

ANAROCK

RETAIL

RELEAP

H1 2023

Retail Leasing Overview of
Top 7 (Tier I) Cities of India

India
Retail
Overview



Section 1

Stock, Supply & Vacancy

Image courtesy: Unsplash

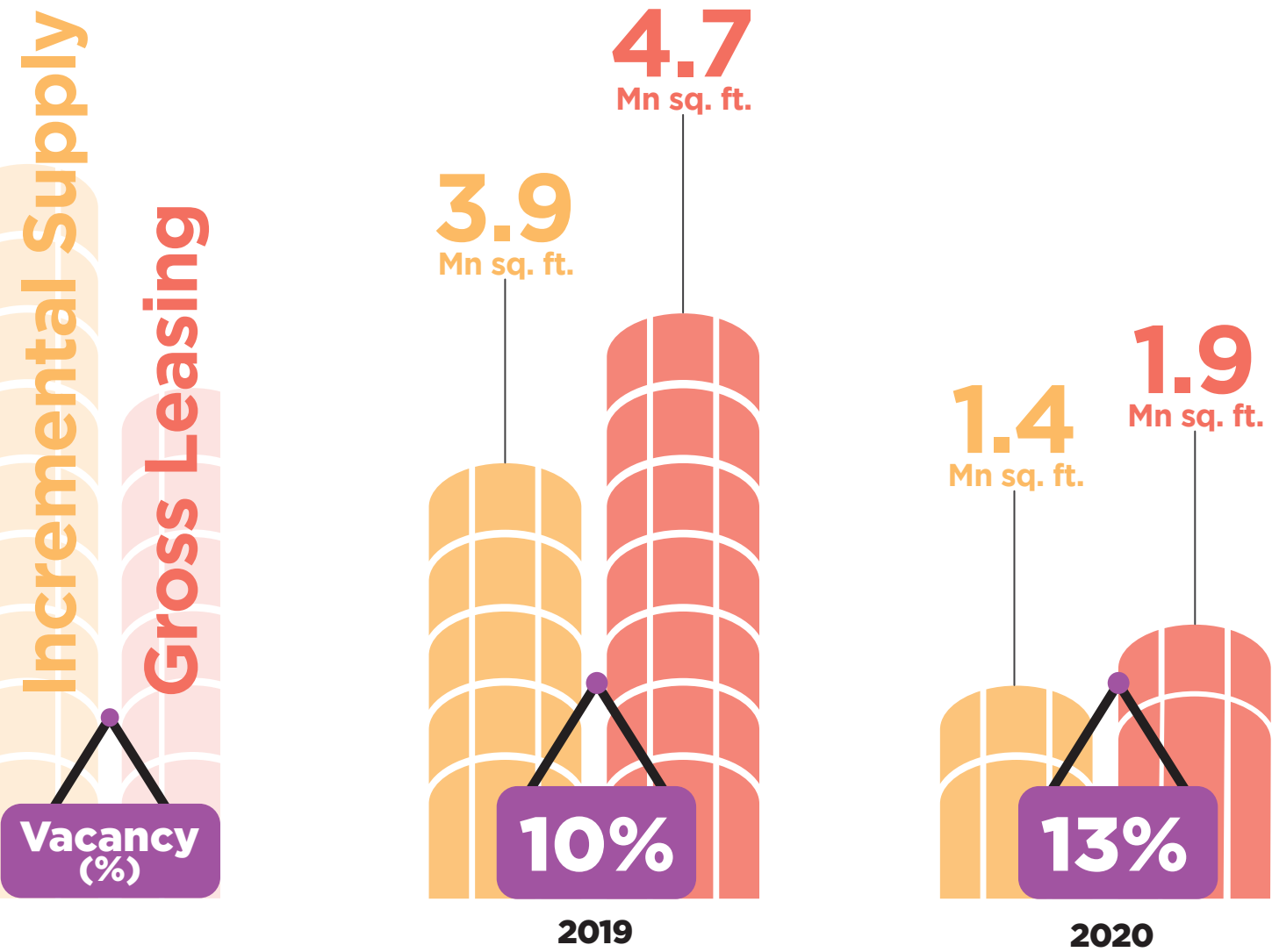
Eastland Shopping Center, Melbourne



EAST THREE
7

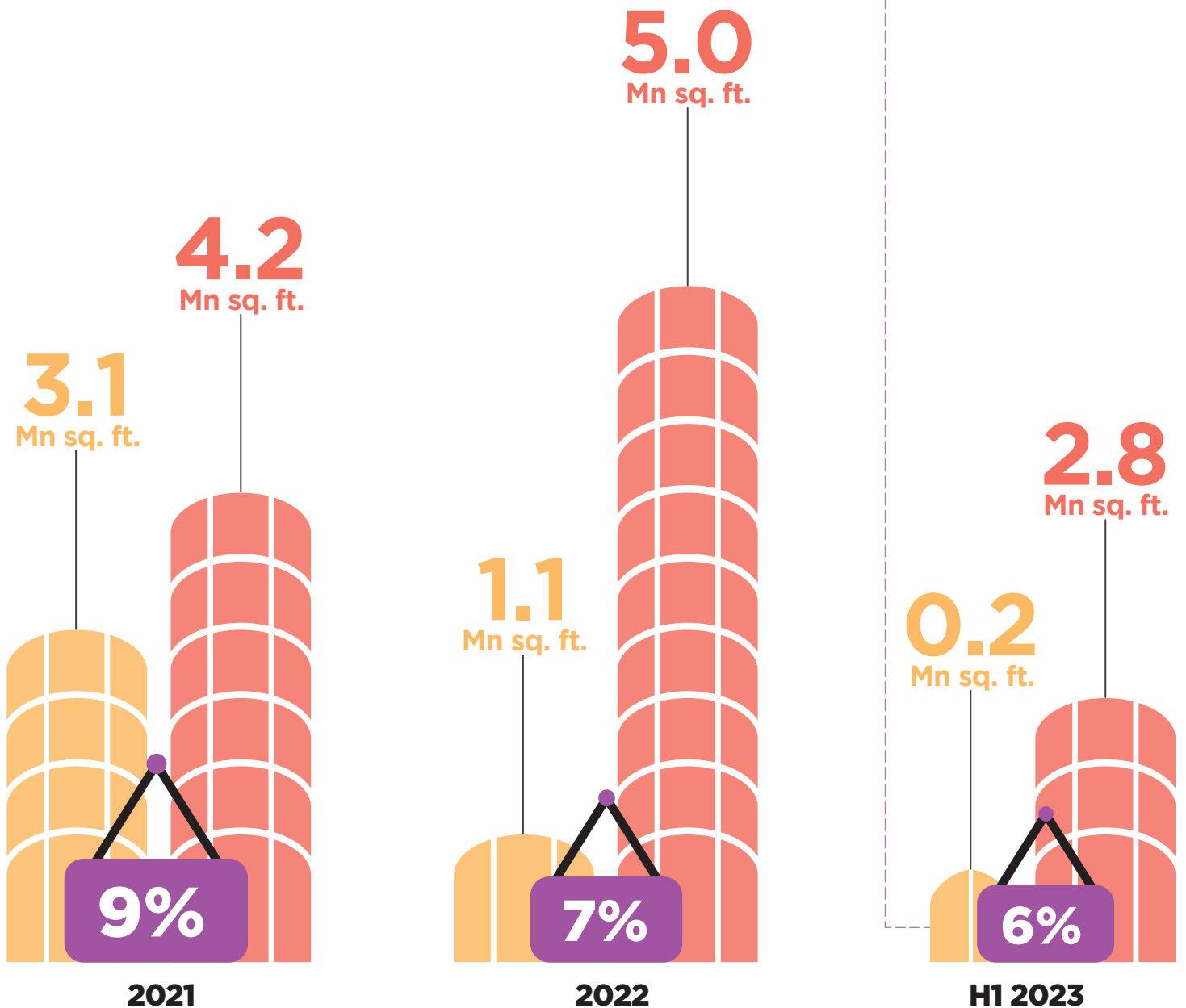
Total Stock **49.6** Mn sq. ft.*

An average of 2.4 Mn sq.ft. of fresh supply was witnessed over last 4 years, with almost 75% of the supply coming from just two regions, namely **NCR & Bengaluru**. Overall Grade ‘A’ mall stock, in terms of GLA, increased by 2.7% in H1CY23 over H1CY22

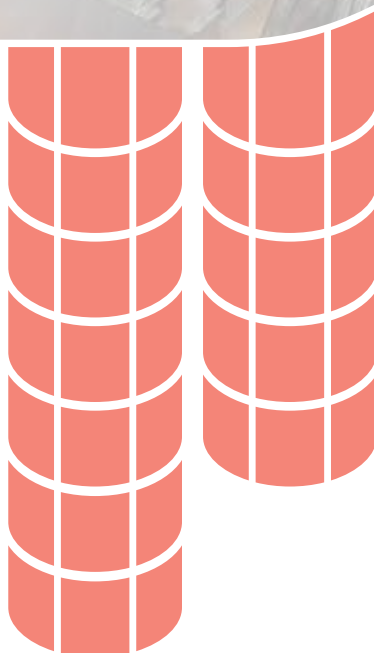
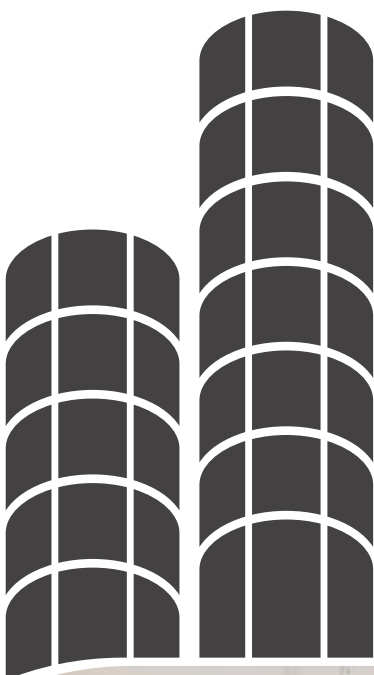


No. of Grade A Malls **88***

Vacancy levels have declined sharply post the pandemic, due to the robust leasing on back of aggressive expansion plans of retailers, coupled with limited availability of quality retail spaces.



*Above figures are based on grade A Malls of Top 7 Cities.



Gross Leasing in CY22 surpassed CY19 levels, the pre-pandemic period, and leasing in H1CY23 has reached 56% of CY22, demonstrating a significant comeback in the retail real estate.

Rentals vs Vacancy

(A Comparison for H12022 & H12023)

MUMBAI



DELHI NCR



BENGALURU



KOLKATA



PUNE



HYDERABAD



CHENNAI



Stable with
<5% change



Increase of
more than 10%



5%-10%
Increase



5%-10%
Decrease



Decrease of
more than 10%



Section 2

Leasing Area Distribution & Developments (Marquee & Upcoming)

