

BENGALURU

Retail Q4 2023

CUSHMAN & WAKEFIELD

15.4 msf MALL INVENTORY (Q4 2023)

13.4% OVERALL MALL VACANCY (Q4 2023)

0.9 msf EXPECTED GRADE A MALL SUPPLY (2024)

Malls dominate leasing volumes in Q4

Bengaluru recorded retail leasing volume of ~1.15 msf in Q4, a 6x jump on a quarterly basis, on the back of robust leasing activity at the newly inaugurated Phoenix Mall of Asia. Malls accounted for over 85% of leasing volumes in the quarter with Phoenix Mall of Asia recording lease transactions of around 1.0 msf by major domestic and international brands across industry categories. A couple of other Grade A malls at Whitefield in Peripheral East recorded a few small transactions in the quarter. Main streets witnessed ~0.15 msf of transactions, particularly in locations such as Jayanagar and Bannerghatta Road (Suburban South), Whitefield (Peripheral East), Bانشankari (South West) and Thanisandra Road (Peripheral North). Markets such as Whitefield and Thanisandra Road, located in proximity to the thriving IT corridors, are steadily attracting domestic and international brands on the back of good demand. These main streets are becoming increasingly attractive for retailers as they look to diversify their presence into multiple locations other than established micromarkets in CBD and suburban east. Fashion & accessories brands accounted for over half of leasing volumes observed during the quarter, while footwear brands contributed around 35%.

New mall completion in Q4; marginal increase in headline mall vacancy

Phoenix Mall of Asia, located at Bellary Road in the Peripheral North micromarket and with a gross leasable area (GLA) of 1.2 msf, commenced operations in the fourth quarter. Nearly 85% of the mall is leased-out to major domestic and international retailers, including several luxury brands. Headline mall vacancy increased marginally by 10 bps to 13.4% on the back of new mall supply even though other Grade A malls in the city continue to report low single digit vacancies. Given the strong demand for premium mall space but lower availability, main streets will keep attracting reputed brands in the near term.

Rental appreciation seen at few main streets

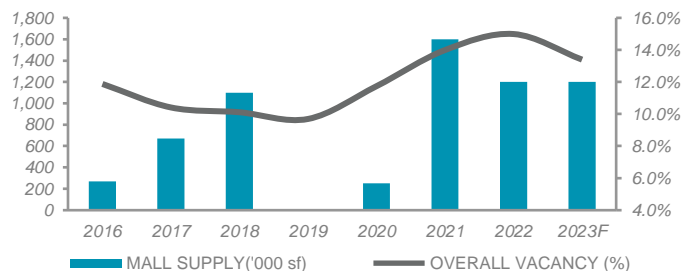
Quoted mall rentals remained unchanged on a quarterly basis. Rentals moved up by around 8-10% on a qoq basis at prominent main streets such as Indiranagar 100 Feet Road and Kamanahalli Main Road, where demand-supply gap persists. Rental growth of 5-7% qoq was recorded in markets such as Jayanagar, Thanisandra Road and Bانشankari, which have been witnessing higher leasing activity.

ECONOMIC INDICATORS Q4 2023

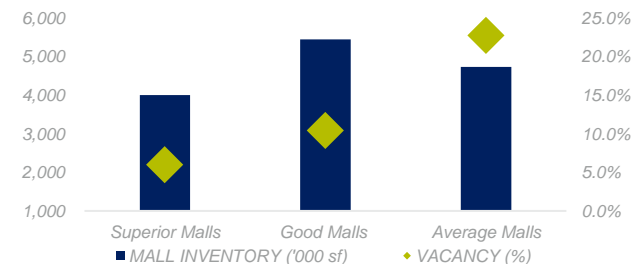
	2022	2023	2024 Forecast
GDP Growth	7.2%	6.5%	7.0%
CPI Growth	6.7%	5.3%	5.0%
Consumer Spending	7.5%	7.0%	6.7%
Govt. Final Expenditure Growth	9.7%	8.1%	7.4%

Source: Oxford Economics, RBI, IMF

MALL SUPPLY / VACANCY



CATEGORY-WISE STOCK / VACANCY



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MARKET STATISTICS

PRIME RETAIL RENTS-MAIN STREETS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE**	Y-O-Y CHANGE
MG Road	240	32	35	0.0%	8.0%
Brigade Road	400	54	58	0.0%	10.0%
Commercial Street	400	54	58	0.0%	9.0%
Indiranagar 100 Feet Road	275	37	40	10.0%	20.0%
Jayanagar 4th Block, 11th Main	425	57	61	5.0%	12.0%
Sampige Road, Malleshwaram	150	20	22	0.0%	7.1%
Koramangala 80 Feet Road	175	23	25	3.0%	14.5%
Vittal Mallya Road	370	50	53	0.0%	6.0%
New BEL Road	150	20	22	0.0%	5.5%
Marathahalli Junction	148	20	21	2.8%	6.2%
Kamanahalli Main Road	233	31	34	8.4%	19.0%
HSR Layout 27th Main	200	27	29	2.6%	18.0%

*Note: Average Asking rent (INR/sf/month) on carpet area of malls is quoted
 US\$ = INR 83.3 AND € = INR 89.6

SIGNIFICANT LEASING TRANSACTIONS Q4 2023

PROPERTY	LOCATION	TENANT	SF
Main Street	Banshankari	Skechers	12,000
Main Street	Thanisandra Road	House of Pataudi	4,000
Main Street	Jayanagar	Movenpick	5,000
Phoenix Mall of Asia	Bellary Road	Perch	3,500
Phoenix Marketcity	Whitefield	Hush Puppies	5,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Mantri Arena	Kanakpura Road	900,000	Q2 2024

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