

HYDERABAD

Retail Q4 2023

CUSHMAN & WAKEFIELD

~0.20 msf OF LEASING ACTIVITY
(Q4 2023) IN MAIN STREETS

3 - 5% VACANCY IN SUPERIOR
GRADE MALLS (Q4 2023)

0.80 msf QUARTERLY SUPPLY ADDITION
(Q4-23)

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, IMF, RBI

Highstreets drive leasing volume during the quarter

The final quarter of the year 2023 saw close to 200,000 sf of main street leasing done majorly across CBD and areas like Banjara Hills, Jubilee Hills, Kokapet, Secunderabad etc. Segments like Fashion, Hypermarket and F&B were active with anchor format store openings seen during the quarter. For the full year 2023, around 1.8 msf of main street retail leasing activity was witnessed in locations like Kompally, Kokapet, AS Rao Nagar, Nallagandla, Vanasthalipuram, Madinaguda, Kondapur & Manikonda to name a few. Segments like Fashion and F&B were prominent in the annual leasing witnessed across main streets.

In malls, Q4 2023 continued to witness consistent leasing, driven by the recently operational retail mall space in the Kukatpally and Karmaghat areas. Quarterly leasing was largely driven by Fashion, Accessories & Lifestyle, F&B and Home Décor segments. Going forward, the above segments will continue to drive the leasing demand in upcoming supply north-western suburban markets.

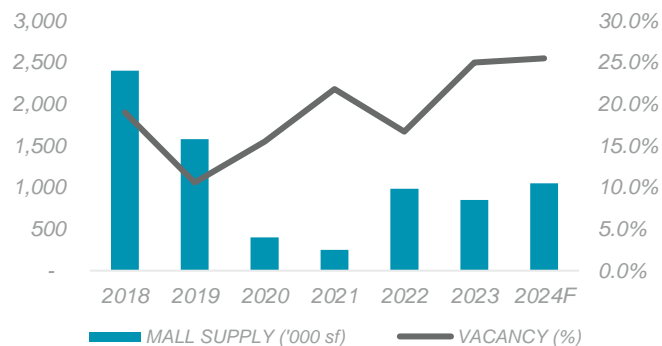
Mall vacancy rises owing to supply addition

Q3 2023 witnessed a project addition of retail mall spaces in the Karmaghat areas adding 0.8 msf to the city mall inventory. For the full year, the city witnessed total supply of 1.5 msf. In terms of upcoming supply, close to 2 msf of cumulative supply pipeline is expected by 2024, adding retail space in the Nallagandla, Nanakramguda and Kompally. City-level vacancies witnessed a slight uptick in vacancy largely due to supply addition in the quarter, with superior malls witnessing vacancy levels close to 3-5% and are expected to remain range-bound in upcoming quarters, with consistent demand and limited supply.

Main Street rental witness steady growth

While main street locations have witnessed an uptick in rentals from previous quarters, prominent locations like Ameerpet, Jubilee Hills, Banjara Hills, Kompally, Kothapet and Madhapur other prominent main street locations have seen a 5-25% average growth in rentals over the last few quarters. The city mall rentals are expected to witness the range bound over the next few quarters, given the supply infusion.

MALL SUPPLY / VACANCY



CATEGORY-WISE STOCK / VACANCY



Retail Q4 2023

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	25.93	24.11	0.00%	4.00%
M G.Road/Parklane	150	21.61	20.09	0.00%	5.00%
Dilsukhnagar/ Kothapet	180	25.93	24.11	0.00%	0.00%
Banjara Hills	225	32.41	30.13	0.00%	15.00%
Abids/Koti	125	18.01	16.74	0.00%	0.00%
Himayathnagar	225	32.41	30.13	0.00%	15.00%
Punjagutta/ Ameerpet	150	21.61	20.09	7.00%	18.64%
Madinaguda/ Chandanagar	150	21.61	20.09	11.00%	16.38%
Jubilee Hills	220	31.69	29.46	0.00%	15.00%
Kukatpally NH.9	200	28.81	26.79	30.00%	5.00%
A.S. Rao Nagar	180	25.93	24.11	20.00%	19.05%
Madhapur/ Kondapur	170	24.49	22.77	13.00%	20.00%
Nallagandla	150	21.61	20.09	7.00%	5.00%
Habsiguda	180	25.93	24.11	0.00%	5.00%
Attapur	130	18.73	17.41	8.00%	5.00%
Manikonda	120	17.29	16.07	0.00%	5.00%
Thrimulgi / Vikramপুরi	140	20.17	18.75	0.00%	5.00%
Kokapet	130	18.73	17.41	0.00%	5.00%

Note: Asking rent (INR/SF/month) on the carpet area of ground floor Vanilla stores is quoted
 US\$ = INR 83.3 AND € = INR 89.60

SIGNIFICANT LEASING TRANSACTIONS Q4 2023

PROPERTY	LOCATION	TENANT	SF
Main Street	East Maredpally	Zudio	11,000
Main Street	Nagaram	National Mart	24,000
Main Street	Jubilee Hills Rd No. 36	Mysore Sarees	21,000
Main Street	Kondapur	Livspace	14,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION DATE
Aparna Mall & Multiplex	Nallagandla	700,000	Q1 2024
Lakeshore mall	Kukatpally	1,660,000	Q2 2025

Arun P Nair

Manager, Research Services

+91 22 67715555 /arun.nair@cushwake.com

Suvishesh Valsan

Director, Research Services

+91 22 67715555

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.