

MARKETBEATS



2.0 msf
MALL SUPPLY
EXPECTED BY 2020

11.7%
MALL VACANCY
IN Q1 2019

2%
AVERAGE GROWTH IN
RENTALS IN MALLS

WHAT'S
NEXT

HIGHLIGHTS

Vacancy reduced due to stock withdrawals

The overall vacancy reduced considerably to 11.7% from 13.4% on the back of stock withdrawal of four non performing / poor grade malls totaling to 975,000 sq ft. during the quarter. This highlights the high occupancy and good performance of quality mall developments across the city. F&B and apparel retailers continued to lead the leasing activity during the quarter. Key mall transactions included Starbucks in Lodha Xperia Dombivali and American Eagle Outfitters which is its first store in Mumbai & FS Mini Klub, both in Phoenix Market city in Kurla.

Main street leasing sustains momentum

Main street leasing continued to witness healthy activity during the quarter, driven primarily by F&B, electronics and home furnishing retailers. Pepperfry Studio leased a total of 9,000 sf across Borivali, Chembur and Juhu main street and Vijay Sales took up 10,000 sf among prominent transactions during the quarter. Andheri & Chembur are new emerging high streets and along with Bandra saw good enquiries from retailers and are expected to see transaction activity going forward as well.

Select locations seen rental growth

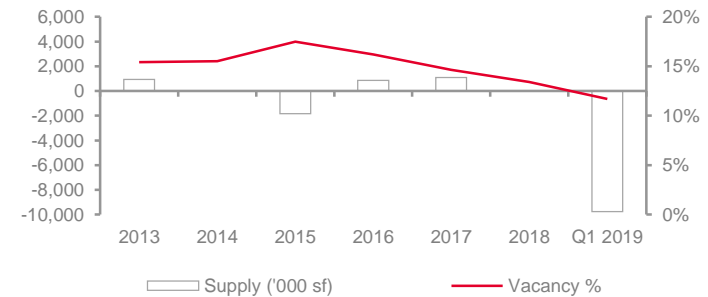
Mall rentals remained stable across most submarkets during the quarter. However, Kurla, Goregaon and Vashi saw a marginal rental growth on q-o-q basis, with healthy demand underlined by the limited vacancies in quality malls. Similar rental growth is also likely in the future. Going forward, we will see BKC emerge as new retail destination with supply of new malls during 2019-2020. Key main street localities are also likely to witness rental growth in near future as they continue to see constant demand from retailers.

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%
Government Final Consumption Expenditure	14.2%	3.2%	21.2%

Source: Cushman & Wakefield Research

MALL SUPPLY / VACANCY



Source: Cushman & Wakefield Research

A Cushman & Wakefield
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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	800	123	139	2.6%	2.6%
Kemps Corner/ Breach Candy	430	66	75	0.0%	0.0%
Colaba Causeway	600	92	104	-4.0%	-4.0%
Fort Fountain	400	62	69	2.6%	3.9%
Lokhandwala Andheri	400	62	69	0.0%	0.0%
Borivali LT Road	400	62	69	0.0%	0.0%
Chembur	390	60	68	0.0%	2.6%
Vashi	360	55	62	0.0%	0.0%
Thane	260	40	45	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
Lower Parel	880	136	153	0.0%	0.0%
Link Road (Andheri W)	410	63	71	0.0%	2.5%
Malad	470	72	82	0.0%	0.0%
Goregaon	510	79	88	4.1%	4.1%
Kandivali	200	31	35	0.0%	0.0%
Kurla	210	32	36	16.7%	16.7%
Ghatkopar	260	40	45	0.0%	0.0%
Bhandup-Mulund	125	19	22	0.0%	0.0%
Vashi	360	55	62	2.9%	2.9%
Thane	300	46	52	0.0%	7.1%

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
Lodha Xperia Mall	Dombivali	Starbucks	2,510
Phoenix Market City Kurla	Kurla	FS Mini Club	2,116
Phoenix Market City Kurla	Kurla	American Eagle	2,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Maker Maxity Mall	BKC	500,000	Q3 2019
Reliance Mall	BKC	350,000	Q1 2020
Oberoi Sky City Mall	Borivali	1,000,000	Q4 2021

DATA INTO ACTION

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