

6.11% MALL VACANCY (Q4 2023)

270,914 sf GLV (Q4 2023)

0.25 msf UPCOMING SUPPLY BY 2025

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

A newly-opened mall helps luxury brands to foray into Pune market

City's grade-A malls witnessed close to 0.22 msf of leasing this quarter, ~85% higher than last quarter and about 3x growth from same period last year. Fashion segment accounted for 45% share in Q4 leasing, followed by F&B segment with 23%. The recently opened mall in Koregaon Park introduces 30-40 international luxury brands for the first time into Pune city, mostly across segments like Fashion, Furniture and F&B. For the entire year, Pune's malls recorded 0.39 msf of leasing, a 15% increase from year 2022. This rise was largely due to the leasing activity witnessed in two new malls that got operational this year. Fashion segment once again led with 53% share in annual leasing, followed by F&B segment at 18%.

In Q4, the city's main streets recorded leasing of 50,456 sq. ft, a 69% drop y-o-y, but largely due to high base effect. Annual main street leasing totaling 0.16msf shows a drop of 57% for the same reason. About a quarter of main-street transactions this year were centered around the newly opened prominent main-street at NIBM road across segments like Fashion, Electronics, F&B and Jewellery

An upcoming mall in Kharadi is expected to boost leasing activity in the coming quarters. The success of a new luxury mall at Koregaon Park is expected to increase the activity from luxury brands in the city. Baner's well-known main street and the promising NIBM road main street are expected to see increased activity in the next few quarters. This is because of the completion of new commercial buildings providing extra retail space and the upcoming residential supply in the area.

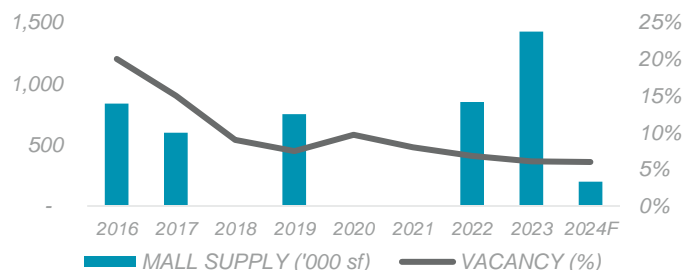
Vacancy falls despite new supply infusion

In Q4, with a supply addition of 0.33 msf, Pune's grade-A mall inventory stood at 6.4 msf. During the year, Pune recorded a massive 1.43 msf of supply. Even with this supply infusion, city's average vacancy fell by 135 bps q-o-q to 6.11%. This is due to high occupancy seen across the two new malls launched this year. Given a healthy demand for quality retail space, vacancies are expected to fall further. An additional supply of ~0.25 msf is set to enter the market in the next quarter in Kharadi.

Main Street & Mall rentals remain stable

City-wide rentals in malls increased by 10% y-o-y owing to the opening of two new superior malls by prominent developers. Main-streets rentals also witnessed a rise of 7-8% from last year due to low vacancies at malls pushing high-end retailers towards main-streets. With low vacancies in quality malls and upcoming supply in organized retail space, there is an expectation that mall rentals may experience stability or potentially see a marginal increase in the near term.

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	290 – 350	39 – 47	42 – 50	0.0%	8.0%
J.M. Road	280 – 350	38 – 47	40 – 50	0.0%	8.0%
F.C. Road	280 – 300	38 – 40	40 – 43	0.0%	7.1%
Koregaon Park	280 – 350	38 – 47	40 – 50	0.0%	0.0%
Aundh	180 – 230	24 – 31	26 – 33	0.0%	5.0%
Bund Garden Rd	130 – 150	17 – 20	19 – 22	0.0%	0.0%
Mumbai-Pune Highway – PCMC	100 – 130	13 – 17	14 – 19	0.0%	0.0%
Baner- Balewadi	160 – 220	21 – 29	23 – 32	0.0%	0.0%
Kothrud, Karve Road	140 – 160	19 – 21	20 – 23	0.0%	0.0%
Pune Satara Road	120 – 130	16 – 17	17 – 19	0.0%	0.0%

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 / MAIN STREET	SUBMARKET	TENANT	Area (sf)
Phoenix Millennium	Peripheral	Aaditya birla fashions	~21,261
KOPA Mall	Core	The White Crow	~8,940
KOPA Mall	Core	Impesario Entertainment(SOCIAL)	~6,541
FC Road	Core	Third Wave Coffee	~4,000
Talegaon (Survey No. 393/A/2)	Peripheral	Zudio	~10,556
Tribeca highstreet	Suburbs	Wildcraft	~949

SIGNIFICANT PROJECT UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Nyati Plaza	Kharadi	200,000	Q1 2024

Arun P Nair

Manager, Research Services

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

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 real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 52,000 employees in over 400 offices and approximately 60 countries. In 2022, the firm had revenue of \$10.1 billion across core services of property, facilities and project management, leasing, capital markets, and valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

©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.