

AHMEDABAD

Retail Q3 2023

CUSHMAN & WAKEFIELD

18.35% MALL VACANCY (Q3 2023)

2.87 msf MALL INVENTORY* (AS OF Q3 2023)

55% SHARE OF FASHION SEGMENT IN Q3 MAIN STREET LEASING

**Few of the malls that got converted to business centers or other usages, have been withdrawn from the inventory*

Healthy main street leasing, driven by Fashion segment

Ahmedabad recorded main street leasing volume of ~67,500 sf in the third quarter, a 20% drop on a q-o-q basis but a 12% jump from the same period last year. The leasing activity was dominated by Fashion with a 55% share followed by the Accessories & Lifestyle segment with a 21% share. Main streets like Ambli-Bopal Road and Shyamal-Prahladnagar Road have witnessed almost ~50% of the total leasing activity in the quarter. A prominent luxury apparel brand has taken up space in the city for its flagship store in the SBD submarket. Prominent main streets like Sindhu Bhavan Road, Ambli-Bopal Road and CG Road with a limited available supply continue to witness strong demand which has resulted into rental appreciation.

Given the limited availability of superior grade mall spaces, main streets will continue to drive the leasing momentum in the coming quarters as well. Ambli-Bopal Road and Shyamal-Prahladnagar Road are expected to witness new main street activity over the next three years. Additionally, with prominent new commercial supply proposed in the PBD submarket, new retail stretches are expected to flourish in the nearby areas over the next three years. Further, the state government has invited interests for development of entertainment hub in central submarket and northern peripheral markets.

Minor drop in overall mall vacancy; leasing dominated by Fashion segment

Ahmedabad malls recorded a leasing activity of ~22,000 sf in the third quarter. The total leasing activity marked a growth of 2.5x on q-o-q basis and 12% on a y-o-y basis. Leasing was dominated by fashion segment with a 75% share in the total space take-up. F&B, CDIT and Footwear brands were also active in this quarter. Superior malls witnessed new space take-up by fast fashion brands. Many pre-leased retail units in Palladium Mall became operational during the third quarter leading to consistent high footfalls in the mall. Overall city-wide mall vacancy was recorded at 18.35% during the third quarter, indicating a 107 bps drop from previous quarter. Superior malls continue to record tighter vacancies in the range of 7-10%. With no new supply addition and low vacancy levels in superior-grade malls, space constraints in malls will persist in the near term.

Main street rents record growth

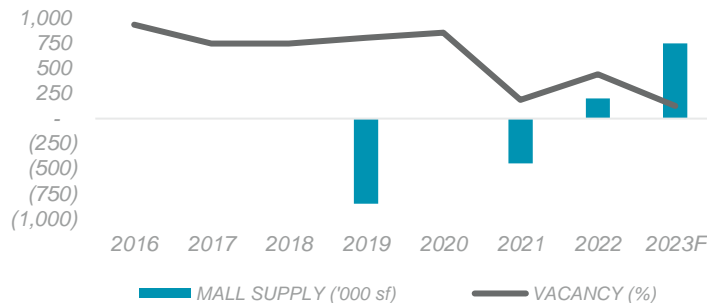
Main streets rentals have experienced an average rise of 7-10% on a q-o-q basis and 15-20% on a y-o-y basis. Driven by strong demand and limited space availability, prominent streets including Sindhu Bhavan Road, CG Road and Iskcon-Ambli Road have witnessed rental appreciation in a range of 10-20% on a q-o-q basis. Going ahead, these prominent main streets might experience a nominal rental growth over the next few quarters.

ECONOMIC INDICATORS Q3 2023

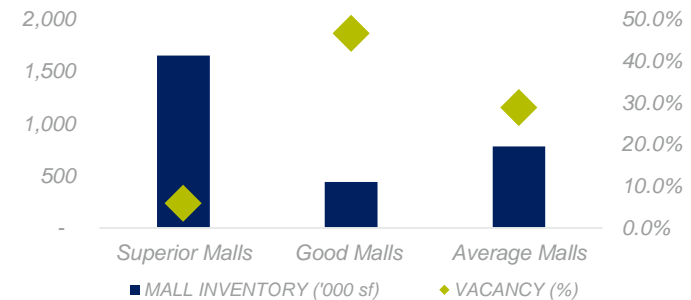
	2022	2023	2024 Forecast
GDP Growth	7.2 %	6.1%	6.5%
CPI Growth	6.7%	5.3%	5.0%
Consumer Spending	7.5%	7.0%	6.7%
Govt. Final Expenditure Growth	9.7%	8.1%	7.4%

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	175-195	24-27	26-28	9%	19%
Prahladnagar	175-195	24-27	26-28	9%	19%
Sindhu Bhavan Road	220-240	30-33	32-35	10%	24%
Science City Road	150-170	21-23	22-25	0%	7%
S.G. Highway*	165-185	23-25	24-27	4%	17%
Ambli – Bopal Road	190-210	26-29	28-31	21%	33%

*S.G Highway rentals are given for the main street retail between Sarkhej to Thaltej locations

**Note: Asking average base rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
US\$ 1 = INR 82.21; € 1 = INR 87.68

SIGNIFICANT LEASING TRANSACTIONS Q3 2023

PROPERTY	SUBMARKET	TENANT	AREA (SF)
Pushti Cross	Navrangpura	VIVO	7000 - 7500
Colonnade	Iskcon – Ambli Road	Kalki	5000 - 5500
Puniska	Off Iskcon - Ambli Road	Aza Fashion	5000 - 5500

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	SF	COMPLETION DATE
No major retail projects announced	-	-	-

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