

HYDERABAD

Retail Q1 2024

CUSHMAN & WAKEFIELD

-0.49 msf OF LEASING ACTIVITY (Q1 2024) IN MAIN STREETS

3 - 5% VACANCY IN SUPERIOR GRADE MALLS (Q1 2024)

3.5 msf SUPPLY PIPELINE - 2024

ECONOMIC INDICATORS Q1 2024

	2023	2024	2025 Forecast
GDP Growth	7.3%	7.0%	6.5%
CPI Growth	5.6%	4.5%	4.2%
Consumer Spending	5.0%	6.1%	6.5%
Govt. Final Expenditure Growth	7.5%	7.0%	6.7%

Source: Oxford Economics, IMF, RBI

Healthy growth in Main Street leasing driven by Hypermarkets & Fashion

In the first quarter of 2024, main street leasing touched ~491,000 square feet, concentrated in extended peripheral markets such as Hayath Nagar, Nagole, and Pattancheru, as well as peripheral markets like Shaikpet, Uppal, and Karamghat. This leasing volume represents a 45% growth compared to the previous quarter, while it aligns closely with the level recorded in Q1-23. Hypermarket store openings in areas including Pattancheru, Maredpally etc. drove leasing volume, accounting for a 35% share, followed by Fashion segment with a 24% share. Additionally, a prominent luxury brand in high-end accessories & lifestyle space debuted in city with a new store in Jubilee Hills.

During Q1 2024, malls saw store openings of prominent high-end fashion brands and also in the accessories & lifestyle segment, particularly in locations such as Madhapur, Gachibowli, and Banjara Hills. Additionally, major brands in the Fashion, Hypermarkets, and Entertainment segments have already signed pre-commitments for retail spaces in upcoming retail malls (expected to be operational this year) located in peripheral submarkets.

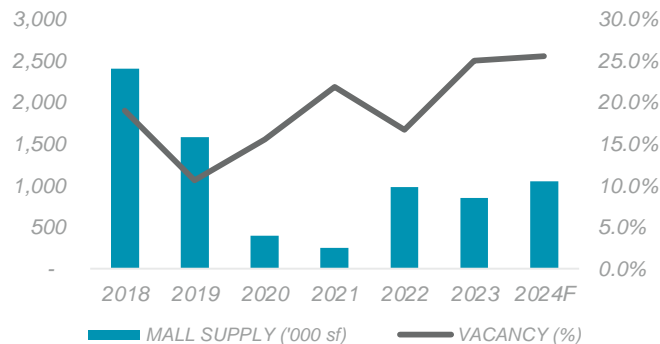
Mall vacancy remains consistent; Consistent Supply Pipeline

During the quarter, there was no new supply added to the city's retail mall inventory. By the end of this year, approximately 3.5 million square feet of cumulative retail mall supply will be operational, introducing retail space in Nallagandla, Nanakramguda, and Kompally. City-level vacancies remained consistent with the previous quarter, with superior malls maintaining vacancy levels between 3-5%. With the given quantum of supply during the year, the city-level vacancy is expected to witness an uptick in the near term, however considering the pre-commitment activity witnessed in these supply, it is expected to moderate in upcoming quarters.

Main Street rentals witness uptick

While main street locations have witnessed a slight uptick in rentals from previous quarters, prominent locations like Banjara Hills, Nallagandla and Kokapet and other prominent main street locations have seen a 15-25% average growth in rentals over the last few quarters, driven by robust demand. The city mall rentals are expected to witness the range bound over the next few quarters, given the anticipated supply during the period.

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	25.93	24.11	0.00%	4.00%
M G.Road/Parklane	150	21.61	20.09	0.00%	5.00%
Dilsukhnagar/ Kothapet	180	25.93	24.11	0.00%	0.00%
Banjara Hills	225	32.41	30.13	0.00%	15.00%
Abids/Koti	140	18.01	16.74	0.00%	0.00%
Himayathnagar	225	32.41	30.13	0.00%	15.00%
Punjagutta/ Ameerpet	150	21.61	20.09	7.00%	18.64%
Madinaguda/ Chandanagar	150	21.61	20.09	11.00%	16.38%
Jubilee Hills	220	31.69	29.46	0.00%	15.00%
Kukatpally NH.9	200	28.81	26.79	30.00%	5.00%
A.S. Rao Nagar	185	25.93	24.11	20.00%	19.05%
Madhapur/ Kondapur	170	24.49	22.77	13.00%	20.00%
Nallagandla	150	21.61	20.09	7.00%	5.00%
Habsiguda	180	25.93	24.11	0.00%	5.00%
Attapur	140	18.73	17.41	8.00%	5.00%
Manikonda	130	17.29	16.07	0.00%	5.00%
Thrimulgiri / Vikramপুর	140	20.17	18.75	0.00%	5.00%
Kokapet	150	18.73	17.41	0.00%	5.00%

Note: Asking rent (INR/SF/month) on the carpet area of ground floor Vanilla stores is quoted
US\$ = INR 82.90 AND € = INR 90.10

SIGNIFICANT LEASING TRANSACTIONS Q1 2024

PROPERTY	LOCATION	TENANT	SF
Main Street	Pattancheru	Value Zone Hypermarket	100,000
Main Street	Hayath Nagar	CMR Shopping Mall	55,000
Main Street	Kanchiguda	Zudio	12,000
Main Street	Dairyfarm	Zudio, Styleup, Style Union	20,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION DATE
North City Mall	Kompally	600,000	Q3 2024
Lakeshore mall	Kukatpally	1,660,000	Q2 2025

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About Cushman & Wakefield

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