

# MUMBAI

Retail Q3 2023

CUSHMAN & WAKEFIELD

**8.5%** MALL VACANCY (Q3 2023)

**16.5 msf** MALL INVENTORY (Q3 2023)

**1.1%** VACANCY IN SUPERIOR GRADE MALLS (Q3 2023)

## ECONOMIC INDICATORS Q3 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, RBI, IMF

## Sustained leasing momentum across malls; tight vacancy acts as a constraint

During the third quarter, the city witnessed leasing activity of around 93,000 sf in malls. Majority of the leasing activity was in the form of new space take-ups. Q3 leasing activity was largely concentrated in eastern suburban areas. The fashion segment drove quarterly leasing with more than a 50% share in leasing volume, followed by the Entertainment segment. BKC witnessed pre-commitments in upcoming retail supply from high-end luxury brands. Prominent fashion brands increased their presence across the city sub-markets over the last six months.

City-level mall vacancy remained steady at 8.3% during this quarter, on the back of steady leasing activity. Superior category malls enjoy tight vacancy levels of 1.10%, on the back of strong retailer preference. No new mall supply was recorded during this quarter. But close to 1.59 msf of Grade A supply is expected to be operational in the next six months in the suburban micro markets. Delay in retail supply is expected to bring down city vacancy levels in upcoming quarters,

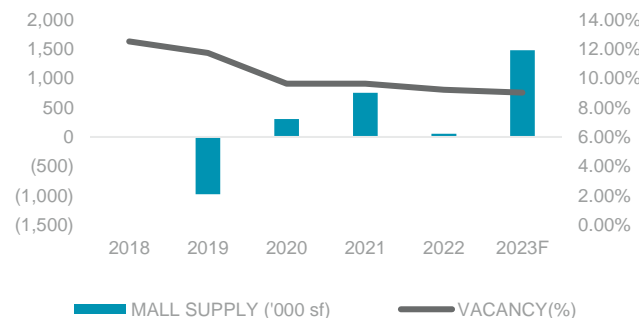
## F&B drove main street leasing in suburban markets

Prominent main streets in Mumbai witnessed good leasing activity during the quarter with close to 59,200 sf of store openings. The F&B sector accounted for the majority of leasing volume (40%), primarily across locations like BKC, Bandra and Powai. The accessories and Lifestyle segment is also a key segment in suburban submarkets like Powai and Andheri. Limited supply in retail mall space has contributed to the sustained leasing in main streets.

## Malls and main street rentals improve further

City-wide mall rentals witnessed an uptick on a q-o-q basis, on the back of limited space availability and active term renewals. Prominent main streets in prime locations also witnessed a rental appreciation of 2-10% during this quarter on the back of robust retail space demand, which is expected to continue. Mall rentals are expected to remain range-bound going forward despite the upcoming Grade A mall that will enhance the city's mall inventory significantly, largely owing to high levels of pre-commitments expected in these malls.

## 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
Linking Road	800	109	117	1.9%	6.7%
Kemps Corner / Breach Candy	475	65	69	0.0%	18.8%
Colaba Causeway	615	84	90	0.0%	9.8%
Fort	550	75	80	10.0%	37.5%
Lokhandwala Andheri	415	57	61	0.0%	3.8%
Borivali LT Road	400	55	58	2.6%	2.6%
Chembur	375	50	55	0.0%	0.0%
Vashi	450	62	66	5.9%	28.6%
Thane	300	41	44	9.1%	15.4%

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 Q3 2023

PROPERTY	LOCATION	TENANT	SF	TYPE
Inorbit Mall	Vashi	Trent	28,000	Fresh Lease
Phoenix Market City	Kurla	Timezone	14,000	Term Renewal
Main Street	BKC	Kembara	2,670	Fresh Lease
Main Street	Bandra	Gigi Bar & Restaurant	6,000	Fresh Lease

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION DATE
Jio World Plaza	BKC	475,000	Q4 2023
Aurum Mall	Ghansoli	120,000	Q2 2024
Oberoi Sky City Mall	Borivali East	1,000,000	Q1 2024

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