

DELHI NCR

Retail Q3 2023

CUSHMAN & WAKEFIELD

26.9 msf

MALL INVENTORY*
(Q3 2023)

15.7%

MALL VACANCY
(Q3 2023)

0.6 msf

UPCOMING MALL SUPPLY
(Q4 2023)

*Malls that have shutdown or cases where majority of the tenants have vacated spaces have been withdrawn from the inventory

Momentum in Retail Leasing Persists in Q3, Driven by F&B and Accessories & Lifestyle

During the third quarter of 2023, Delhi NCR witnessed retail leasing volumes of 0.45 msf across malls and main street, which is 34% higher than the previous quarter and a significant rise of 1.3X when compared to the same period last year. This brings the total YTD leasing to 1.14 msf which is 39% higher when compared to the collective nine months of 2022. During the quarter, approximately 0.3 msf of mall space was leased. This represents a 35% increase on a q-o-q basis and a significant 1.7X increase on a y-o-y basis. 16% of these leases constituted new space take-ups. The F&B sector played a significant role in driving mall leasing demand, capturing 28% of the market share, closely followed by the Accessories & Lifestyle and Fashion sector, which accounted for 27% and 22% of the leasing activity, respectively.

Leasing activity on the main streets of Delhi NCR also increased during the quarter, with a total of 0.14 msf of space leased. This marked a 33% increase on a q-o-q basis and a substantial 77% growth compared to the same period in the previous year. Submarkets in South Delhi, particularly South Extension-I and Lajpat Nagar, drove the demand. Within the main street leasing landscape, the Accessories & Lifestyle segment took the lead, capturing a 34% share of the market, followed by the F&B sector with 23% and the CDIT segment with 13% of the shares.

Mall vacancy rates decline marginally during Q3 2023

Delhi NCR experienced a q-o-q decline of 10 bps in mall vacancy levels, however, an increase of 20 basis points when compared to same period last year. As a result, overall mall vacancy rate in Delhi NCR now stands at 15.7%. Superior quality malls witnessed a marginal drop, and it currently sits in a narrow range of 3 – 5%. The city is likely to witness an estimated supply of 0.82 msf in the next six months, which could lead to a slight uptick in vacancy levels in the superior and good category segments.

Rental Market remains stable during the Quarter

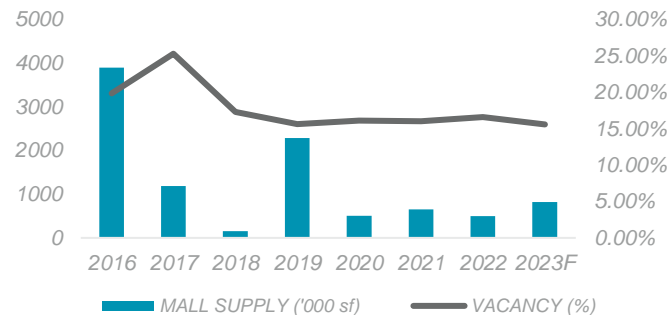
Mall rentals in Delhi NCR remained stable during the quarter. Prime main streets such as South Extension, Lajpat Nagar and Galleria market witnessed a 10-15% growth on y-o-y basis. Other main street markets such as Khan Market, Rajouri Garden, Greater Kailash and Noida Sector 18 remained stable on q-o-q basis as well as y-o-y basis.

ECONOMIC INDICATORS Q3 2023

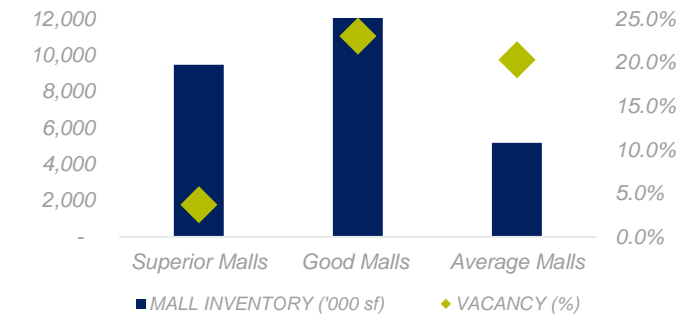
	2022	2023	2024 Forecast
GDP Growth	7.2%	6.1%	6.5%
CPI Growth	6.7%	5.3%	5.0%
Consumer Spending	7.5%	7.0%	6.7%
Govt. Final Expenditure Growth	9.7%	8.1%	7.4%

Source: Oxford Economics, 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	1,500 - 1,600	205.3	219.0	0%	3%
South Extension I & II	800 - 850	109.5	116.8	0%	14%
Lajpat Nagar	275 – 300	37.6	40.1	0%	10%
Connaught Place	1,050 - 1,150	143.7	153.3	0%	0%
Greater Kailash I, M Block	425 – 450	58.2	62.0	0%	0%
Rajouri Garden	250 – 260	34.2	36.5	0%	0%
Punjabi Bagh	250 – 260	34.2	36.5	0%	0%
Karol Bagh	390 - 400	53.4	56.9	0%	0%
Kamla Nagar	400 – 425	54.7	58.4	0%	0%
Galleria Market (Gurugram)	1,000 - 1,050	136.9	146.0	0%	13%
Sector 29 (Gurugram)	160 – 175	21.9	23.4	0%	-3%
Sector 18 (Noida)	200 - 225	27.4	29.2	0%	0%

*Note: Asking rent (INR/sf/month) on the Super area for ground floor is quoted
 US\$ = INR 82.21 € = INR 87.68

SIGNIFICANT LEASING TRANSACTIONS Q3 2023

PROPERTY / MAIN STREET	LOCATION	TENANT	SF
Main Street	South Extension Part - 1	Tanishq	17,000
Mall	Ambience Mall, Gurugram	Time Zone	47,000
Main Street	Greater Kailash Part – 2	Theos	1,000
Mall	Great India Place, Noida	Zudio	17,490

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Bestech Athena	Gurugram	600,000	Q4 2023
Unity One	New Delhi	225,000	Q1 2024

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