

HYDERABAD

Retail Q2 2024

0.63 msf OF OVERALL LEASING ACTIVITY (Q2 2024)

4.4% VACANCY IN GRADE-A MALLS (Q2 2024)

33% SHARE OF F&B IN OVERALL LEASING (Q2 2024)

ECONOMIC INDICATORS Q2 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

Main streets drive retail leasing in Q2: F&B and Fashion lead space take-up

Hyderabad's retail sector in Q2 2024 saw a notable increase in leasing activity, with the total volume reaching 0.63 msf, representing a 29% increase QOQ. This growth was primarily driven by strong performance on main streets, which captured the lion's share of leasing activity at 0.55 msf. Malls also saw some activity, with a major anchor tenant expanding its presence and deals signed in fashion and F&B segments, particularly in locations like Kondapur, Sanath Nagar, Kukatpally, and Madhapur.

88% of the tenant mix entering these leased spaces were domestic brands, highlighting a strong showing by Indian retailers. The growth was primarily driven by key suburban areas like Ramachandrapuram, Madhapur, Kokapet, and Banjara Hills. F&B took the lead, capturing a robust 33% share of the leasing activity, followed closely by fashion with a 30% share. This strong interest highlights the growing consumer appetite for diverse dining and shopping experiences within city limits.

Uptick in supply, vacancy expected to moderate

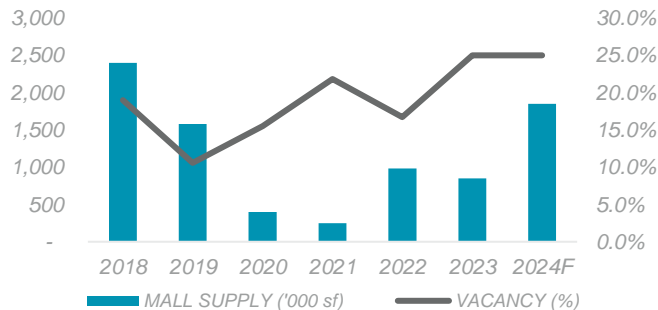
Hyderabad's retail sector saw a fresh injection of supply in Q2 2024 with the opening of Aparna Neo Mall in Nallagandla. This new mall, boasting a gross leasable area (GLA) of 0.35 msf, marks Aparna Constructions' entry into the retail market. While mall leasing activity remained moderate, the city's overall Grade-A mall vacancy rate currently sits at a healthy 4.4%.

By the end of 2024, an estimated 1.5 msf of retail mall space is expected to be operational across areas like Secunderabad, Kompally, Vanasthalipuram, and Karmanghat, which are underserved in terms of quality retail presence. Considering the pre-commitment activity observed in these upcoming malls, the vacancy rate is expected to moderate in the coming quarters.

Main street rents rise, Mall rentals stable

Hyderabad's retail landscape is experiencing a two-tiered trend in rentals. While mall rentals remain stable, key areas on main streets have witnessed a significant uptick in recent quarters. City-wide average rentals on main streets have remained largely unchanged QOQ but have witnessed an increase of up to 14% YOY. This uptick is particularly pronounced in areas like Kukatpally, AS Rao Nagar, Madhapur, Banjara Hills, and Abids.

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	24.0	25.9	0.0%	0.0%
M G.Road/Parklane	150	20.0	21.6	0.0%	0.0%
Dilsukhnagar/ Kothapet	180	24.0	25.9	0.0%	0.0%
Banjara Hills	225	30.0	32.4	0.0%	13.0%
Abids/Koti	140	18.7	20.1	0.0%	12.0%
Himayathnagar	225	30.0	32.4	0.0%	2.0%
Punjagutta/ Ameerpet	150	20.0	21.6	0.0%	7.0%
Madinaguda/ Chandanagar	150	20.0	21.6	0.0%	11.0%
Jubilee Hills	220	29.4	31.7	0.0%	10.0%
Kukatpally NH.9	200	26.7	28.8	0.0%	33.0%
A.S. Rao Nagar	185	24.7	26.6	0.0%	23.0%
Madhapur/ Kondapur	170	22.7	24.5	0.0%	26.0%
Nallagandla	150	20.0	21.6	0.0%	7.0%
Habsiguda	180	24.0	25.9	0.0%	0.0%
Attapur	140	18.7	20.1	0.0%	17.0%
Manikonda	130	17.4	18.7	0.0%	8.0%
Thrimulgiri / Vikrampuri	140	18.7	20.1	0.0%	0.0%
Kokapet	150	20.0	21.6	0.0%	15.0%

Note: Asking rent (INR/SF/month) on the carpet area of ground floor Vanilla stores is quoted
 US\$ = INR 83.4 AND € = INR 89.9

SIGNIFICANT LEASING TRANSACTIONS Q2 2024

PROPERTY	LOCATION	TENANT	SF
Main Street	Nacharam	Value Zone Hypermarket	3,50,000
Sarath City Capital Mall	Kondapur	V-Mart	11,700
Main Street	Banjara Hills Road No.2	Broadway	64,000
Inorbit Mall	Madhapur	Absolute Barbucues	11,340

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION DATE
North City Mall	Kompally	600,000	Q4 2024
Lakeshore mall	Kukatpally	1,660,000	Q2 2025

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