

MARKETBEAT

0.8 msf
**MALL SPACE
EXPECTED IN 2018**
14.5%
MALL VACANCY
16.7 msf
MALL INVENTORY

HIGHLIGHTS

Mall leasing remained tepid

Overall mall vacancy for the city slightly declined by a mere 0.1 percentage points, and stood at 14.5% at the end of the quarter on the back of subdued activity in malls.

Leasing was mainly restricted to select malls in the peripheral markets of Navi Mumbai and Dombivli. However, select malls in Lower Parel, Kurla, and Goregaon continued to witness significant turnover in the apparel, accessories and food and beverage (F&B) segments.

F&B leasing remained lukewarm in main streets

F&B was hit hard with increased compliance requirements from the government with respect to safety and infrastructure in the restaurants operating in the city. This has had an adverse impact on F&B leasing especially in and around Lower Parel. Rental values in this market have also declined over the last few months. At the same time, the apparel and sportswear segment (Skechers, Raymonds) remained active in and around the main streets of Linking Road and Fort Fountain.

Mall rentals remained under pressure

Lower Parel continues to be the preferred choice for international brands as Fabiano, an Italian stationery brand, set up shop during the quarter. Thus, demand continued to remain robust in this submarket while mall rental values increased by 1-2% due to lack of quality space. While leasing is expected to gain pace in the upcoming quarter, rents are likely to witness upward bias across select malls in Goregaon and Lower Parel due to the demand-supply mismatch.

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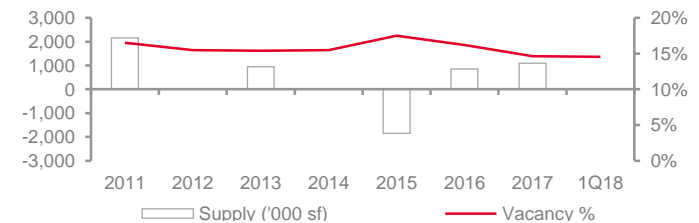
DATA
INTO
ACTION

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%	8.0%
Govt. Final Expenditure Growth	12.0%	14.2%	8.4%

Source: Oxford Economics

MALL SUPPLY / VACANCY



Source: Cushman & Wakefield Research

2015 reflects mall closures



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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
Linking Road	780	117	144	0.0%	4.0%
Kemps Corner/ Breach Candy	430	65	79	0.0%	0.0%
Colaba Causeway	625	94	115	0.0%	2.5%
Fort Fountain	385	58	71	0.0%	0.0%
Lokhandwala Andheri	400	60	74	0.0%	0.0%
Borivali LT Road	400	60	74	0.0%	0.0%
Chembur	380	57	70	0.0%	1.3%
Vashi	360	54	66	0.0%	2.9%
Thane	260	39	48	0.0%	4.0%
PRIME RETAIL RENTS - MALLS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
Lower Parel	870	132	162	1.1%	7.3%
Link Road (Andheri W)	400	60	74	0.0%	0.0%
Malad	470	71	87	0.0%	1.1%
Goregaon	490	74	90	0.0%	4.3%
Kandivali	200	30	37	0.0%	0.0%
Kurla	180	27	33	0.0%	-5.3%
Ghatkopar	260	39	48	-3.7%	-13.3%
Bhandup-Mulund	125	19	23	0.0%	-10.7%
Vashi	350	53	65	0.0%	0.0%
Thane	280	42	52	0.0%	7.7%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
US\$ = INR 65.0 AND € = INR 79.9

SIGNIFICANT LEASING TRANSACTIONS

PROPERTY	LOCATION	TENANT	SF
Individual property (Main Street)	Linking Road	Skechers	3,600
Grand Galleria, Highstreet Phoenix 2	Lower Parel	The Runway Project	3,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Maker Maxity Mall	BKC	450,000	Q4 2018
Reliance Mall	BKC	350,000	Q2 2019

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