INDIA

RETAIL REAL ESTATE MONITOR

Q2 2026

April – June 2026

NCR · MMR · Pune · Hyderabad · Bengaluru · Chennai · Kolkata

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Foreword

The retail sector in India continues to demonstrate remarkable resilience, underpinned by a broader economy that has maintained steady momentum despite global headwinds. With GDP growth holding firm, robust urban consumption, and rising discretionary spending, the retail sector remains one of the most dynamic contributors to commercial real estate story in India.

The snapshot in this quarter across the seven major cities reflects a market defined less by new supply and more by the intensity of demand chasing limited, quality space. Cumulative leasing activity across these markets stood at over 2.0 Mn sq ft during the quarter, a testament to the continued confidence of retailers in physical expansion.

A consistent theme across markets has been the widening gap between supply and demand. With limited new mall completions in most cities, vacancy levels have tightened further. Grade A assets across the country continue to operate at near full occupancy. This scarcity has translated into healthy rental appreciation across prime streets.

High streets have emerged as the preferred format for a wide spectrum of occupiers this quarter, driven by fashion and apparel, food & beverage, consumer durables, and hypermarket formats. This reaffirms a broader shift among the retailers that are using main streets and malls as anchors for brand visibility and experiential engagement, complementing their digital presence.

Anuj Kejriwal
Founding Partner | CEO - Retail
CEO - EMEA

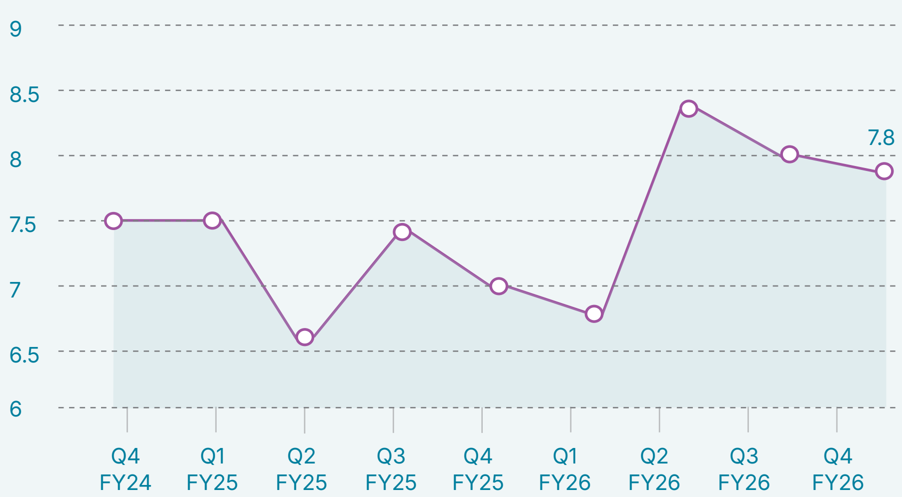
Looking ahead, while supply constraints are expected to persist in the near term, several markets are poised to see fresh mall completions over the next 12-18 months, which should offer some relief to occupiers seeking quality space. We expect demand momentum to remain strong, supported by continued urbanisation, rising incomes and the steady expansion of both domestic and international brands into the retail landscape of the country.

01 Pan-India · Economic Indicators

Macroeconomic Context · GDP Growth · CPI Inflation: Economic momentum remains strong amid rising inflation

GDP Growth Rate (FY2026E)	CPI Inflation (July 2026)	RBI Repo Rate
7.7%	4.45%	5.25%

India Real GDP Growth (% YOY)