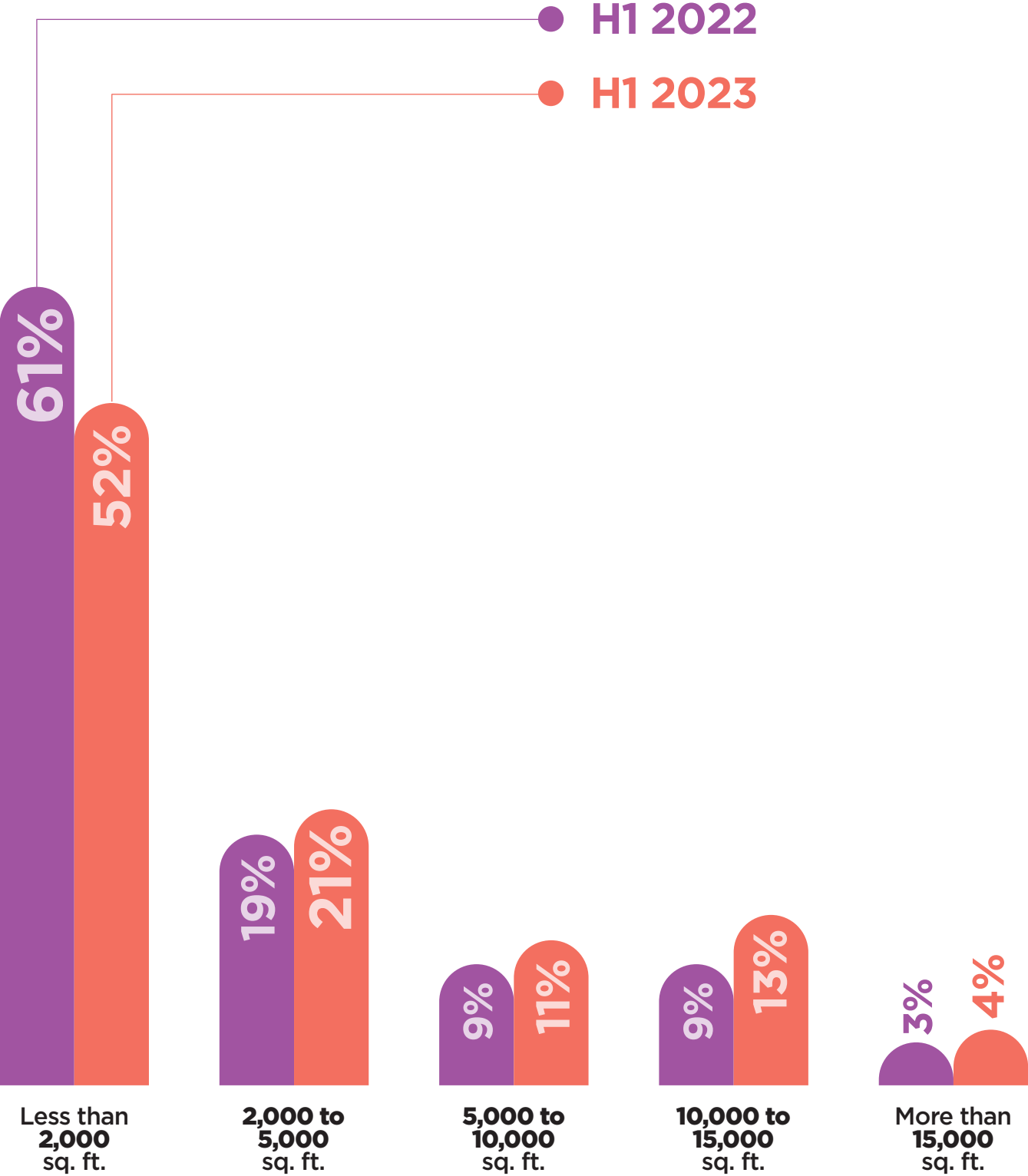
Image courtesy: Pexels

Galleria Vittorio Emanuele II, Milan

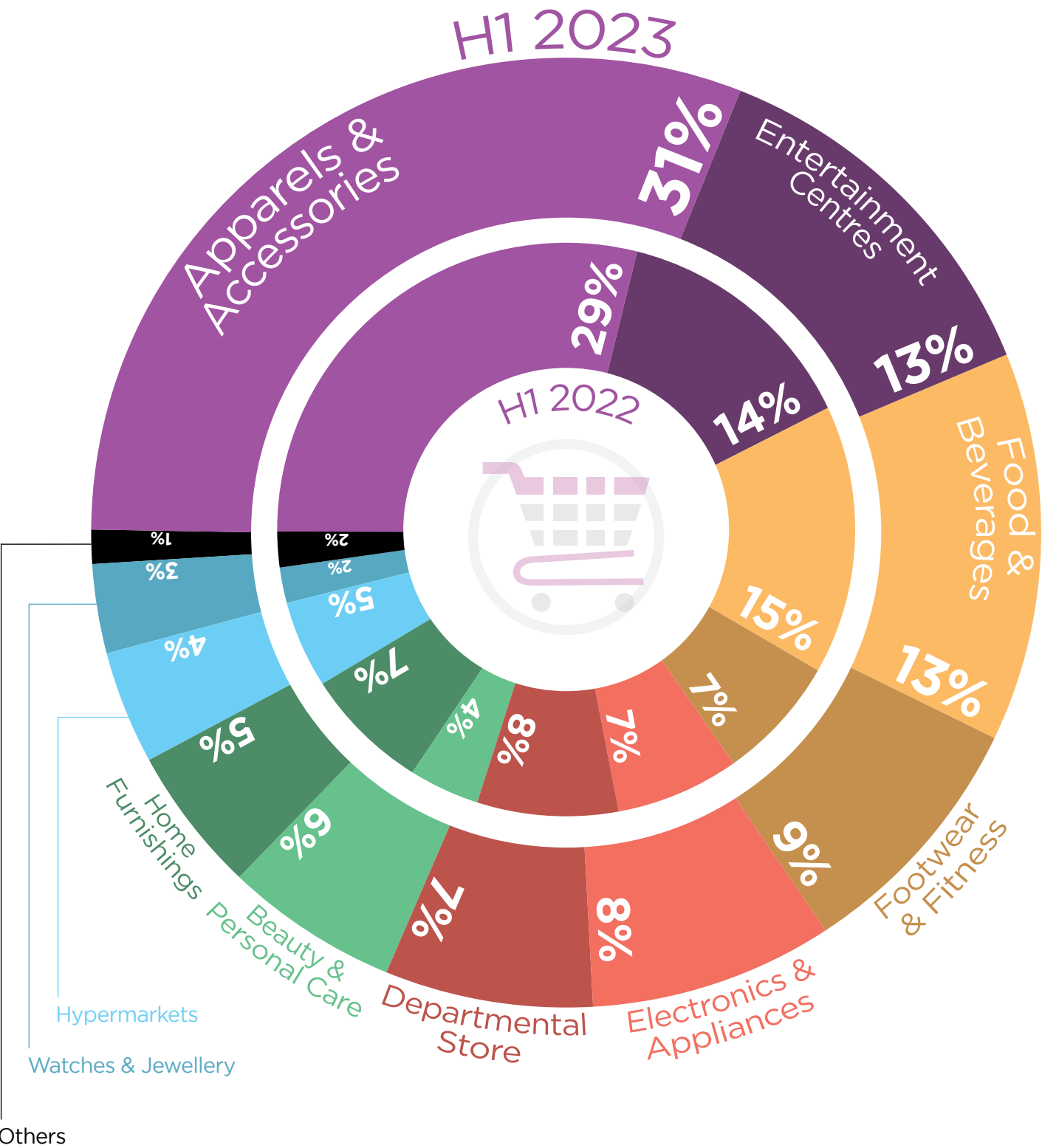


