

# Think India Think Retail 2023



## High Streets Real Estate Outlook

2023

Knight Frank's ultimate guide to retail real estate market performance and opportunities in the world's most exciting subcontinent.

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# Foreword



► **Shishir Bajjal**  
Chairman and Managing Director - Knight Frank India

India's retail sector has evolved tremendously over the past three decades. The Foreign Direct Investment (FDI) policy changes since 2005 have put the sector on a firm footing for the entry of many international brands in India. The assortment of formats we see in the retail sector today provide consumers with a variety of choices within the country. High streets, shopping malls, e-retail, omnichannel retailing, and now experiential retail – all coexist to serve India's aspirational consumer. And if there is one format of retailing that has always existed, weathering volatile market cycles and black swan events, it is the Indian high streets.

Unlike shopping malls, where the date of commencement of operations can be identified, high street retailing has been a different ball game. However, due to their noncontiguous and organic development over decades, even the most prominent and contemporary high streets are a blend of modern and non-modern retail arenas. From being the local 'go-to' centres to meeting the daily shopping needs of customers, high streets have evolved over time in Tier I and Tier II cities to offer a mix of retail categories dotted with brands of different origins.

Knight Frank presents this report in response to the stakeholder expectations of arriving at the market size of these significant centres of retail trade, which, has been a challenge for industry participants. These high streets are in Ahmedabad, Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, National Capital Region (NCR) and Pune. Few remarkably interesting findings have emerged from our study. Firstly, the high streets commanding the highest rents are not on the top of the ranking scale when various other parameters such as parking access, store visibility, public transport availability, trading densities and spending quotient are considered. Secondly, entertainment as a retailer category – that includes cinemas and family entertainment centres has trivial presence in terms of real estate occupancy on high streets but commands nearly one-fifth presence in shopping malls.

With this backdrop, I present to you "Think India Think Retail 2023 - High Streets Real Estate Outlook", our latest research publication encapsulating our current and future take on Indian high streets. I hope you find the report to be a valuable tool in understanding the opportunities present in the Indian high streets. I am thankful to all industry participants who shared their valuable insights to help us prepare this report.

Stay healthy and be safe.



► **Amitabh Taneja**  
Editor-in-Chief, Images Group

Retail has been on a healthy trajectory for the past year with retail brands stepping up on expansion, encouraged by increased consumer spending and the return of consumers to physical retail. In fact, retail business sales across India showed a growth of 6% in March 2023 as compared to the same period last year as per the latest industry data.

The positive sentiment was evident by the uptick in leasing activity last year when leasing increased 114% between January and December 2022 (compared to the same period in 2021). The momentum is expected to continue this year as well with leasing expected to reach 5.5-6 mn sq ft, the highest since 2019 when it touched 6.8 mn sq ft.

The good news is that this buoyancy is not limited to malls, and is seen in high streets as well. Be it Linking Road, Colaba Causeway and Hill Road in Mumbai; Lajpat Nagar, Connaught Place or Khan Market in Delhi; Park Street and Camac Street in Kolkata; or MG Road and Koregaon Park in Pune – high streets continue to experience a high footfall, despite the lack of shopper-friendly infrastructure like access to clean washrooms or air-conditioning and parking. Naturally, they continue to be hot spots for retail brands.

And although high streets continue to garner good business, there is a lack of reliable data points and analysis when it comes to them, unlike in the case of malls.

This report 'Think India Think Retail 2023 - High Streets Real Estate Outlook' is an attempt to change that. Based on painstaking research and interactions with key stakeholders including retailers and retail real estate brokers by Knight Frank, it brings you some of the best insights and intelligence on 30 key high streets in the country spread across 10 metros.

We hope you find this information insightful and even useful in planning your future course of expansion into these markets.



# About The Study

- ▶ India's retail landscape is amongst the most complex globally. From the age-old mom and pop stores, traditional markets in India gave way to modern retail arenas which elevated the customer experience to new levels. Despite the presence of several channels of retailing, the Indian high streets have stood the test of time and transformed to accommodate the traditional and contemporary shoppers' needs.

## DATA METHODOLOGY FOR HIGH STREET STOCK

India's shopping streets have mushroomed from 'Haat' and 'Weekly Bazaars' to the posh, sophisticated high streets across the country. However, they remain largely fragmented with the presence of both modern and non-modern retailers (mom and pop stores or kirana shops) which populate the total retail arena. Due to this coexistence of modern and non-modern retailing, taking stock of the 'Modern Retail Arenas' on these high streets has remained a big challenge so far.

For the purpose of our store-level field survey of modern retail outlets on high streets, we have considered the stores to be a part of the modern retail arena on the basis of the following characteristics:

- The store retails recognised International/Indian brands
- The store provides a purchase invoice.

Our survey has captured all stores that are occupied and operational. Vacant retail spaces on high streets have not been considered. Based on a mammoth primary survey of more than 4,800 modern retail outlets, this report captures the real estate footprint on these contemporary high streets according to key parameters such as store size, tenant profile, retailer category and origin. This report also provides an overview of the current potential of modern retail, i.e. brick and mortar modern retail. As a result, retailers will be the primary beneficiaries of this seminal work.

## HIGH STREETS UNDER COVERAGE

Based on an extensive study and interactions with key industry stakeholders, retailers and retail brokers, the following 30 high streets made the cut for our research work.

### Ahmedabad

- ▶ Chimanlal Girdharlal Road (C.G. Road)
- ▶ S.G. Highway

### Bengaluru

- ▶ Indira Nagar - 100 Ft Road
- ▶ Church Street
- ▶ Mahatma Gandhi (MG Road)
- ▶ Koramangala - 100 Ft and 80 Ft Road
- ▶ Brigade Road
- ▶ Commercial Street
- ▶ Jayanagar - 4<sup>th</sup> Block

### Chennai

- ▶ Anna Nagar
- ▶ Nungambakkam High RoadX

### Delhi

- ▶ Connaught Place
- ▶ Lajpat Nagar
- ▶ Khan Market
- ▶ South Extension - I & II

### Gurugram

- ▶ DLF Galleria

### Hyderabad

- ▶ Jubilee Hills
- ▶ Banjara Hills
- ▶ Somajiguda
- ▶ Ameerpet<sup>2</sup>
- ▶ Gachibowli<sup>3</sup>

### Mumbai

- ▶ Colaba Causeway Market
- ▶ Lower Parel
- ▶ Lokhandwala Market
- ▶ Linking Road

### Kolkata

- ▶ Park Street & Camac Street<sup>4</sup>

### Noida

- ▶ Sector 18 Market

### Pune

- ▶ Mahatma Gandhi (MG Road)
- ▶ Koregaon Park
- ▶ Baner Road

Source: Knight Frank Research

## MARKET SIZE OF MODERN RETAIL ARENAS ON HIGH STREETS

The brick-and-mortar modern retail arenas market projections are based on the change in variables such as urbanisation, household income, price, population and propensity to consume. The current size of the brick-and-mortar modern retail arena has been calculated by taking into account the shop size as mapped through our survey and average trading density (ATD) of different product categories at city level. ATDs have been collected through interactions between brands and the Knight Frank retail brokerage team.





# High Streets Real Estate Landscape

## ► Definition of high streets

In retail parlance, a high street is characterised as a shopping street used for primary business and retail activities that have emerged as a focal point for retailers across multiple categories. Most Indian high streets are well connected by public transport such as bus and/or metro rail and are easily accessible via road by private transport. High streets typically have stores with 40% or more retail and brand presence consisting of both modern and non-modern retail arenas. The type of retail stores found on high streets consist of brands of both Indian and international origin and garner widescale business from shoppers.

High retailing volume on select high streets has led to their expansion which helps them serve secondary catchment areas in addition to the primary catchments. Retailers have continued to establish footprint in spaces closer to high streets that thrive dynamically. High streets in India have continued to expand despite the emergence of multiple retail formats such as shopping malls, e-tailing, experiential retail and shop-cum-offices (SCOs).



# Indian High Streets Statistics

## Occupied Modern Retail Arena and Total Retail Arena

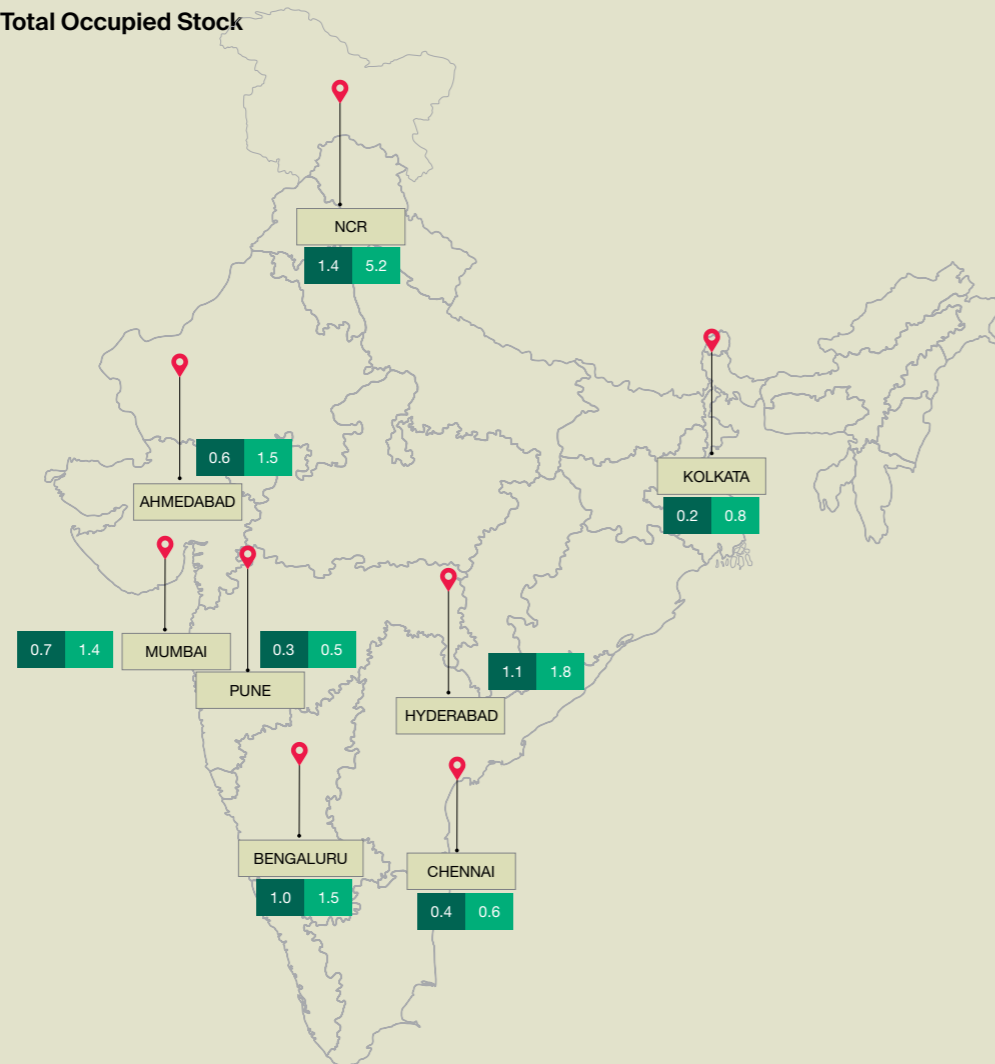
An arena is defined as a field of public activity. In the context of our work, we have defined Total Retail Arenas as the total retail space on the 30 high streets which include both modern and non-modern (unorganised) retail arenas outlined in the data methodology section earlier in the report.