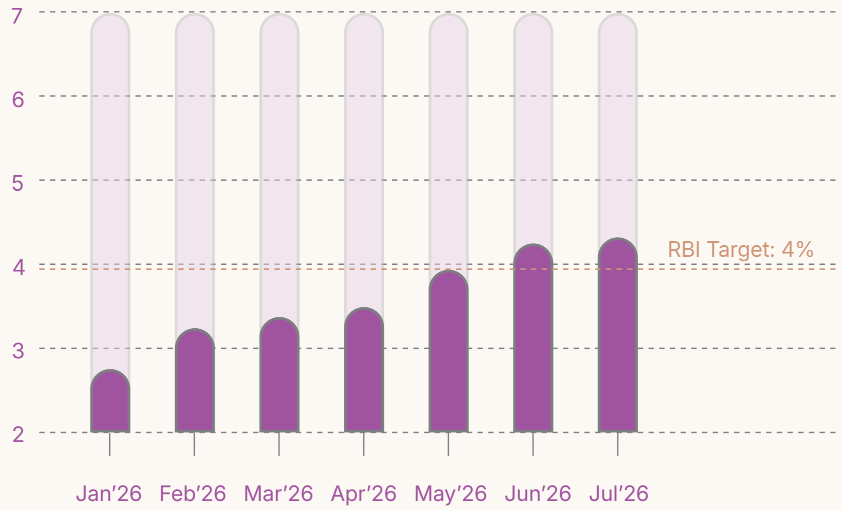
Sources: MOSPI, RBI, IMF World Economic Outlook

The Indian economy maintained strong momentum in FY2025-26, with real GDP growth estimated at 7.7%, up from 7.1% in FY2024-25. Growth was supported by services, financial and real estate activities, manufacturing and construction.

Meanwhile, CPI inflation rose to 4.45% in July 2026, driven largely by food prices and higher global crude oil prices.

The RBI retained the repo rate at 5.25% in August 2026, adopting a cautious approach amid evolving inflationary pressures. With inflation risks rising, expectations of further rate cuts have weakened, while the possibility of policy tightening later in FY2026-27 remains.

CPI Inflation (% YOY) — Monthly



02 Pan-India · Key Performance Indicators

Q2 2026 | Top 7 Cities | Supply · Leasing · Vacancy · Rentals: Healthy absorption and strong pipeline signal continued retail growth

Total Retail Stock	Upcoming Supply Till 2027
73.06 M sq.ft GLA	~ 7 M sq.ft pipeline

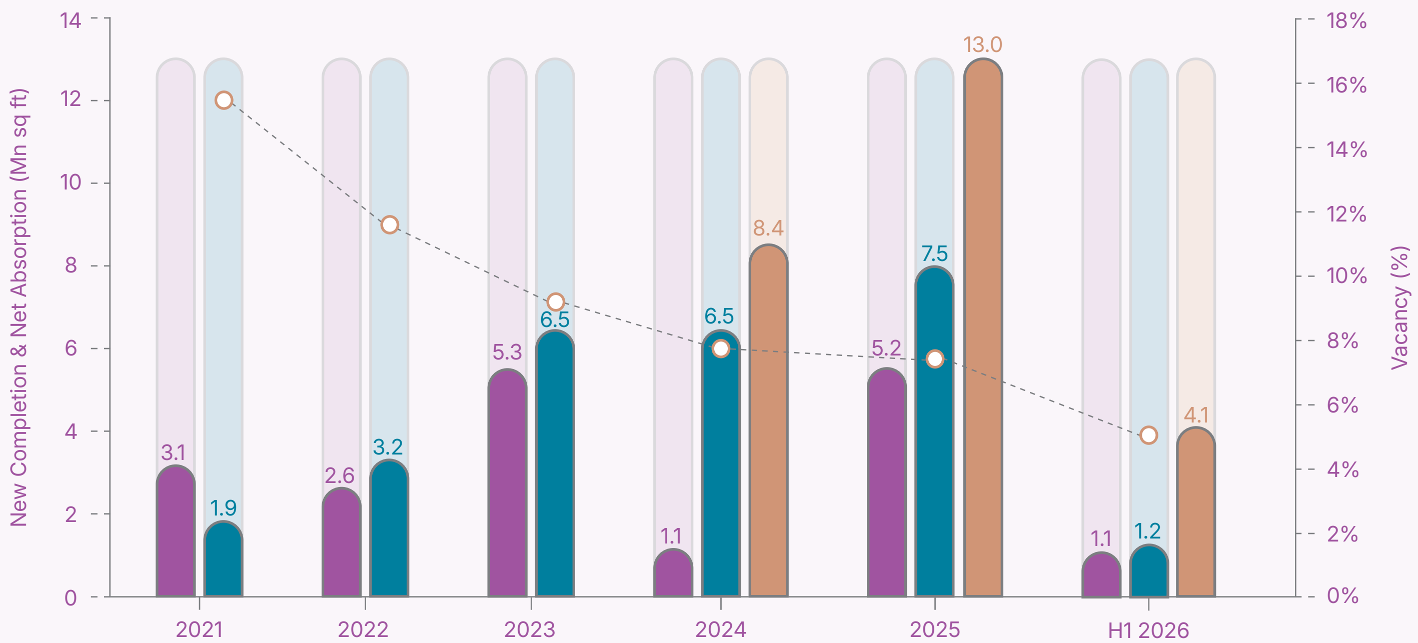
Q2 Leasing Volume	Pan-India Vacancy
2.07 M sq.ft absorbed	5%

