

**MARKET FUNDAMENTALS**

	y-o-y Chg	12-Month Forecast*
<b>12.5</b> Mall Stock* (MSF)	▲	▲
<b>0.45</b> Retail Space Per Capita	▲	▲
<b>3.7%</b> Vacancy*	▼	▲

**ECONOMIC INDICATORS**

	y-o-y Chg	12-Month Forecast*
<b>7.80%</b> GDP Growth (Q3 FY25-26)	▲	▼
<b>3.21%</b> CPI Inflation	▼	▲
<b>8.70%</b> Consumer Spending Growth (Q3 FY25-26)	▲	▲

Source: MOSPI, RBI

**FASHION LEADS RETAIL LEASING IN Q1**

Retail leasing in Q1 2026 stood at 0.25 msf, declining sharply by ~53% q-o-q and ~57% y-o-y, primarily due to limited space availability in malls amid tightening vacancies, along with subdued activity across high streets. Despite the slowdown in volumes, demand remained concentrated in core consumption-led categories, with Fashion accounting for 32% of leasing, followed by F&B (29%) and Entertainment (16%).

Retail malls continued to dominate leasing activity with a ~72% share, while high streets contributed ~28%. Mall leasing was largely driven by suburban and peripheral markets, which together accounted for ~86% of transactions, with most deals concentrated in Grade A+ malls, highlighting occupiers' preference for high-quality, high-footfall assets. Main street activity was similarly skewed towards suburban locations (~85% share), where F&B emerged as the key demand driver, contributing ~50% of total leasing.

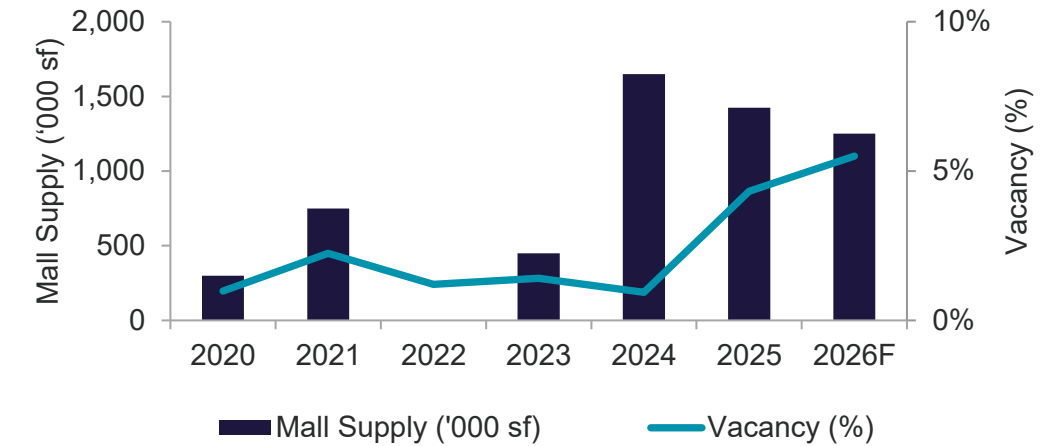
**MALL VACANCY TIGHTENS FURTHER**

Overall mall vacancy tightened further to 3.7% in Q1 2026, reflecting healthy demand for high-quality retail assets, with strong leasing traction in recently operational malls accelerating occupancy. Suburban markets led demand, accounting for ~70% of total leasing. With no new supply additions, total mall stock remained stable at 12.5 MSF.

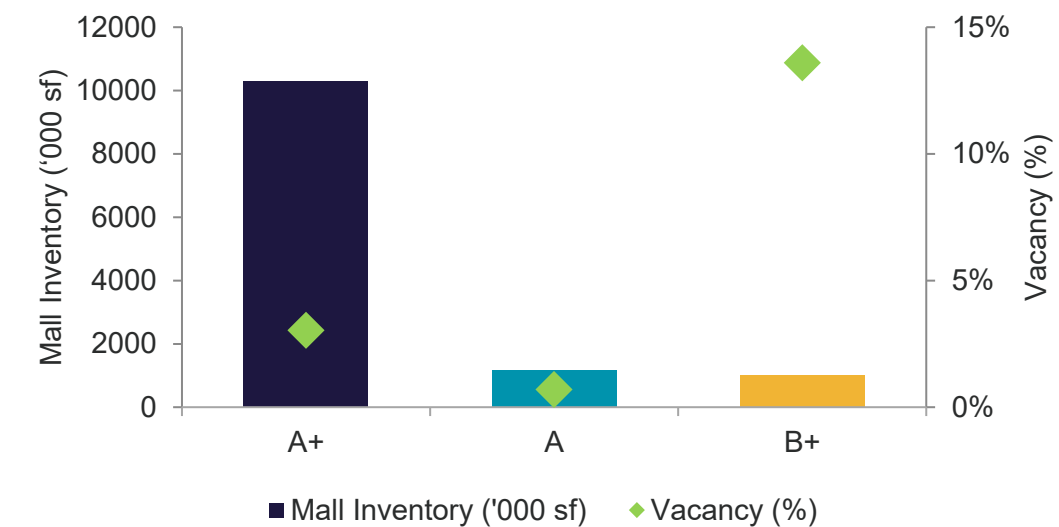
**MAIN STREET RENTALS RECORD HEALTHY GROWTH**

Main street rents continued to outpace malls, registering a strong ~8–9% y-o-y growth in Q1 2026, while select high streets saw double-digit rental appreciation (~12%) amid limited availability of quality space and healthy consumer traction. In comparison, mall rentals rose at a relatively moderate 3–4% y-o-y, supported by tightening vacancies across premium retail assets.

**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
Linking Road	1,020	114	136	3.0%	13.3%
Kemps Corner / Breach Candy	560	63	75	1.8%	1.8%
Colaba Causeway	850	95	113	0.0%	6.3%
Fort	580	65	77	2.7%	3.6%
Lokhandwala Andheri	460	52	61	2.2%	7.0%
Borivali LT Road	510	57	68	2.0%	13.3%
Chembur	450	51	60	5.9%	12.5%
Vashi	450	51	60	0.0%	0.0%
Thane	330	37	44	1.5%	10.0%

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 20<sup>th</sup> 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
R City	Ghatkopar	Coffee Island	1,200
Mainstreet	BKC	HDFC Bank	1,500
The Ballard Pier Downtown	Ballard Pier	Coyu	2,800

KEY PROJECTS COMPLETED IN LAST 12 MONTHS

PROPERTY	LOCATION	SF	COMPLETION TIMELINE
Oberoi Sky City Mall	Borivali East	1,100,000	Q1 2025
Aurum Square Mall	Ghansoli	200,000	Q1 2025

**AJAY BARVE**

Senior Manager, Research  
Tel: +91 22 6771555  
[ajay.barve@cushwake.com](mailto:ajay.barve@cushwake.com)

**SUVISHESH VALSAN**

Senior Director, Research  
Tel: +91 22 6771555  
[suvishesh.valsan@cushwake.com](mailto:suvishesh.valsan@cushwake.com)

**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**

**About Cushman & Wakefield**

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In 2025, the firm reported revenue of \$10.3 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com).

©2026 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield (“CWK”). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK’s securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.