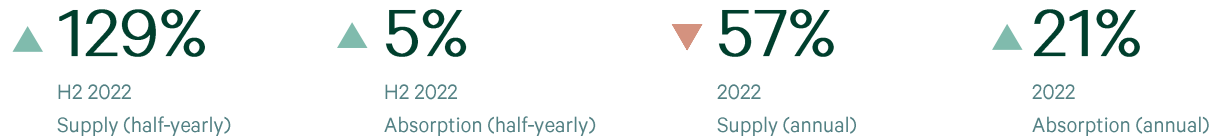


FIGURES | RETAIL SECTOR | H2 2022

Leasing grows by 21% Y-o-Y to 4.7 million sq. ft. in 2022, supply close to 1.45 million sq. ft.



Note: *Arrows indicate half-yearly / annual change.
Leasing denotes space take-up in investment-grade malls, prominent high streets and standalone developments; supply includes investment-grade malls for top 8 cities

RETAIL SENTIMENT EXPECTED TO REMAIN POSITIVE

- The Indian retail sector’s recovery continued to gain momentum in 2022 as retail sales grew 20% Y-o-Y¹. Further, more than half of the retailers who participated in the 2023 Asia Pacific Retail Flash Survey stated that H2 2022 sales had surpassed the pre-pandemic levels.²
- As inflation continued to remain on a downward trajectory, falling to 5.7% in December 2022, consumer spending held up well with a 10% Y-o-Y growth.³ Discretionary spend was on the rise as consumer spending across non-essential categories such as restaurants and hotels; apparel and footwear; and household furnishings, household equipment and other housing expenditure reported a Y-o-Y growth of 35%, 28% and 21%, respectively.
- Consumer confidence rebounded, and the RBI’s Current Situation Index increased to 83.5 in November 2022 from 63.4 in the same period in 2021. The Future Expectations Index also increased by 4% Y-o-Y.⁴

¹Oxford Economics
²2023 Asia Pacific Retail Flash Survey, January 2023
³Oxford Economics
⁴Reserve Bank of India (RBI)

FIGURE 1.1: MAJOR CONSUMER DRIVERS

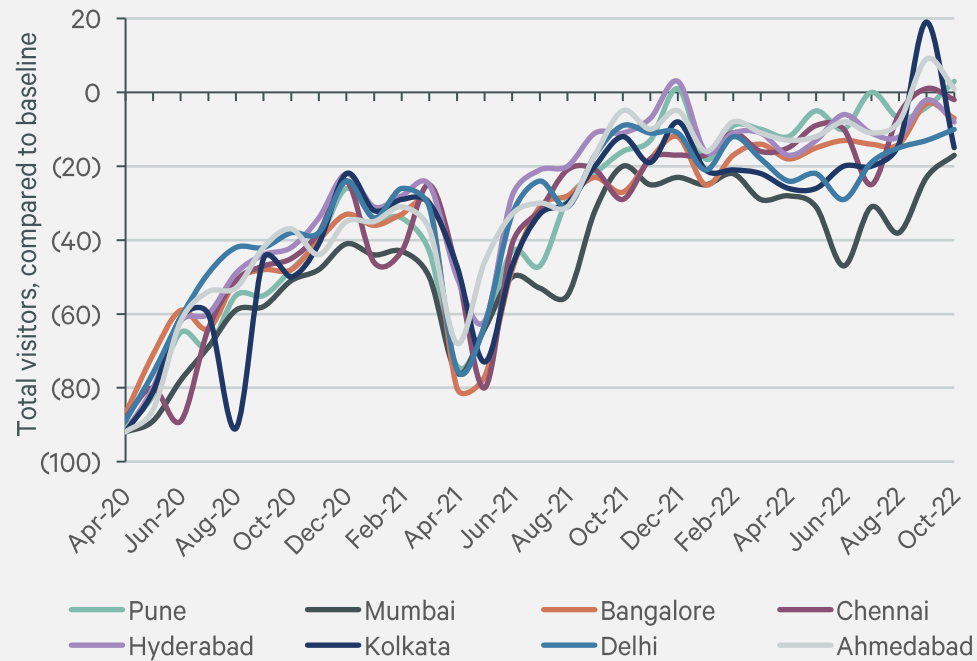


Source: Ministry of Statistics and Programme Implementation (MoSPI); RBI; Oxford Economics

Mobility continued to rise in H2 2022 compared to the same period last year

- As the cities started to reopen after the pandemic, many shoppers went back to physical retail and since then have adopted ‘hybrid commerce’ – which essentially means a mix of offline + online retail. A recent survey conducted by CBRE also indicated strong preference for offline + online, with more than 90% of respondents stating that they shopped via multiple channels.⁵ While mobility across retail and recreational spaces during H2 2022 remained below the pre-pandemic levels in major cities, indicators have improved on a Q-o-Q basis. In October, the average mobility for Mumbai, Delhi and Pune had increased by 30%, 19% and 13% respectively when compared to June 2022.

FIGURE 1.2: GOOGLE MOBILITY DATA – 7-DAY AVERAGE FOR RETAIL AND RECREATION (Percent change to baseline value*)



