

HYDERABAD

Retail Q3 2023

CUSHMAN & WAKEFIELD

~0.45 msf OF LEASING ACTIVITY (Q3 2023) IN MAIN STREETS

3 - 5% VACANCY IN SUPERIOR GRADE MALLS (Q3 2023)

0.45 msf QUARTERLY SUPPLY ADDITION (Q3-23)

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

Continued momentum in quarterly leasing activity, driven by highstreets

In the case of the main street, about 450,000 sf of leasing was witnessed across CBD and upcoming areas like Kompally, RC Puram, Kokapet, Jubilee Hills -45, Uppal, Banjara Hills-1&2, and Kothapet. Segments such as Fashion, F&B, Jewellery, Automobile, FMCG and CDIT were major drivers of the quarterly activity witnessed across the city. Locations like Jubilee Hills, Banjara Hills etc have witnessed store openings by fashion labels and home décor segments catering to the HNI category.

The third quarter of 2023 witnessed healthy leasing momentum in retail malls, driven by the opening of retail mall space in the Kukatpally area. Quarterly leasing was largely driven by store openings in the Hypermarket, Fashion and Entertainment segments. In this quarter, a prominent national retail brand launched its 'youth-focused value fashion' retail segment and a prominent CDIT brand opened up its 'largest experience centre' in prominent malls in Kondapur & Kukatpally. Going forward, brands in similar segments are expected to increase their presence across prominent city locations.

Mall vacancies remain stable given the limited supply add

Q3 2023 witnessed re-launch of a prominent supply of 0.45 msf in the Kukatpally area. In terms of upcoming supply, a close 0.9 msf supply pipeline is expected by 2024, adding retail space in the Nallagandla and Shamshabad. City-level vacancies largely remained stable during the quarter, with superior malls witnessing vacancy levels close to 3-5% and are expected to remain range-bound in upcoming quarters, with consistent demand.

Main Street rental witness steady growth

While the overall city main streets locations have witnessed an uptick in rentals from previous quarters, prominent locations like Ameerpet, Jubilee Hills and Madhapur and other prominent main street locations have seen a 5-25% growth in rentals over the last few quarters. The city mall rentals are expected to witness the range bound over the next few quarters, given the supply infusion.

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
Kompally	180	26.27	24.64	1.00%	4.00%
M G.Road/Parklane	150	21.90	20.53	1.00%	4.90%
Dilsukhnagar/ Kothapet	180	26.27	24.64	1.00%	0.00%
Banjara Hills	225	32.84	30.79	2.00%	28.57%
Abids/Koti	125	18.25	17.11	1.00%	0.00%
Himayathnagar	225	32.84	30.79	2.00%	14.58%
Punjagutta/ Ameerpet	140	21.90	20.53	1.00%	18.64%
Madinaguda/ Chandanagar	135	19.71	18.48	1.50%	16.38%
Jubilee Hills	220	32.11	30.11	10.00%	29.87%
Kukatpally NH.9	150	21.90	20.53	1.00%	4.17%
A.S. Rao Nagar	150	21.90	20.53	1.00%	19.05%
Madhapur/ Kondapur	150	21.90	20.53	11.00%	22.73%
Nallagandla	140	20.44	19.16	1.00%	5.00%
Habsiguda	180	26.27	24.64	1.00%	5.00%
Attapur	120	17.52	16.42	1.00%	5.00%
Manikonda	120	17.52	16.42	1.00%	5.00%
Thrimulgiri / Vikrampuri	140	20.44	19.16	1.00%	5.00%
Kokapet	130	18.98	17.79	1.50%	5.00%

Note: Asking rent (INR/SF/month) on the carpet area of ground floor Vanilla stores is quoted
 US\$ = INR 82.17 AND € = INR 89.43

SIGNIFICANT LEASING TRANSACTIONS Q2 2023

PROPERTY	LOCATION	TENANT	SF
Main Street	BN Reddy Nagar/ Bandalaguda	Pantaloons	25,000-30,000
Main Street	Hayat Nagar	Bajaj Electricals	15,000
Inorbit Mall	Cyberabad	Samsung India	3,500
Next Prima Mall	Irrum Manzil	H&M	18,900

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION DATE
Aparna Mall & Multiplex	Nallagandla	700,000	Q4 2023
Lakeshore mall	Kukatpally	1,660,000	Q2 2025

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