% of Transactions by Store Size

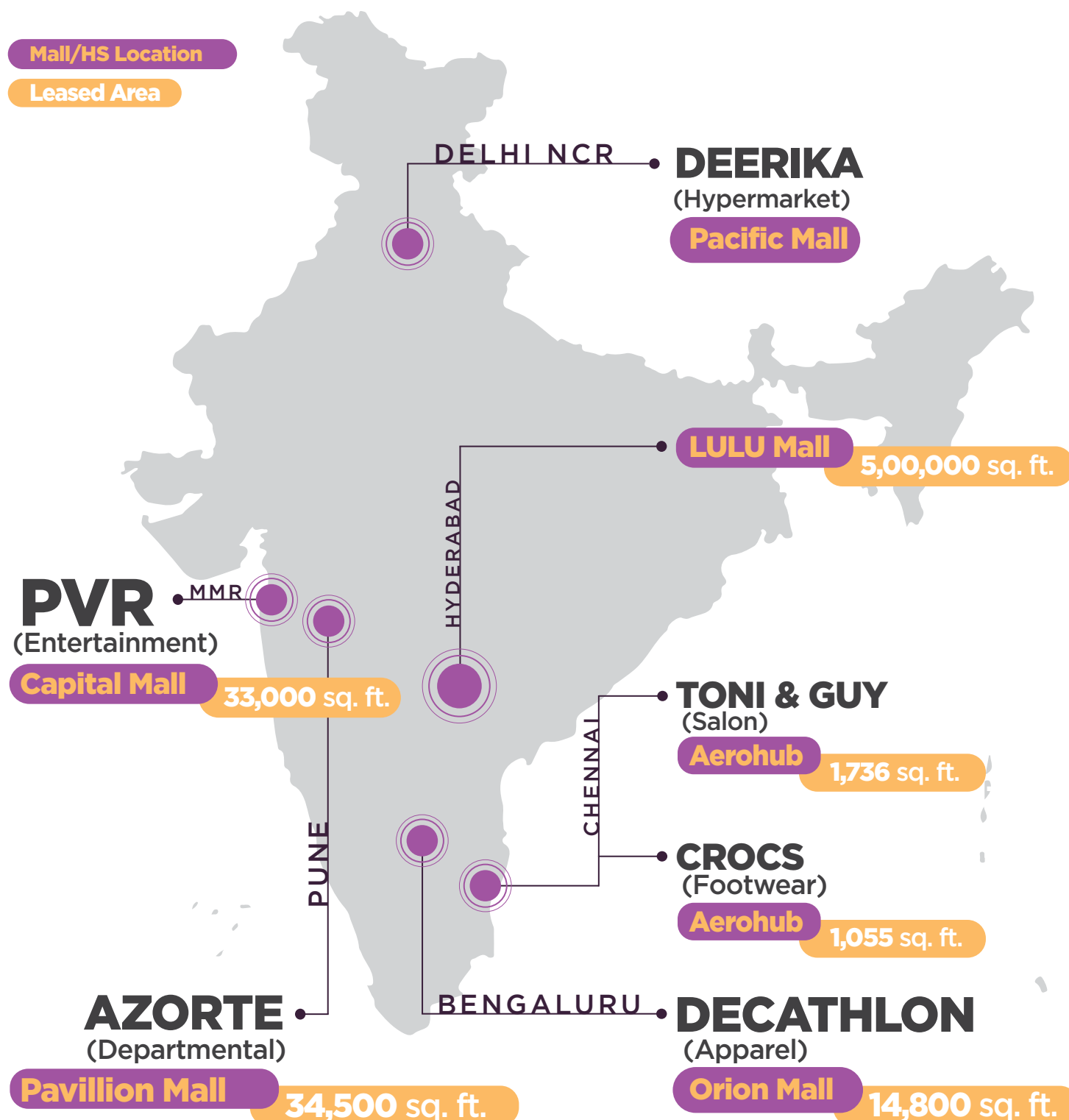
Retailers across categories are adopting a **two-pronged approach** by expanding & entering newer markets, and also increasing their stores sizes to capitalize on the growing share of the organised retail market.



