

MARKET FUNDAMENTALS

	y-o-y Chg	Outlook*
5.17 Mall Stock* (MSF)	▲	▲
0.44 Retail Space Per Capita	▲	▲
5.66% Vacancy*	▲	▲

ECONOMIC INDICATORS

	y-o-y Chg	Outlook*
7.80% GDP Growth (Q3 FY25-26)	▲	▼
3.21% CPI Inflation	▼	▲
8.70% Consumer Spending Growth (Q3 FY25-26)	▲	▬

Source: MOSPI, RBI

RETAIL LEASING STABLE IN Q1; FASHION AND F&B SUSTAIN DEMAND

Retail leasing in Hyderabad stood at 0.43 msf in Q1 2026, broadly stable q-o-q (-2%) but moderating 26% y-o-y against an elevated Q1 2025 base. Main streets accounted for 64% and malls for 36% of the overall leasing volume. Core markets led with a 66% share, driven by Gachibowli and Madhapur, followed by Peripheral (18%), anchored by Vanasthalipuram and Suchitra, and Suburban (16%), with Manikonda, Gopanpally, and Nallagandla as key contributors.

Fashion led leasing with a 30% share, followed by F&B at 14%, with activity recorded across Core and Suburban locations. Entertainment and department stores accounted for 14% and 9%, respectively. Furniture & Furnishing rose to 10% from 4% a year ago, while Accessories & Lifestyle increased to 6% from 2%. E-commerce accounted for a 6% share.

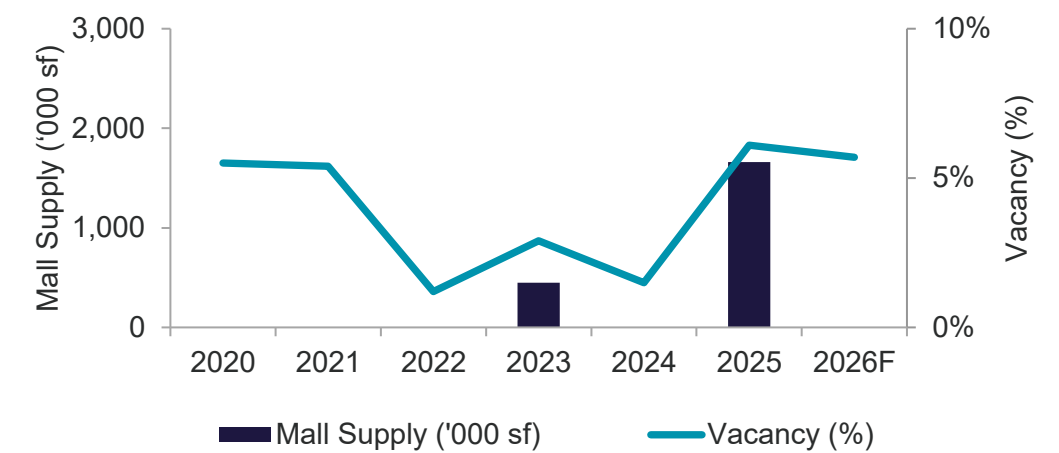
NO NEW SUPPLY IN Q1; VACANCY DECLINES marginally

With no new supply added in the quarter, overall vacancy moderated to 5.66%, a decline of 44 bps over Q4 2025. The estimated supply pipeline stands at approximately 1.9 msf over the next two years. The Peripheral submarket currently has no organised mall stock. Upcoming supply of 0.8 msf across Shamshabad and Kompally marks its first foray into organised mall retail. Suburban markets are expected to receive 0.4 msf across Karmanghat. The remaining 0.35 msf is expected in the core submarket.