As per the insights from our field survey, Knight Frank Research estimates that India has a total occupied stock of 0.5 mn sq m (5.7 mn sq ft) modern retail arena spread across 4,875 retail stores in the top eight markets – Ahmedabad, Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, National Capital Region (NCR) and Pune. As on 2022, NCR contributes 24% of India's total occupied modern retail

arena, which is the highest across the top 8 markets. Hyderabad contributes 18% or the second highest while Bengaluru contributes 17%.

However, when we include the non-modern retail arenas, the total high street stock across India jumps to 1.2 mn sq m (13.2 mn sq ft). After including the non-modern retail arenas, the three cities mentioned above retain their positions in the total high street stock tally. NCR constitutes a substantial 39% of the total, followed by Hyderabad at 14% and Bengaluru at 11%. Pune, Chennai and Kolkata are three cities where both the modern retailer footprint and total retailer footprint remains low compared to the other markets. In each of these three cities, the total retail arena occupied is less than 1 mn sq ft.

Figure 1: High Streets Total Occupied Stock



All maps are for representational purpose not to scale. Source: Knight Frank Research

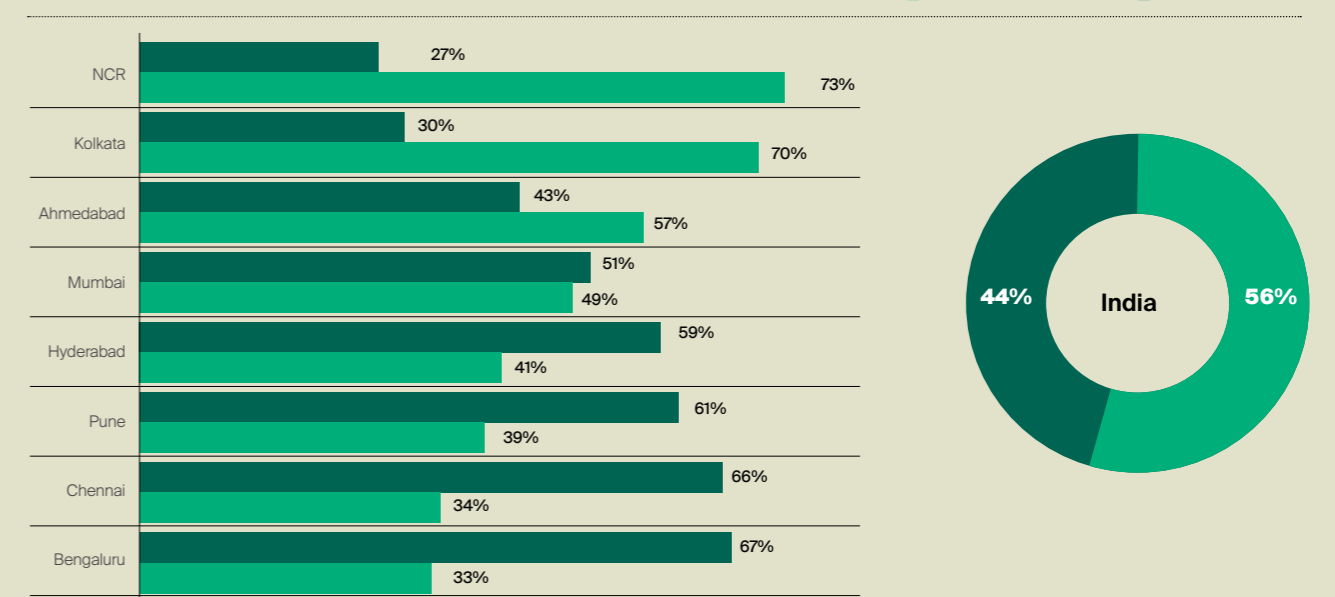
## Cities with high % of Non-Modern Retail Arena

Globally, the retail sector has evolved in a traditional manner. In the early and mid-20th century, the mass production of consumer goods necessitated an inherent need to set up distribution structures for retailing of goods to reach as many customers as possible. In India, the expanding urbanisation, rising household incomes and increased consumer spend on goods helped high streets emerge organically, albeit unsystematically, dominated by mom and pop or kirana stores. Retail businesses that do not function on a large scale and have no standardization, occupy substantial real estate footprint on high streets as they serve a huge consumer base. These non-modern retail arenas are the oldest and

the most basic type of retail, require little investment and have been serving generations of families in the neighborhoods of the small geographical areas they are situated in.

Per Knight Frank India's research, India's total high street stock of 13.2 mn sq ft comprises 44% modern and 56% non-modern retail arenas in terms of real estate footprint. The spread of modern and non-modern retail arenas at a city level is provided in the graph below.

Fig 2: Total Retail Arena split



Source: Knight Frank Research

According to our findings, NCR (73%), Kolkata (70%) and Ahmedabad (57%) comprise the top three markets with a high concentration of non-modern retail arenas. Whilst Ahmedabad and Kolkata are yet to witness the foray and expansion of many large national and foreign retailers on its key high streets, NCR's dominance across the non-modern retail arenas stems from the fact that both traditional and modern retail outlets have co-existed and flourished to serve the mixed bag of ethnicities and cultures from nearby states for many years now. After independence, India's national capital Delhi served as a focal point and attracted immigrants from all the nearby states, and its established high streets such as Lajpat Nagar have both non-modern and modern retailers operating head-to-head in what is regarded as one of the most prominent wedding shopping destinations in the country. Bengaluru's high streets have a high

concentration of food and beverage destinations across sub-formats, with a number of breweries and drinking holes co-existing with local stores. Due to its demographic spread comprising many Indian and foreign nationals, the proportion of non-modern retail remains limited to one-third of Bengaluru's total high street stock spread across seven prominent high streets. With a two-third proportion in terms of the real estate footprint, Bengaluru is the top city amongst modern retail arenas across the country, followed by Chennai at 66%, as large spaces leased by regional and Indian giants contributed to modernising the character of its established high streets. Due to rents going through the roof, India's financial capital Mumbai's high streets have limited space to offer retailers, and presently, there is nearly an equal confluence of both modern and non-modern retail arenas as the older retailers that are situated in prime locations with strata or full

ownership, continue to conveniently run retail businesses.

Regardless of its real estate footprint as captured by our survey, the non-modern retail arenas contribute to nearly 75-80% of the total retail volume across the country. Despite the advent of online retailing, dukaan tech and the impact of the pandemic, the mom-and-pop stores continue to command a loyal customer base with high trading volumes.



### ► High Street Rental Trends in Prime Indian Cities

The average monthly rents to lease retail space on the high streets vary across the top eight cities. In spite of the adverse impact during the pandemic, when real estate rents across all asset classes corrected, the bounceback in the retail sector afterwards, led to numerous transactions being closed at rents higher than previously witnessed. Retailers have rushed to open stores at high streets as offline retail sales recorded gradual recovery across categories. Some of the high streets captured in our survey are the country's most expensive retail hubs, even when compared to high streets in some global cities, hence the rents appear high in absolute terms. New Delhi's Khan Market, Gurugram's DLF Galleria and Mumbai's Linking Road are three high streets in the country where retailers have to shell out hefty rents to maintain brand presence.

Sr no	City	High Street	Average Rents in INR/sq m/month (INR/sq ft/month)
1	Ahmedabad	Chimanlal Girdharlal Road (C.G. Road)	1,938 - 2,153 (180 - 200)
2	Ahmedabad	S.G. Highway	1,507 - 1,722 (140 - 160)
3	Bengaluru	Indira Nagar - 100 Ft Road	1,615 - 2,153 (150 - 200)
4	Bengaluru	Church Street	2,153 - 2,691 (200 - 250)
5	Bengaluru	Mahatma Gandhi (MG Road)	1,076 - 1,346 (100 - 125)
6	Bengaluru	Koramangala - 100 Ft & 80 Ft Road	1,346 - 1,884 (125 - 175)
7	Bengaluru	Brigade Road	1,938 - 2,691 (180 - 250)
8	Bengaluru	Commercial Street	2,368 - 2,691 (220 - 250)
9	Bengaluru	Jayanagar - 4 <sup>th</sup> Block	2,153 - 2,691 (200 - 250)
10	Chennai	Anna Nagar	1,615 - 1,884 (150 - 175)
11	Chennai	Nungambakkam High Road <sup>1</sup>	2,045 - 2,583 (190 - 240)
12	Delhi	Connaught Place	2,153 - 5,920 (200 - 550)
13	Delhi	Lajpat Nagar	2,153 - 3,767 (200 - 350)
14	Delhi	Khan Market	10,764 - 16,146 (1000 -1500)
15	Delhi	South Extension - I & II	2,691 - 4,844 (250 - 450)
16	Gurugram	DLF Galleria	8,611 - 12,917 (800 - 1200)
17	Hyderabad	Jubilee Hills	2,153 - 2,422 (200 - 225)
18	Hyderabad	Banjara Hills	2,045 - 2,476 (190 - 230)
19	Hyderabad	Somajiguda	1,615 - 1,884 (150 - 175)
20	Hyderabad	Ameerpet <sup>2</sup>	1,184 - 1,399 (110 -130)
21	Hyderabad	Gachibowli <sup>3</sup>	1,292 - 1,507 (120 - 140)
22	Kolkata	Park Street & Camac Street <sup>4</sup>	3,229 - 4,844 (300 - 450)
23	Mumbai	Colaba Causeway Market	4,844 - 8,073 (450 - 750)
24	Mumbai	Lower Parel	3,229 - 5,382 (300 - 500)
25	Mumbai	Lokhandwala Market	3,767 - 5,920 (350 - 550)
26	Mumbai	Linking Road	3,767 - 10,764 (350 - 1000)
27	Noida	Sector 18 Market	1,615 - 2,691 (150 - 250)
28	Pune	Mahatma Gandhi (MG Road)	2,153 - 2,691 (200 - 250)
29	Pune	Koregaon Park	2,691 - 3,229 (250 - 300)
30	Pune	Baner Road	1,615 - 2,153 (150 - 200)

