

26.45 msf MALL INVENTORY*
(Q3 2022)15.5% MALL VACANCY
(Q3 2022)0.24 msf UPCOMING MALL SUPPLY
(Q4 2022)

*Malls that have shutdown or cases where majority of the tenants have vacated spaces have been withdrawn from the inventory

Healthy leasing continues; F&B and Fashion segments dominant during the quarter

Malls in Delhi NCR recorded leasing of approx. 0.22 msf in Q3. With low prevailing vacancy in superior grade malls, majority of space take-ups were driven by retailer churns. Retail leasing was robust during the quarter with approximately 95% occupancy across Grade A Malls. Majority of the leasing activity was contributed by the Fashion and Apparel sector followed by the F&B sector, with retailers such as Pirates of Grill, Costa Coffee, Nando's, Lacoste, Louis Phillipe, among others taking up space during Q3. Golf Course Extension Road saw a lot of retail chains opening up with M3M IFC witnessing the inauguration of Starbucks, Reflex costa coffee etc, AIPL Joystreet witnessed opening of Fashion and F&B stores such as Thevasa and Blue Tokai. Other than this, Madam Tussauds relocated from Connaught Place to DLF Mall of India, Noida. Footfalls in major malls have surpassed the pre covid levels and the trend is expected to continue during the upcoming festive season.

Main streets witnessed leasing of approx. 0.1 msf; majority of the activity was observed in prominent main streets of Khan Market, Defence Colony and Greater Kailash, during Q3. Accessories and lifestyle segment along with wellness accounted for majority of the main street leasing during the quarter. Petcare product and grooming store Zigly opened up in Punjabi bagh, green park. Canadian Coffee chain Tim Hortons which ventured into the city last quarter has expanded its footprint in NCR with stores opening up in Cyber Hub, Punjabi Bagh, Select City walk, Skaet and Green Park.

Marginal drop in mall vacancy; no new mall space was added

With no new mall supply during the quarter and continued leasing momentum in malls, city-level mall vacancy declined marginally to 15.5% in Q3 from 15.6% in the previous quarter. Delhi NCR's mall inventory remained at 26.45 msf by end Q3. New mall space of around 0.24 msf is likely to get operational in Noida by end 2022, while Gurugram retail sector is expected to witness a mall space addition of 0.6 msf during early 2023.

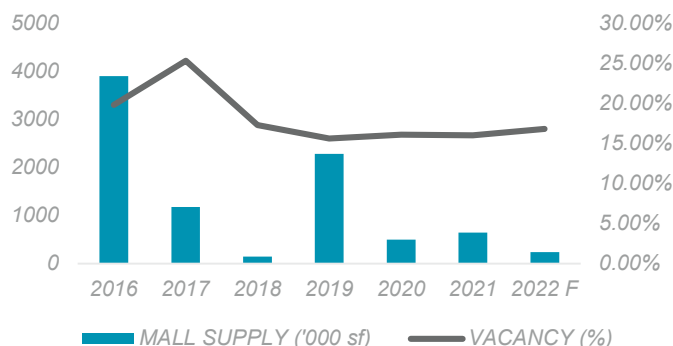
Select mall rentals rise; main street rentals witness growth

Few superior malls have witnessed an increase of 5–10% in rentals on qoq basis. Main streets like DLF Galleria in Gurugram continued to witness q-o-q rental growth in the range of 15-20%, while Punjabi Bagh and Rajouri garden in the North-west witnessed a 10-12% q-o-q growth, which was attributed to high retailer preference for spaces in such prominent areas. Rentals in main streets are expected to appreciate further in the upcoming quarters.

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, 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
Khan Market	1,450	217	219	3.6%	7.4%
South Extension I & II	700	105	106	0.0%	0.0%
Lajpat Nagar	250	37	38	0.0%	0.0%
Connaught Place	1050	157	159	0.0%	5.0%
Greater Kailash I, M Block	425	64	64	11.9%	13.3%
Rajouri Garden	250	37	38	11.1%	11.1%
Punjabi Bagh	250	37	38	11.1%	11.1%
Karol Bagh	390	58	59	0.0%	1.3%
Kamla Nagar	400	60	60	5.3%	5.3%
DLF Galleria (Gurugram)	885	132	134	18.0%	31.1%
Sector 29 (Gurugram)	165	25	25	0.0%	(8.3%)
Sector 18 (Noida)	200	30	30	0.0%	5.6%
PRIME RETAIL RENTS – MALLS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
Select City Walk, Delhi	1,350^	195	196	4%	0%
DLF Promenade, Delhi	500	75	76	0%	0%
The Chanakya, Delhi	1,250^	187	189	0%	0%
Ambience Mall, Gurugram	550	82	83	0%	0%
Mall of India, Noida	400	60	60	14%	0%

*Note: Asking rent (INR/sf/month) of ground floor Vanilla stores is quoted

US\$ = INR 79.4 € = INR 80.2

^ Based on carpet area

SIGNIFICANT LEASING TRANSACTIONS Q3 2022

PROPERTY / MAIN STREET	LOCATION	TENANT	SF
Main Street	Connaught Place	Unqlo	11,000
Main Street	Tis Hazari	Adidas	6,000
Main Street	Connaught Place	Jockey	3,500
Mall	DLF Promenade	Birkenstock	2,500

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
AIPL Central, Golf Course Extension Road	Gurugram	550,000	Q1 2023
Godrej Golf Course Road	Gurugram	900,000	Q3 2023

Suvishesh Valsan

Director, Research Services

+91 22 67715555 / Suvishesh.valsan@cushwake.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.