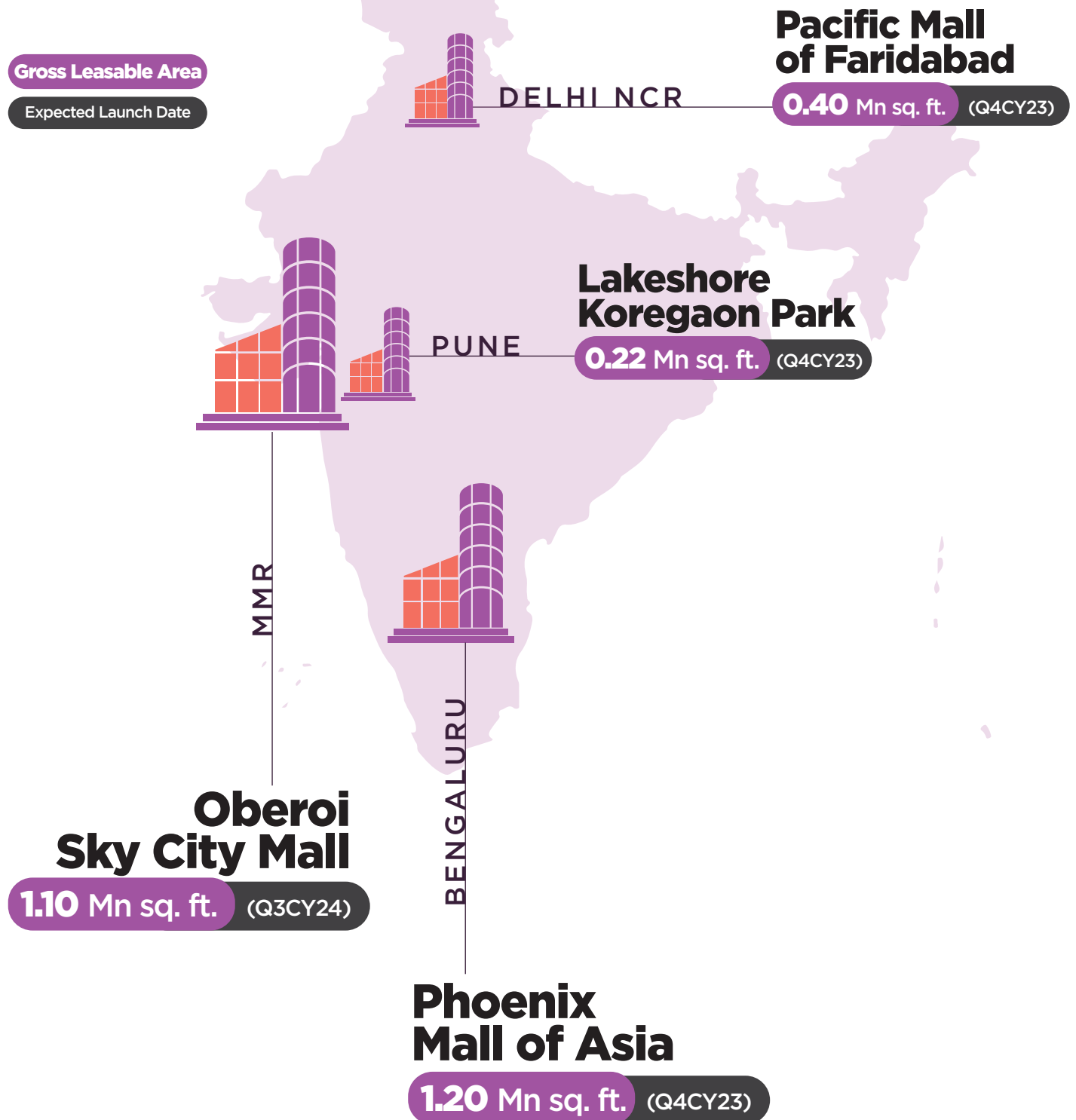
Category-wise Leasing Area Distribution



Pan-India MARQUEE Transactions (H1 2023)



Pan-India UPCOMING Malls

Gross Leasable Area**Expected Launch Date**

*Details subject to change depending on various factors.