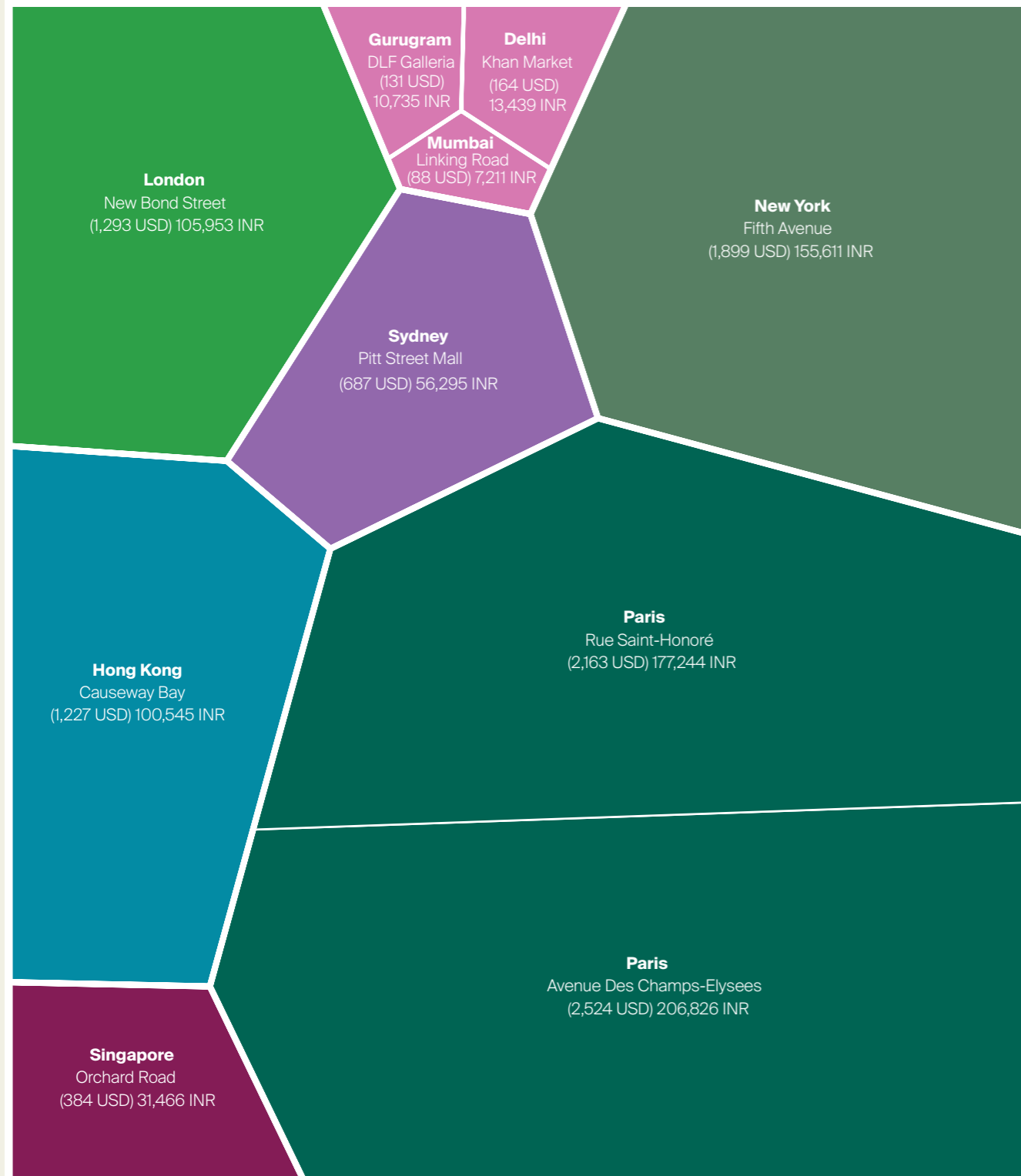
Notes:  
 [1] including Khadar Nawaz Khan Street, Rutland Gate and Wallace Garden streets nearby | [2] including Ameerpet-Punjagutta Road  
 [3] including Gachibowli-Miyapur Road | [4] including Shakespeare Sarani area |  
 Both Bengaluru and Pune have a high street named Mahatma Gandhi (M G Road)



## Indian High Street Rental Trends Comparison with global cities

In order to understand how Indian high streets fare in comparison to their global counterparts in terms of rental cost, a comparison was undertaken of the three most expensive high streets from the above list with key global cities. Comparing these with similar retail precincts in New York, Paris, London, Sydney, Hong Kong and Singapore, it was clear that the Indian high streets are less expensive for retailers to set shop if they decide to lease a property. In fact, even in Khan Market, which is the most expensive high street in India, the annual rent per sq m retail space is less than the monthly cost of occupying similar real estate space in Paris. And this is despite the slow rental recovery in Paris, where the rentals in Avenue Des Champs-Elysees and Rue Saint-Honoré are below the pre-pandemic average.

### Average Rents in USD/sq m/month and INR/sq m/month



Source: Knight Frank Research



# High Street Ranking Scale



## Methodology

While studying the modern retail arena of the 30 high streets within these eight cities, it was found that a priori research on high street ranking was limited, logistically challenging, with conflicting evidence. Moreover, there were no standard quality parameters outlined to evaluate the rank of high streets. A heterogeneous panel of experts comprising of retailers, real estate experts and members of shopper owners' associations was selected for collective intelligence and knowledge to arrive at a structured approach to derive the ranking for each.

The ranking was accomplished as the basis of the scores these High Streets received on the Performance Index (refer Performance Index Table in the Appendix). The Performance Index is composed as an additive index of the scores of the 5 performance indicators mentioned below, which represent the physical infrastructure, accessibility, store visibility, trading densities and spending quotient in each of these markets. The scores of these performance indicators were standardized to establish a common mathematical origin and domain for each of the indicators. The performance indicators<sup>5</sup> are explained below:

[5] See Appendix for standardization and calculation of performance indicators

### 1. PUBLIC TRANSPORT:

Public transport is classified as a group travel system of vehicles such as buses and trains that operate at regular timings on fixed routes and are used by passengers at a scheduled cost. The ease of facilitation, along with the provision of inexpensive and secure mobility, to access the high street makes public transport a very important aspect in the success of a retail location, wherein the movement of the customer is by choice and not necessity. The accessibility of the high streets was gauged through existing local connectivity through public transportation. The modes of transport used for the study are bus, metro, and local trains. If the public transport does not facilitate last mile connectivity, the ranking has taken that into account. The data for public transport was collected from Google Maps.

### 2. AVERAGE TRADING DENSITY:

Average Trading Density (ATD) was used to quantify the revenue earned in the high street market and is a universal empirical method to define the success or failure of any retail format, be it a shopping mall, a high street, or a retail store. Statistically, the Average Trading Density (ATD) is computed by dividing the total net sales over a specified period of time by the total store area.

### Revenue per Square Foot = Total Net Sales ÷ Total Store Area

It is important to note that the total revenue earned in high street may be a misleading statistic while ranking since it is governed by the size, but the revenue per square foot per month homogenizes revenue as a ranking criterion. The ATD for the market is an aggregated score for the high street based on the ATDs of the several retail categories that the market hosts. The data for ATD was collected from the panel of experts interviewed.

### 3. PARKING:

Parking is essential for customers accessing the high streets via private transport. The indicator of parking was categorized into 3 forms of availability viz., unavailability, informal parking and formal parking. Unavailability of parking is defined as the streets being declared as no parking zones by the authorities. Parking in by-lanes, pavements, kerbs, without any order wherein there may be a risk of cars being towed away by authorities is defined as informal parking, while formal parking is the parking (paid or otherwise) provisioned by the corporation/municipality or by the shop owners' association.

### 4. STORE VISIBILITY:

The visibility of a store is vital in determining the customer engagement, thereby maximizing the revenue. The high streets under study are a mix of established markets, contemporary markets, linear markets, inward markets, planned markets and markets that have grown organically, with the cumulative shopfront visibility varying for each. The indicator of store visibility was calculated based on the share of retail shops in the high street that are visible from the main

access road/s. The data for store visibility was collected from site surveys.

### 5. SPENDING QUOTIENT:

The Spending Quotient (SQ) quantitatively assesses the economic profile of the customers that visit the high streets. To define the SQ, the Average Ticket Price (ATP), i.e. the average amount spent per customer per visit, was evaluated. While the ATP is an indicator of the type of customer, it also quantifies the monetary value of merchandise sold which is governed by retail categories present in the high streets. Statistically, the average ticket is computed as the mean of the total sales over a specified period divided by the number of customer visits wherein a sales invoice is generated.

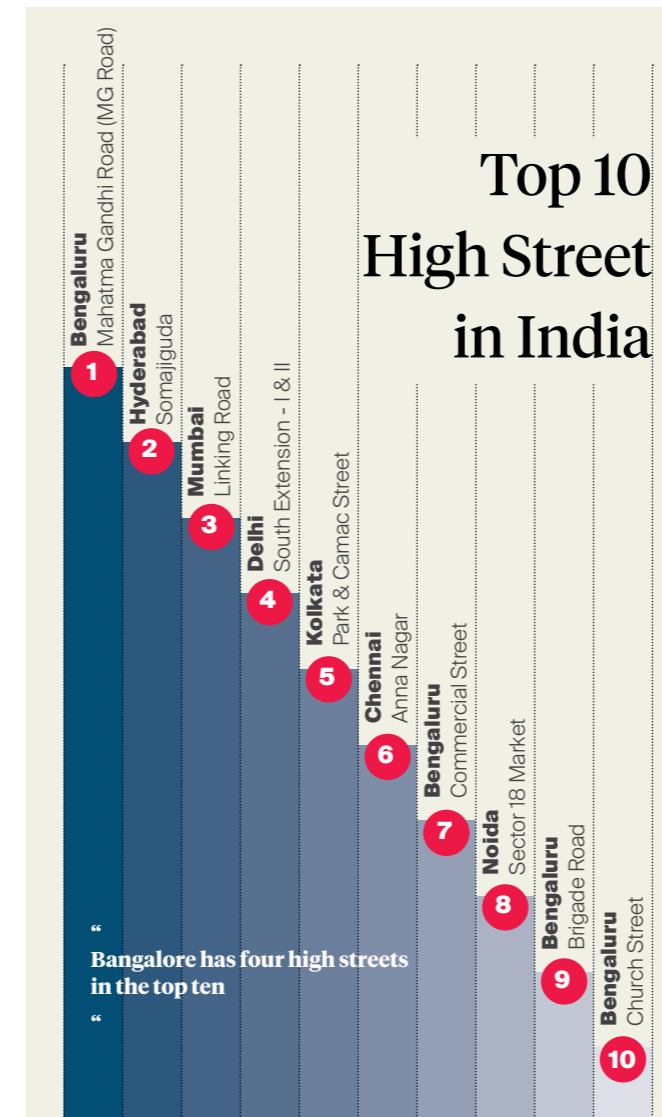
### Average Ticket Price = Net Sales ÷ Number of Sales Invoices

The indicator of Spending Quotient is the aggregated score for the high street based on the Average Ticket Prices of the several retail categories that the market hosts. The data for spending quotient was collected from the panel of experts. Although both ATP and ATD are related to the store sales, it is pertinent to know that while the ATD defines the revenue realization of a retail space, the ATP is the average amount of money spent by the buyers. While the former is related to the trading efficiency of the retail area, the latter is related to the type and pricing of the retail merchandise or retail category. The higher the ATD, the more efficient a high street is and the higher the ATP, the more is the spending propensity of the customers that visit the high street.



## Key Findings

The following Ranking Table encapsulates the ranking of the 30 High Street markets that emerged as per the scoring in the performance indicators discussed above<sup>7</sup>.



Source: Knight Frank Research

<sup>7</sup> See Appendix for standardization and calculation of performance indicators

- Contrary to common perception, the top high streets are not the ones demanding the highest rent. As per the ranking, Khan Market and DLF Galleria in NCR have graded amongst the bottom five markets, despite their rent being amongst the highest in the country.
- High ATP retail categories such as Electronics, Accessories and Home & Lifestyle that have a smaller market share in markets like Connaught Place, Lower Parel, Khan Market, Colaba Causeway make the Spending Quotient low in these seemingly lucrative markets for retail brands.
- The top ten markets are the ones providing convenience in terms of parking and access and a better experience in terms of a varied assortment of retailers.