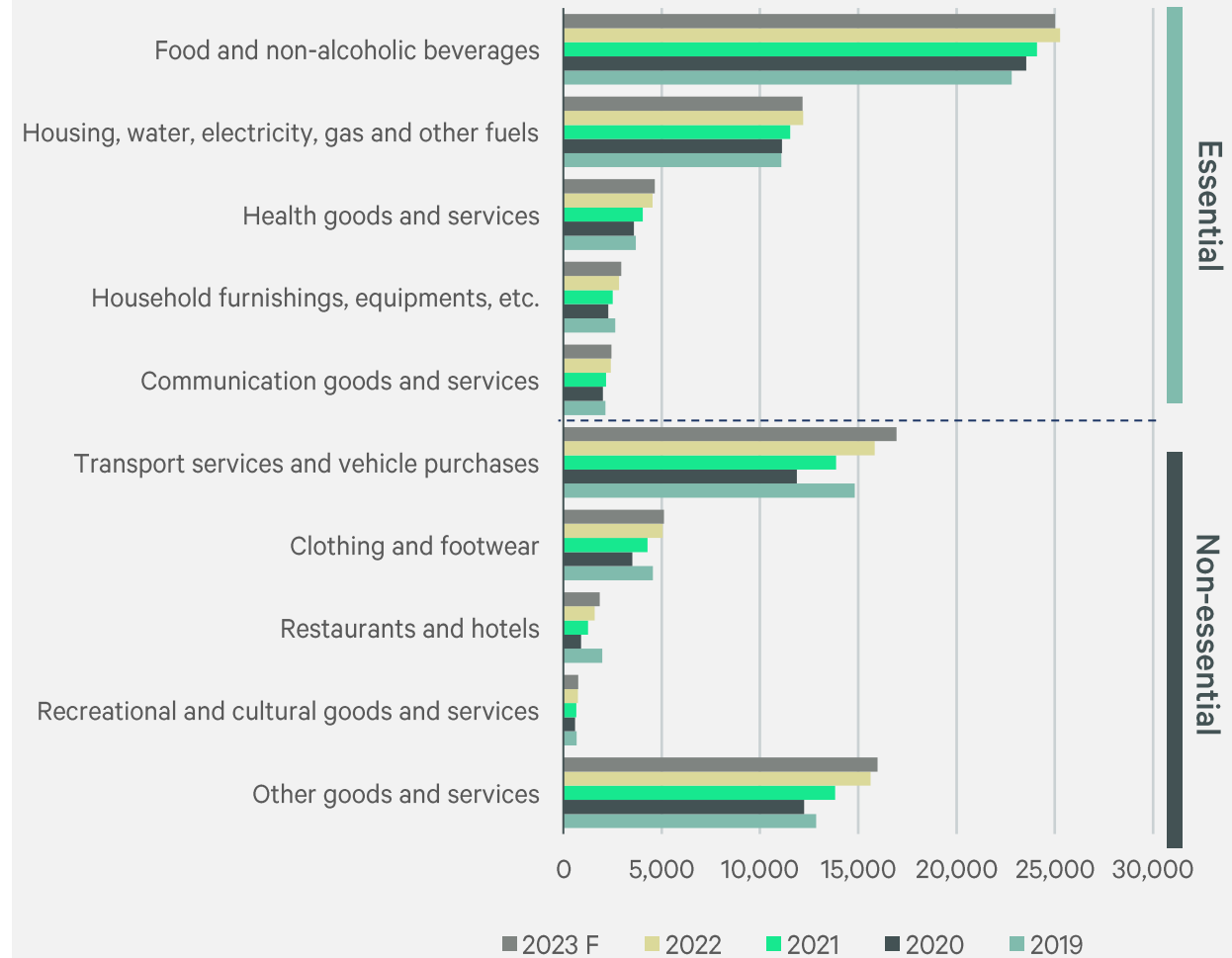
Source: Google Mobility Data

Note: *The baseline day is the median value from the 5-week period Jan 3 – Feb 6, 2020

⁵CBRE's Live-Work-Shop Survey, February 2023

Consumer spending witnessed a Y-o-Y uptick in 2022 across both essential and non-essential items

FIGURE 1.3: INDIA - CONSUMER SPENDING, REAL, LCU* - IN INR BILLION



Source: Oxford Economics, Q4 2022; * Local Currency Unit

An Overview of the Retail Sector in H2 2022

- Retail leasing activity decreased by about 19% Y-o-Y to touch 2.43 million sq. ft. during the second half of the year, but it was up by about 5% compared to 2.31 million sq. ft. reported in H1 2022. Moreover, leasing momentum is expected to pick up in H1 2023, owing to anticipated space take-up in newly completed malls. Bangalore and Delhi-NCR, followed by Chennai and Mumbai, led leasing activity, together accounting for almost 80% of the overall space take-up during H2 2022.
- CBRE’s Leasing Sentiment Survey⁶ has tracked stronger expansionary sentiment among retailers since mid-2022 – more than 70% retailers had stated that they planned to expand in 2023. However, there was a distinct variation across different retail categories and expansionary sentiment was driven by the fashion and entertainment categories.
- As demand further picked up during the festive season in H2 2022, fashion and apparel retailers continued to expand their footprint, accounting for a share of more than 42% in overall leasing in H2 2022. Other prominent categories that continued to drive leasing activity during H2 2022 included food & beverage (~12%), along with hypermarkets (~7%). The entertainment category, which was impacted the most during the pandemic, also emerged as one of the top demand drivers during H2 2022 with a nearly 6% share in overall space take-up.
- Supply addition during H2 2022 reported an uptick of 129% on a half-yearly basis. The addition of two investment-grade malls in Bangalore and Pune led to supply addition of 1.01 million sq. ft. during this period. While mall completions declined by 69% Y-o-Y during the review period, pent-up supply is likely to enter the market during H1 2023. As a result, total supply for the year could potentially surpass the pre-pandemic levels.
- Led by strong demand from retailers, rental values increased on a half-yearly basis in select micro-markets across most cities. Among high streets, rents rose by about 4-8% across select locations in Delhi-NCR and Bangalore; by 4-12% in Ahmedabad, and by about 1-3% in Mumbai. While prominent mall clusters in Delhi-NCR and Bangalore witnessed rental growth of 3-15% and 2-6% respectively, marginal growth of ~1% was reported from one mall cluster in Ahmedabad.

- Despite global headwinds, international brands such as Tim Hortons, Victoria’s Secret and Uniqlo continued to expand during H2 2022. Tier-II cities continued to remain popular: Uniqlo opened its first store in Chandigarh, Tim Hortons entered Ludhiana while Dehradun saw brands such as Starbucks, Biba, Shoppers Stop open stores in the city. American home furnishing chain Pottery Barn entered Delhi-NCR, opening two outlets in quick succession. In the next few months, Coffee chains / café brands such as Lavazza and Armani / Caffè from Italy, Jamba from the US and The Coffee Club from Australia are anticipated to enter India.
- During H2 2022, Adidas opened its largest experience store in Delhi-NCR; in addition, brands such as Zara, Nike, and Azorte also launched experience / flagship stores with a wide range of tech and other offerings.
- Several notable investments were reported in the retail and e-commerce sector during H2 2022. Some of the key transactions are listed below:

TABLE 1.1: KEY RETAIL AND E-COMMERCE INVESTMENTS IN H2 2022

SECTOR	INVESTOR	INVESTEES	DEAL VALUE (USD MILLION)
E-commerce	ADIA	Lenskart	400
E-commerce	TPG’s The Rise Fund, Norwest Venture Partners, Piramal Capital and Housing Finance Limited	Social Worth Technologies	110
E-commerce	Temasek and A91 Partners	Bright Lifecare	65
Retail	Warburg Pincus and Malabar Investments	Imagine Marketing Limited	60
E-commerce	CPPIB	FSN E-Commerce Ventures	~37
E-commerce	Evolve India and Edelweiss Group	Renee Cosmetics	25
E-commerce	TMRW (an Aditya Birla Group house of brands)	Bewakoof (a D2C brand)	~24

