

# HYDERABAD

Retail Q2 2023

CUSHMAN & WAKEFIELD

**~0.59 msf** OF LEASING ACTIVITY (Q2 2023)

**3 - 5%** VACANCY IN SUPERIOR GRADE MALLS (Q2 2023)

**50%** SHARE OF FASHION & APPAREL BRANDS IN LEASING (Q2)

### Healthy leasing activity across main streets

In Q2 2023, Hyderabad recorded nearly 590,000 sf of leasing across malls and main streets which is a healthy growth of 12% on a quarterly basis. Nearly 95% of the deals in the current quarter were in prominent main streets. The main streets of Narsingi stretching up to Kokapet have particularly seen extensive expansions of retail brand stores over this quarter with a 21% share in Q2 leasing. Leasing volumes in H1 2023 stood at over 1 msf out of which locations like Kompally, Kokapet, Jubilee hills 36, Chandanagar, and Vanasthalipuram have been the most active areas with more than 500,000 sf of space taken up on main streets.

### Market traction driven by Fashion, Jewellery, and Lifestyle brands

In Q2, a line of fashion brands (in apparel, jewelry, and lifestyle segments) accounted for 50% of the leasing volumes and have majorly expanded in Kompally, Kokapet, Vanasthalipuram, and Banjara Hills. This was followed by automobile segment which contributed another 10% of leases, expanding into locations such as Attapur, Uppal, and Medchel. Consumer durables and electronics segments with brands followed with a 7% share. F&B segment also had a share of 7% in Q2. Leasing activity in malls have slowed down due to persistent tight vacancies observed since the past three quarters.

### Limited supply and healthy demand across prominent main streets; rents rise in Q2

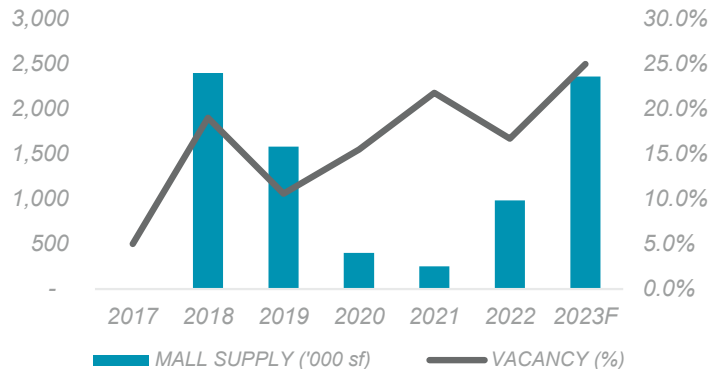
Main street supply has been inadequate to cater to healthy demand from retailers. The current scenario creates a good opportunity for the developers to invest in retail and create a landlord-favorable market. Robust space demand on main streets from premium brands has led to rental appreciation. Main streets such as Banjara Hills, Himayat Nagar, and others have witnessed a rental hike of around 1-5% on a q-o-q basis. Rentals across malls have remained largely range-bound during the quarter.

### ECONOMIC INDICATORS Q2 2023

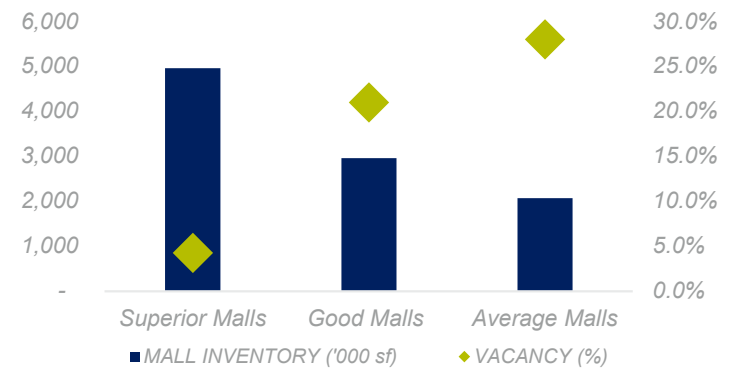
	2022	2023	2024 Forecast
GDP Growth	7.2%	6.1%	6.5%
CPI Growth	6.7%	5.3%	5.0%
Consumer Spending	7.5%	7.0%	6.7%
Govt. Final Expenditure Growth	9.7%	8.1%	7.4%

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	24.15	26.29	1.00%	4.00%
M G.Road/Parklane	150	20.13	21.91	1.00%	4.90%
Dilsukhnagar/ Kothapet	180	24.15	26.29	1.00%	0.00%
Banjara Hills	200	26.84	29.21	1.00%	28.57%
Abids/Koti	125	16.77	18.25	1.00%	0.00%
Himayathnagar	220	29.52	32.13	1.00%	14.58%
Punjagutta/ Ameerpet	140	18.79	20.45	1.00%	18.64%
Madinaguda/ Chandanagar	135	18.11	19.72	1.50%	16.38%
Jubilee Hills	200	26.84	29.21	2.00%	29.87%
Kukatpally NH.9	150	20.13	21.91	1.00%	4.17%
A.S. Rao Nagar	150	20.13	21.91	1.00%	19.05%
Madhapur/ Kondapur	135	18.11	19.72	1.50%	22.73%
Nallagandla	140	18.79	20.45	1.00%	5.00%
Habsiguda	180	24.15	26.29	1.00%	5.00%
Attapur	120	16.10	17.52	1.00%	5.00%
Manikonda	120	16.10	17.52	1.00%	5.00%
Thrimulgiri / Vikramপুরi	140	18.79	20.45	1.00%	5.00%
Kokapet	130	17.44	18.99	1.50%	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	275	36.90	40.16	0%	15%
Inorbit	205	27.51	29.94	0%	14%
Sarath City Capital	150	20.13	21.91	0%	15%
L&T Punjagutta	130	17.44	18.99	0%	0%
L&T Eramanzil	110	14.76	16.06	0%	0%

Note: Asking rent (INR/SF/month) on the carpet area of ground floor Vanilla stores is quoted  
US\$ = INR 82.17 AND € = INR 89.43

## SIGNIFICANT LEASING TRANSACTIONS Q2 2023

PROPERTY	LOCATION	TENANT	SF
Fairmount	Kompally	Multiple brands	30,000
Vamsiram Jyothi Valencia	Banjara hills Road no: 2	Multiple brands	40,000
Raichandani Mall	Kokapet	Multiple brands	40,000
Raichandani mall	Kompally	Multiple brands	400,000

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION DATE
Aparna Mall & Multiplex	Nallagandla	700,000	Q3 2023
Lakeshore mall	Kukatpally	1,660,000	Q2 2025
Lulu Manjeera	Kukatpally	450,000	Q3 2023

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