

# BENGALURU

Retail Q1 2022

CUSHMAN & WAKEFIELD

**13.6%** MALL VACANCY RATE (Q1 2022)

**9.5 msf** GRADE A+B MALL INVENTORY (Q1 2022)

**2.0-2.5 msf** EXPECTED GRADE A+B MALL SUPPLY (2022-2023)

## Bengaluru records improved retail activity during the quarter

A healthy 0.2 msf of retail space got leased in recently completed malls. High retailer churn was observed in the established malls backed by healthy demand. Main streets of Bengaluru continued to remain attractive as quite a few leases were recorded in prominent retail hubs like Indiranagar, HSR Layout, Jayanagar and Koramangala. Prominent main streets of Central Bengaluru such as Brigade Road, Lavelle Road and Vittal Mallya Road too witnessed healthy traction this quarter with fashion and accessory brands expanding their footprint at these locations. Emerging main streets of the city such as Yelahanka, Hennur Road, Kamanahalli, New BEL Road and Banashankari as well contributed to an improved leasing momentum. Superior category malls like Phoenix Market City, Brigade Orion, Forum Koramangala and the recently operational Lulu Global Mall witnessed footfalls as high as 90-95% of pre-COVID levels during weekends and approx. 70-75% during weekdays. Prominent main streets also recorded increased footfalls during weekdays as well as weekends.

Supermarket & Hypermarket was the most active retailer category in Q1 with Fipola, a modern retail chain of meat and seafood venturing into the city by opening approx. 15-20 stores. In addition, Dmart Ready also leased vanilla space across several locations that would serve as local pick-up points for consumers. Fashion and F&B were the other leading retailer segments with new store openings across city.

## No new supply addition; decline in city's mall vacancy

In the absence of any new supply addition during the quarter, the city's mall inventory stood at 13.0 msf, with Grade A+B mall stock totalling up to 9.5 msf. Overall mall vacancy (13.6%) dropped marginally by ~40-basis points during the quarter. Vacancy in Grade A+B malls too recorded a q-o-q decline and recorded an average vacancy of 7.5-8.0% during Q1 2022. With the prevailing tight vacancy levels and amid strengthening demand for quality space, these well performing malls in the city are likely to record single digit vacancies during the remaining quarters of the year.

## Prime main streets record good rental appreciation

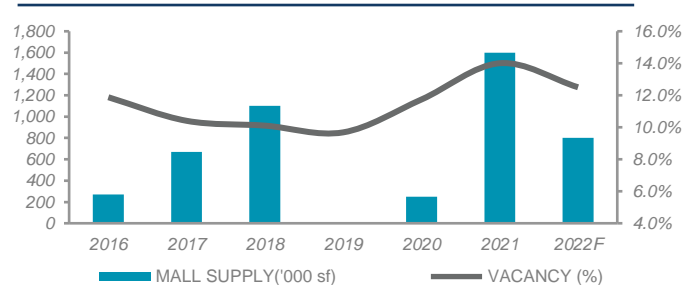
Backed by a continued revival in leasing momentum, rentals across main streets recorded a q-o-q growth, although in malls they remained unchanged. Prominent main streets of Brigade Road, Commercial Street, Vittal Mallya Road in central Bengaluru recorded an average q-o-q rental growth of 10-12%, while those in south Bengaluru like Koramangala, HSR Layout and Jayanagar witnessed a growth of 16-18% during the quarter. Indiranagar, another prominent retail hub too recorded a 16-18% growth in rentals. Rentals at main streets of Whitefield, Marathahalli and Outer Ring Road, tech corridors of the city, remained unchanged during the quarter.

### ECONOMIC INDICATORS Q1 2022

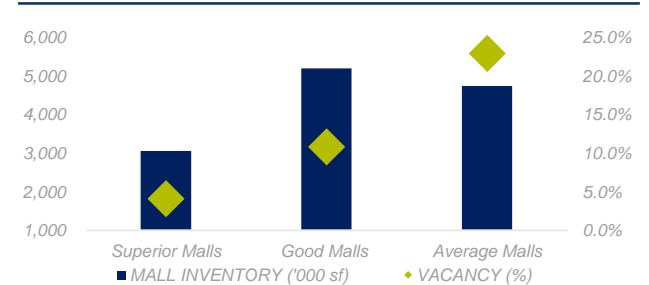
	2021	2022	2023 Forecast
GDP Growth	9.0%	7.2%	7.0%
CPI Growth	5.3%	5.7%	5.0%
Consumer Spending	6.3%	7.2%	7.6%
Govt. Final Expenditure Growth	10.8%	9.7%	8.5%

Source: Oxford Economics, RBI, IMF

### MALL SUPPLY / VACANCY



### CATEGORY-WISE STOCK / VACANCY



## BENGALURU

Retail Q1 2022

CUSHMAN &amp; WAKEFIELD

## MARKET STATISTICS

PRIME RETAIL RENTS-MAIN STREETS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE**	Y-O-Y CHANGE
MG Road	240	34	38	0.0%	4.3%
Brigade Road	330	47	53	17.9%	22.2%
Commercial Street	330	47	53	10.0%	13.8%
Indiranagar 100 Feet Road	200	29	32	17.6%	31.6%
Jayanagar 4th Block, 11th Main	320	46	51	14.3%	27.0%
Sampige Road, Malleshwaram	130	19	21	18.2%	18.2%
Koramangala 80 Feet Road	130	19	21	18.2%	30.0%
Vittal Mallya Road	320	46	51	18.5%	28.0%
New BEL Road	140	20	22	16.7%	16.7%
Marathahalli Junction	138	20	22	0.0%	0.0%
Kamanahalli Main Road	160	23	26	14.3%	14.3%
HSR Layout 27th Main	150	21	24	18.1%	18.1%
PRIME RETAIL RENTS - MALLS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE**	Y-O-Y CHANGE
Forum Mall, Koramangala	300	43	48	0%	0%
Garuda Mall, Magrath Road	250	36	40	0%	0%
Phoenix Market City, Whitefield	375	54	60	0%	0%
1 MG Mall, MG Road	250	36	40	0%	0%
Brigade Orion, Rajaji Nagar	225	32	36	0%	0%
Vega City Mall, Bannerghatta Road	200	29	32	0%	0%
Mantri Square, Malleshwaram	180	26	29	0%	0%
RMZ Galleria Mall, Yelahanka	120	17	19	0%	0%
VR Mall, Whitefield	140	20	22	0%	0%

Note: Asking 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	LOCATION	TENANT	SF
Main Street	Kanakapura Road	Croma	12,000
Main Street	HSR Layout	Zudio	10,000
Main Street	Kammanahalli	Lalithaa Jewellery	8,000
RMZ Galleria Mall	Yelahanka	Mothercare	5,000

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Salarpuria Sattva Divinity Mall	Mysore Road	250,000	Q3 2022
Phoenix Mall of Asia	Bellary Road	1,200,000	Q1 2023

## Srija Banerjee

Assistant Vice President, Research Services

+91 080 40465555 /srija.banerjee@cushwake.com

## Suvishesh Valsan

Director, Research Services

+91 22 67715555 /suvishesh.valsan@cushwake.com

[cushmanwakefield.com](http://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.