

# HYDERABAD RETAIL MARKETBEAT

MARCH 2018



**4.5%**  
MALL VACANCY  
RATE

**9-18%**  
INCREASE IN MAIN-  
STREET RENTALS

**55,000sf**  
TRANSACTIONS IN MAIN  
STREET

## HIGHLIGHTS

### Main street leasing continues healthy streak

The city continued to witness a high amount of main street leasing activities, mainly concentrated in Jubilee 36, driven by expansion of food & beverage (F&B) and fashion brands like Starbucks and Ritu Kumar. The Gachibowli and Kukatpally submarkets have recorded increased retailer interest owing to upcoming main street supply. The proposed strategic road development plan by the Telangana government at two major junctions: Madhapur-Shilparamam crossroads and Jubilee Hills check post, is likely to realign the main street retail fabric which will be aided by smooth traffic movement.

### Rise in rents for select main streets

Due to the healthy leasing activities witnessed in the main streets of Banjara Hills Road No. 2, Gachibowli and Himayathnagar submarkets, rents have increased between 9% to 18% during the quarter. However, mall rents remained stable across all submarkets because of steady demand and adequate availability of space.

### New mall supply

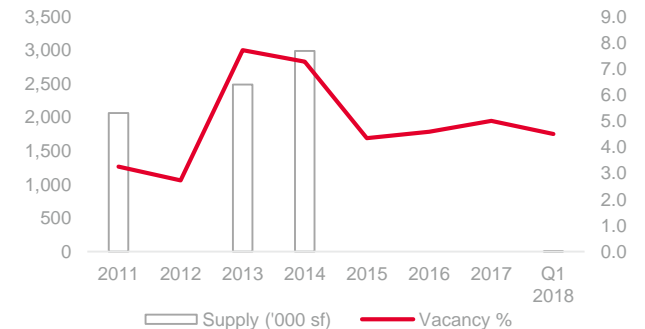
Two new malls, one each at Madhapur with a size of 0.2 million square feet (msf) and Punjagutta (0.4 msf) submarket have become operational during the quarter. F&B and lifestyle retailers were primarily the significant drivers in leasing these new supply.

### ECONOMIC INDICATORS

	2016	2017	2018 Forecast
GDP Growth	7.9%	6.2%	7.5%
CPI Growth	4.9%	3.3%	5.3%
Consumer Spending	9.2%	6.8%	8%
Govt. Final Expenditure Growth	12%	14.2%	8.4%

Source: Oxford Economics

### MALL SUPPLY / VACANCY



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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	120	18	22	9%	9%
S.P. Road/Begumpet	100	17	20	0%	0%
Raj Bhavan Road/Somajiguda	90	14	17	0%	0%
Banjara Hills	130	20	24	0%	0%
Abids	120	18	22	9%	9%
Himayathnagar	165	25	30	18%	18%
Punjagutta	180	27	33	16%	16%
Ameerpet	125	19	23	0%	0%
Jubilee Hills	125	19	23	0%	0%
Kukatpally NH.9	140	21	26	0%	0%
A.S. Rao Nagar	120	18	22	0%	0%
Madhapur	100	15	18	0%	0%

PRIME RETAIL RENTS - MALLS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
NTR Gardens	100	15	18	0%	0%
Himayathnagar	150	23	28	0%	0%
Banjara Hills	260	39	48	0%	0%
Madhapur	235	35	43	0%	0%
Panjagutta	140	21	26	0%	0%
Somajiguda	120	18	22	0%	0%
Kukatpally	180	27	33	0%	0%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted  
Conversion Rate: US\$1= INR 65.0 and Euro 1 = INR 79.9

**SIGNIFICANT LEASING TRANSACTIONS**

PROPERTY	LOCATION	TENANT	SF
Main street	Kompally	RS Brothers	10,000
Main street	Jubilee Rd no 36	Ritu Kumar	3,000
Mall	Kukatpally	Barbeque Nation	4,000

**SIGNIFICANT PROJECTS UNDER CONSTRUCTION**

PROPERTY	LOCATION	SF	COMPLETION
L&T Mall	Malakpet	400,000	Q4 2018