

# MARKETBEATS



**0.8 msf**

Mall Space Expected in 2020

**14.0%**

Mall Vacancy

**2.6%**

Growth in rentals in Chembur main street

WHAT'S NEXT

## HIGHLIGHTS

### Increased churn in malls

With steady leasing in malls and no new supply, mall vacancy declined marginally to 14% at the end of the quarter. The decline in vacancy levels is also accompanied by a significant churn of brands in sought-after malls. Leasing was dominated by F&B retailers like BusaGo, Global Fusion, China Gate etc. Luxury brands like Emporio Armani, Dior opened stores in a prominent mall (Palladium) in Lower Parel. On the other hand, leasing in main streets remained lukewarm during the quarter, with select transactions in Linking Road and Powai.

### Revival in Worli, Vashi submarkets

Leasing activity in malls in Worli and Vashi revived during the quarter. In Worli, brands like Big Bazaar, Reliance Trends leased space during the quarter. Meanwhile, the quarter witnessed increased momentum in retailers' space enquiries in a mall in Vashi after easing of regulatory concerns regarding the mall. These two locations are likely to witness increased leasing in the upcoming quarter.

### Rentals up in select malls & high streets

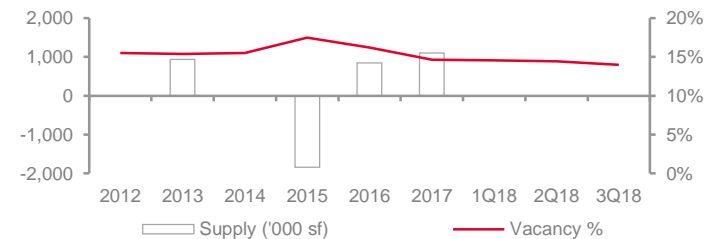
Mall rentals remained stable across most submarkets. However, rentals in malls in Link Road, Andheri (W) surged 2.5% q-o-q, led by strong demand and lack of available quality space. In main streets, Chembur witnessed the highest surge in rentals at 2.6% q-o-q, led by heightened enquiries and demand, especially from F&B retailers.

### ECONOMIC INDICATORS

	2016	2017	2018 Forecast
GDP Growth	7.9%	6.2%	7.6%
CPI Growth	4.9%	3.3%	4.8%
Consumer Spending	8.3%	5.9%	7.5%
Government Final Consumption Expenditure	12%	14.2%	4.5%

Source: Cushman & Wakefield Research

### MALL SUPPLY / VACANCY



Source: Cushman & Wakefield Research

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DATA INTO ACTION

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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	111	129	0.0%	2.6%
Kemps Corner/ Breach Candy	430	61	71	0.0%	0.0%
Colaba Causeway	625	89	103	0.0%	2.5%
Fort Fountain	390	55	65	1.3%	1.3%
Lokhandwala Andheri	400	57	76	0.0%	0.0%
Borivali LT Road	400	57	76	0.0%	0.0%
Chembur	390	58	65	2.6%	4.0%
Vashi	360	51	64	0.0%	2.9%
Thane	260	37	43	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	880	125	146	0.0%	4.8%
Link Road (Andheri W)	410	58	68	2.5%	2.5%
Malad	470	67	78	0.0%	0.0%
Goregaon	490	70	81	0.0%	4.3%
Kandivali	200	28	33	0.0%	0.0%
Kurla	180	26	30	0.0%	-5.3%
Ghatkopar	260	37	43	0.0%	-13.3%
Bhandup-Mulund	125	18	21	0.0%	-3.8%
Vashi	350	50	58	0.0%	0.0%
Thane	280	40	46	0.0%	3.7%

*Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted  
 US\$ = INR 72.5 AND € = INR 84.4*

### SIGNIFICANT LEASING TRANSACTIONS

PROPERTY	LOCATION	TENANT	SF
Atria Mall	Worli	Big Bazaar	35,000
Infiniti 2	Malad (W)	Miniso	3,900

### SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Maker Maxity Mall	BKC	450,000	Q1 2019
Reliance Mall	BKC	350,000	Q4 2019

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