

PUNE RETAIL MARKETBEAT

DECEMBER 2017



0.4 MSF
UPCOMING MALL
SUPPLY

14.7%
MALL VACANCY

25.0%
RENT GROWTH ON
SELECT MAIN STREETS

HIGHLIGHTS

Mall leasing continues a healthy streak

With no new supply added, leasing in malls during the fourth quarter of 2017 resulted in a 0.5 percentage point reduction in the overall mall vacancy rate. Leasing activities were concentrated in malls in Hadapsar and Koregaon Park, driven mostly by food and beverage (F&B) and lifestyle companies like Irish House, Publicity and Super 99. Mall rental rates are expected to remain stable in the first half of 2018 owing to ample supply.

Rents increase in Koregaon Park main streets

The main streets of Koregaon Park, F.C. Road and Aundh recorded significant leasing activities, driven mainly by F&B and apparel retailers. Rental rates across the majority of main streets were steady owing to stable demand–supply dynamics. However, rental rates for Koregaon Park, a prime main street, increased by 25% quarter-on-quarter due to continued retailer interest and limited supply.

Baner and Wakad to attract retailer interest

The Baner submarket is expected to witness increased retailer interest owing to upcoming main street supply. Wakad is also expected to garner major retail demand thanks to the recent land acquisition in the area by Phoenix Mills, limited large retail players and its close proximity to the information technology hub of Hinjewadi.

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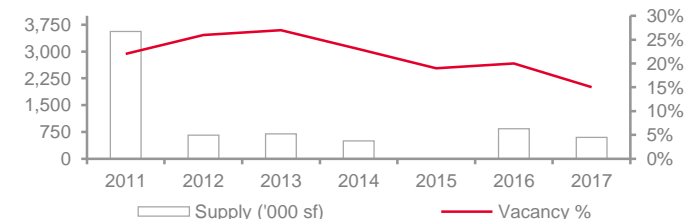
DATA
INTO
ACTION

ECONOMIC INDICATORS

	2015	2016	2017 Forecast
GDP Growth	7.5%	7.9%	6.2%
CPI Growth	4.9%	4.9%	3.3%
Private Final Expenditure Growth	5.6%	9.2%	7.0%
Govt. Final Expenditure Growth	5.5%	12%	13.3%

Source: CSO, RBI, Oxford Economics

MALL SUPPLY / VACANCY



Source: Cushman & Wakefield Research



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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	320	51	60	0.0%	0.0%
J.M. Road	370	59	69	0.0%	0.0%
F.C. Road	250	40	47	0.0%	0.0%
Koregaon Park	150	24	28	25.0%	25.0%
Aundh	160	25	30	0.0%	-3.0%
Bund Garden Rd	140	22	26	0.0%	0.0%
Mumbai-Pune Highway – PCMC	120	19	22	0.0%	0.0%
PRIME RETAIL RENTS - MALLS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
Camp	215	34	40	0.0%	0.0%
Koregaon Park	135	21	25	0.0%	0.0%
Nagar Road	250	40	47	0.0%	0.0%
Hadapsar	180	28	34	0.0%	0.0%
PCMC	190	30	35	0.0%	0.0%
Aundh	230	36	43	0.0%	0.0%
S. B. Road	230	36	43	0.0%	0.0%

*Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
 US\$ = INR 64.45 AND € = INR 75.82*

SIGNIFICANT LEASING TRANSACTIONS

PROPERTY	LOCATION	TENANT	SF
Standalone Building Main Street	F. C. Road	Westside	20,000
Amanora Town Centre	Hadapsar	Publicity	5,000
Nitesh Hub Mall	Koregaon Park	Irish House	3,500
Standalone Building Main Street	Koregaon Park	Kopp	3,500
Seasons Mall	Hadapsar	First Cry	3,000
Seasons Mall	Hadapsar	Super 99	3,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Elpro Mall	PCMC	400,000	Q1 2018

**DATA
INTO
ACTION**

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