11	<b>Mumbai</b> Lokhandwala Market	21	<b>Pune</b> Mahatma Gandhi Road (MG Road)
12	<b>Delhi</b> Connaught Place	22	<b>Pune</b> Koregaon Park
13	<b>Ahmedabad</b> S.G.Highway	23	<b>Pune</b> Baner Road
14	<b>Bengaluru</b> Indira Nagar - 100 Ft Road	24	<b>Mumbai</b> Colaba Causeway Market
15	<b>Bengaluru</b> Jayanagar - 4 <sup>th</sup> Block	25	<b>Chennai</b> Nungambakkam High Road
16	<b>Hyderabad</b> Gachibowli	26	<b>Mumbai</b> Lower Parel
17	<b>Hyderabad</b> Ameerpet	27	<b>Delhi</b> Khan Market
18	<b>Hyderabad</b> Banjara Hills	28	<b>Delhi</b> Lajpat Nagar
19	<b>Hyderabad</b> Jubilee Hills	29	<b>Bengaluru</b> Koramangala -100 Ft and 80 Ft Road
20	<b>Ahmedabad</b> Chimanlal Girdharlal Road (CG Road)	30	<b>Gurugram</b> DLF Galleria

- While buses have been the age-old mode of transport apart from local trains in Mumbai, it is the connectivity by metro which defines the patron's convenience vis-a-vis the high street market in modern day.
- The layouts and master planning of the high street define the visibility. Inward looking markets like Khan Market and DLF Galleria scored very low, whereas markets aligned along the access road like MG Road (Bengaluru), Somajiguda, Colaba Causeway, Anna Nagar, Park Street and Camac Street scored high.
- Ahmedabad's SG Highway has the highest Spending Quotient amongst the 30 high streets.
- Ahmedabad and Pune do not house any of the top ten high streets.



# Comparison with Shopping Malls

Globally, malls have emerged as family entertainment and shopping destinations with a confluence of retail categories under one air-conditioned roof. High streets, on the other hand, serve as the core of friendly neighbourhood shopping and utilitarian functions. Both these formats have different characteristics and command captive interest from retailers and consumers. Both come with their own set of advantages.

The quality of the retail stock in shopping malls and competitive rents led global retail brands to expand in malls copiously. However, there are many differences between the two when it comes to stock availability in the top 8 cities, retailer category comparison and brand origin comparison.

## ► City Comparison of Stock

When it comes to organised retail, shopping malls have gradually climbed up the development curve ever since the mall story started unfolding in India in the 1990s. The pace of development activity in the mall development business was gaining momentum due to the absence of entry barriers until the global financial crisis hit. Developers who had forayed in shopping mall construction early on without much experience, constructed sundry properties without adequate due diligence. This led to too many shopping malls coming up the horizon before developers realized their mistake. As a result, the operational shopping mall stock in India provided a whopping gross leasable area compared to the modern retail arenas in high streets where retail space availability did not evolve much over the years.

**Table 6: Stock Comparison**

Cities	Shopping Malls Gross Leasable Area (mn sq ft)	Shopping Malls Gross Leasable Area (mn sq m)	High Streets Gross Leasable Area (mn sq ft)	High Streets Gross Leasable Area (mn sq m)
Ahmedabad	2.5	0.2	0.6	0.1
Bengaluru	15.2	1.4	1.0	0.1
Chennai	7.5	0.7	0.4	0.04
Hyderabad	7.2	0.7	1.1	0.1
Kolkata	5.6	0.5	0.2	0.02
Mumbai	16.1	1.5	0.7	0.1
NCR	31.7	2.9	1.4	0.1
Pune	7.1	0.7	0.3	0.03
<b>INDIA</b>	<b>92.9</b>	<b>8.6</b>	<b>5.7</b>	<b>0.5</b>

Source: Knight Frank Research

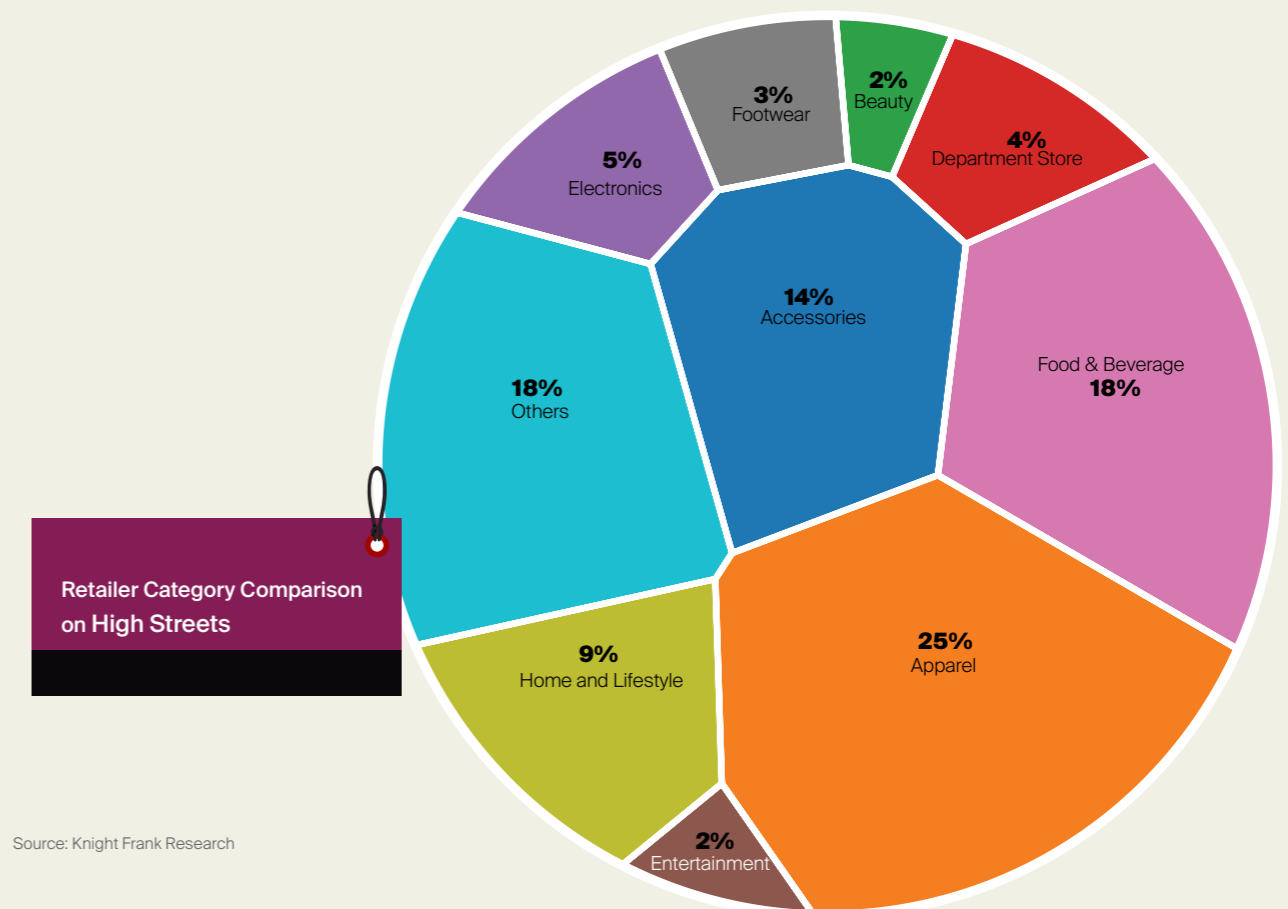
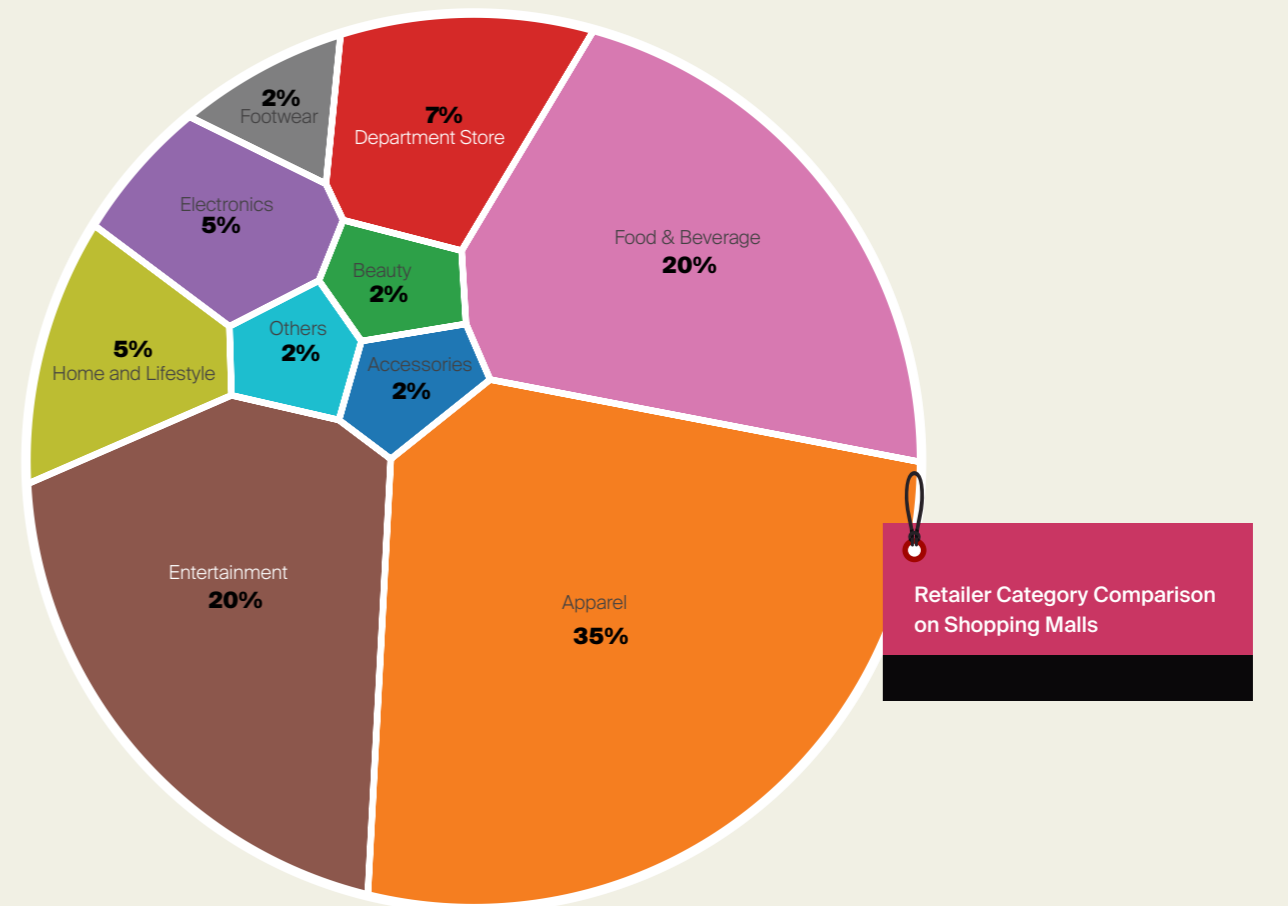
The total modern retail arena stock on Indian high streets is merely 6% of the shopping malls' gross leasable space available across the top eight markets. However, in terms of efficiency, high streets offer 100% efficiency due to low maintenance costs, whereas in the case of shopping malls, the efficiency can range anywhere between 50-60% depending on the grade of the shopping mall. This is largely due to high maintenance costs for common areas, central air conditioning and escalators.

