

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
3.51 Mall Stock (MSF)	▼	▲
0.32 Retail Space Per Capita	▬	▲
1.5% Mall Vacancy	▬	▲

Note: All data above pertains to Grade A malls

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
6.70% GDP Growth (Q1 FY24-25)	▼	▲
3.65% CPI Inflation	▼	▲
7.40% Consumer Spending Growth (Q1 FY24-25)	▲	▲

Source: MOSPI, RBI

MAIN STREETS DRIVE LEASING VOLUME; APPAREL, F&B DOMINATE

Leasing activity in Hyderabad's malls and high streets reached 0.49 msf in Q3 2024, a 22% QoQ decline largely owing to high base of Q2 though a 22.3% YoY growth. High streets drove most of the leasing, with domestic brands making up 97% of the tenant mix, highlighting the strong presence of Indian retailers in Hyderabad.

Suburban areas led demand, capturing 61% of market share, with key activities in Jubilee Hills, Miyapur, and Kompally. Apparel accounted for 42% of leasing, followed by F&B at 18%. Accessories & Lifestyle and Electronics contributed 10% each, helping diversify the retail landscape.

VACANCY RATES DROP GIVEN LIMITED SUPPLY ADDITION

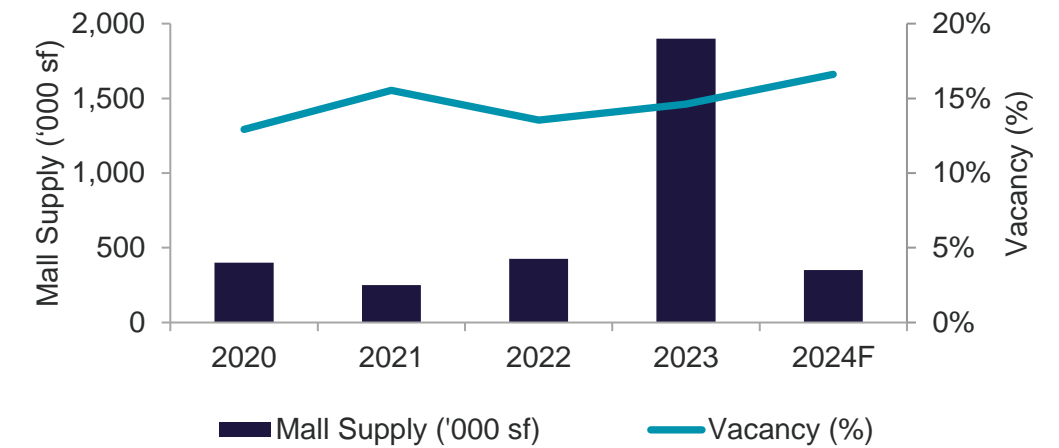
No new retail mall supply was added during Q3 2024. However, by year-end, 1 msf of retail space is expected to become operational, addressing under-served areas like Kompally and Karmanghat. Vacancy levels in Grade-A malls saw a notable improvement, dropping 140 bps from the previous quarter to 1.5% in Q3. While Grade-A malls continue to maintain very low vacancy rates, Grade B and C malls continue to struggle with high vacancy levels.

Looking ahead, Grade-A retail space in the city is projected to expand by 2.7 msf. by 2026. Although this increase may temporarily elevate vacancy rates, strong pre-commitment activity is anticipated to stabilize them in the coming quarters.

MAIN STREET RENTS RISE, MALL RENTALS STEADY

Main streets saw an uptick in average rentals, rising 2% QoQ and up to 10% YoY, with locations like M.G. Road, Abids, Chandanagar, and Attapur experiencing significant growth. In comparison, average mall rents increased by 1% QoQ and 3% YoY. With new retail malls entering the market, mall rentals are expected to remain stable in the coming quarters as the market absorbs the additional supply.

MALL SUPPLY / VACANCY RATE



CATEGORY-WISE STOCK / VACANCY



MARKET STATISTICS

PRIME RETAIL RENTS – HIGH STREETS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
Kompally	180	23.45	25.81	0.0%	0.0%
M G.Road/Parklane	155	20.20	22.22	3.3%	3.3%
Dilsukhnagar/ Kothapet	180	23.45	25.81	0.0%	0.0%
Banjara Hills	225	29.32	32.26	0.0%	0.0%
Abids/Koti	150	19.54	21.51	7.1%	20.0%
Himayathnagar	225	29.32	32.26	0.0%	0.0%
Punjagutta/ Ameerpet	150	19.54	21.51	0.0%	7.1%
Madinaguda/ Chandanagar	155	20.20	22.22	3.3%	14.8%
Jubilee Hills	220	28.66	31.54	0.0%	0.0%
Kukatpally NH.9	200	26.06	28.67	0.0%	33.3%
A.S. Rao Nagar	185	24.10	26.52	0.0%	23.3%
Madhapur/ Kondapur	170	22.15	24.37	0.0%	13.3%
Nallagandla	150	19.54	21.51	0.0%	7.1%
Habsiguda	180	23.45	25.81	0.0%	0.0%
Attapur	150	19.54	21.51	7.1%	25.0%
Manikonda	135	17.59	19.35	3.8%	12.5%
Thrimulgiri / Vikrampur	145	18.89	20.79	3.6%	3.6%
Kokapet	150	19.54	21.51	0.0%	15.4%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted

US\$ = 83.7 INR AND € = 92.1 INR

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	LOCATION	TENANT	SF
Kompally	Kompally	Malibu Bar & Kitchen	25,000
Jubilee Hills Road No. 10	Jubilee Hills	Siddhartha Fine Jewellers	20,000
Tolichowki	Tolichowki	Kashish	18,000

KEY PROJECTS COMPLETED IN LAST 12 MONTHS

PROPERTY	LOCATION	SF	COMPLETION TIMELINE
Aparna Neo Mall	Nallagandla	350,000	Q2 2024

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