Source: Grant Thornton, CBRE Research, H2 2022

⁶ Asia Pacific Leasing Market Sentiment Survey, December 2022

▲ 1.01

SUPPLY (mn sq. ft.)
in H2 2022

▲ ~2.43

ABSORPTION (mn sq. ft.)
In H2 2022

Note: Arrows indicate half-yearly change
Absorption includes leasing in investment-grade malls, high streets and standalone developments; supply includes investment-grade malls only

▲ 129%

H2 2022
SUPPLY (half-yearly)

▲ 5%

H2 2022
ABSORPTION (half-yearly)

▼ 57%

2022
SUPPLY (annual)

▲ 21%

2022
ABSORPTION (annual)

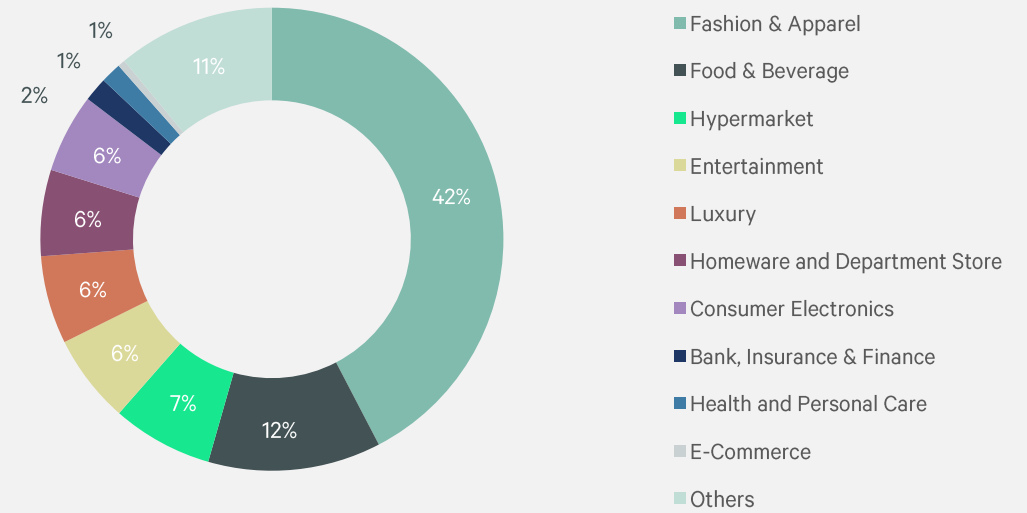
Note: Arrows indicate half-yearly / annual change

TABLE 1.2: CITY-WISE SUPPLY AND DEMAND IN H2 2022

CITIES	SUPPLY (HALF-YEARLY)	ABSORPTION (HALF-YEARLY)
Delhi-NCR	▶	▲
Bangalore	▲	▼
Mumbai	▶	▲
Chennai	▶	▲
Hyderabad	▶	▲
Pune	▲	▼
Kolkata	▶	▲
Ahmedabad	▶	▲

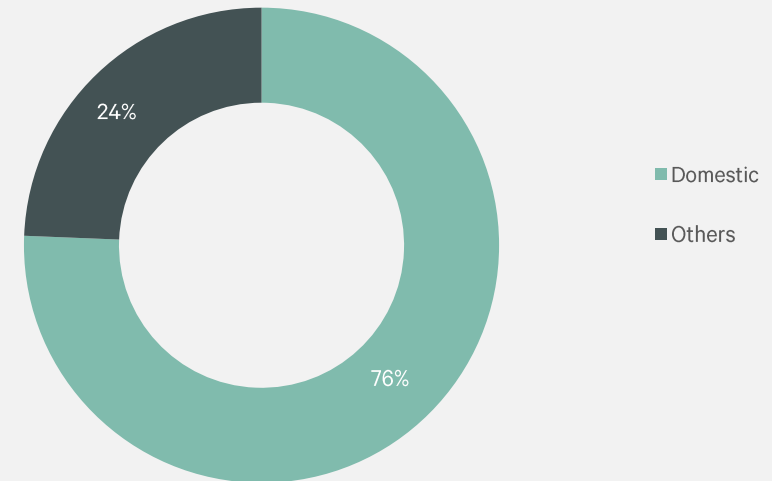
Source: CBRE Research, H2 2022

FIGURE 1.4: SEGMENTATION OF TRANSACTION ACTIVITY AS PER INDUSTRY IN H2 2022



Source: CBRE Research, H2 2022

FIGURE 1.5: SEGMENTATION OF TRANSACTION ACTIVITY AS PER REGION OF ORIGIN IN H2 2022



Source: CBRE Research, H2 2022

Delhi-NCR: International and domestic brands continued to expand

▼ 0.0

SUPPLY (MN SQ. FT.)

▲ ~0.54

ABSORPTION (MN SQ. FT.)

Note: Arrows indicate annual change

Absorption includes leasing in investment-grade malls and high streets; supply includes investment-grade malls only

FIGURE 2.1: RENTAL VALUE MOVEMENT – MALL CLUSTERS

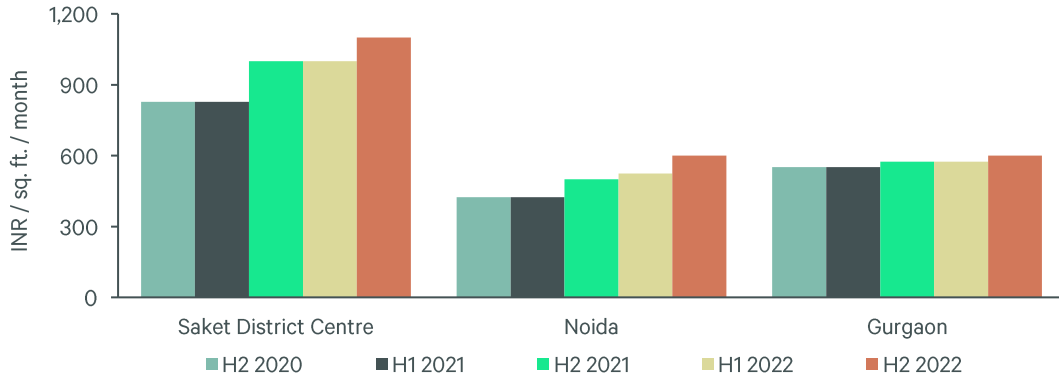
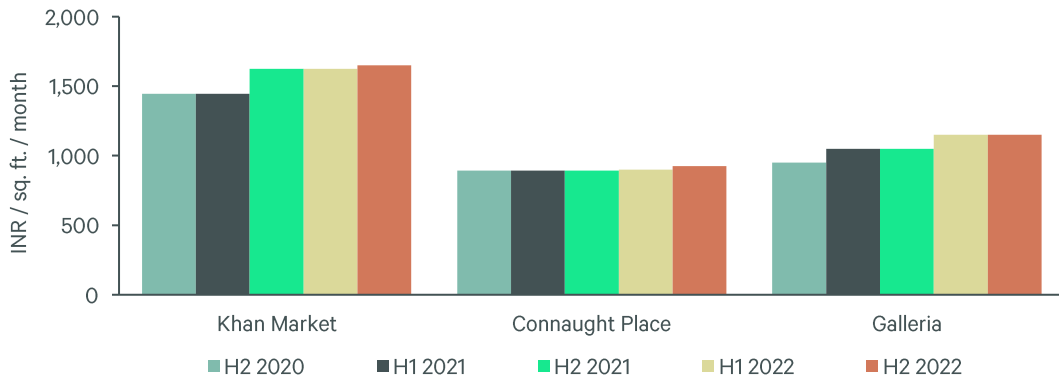