### Retailer Category Comparison

Whilst the difference in extent of modern retail penetration is evident from the stock comparison, there is not much disparity in terms of retailer category split as a percentage of the total stock in both formats. Apparel and Food & Beverage remain the top two categories in both shopping malls and high streets. In the case of shopping malls, the second position is jointly shared by Food & Beverage and Entertainment, whereas in the case of high streets, the 'Others' category emerged as the second favorite with Food & Beverage. This

was followed by Accessories at the third place with a 14% share. The Others category comprises gymnasiums, photo studios and miscellaneous other retailers that give a sales invoice and create a vast footprint on the modern retail arenas in high streets compared to shopping malls. This category's share is the second highest in high streets at 18%. However, it is evident that high streets lack entertainment options, which comprise 2% share on high streets in comparison to 20% in shopping malls.

**Figure 3: Retailer Category Comparison on Shopping Malls and High Streets**

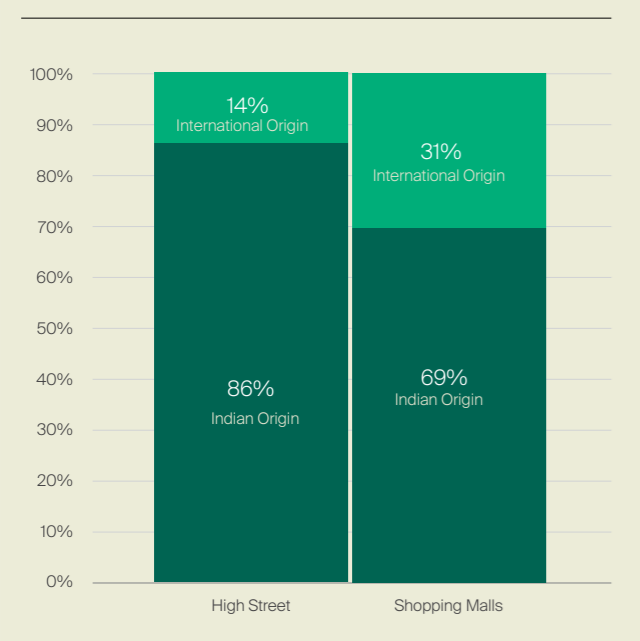


Source: Knight Frank Research

## Brand Origin Comparison

With the advent of shopping malls and the added attractions they provided, they quickly became a preferred mode for retailers looking to foray into the Indian market. As shopping malls promised assured footfalls due to the integration of spaces, zoning and similar tenant profiles, international anchor tenants here have largely been situated in big-box formats. Most international retailers, especially in apparel, home décor and Food & Beverage categories, require multi floor or contiguous retail spaces for their stores to display merchandise or offer an experiential feast to customers, which is hard to find in high streets. Poor quality of retail stock and relatively high rentals in

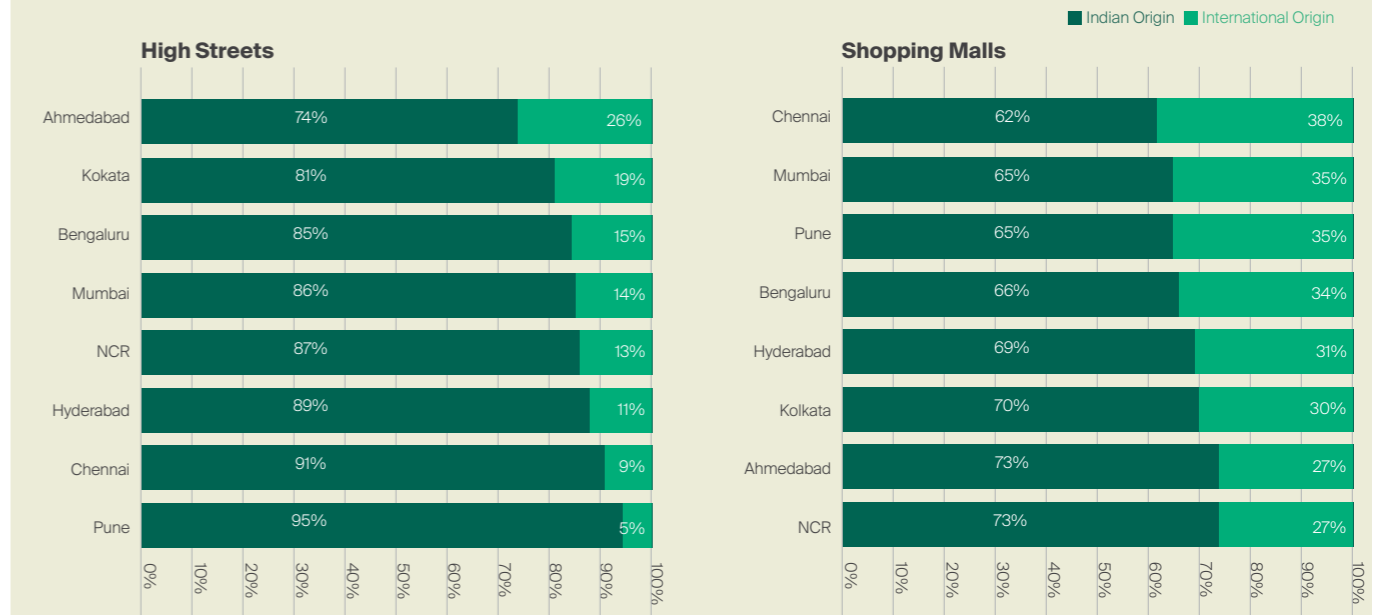
Figure 4: Retailer Brand Origin Comparison



comparison to shopping malls are also some of the deterrents for international retail brands to expand across high streets. Only a few international brands have explored customized smaller store formats on high streets so far, while most flagship or experience stores in key Indian cities remain concentrated in a handful of Grade A shopping malls with high trading densities. Of the total retailer presence across the top eight markets, only 14% retailers of international origin are situated in high streets. In contrast, 31% retailers of international origin have footprint in shopping malls.

- At a city level too, there is a glaring contrast in the real estate footprint of retailers of Indian and International origin on high streets.
- Pune has 95%, or the highest concentration of real estate footprint by retailers of Indian origin amongst the top eight markets.
- This is followed by Chennai and Hyderabad at 91% and 89% respectively. This is not surprising considering the heterogeneity and dominance of local and regional retailers in Southern and Western Indian high streets, mainly in the apparel and jewelry categories. Jewelry in particular, is not an instant decision product and many jewelers, despite having the financial wherewithal to expand in malls, refrain from malls and prefer high street retailing in India as they want to stay away from the 'popcorn crowd' of shopping malls.
- Pune, Chennai and Hyderabad have evolved by adapting to global retail trends with a very high proliferation of 89-95% international origin brands on its high streets compared to shopping malls. However, a congenial homely retail experience, retailers' familiarity with local culture, language, and consumer behaviour basis the demographic profile has been the driving force behind the strong foothold Indian origin retailers command in the retail landscape of high streets.
- Ahmedabad, on the other hand, is the only Indian city to have nearly similar real estate footprint of 73-74% of Indian origin retailers' in both high streets and malls. Entry of many international players and progressive venturing of new brands into the city's retail landscape is contributing to the facelift of its high streets.
- There is a certain kind of shopping experience that some high streets in Bengaluru, Mumbai and NCR provide, which the shopping malls cannot match. Early advent of modern retail, participation in organised retailing and mega retailer expansion across the length and breadth of these cities, offer a unique character to high streets in locations such as Brigade Road, Indiranagar, Colaba Causeway, Connaught Place and Khan Market. These high streets are famous for their mix of regional and international showrooms and have a loyal customer base. In these three cities, the real estate footprint of international origin brands ranges between 13-15% which is much higher compared to the other cities.

Figure 5: Citywise Retailer Brand Origin - High Streets and Shopping Malls



Source: Knight Frank Research

### IN A NUTSHELL

- A high concentration of Indian brands in categories such as apparel, jewelry, accessories and home and lifestyle are a boon and not a bane for high streets. The high brand recall value of these brands drives serious shoppers to high streets without any dependence on entertainment options which are key tenants in shopping malls. These retailers have successfully created an ecosystem for value retailing for several other retail categories which cannot survive in shopping malls due to poor returns on rental costs.
- Brand visibility enjoyed by key retailers on high streets surpasses that of a clustered environ of a shopping mall, where preference for international origin brands by shopping mall operators can dampen store location and visibility inside its premises.
- In a post pandemic environment, leading retail brands across categories are zeroing in on high streets in metro cities to expand across India. Post Covid, convenience, easy access and open spaces have become pivotal aspects driving consumer interest while choosing a retail format to visit. Preference for open shopping experience increased as customers felt safe in an environment which did not have closed spaces with centralized air conditioning.

### HOWEVER

- Lack of infrastructure upgrades and non-availability of quality store options limits the entry of international brands. This has restricted the scope for high-end retailing on Indian high streets which dominates the retail landscape of many high streets globally in cities such as Paris, London, Singapore and New York. Many high streets in these cities are the fulcrum of shopping for international tourists and drive huge shopping volumes in these clusters. This is largely due to the quality options for setting up large stores and thoughtful urban planning and zoning including wide pavements for walking.
- Makeover of high streets in India is a much-ignored topic. Restoration of high streets require effort from all stakeholders - retailers, landlords, shop owners' associations and municipal bodies to ensure they do not lose their charm and inherent character that is their biggest USP. While some high streets have benefitted from public transport connectivity such as the metro, a lack of parking options, narrow or no pavements for shoppers to walk on and the absence of last mile connectivity in many others have remained a deterrent to their facelift.



# Prominent Global High Streets

► Historically, high streets emerged as primary business streets in districts catering to the shopping needs of consumers in the neighborhoods. Typically, a high street's attributes provide comfort and convenience of shopping to the commuters as well as the neighbourhood population. Thus, high streets are considered equally attractive to consumers and retailers. In the last few decades, however, high streets have been facing rising competition from the development of malls, shopping centers and online shopping.

Despite these challenges, some of the high streets have continued to thrive and are still attractive to consumers as well as retailers. The oldest retailers in US and UK continue to stay and expand their brick-and-mortar businesses on high streets. For instance, Primark, founded in Dublin in 1969, is lauded for its success in affordable fast fashion despite having an online retail presence. Primark has over 400 stores across UK, Europe and the US with the number having grown from 204 in 2010 to 408 in 2022. Primark has 191 stores across UK where it has a presence in prominent high streets such as Oxford Street, Birmingham High Street and Kilburn. The retailer aims to reach 530 stores by 2026.<sup>8</sup> Primark has pledged to invest GBP 140 mn in new stores in addition to their commitment to upgrade and refurbish its existing stores. In early 2023, Primark announced its plan to double the size of its store in Westfield City Shopping Centre in Stratford, London.<sup>9</sup>

<sup>8</sup>Primark, 2022

<sup>9</sup>UK budget fashions chain Primark to invest 140 mn stg in stores", Reuters, Nov 2022

## Government initiates high street revival in UK and Australia

Since high streets are an important driver of an economy's growth, in countries such as the UK, the local government has been actively participating in reviving and transforming high streets. The government in UK has committed to support the high streets by initiating strategies to revitalize empty buildings, support high street business, improve public infrastructure, support local communities and provide clean and safe places. The key objective of this strategy is not merely to attract retailers, but also to promote mixed-use spaces where people would also want to live and work. In 2021, the mayor of London allocated GBP 2.3 mn to support high street recovery in 15 boroughs (districts), in addition to providing GBP 1 mn funding to support high streets in 7 towns, amounting to a fund allocation of GBP 3.3 mn to support high streets in 21 districts/towns of UK as a part of the government's 'High Street for All' challenge. Some of the initiatives of this project include transforming vacant retail spaces into youth hubs on Church Road and Brent, and reactivation of vacant shopping center units on Hounslow High Street.<sup>10</sup>

Similarly, in the Australian state of New South Wales, 'Your High Street' program was launched in 2020 to support the councils to make permanent improvements in the amenities and functionality of their high streets. The program recognizes the importance of high streets as public spaces in strategic centers to support community and economic recovery. For this, it aimed to improve the public amenities on high street which in turn would increase the footfalls and selling capacity for the retailers. A grant of USD 1 mn was made available for the councils to deliver improvement in high streets in their areas. The involvement of government in protecting high streets thus provides an additional impetus for the retailers to sustain their business as well as maintain the attractiveness of high streets.<sup>11</sup>

## Local economy drives high street performance

The performance and attractiveness of high streets are also driven by the socio-economic and demographic profile of the surrounding population. London is one of the most attractive cities for international retailers due to its vibrant cultural scene and is seen as a world class customer destination. Well organized and renowned high streets in the city are a popular choice for the investors. The west end of London is home to popular high streets such as Oxford Street, Regent Street, Soho, Bond Street, etc.

