

## HYDERABAD

Retail Q1 2021

CUSHMAN &amp; WAKEFIELD

19.6% MALL VACANCY (Q1 2021)

6-7% VACANCY IN SUPERIOR GRADE MALLS (Q1 2021)

~ 500,000 sq ft OF LEASING ACTIVITY (Q1 2021)

## Steady recovery in leasing activity across the city; higher footfalls in prominent high streets

About 430,000 sq ft of retail space was leased during Q1 2021, more than 3X the lease transactions compared to the previous quarter, thereby demonstrating resilience and healthy leasing momentum in Hyderabad's retail market. Apparel, electronics, supermarket / hypermarket, automobile, jewellery and food & beverages were some of the sectors that saw higher demand during the quarter. Leasing activity was majorly witnessed at locations like Banjara Hills, Jubilee Hills, Kondapur, Kompally, Himayathnagar, AS Rao Nagar, Ameerpet, Gachibowli and Nallagandla. Brands such as Ratnadeep, Bajaj Supermart, Tata Star Bazar, More Hyper, Croma, Vijay Sales, Bajaj Electronics, Reliance Trends, Reliance Digital, Pantaloons, Livspace, KFC, Bluestone, Fab India, Lawrence & Mayo, Citron, Skoda, Hyundai and MG continued to expand their presence throughout the city. Footfalls were higher along high streets in comparison to the malls. However, mall footfalls also improved to more than 70% of pre-Covid levels due to the drop in infection levels, pickup in vaccinations and faster recovery in consumer demand. Reopening of multiplexes was an added factor which helped in steady growth in trading densities across all malls.

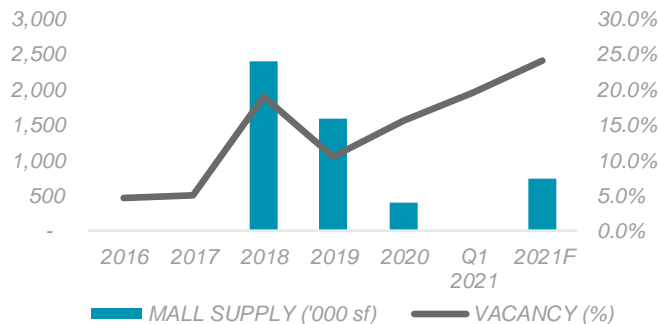
## Stable rentals and rising demand along high streets

High street rentals remained largely stable across all locations in Q1 2021. With market recovery gaining momentum, rental concessions have been offered to retailers on prominent high streets purely on a case-to-case basis. While rental waivers have been withdrawn by developers across superior and good quality malls in the city such as InOrbit, L&T, DSL, GVK and GSM, revenue sharing arrangements continued to be offered by some. There is increasing demand for space in categories including consumer electronics, fashion & apparel, supermarket / hypermarket and automobiles. Retailer churn primarily drove the heightened high street leasing activity during the quarter. High street locations such as Jubilee Hills, Banjara Hills, AS Rao Nagar, Dilsukh Nagar, Himayathnagar, Kompally witnessed higher traction during Q1 2021 with market churn being perceptibly higher at these locations.

## Increasing vacancy in malls; about 0.8 msf supply expected by H2 2021

Overall mall vacancy rose to 19.6% during the quarter (up by 350 bps q-o-q); however superior malls saw vacancy levels hovering around 6-7% due to continued demand for quality space among brands. Vacancies along high street locations have however, started to decline due to higher demand for such spaces among retailers. About 0.8 msf of retail space is expected to get added to Hyderabad's mall inventory in the next 6-9 months while the market is also expected to witness higher leasing traction amid increased vaccinations and expected economic rebound in the coming quarters.

## MALL SUPPLY / VACANCY



## CATEGORY-WISE STOCK / VACANCY



## ECONOMIC INDICATORS Q1 2021

	2020	2021	2022 Forecast
GDP Growth	-7.7%	10.2%	7.0%
CPI Growth	6.1%	5.0%	4.3%
Consumer Spending	-8.5%	6.3%	7.2%
Govt. Final Expenditure Growth	5.7%	10.8%	9.7%

Source: Oxford Economics, RBI, IMF

## Retail Q1 2021

## 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	110	15	18	0.0%	-15.4%
S.P. Road/Begumpet	95	13	16	0.0%	-13.6%
Raj Bhavan Road/Somajiguda	85	12	14	0.0%	-15.0%
Banjara Hills	120	16	20	0.0%	-14.3%
Abids	120	16	20	0.0%	-7.7%
Himayathnagar	160	22	26	0.0%	-11.1%
Punjaagutta	120	16	20	0.0%	-14.3%
Ameerpet	110	15	18	0.0%	-15.4%
Jubilee Hills	120	16	20	0.0%	-17.2%
Kukatpally NH.9	120	16	20	0.0%	-14.3%
A.S. Rao Nagar	120	16	20	0.0%	-7.7%
Madhapur	110	15	18	0.0%	-8.3%
PRIME RETAIL RENTS – MALLS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
NTR Gardens	100	14	17	0.0%	0.0%
Himayathnagar	150	21	25	0.0%	0.0%
Banjara Hills	260	36	43	0.0%	0.0%
Madhapur	235	32	39	0.0%	0.0%
Panjaagutta	140	19	23	0.0%	0.0%
Somajiguda	120	16	20	0.0%	0.0%
Kukatpally	180	25	30	0.0%	0.0%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted  
US\$ = INR 72.8 AND € = INR 87.5

Note: The above-mentioned asking rentals across malls and main streets have remained stable during the quarter. These do not indicate the actual transacted rental scenario since negotiations between developers/landlords and retailers continue to remain active, basis the day-to-day evolving conditions of the pandemic. We will continue to monitor the rental scenario in the coming quarters with focus on the prevailing transaction momentum in the market.

## SIGNIFICANT LEASING TRANSACTIONS Q1 2021

PROPERTY	LOCATION	TENANT	SF
Main street	Malkajigiri	Westside	20,000
Main street	Nagole	More Hyper	30,000
Main street	AS Rao Nagar	Mangalya Shopping Mall	25,000

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION DATE
Praga Mall	Kavadiaguda	250,000	H2 2021
Temple Bells Infra Mall	Vanasthalipuram	200,000	H1 2022

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