

# AHMEDABAD

Retail Q2 2024

CUSHMAN & WAKEFIELD

**17.30%** MALL VACANCY (Q2 2024)

**2.87 msf** MALL INVENTORY (AS OF Q2 2024)

**33%** SHARE OF FASHION SEGMENT IN MAIN STREET LEASING (Q2 2024)

## Main street leasing activity driven by Fashion, F&B and Accessories & Lifestyle

In the second quarter of 2024, Ahmedabad recorded main street leasing volume of ~60,500 sf, marking a consecutive q-o-q decline of ~10% and a dip of ~30% on y-o-y basis. Fashion segment dominated the market with ~33% share, followed by food and beverages (~18% share) and accessories & lifestyle (~16% share). Unlike last year, where the fashion segment dominated throughout all four quarters, both the quarters of 2024 has witnessed a well-balanced leasing momentum across various segments including fashion, F&B, accessories & lifestyle and more.

The leasing activity was concentrated in prominent main streets like SG Road and Ambli Bopal Road (~36% share together). Additionally, Nikol and Shyamal Cross Roads each contributed 12% to the main street leasing share, driven by leasing activities across fashion, lifestyle & accessories, and footwear segments. Looking ahead, upcoming commercial projects in Ahmedabad's SBD and PBD submarkets are anticipated to create new main street retail corridors along locations like Gota Cross Roads to Vaishnodevi Circle. Furthermore, the planned expansion of an entertainment and retail zone in GIFT City will likely establish the city's northern peripheral markets as a significant retail hub in the coming years.

## Limited mall supply leads to drop in mall vacancy

Ahmedabad malls recorded a leasing activity of ~10,000 sf in Q2 2024, recording a 45% drop from previous three quarter's average. This dip in quarterly leasing activity can be attributed to the limited supply available in the superior grade mall space. Quarterly mall leasing activity was driven by prominent F&B and fashion segments. Overall city-wide mall vacancy has dipped to ~17.30% in the second quarter, with a 34 bps drop on a q-o-q basis. Superior grade malls across the city continue to record tighter vacancies in the range of 3.5-4.5%.

With no new supply addition in the city and low availability in superior-grade malls, space constraints in malls will persist in the near term. Government's proposal to develop Ahmedabad and Gandhinagar as a twin city is expected to further enhance both main street and organized retail space prospect for the city. Further, Lulu Group is in the final stage of land acquisition process for constructing a new retail mall, which is expected to soon increase the city's mall inventory.

### ECONOMIC INDICATORS Q2 2024

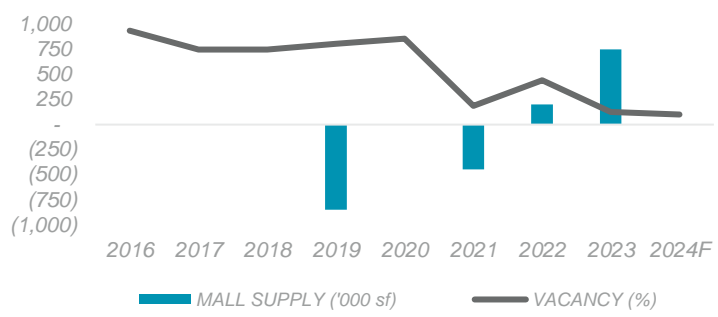
	2023	2024	2025 Forecast
GDP Growth	7.3 %	7.0%	6.5%
CPI Growth	5.6%	4.5%	4.2%
Consumer Spending	5.0%	6.1%	6.5%
Govt. Final Expenditure Growth	7.5%	7.0%	6.7%

Source: Oxford Economics, RBI, IMF

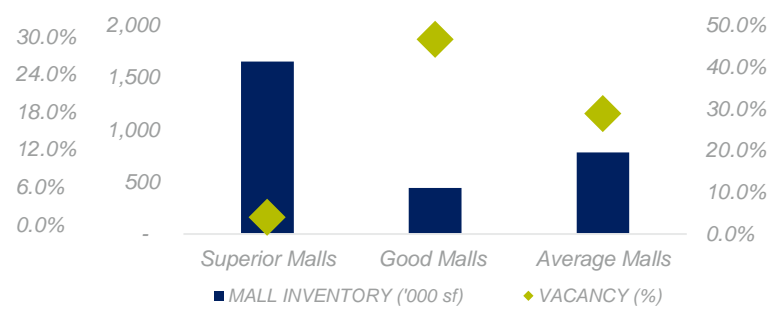
## Main street rents remain stable

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 10-30% on y-o-y basis. With demand shifting to new retail areas across the city, overall rentals are expected to stay range bound in upcoming 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%	9%
Prahladnagar	175 – 195	23 – 26	25 – 28	0%	9%
Sindhu Bhavan Road	220 – 240	29 – 32	32 – 35	0%	10%
Science City Road	150 – 170	20 – 23	22 – 24	0%	0%
S.G. Highway*	170 – 190	23 – 25	24 – 27	3%	7%
Ambli – Bopal Road	200 – 220	27 – 29	29 – 32	0%	27%

\*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 83.4; € 1 = INR 89.9

## SIGNIFICANT LEASING TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	TENANT	AREA (SF)
Ahmedabad One Mall	Vastrapur	Chili's	4,000 - 4,500
Unicus Shyamal	Shyamal Cross Road	Snitch	3,500 - 4,000
Palladium Mall	Thaltej	Bonkers Corner	1,200 - 1,500

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	SF	COMPLETION DATE
No major retail projects announced	-	-	-

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