The city or the district's economic health also determines the performance of the high street. High streets located within the city with greater disposable income and strong economic activity tend



to perform better. During the Covid-19 lockdowns, the vacancy rate in UK high streets went up, though the vacancy rates in the high streets located in districts with a stronger economic profile was relatively low. Pre-pandemic vacancy rates of high streets in Mansfield which is not as economically empowered with low productivity labour market, was at 14%, whereas the high street vacancy rates in Cambridge which is an economically stronger district with a strong knowledge economy and a highly skilled labour force, stood at 6%.<sup>12</sup>

## Indirect impact of policy announcements on retailers' movement

New policy announcements have an impact on the attractiveness of high streets and retail investments in a country. Since the announcement of British National Overseas Citizenship Scheme in 2021, over 100,000 Hong Kong citizens migrated to the UK. This provided an opportunity for Hong Kong and other Asian brands and investors to tap into the retail opportunities in UK. Coincidentally, iconic Japanese brands such as Uniqlo re-entered the UK market with its flagship store on Regent Street, London. Due to its economic strength, consumer profile, and vibrant, cosmopolitan population, London is one of the top retail investment destinations. As per London & Partners, the annual turnover of the west end of London, which consists of prime high streets such as Oxford Street, Regent Street, Bond Street, Soho etc., is expected to reach USD 14.2 bn superseding pre-pandemic levels by 14%, driven by the USD 6.2 bn (£5 bn) capital investment dedicated to the development of the area.<sup>13</sup>

## Tourism push to high street attractiveness

Tourism is another key factor which has driven the attractiveness of some of the famous high streets. Those located in the proximity of key tourist spots of the city, organically attract tourists as potential customers. Such high streets consist of a mix of high end luxury retailers, in addition to niche cafes and luxury hospitality, thus providing an enhanced shopping experience to the tourist.

The Fifth Avenue located in Manhattan, New York is the world's most expensive shopping street and is considered as a famous shopping destination by domestic as well as international shoppers. Located in the vicinity of some of New Yorks' top tourist spots such as the Central Park, the Empire State Building, Statue of Liberty, Brooklyn Bridge etc, 5th Avenue attracts many tourists. The shopping street hosts flagship stores of famous brands, some with unique structures such as the Apple Store shaped as a glass cube, Prada and Cartier along with jewelry brands such as Tiffany & Co. offering unique collections.

Rue Saint-Honoré high street located in Paris, France stretching 2 km in the centre of the city's historical landscape is another famous shopping destination. It is conveniently located between the most popular tourist attractions like the Louvre Museum, Place Vendome, and the Palais Présidentiel de L'Élysée, giving this high street an impetus to garner more footfalls. Since 2012, close to 80 luxury store openings have been recorded on this high street, a record movement in the city with the opening of iconic flagship stores in the last 5 years such as Louis Vuitton in 2017, Chanel in 2018, Dior in 2020 and Burberry in 2022. Owing to its popularity amongst the tourists, Rue Saint-Honoré high street regained its dynamism and continued to attract retailers once the Covid-19 restrictions were lifted. Astonishingly, 8 retail store openings were recorded in Rue Saint-Honoré high street in 2022, which equals a 10-year average of new openings. With a record number of store openings, the vacancy rate in this high street is one of the lowest in Paris at 5.5% in 2022, a significant decline from 9% in 2021.<sup>14</sup>

Champs-Élysées is another popular shopping street in Paris, known for luxury retail brands, hotels and restaurant chains attracting nearly 7 mn tourists every year. Champs-Élysées is one of the world's major shopping destinations alongside 5th Avenue in New York, Causeway Bay in Hongkong and Bond Street in London. Cartier, Bvlgari, Tiffany & Co. are some of the prominent luxury brands with their stores located on these high streets.

## Conversion of highstreets into mixed use development

With the evolution of shopping malls and other retail formats, high streets have evolved in the last few years. High streets are no longer merely a center of retail shopping but are a hybrid mix of retail, housing, and hospitality. In UK, nearly 53% of the high street area is occupied by residential development, 34% by retailing, and 11% by offices. However, the ratio of residential and retail varies for each high street. While the high streets in the Greenwich have 75% of residential space, in Selby, 63% of the area is occupied by retailers<sup>15</sup>. The high streets in Greenwich also provide a diverse range of shopping experiences ranging from independent designer boutiques to renowned brands such as Gap, Calvin Klein, Lacoste etc. Thus, hybrid high streets are attractive to the retailers, especially to local and independent retailers, as they cater to the shopping needs of consumers living and working on the same street.

<sup>14</sup>Knight Frank, Retail Research, Paris

<sup>15</sup>The UK High Street In 2022, Family Friendly Working, April 2022



<sup>10</sup>London.gov.uk, Mayor announces £2 mn to support high street recovery in 15 boroughs, May 2021

<sup>11</sup>NSW Government, Your High Street Program, 2020

<sup>12</sup>Centre For Cities, Cambridge and Mansfield: a tale of two high streets, February 2022

<sup>13</sup>Why Asian Retailers Are Investing In London's High Streets, Forbes, May 2022



# Emerging Formats – Experiential Retail Boulevards

- ▶ While high streets have passed the test of time and competition from organized development of shopping malls in the last few years, the retail scenario in India has seen a steady emergence of new retail formats which are an amalgam of high street and shopping malls. These experiential retail boulevards have emerged as an important component of the retail ecosystem and compliment both high streets and shopping malls while offering a wider choice to the consumer enhancing the customer experience.



Following are a few case studies of these emerging retail formats from across the country.

## Worldmark, Aerocity, New Delhi

Location	Aerocity, Delhi International Airport
Ownership Structure	Single ownership with developer
Size of Asset (approx.)	0.14 mn sq m (1.5 mn sq ft)
Asset Typology	Mixed use development of Office and Retail
Year of Launch	2016
Developer	Bharti Realty
Property Description	Worldmark, Aerocity is a commercial complex that houses three buildings viz Worldmark 1, 2 and 3. The lower floors house retail and F&B destinations over 0.04 sq m (0.4 mn sq ft)
Access	Good access with excellent road network and metro connectivity
Parking	Organised parking
Trade and Tenant Mix	Electronics, Food & Beverage, Accessories, Beauty and Others

Worldmark is part of the airport district of Aerocity, New Delhi, which houses several hotels ranging from budget to five-star categories. Worldmark, however, is a complex that is a mix of office and retail. Initially, the retail element in the complex was designed as holistic mall development with inclusion of F&B. However, with the changing market dynamic, it was launched as an F&B destination.

The biggest challenge faced by Worldmark was the lack of immediate catchment since it is not in proximity of any major residential neighbourhood. The secondary catchment of Vasant Kunj has an established retail district and Gurugram too houses several shopping malls. Whilst the hotels within Aerocity have multiple F&B offerings, Worldmark offers a unique customer experience in terms of its appeal, which differentiates it from any of these properties.

**Asset Analysis**  
Apart from the positioning and tenant mix, the success of Worldmark is based on its exceptional and distinctive design. There is an emphasis on the outdoors with plantation, pedestrian walkways, alfresco seating, and waterbodies – all of which enhance the customer experience. Although it is a gated complex with surveillance and security, it gives the feeling of being out in the open. While the underground food court doubles up as a vestibule connecting all three buildings of the complex and caters to patrons on a budget, there are fine dining outlets and bars at the ground level catering to a more discerning audience. Accessories, beauty and electronics stores within the complex add to the customer experience. The location of Worldmark, Aerocity which was perceived as its weakness turned out to be its biggest strength, attracting not just air travellers and resident office goers but customers from Gurugram, South Delhi and West Delhi as well. This nouveau retail quarter has steadily emerged as one of the landmark retail destinations of the NCR.

## Omaxe World Street, Faridabad, Haryana

Location	Sector 79, Faridabad
Ownership Structure	Strata owned
Size of Asset (approx.)	0.07 mn sq m (0.75 mn sq ft)
Asset Typology	Mixed use development of Office and Retail
Year of Launch	2020
Developer	Omaxe Limited
Property Description	World Street has over 8 individual buildings which house retail on the lower floors and offices on the upper floors. While the retail spaces are occupied, the office occupancies are yet to improve.
Access	Good access with road network. The nearest metro station is a half hour by foot.
Parking	Organised parking
Trade and Tenant Mix	Department Store, Home and Lifestyle, Electronics, Apparel, Footwear, Food & Beverage, Accessories, Beauty and Others

Faridabad has, historically, not seen successful retail destinations. While shopping malls were launched circa early 2000s with established brands, they did not fare well and eventually saw the exit of brands and a collapse of the organised retail space.

To anticipate the success of Omaxe World Street both in terms of achieving a sustainable brand mix and attracting footfall when it was announced, was rather difficult for not only was it located in the emerging neighbourhood of Greater Faridabad, scantily populated with a price sensitive consumer base, but its massive size did not conform to the size of its patron population.

**Asset Analysis**  
The dearth of established shopping malls in Faridabad proved to be advantageous to World Street, making it the largest retail destination catering to both the primary catchment of Greater Faridabad and the secondary catchment of Faridabad. The emphasis on master planning, architecture, and its unique design features make Omaxe World Street a one-of-its-kind retail format. World Street is a horizontal development sprawled over 50 acres. The streets are designed as per the architectural features of international cities such as London, Amsterdam, Athens, Paris, Hong Kong, and San Francisco. The entire development is resplendent with selfie points and unique features like streetlights, street furniture, fountains, and statues like the famous world streets. While the project is designed on the lines of international cities, the retail mix is restricted to local and national operators only complying to the price sensitive consumers. There is a feeling of a real high street, with open and pleasant walkways with engaging activities. The tenant mix includes apparel, beauty, home & lifestyle, electronics, footwear with a special emphasis on children's entertainment, gaming zone and F&B. Apart from the food court, there are many F&B offerings ranging from fast food to fine dining restaurants and food carts. Omaxe World Street has become a popular retail destination for Faridabad, which was once perceived as the retail deficit location of NCR.

