

MARKETBEATS



1.8 msf
NEW MALL
SUPPLY(Q4)

19%
MALL VACANCY

2.4msf
NEW MALL SUPPLY
(2020)

WHAT'S
NEXT

HIGHLIGHTS

New Mall supply brings more space options

Two new malls have started operations during the quarter – one in Kondapur (Sarath City Capital) and the other in Erramanzil (L&T), adding nearly 1.8 msf of retail space. Such a large-scale addition has pushed up overall mall vacancy to double digits despite a healthy take-up. But this wouldn't last long considering a dearth of quality mall space in the city and several new brands are already exploring options in new malls. 2.4 msf of new mall supply is expected in H2 2020 continuing retail growth momentum in the city.

Main streets on the upswing

Robust growth in office and residential markets is driving retail activity across all main streets. Brands like Ritu Kumar, Levis, Pepe Jeans, Fabindia, CK, Reliance Trends and W. have expanded footprint during the last quarter. Emerging retail corridors in FilmNagar, Nallagandla. Kompally, Boduppall and Pocharam have seen leasing strengthening this year and are slowly transforming to major high streets. We expect the upswing in retail expansions to continue in 2019 on the back of robust business sentiments and continued infrastructure developments across the city.

International brands continue to favor Hyderabad

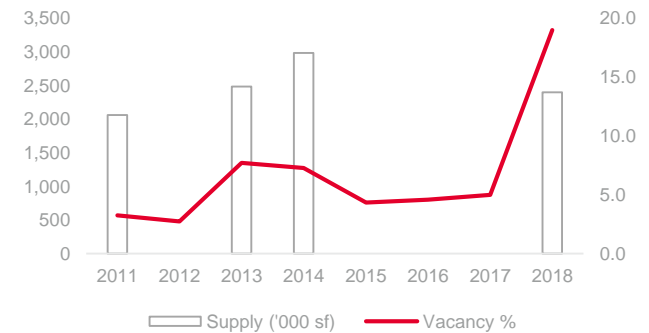
International brands continue to push strongly for quality retail space in the city. After IKEA opened its very first India store in Hyderabad, Meztlı, an Italian multi-branded luxury furniture store has leased 50,000 sf to open an experience centre. In the last quarter of 2018, international brands like Danube, Daniel Wellington and Miniso have entered the city opening stores in Sarath City Capital.

ECONOMIC INDICATORS

	2017	2018	2019 Forecast
GDP Growth	6.2%	7.6%	7.2%
CPI Growth	3.3%	4.5%	5.0%
Consumer spending	5.9%	7.5%	7.3%
Govt. Final Expenditure Growth	14.2%	2.6%	16.6%

Source: Oxford Economics

MALL SUPPLY & VACANCY



Source: Oxford Economics

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Research Publication

DATA
INTO
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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	120	18	20	0%	9%
S.P. Road/Begumpet	100	16	19	0%	0%
Raj Bhavan Road/Somajiguda	90	13	15	0%	0%
Banjara Hills	130	19	22	0%	0%
Abids	120	18	20	0%	9%
Himayathnagar	165	25	28	0%	18%
Punjagutta	180	27	31	0%	16%
Ameerpet	125	19	21	0%	0%
Jubilee Hills	125	19	21	0%	0%
Kukatpally NH.9	140	21	24	0%	0%
A.S. Rao Nagar	120	18	20	0%	0%
Madhapur	100	15	17	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	17	0%	0%
Himayathnagar	150	22	26	0%	0%
Banjara Hills	260	39	44	0%	0%
Madhapur	235	35	40	0%	0%
Panjagutta	140	21	24	0%	0%
Somajiguda	120	18	20	0%	0%
Kukatpally	180	27	31	0%	0%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
 US\$ = INR 70.50 AND € = INR 80.28

SIGNIFICANT LEASING TRANSACTIONS

PROPERTY	LOCATION	TENANT	SF
Main Street	Gachibowli	Prism	50,000
Main Street	Madhapur	Audi	20,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Preston Mall	Gachibowli	200,000	Q3 2019