H1 2026 witnessed steady retail leasing activity across the top 7 Indian cities, with absorption reaching approximately 4.1 Mn sq ft. Demand was led by the apparel segment, followed by entertainment, hypermarket/supermarket and F&B, highlighting sustained consumer demand across both discretionary and experience-led categories.

The retail supply pipeline remains robust, with Delhi-NCR, MMR, Pune and Hyderabad accounting for nearly two-third of upcoming supply. The concentration of development across these key markets reflects continued developer confidence in organised retail and is expected to expand the quality retail stock and strengthen the overall retail ecosystem.

Market Activity (Mn Sq.ft)

New Completion (Mn sq ft)

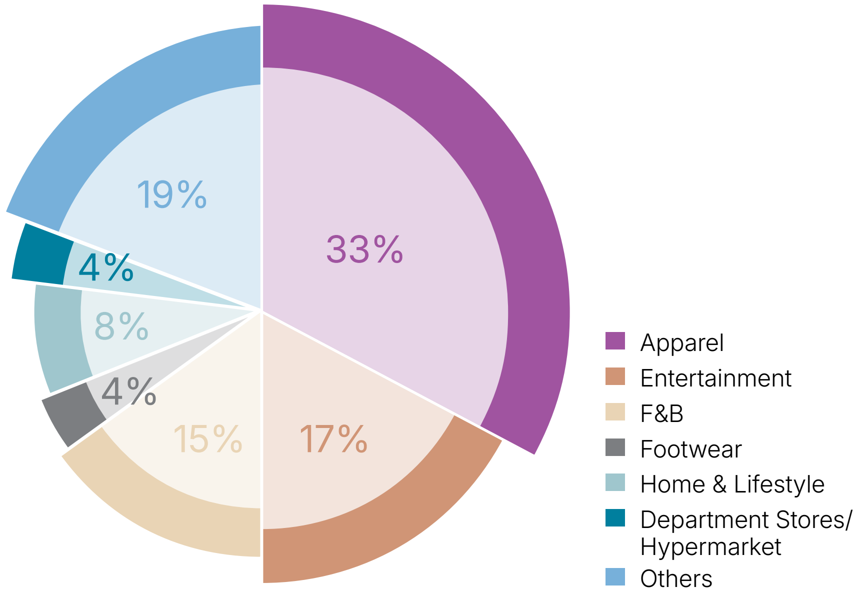


**Vacancy for Grade A/A+ Assets*

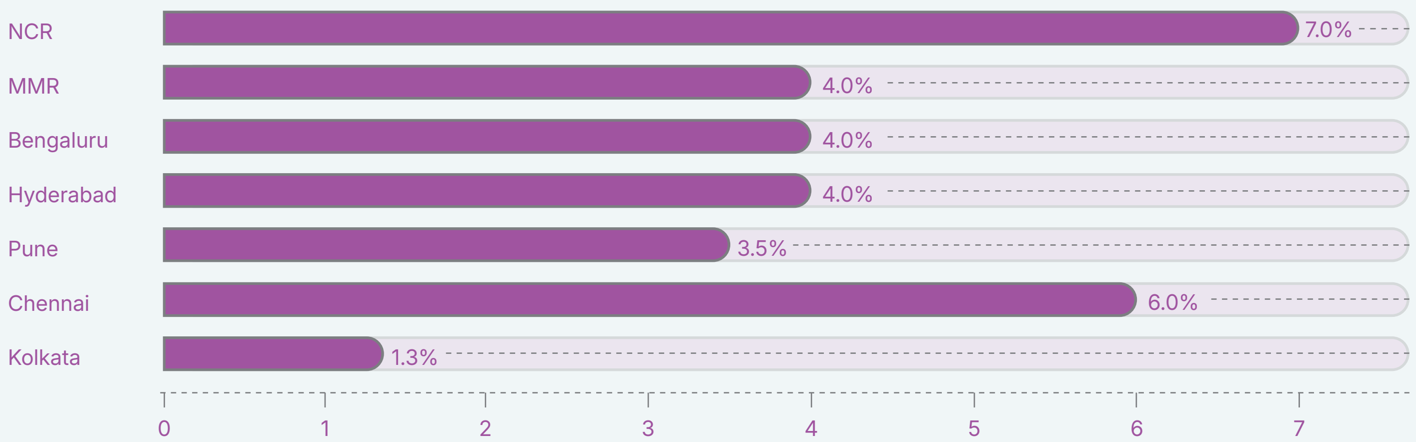
