

22.5% MALL VACANCY (Q3 2022)

2.6 msf MALL INVENTORY (AS OF Q3 2022)

0.7 msf MALL SUPPLY EXPECTED IN Q4 2022

## ECONOMIC INDICATORS Q3 2022

	2021	2022	2023 Forecast
GDP Growth	8.9%	7.0%	6.5%
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, RBI, IMF

## Healthy leasing momentum continues; vacancy drops in Q3

In Q3, Ahmedabad malls witnessed healthy leasing activity, mostly in the form of churn in premium malls whereas the average and good malls witnessed fresh leasing activity. Leasing in good and average malls driven mainly by Fashion and Accessories stores, has surpassed the superior mall leasing with ~65% share in overall mall leasing in the quarter. Leasing activity in superior malls was carried out by Fashion and F&B outlets on the back of higher footfalls and rising demand for dine-in and QSR options. Overall mall vacancy recorded at 22.5% in Q3, a 59 bps drop on a q-o-q basis, although superior malls had much lower vacancy of ~11%, as of third quarter.

No new supply got added to the city's mall inventory during the quarter. A supply of 0.7 msf is expected in the fourth quarter with Phoenix Palladium mall likely to commence operations towards the end of this year. With ~85% of the upcoming mall already pre-leased, overall city-wide vacancy should be largely unaffected in the next quarter.

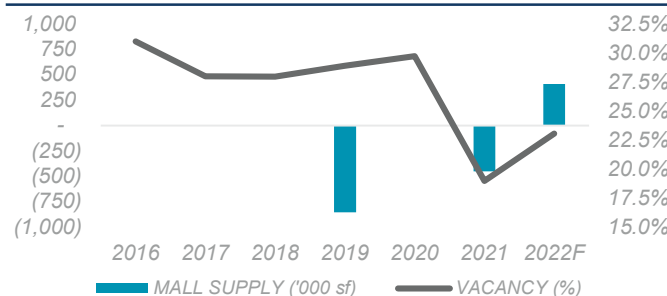
## Main street leasing driven by Fashion and Departmental Stores

Main streets witnessed good leasing activity in the third quarter, maintaining momentum through start of the year. Leasing activity was largely driven by Fashion category, accounting for ~46% of the overall main street leasing, followed by departmental stores with a 32% share. Majority of the leasing activity was concentrated in Sindhu Bhavan Road, where Fashion category constituted 80% of leasing. Going forward, in the entertainment category, prominent cinema chains are expanding operations in Ahmedabad as multiplexes across the city have witnessed higher footfalls in recent quarters. Upcoming festive season is likely to drive retail activity higher and improve lease transactions across main streets.

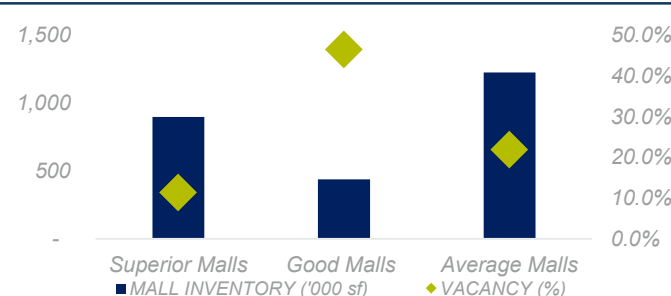
## Quoted rentals remained stable in Q3

Healthy leasing activity has, however, not translated into rental appreciation yet. Superior malls quoted the same rentals in the quarter, which had marginally risen in the recent past owing to high occupancy rates. Relatively lower grade malls continue to see pressure on rents owing to higher vacancies. Improving footfalls and sales volumes may provide an impetus to leasing activity and subsequently lead to rental growth in the near term. Revenue share is the preferred business model for some retail-chain owners and this rental arrangement is likely to continue going forward.

## MALL SUPPLY / VACANCY



## CATEGORY-WISE STOCK / VACANCY



MARKETBEAT

## AHMEDABAD

Retail Q3 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
C.G. Road	155	23	23	0.0%	4.0%
Prahladnagar	155	23	23	0.0%	3.3%
Sindhu Bhavan Road	185	28	28	0.0%	2.8%
132ft Ring Road	160	24	24	0.0%	1.9%
S.G. Highway	150	22	23	0.0%	2.7%
Ambli – Bopal Road	150	22	23	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	310-350	46-52	47-53	0.0%	0.0%
The Retail Park (TRP)	130-180	19-27	20-27	0.0%	0.0%
Himalaya Mall	110-130	16-19	17-20	0.0%	0.0%

Note: Asking average base rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted  
 US\$ = INR 79.40 AND € = INR 80.20

## SIGNIFICANT LEASING TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	TENANT	SF
Himalaya Mall	Vastrapur	Zudio	10,000 – 11,000
Palak Prime	Ambli Road	HDFC Bank	4,000 – 4,500
Sun Gravitass	Shyamal	Croma Service Center	1,000 – 1,500
Shivarth The Ace	Sindhu Bhavan Road	Raymond	1,000 – 1,500

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

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

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