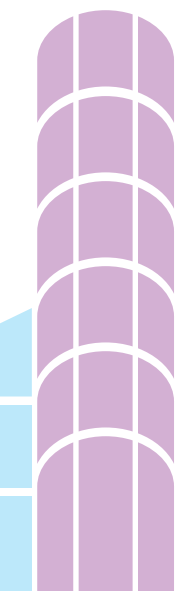
Section 3

Rentals: Key Malls & Highstreets

Image courtesy: Wikipedia

Marina Bay Sands, Singapore

Rentals Key Malls

Phoenix
Palladium

Select
Citywalk

Orion
Mall

The
Pavillion

Express
Avenue

Mumbai

INR Per sq. ft.
₹ 750 - 850

Delhi

₹ 725 - 800

Bangalore

₹ 500 - 600

Pune

₹ 450 - 575

Chennai

₹ 400 - 500

Note: Above figures represent Average Carpet Rentals for in-line stores on Ground Floor.

Rentals Key Highstreets




Connaught
Place

Delhi

₹ 500 - 1,000

Linking
Road

Mumbai

₹ 500 - 700

Park
Street

Kolkata

₹ 475 - 900

Indiranagar

Bangalore

₹ 350 - 400

Jangali
Maharaj Road

Pune

₹ 275 - 300

Khader
Nawaz Khan Road

Chennai

₹ 200 - 250

Banjara
Hills

Hyderabad

₹ 160 - 300

Note: Above figures represent Average Carpet Rentals on Ground Floor.

OUT LOOK

We feel the vibrancy in the retail sector to continue going forward, thanks to the country's strong economic fundamentals, coupled with infrastructural development & political stability.

The Indian retail market is expected to touch \$2 trillion by year 2032, growing at nearly 10% CAGR. The sector not only helps the country in terms of substantial contribution to the GDP but also creates crores of direct & indirect employment opportunities in ancillary industries. Thus, it will play a key role in helping the nation attain its \$5 trillion economy goal.

The market share of organised retail market in India is growing at a rapid pace with sales & footfalls reaching an all-time high. The sharp fall in vacancy levels to 6%, from the highs of 13% during the peak of pandemic, proves strong revival of the sector, thanks to the robust growing demand, across all categories.

On the ground, we see immense enthusiasm both from Mall Operators and Retailers alike, to strengthen their presence in the current markets and foray into newer cities. Clearly, the retail story is now grown to tier-2 & tier-3 cities, thanks to the realignment in workforce location, accompanied by strong demand and improved internet penetration. The leasing activity for the period has surpassed previous year levels and is expected to post the best-ever numbers, post the pandemic, for the entire year. Currently, the sector is facing challenges such as shortage of quality retail real estate, which has led to escalation in rentals. However, thanks to the strong pipeline of upcoming retail assets by organised mall operators, this challenge should subside in near future.

Technology is another factor which has taken the industry by storm, with all major retailers heavily investing to upgrade their systems, to achieve higher sales, better inventory management, improved omnichannel play and more importantly provide a convenient, hassle-free and an enhanced customer experience.

Overall, the retail story is on an upward trajectory with robust growth prospects! We hope you found this report valuable in understanding the organised retail assets better and helps you further in taking informed & decisive business decisions. Always happy to hear your views.



ANUJ KEJRIWAL
CEO & MD,
ANAROCK Retail

About ANAROCK

ANAROCK is a leading independent real estate services company with a presence across India and the Middle East. The Company has diversified interests across the real estate value chain and deploys its proprietary technology platform to accelerate marketing and sales across its businesses. Over the last six years, we have grown from being a residential focused organization to other businesses including Retail, Commercial, Investment Banking, Hospitality, Land, Industrial and Logistics & Data Centers, Investment Management, Research, Strategic Advisory & Valuations, Flexispaces and Society Management. ANAROCK has a team of over 2000 certified and experienced real estate professionals who operate across all major Indian and Middle East markets. ANAROCK has also onboarded over 35,000 established channel partners to grow its coverage pan India.

For more information, please visit www.anarock.com.

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