**Leasing activity as per Anarock Research*

Q2 2026 | Top 7 Cities | Supply · Leasing · Vacancy · Rentals: Apparel continues to drive leasing while vacancy remains varied across cities

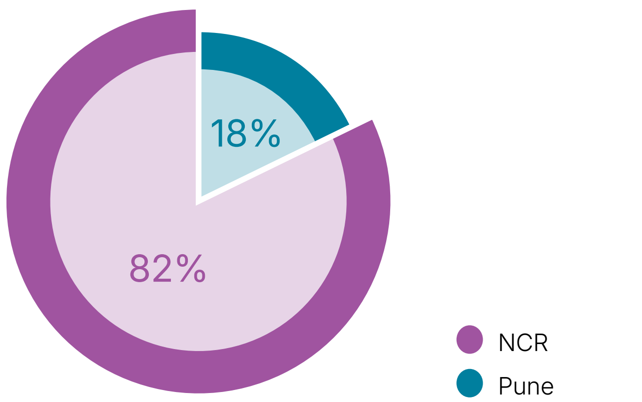
Key Sectors That Drove Leasing Activity



Vacancy Rate City Wise(%)

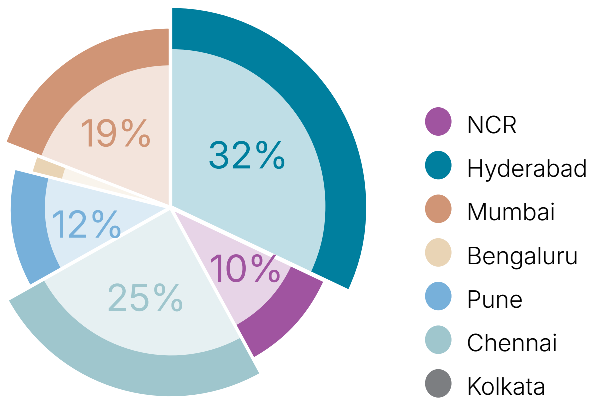


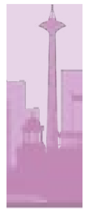
Supply : City Wise



Absorption : City Wise

Total 2.07 msf





03 NCR

Retail Market Snapshot · Q2 2026 ·

Malls lead leasing as Delhi NCR retail demand remains resilient

Total Retail Stock
19.42 Mn sq.ft

New Supply
0.90 Mn sq.ft

Leasing Activity
0.20 Mn sq.ft

Vacancy Rate
7.0 %

Rents Across Key Markets

MICRO MARKET	INR/SQ. FT. /MONTH	% QoQ	% YoY
Khan Market	1,600	2%	8%
Lajpat Nagar	311	0%	2%
Karol Bagh	412	1%	3%
Galleria Market (Gurugram)	1200	3%	4%
Sector 18 (Noida)	200	2%	4%

