

7.3% MALL VACANCY (Q2 2022)

6.6 msf MALL INVENTORY (Q2 2022)

1.4 msf UPCOMING MALL SUPPLY (BY 2024)

Higher leasing in Q2; F&B category dominates leasing

Pune malls experienced higher leasing activity in the second quarter of 2022. Around 100,000 sf of leasing was recorded across prominent malls dominated by categories such as F&B, Fashion, and Entertainment. F&B category accounted for 43% of the leasing activity in the main streets with prominent F&B brands expanding their presence in the main streets of Balewadi Highstreet and Aundh this quarter. Certain cafes and fine-dine restaurant brands are looking at smaller 1,000-2,000 sf sized spaces at multiple locations instead of 3,000-4,000 sf in a single location, as part of their new expansion strategy. This helps them to increase their reach and also reduce delivery time for take-aways.

Retail business sentiments in the city have been improving, with footfalls in superior malls surpassing pre-Covid levels in recent months. According to Retailers Association of India survey reports for the months of April and May 2022, the sales volume for the west region surpassed its pre-pandemic figures (Year 2019) by 24-30%, indicating a healthy recovery in retail activity.

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

In the absence of any new supply during the quarter, the city's mall inventory stood at 6.6 msf. Overall mall vacancy dropped by ~40 bps to 7.3% during the quarter. With the prevailing tight vacancy levels and strong leasing activity, malls in the city are likely to witness single-digit vacancy during the remaining quarters of the year. The city is expected to record new space addition of ~1.4 msf during 2022-24. A major share of this upcoming supply is expected from a prominent retail development of ~1.2 msf located in the PBD West sub-market. In addition, the CBD sub-market will receive a supply of 0.27 msf by Q3 2023, which will be home to luxury and high-end consumer brands.

High Streets and malls record rental growth, move closer to pre-COVID rentals

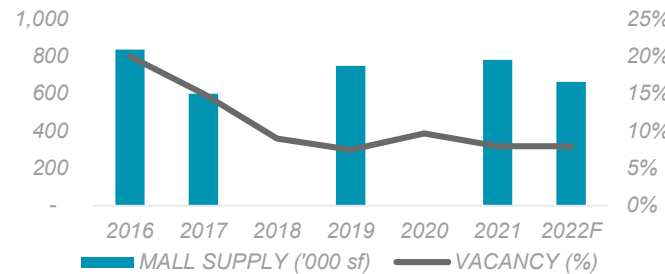
At the city level, rentals across main streets and malls witnessed a growth of 2-3% on a quarterly basis. While rentals in majority of the main streets have reached almost 90-95% of the pre-COVID levels, rentals in certain superior malls are inching towards pre-covid levels. With ongoing healthy leasing activity, retail rentals are likely to recover further in the coming quarters.

ECONOMIC INDICATORS Q2 2022

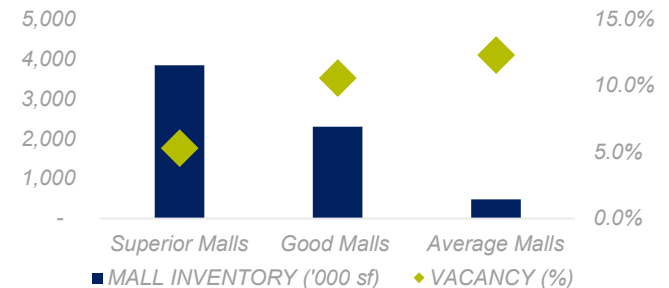
| | 2022 | 2021 | 2023 Forecast |
|--------------------------------|-------|------|---------------|
| GDP Growth | 8.9% | 7.2% | 7.0% |
| CPI Growth | 5.3% | 6.7% | 5.0% |
| Consumer Spending | 6.3% | 7.5% | 7.8% |
| Govt. Final Expenditure Growth | 10.8% | 9.7% | 8.5% |

Source: Oxford Economics, 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 | 319 | 47 | 50 | 3% | 7% |
| J.M. Road | 335 | 49 | 52 | 3% | 6% |
| F.C. Road | 247 | 36 | 38 | 3% | 6% |
| Koregaon Park | 151 | 20 | 23 | 3.5% | 6% |
| Aundh | 165 | 24 | 26 | 3% | 4% |
| Bund Garden Rd | 134 | 20 | 21 | 3% | 5% |
| Mumbai-Pune Highway – PCMC | 113 | 16 | 18 | 3% | 7% |
| Baner- Balewadi | 165 | 24 | 26 | 3% | 8% |
| Kothrud, Karve Road | 149 | 22 | 23 | 3% | 6% |
| Pune Satara Road | 124 | 18 | 19 | 3% | 9% |
| PRIME RETAIL RENTS – MALLS (Prominent Malls) | INR SF/MTH | EURO SF/YR | US\$ SF/YR | Q-O-Q CHANGE | Y-O-Y CHANGE |
| SGS Mall, Kumar Pacific | 180 | 26 | 28 | - | 3% |
| Phoenix Marketcity | 224 | 33 | 35 | 2% | 3% |
| Seasons Mall, Amanora Town Centre | 184 | 27 | 29 | 2% | 3% |
| Westend Gateway | 204 | 30 | 32 | - | 3% |
| Pavillion Mall | 200 | 29 | 31 | - | 3% |
| Grand Highstreet Mall | 160 | 23 | 25 | - | - |

Note: Asking rent (INR/sf/month) on the carpet area of ground floor Vanilla stores is quoted
 US\$ = INR 77.30 AND € = INR 82.2

SIGNIFICANT LEASING TRANSACTIONS Q2 2022

| PROPERTY / MAIN STREET | SUBMARKET | TENANT | Area (sf) |
|------------------------|-----------|-------------------|-----------|
| Amanora Town Centre | SBD East | Toscano | 3,500 |
| Seasons Mall | SBD East | Crazy Noodles | 2,000 |
| Seasons Mall | SBD East | Mad Over Donut | 350 |
| Elpro City Mall | PBD West | Ghoormar | 3,000 |
| Elpro City Mall | PBD West | Subway | 1,200 |
| Grand Highstreet | PBD West | DIY | 6,000 |
| Balewadi High Street | SBD West | Pizza Express | 3,000 |
| Kalyani Nagar | SBD East | Third Wave Coffee | 2,500 |
| Koregaon Park | SBD West | Saundh | 1,500 |

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

| PROPERTY | LOCATION | SF | COMPLETION |
|--------------------|---------------|-----------|------------|
| Nitesh Hub Mall | Koregaon Park | 270,000 | Q1 2023 |
| Phoenix Millennium | Wakad | 1,100,000 | Q4 2024 |

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