FIGURE 2.2: RENTAL VALUE MOVEMENT – HIGH STREETS



Source: CBRE Research, H2 2022

TABLE 2.1: KEY RETAIL CATEGORIES DRIVING ABSORPTION IN H2 2022

SECTOR	% SHARE	Y-o-Y MOVEMENT
Fashion & Apparel	34%	▲
Hypermarket	12%	▼
Food & Beverage (F&B)	9%	▼

Source: CBRE Research, H2 2022

TABLE 2.2: KEY LEASING TRANSACTIONS IN H2 2022

PROPERTY	MICRO-MARKET	SIZE (IN SQ. FT.)	TENANT	TENANT SECTOR
Ambience, Delhi (Mall)	Vasant Kunj	47,000	Timezone	Entertainment
Select Citywalk, Delhi (Mall)	Saket	14,700	Nike	Fashion & Apparel
Ambience, Delhi (Mall)	Vasant Kunj	13,500	Pottery Barn	Homeware & Department Store

Source: CBRE Research, H2 2022

Bangalore: Supply picked up pace; leasing driven by newly operational malls

▼ 0.80

SUPPLY (MN SQ. FT.)

▼ ~0.91

ABSORPTION (MN SQ. FT.)

Note: Arrows indicate annual change

Absorption includes leasing in investment-grade malls, high streets & standalone; supply includes investment-grade malls only

FIGURE 3.1: RENTAL VALUE MOVEMENT – MALL CLUSTERS

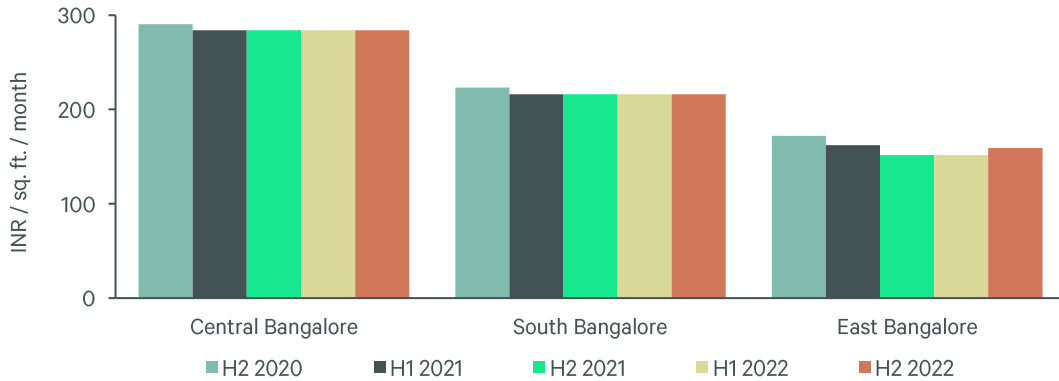
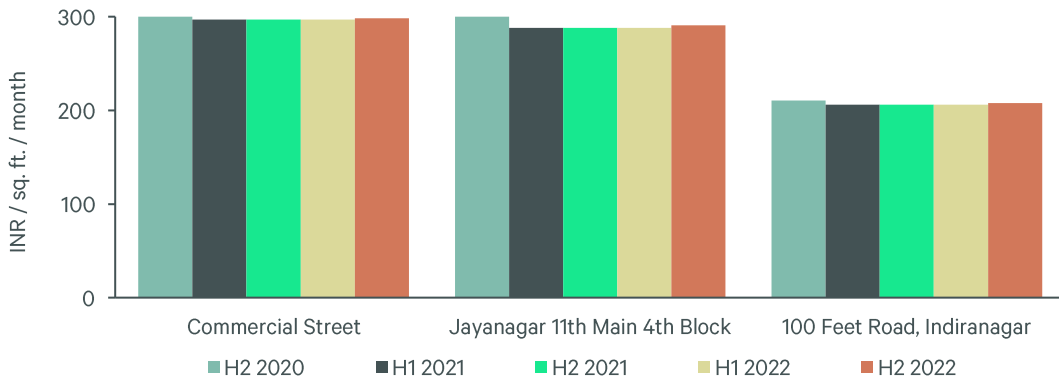


FIGURE 3.2: RENTAL VALUE MOVEMENT – HIGH STREETS



Source: CBRE Research, H2 2022

TABLE 3.1: KEY RETAIL CATEGORIES DRIVING ABSORPTION IN H2 2022

SECTOR	% SHARE	Y-o-Y MOVEMENT
Fashion & Apparel	42%	▲
Food & Beverage (F&B)	13%	▼
Entertainment	11%	▼

Source: CBRE Research, H2 2022

TABLE 3.2: KEY LEASING TRANSACTIONS IN H2 2022

PROPERTY	MICRO-MARKET	SIZE (IN SQ. FT.)	TENANT	TENANT SECTOR
Forum Falcon City (Mall)	South	70,000	Lulu Hypermarket	Hypermarket
Forum Falcon City (Mall)	South	50,000	PVR	Entertainment
Forum Falcon City (Mall)	South	50,000	Tridom	Entertainment

Source: CBRE Research, H2 2022

Mumbai: Demand driven by secondary space take-up

▼ 0.0

SUPPLY (MN SQ. FT.)

▼ ~0.22

ABSORPTION (MN SQ. FT.)