Key Transaction

PROPERTY	LOCATION	TENANT	AREA
Ambience Mall	Gurugram	Mango	9,643
Vasundhra Highstreet	Ghaziabad	Zudio	14,439
AIPL Joy Gallery	Gurugram	Nike	15,000
Unity One Elegante	Delhi	Max	16,000

Upcoming Supply Pipeline

MALL / PROJECT	GLA (SQ.FT)	OPENING	STATUS
DLF Summit Plaza	4,50,000	Q2 2026	Near opening
Central IKON	10,00,000	Q3 2026	Near opening

"With nearly 0.90 Mn sq ft of new mall supply added, NCR recorded 0.20 Mn sq ft of retail leasing in Q2 2026, with Gurugram accounting for the largest share, followed by Delhi and Noida. Malls remained the preferred retail format, contributing over 60% of quarterly leasing. Fashion, F&B and Departmental stores led category-wise absorption. Rents across key High Streets recorded YoY growth, reflecting continued demand for established high-street locations."

04 MMR

Retail Market Snapshot · Q2 2026 ·

Market Anchored by Entertainment and Fashion & Apparel

Total Retail Stock

14.81 Mn sq.ft

New Supply

NA

Leasing Activity

0.65 Mn sq.ft

Vacancy Rate

4.0 %

Rents Across Key Markets

MICRO MARKET	INR/SQ. FT. /MONTH	% QoQ	% YoY
Linking Road	1000-1500	8%	20%
Andheri Link Road	650-1,000	0%	4%
Kalaghoda	800-1200	-	-
Thane	330-500	0%	5%

Key Transaction

PROPERTY	LOCATION	TENANT	AREA
Sky City Mall	Borivali	Quattro Ristorante	2,963
Oberoi Sky City	Borivali	Lucira	600
Infiniti	Malad	Nike	7,700

Upcoming Supply Pipeline

MALL / PROJECT	GLA (SQ.FT)	OPENING	STATUS
Phoenix Market City	13,00,000	2029	UC

"The retail market in MMR remained resilient, with leasing activity reaching 0.65 Mn sq ft. Despite no new supply being added, demand remained firm and vacancy was contained at 4%.

Malls continued to outperform high streets, accounting for the larger share of leasing activity. Entertainment and Fashion & Apparel emerged as the leading demand drivers, followed by Food & Beverage, reflecting sustained consumer interest in experiential and lifestyle-led retail.

On the rental front, Linking Road continued to command the highest rentals at INR 1,000–1,500 per sq ft per month."

05 Pune

Retail Market Snapshot · Q2 2026 ·

Premium retail assets see sustained occupier interest

Total Retail Stock

7.39 Mn sq.ft

New Supply

0.20 Mn sq.ft

Leasing Activity

0.50 Mn sq.ft

Vacancy Rate

3.5 %

Rents Across Key Markets

MICRO MARKET	INR/SQ. FT. /MONTH	% QOQ	% YOY
Koregaon Park	305	0%	1%
Aundh	290	0%	1%
Pimpri Chinchwad	138	0%	2%

Key Transaction

PROPERTY	LOCATION	TENANT	AREA
Main Street	Wakad	Star Bazar	25,600
Amanora Town Centre	Hadapsar	Indriya	5,638

Upcoming Supply Pipeline

MALL / PROJECT	GLA (SQ.FT)	OPENING	STATUS
Bluegrass	80,000	Q4 2026	UC

"Pune recorded 0.50 Mn sq ft of leasing, reflecting sustained occupier interest across both malls and main streets. Fashion remained the dominant leasing category, followed by Accessories & Lifestyle.

Premium Grade A malls continued to see tighter vacancy, with limited availability of quality space supporting greater competition for prime locations.

Rental values remained broadly stable during the quarter. However, it has recorded appreciation compared to the previous year."

