

7.46% MALL VACANCY (Q3 2023)

119,043 sf GLV (Q3 2023)

0.6 msf UPCOMING SUPPLY BY 2024

Robust leasing in malls; Fashion segment drives demand

Pune's malls have recorded leasing activity of ~0.19 msf in this quarter, a leap of 2x on a q-o-q basis, although y-o-y numbers declined by 18%. Total YTD-2023 leasing was recorded at ~0.28 msf across malls, a 44% drop from last year because of high base effect of last year's recording historic high activity. Quarterly leasing activity was primarily steered by fashion segment (close to 72% share), largely concentrated in the new retail spaces opened at northern submarket. Main street retail in the city witnessed store openings across locations like Satara road, FC road with segments like F&B, Jewellery, fashion driving the demand. A prominent international coffee chain has also opened its first store in Pune at the Balewadi highstreet area.

Looking ahead, the new established retail mall space is expected to experience increased demand from high end brands expanding its presence. Furthermore, the well-established main street in Baner is poised for heightened activity in the forthcoming quarters, with the completion of new commercial buildings offering additional retail spaces in the vicinity.

Slight uptick in vacancy driven by new supply

In Q3, Pune's mall inventory stood at 7.9 msf. with a supply addition of close to 1 msf. Given the quarterly supply infusion, the city's average vacancy rose to 7.46%, a 144 bps jump from the previous quarter. Given a healthy demand for quality space, these vacancy levels are expected to moderate going forward. Additional supply of ~0.6 msf is set to enter the market in the next few quarters largely concentrated in CBD (66%) and SBD East (34%).

ECONOMIC INDICATORS Q3 2023

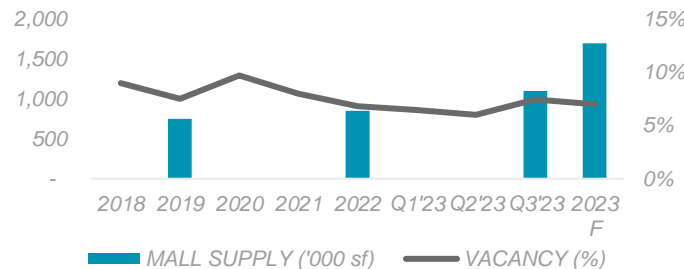
	2022	2023	2024 Forecast
GDP Growth	7.2%	6.1%	6.5%
CPI Growth	6.7%	5.3%	5.0%
Consumer Spending	7.5%	7.0%	6.7%
Govt. Final Expenditure Growth	9.7%	8.1%	7.4%

Source: Oxford Economics, IMF, RBI

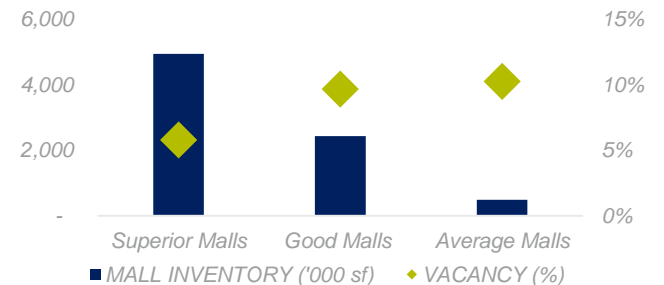
Main Street & Mall rentals witness improvement

City-wide main street rentals increased 5-6% on a q-o-q basis on the back of limited supply in prominent main streets like Koregaon Park and FC Road. Prominent retail malls witnessed stable rentals during the quarter. Despite low vacancies across superior malls, healthy upcoming supply is likely to keep rentals stable in the upcoming quarters.

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
M.G. Road	290 – 350	40 – 48	42 – 51	10.0%	0.0%
J.M. Road	280 – 350	38 – 48	41 – 51	10.0%	0.0%
F.C. Road	280 – 300	38 – 41	41 – 44	10.0%	12.0%
Koregaon Park	280 – 350	38 – 48	41 – 51	6.0%	12.1%
Aundh	180 – 230	25 – 31	26 – 34	10.0%	0.0%
Bund Garden Rd	130 – 150	18 – 21	19 – 22	0.0%	0.0%
Mumbai-Pune Highway – PCMC	100 – 130	14 – 18	15 – 19	0.0%	0.0%
Baner- Balewadi	160 – 220	22 – 30	23 – 32	0.0%	0.0%
Kothrud, Karve Road	140 – 160	19 – 22	20 – 23	0.0%	0.0%
Pune Satara Road	120 – 130	16 – 18	18 – 19	0.0%	0.0%

Note: Asking rent (INR/sf/month) on the carpet area of ground floor Vanilla stores is quoted
 US\$ = INR 82.21 AND € = INR 87.68

SIGNIFICANT LEASING TRANSACTIONS Q3 2023

PROPERTY / MAIN STREET	SUBMARKET	TENANT	Area (sf)
Phoenix Millennium	Wakad	Shoppers Stop	~31,403
Phoenix Millennium	Wakad	Westside	~25,705
Phoenix Millennium	Wakad	Pantaloons	~15,986
Global High Street	Hinjawadi	The Waffle Co	~200

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION
Nyati Plaza	Kharadi	200,000	Q4 2023
KOPA Mall	Koregaon Park	400,000	Q4 2023

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