

HYDERABAD

Retail Q1 2023

CUSHMAN & WAKEFIELD

12.05% MALL VACANCY (Q1 2023)

3-5% VACANCY IN SUPERIOR GRADE MALLS (Q1 2023)

~0.45 msf OF LEASING ACTIVITY (Q1 2023)

Leasing activity witnessed a marginal growth than the last quarter

Hyderabad recorded more than 450,000 sf of leasing across malls and main streets in the first quarter of the year, with a marginal growth of 7% on a quarterly basis. Nearly 5% of the deals captured in the current quarter were leased in malls. Among main streets, locations like Kompally, Sainikpuri, Bandlaguda, Nallagandla, Madinaguda, and Hasthinapur are evolving as new retail destinations and have been active with leasing during Q1. Jewellery brands have seen extensive expansions at new locations. Kompally, Jubilee Hills Road no.10, and Banjara hills Road no. 10 have become new hubs for jewellery shoppers. Breweries and Liquor walk-in stores have noticeably increased in the 3-4 months (with a total of around 145,000 sf space take up recorded during Q1) and have become trending retail opportunities in the market. Further to these, EV stations are now serving as new potential retail opportunities in the market.

Fashion and F&B brands continue to drive leasing in main streets

Nearly 50% of the leasing captured during the first quarter was contributed by Fashion and Apparel brands. Sub-brands of various top retail conglomerates have contributed to the city's retail leasing activity with robust expansions. The F&B segment contributed 18% of this quarter's retail leases. Homespun restaurant chains have extended their footprint in the city with multiple brands of pizza eateries, bakeries and café franchises opening their stores during the quarter.

Marginal hike in the superior mall rentals, new mall supply expected during the year

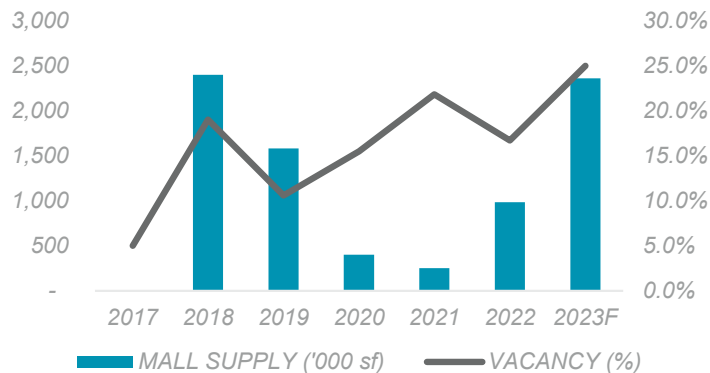
Vacancy in superior malls in the city remain steady at around 3-5% with active demand for space. These malls are witnessing ongoing enquiries from several new brands for Grade A mall space. The demand for spaces in these malls has led to a marginal increase in rental during Q1. Lulu Manjeera Mall and Aparna Lakeshore Mall are two Grade A malls that are pipelined for the current year and likely to add around 1.15 msf of Grade A space to the city's inventory. With around 80% of these malls being pre-leased, the vacancy in superior grade malls in the city are likely to remain tight in the coming quarters.

ECONOMIC INDICATORS Q1 2023

	2022	2023	2024 Forecast
GDP Growth	6.8%	6.1%	6.5%
CPI Growth	6.7%	5.3%	5.0%
Consumer Spending	7.5%	7.0%	6.7%
Govt. Final Expenditure Growth	9.7%	8.1%	7.4%

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
Kompally	180	23.70	25.33	0.00%	4.00%
M G.Road/Parklane	150	19.53	20.86	0.00%	4.90%
Dilsukhnagar/ Kothapet	180	23.19	24.75	0.00%	0.00%
Banjara Hills	200	25.49	27.19	0.00%	28.57%
Abids/Koti	125	15.76	16.80	0.00%	0.00%
Himayathnagar	220	27.46	29.25	0.00%	14.58%
Punjagutta/ Ameerpet	140	17.29	18.41	0.00%	18.64%
Madinaguda/ Chandanagar	135	16.51	17.56	0.00%	16.38%
Jubilee Hills	200	24.21	25.73	0.00%	29.87%
Kukatpally NH.9	150	17.97	19.09	0.00%	4.17%
A.S. Rao Nagar	150	17.80	18.89	0.00%	19.05%
Madhapur/ Kondapur	135	15.86	16.83	0.00%	22.73%
Nallagandla	140	16.29	17.27	0.00%	5.00%
Habsiguda	180	20.74	21.98	0.00%	5.00%
Attapur	120	13.69	14.51	0.00%	5.00%
Manikonda	120	13.57	14.36	0.00%	5.00%
Thrimulgiri / Vikramপুরi	140	15.68	16.59	0.00%	5.00%
Kokapet	130	14.42	15.25	0.00%	5.00%
PRIME RETAIL RENTS – MALLS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
GVK One	150	20.42	21.88	5%	15%
Inorbit	205	27.91	29.90	4%	14%
Sarath City Capital	150	20.42	21.88	5%	15%
L&T Punjagutta	130	17.70	18.96	0%	0%
L&T Eramanzil	110	14.97	16.04	0%	0%

Note: Asking rent (INR/SF/month) on the carpet area of ground floor Vanilla stores is quoted
US\$ = INR 82.27 AND € = INR 88.15

SIGNIFICANT LEASING TRANSACTIONS Q1 2023

PROPERTY	LOCATION	TENANT	SF
K R Square	Kompally	Lifestyle	33,000
Raichandani Mall	Kompally	Anil Trade centre	30,000
Jain Friends Square	Kompally	Azorte	24,000
A N Palace Heights	Banjara Hills	Minerva Palace Heights	14,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION DATE
Aparna Mall & Multiplex	Nallagandla	700,000	Q4 2023
Lakeshore mall	Kukatpally	1,660,000	Q2 2025
Lulu Manjeera	Kukatpally	450,000	Q2 2023

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