

DELHI NCR

Retail Q4 2022

CUSHMAN & WAKEFIELD

27.86 msf MALL INVENTORY* (Q4 2022)

16.6% MALL VACANCY (Q4 2022)

0.49 msf NEW MALL SUPPLY (Q4 2022)

*Malls that have shutdown or cases where majority of the tenants have vacated spaces have been withdrawn from the inventory

Entertainment and F&B segments drive retail leasing in Q4

Delhi NCR witnessed total retail leasing of around 0.36 msf during Q4, thereby taking the annual retail leasing to 1.18 msf for 2022. Quarterly mall leasing was 0.29 msf, adding up to an annual mall leasing volume of 0.9 msf. Nearly 57% of quarterly mall leasing activity was contributed by new leases which was approx. 0.16 msf as occupancy increased in recently completed developments. Majority of the quarterly leasing activity in malls were in the Entertainment sector, accounting for 42% share, followed by F&B segment with a 20% share.

Main streets witnessed leasing of approx. 0.07 msf in Q4, with large activity concentrated around main streets of Khan Market, South Extension and Defence colony. F&B accounted for 32% of quarterly leasing in main streets, followed by Accessories & lifestyle segment with 26% share. Tim Hortons inaugurated it's first store in Skymark, Noida. For the whole year, total main street leasing volume stood at 0.28 msf in 2022.

Marginal increase in mall space availability as two new malls get added to inventory

Delhi NCR witnessed 0.49 Msf of new mall supply with addition of two malls in Noida (Gulshan One 29) and Gurugram (AIPL Joy Central) during the quarter, which were the only mall completions in 2022. AIPL Joy central in Golf course Extension, Gurugram witnessed store openings by fashion and apparel, athleisure, beauty and wellness segments along with the inauguration of INOX Multiplex on the second and third floors of the mall. On the other hand, Gulshan One 29 in Noida saw opening of F&B outlets along with stores from entertainment, fashion and apparel segments. As mall inventory increased to 27.86 msf, a marginal rise of 1% point was observed in the fourth quarter, taking overall vacancy to 16.6%. Malls in the superior grade category have much lower vacancies, mostly in single digits. In 2023, an estimated 1.04 msf of new mall supply is awaited

Mall rentals remained stable; main street witness rental growth

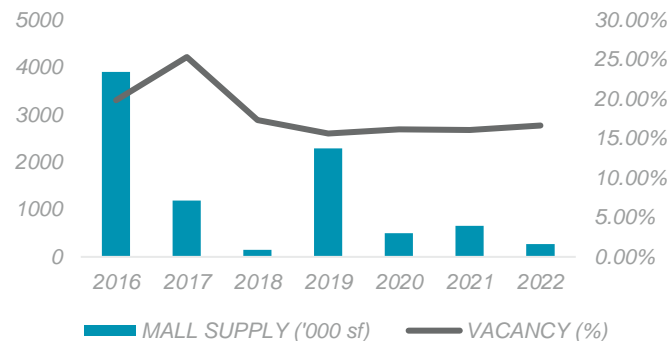
Mall rentals in Delhi and Gurugram remained stable in Q4, however malls in Noida witnessed an increase of 8 – 12% on a q-o-q basis. Main streets like DLF Galleria in Gurugram witnessed q-o-q rental growth of 5-7%. Rentals in other main streets such as Rajouri garden, South Extension, Khan market etc. though remained stable on a quarterly basis, witnessed a y-o-y increase of 10 – 12% during end 2022.

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, IMF, RBI

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
Khan Market	1,450	208	211	0%	7%
South Extension I & II	700	100	102	0%	0%
Lajpat Nagar	250	36	36	0%	0%
Connaught Place	1050	151	153	0%	5%
Greater Kailash I, M Block	425	61	62	0%	13%
Rajouri Garden	250	36	36	0%	11%
Punjabi Bagh	250	36	36	0%	11%
Karol Bagh	390	56	57	0%	1%
Kamla Nagar	400	57	58	0%	5%
DLF Galleria (Gurugram)	950	136	139	7%	41%
Sector 29 (Gurugram)	160	23	23	-3%	-11%
Sector 18 (Noida)	200	29	29	0%	11%

PRIME RETAIL RENTS – MALLS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
Select City Walk, Delhi	1,350^	187	190	0%	0%
DLF Promenade, Delhi	500	72	73	0%	0%
The Chanakya, Delhi	1,250^	179	182	0%	0%
Ambience Mall, Gurugram	550	79	80	0%	0%
Mall of India, Noida	450	65	66	13%	0%

*Note: Asking rent (INR/sf/month) of ground floor Vanilla stores is quoted
 US\$ = INR 82.3 € = INR 83.6

^ Based on carpet area

SIGNIFICANT LEASING TRANSACTIONS Q4 2022

PROPERTY / MAIN STREET	LOCATION	TENANT	SF
Mall	Select City Walk	Nike	9,800
Main Street	South Extension - I	Wooden n Street	3,200
Mall	Select City Walk	Adidas	7,800
Mall	AIPL Joy Central	INOX	10 Screens

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Pacific Mall, Jasola	New Delhi	220,000	Q1 2023
Unity One	New Delhi	225,000	Q4 2023

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