

# BENGALURU

Retail Q2 2024

CUSHMAN & WAKEFIELD

**15.0 msf** MALL INVENTORY (Q2 2024)

**12.6%** OVERALL MALL VACANCY (Q2 2024)

**0.9 msf** EXPECTED GRADE A MALL SUPPLY (2024)

## Healthy retail leasing with a sharp pickup in mall space takeup

Bengaluru recorded retail leasing volumes of over 0.3 msf in Q2, with the contribution of malls in quarterly leasing activity witnessing a significant pickup. Space takeup across the city's Grade A malls stood at ~0.15 msf in the quarter, a nearly 4X jump on a quarterly basis and a 15-20% expansion as compared to the same period last year, with malls contributing nearly half of total quarterly leasing volumes. Healthy demand for space was observed across prominent malls such as Prestige Falcon City at Kanakapura Mian Road in South Bengaluru and Nexus Shantiniketan at Whitefield in the East. Moreover, VR Mall in Whitefield recorded a large transaction by an international hypermarket chain. Nearly two-thirds of quarterly leasing in malls was contributed by the hypermarket segment followed by fashion and entertainment with shares of around 12% and 10% respectively.

Main streets witnessed leasing volumes of around 0.16 msf in Q2, a 10% growth on a quarterly basis and a 47% jump as compared to the same period last year. Notable transactions were recorded across Koramangala 80 Feet Road (suburban south), Indiranagar 100 Feet Road (suburban east), Thanisandra Road (peripheral north) and BTM Layout (suburban south). Fashion retailers held nearly 33% share in quarterly leasing volumes followed F&B and hypermarket segments with shares of 24% and 10% respectively. The quarter also saw prominent automobile and sports goods brands taking up space across Indiranagar, HSR Layout and Kalyan Nagar.

## No new mall completion in Q2; decline in headline mall vacancy

Bengaluru did not record any new mall supply in Q2 and the Grade A mall pipeline stands at 0.9 msf for the current year. City-wide headline mall vacancy rate declined by 60 bps on a quarterly basis and stood at 12.6% on the back of healthy leasing activity. Superior malls continue to witness tight vacancies (6-7%) amidst high demand for premium retail space. Some retailers, who are on an expansion mode, have also been leasing space in 'good' malls, where quality space is available. In the near term, however, main streets will continue to record strong leasing activity due to elevated demand.

## Sustained rental growth at main streets

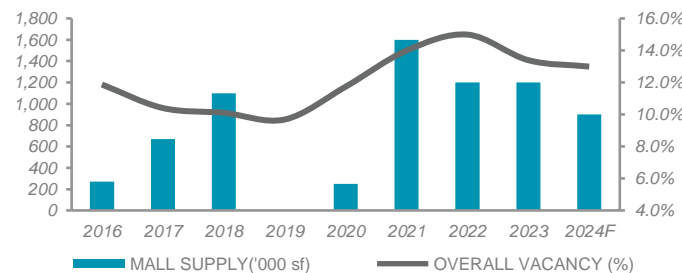
Quoted mall rentals remained unchanged on a qoq basis. Suburban main streets such as Indiranagar 100 feet Road, Kamanahalli Main Road, and HSR Layout 27<sup>th</sup> Main recorded rental growth of 5-7% on a qoq basis on the back of strong retailer demand. The fast emerging Thanisandra Road in peripheral north witnessed a 3-5% quarterly rental appreciation with retailers looking to tap the increasing number of tech professionals.

### ECONOMIC INDICATORS Q2 2024

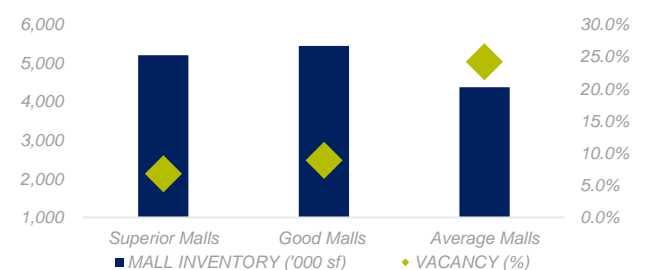
	2023	2024	2025 Forecast
GDP Growth	7.3%	7.0%	6.5%
CPI Growth	5.6%	4.5%	4.2%
Consumer Spending	5.0%	6.1%	6.5%
Govt. Final Expenditure Growth	7.5%	7.0%	6.7%

Source: Oxford Economics, RBI, IMF

### MALL SUPPLY / VACANCY



### CATEGORY-WISE STOCK / VACANCY



## BENGALURU

Retail Q2 2024

## 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	244	33	35	2.0%	9.0%
Brigade Road	400	53	58	0.0%	10.0%
Commercial Street	400	53	58	0.0%	9.0%
Indiranagar 100 Feet Road	319	43	46	6.5%	20.0%
Jayanagar 4th Block, 11th Main	210	28	30	4.2%	13.0%
Sampige Road, Malleshwaram	150	20	22	0.0%	7.1%
Koramangala 80 Feet Road	193	26	28	4.5%	15.0%
Vittal Mallya Road	370	49	53	0.0%	6.0%
New BEL Road	160	21	23	3.0%	8.0%
Marathahalli Junction	156	21	22	2.5%	7.5%
Kamanahalli Main Road	269	36	39	5.3%	19.0%
HSR Layout 27th Main	233	31	34	6.0%	20.0%

\*Note: Average Asking rent (INR/sf/month) on carpet area of malls is quoted  
 US\$ = INR 83.4 AND € = INR 89.9

## SIGNIFICANT LEASING TRANSACTIONS Q2 2024

PROPERTY	LOCATION	TENANT	SF
VR Mall	Whitefield	Lulu Hypermarket	89,000
Main Street	Nagwara	Bar Palazzo	12,000
Main Street	MG Road	Nature's Basket	10,000
Main Street	Kalyan Nagar	Decathlon	8,000
Prestige Falcon City Mall	Kanakapura Main Road	Koreyang	2,000

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

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

## Swarnava Adhikary

Assistant Vice President, Research Services

+91 080 40465555 /[srija.banerjee@cushwake.com](mailto:srija.banerjee@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 &amp; 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.