

6.81% MALL VACANCY (2022)

0.85 msf SUPPLY (2022)

1.50 msf UPCOMING SUPPLY BY 2024

ECONOMIC INDICATORS Q4 2022

	2021	2022	2023 Forecast
GDP Growth	8.7%	6.8%	6.1%
CPI Growth	5.3%	6.7%	5.0%
Consumer Spending	6.3%	7.5%	7.2%
Govt. Final Expenditure Growth	10.8%	9.7%	8.5%

Source: Oxford Economics, IMF, RBI

Robust leasing witnessed across malls and main streets

Pune recorded ~216,000 sf of leasing in the fourth quarter of 2022, a jump of 3X on a y-o-y basis. On q-o-q basis, leasing witnessed a drop of 15% as previous quarter recorded 0.25 msf of gross lease of which ~44% were pre-commitment deals. In Q4, around 165,000 sf leasing was recorded across prominent main streets. Main streets such as Hinjewadi, Koregaon Park & Viman Nagar witnessed majority of space take-up, particularly from leading F&B retailers.

As of CY 2022, leasing volume stood at ~710,000 sf, a jump of ~2X as compared to the previous year. This is an all-time high in terms of space take-up by retailers. In CY 2022, leasing in malls (49%) and main streets (51%) accounted for nearly equal share of the overall leasing activity. Aero Mall and Grand High Street, both of which became operational in 2022, recorded ~85,000 sf of fresh leases during the year. Substantial recovery in footfalls has prompted brands and retailers to strengthen their physical presence. The year witnessed a substantial boost in demand for retail space driven by economic growth, higher consumerism, greater focus on experiential retail, and positive retailer market sentiment.

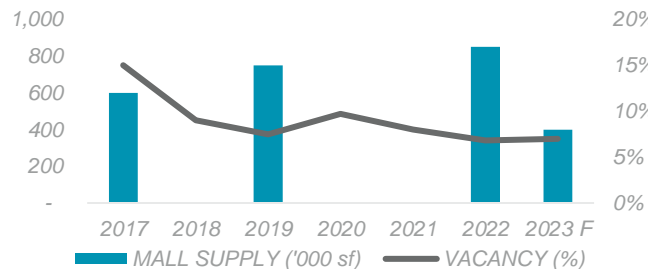
New supply causes vacancy to rise marginally in Q4

In Q4, Pune's mall inventory stood at 6.8 msf. Overall mall vacancy rose marginally from 6.6% (Q3) to 6.8% (Q4) on the back of new supply of 0.85 msf. Additional supply of ~1.5 msf is set to enter Pune over the period 2023–2024. Majority of the upcoming supply is concentrated in PBD West (73%) and CBD (27%).

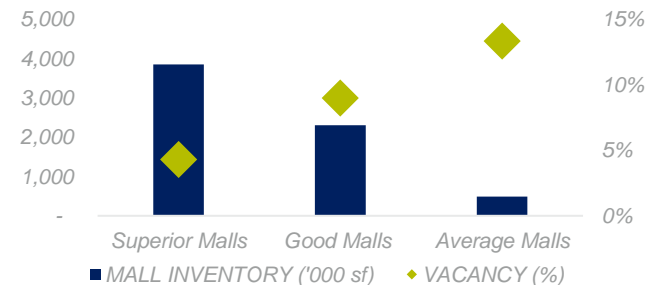
Malls and Main Street rentals largely stable as of Q4

City-wide average mall and main street rentals remained largely stable on a q-o-q basis. In Q4, certain main streets such as Koregaon Park witnessed spike of 17% in rentals on a y-o-y basis due to limited supply. With low vacancies across Grade A malls and limited new supply on the face of fast-growing demand for quality space, mall rental values and city-wide rentals in main streets are anticipated to remain range bound in the next few quarters

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	290	41.6	42.3	0.0%	7%
J.M. Road	300	43.1	43.7	0.0%	5%
F.C. Road	250	35.9	36.5	0.0%	7%
Koregaon Park	154	22.1	22.5	0.0%	17%
Aundh	168	24.1	24.5	0.8%	6%
Bund Garden Rd	135	19.4	19.7	0.5%	5%
Mumbai-Pune Highway – PCMC	115	16.5	16.8	0.8%	8%
Baner- Balewadi	165	23.7	24.1	0.0%	8%
Kothrud, Karve Road	140	20.1	20.4	0.0%	8%
Pune Satara Road	125	17.9	18.2	0.0%	11%
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	25.8	26.2	0.0%	3%
Phoenix Marketcity	224	32.2	32.7	0.0%	3%
Seasons Mall, Amanora Town Centre	184	26.4	26.8	0.0%	3%
Westend Gateway	204	29.3	29.7	0.0%	3%
Pavillion Mall	200	28.7	29.2	0.0%	3%
Grand Highstreet Mall	160	23.0	23.3	0.0%	-
Aero Mall	125	17.9	18.2	0.0%	-

Note: Asking rent (INR/sf/month) on the carpet area of ground floor Vanilla stores is quoted
 US\$ = INR 82.3 AND € = INR 83.6

SIGNIFICANT LEASING TRANSACTIONS Q4 2022

PROPERTY / MAIN STREET	SUBMARKET	TENANT	Area (sf)
Elpro City Mall	Peripheral	Miniso	2,500
Elpro City Mall	Peripheral	Starbucks	1,800
Balewadi High Street	Suburbs	Poetry	1,100
Amanora	Suburbs	Ghoomar	800
Grand High Street Mall	Peripheral	Barbeque Nation	7,000
Aero Mall	Suburbs	Starbucks	2,000
Aero Mall	Suburbs	Blue Tokai	2,500
Koregaon Park	Core	Poetry	800
Pavillion Mall	Core	Jamie Oliver	3,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Phoenix Millennium	Wakad	1,100,000	Q4 2024
KOPA Mall	Koregaon Park	400,000	Q2 2023

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