

# AHMEDABAD

Retail Q1 2024

CUSHMAN & WAKEFIELD

**17.60%** MALL VACANCY (Q1 2024)

**2.87 msf** MALL INVENTORY (AS OF Q1 2024)

**41%** SHARE OF FASHION & FOOTWEAR SEGMENT IN MAIN STREET LEASING (Q1 2024)

## ECONOMIC INDICATORS Q1 2024

	2023	2024	2025 Forecast
GDP Growth	7.3 %	7.0%	6.5%
CPI Growth	5.6%	4.5%	4.2%
Consumer Spending	5.0%	6.1%	6.5%
Govt. Final Expenditure Growth	7.5%	7.0%	6.7%

Source: Oxford Economics, RBI, IMF

## Healthy main street leasing activity driven by Fashion & Footwear

Ahmedabad recorded a healthy main street leasing volume of ~67,000 sf in the first quarter of 2024, recording a nominal 9% drop against a strong previous quarter. Categories such as Fashion (~23%) & Footwear (~18% share) together drove the quarterly leasing activity followed by Food and Beverages (~16% share). Compared to the previous four quarters where Fashion segment singularly dominated the leasing activity, this quarter witnessed a well-balanced leasing momentum from various segments including Footwear, F&B, Fashion and more.

The leasing activity was concentrated in prominent main streets like Sindhu Bhavan Road and Shyamal Cross-roads (~25% share together). Additionally, eastern main streets like Maninagar have gained traction in this quarter across segments like fashion, lifestyle & accessories. In the coming years, new commercial projects are proposed in the SBD and PBD submarkets of the city which are expected to induce momentum in the development corridor (from Gota cross-roads to Vaishnodevi circle). With the proposed entertainment and retail zone in GIFT city expansion, the city's north peripheral markets will have a prominent retail hub in the near future.

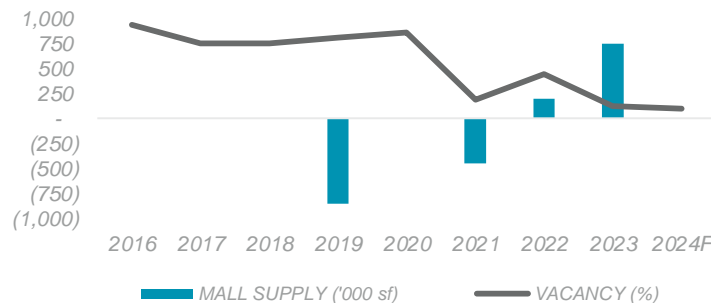
## Limited mall supply leads to drop in mall vacancy

Ahmedabad malls recorded a leasing activity of ~10,000 sf in Q1 2024, recording a 40% drop from previous three quarter's average. This dip in quarterly leasing activity can be attributed to the limited quality supply available in the superior grade malls. Quarterly mall leasing activity was driven by prominent F&B chains who have expanded their presence in superior malls of the city. Overall city-wide mall vacancy has dipped to ~17.60% in the first quarter, with a 36 bps drop on a q-o-q basis. Superior grade malls across the city continue to record tighter vacancies in the range of 4-5%. 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 upcoming malls (Swagat Holiday Mall) in Gandhinagar are gaining traction. A prominent F&B brand has made precommitment in the mall and more traction is expected in the coming quarters.

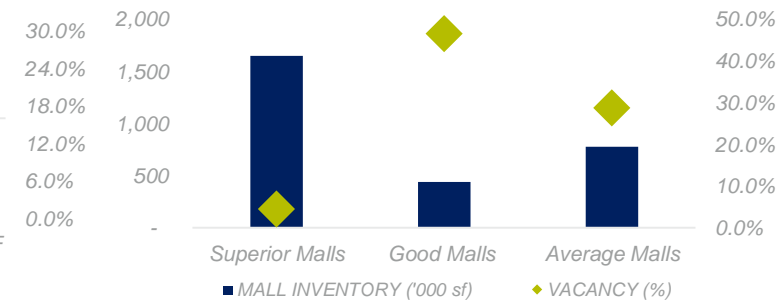
## Main street rents remain stable

Main street rentals have largely remained stable on a q-o-q basis but witnessed a 10-15% growth on a y-o-y basis. Driven by strong demand and limited space availability, prominent streets including Sindhu Bhavan Road and Iskcon-Ambli Road witnessed a rental appreciation in the range of 20-30% on y-o-y basis. With demand shifting to new emerging retail corridors across various submarkets in the city, the overall rentals are expected to stay range bound in the coming quarters.

### 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%	14%
Prahladnagar	175 – 195	23 – 26	25 – 28	0%	14%
Sindhu Bhavan Road	220 – 240	29 – 32	32 – 35	0%	19%
Science City Road	150 – 170	20 – 23	22 – 24	0%	0%
S.G. Highway*	165 – 185	22 – 25	24 – 27	0%	11%
Ambli – Bopal Road	200 – 220	27 – 29	29 – 32	5%	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 82.9; € 1 = INR 90.1

## SIGNIFICANT LEASING TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	TENANT	AREA (SF)
Ahmedabad One Mall	Vastrapur	Barbeque Nation	4,500 - 5,000
Unicus Shyamal	Shyamal Cross Road	Skechers	1,800 - 2,000
Palladium Mall	Thaltej	Laura Mercier	1,000 - 1,200

## 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](http://cushmanwakefield.com)****About Cushman & Wakefield**

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 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), sustainability and more. For additional information, visit [www.cushmanwakefield.com](http://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.