## 32nd Avenue, Gurugram, Haryana

Location	Sector 15, Gurugram
Ownership Structure	Strata owned
Size of Asset (approx.)	0.01 mn sq m (0.16 mn sq ft)
Asset Typology	Retail
Year of Launch	2017
Developer	32 Milestone Ventures
Property Description	Multiple structures housing F&B besides one structure boarding fashion brands; conjoined with walkways, mini bridges and other architectural elements
Access	Easy access from National Highway 48 and internal road. The nearest metro station is a half hour by foot.
Parking	Valet Parking
Trade and Tenant Mix	Apparel, Footwear, Food & Beverage, Accessories

Gurugram's oldest, iconic retail and entertainment landmark of the 1990s, 32nd Milestone was re-developed as 32nd Avenue. This avenue is part of the landmark locale called 32nd Village which houses a hotel and the Google corporate office.

The concept of F&B districts was thriving in Gurugram with flourishing destinations in 2017, when the 32nd Avenue was launched. The promoters tackled stiff competition from other established F&B districts in Gurugram by positioning 32nd Avenue as a community space and not just a modern F&B inspired retail boulevard. Ample pet friendly cafes and green spaces, quirky soft and hard landscaping, idiosyncratic architecture, enjoyable events and activities, state-of-the-art rest rooms - all add to the charm and uniqueness of the place.

### Asset Analysis

The project was revamped as a specially curated one-of-a-kind F&B destination where first time, experimental and homegrown brands were encouraged to start operations. With over 40 restaurants serving diverse cuisines, 32nd Avenue appeals to both the youth and a family audience. Recently, the project added fashion as a tenant category in a new 40,000 sq ft building within the complex; but true to its concept, the brands present are start-ups, homegrown, edgy and unconventional in nature. In the catchment of Gurugram, saturated by new age shopping malls and limited high street options, 32nd Avenue stands out distinctly as a community space that incubates young and disruptive brands and is favoured by retailers and customers both.

## Hiranandani Galleria, Powai, Mumbai

Location	Powai
Ownership Structure	Hiranandani Group and strata owners
Size of Asset (approx.)	0.24 mn sq m (2.6 mn sq ft)
Asset Typology	Mixed use Office and Retail
Launch	Early 1990s; developed into its present state over the last decade
Developer	Hiranandani Group
Property Description	Hiranandani Gardens, spread over 250 acres, includes about 40 residential buildings and 23 commercial buildings. Hiranandani Galleria is the retail on ground and first floors of the commercial avenues.
Access	Easy access by road. No connectivity by local train or metro
Parking	Formal and Informal
Trade and Tenant Mix	Accessories, Apparel, Beauty, Department Store, Electronics, Footwear, Food & Beverage, Others

The retail street in Hiranandani Gardens is part of the upmarket township spread over 250 acres in Powai. While the street is named Galleria, it is popularly known as Hiranandani. Hiranandani is a typical example of an organically grown retail district, which changed from a neighbourhood market in the early 1990s to a thriving retail destination. While this shopping street retains a huge local following, it also attracts patrons especially to the F&B outlets from other nearby suburbs of Mumbai.

Spread along a km long avenue, the unique neo-classical European building facades, wide pavements, treelined avenues make Hiranandani a one-of-a-kind retail street in Mumbai.

### Asset Analysis

Located strategically in the centre of the Hiranandani Gardens township, the retail area spread over two floors, houses various retail brands that offer products ranging from apparels to fitness gear to lifestyle products, electronics to accessories, footwear to salons, banks to big department stores. The main attraction are the F&B brands, both national and international, ranging from quick service to fine dine to bars, pubs and coffee shops.

Hiranandani Gardens is a unique, distinctive community space that is the epitome of retail projects retaining the old-world street shopping charm.

## Ghodbunder Road, Thane, Mumbai

Location	Thane, Mumbai
Ownership Structure	Multiple assets with multiple owners
Size of Asset (approx.)	0.18 mn sq m (2 mn sq ft)
Asset Typology	Mixed use Retail and Residential
Year of Launch	Early developments launched in 2009; evolved into its present state over the last decade
Developer	Multiple developers, prominent being Sheth Developers, Kalptaru Ltd, Runwal Group, Tirupati Balaji
Property Description	Stretch of road that includes shopping malls, residential buildings, and stand-alone retail buildings
Access	Accessible by road
Parking	Formal and informal parking
Trade and Tenant Mix	Department Store, Home and Lifestyle, Entertainment, Electronics, Apparel, Footwear, Food & Beverage, Accessories, Beauty and Others

Ghodbunder Road is a prominent road that goes through various important localities in Thane, running for about 20 km, joining the Western Express Highway to the Eastern Express Highway. The retail experience, though, is limited to 5 km in Thane West.

The retail surge in the market started in the year 2009 with Korum Mall and Big Centre, followed by Viviana Mall, which housed the best brands in its large million plus size. Other retail centres like Eternity Mall, Wonder Mall, High Street Mall, R Mall and Lake City Mall in the vicinity make it one of the most retail-centric districts of Mumbai. While the emergence of Ghodbunder Road as a retail destination has been organic, this is more of a retail avenue with thousands of sq ft of organised, multi-tenanted shopping malls filled with shops, cinemas, entertainment, and eateries. It is pertinent to acknowledge that the opening of big-box, stand-alone retail formats like Department Stores, Electronics, Home & Lifestyle stores add to the holistic evolution of this area.

With easy connectivity to Navi Mumbai and Mumbai, Ghodbunder Road is one of the most sought-after retail hubs which has witnessed significant hype in the past few years and continues to do so.

### Asset Analysis

## 153 Biere Street, Whitefield, Bengaluru

Location	Whitefield, Bengaluru
Ownership Structure	Single Ownership
Size of Asset (approx.)	0.09 mn sq m (1.0 mn sq ft)
Asset Typology	Retail
Year of Launch	2014
Developer	Individual Developer
Property Description	153 Biere Street is a lifestyle retail development housing retail and Food & Beverage stores at the venue
Access	Good road connectivity
Parking	Organised parking inside and outside the venue
Trade and Tenant Mix	Food & Beverage, Apparel, Beauty

Started in 2014, 153 Biere Street is located at Whitefield, Bengaluru which is one of the prime real estate micro markets in the city. 153 Biere Street is primarily a microbrewery restaurant coupled with retail space. The key attractiveness of this venue is its ambience and quaint European architecture with Victorian street lights, brick lane, and antique furniture. 153 Biere Street is structured as an open arena with ample indoor and outdoor seating which can accommodate 2000 people at any given time and is themed around a cobbled street with retail stores along one side of the corridor. The retail space in this venue is spread across two floors. The sizes of the retail stores vary from 300 sq ft to 700 sq ft. The tenant mix comprises a clothing boutique, cafeteria, pet grooming store, cosmetics stores and more. The retail space is structured and well maintained, and is thus favourable to both well established and indigenous brands. Being a pet-friendly venue, it has the advantage of gaining customers' brand loyalty which in turn supports both the restaurant business as well as the retail business. Periodically, the venue also hosts events such as corporate parties, comedy shows, live music, flea markets, and sports screenings, which aid in garnering footfalls to this unique establishment.

### Asset Analysis

## Mehrauli Retail Precinct, Delhi

Location	Kalka Das Marg, Mehrauli, Delhi
Ownership Structure	Multiple assets with multiple owners
Size of Asset (approx.)	0.06 sq m (0.6 mn sq ft)
Asset Typology	Retail
Launch	Early developments have evolved into its present state over the last three years
Developer	Multiple private and ancestral ownerships
Property Description	Stretch of road that includes linearly placed standalone heritage havelis with courtyards, old houses and refurbished buildings with lawns and courtyards.
Access	Easy access by road
Parking	Organised parking for each property along with valet parking
Trade and Tenant Mix	Home and Lifestyle, Apparel, Footwear, Food & Beverage, Accessories, Beauty and Others (all luxury formats)

### Asset Analysis

The kilometre long precinct of Kalka Das Marg, Mehrauli has emerged as an eclectic hub of designer wear and exclusive F&B outlets, quite recently. While urban villages (referred to as Lal Dora areas in common parlance) in Delhi had served as an oasis for Indian designers for decades, there was a steady shift to luxury shopping malls in the last 10 to 15 years.

A few designers continued to operate from these villages, Ambawatta One being one such complex in Mehrauli, which housed fashion designers and avant-garde restaurants. Situated next to Ambawatta One, are multiple luxury shopping premises such as Kutub Boulevard, One Style Mile and Qutub Garden. The emergence of these have given a new aura to this district opposite Qutub Minar, famously known for fashionable restaurants within the Qutub Colonnade since the 1990s. The re-emergence of Mehrauli as a designer mile has been recent and rather expeditious. The impetus that was seen post pandemic, spilled the host buildings on both side of Ambawatta One. Mehrauli is a distinctive shopping precinct which can be viewed as a revival of the urban village designer experience typical only to Delhi, albeit with a generous share of high-end and exclusive eateries and clubs. The architecturally and culturally rich heritage of medieval havelis and village houses, all stacked up on just one tree lined street, against the magnificent backdrop of the Qutub Minar complex, makes Mehrauli one of the most thoughtfully curated retail experiences in the country. Each complex hosts fashion designers showcasing wedding, occasion and festive wear, besides exclusive fine-dine restaurants, bars, clubs, coffee shops, designer furniture and artefacts. The retail mix too is exclusive, premium and defines opulence.

Nestled in the historic village of Mehrauli, this designer mile is easily accessible from South Delhi, Central Delhi and Gurugram. The low footfall typical of luxury precincts gives way to a party crowd in the evenings, and problems with parking are experienced only during certain hours. Valet parking, though, is readily available.

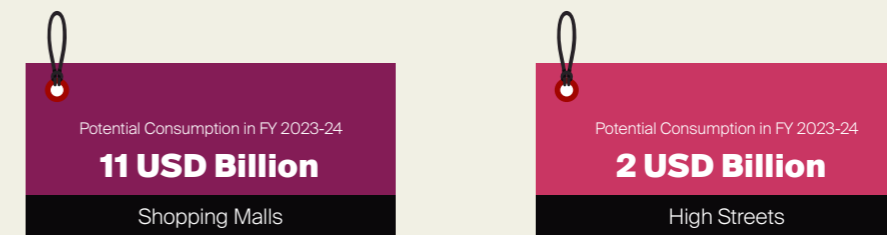
The Mehrauli Retail Precinct exudes a feeling of rich history, lavishness, space and spread deserving equally of designers and their well-heeled customers.

# Outlook

## ► Opportunities for Retailing in Modern Retail Arenas on High Streets

The Indian retail is an assortment of formats that offer a myriad of choices to discerning shoppers. During the pandemic, shoppers became mindful of where they were spending their money, looked for ways to save money while shopping, spent time planning shopping trips due to mobility restrictions and researched brand and product choices thoroughly before buying. These behavioral patterns have persisted with the recovery in consumption. After a series of disruptions in consumption due to the pandemic, the retail industry seems to be back on track with consumption surpassing pre-pandemic levels across regions as seen in our previous survey of shopping malls.

In the backdrop of the flourishing e-commerce sector, omnichannel retailing becoming the norm of the day and structural shifts in the shopper's mindset during the pandemic years, we have tried to assess the potential of retailing in the modern retail arenas in the high streets identified in this report. After careful assessment of the average trading densities in the 10 retailer categories across 30 high streets, the potential consumption in high streets is derived at nearly USD 2 bn for FY 2023-24. This represents nearly 19% of the potential consumption of USD 11 bn projected for operational shopping mall stock in FY 2023-24. While on an overall basis, high streets may appear to have limited consumption potential, when compared on a per sq m basis, there is more than what meets the eye. On a per sq m basis, there is a stark difference in the potential consumption of both retail formats.