Note: Arrows indicate annual change

Absorption includes leasing in investment-grade malls, high streets; & standalone; supply includes investment-grade malls only

FIGURE 4.1: RENTAL VALUE MOVEMENT – MALL CLUSTERS

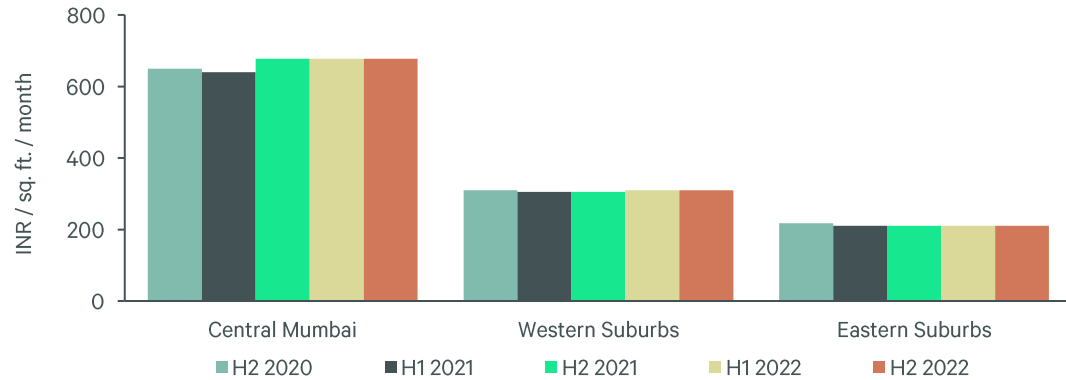
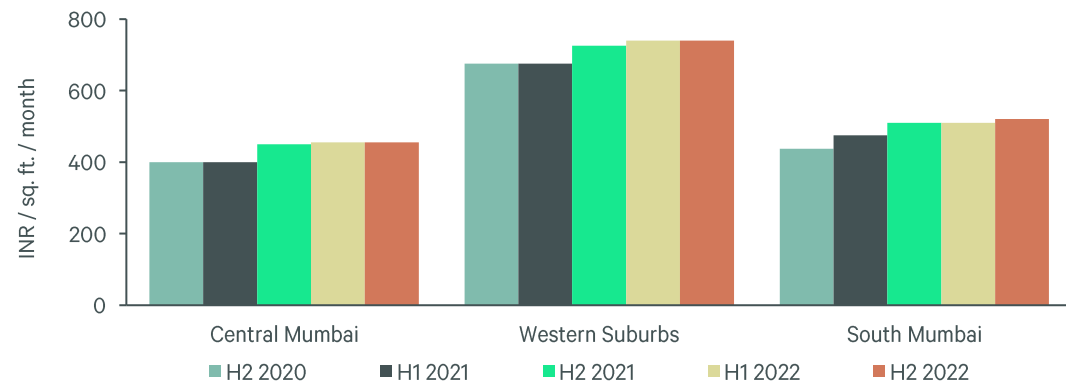


FIGURE 4.2: RENTAL VALUE MOVEMENT – HIGH STREETS



Source: CBRE Research, H2 2022

TABLE 4.1: KEY RETAIL CATEGORIES DRIVING ABSORPTION IN H2 2022

SECTOR	% SHARE	Y-o-Y MOVEMENT
Fashion & Apparel	30%	▲
Luxury	15%	▲
Food & Beverage (F&B)	10%	▲

Source: CBRE Research, H2 2022

TABLE 4.2: KEY LEASING TRANSACTIONS IN H2 2022

PROPERTY	MICRO-MARKET	SIZE (IN SQ. FT.)	TENANT	TENANT SECTOR
Peninsula Corporate Park (High Street)	Central Mumbai	90,000	Asian Paints	Others
Nexus Seawoods (Mall)	Navi Mumbai	15,000	Azorte	Fashion & Apparel
Independent development (High Street)	South Mumbai	9,000	Reliance Digital	Consumer Electronics

Source: CBRE Research, H2 2022

Chennai: Leasing almost touched pre-COVID-19 levels; led by domestic brands

▶ 0.0

SUPPLY (MN SQ. FT.)

▲ ~0.26

ABSORPTION (MN SQ. FT.)

Note: Arrows indicate annual change

Absorption includes leasing in investment-grade malls, high streets & standalone; supply includes investment-grade malls only

FIGURE 5.1: RENTAL VALUE MOVEMENT – MALL CLUSTERS

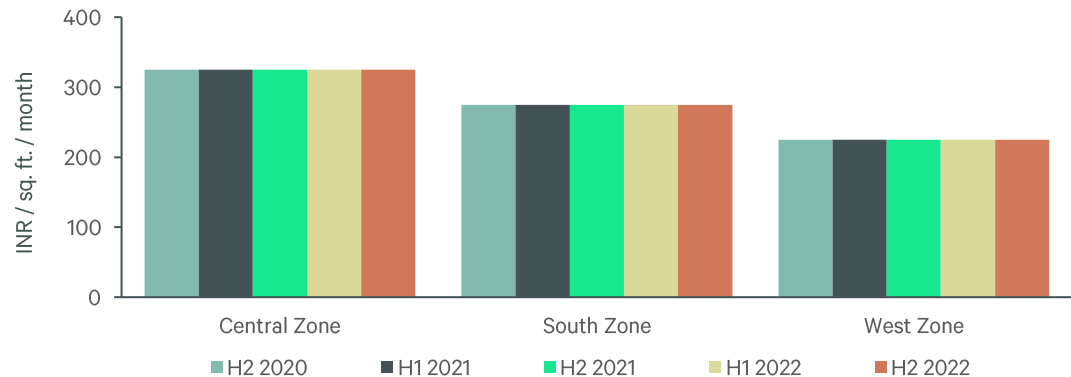
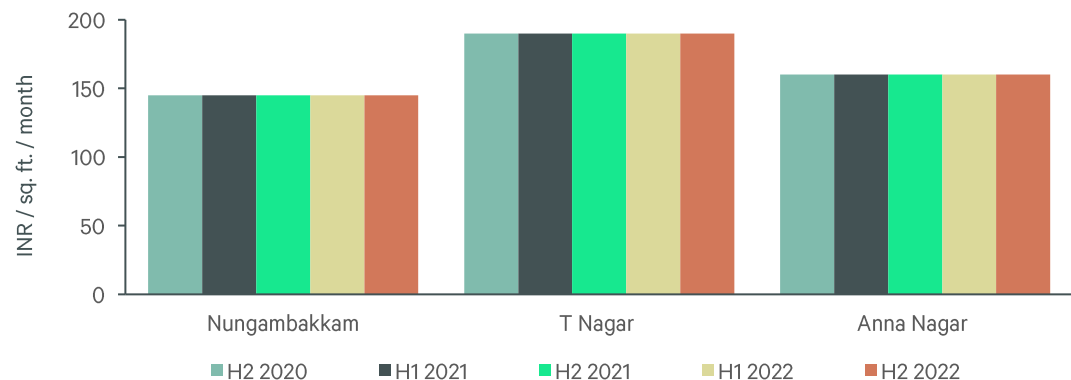


FIGURE 5.2: RENTAL VALUE MOVEMENT – HIGH STREETS



Source: CBRE Research, H2 2022

TABLE 5.1: KEY RETAIL CATEGORIES DRIVING ABSORPTION IN H2 2022

SECTOR	% SHARE	Y-o-Y MOVEMENT
Fashion & Apparel	52%	▲
Consumer Electronics	18%	▼
Luxury	7%	▲

Source: CBRE Research, H2 2022

TABLE 5.2: KEY LEASING TRANSACTIONS IN H2 2022

PROPERTY	MICRO-MARKET	SIZE (IN SQ. FT.)	TENANT	TENANT SECTOR
Chennai Citi Centre (Mall)	Central Zone	18,000	Westside	Fashion & Apparel
Independent development (High Street)	Velachery	14,000	Avantra By Trends	Fashion & Apparel
Independent development (High Street)	T Nagar	10,000	Avantra By Trends	Fashion & Apparel

Source: CBRE Research, H2 2022

Hyderabad: Leasing improved in malls; led by domestic brands

▶ 0.0

SUPPLY (MN SQ. FT.)

