

BENGALURU

Retail Q1 2024

CUSHMAN & WAKEFIELD

15.0 msf MALL INVENTORY (Q1 2024)

13.2% OVERALL MALL VACANCY (Q1 2024)

0.9 msf EXPECTED GRADE A MALL SUPPLY (2024)

Overall retail leasing slows; main streets dominate volume in Q1

Bengaluru recorded retail leasing volumes of 0.18 msf in Q1 2024, a 10% drop on a yoy basis and sharply lower than the leasing activity witnessed in the previous quarter. Main streets dominated lease volumes with 0.15 msf worth of transactions, while mall leasing remained largely tepid. Locations such as Varthur Road (peripheral east), Indiranagar 100 Feet Road (suburban east), Koramangala 80 Feet Road (suburban south), HSR Layout 27th Main (southeast) and Jayanagar 11th Main (suburban south) recorded lease transactions across various retail categories.

F&B and fashion retailers led leasing activity in the quarter, contributing 21% and 19% of the leasing volumes respectively. Accessories and lifestyle retailers, including some leading jewellery brands, contributed around 16% of the leasing volumes, The quarter also saw new automobile showrooms and fitness & wellness centres being established at key suburban locations.

No new mall completion in Q1; mall vacancy dips marginally

Bengaluru recorded no new mall completion in Q1. A greenfield mall of 0.9 msf that is under-construction at Kanakpura Road and is expected to enter the market by the end of the current year. Headline mall vacancy declined marginally by 20 bps on a quarterly basis to 13.2% though the city's superior malls continued to record relatively lower availability of space with a vacancy of around 8%. While demand for premium mall space will continue to remain strong from leading domestic and international brands, the relative space shortage is likely to translate into healthy space take up at main streets, particularly at fast emerging peripheral locations.

Prime main streets continue to record rental appreciation

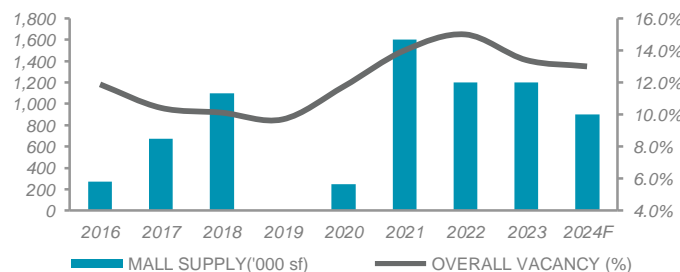
Main streets such as Indiranagar 100 feet Road, Kamanahalli Main Road, and HSR Layout 27th Main recorded rental appreciation of ~10% on a quarterly basis on the back of strong demand and lower availability at prime locations. Other markets such as Koramangala 80 Feet Road, Jayanagar 11th Main, Whitefield, Thanisandra Road recorded rental growth of 6-7% on a qoq basis. Quoted mall rentals remained stable on a quarterly basis.

ECONOMIC INDICATORS Q1 2024

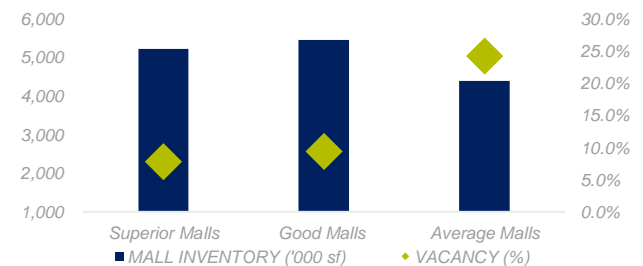
	2023	2024	2025 Forecast
GDP Growth	7.3%	7.0%	6.5%
CPI Growth	5.6%	4.5%	4.2%
Consumer Spending	5.0%	6.1%	6.5%
Govt. Final Expenditure Growth	7.5%	7.0%	6.7%

Source: Oxford Economics, RBI, IMF

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	53	58	0.0%	10.0%
Commercial Street	400	53	58	0.0%	9.0%
Indiranagar 100 Feet Road	300	40	43	10.0%	20.0%
Jayanagar 4th Block, 11th Main	450	60	65	6.0%	13.0%
Sampige Road, Malleshwaram	150	20	22	0.0%	7.1%
Koramangala 80 Feet Road	185	25	27	5.8%	15.0%
Vittal Mallya Road	370	49	53	0.0%	6.0%
New BEL Road	155	21	22	3.0%	8.0%
Marathahalli Junction	152	20	22	2.7%	6.2%
Kamanahalli Main Road	255	34	37	9.5%	19.0%
HSR Layout 27th Main	220	29	32	10.0%	20.0%

*Note: Average Asking rent (INR/sf/month) on carpet area of malls is quoted
US\$ = INR 82.9 AND € = INR 90.1

SIGNIFICANT LEASING TRANSACTIONS Q1 2024

PROPERTY	LOCATION	TENANT	SF
Main Street	Jayanagar	Blue Hyundai	10,000
Main Street	HSR Layout	Royal Enfield	6,000
Main Street	Indiranagar	Ashley	6,000
Main Street	Banshankari	Hoot Café & Brewery	5,000
Main Street	JP Nagar	Roadster Life	4,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Mantri Arena	Kanakpura Road	900,000	Q4 2024

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About Cushman & Wakefield

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