

# AHMEDABAD

Retail Q4 2023

CUSHMAN & WAKEFIELD

**17.93%** MALL VACANCY (Q4 2023)

**2.87 msf** MALL INVENTORY (AS OF Q4 2023)

**54%** SHARE OF FASHION SEGMENT IN MAIN STREET LEASING (Q4 2023)

## Mainstreet benefit from limited space in superior grade malls

Ahmedabad recorded main street leasing volume of ~75,000 sf in the fourth quarter of 2023, recording 10% growth from previous quarter. Categories such as fashion & accessories (~54% share) and furniture & fixtures (~27%) were the dominant ones during the quarter. In terms of markets, mainstreets such as Sindhu Bhavan road and Shayamal-Prahladnagar road saw bulk of the leasing volume for the quarter.

The yearly main street leasing activity was recorded at ~0.40 msf with Fashion segment dominating at 51% share, followed by Accessories & Lifestyle (13%) and F&B segments (10%). With limited ready-to-move spaces in prominent mainstreets such as Sindhu Bhavan Road, Ambli-Bopal Road and CG Road, brands are exploring pre-commitments in under-construction buildings & new stretches which are in close proximity to these main streets. New commercial supply that is proposed in the PBD submarkets is possibly going to bring forth new retail stretches. The state government has invited interest for development of entertainment hub and retail zone in the central submarket and GIFT city. This is expected to induce strong retail momentum in these submarkets going ahead.

## Limited new supply leads to drop in mall vacancy

With no new supply addition in the city and low vacancy levels in superior-grade malls, space constraints in malls will persist in the near term. With government's proposal to develop Ahmedabad and Gandhinagar as a Twin city, new malls in Gandhinagar (Swagat Holiday mall and Pramukh Orbit mall) are gaining traction. Ahmedabad malls recorded a leasing activity of ~25,000 sf in Q4 2023, almost in line with previous quarter. Quarterly leasing was driven by fast fashion brands which have taken up space in superior malls of the city. Overall city-wide mall vacancy has dipped to ~18% in the fourth quarter, with a 42 bps drop from previous quarter. Superior grade malls continue to record tighter vacancies in the range of 5-7%.

## Main street rents remain stable

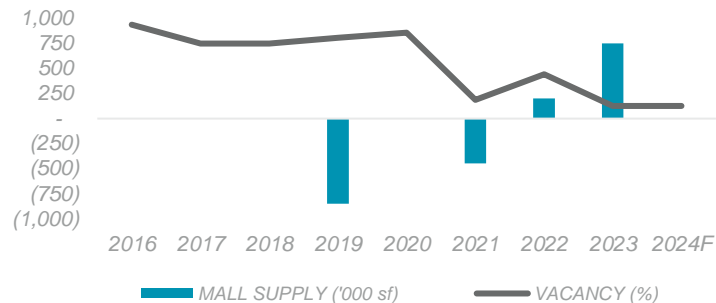
Main street rentals have largely remained stable on a q-o-q basis but witnessed 18-20% growth on a y-o-y basis. Driven by strong demand and limited space availability, prominent streets including Sindhu Bhavan Road, CG Road and Iskcon-Ambli Road witnessed a rental appreciation in the range of 25-30% on y-o-y basis. New retail corridors are emerging across various submarkets in the city which is expected keep the overall rentals range bound in the coming quarters.

### ECONOMIC INDICATORS Q4 2023

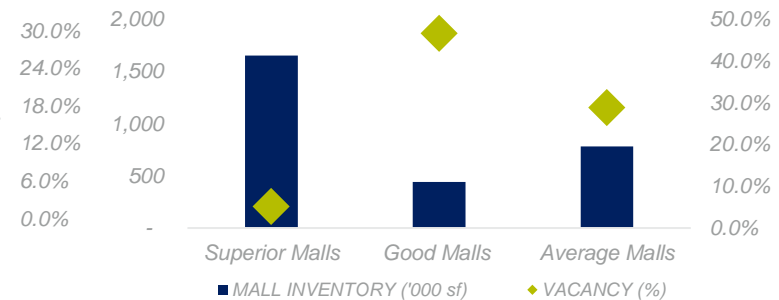
	2022	2023	2024 Forecast
GDP Growth	7.2 %	6.5%	7.0%
CPI Growth	6.7%	5.3%	5.0%
Consumer Spending	7.6%	7.0%	6.7%
Govt. Final Expenditure Growth	9.7%	8.1%	7.4%

Source: Oxford Economics, RBI, IMF

### 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
C.G. Road	175 – 195	23 – 26	25 – 28	0%	19%
Prahladnagar	175 – 195	23 – 26	25 – 28	0%	19%
Sindhu Bhavan Road	220 – 240	29 – 32	32 – 35	0%	24%
Science City Road	150 – 170	20 – 23	22 – 24	0%	0%
S.G. Highway*	165 – 185	22 – 25	24 – 27	0%	17%
Ambli – Bopal Road	190 – 210	25 – 28	27 – 30	0%	33%

\*S.G Highway rentals are given for the main street retail between Sarkhej to Thaltej locations

\*\*Note: Asking average base rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted  
US\$ 1 = INR 83.3; € 1 = INR 89.6

## SIGNIFICANT LEASING TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	TENANT	AREA (SF)
Palladium Mall	Thaltej	Zara	~25,000
Kala Siddhi	Law Garden Road	R&B	8,000 – 10,000
BTS Structure	Sindhu Bhavan Road	Pottery Barn	~20,000

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	SF	COMPLETION DATE
No major retail projects announced	-	-	-

## Arun P Nair

Manager, Research Services

+91 22 67715555 / [arun.nair@cushwake.com](mailto:arun.nair@cushwake.com)

## Suvishesh Valsan

Director, Research Services

+91 22 67715555 / [suvishesh.valsan@cushwake.com](mailto:suvishesh.valsan@cushwake.com)

## cushmanwakefield.com

## A CUSHMAN &amp; 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](http://www.cushmanwakefield.com).

©2023 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.