

## AHMEDABAD

Retail Q1 2022

23 % MALL VACANCY (Q1 2022)

2.6 msf MALL INVENTORY  
(AS OF Q1 2022)0.7 msf MALL SUPPLY  
EXPECTED BY END OF 2022

## ECONOMIC INDICATORS Q1 2022

	2021	2022	2023 Forecast
GDP Growth	9.0%	7.2%	7.0%
CPI Growth	5.3%	5.7%	5.0%
Consumer Spending	6.3%	7.2%	7.6%
Govt. Final Expenditure Growth	10.8%	9.7%	8.5%

Source: Oxford Economics, RBI, IMF

## Fashion and Lifestyle drives the leasing in city malls

After recording healthy leasing activity during the festive season in the previous quarter, the leasing momentum in Ahmedabad continued in Q1 2022 with ~85,000 sf of mall space being leased out or stores being operational or in advanced stage of fit-outs. Majority of leasing activity was concentrated in the premium malls whereas the good and average malls witnessed limited leasing volumes. Expansion of large format retail stores in the segments of Fashion, Lifestyle and Supermarkets dominated the leasing activity in this quarter. Multiplexes and food courts in prominent malls recorded increased footfalls as the Covid-induced restrictions on operating capacity and timings were lifted. On the supply side, Ahmedabad One Mall's phase 2 expansion added an area of 0.2 msf to the city mall inventory in this quarter. The overall mall vacancy in the city was recorded at 23%, rising by 400 bps on a q-o-q basis owing to a supply addition of 0.2 msf in the quarter. An additional supply of 0.7 msf is expected in 2022 with Phoenix Palladium mall expected to be operational by the end of the year; however, with bulk of this supply coming with pre-commitments, vacancy levels will remain largely unaffected by the addition. Meanwhile, considering the demand for superior grade mall space in Ahmedabad, Lulu Group has announced an investment of INR 2,000 Cr to set up a mall between Ahmedabad and Gandhinagar. This will be the third major retail group venturing into the city's retail market after Nexus Malls and Phoenix Mills.

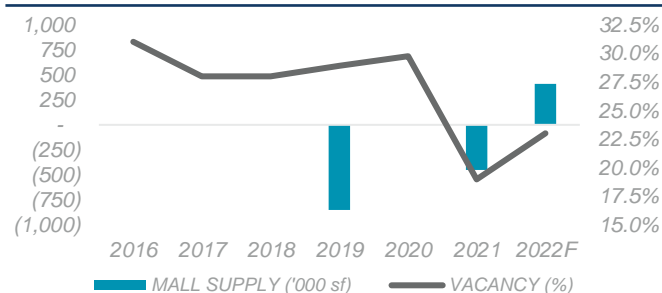
## Hypermarkets and Fashion drives main street leasing

Ahmedabad's main street witnessed strong leasing activity as retail chains in Hypermarkets, Fashion and CDIT categories are opening multiple stores in the city on the back of positive consumer sentiment. A leading Gujarat-based hypermarket chain opened two stores in the city during this quarter and rapidly expanded its presence throughout the city as well as other parts of Gujarat. Another India-based fashion retail chain has two stores in the pipeline at prominent locations of Bopal and C G Road. Amidst the race of expansion, D-Mart became the first retail chain to open a supermarket in GIFT City. Going forward, GIFT City is expected to attract other retail occupiers in the mid-to-long term, serving the retail requirement in the submarket. Main street leasing momentum across Ahmedabad is expected to grow further in the upcoming quarters.

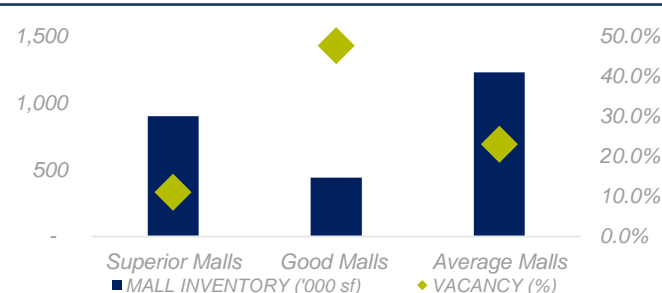
## Quoted rentals across the city remained stable

Mall and main street rentals remained largely stable on a quarter-on-quarter basis. However, the main street rentals increased by 2-4% on a yearly basis. Rentals in premium malls were largely stable owing to good occupancy rate, whereas those in average malls remain under pressure owing to higher vacancies. Improving footfalls and sales volumes may provide an impetus to leasing activity and subsequently put upward pressure on rentals in the short term. Revenue sharing arrangement is the preferred model for some retail-chain owners and is likely to continue going forward.

## 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
C.G. Road	155	22	25	0.0%	4.0%
Prahladnagar	155	22	25	0.0%	3.3%
Sindhu bhavan Marg	185	26	30	0.0%	2.8%
132ft Ring Road	160	23	26	0.0%	1.9%
S.G. Highway	150	21	24	0.0%	2.7%
Ambli – Bopal Road	150	21	24	0.0%	2.7%
PRIME RETAIL RENTS - MALLS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
Ahmedabad One, Vastrapur	250-300	36-43	40-48	0.0%	0.0%
Agora Mall, Sughad	70-90	10-13	11-14	0.0%	0.0%
The Retail Park (TRP), Bopal	130-180	19-26	21-29	0.0%	0.0%

Note: Asking average base rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted  
 US\$ = INR 75.06 AND € = INR 83.82

## SIGNIFICANT LEASING TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	SF
Ahmedabad One	Vastrapur	Leading Apparel Brand	14,500 – 15,000
Gulmohar Park Mall	Satellite	Restaurant	3,500 – 4,000
The Retail Park	Bopal	Gaming Zone	21,500 – 22,000

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	SF	COMPLETION DATE
Phoenix Palladium Mall	S G Highway	700,000	Q4 2022

## Suvishesh Valsan

Director, Research Services

+91 22 6771555 / [suvishesh.valsan@cushwake.com](mailto:suvishesh.valsan@cushwake.com)

## cushmanwakefield.com

## A CUSHMAN &amp; 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 53,000 employees in 400 offices and 60 countries. In 2019, the firm had revenue of \$8.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.

©2020 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.