▼ ~0.21

ABSORPTION (MN SQ. FT.)

Note: Arrows indicate annual change

Absorption includes leasing in investment-grade malls, high streets & standalone; supply includes investment-grade malls only

FIGURE 6.1: RENTAL VALUE MOVEMENT – MALL CLUSTERS

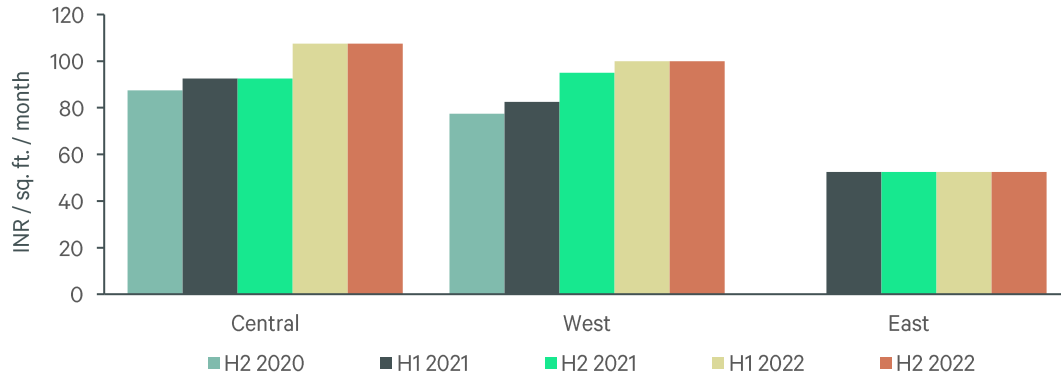
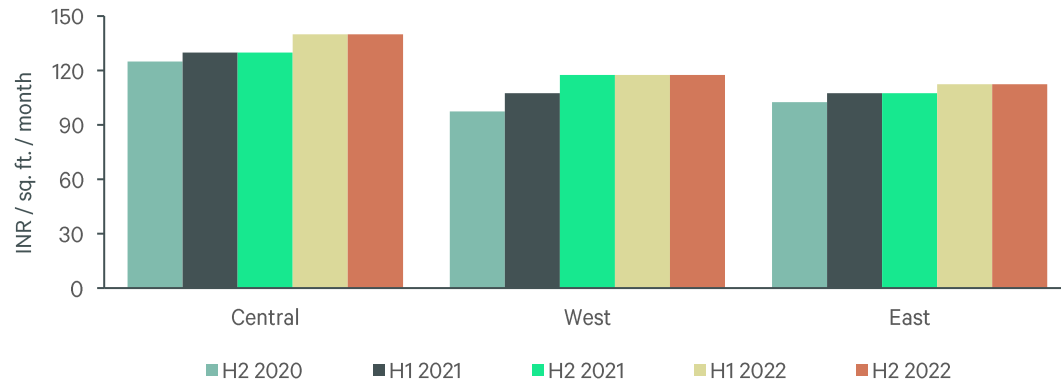


FIGURE 6.2: RENTAL VALUE MOVEMENT – HIGH STREETS



Source: CBRE Research, H2 2022

TABLE 6.1: KEY RETAIL CATEGORIES DRIVING ABSORPTION IN H2 2022

SECTOR	% SHARE	Y-o-Y MOVEMENT
Fashion & Apparel	51%	▼
Food & Beverage (F&B)	25%	▲
Hypermarket	10%	▲

Source: CBRE Research, H2 2022

TABLE 6.2: KEY LEASING TRANSACTIONS IN H2 2022

PROPERTY	MICRO-MARKET	SIZE (IN SQ. FT.)	TENANT	TENANT SECTOR
Sarath City Capital (Mall)	West	15,000	Azorte	Fashion & Apparel
Sarath City Capital (Mall)	West	15,000	Haiku Brew	Food & Beverage (F&B)
Jain's Balaji Big Town (High Street)	East	14,000	Pantaloons	Fashion & Apparel

Source: CBRE Research, H2 2022

Pune: Supply picked up pace; demand led by fashion & apparel brands

▼ 0.2

SUPPLY (MN SQ. FT.)

▼ ~0.10

ABSORPTION (MN SQ. FT.)

Note: Arrows indicate annual change

Absorption includes leasing in investment-grade malls, high streets & standalone; supply includes investment-grade malls only

FIGURE 7.1: RENTAL VALUE MOVEMENT – MALL CLUSTERS

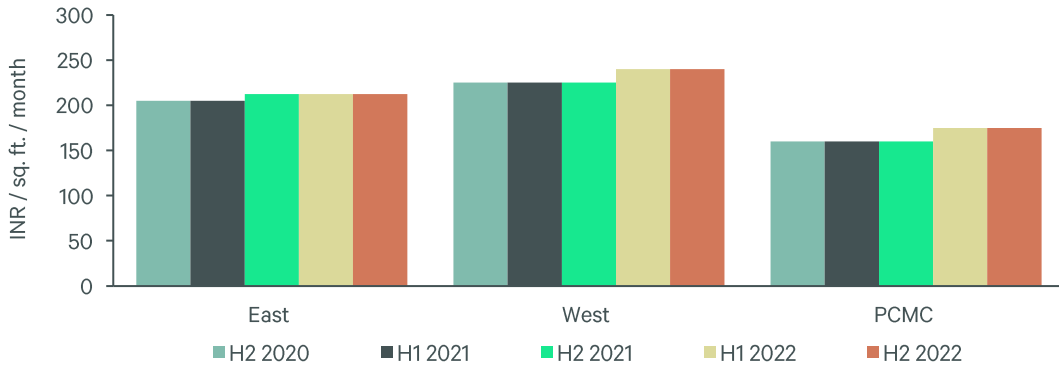
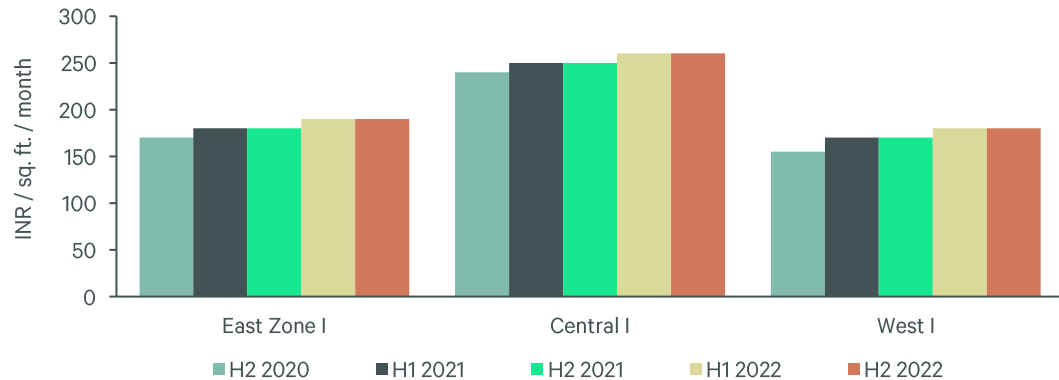


