

MARKETBEATS



10%

MALL VACANCY (Q1 2019)

60%

LEASING SHARE OF MAIN STREETS

4.13 msf

UPCOMING MALL SUPPLY (2019-21)

WHAT'S NEXT

HIGHLIGHTS

Bengaluru finding increased interest from retailers

Bengaluru has witnessed several prominent domestic and international brands entering and expanding over the last 12-18 months. Besides prominent malls, main streets such as Brigade Road, Indira Nagar, MG Road, HSR Layout and Koramangala and Sarjapur Road are highly placed on their radar as they chase high-spending customers. Q1 2019 has been no different with international brands such as Latt Liv and Mumuso opening their stores while Vero Moda, H&M, Forever 21 and Decathlon expanded their footprint in the city. Main streets accounted for nearly 60% of the leasing share during Q1 2019.

Fashion and F&B dominate yet again

Fashion & Apparel and F&B segments continue to dominate with about 2/3rd share of the overall leasing activity during the first quarter. F&B is largely focused on main streets with neighbouring residential and commercial activity such as Indira Nagar, Koramangala and HSR Layout etc. Nearly 50% of all transactions during the quarter were below 2000 sf.

Upcoming supply offers a breather

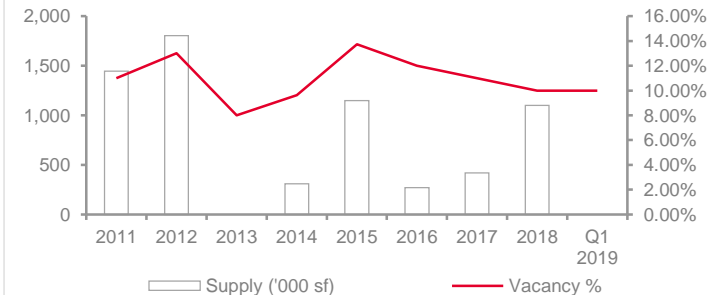
Despite new supply of over 2 msf during this period, mall vacancies have gradually declined from 13% in 2016 to 8-9% levels by the beginning of 2019. Retailers are on the lookout for quality mall space across the city as vacancies in prominent malls have dropped below 10% levels. The upcoming supply of nearly 2.5 msf over the next 12-18 months comes as a breather for retailers. Vacancies could remain tight for another 3-6 months before the new space becomes operational. High streets in the CBD and Off-CBD are already undergoing a transformation with older properties getting upgraded

ECONOMIC INDICATORS

	2017	2018	2019 Forecast
GDP Growth	6.6%	7.3%	7.1%
CPI Growth	3.3%	3.9%	4.2%
Consumer spending	6.3%	7.9%	7.4%
Govt. Final Expenditure Growth	14.2%	3.2%	21.2%

Source: Oxford Economics

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
MG Road	240	37	42	0%	0%
Brigade Road	280	43	49	0%	0%
Commercial Street	300	46	52	0%	0%
Indiranagar 100 Feet Road	190	29	33	0%	0%
Jayanagar 4th Block, 11th Main	330	51	57	0%	0%
Sampige Road, Malleswaram	120	18	21	0%	0%
Koramangala 80 Feet Road	120	18	21	0%	0%
Vittal Mallya Road	270	42	47	0%	0%
New BEL Road	150	23	26	0%	0%
Marathahalli Junction	160	25	28	0%	0%
Kamanahalli Main Road	150	23	26	0%	0%
HSR Layout 27th Main	140	22	24	0%	0%

MALLS

Koramangala	420	65	73	0%	0%
Magrath Road	375	58	65	0%	0%
Cunningham Road	90	14	16	0%	0%
Mysore Road	65	10	11	0%	0%
Vittal Mallya Road	400	62	69	0%	0%
Whitefield	120	18	21	0%	0%
Rajarajeshwarinagar	80	12	14	0%	0%
Malleshwaram	280	43	49	0%	0%
Bannerghatta Road	195	30	34	0%	0%

Note: Asking rent (INR/sf/month) on carpet area of ground floor
 Vanilla stores is quoted
 US\$ = INR 69.17 AND € = INR 77.84

SIGNIFICANT LEASING TRANSACTIONS

PROPERTY	LOCATION	TENANT	SF
Main Street	Uttarahalli main road	Max	20,000
Main Street	HMT Main Road, Mathikere	Vishal Mega mart	15,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Sobha Global Mall	Rajajinagar	1,000,000	Q4 2019
Mantri Arena	Kanakpura Road	900,000	Q3 2020