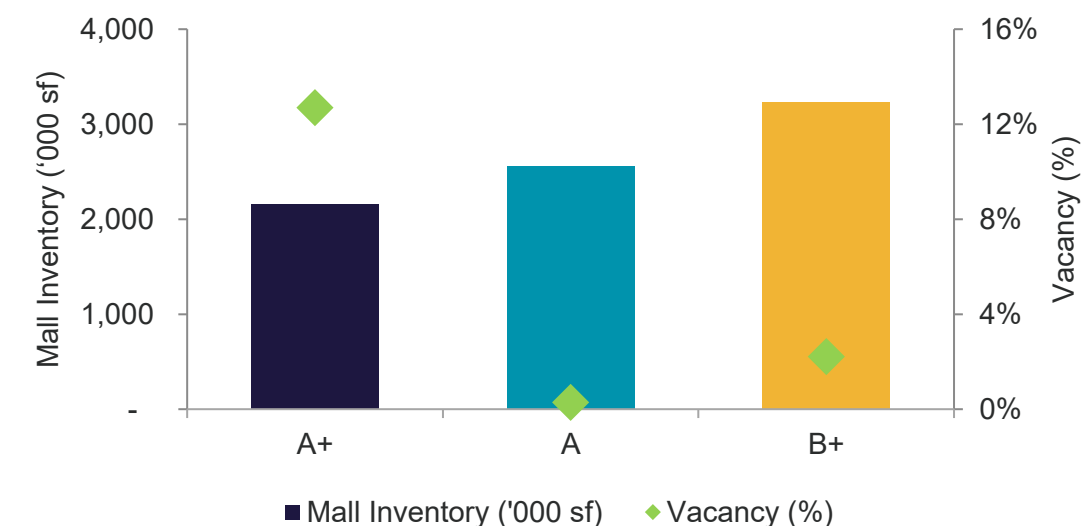
HIGH STREET RENTALS HOLD STEADY WITH MARGINAL UPTICK

High street rentals in Hyderabad recorded a marginal increase of 1% q-o-q and 2% y-o-y in Q1 2026. Looking ahead, proposed metro Phase II and III extensions covering the Old City, Shamshabad, and areas beyond Hitech City are expected to improve footfall accessibility to retail catchments in Peripheral and Suburban markets over the year.

OVERALL GRADE A MALL SUPPLY & VACANCY*



GRADE A MALL STOCK & VACANCY BY CATEGORY*



For grade definitions, refer to page 2

MARKET STATISTICS

PRIME RETAIL RENTS – HIGH STREETS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	q-o-q CHANGE	y-o-y CHANGE
Madhapur	170	19.1	22.4	0.0%	0.0%
Abids	150	16.8	19.8	0.0%	0.0%
Himayat Nagar	225	25.3	29.7	0.0%	0.0%
Banjara Hills	225	25.3	29.7	0.0%	0.0%
Ameerpet	150	16.8	19.8	0.0%	0.0%
MG Road	155	17.4	20.5	0.0%	0.0%
AS Rao Nagar	185	20.8	24.4	0.0%	0.0%
Jubilee Hills	250	28.1	33.0	0.0%	0.0%
Kukatpally	200	22.5	26.4	0.0%	1.0%
Punjagutta	160	18.0	21.1	6.7%	6.7%
Raj Bhavan Road/Somajiguda	150	16.8	19.8	7.1%	20.0%
SP Road/Begumpet	180	20.2	23.8	0.0%	0.0%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted

US\$ = 90.9 INR AND € = 106.9 INR

Data for the first quarter are based on market information collected until 20th March 2026

Outlook*: The Outlook represents our forward-looking view of key market indicators over the next 12 months, based on current market trends, economic conditions, policy developments, and available data. Projections are indicative and may be adjusted as market dynamics evolve.

***Grade A Mall Universe:** The Grade A mall universe comprises predominantly lease-driven retail assets characterized by relatively strong property management practices and healthy occupancy levels. Within this category, Grade A+ malls are institutionally owned, benefit from professional mall management, and maintain consistently low vacancy levels. In contrast, B+ malls, while still part of the Grade A universe, face a higher risk of functional or competitive obsolescence over the medium term.

KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	LOCATION	TENANT	SF
Lakeshore Mall	Kukatpally	PVR Cinemas	60,000
Lakeshore Mall	Kukatpally	Lifestyle	40,000
High Street	Vanasthalipuram	RS Brothers	28,000
High Street	Gopanpally	Royal Oak	15,000

KEY PROJECTS COMPLETED IN LAST 12 MONTHS

PROPERTY	LOCATION	SF	COMPLETION TIMELINE
Lakeshore Mall	Kukatpally Y-Junction	1,660,000	Q4 2025

ALOKA MAJUMDER

Manager, Research

Tel: +91 40 4045555

aloka.majumder@cushwake.com

SUVISHESH VALSAN

Senior Director, Research

Tel: +91 22 6771555

suvishesh.valsan@cushwake.com

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