FIGURE 7.2: RENTAL VALUE MOVEMENT – HIGH STREETS



Source: CBRE Research, H2 2022

TABLE 7.1: KEY RETAIL CATEGORIES DRIVING ABSORPTION IN H2 2022

SECTOR	% SHARE	Y-o-Y MOVEMENT
Fashion & Apparel	30%	▲
Food & Beverage (F&B)	22%	▲
Homeware & Department Store	18%	▲

Source: CBRE Research, H2 2022

TABLE 7.2: KEY LEASING TRANSACTIONS IN H2 2022

PROPERTY	MICRO-MARKET	SIZE (IN SQ. FT.)	TENANT	TENANT SECTOR
Aero Mall	East	9,000	Croma	Consumer Electronics
Aero Mall	East	6,000	Mr. DIY	Homeware & Department Store
Independent development (High Street)	West III	3,000	Puma	Fashion & Apparel

Source: CBRE Research, H2 2022

Kolkata: Retail leasing strengthened; led by strong footfalls due to festive season

▶ 0.0

SUPPLY (MN SQ. FT.)

▲ ~0.14

ABSORPTION (MN SQ. FT.)

Note: Arrows indicate annual change

Absorption includes leasing in investment-grade malls, high streets & standalone; supply includes investment-grade malls only

FIGURE 8.1: RENTAL VALUE MOVEMENT – MALL CLUSTERS

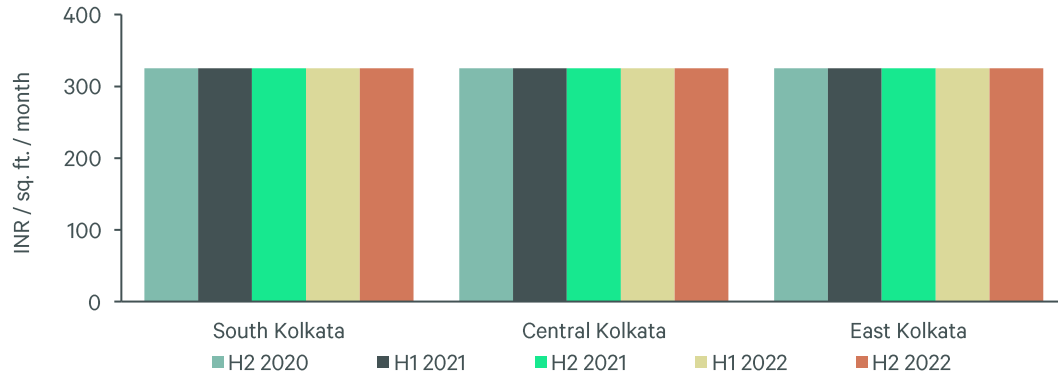
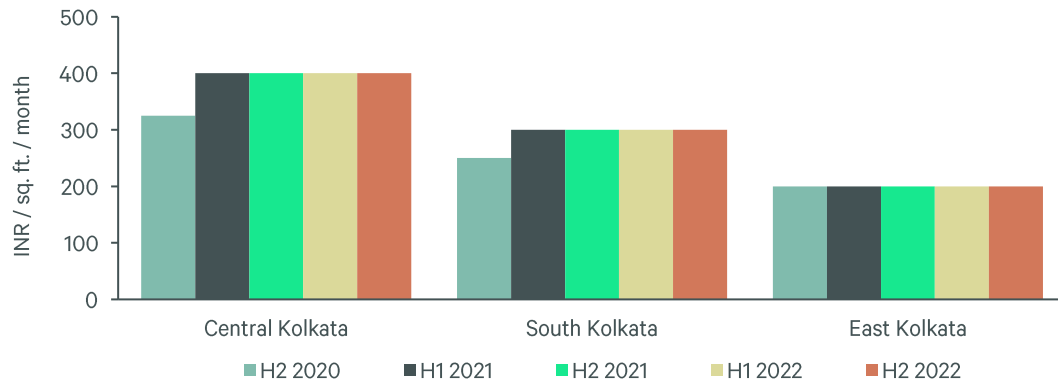


FIGURE 8.2: RENTAL VALUE MOVEMENT – HIGH STREETS



Source: CBRE Research, H2 2022

TABLE 8.1: KEY RETAIL CATEGORIES DRIVING ABSORPTION IN H2 2022

SECTOR	% SHARE	Y-o-Y MOVEMENT
Fashion & Apparel	71%	▲
Luxury	9%	▲
Consumer Electronics	7%	▼

Source: CBRE Research, H2 2022

TABLE 8.2: KEY LEASING TRANSACTIONS IN H2 2022

PROPERTY	MICRO-MARKET	SIZE (IN SQ. FT.)	TENANT	TENANT SECTOR
Metropolitan Building (High Street)	Central Kolkata	35,000	V-Mart	Fashion & Apparel
Independent development (High Street)	East Kolkata	17,000	Shoppers Stop	Fashion & Apparel
South City Mall	South Kolkata	6,000	The Collective	Luxury

Source: CBRE Research, H2 2022

Ahmedabad: Leasing led by expansionary demand from fashion & apparel brands

▶ 0.0

SUPPLY (MN SQ. FT.)

▲ ~0.07

ABSORPTION (MN SQ. FT.)

