

16.46 msf MALL INVENTORY
(Q4 2021)

9.62% MALL VACANCY IN Q4 2021

1.47 msf MALL SUPPLY EXPECTED
BY 2022

ECONOMIC INDICATORS Q4 2021

	2020	2021	2022 Forecast
GDP Growth	-7.3%	9.2%	8.5%
CPI Growth	6.1%	5.3%	5.0%
Consumer Spending	-8.5%	6.3%	7.2%
Govt. Final Expenditure Growth	5.7%	10.8%	9.7%

Source: Oxford Economics, RBI, IMF

Mall leasing activity improves in Q4 with new malls becoming operational

In the fourth quarter of 2021, leasing activity across Mumbai's prominent malls increased backed by the festive season-led improvement in business sentiment. Prominent malls witnessed good traction where retailers in categories such as departmental store, fashion, and entertainment segments drove leasing volumes. The city witnessed two new malls becoming operational. The Jio World Drive mall saw many national and international brand launches, including FreshPik, West Elm, G-Star and Replay. The mall also launched first-of-its-kind drive-in theatre on the rooftop with parking for over 250 cars. Another mall, the Capital Mall, got operational in Vasai with brands such as Star Bazar, Pantaloons, and Lifestyle anchoring the tenant spaces.

The new supply of 0.75 msf comprising Jio World Drive at BKC and The Capital at Vasai increased mall inventory to 16.46 msf in the city. Overall city-level Grade-A mall vacancy increased slightly to 9.62% in Q4 from 9.03% in the third quarter. With multiplexes resuming operations post 22nd October and an unperturbed festive season (from Covid) helped footfalls improved substantially in the fourth quarter. In the following year 2022, mall supply of 1.47 msf is expected to be delivered which includes Jio World Plaza in BKC and Oberoi Sky City Mall in Borivali.

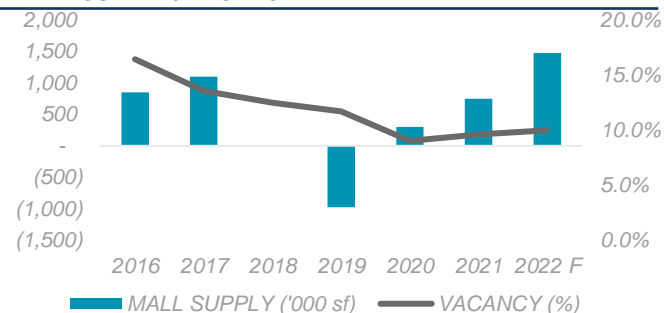
Home décor and F&B brands led main street leasing activity

Prominent main streets in Mumbai witnessed sustained leasing activity during the fourth quarter. Retailers from furniture & furnishing, F&B, and departmental store brands drove activity, and locations like Lower Parel, Virar West, and Goregaon saw majority of the leasing activity during the quarter. Worli witnessed launch of India's first IKEA in-city store, comprising an 80,000 sqft area facilitated by digital and physical shopping experience.

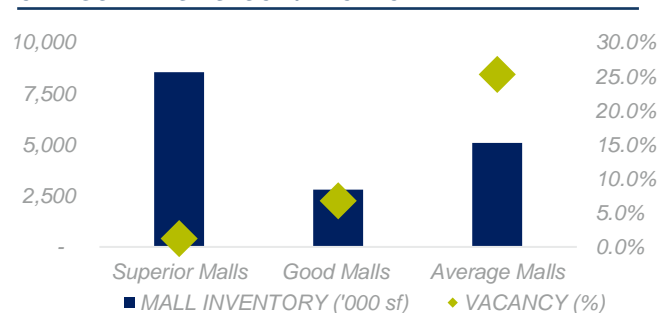
Rentals across main streets and malls largely remain unchanged

During the quarter, quoted rental values for all prominent malls and main streets remained stable. However, on y-o-y basis rents have corrected by 2-5%. We expect the rental value to stay range-bound in the next few quarters. We can expect marginal increases in rentals toward the end of 2022, as the economy gradually normalizes and leasing activity across malls and main streets gains traction.

MALL SUPPLY / VACANCY



CATEGORY-WISE STOCK / VACANCY



Retail Q4 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
Linking Road	750	107	123	0.0%	-1.3%
Kemps Corner / Breach Candy	400	57	65	0.0%	-2.4%
Colaba Causeway	560	80	92	0.0%	-1.8%
Fort Fountain	370	53	61	0.0%	-2.6%
Lokhandwala Andheri	370	53	61	0.0%	-2.6%
Borivali LT Road	365	52	60	0.0%	-3.9%
Chembur	360	51	59	0.0%	-2.7%
Vashi	330	47	54	0.0%	-2.9%
Thane	240	34	39	0.0%	-2.0%
PRIME RETAIL RENTS – MALLS#	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
Lower Parel	820	117	134	0.0%	-2.4%
Link Road – Andheri West	380	54	62	0.0%	-1.3%
Malad	430	61	70	0.0%	-2.3%
Goregaon	490	70	80	0.0%	-2.0%
Kandivali	180	26	29	0.0%	-2.7%
Kurla	165	24	27	0.0%	-2.9%
Ghatkopar	230	33	38	0.0%	-4.2%
Bhandup – Mulund	110	16	18	0.0%	-4.3%
Vashi – Seawoods	330	47	54	0.0%	-2.9%
Thane	290	41	47	0.0%	-3.3%

Note: Asking rent (INR/sf/month) on the carpet area of ground floor Vanilla stores is quoted
 US\$ = INR 73.30 AND € = INR 84.04

Note: The above-mentioned discounted rentals being offered in malls is a limited period trend to support the retail business in times of sluggish demand. Even with a downward pressure on rentals, such measures are likely to be re-calibrated to normal levels when the business scenario improves for the better. We shall continue to monitor the retail rental scenario in the coming quarters with focus on the prevailing transaction momentum in the market.

SIGNIFICANT LEASING TRANSACTIONS Q4 2021

PROPERTY	LOCATION	TENANT	SF	TYPE
The Capital Mall	Vasai	Lifestyle	19,957	Fresh Lease
The Capital Mall	Vasai	Star Bazar	27,522	Fresh Lease
Main Street-Kamala Mills	Lower Parel	Ikea	80,000	Fresh Lease
Main Street-Virar West	Virar West	Westside	18,000	Fresh Lease
Jio World Drive	BKC	PVR Maison	37,943	Fresh Lease

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION DATE
Jio World Plaza	BKC	475,000	Q4 2022
Oberoi Sky City Mall	Borivali East	1,000,000	Q4 2022

Suvishesh Valsan

Director, Research Services

+91 22 67715555 /

suvishesh.valsan@ap.cushmanwakefield.com

cushmanwakefield.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of \$8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services.

©2021 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.