06 Hyderabad

Retail Market Snapshot · Q2 2026 ·

Hyderabad retail leads on volume while rentals hold steady

Total Retail Stock	New Supply
8.21 Mn sq.ft	NA

Leasing Activity	Vacancy Rate
0.23 Mn sq.ft	4.0 %

Rents Across Key Markets

MICRO MARKET	INR/SQ. FT. /MONTH	% QoQ	% YoY
Jubilee Hills	140	0%	2%
Himayat Nagar	225	0%	1%
Banjara Hills	187	0%	3%

Key Transaction

PROPERTY	LOCATION	TENANT	AREA
Lakeshore Mall	Kukatpally	Azorte	25,000
Lakeshore Mall	Kukatpally	Spar	25,000
High Street	AS Rao Nagar	Shoppers Stop	30,000

Upcoming Supply Pipeline

MALL / PROJECT	GLA (SQ FT)	OPENING	STATUS
Broadway Mall	3,50,000	Q2 2027	UC
One Down Town	94,000	Q2 2027	UC

"Restricted supply continued to tighten vacancy in the Hyderabad retail market, resulting in more controlled leasing activity during the quarter. The city recorded absorption of nearly 0.23 Mn sq ft, with high streets accounting for the majority share. Malls in the suburban micro-markets saw leasing traction from major brands and hypermarkets. Fashion and apparel remained the dominant demand driver, followed by food & beverage and furniture segments. Rental values across most established high streets held stable during the quarter, while ongoing residential and commercial development in select locations is expected to support rental growth going forward."

07 Bengaluru

Retail Market Snapshot · Q2 2026 ·

Main streets lead the way amidst tight vacancy

Total Retail Stock	New Supply
15.29 Mn sq.ft	NA

Leasing Activity	Vacancy Rate
0.39 Mn sq.ft	4.0 %

Rents Across Key Markets

MICRO MARKET	INR/SQ. FT. /MONTH	% QoQ	% YoY
MG Road	261	4%	10%
Brigade Road	245	0%	3%
Jayanagar	165	2%	6%

Key Transaction

PROPERTY	LOCATION	TENANT	AREA
High Street	Indiranagar	Foo	2,800
High Street	Lavelle Road	Rolex	15,000
Phoenix Market City	Whitefield	Uniqlo	20,000

Upcoming Supply Pipeline

MALL / PROJECT	GLA (SQ FT)	OPENING	STATUS
Forum 13 Degree North	7,00,000	2027	UC

"With no new mall supply recorded this year and limited prospects for near-term completions, the retail market in Bengaluru nonetheless sustained robust leasing activity of nearly 0.39 Mn sq ft during the quarter. While established malls witnessed fresh leasing, high streets continued to dominate overall demand. Sustained occupier interest, coupled with constrained supply, pushed citywide vacancy further down to 4%, driving rental appreciation across most assets. Prime high streets recorded rental value growth in the range of 3-10% on a year-on-year basis. Fashion, accessories, and furniture brands remained the key sectors driving retail space demand across the city."

08

Chennai

Retail Market Snapshot · Q2 2026 ·

Chennai retail stays resilient, with prime high streets posting steady annual rental growth

Total Retail Stock

4.65 Mn sq.ft

New Supply

NA

Leasing Activity

0.06 Mn sq.ft

Vacancy Rate

6.0 %

Rents Across Key Markets

MICRO MARKET	INR/SQ. FT. /MONTH	% QoQ	% YoY
Anna Nagar	306	0%	9%
Velachery	117	0%	8%
T. Nagar	133	0%	4%

Key Transaction

PROPERTY	LOCATION	TENANT	AREA
Vivira Mall	Navalur	Easy Buy	9,500
Vivira Mall	Navalur	Royal Oak Furniture	7,500
High Street	Chrompet	Malabar Gold	15,000

Upcoming Supply Pipeline

MALL / PROJECT	GLA (SQ FT)	OPENING	STATUS
-	-	-	-

"The retail segment in Chennai recorded leasing activity of 0.06 Mn sq ft during the quarter, concentrated primarily in the peripheral southern micro markets. High streets dominated overall leasing, while malls witnessed churn among occupiers, with vacated spaces re-leased almost immediately. Fashion brands and consumer durables emerged as the key sectors driving demand. Citywide vacancy recorded a marginal increase to 6%, even as Grade A malls continued to operate at near-full capacity. Rental values across the city's prominent main streets remained largely stable on a quarter-on-quarter basis, though they registered a healthy appreciation of 4-9% on a year-on-year basis."

