

**7.5%** MALL VACANCY (2019)

**7.1** msf MALL INVENTORY (2019)

**1.4** msf UPCOMING SUPPLY TILL 2021

### Apparel, hypermarket & automobile segments drive demand in Q4

The Q4 leasing activity in the city was concentrated in select malls and emerging main streets, driven by retailer categories in the hypermarkets, automobile & apparel segments. Key transactions recorded include Zudio leasing 5,000 sf at Kumar Pacific Mall on Shankar Sheth Road and another space on the FC Road main street. Emerging residential locations like Wagholi and Ambegaon witnessed leasing by hypermarket and apparel retailers with Reliance Trends and Star Bazaar signing up for new stores. The trend of co-working operators leasing spaces on higher floors in malls also continued to flourish in Pune with Que Spaces & Innov8 leasing in Seasons Mall and Amanora Mall, respectively. The F&B leasing during the year was dominated by QSR retailers like Starbucks, Burger King, McDonald's etc and was concentrated in the newly completed malls and emerging main streets. The overall mall vacancy during the quarter was recorded at 7.5%, a q-o-q decrease of 140 bps, on account of fresh leasing of large spaces by coworking operators and new mall completions coming on-stream with healthy occupancy levels. Rentals across most prime malls and key main streets remained range-bound during the quarter.

### New Mall addition in PCMC

A new mall addition – Elpro City Square Mall at Chinchwad became operational during the quarter with operational brands including the likes of Shoppers Stop, Trends, OnePlus, Marks & Spencer, Max etc. Few other renowned brands like Park Avenue, Louis Phillipe, Van Heusen, Peter England, Puma, etc are presently carrying out fit-outs and are expected to be operational during the first quarter of 2020. The mall became operational with high pre-commitment levels and presence of prominent brands, a healthy indicator of a strong retailer demand momentum and the need for quality retail space, especially in under-served retail locations in Pune.

### Tight mall vacancies and key main streets to drive rental growth

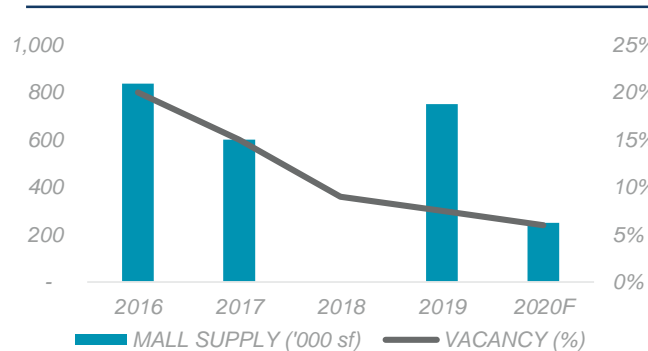
Amid tight vacancy across prominent malls and main streets, key residential locations like Kharadi, Wagholi, Pimple Saudagar, Wakad, Bavdhan and Hinjewadi are emerging as main streets with strong demand from hypermarket, F&B, electronics and apparel segments. Rentals are likely to further strengthen in these emerging main streets even as the tight vacancies across prominent malls, limited supply pipeline (1.4 msf till 2021) and high pre-commitments in near-term mall completions shall cause mall rents to exhibit positive growth as well. Going forward, we expect hypermarket, apparel, F&B and electronic segments to drive majority of the leasing activity in the city. Rentals across prominent malls and high streets remain at their peak levels and are expected to remain rangebound in the short-term.

### 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 SUPPLY / VACANCY



### CATEGORY-WISE STOCK / VACANCY



## MARKET STATISTICS

PRIME RETAIL RENTS – MAIN STREETS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
M.G. Road	350	53	59	0%	9%
J.M. Road	370	56	62	0%	0%
F.C. Road	275	42	46	0%	2%
Koregaon Park	150	23	25	0%	0%
Aundh	180	27	30	0%	13%
Bund Garden Rd	150	23	25	0%	7%
Mumbai-Pune Highway – PCMC	120	18	20	0%	0%
Baner- Balewadi	170	26	29	0%	0%
Kothrud, Karve Road	160	24	27	0%	0%
Pune Satara Road	125	19	21	0%	0%
PRIME RETAIL RENTS – MALLS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
Camp	215	33	36	0%	0%
Koregaon Park	135	21	23	0%	0%
Nagar Road	250	38	42	0%	0%
Hadapsar	180	27	30	0%	0%
PCMC	190	29	32	0%	0%
Aundh	250	38	42	0%	8.7%
S. B. Road	230	35	39	0%	0%

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
Kumar Pacific Mall	Shankar Sheth Road	Zudio	5,000	Expansion
Main Street	FC Road	Zudio	6,000	Expansion
Main Street	Wagholi	Reliance Trends	6,000	Expansion

## SIGNIFICANT PROJECTS UNDER CONSTRUCTIONS

PROPERTY	SUBMARKET	SF	COMPLETION DATE
Phoenix Market City	Wakad	1,100,000	Q4 2021
Global High Street	Hinjewadi	250,000	Q1 2020

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