

7.74% MALL VACANCY (Q2 2024)

93,278 sf GLV (Q2 2024)

0.25 msf UPCOMING SUPPLY BY 2025

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, IMF, RBI

Malls leasing slowdown; Main streets maintains healthy leasing

City's grade-A malls saw approximately 59,013 square feet of leasing in the second quarter of the year, a decrease of about 69% from the previous quarter. This decline follows a period of high leasing activity in two new malls operational in recent quarters. However, mall leasing this quarter was still about 2x higher than Q2-23, before new retail supply addition. Majority of this quarter's transactions were concentrated at the recently operational mall in Wakad, while there was one pre-commitment at the upcoming mall in Kharadi. In terms of sector-wise leasing, the fashion segment continued to dominate with 30% share, followed by F&B at 13%. H1 2024 recorded close to 0.25msf in total mall leasing, a 4x higher than the same period last year, driven by strong Q1-24 leasing in new retail supply.

Prominent main streets in Pune witnessed leasing of 34,265 sf, a 28% drop from last quarter however a 3% rise on a y-o-y basis. While the established main street witnessed steady leasing, newly developed main streets in Balewadi, NIBM Road and Hinjewadi witnessed a slightly higher concentration of leasing. Categories such F&B and accessories & lifestyle drove the major leasing activity in these new corridors.

As the city's residential supply and commercial developments continue to grow, an increasing number of well-planned main streets are emerging throughout the city. For instance, a new main street has recently been established in Pimpri, and several others are being developed in Hinjewadi.

Overall city mall vacancy falls; No supply addition in Q2

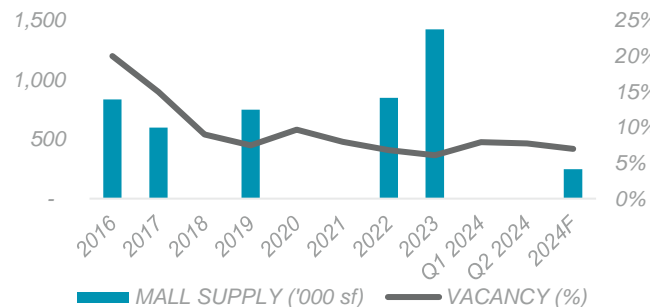
Second quarter of the year witnessed Pune's grade A mall vacancy drop 21 bps to 7.74%, moderating the previous increase caused by new retail supply, which now have > 90% occupancy rate. This underscores the strong demand for superior grade retail space in the city and spillover demand towards main street retail.

A new mall supply of 0.25 msf near Kharadi is expected to be operational by the end of 2024. It has already secured pre-commitments owing to its proximity to the eastern IT-Hub and its proximity to an emerging high-end residential developments.

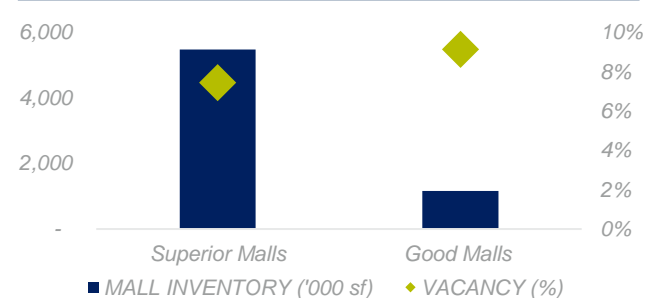
Main Street & Mall rentals rise over the year

City-wide average rentals in malls remained stable since last quarter increased by 6-12% y-o-y with the operationalization of two new superior malls in the city last year. Main street rentals also witnessed a rise of 7-8% from last year due to limited supply. The average rental outlook across city's main streets is anticipated to remain stable as Despite the upcoming increase in supply, these newer main streets are well planned and developed, which is expected to keep rentals on the higher side.

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	37 – 47	40 – 50	0.0%	8.0%
F.C. Road	280 – 300	37 – 40	40 – 43	0.0%	7.1%
Koregaon Park	280 – 350	37 – 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 83.4 AND € = INR 89.9

SIGNIFICANT LEASING TRANSACTIONS Q1 2024

PROPERTY / MAIN STREET	SUBMARKET	TENANT	Area (sf)
Amanora Mall	Suburbs	Youth	~9,997
Phoenix Millenium Mall	Peripheral	VanHuesen	~4,185
Kopa Mall	Core	Hamley's	~7,592
VJ Happyness Street	Peripheral	Starbucks	~2,477
The Mills	Core	Wakefit	~1,238
Tribeca highstreet	Suburbs	Helios	~550

SIGNIFICANT PROJECT UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Nyati Plaza	Kharadi	250,000	Q3 2024

Arun P Nair

Manager, Research Services

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

Suvishesh Valsan

Director, Research Services

+91 22 67715555/ suvishesh.valsan@ap.cushwake.com

cushmanwakefield.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION
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.

©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.