

AHMEDABAD

Retail Q4 2019

CUSHMAN & WAKEFIELD

28.92% MALL VACANCY IN Q4 2019

3.45 msf MALL INVENTORY IN Q4 2019

2.94% Q-O-Q GROWTH IN VASTRAPUR MALL RENTS

ECONOMIC INDICATORS Q4 2019

	2018	2019	2020 Forecast
GDP Growth	6.8%	5.0%	5.5%
CPI Growth	3.5%	7.3%	4.5%
Consumer Spending	8.1%	5.5%	7.0%
Govt. Final Expenditure Growth	9.2%	15.0%	14.0%

Source: Oxford Economics, Central Statistics Office, IMF, RBI

Mall vacancy rising on account of demand polarisation; mixed-use being preferred over average malls

Mall vacancy increased by 200 bps q-o-q to 28.9% as retailers were seen exiting average malls and preferring mixed-use properties on major main streets which offer better footfalls and location advantages. Some instances included Jade Blue shifting from Iscon Mega mall to a main street, Big Bazaar vacating from Himalaya Mall and Spyker & Liverpool exiting from Gulmohur Mall. The trend has sustained over the past few quarters, essentially because of a push-pull effect between average malls and better located mixed-use projects on key main streets. An exception to this trend is the churn visible in superior quality malls, specifically Alpha One which continues to be favoured by new retail entrants into the city, such as Apple, Bombay Store & Wacoal. Other than these, there were no significant transactions in malls during the quarter. Brands planning for large retail formats have options available in mixed-use buildings as well as acquisition of entire floors based on current mall vacancy levels. The limited upcoming quality retail supply is also likely to be a key factor for retailer activity for the next few quarters.

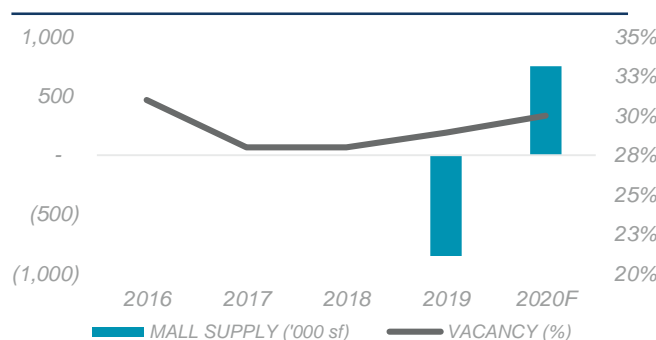
Main street leasing rising with addition of quality mixed-use supply

Significant retail space was added in the form of mixed-use retail parks in peripheral markets such as Motera in North & Vasana in South and some along the SG Highway. These offered brands a good space option on the main streets of Motera, Sabarmati in North and South Bopal in West apart from the existing ones in Prahlad Nagar, Bopal-Ambli Road, Bodakdev & Thaltej Circle. As a result, higher quantum of leasing activity was recorded in Q4 on a q-o-q comparison. As seen previously, apparel brands were the dominant retailer category in space take-up, with brands such as Brand Factory acquiring 31,000 sf in the newly opened North Plaza and Liverpool acquiring 8400 sf flagship store on the Narol-Sarkhej Road. F&B retailers and those in the health and fitness category constituted the second biggest chunk in terms of leasing activity during the quarter.

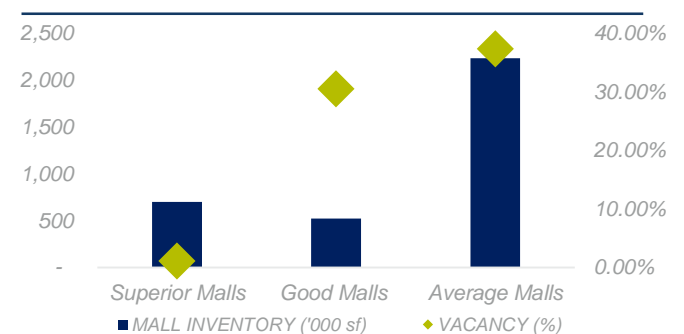
Rental stability reigns

Rents in malls, during Q4 were largely stable except in the Vastrapur sub-market where rents were up 2.9% q-o-q, driven by the churn in alpha One occurring at higher rents. This mall commands the highest rents among malls on account of its high occupancy and footfalls. High street rentals also were largely stable through the year, though Prahlad Nagar recorded a marginal increase on a y-o-y basis.

MALL SUPPLY / VACANCY



AVAILABILITY BY PRODUCT TYPE



MARKET STATISTICS

PRIME RETAIL RENTS – MAIN STREETS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
C.G. Road	160	24.33	26.94	0.0%	3.23%
Law Garden	120	18.25	20.21	0.0%	0.0%
Satellite Road	150	22.81	25.26	0.0%	0.0%
Maninagar	145	22.05	24.42	0.0%	0.0%
Prahladnagar	150	22.81	25.26	0.0%	1.35%
S.G. Highway	117	17.79	19.70	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
Vastrapur	175	26.61	29.47	2.94%	6.06%
S.G. Highway	115	17.49	19.37	0.00%	0.00%
Drive-in Road	99	15.05	16.67	0.00%	2.06%
Kankaria Lake	67	10.19	11.28	0.00%	3.08%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
 US\$ = INR 71.26 AND € = INR 78.92

SIGNIFICANT LEASING TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Rajyash Rise – Block B	Vasana	Fun Cinema	34,345	Lease
North Plaza	Sabarmati	Brand Factory	31,400	Lease
Shivalik Shilp	S G Highway	MacDonald	9,000	Lease
Rajyash Rise – Block A	Vasana	Liverpool	8,435	Lease
Alpha One Mall	Vastrapur	Bombay Store	1,800	Lease

SIGNIFICANT PROJECTS UNDER CONSTRUCTIONS

PROPERTY	LOCATION	SF	COMPLETION DATE
Amrakunj Arne	Chandkheda	150,000	Q3 2020
Phoenix Mall	S G Highway	9,000,000	Q4 2021

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