Note: Arrows indicate annual change

Absorption includes leasing in investment-grade malls, high streets; & standalone supply includes investment-grade malls only

FIGURE 9.1: RENTAL VALUE MOVEMENT – MALL CLUSTERS

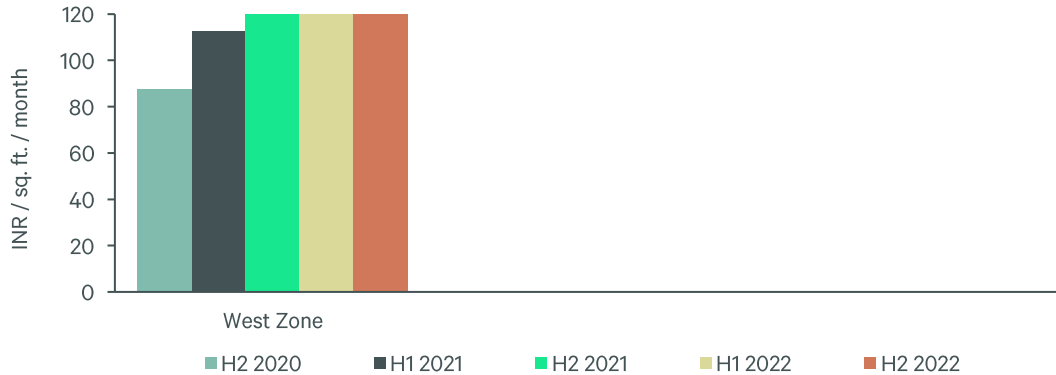
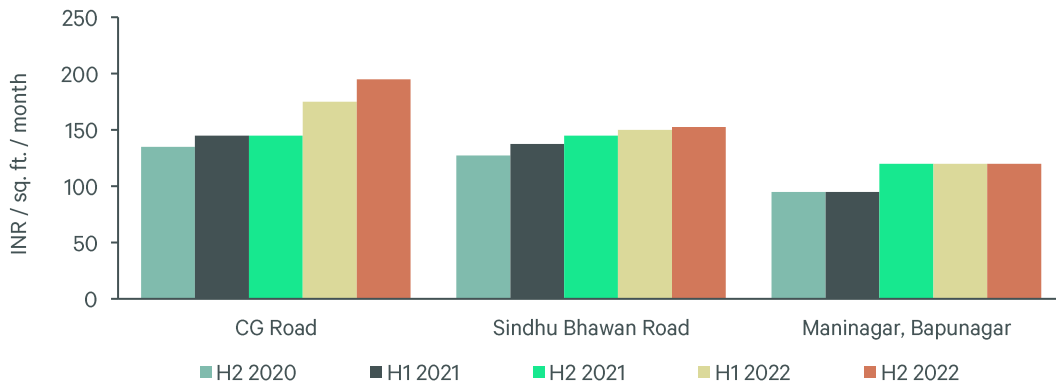


FIGURE 9.2: RENTAL VALUE MOVEMENT – HIGH STREETS



Source: CBRE Research, H2 2022

TABLE 9.1: KEY RETAIL CATEGORIES DRIVING ABSORPTION IN H2 2022

SECTOR	% SHARE	Y-o-Y MOVEMENT
Fashion & Apparel	52%	▲
Food & Beverage (F&B)	16%	▲
Homeware and Department Store	7%	▲

Source: CBRE Research, H2 2022

TABLE 9.2: KEY LEASING TRANSACTIONS IN H2 2022

PROPERTY	MICRO-MARKET	SIZE (IN SQ. FT.)	TENANT	TENANT SECTOR
Turquoise 3 (High Street)	Bopal/SOBO	12,000	Zudio	Fashion & Apparel
Punishka (High Street)	Sindhu Bhawan Road	5,000	House of Anita Dongre	Fashion & Apparel
B Square 3 (High Street)	Sindhu Bhawan Road	4,000	Tasva	Fashion & Apparel

Source: CBRE Research, H2 2022

Research Contacts

Abhinav Joshi

Head of Research, India, Middle East and North Africa
abhinav.joshi@cbre.co.in

Vidhi Dheri

Head of North & West Research Operations, India
vidhi.dheri@cbre.co.in

Uttara Nilawar

Senior General Manager
uttara.nilawar@cbre.com

Mainak Karmakar

Senior Manager
mainak.karmakar@cbre.com

Tauseef Ahmad

Manager
tauseef.ahmad@cbre.com

Neha Guhe

Senior Research Analyst
neha.guhe@cbre.com

India A&T Contacts

India

Ram Chandnani

Managing Director,
Advisory and Transaction Services, India
ram.chandnani@cbre.co.in

Bimal Sharma

Executive Director – Head of Retail, India
bimal.sharma@cbre.co.in

North India

Sakshi Goel

sakshi.goel@cbre.com

Bangalore

Anand Dutta

anand.dutta@cbre.com

Mumbai

Saket Amrit

saket.amrit@cbre.com

Harshvardhan Singh

harshvardhan.singh@cbre.com

Chennai

Srinivasan Gopinath

srinivasan.gopinath@cbre.com

Hyderabad

Yatish Aseri

yatish.aseri@cbre.com

Pune & Ahmedabad

Virang Gandhi

virang.gandhi@cbre.com

Kolkata

Prabhakar Pandey

Prabhakar.Pandey@cbre.com

Business Line Contacts

Advisory & Transactions

Ram Chandnani

Managing Director,
Advisory & Transaction Services, India
ram.chandnani@cbre.co.in

Capital Markets

Gaurav Kumar

Managing Director & Co-Head, Capital Markets, India
gaurav.kumar@cbre.co.in

Consulting & Valuation

Rami Kaushal

Managing Director,
Consulting & Valuations, India, Middle East & Africa
rami.kaushal@cbre.co.in

Capital Markets

Nikhil Bhatia

Managing Director & Co-Head, Capital Markets, India
nikhil.bhatia@cbre.co.in

Global Workplace Solutions

Rajesh Pandit

Managing Director,
Global Workplace Solutions, India & Property
Management, India, SE Asia, Middle East & North Africa
rajesh.pandit@cbre.co.in

Project Management

Gurjot Bhatia

Managing Director,
Project Management, India, SE Asia, Middle East & Africa
gurjot.bhatia@cbre.co.in

Follow Us

CBREalty



© Copyright 2023. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the retail real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

Assumptions are a necessary part of undertaking real estate market studies. CBRE adopts assumptions for the purpose of providing the report because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. The retail market performance detailed in this report considers all information received until 31-December-2022. The half-yearly estimates also include a fair set of assumptions based on discussions with stakeholders at the time of finalizing this document. These assumptions pertaining to lease deal closures, supply completions and pre-lease culminations in these properties have been arrived at basis careful deliberations. Furthermore, these estimates are subject to upward / downward revisions in subsequent weeks as renewed information flows in from the market.