MARKETBEAT



11.1%
MALL VACANCY
IN Q3 2019

2.5 msf
MALL SUPPLY
EXPECTED BY 2021

10.7%
Y-O-Y GROWTH IN RENTALS IN
THANE SUB-MARKET MALLS

WHAT'S
NEXT

HIGHLIGHTS

Retailer activity remains sticky in Q3

Retail mall leasing activity remained healthy, with term renewals ensuring a higher q-o-q leasing volumes. The improvement resulted in mall vacancy dropping by 50 bps q-o-q to 11.1% in Q3 2019. Departmental stores, apparel and CDIT brands were the most active during the quarter. Major retailer renewals during the quarter included Shoppers Stop at Inorbit Mall, Malad, Lifestyle at R City Mall, Ghatkopar and Fun City at Infiniti Mall, Malad.

Main street leasing gains momentum

Like retail malls, main street leasing was also higher during the quarter with retail activity centred around the Andheri-Bandra Link Road with the main street locations in peripheral markets like Vasai-Virar, Kalyan and Thane also witnessing growing traction. Largely, apparel, CDIT and F&B brands were the most active retailers on main streets. Major main street transactions included Croma leasing 15,000 sf space in Kurla main street, Pantaloons leasing 8,500 sf space in Virar, 145 Café leasing 4,500 sf in Andheri Link Road and F&B brand, Derby leasing 3,200 sf in BKC.

Rents are largely stable

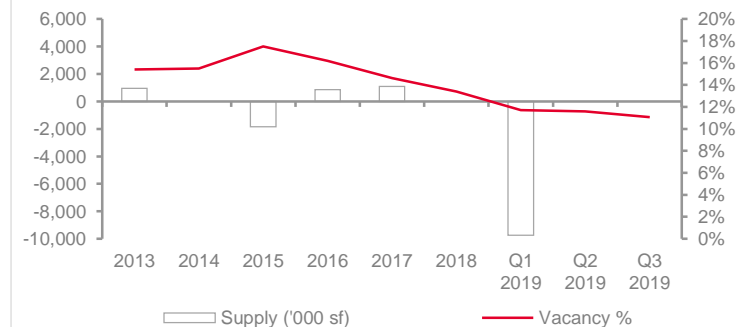
While leasing activity has maintained its momentum, rents across retail malls and main street were largely stable across all submarkets during the quarter. However, on a yearly basis, mall rentals in Thane and Goregaon have seen healthy growth on the back of limited vacancies and the steady demand in superior performing malls in those locations. In the coming quarters, we expect rents in quality malls and the Link Road main street to rise marginally. With two luxury malls are coming up in BKC by mid -2020, we expect BKC to evolve as new retail destination in the city. Both these malls are witnessing worthy pre-commitments which will drive the overall demand of retail space in future.

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
Linking Road	800	123	136	0.0%	2.6%
Kemps Corner/ Breach Candy	430	66	73	0.0%	0.0%
Colaba Causeway	600	93	102	0.0%	-4.0%
Fort Fountain	400	62	68	0.0%	2.6%
Lokhandwala Andheri	400	62	68	0.0%	0.0%
Borivali LT Road	400	62	68	0.0%	0.0%
Chembur	390	60	66	0.0%	0.0%
Vashi	360	56	61	0.0%	0.0%
Thane	260	40	44	0.0%	0.0%
PRIME RETAIL RENTS - MALLS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
Lower Parel	880	136	149	0.0%	0.0%
Link Road (Andheri W)	410	63	70	0.0%	0.0%
Malad	470	72	80	0.0%	0.0%
Goregaon	510	79	86	0.0%	4.1%
Kandivali	200	31	34	0.0%	0.0%
Kurla	210	32	36	0.0%	16.7%
Ghatkopar	260	40	44	0.0%	0.0%
Bhandup-Mulund	125	19	21	0.0%	0.0%
Vashi	360	56	61	0.0%	2.9%
Thane	310	48	53	3.3%	10.7%

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	LOCATION	TENANT	SF
Inorbit Mall	Malad West	Shoppers Stop (Renewal)	135,249
R City Mall	Ghatkopar West	Lifestyle (Renewal)	57,978
Infiniti Mall	Malad West	Fun City (Renewal)	31,650
Kurla Main Street	Kurla	Croma	15,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Maker Maxity Mall	BKC	500,000	Q2 2020
Reliance Mall	BKC	450,000	Q3 2020
Oberoi Sky City Mall	Borivali	1,000,000	Q4 2021

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