

MARKETBEATS



0% Change in Mall and Main Street Rentals

4.5% Mall Vacancy

0sf New Mall Supply



HIGHLIGHTS

4.34msf Mall supply under construction

4.34 msf of mall space is under construction in the city, of which 3.36 msf is expected to start operations in 2018. Some of these malls are under the Transit Oriented Development scheme, wherein, they are developed in close proximity to the Hyderabad Metro rail. This provides ease of access to customers, hence increasing footfalls. In addition to this, in Q2 2018, two renowned IT Parks have begun redesigning their ground floors for retail with focus on Food & Beverage options for their occupants.

City witnessed new entrants in retail space

Lulu Group, the international mall developer, has started their mall construction in Hitec City. International furniture brand, Ikea is also expected to start operations in Hyderabad in Q3 2018. This will be their first store in India. Decathlon is also expanding its presence in high streets in the city in prime retail locations. Many café chains & pubs from Bengaluru and Delhi are also scouting for options to enter Hyderabad.

Majority leasing witnessed in Main streets

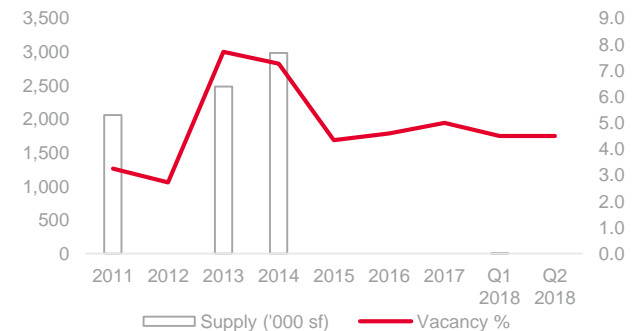
Most of the leasing in the second quarter of 2018 was recorded in main streets. One of the key reason for the same was inadequate mall supply in the city. F&B, apparel and footwear were the key sectors that leased space across the main streets in the city. One of the prominent transactions this quarter was of Chennai Silks leasing 18,000 sf in Mendipatnam Main street.

ECONOMIC INDICATORS

	2016	2017	2018 Forecast
GDP Growth	7.9%	6.2%	7.2%
CPI Growth	4.9%	3.3%	5.2%
Consumer Spending	8.3%	5.9%	7.2%
Govt Final Consumption Expenditure	12%	14.2%	6.7%

Source: Oxford Economics

MALL SUPPLY & VACANCY



Source: Oxford Economics

A Cushman & Wakefield Research Publication

DATA INTO ACTION


Somy Thomas

Managing Director

Valuation & Advisory Services

Tel: +91 80 40465512

Somy.thomas@ap.cushmanwake.com

**DATA
INTO
ACTION**

 A Cushman & Wakefield
Research Publication

Cushman & Wakefield is a leading global real estate services firm that delivers exceptional value by putting ideas into action for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with 48,000 employees in approximately 400 offices and 70 countries. In 2017, the firm had revenue of \$6.9 billion across core services of property, facilities and project management, leasing, capital markets, advisory and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

www.cushmanwakefield.com

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	21	0%	9%
S.P. Road/Begumpet	100	17	18	0%	0%
Raj Bhavan Road/Somajiguda	90	14	16	0%	0%
Banjara Hills	130	20	23	0%	0%
Abids	120	18	21	0%	9%
Himayathnagar	165	25	29	0%	18%
Punjagutta	180	27	32	0%	16%
Ameerpet	125	19	22	0%	0%
Jubilee Hills	125	19	22	0%	0%
Kukatpally NH.9	140	21	25	0%	0%
A.S. Rao Nagar	120	18	21	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	26	0%	0%
Banjara Hills	260	40	46	0%	0%
Madhapur	235	36	41	0%	0%
Panjagutta	140	21	25	0%	0%
Somajiguda	120	18	21	0%	0%
Kukatpally	180	27	32	0%	0%

*Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
US\$ = INR 68.0 AND € = INR 78.8*

SIGNIFICANT LEASING TRANSACTIONS

PROPERTY	LOCATION	TENANT	SF
Main Street	Mehdipatnam	The Chennai Silks	18,000
Main Street	Kadapa	FBB	10,000

SIGNIFICANT PROJECT UNDER CONSTRUCTION

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