DELHI NCR RETAIL DECEMBER 2018

MARKETBEATS

CUSHMAN & WAKEFIELD

23.7 msf MALL INVENTORY

17.2% MALL VACANCY

3.7 msf UPCOMING MALL SUPPLY (2020)

WHAT'S NEXT

HIGHLIGHTS

Demand push by apparel & lifestyle brands

Brands including Central, Max, Forever 21, Mango, W, Frontier Raas leased spaces in malls, while F&B brands like Starbucks, Chaayos, Nik Baker's expanded their retail footprint in main streets. Italian luxury fashion retailer, Love Moschino, launched its flagship store in the city in DLF Promenade mall, while Korean retailer, Ximi Vogue made its foray in Delhi NCR with a store in Kamla Nagar high street. The year 2018 also marked the entry of international retailers like Onitsuka Tiger, Bath & Body Works in the city. Fashion e-tailer, Craftsvilla and Taneira (Titan's ethnic wear brand) are among retailers with plans to set up stores in the city in subsequent quarters.

New mall completion in Gurugram

Delhi NCR recorded new mall supply of 150,000 sf in Sector 29, Gurugram – Tata Trilium - the only addition of mall space in 2018. An additional 2 msf of supply is likely in H2 2019, a substantial part of which is preleased and finding healthy traction from retailers. Robust demand during the quarter saw vacancy decline by 50 bps QoQ.

Stable rents across malls & main streets

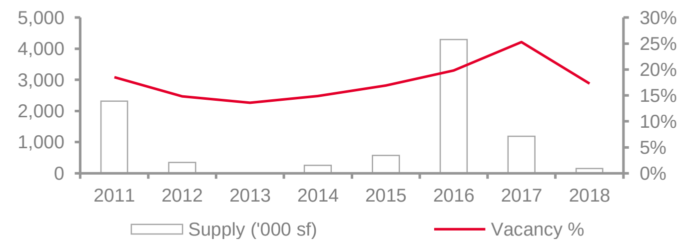
Rents for both malls & main streets remained unchanged q-o-q with transacted rents remaining range-bound and growth in prominent malls seen in previous quarter. However, a drop of around 10.0% q-o-q was seen in Sector 29, Gurugram due to downward pressure on rents on account of higher supply availability.

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 Consumption Expenditure	14.2%	2.6%	16.6%

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
Khan Market	1,350	202	230	0%	3.8%
South Extension I & II	700	105	119	0%	0%
Lajpat Nagar	250	37	43	0%	0%
Connaught Place	1,050	157	179	0%	5%
Greater Kailash I, M Block	375	56	64	0%	0%
Rajouri Garden	225	34	38	0%	0%
Punjabi Bagh	225	34	38	0%	0%
Karol Bagh	385	58	66	0%	2.7%
Kamla Nagar	380	57	65	0%	0%
Dwarka	450	67	77	0%	0%
Vikas Marg	175	26	30	0%	0%
DLF Galleria (Gurugram)	675	101	115	0%	0%
Sector 29 (Gurugram)	235	35	40	-9.6%	-9.6%
Sector 18 (Noida)	250	37	43	0%	0%
PRIME RETAIL RENTS# - MALLS	**INR SF/MTH**	**EURO SF/YR**	**US$ SF/YR**	**Q-O-Q CHANGE**	**Y-O-Y CHANGE**
South Delhi	600	90	102	0%	0%
West Delhi	325	49	55	0%	0%
Gurugram	350	52	60	0%	0%
Noida	250	37	43	0%	0%
Greater Noida	125	19	21	0%	0%
Ghaziabad	200	30	34	0%	0%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
#Market statistics have been recalibrated historically to exclude malls which cannot be categorized in the definition of retail inventory
US$ = INR 70.5 € = INR 80.3

SIGNIFICANT LEASING TRANSACTIONS

PROPERTY	LOCATION	TENANT	SF
Ambience Mall	Vasant Kunj	Central	35,100
Main Street	Connaught Place	OnePlus	3,800
Select Citywalk	Saket	Ted Baker	1,800

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Gaur City Mall	Noida	750,000	Q4 2019
Vegas Mall	Delhi	650,000	Q3 2019

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