

AHMEDABAD

Retail Q4 2022

CUSHMAN & WAKEFIELD

22.5% MALL VACANCY (Q4 2022)

2.6 msf MALL INVENTORY (Q4 2022)

0.2 msf NEW MALL SUPPLY (2022)

Healthy leasing momentum in Q4; vacancy remains steady

In Q4 2022, Ahmedabad malls witnessed healthy leasing activity, mostly in the form of retailer churn in superior malls. Some average-grade malls recorded fresh space take-up. Leasing in superior malls is driven mainly by Fashion and Accessories stores. Overall city-wide mall vacancy stood at 22.5% in Q4, similar to levels seen in the previous quarter, although superior malls have a lower vacancy of ~11%.

No new supply got added to the city's mall inventory during the quarter. With one Grade A mall supply of 0.2 msf recorded at the start of the year, the city's mall inventory stands at 2.6 msf. New supply of 0.7 msf from Phoenix Palladium mall is likely to commence operations at the start of 2023. With ~85% of upcoming mall already pre-leased, overall city-wide vacancy is likely to be largely unaffected. With the commencement of under-construction and planned retail projects in the city, the share of superior-grade retail stock in the city is expected to improve.

Main street leasing driven by Fashion and Accessories

Main streets witnessed good leasing activity in the last quarter, maintaining the momentum seen in the previous quarters. This quarter witnessed store openings from the premium fashion and accessories category in the CBD and SBD micro markets. For the whole year, the majority of the leasing activity was by fashion brands and was concentrated at Sindhu Bhavan Road

Quoted mall rentals remained stable during the year

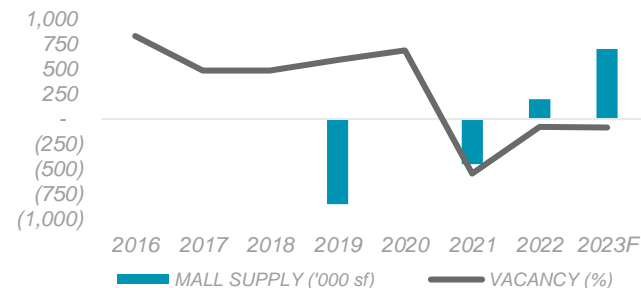
Superior malls quoted the same rentals in the quarter, but it had marginally risen in the recent past due to healthy demand for quality mall space and high occupancy rates. Lower-grade malls continued to see pressure on rents owing to higher vacancies. Improving footfalls and sales volumes is likely to provide an impetus to leasing activity and gradually lead to mall rental growth over the next few quarters. Revenue share is the preferred business model for some retail tenants and this rental arrangement is likely to continue going forward.

ECONOMIC INDICATORS Q4 2022

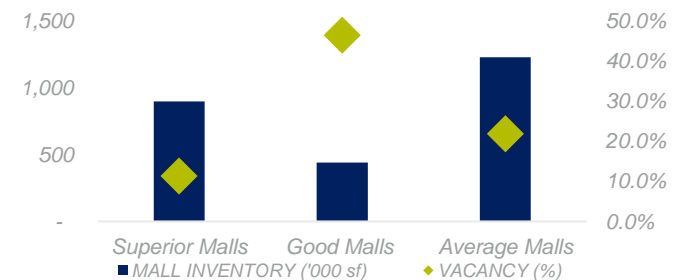
	2021	2022	2023 Forecast
GDP Growth	8.7%	6.8%	6.1%
CPI Growth	5.3%	6.7%	5.0%
Consumer Spending	6.3%	7.5%	7.2%
Govt. Final Expenditure Growth	10.8%	9.7%	8.5%

Source: Oxford Economics, RBI, IMF

MALL SUPPLY / VACANCY



CATEGORY-WISE STOCK / VACANCY



MARKET STATISTICS

PRIME RETAIL RENTS – MAIN STREETS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
C.G. Road	155	22.2	22.6	0.0%	4.0%
Prahladnagar	155	22.2	22.6	0.0%	3.3%
Sindhu Bhavan Road	185	26.5	26.9	0.0%	2.8%
132ft Ring Road	160	23.3	22.9	0.0%	1.9%
S.G. Highway	150	21.5	21.8	0.0%	2.7%
Ambli – Bopal Road	150	21.5	21.9	0.0%	2.7%
PRIME RETAIL RENTS - MALLS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
Ahmedabad One	310-350	44-50	45-51	0.0%	0.0%
The Retail Park (TRP)	130-180	18-26	18-26	0.0%	0.0%
Himalaya Mall	110-130	16-19	16-19	0.0%	0.0%

Note: Asking average base rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
 US\$ = INR 82.3 AND € = INR 83.60

SIGNIFICANT LEASING TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	TENANT	SF
Main Street	Ambli-Bopal Road	HDFC Bank	2,000-2,500
Main Street	Sindhubhavan Road	Rare Rabbit	2,000-2,500
Main Street	CG Road	Renee Cosmetics	1,000-1,500
Main Street	Prahladnagar	Donear	1,000 –1,500

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	SF	COMPLETION DATE
Phoenix Palladium Mall	S G Highway	700,000	Q1 2023

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