Indian high streets occupy nearly 6% of the total gross leasable area as compared to the shopping mall stock, as distribution of modern retail arenas is skewed towards malls in all cities considered for the study.

## Potential consumption in FY 2023-24



Source: Knight Frank Research

Despite limited modern retail penetration and lack of physical infrastructure upgrades, the potential consumption in these high streets on a per sq m basis surpasses that of the operational shopping malls by 221% purely on the back of high trading densities across some categories that fare well only on high streets. Retailer categories such as apparel, accessories, electronics and home and lifestyle have high trading densities on high streets, a trend witnessed across the top eight markets which contribute to higher revenue generation for retailers on a per sq m basis. The thriving brick and mortar modern retail arenas in the high streets is also gradually paving the way for the transformation of non-modern retail arenas into modern formats. This trend is likely to gain momentum in times to come due to the prevailing consumer preference for a modern and organised shopping experience. The modern-day shoppers do not want to visit just the few shopping malls but seek the convenience and ease of shopping in a shopping mall in other retail formats too.

## Coexistence of shopping malls and high streets

Before pitting shopping malls against high streets, one needs to understand that both retail formats have a character distinct from the other. Whilst shopping malls emerged on the horizon with the evolution of modern retail in India, high streets have always existed. They were there much before the arrival of malls and attracted retailers due to low construction, low maintenance and low rental costs. High streets sailed through the e-commerce, omnichannel and pandemic waves. The unique experience shopping for certain categories dominated by regional players in electronics such as laptops, tablets, smartphones and cameras, furniture, jewelry and ethnic apparel, is a scenario that will continue to prevail. Predatory pricing from e-commerce players does pose a challenge, but high street players have been able to navigate this and will continue to do so. Developers are bringing down old structures and building new structures on these high streets which cater to the needs of the modern shopper. This enhances the appeal of the high streets and contributes to their transition into organised shopping boulevards. While there are only 30 high streets, they have constantly evolved to retain their reputation as key retailing destinations. They retain the favor of local and regional brands as well as Indian and international brands. These high streets will always occupy shoppers' mindspace and are unlikely to sink under any pressure due to a high emotional bias. Retailers seeking volume growth will continue to choose stores along the 'transit oriented' high streets, while those looking for brand positioning will opt for the right kind of 'destination' high streets. High streets with poor infrastructure will be edged out when it comes to modern retailing. We anticipate that in the years to come, the individual attributes of each high street will play a significant role in its transition. Irrespective of the challenges associated with high streets, individual property owners and retailers will see immense benefit in collaborative efforts to improve the overall experience of shoppers who visit them. The scope for such collaboration is huge, and can include marketing activities, sales strategies, events, parking arrangements, etc. With infrastructure upgrades and property owners paying attention to ensure adequate parking, connectivity boost through public transport and brand visibility, there may be less variation between popular high streets and malls across the leading cities. Going forward, we expect that high streets will continue to stay in synergy with shopping malls and emerging retail formats, and whether a retailer wants to be situated on a high street or a shopping mall will depend on the range of factors per their checklist.

## Key criteria determining presence on high streets and malls

**Return on Investment** – While making a lump sum investment to open a store, retailers look for high returns. Investments made in independent retail stores have more promising returns than the ones made in malls as shoppers already plan for a purchase before entering the retail store on a high street, whereas malls often witness impulsive purchases along with increased spending on entertainment and food, whereas no real purchase by the customers can be guaranteed. For the shop owners looking for low investment options, it is much more profitable to run their business in a high street. Malls on the other hand, require a large monthly turnover and are more suitable for businesses that have higher margins or high volumes.

**Amenities and format layout** – Despite modern retailing becoming a part of a shopper's lifestyle, the availability of amenities such as ample parking space to accommodate private vehicles, common areas such as washrooms, well-constructed sidewalks and open spaces for community activities are lacking in Indian high streets. Access roads are often narrow for some high streets if they are not situated on the main road, and layouts vary a lot. Many high streets have grown organically over a period of time with no thought given to master planning. The same is not true for shopping malls which have a layout design, common areas and common area maintenance (CAM) as part of its format. Some of the well performing malls in the country with a sub 5% vacancy have CAM outsourced to facility management agencies to provide a high standard retail experience to mall visitors. These amenities come at a cost but have been instrumental in changing the fortunes of some sub-segments of F&B, fine dining and food court operators as well as entertainment retailers, who prefer to be situated in malls with high walk-ins. While QSR, cafes and other F&B operators are still present on high streets, real estate footprint of entertainment focused retailers on high streets is limited to just 2% per our survey.

**Ownership of the premises** – For buyers looking for relatively low entry costs, ownership of premises on high streets is a good bet as it gives high capital appreciation, is easy to lease and can be suitable for different types of retailers and other businesses. Owning a shop on a high street is a high value proposition as after the initial investment, the flexibility it offers leads to the premises being much sought after, especially post the pandemic.

As both shopping malls and high streets cater to different retailer needs, they will both continue to develop in their respective ways and coexist. Irrespective of the format, there will be footfalls to sustain both on the back of India's diverse demography and aspirational consumerist trends. It is only innovation to bring more to the format than what the shoppers expect, which will define their dominance going forward.

## Glossary

1. **Boroughs:** A town or district that is an administrative unit.
2. **Gross Leasable Area:** Gross leasable area, or GLA, is the area in a property designed for the exclusive use of a tenant.
3. **Lal Dora Land:** Part of the village land, adjacent to agricultural land, which comprises the village habitation, Lal Dora land is exempt from building bye-laws and construction norms and regulations laid down by the Delhi Municipal Act.
4. **Last Mile Connectivity:** The gap between public transit stop/port to destination. This may be covered on foot or by another mode of private transport.
5. **Modern Retail Arena:** Occupied, or operational modern retail stores based on the survey of the XX high streets.
6. **Moovit:** An urban mobility application used to aid on public transit navigation
7. **Site Survey:** Examination of a location or spot to obtain data
8. **Total Retail Arena:** Total retail space on the 30 high streets which includes both modern and non-modern (unorganized) retail stores.

# Appendix

- Public Transport: The public transport has been bifurcated into bus and train (metro/local). A score of 100 is given to each mode if it provides connectivity to the market. However, if the mode does not connect to the marketplace, the time taken to reach the market on foot from the bus or train terminal is deducted from the score as the proportion of the one hour. The maximum score a market can receive is 200, where both bus and train provide last mile connectivity to the market, and the lowest score that a market can receive would be 0, where the market can be reached by neither bus nor train. The scores were then standardized.
- Average Trading Density: The ATD for the high street is calculated as the sum product of the proportion of retail categories in the market and the respective ATDs per month for each category. The ATD scores were then standardized.
- Parking: The three categories of parking availability is scored ordinally where unavailability is scored as 0, informal parking is scored as 1, and formal parking is scored as 2. The scores are then standardized.
- Store Visibility: The store visibility indicator is calculated by ordinally scoring the markets on a scale of 0 to 4, with 0 suggesting that a maximum of 20 per cent of retail stores in the market are visible from the main access road/s, while 4 indicated that more than 80 per cent of retail stores are visible from the main access road/s. The given scores were then standardized.
- Spending Quotient: The Spending Quotient for the high street is calculated as the sum product of the proportion of retail categories in the market and the respective Average Trading Prices (ATPs) (monthly average) for each category. The spending quotient scores were then standardized.
- Standardization: The scores of each performance indicator were standardized. Standardization is a scaling method where the values are centered around mean with a unit standard deviation. It means if we will calculate mean and standard deviation of standard scores it will be 0 and 1 respectively. The formula used for standardization is:  $z = \frac{x - \mu}{\sigma}$

Where

$\mu$  = mean of the given distribution

$\sigma$  = standard deviation of the given distribution

z = standardized score

## 7. Performance Index Table

City	High Street Market	Public Transport	Average Trading Density	Parking	Store Visibility	Spending Quotient	Index	Rank
Bengaluru	Mahatma Gandhi Road (MG Road)	0.77	-0.38	1.07	0.60	1.12	3.18	1
Hyderabad	Somajiguda	0.69	0.58	-0.46	0.60	1.51	2.92	2
Mumbai	Linking Road	-0.09	0.96	1.07	0.60	0.17	2.71	3
Delhi	South Extension - I & II	0.88	-0.41	1.07	0.60	0.43	2.57	4
Kolkata	Park and Camac Street	0.30	1.49	-0.46	0.60	0.59	2.51	5
Chennai	Anna Nagar	0.88	-1.12	1.07	0.60	0.82	2.25	6
Bengaluru	Commercial Street	0.30	-0.37	1.07	0.60	0.22	1.83	7
Noida	Sector 18 Market	0.88	1.04	-0.46	-0.22	0.57	1.82	8
Bengaluru	Brigade Road	0.77	-0.95	1.07	0.60	0.11	1.60	9
Bengaluru	Church Street	0.77	-0.51	1.07	0.60	-0.64	1.29	10
Mumbai	Lokhandwala Market	0.30	0.23	-0.46	0.60	0.37	1.04	11
Delhi	Connaught Place	0.88	-1.01	1.07	0.60	-0.85	0.70	12
Ahmedabad	SG Highway	-1.44	-1.28	1.07	-0.22	2.47	0.61	13
Bengaluru	Indira Nagar - 100 Ft Road	0.77	-0.54	-0.46	0.60	0.09	0.46	14
Bengaluru	Jayanagar - 4th Block	-1.44	-0.51	-0.46	0.60	2.25	0.44	15
Hyderabad	Gachibowli	0.11	0.02	-0.46	0.60	-0.10	0.16	16
Hyderabad	Ameerpet	0.88	-0.12	-0.46	-0.22	-0.18	-0.10	17
Hyderabad	Banjara Hills	0.50	0.14	-0.46	0.60	-0.94	-0.17	18
Hyderabad	Jubilee Hills	0.88	-0.37	-0.46	0.60	-0.82	-0.17	19
Ahmedabad	Chimanlal Girdharlal Road (CG Road)	-1.44	-1.40	1.07	0.60	0.87	-0.30	20
Pune	Mahatma Gandhi Road (MG Road)	-1.44	1.42	-0.46	-0.22	-0.19	-0.89	21
Pune	Koregaon Park	-1.44	1.77	-0.46	-0.22	-1.05	-1.40	22
Pune	Baner Road	-1.44	2.86	-2.00	-1.03	-0.20	-1.81	23
Mumbai	Colaba Causeway Market	-0.28	0.48	-2.00	0.60	-0.68	-1.88	24
Chennai	Nungambakkam Road	0.30	-0.35	-2.00	-0.22	-0.10	-2.36	25
Mumbai	Lower Parel	0.30	0.65	-0.46	-1.84	-1.08	-2.42	26
Delhi	Khan Market	0.61	-0.29	1.07	-2.66	-1.20	-2.46	27
Delhi	Lajpat Nagar	0.88	-0.58	-0.46	-1.84	-1.11	-3.12	28
Bengaluru	Koramangala - 100 Ft and 80 Ft Road	-1.44	-1.27	-0.46	0.60	-0.64	-3.22	29
Gurugram	DLF Galleria	-2.22	-0.19	1.07	-2.66	-1.78	-5.77	30

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