

6.02% MALL VACANCY (Q2 2023)

61,400 sf GLV (Q2 2023)

1.50 msf UPCOMING SUPPLY BY 2024

Healthy leasing in malls and main streets; Fashion segment drives demand

Pune's malls recorded healthy leasing activity of ~28,200 sf in Q2 on the back of fresh demands for quality mall space. Leasing volume recorded a marginal drop of 8% on a q-o-q basis. Quarterly leasing activity was driven by retailers from the fashion segment (close to 70% share). H1-2023 witnessed total leasing of ~58,700 sf which is less than the activity seen in the same period last year, on back of limited supply. Prominent domestic and international fashion brands have been increasing their presence across the city's retail malls over the last six months (60% of H1 2023 leasing volumes).

Around 33,200 sf of space was leased across prominent main streets of the city. Main street locations in peripheral submarkets like PCMC and suburban submarkets like Kharadi, NIBM road witnessed higher traction in terms of quarterly leasing. Fashion and F&B segment retailers were active in main street leasing. H1-2023 witnessed close to 106,800 sf of retail space being transacted, higher than the same period in the previous year, driven by emerging main street locations like NIBM Road, PCMC and Kharadi. Both malls and main streets are seeing increased activity as retailers seek to take advantage of the growing consumer demand in the city.

No new supply in Q2; vacancy declines by more than 40 bps

In the absence of new supply, Pune's mall inventory remained unchanged at 6.8 msf. City-wide mall vacancy further dropped from 6.46% in the previous quarter to 6.02% in Q2, a drop of 44 bps, on the back of strong leasing and limited availability of quality space. Supply of ~1.5 msf is set to enter the market over the next two years. Most of the upcoming supply is concentrated in the PBD West (73%) market, followed by the CBD (27%).

ECONOMIC INDICATORS Q2 2023

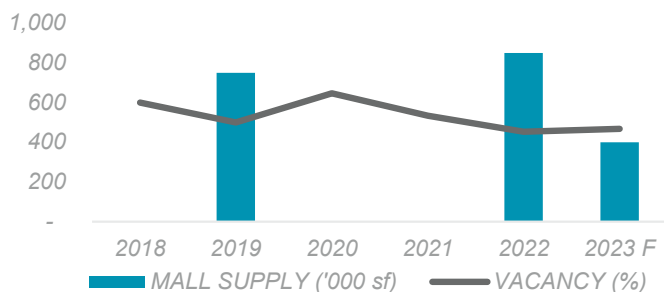
	2022	2023	2024 Forecast
GDP Growth	7.2%	6.1%	6.5%
CPI Growth	6.7%	5.3%	5.0%
Consumer Spending	7.5%	7.0%	6.7%
Govt. Final Expenditure Growth	9.7%	8.1%	7.4%

Source: Oxford Economics, IMF, RBI

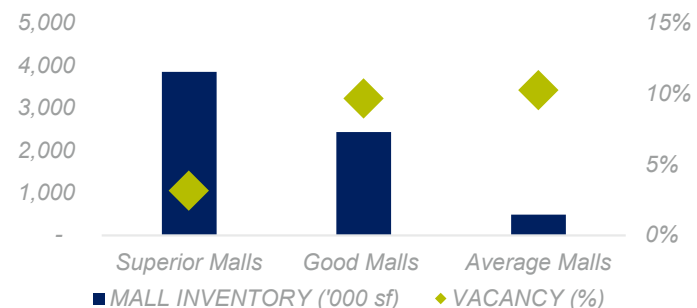
Main Street rentals largely stable; mall rentals witness appreciation

City-wide main street rentals remained largely stable on a q-o-q basis, while prominent retail malls witnessed a 5-7% during the same period. Despite low vacancies across superior malls, healthy upcoming supply is likely to keep rentals stable in the upcoming quarters,. City-wide rentals in main streets are anticipated to improve in the next few quarters on the back of strong leasing at prominent main streets and expansion of retailers in emerging locations near residential catchments such as Kharadi, NIBM, Undri among others.

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	250 – 290	34 – 39	36 – 42	0.0%	0.0%
J.M. Road	260 – 280	35 – 38	38 – 41	0.0%	0.0%
F.C. Road	250 – 280	34 – 38	36 – 41	0.0%	0.0%
Koregaon Park	250 – 350	34 – 48	36 – 51	0.0%	0.0%
Aundh	160 – 200	22 – 27	23 – 29	0.0%	0.0%
Bund Garden Rd	130 – 150	18 – 20	19 – 22	0.0%	0.0%
Mumbai-Pune Highway – PCMC	100 – 130	14 – 18	15 – 19	0.0%	0.0%
Baner- Balewadi	160 – 220	22 – 30	23 – 32	0.0%	0.0%
Kothrud, Karve Road	140 – 160	19 – 22	20 – 23	0.0%	0.0%
Pune Satara Road	120 – 130	16 – 18	18 – 19	0.0%	0.0%

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 – 200	25 – 27	26 – 29	0.0%	0.0%
Phoenix Market city	220 – 250	30 – 34	32 – 36	0.0%	0.0%
Seasons Mall, Amanora Town Centre	180 – 220	24 – 30	26 – 32	5.0%	0.0%
Westend Gateway	200 – 220	27 – 30	29 – 32	0.0%	0.0%
Pavilion Mall	200 – 250	27 – 34	29 – 37	7.0%	0.0%
Grand Highstreet Mall	160 – 200	22 – 27	23 – 29	0.0%	0.0%
Aero Mall	120 – 180	16 – 25	18 – 26	0.0%	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 / MAIN STREET	SUBMARKET	TENANT	Area (sf)
Main Street	NIBM Road	PNG Gargi	~4,000
Main Street	Aundh	Cantabil	~5,000
Main Street	PCMC	Fab India	~5,000
Phoenix Market City	Viman Nagar	Solitario	~4,000
Amanora Mall	Hadapsar	Zudio	~6,000
Westend Mall	Aundh	GAP	~5,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Phoenix Millennium	Wakad	1,100,000	Q4 2024
KOPA Mall	Koregaon Park	400,000	Q3 2023

Suvishesh Valsan

Director, Research Services

+91 22 6771555 / suvishesh.valsan@ap.cushwake.com

cushmanwakefield.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in approximately 400 offices and 60 countries. In 2022, the firm reported revenue of \$10.1 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), Environmental, Social and Governance (ESG) and more. For additional information, visit www.cushmanwakefield.com.

©2022 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.