09

Kolkata

Retail Market Snapshot · Q2 2026 ·

Kolkata retail holds firm on occupancy and rentals

Total Retail Stock

3.29 Mn sq.ft

New Supply

NA

Leasing Activity

0.04 Mn sq.ft

Vacancy Rate

1.3 %

Rents Across Key Markets

MICRO MARKET	INR/SQ. FT. /MONTH	% QoQ	% YoY
Park & Camac Street	600-800	0%	1%
Elgin Road	400-600	2%	3%
Gariahat	200-400	2%	3%

Key Transaction

PROPERTY	LOCATION	TENANT	AREA
Behala	Diamond Harbour Road	Desi Lane	5,000
South City Mall	South Kolkata	House of Fett	1,100

Upcoming Supply Pipeline

MALL / PROJECT	GLA (SQ.FT)	OPENING	STATUS
Acropolis South	4,50,000	Q4 2026	UC

"With no new mall supply during the quarter, the retail segment in Kolkata recorded leasing activity of 0.04 Mn sq ft, driven largely by high streets. Limited supply led to a marginal decline in vacancy, while Grade A+ malls continued operating at near-full occupancy. High street leasing was concentrated in the northern suburban markets, led by fashion brands and hypermarkets, while central Kolkata high streets saw fresh interest from F&B brands. Constrained supply and steady demand pushed rental values marginally higher across prime high streets citywide."

10 Outlook

The Indian retail real estate sector is expected to carry its current momentum into the second half of the year, supported by a resilient macroeconomic backdrop. Real GDP growth of 7.7% in FY2025-26 and steady urban consumption continue to underpin retailer expansion plans, even as CPI inflation has edged up to 4.45% and the RBI has held the repo rate at 5.25%. Barring a material shift in the rate cycle, we expect occupier demand to stay firm through the rest of this year.

The supply demand imbalance that defined H1 2026 is likely to persist in near term, with pan-India vacancy expected to stay within 7%. Supply is expected to be gradual as the retail space in the pipeline through 2027 with several mall completions slated over the next 12-18 months.

Apparel, food & beverage, entertainment and hypermarkets should remain the primary demand drivers, together accounting for the majority of leasing activity during the year. High streets are expected to continue gaining share relative to malls, reflecting shorter fit-out timelines and lower entry costs, even as malls retain their edge for entertainment and experience led formats. We also expect a steady pace of new domestic and international brand entries, reinforcing physical stores as anchors for brand visibility alongside digital channels.

Rental values across prime high streets and Grade A malls should continue to appreciate given persistently tight vacancy, though the pace of growth may vary as new supply is delivered. Markets with limited near-term completions are likely to see rentals hold firmer, with landlords retaining greater negotiating leverage on renewals and fresh leasing.

Key monitorable ahead include the inflation trajectory and its bearing on the monetary policy, execution pace on the announced mall pipeline, and the interplay between quick commerce and physical retail. It is expected that the market may stay in an occupier-favourable and landlord disciplined phase, with demand led fundamentals outweighing near-term supply constraints.

11 About Anarock

Anarock is one of the leading independent real estate services companies operating across India and the Middle East. Established in 2017, Anarock draws upon a legacy of over three decades of real estate expertise and advises clients across various property sectors including residential, commercial, retail, hospitality, land, industrial and flexible workspaces.

With a team of over 2,300 professionals as of March 31, 2026, Anarock delivers integrated real estate solutions spanning investment banking, bespoke research, strategic advisory and valuations, project management and engineering services and enterprise community management. Backed by predictive AI/ML models and generative AI tools, CRM infrastructure and deep and long-standing relationships with developers, corporate occupiers, investors and government bodies, the Company combines market intelligence, technology and disciplined execution which we believe creates long-term value across the real estate lifecycle.

For more information, please visit www.anarock.com

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