

MARKET FUNDAMENTALS

	y-o-y Chg	Outlook*
6.45 Mall Stock* (MSF)	▲	▬
0.84 Retail Space Per Capita	▲	▲
5.11% 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

HIGH STREETS DRIVE LEASING MOMENTUM IN Q1 2026

In Q1 2026, total retail leasing stood at 0.18 msf, registering a growth of 2.1% q-o-q and 7.6% y-o-y. While overall volume remained stable, underlying trends diverged significantly across formats. Mall leasing totalled 0.09 msf, registering a sharper decline of 36% q-o-q and 22% y-o-y, largely constrained by limited availability of Grade-A space. Within mall leasing, F&B segment led with a 32% share, followed by fashion 31%, while footwear and furniture & furnishing segments accounted 12% each.

In contrast, Pune's high streets recorded leasing of 0.09 msf, witnessing a strong uptick of 126% q-o-q and 64% y-o-y. This growth was supported by increasing preference for high-visibility locations and spillover demand from constrained mall supply. Demand was primarily driven by department stores, accounting for 32% of leasing, followed by the other segments (27%) and fashion (20%), with activity concentrated across key high-footfall corridors.

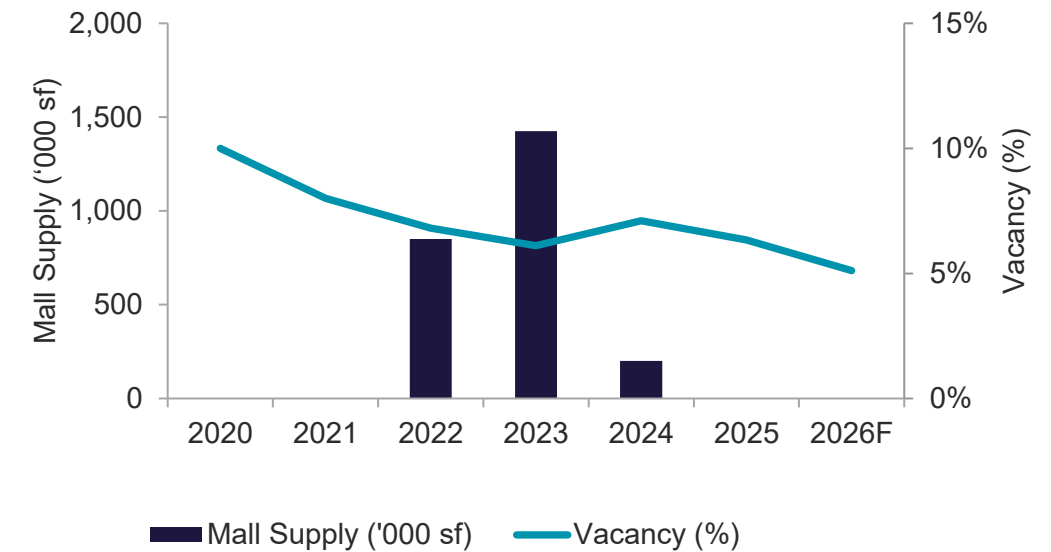
VACANCY TIGHTENS AMID SUPPLY CONSTRAINTS

In Q1 2026, vacancy in malls declined to 5.11%, marking a decrease of 123 bps from the previous quarter, driven by sustained demand for quality retail spaces. Grade A+ & A maintained tighter vacancy levels of 3–5%, reflecting a clear occupier preference for top-tier retail infrastructure. This scarcity of prime space has forced a trend of ongoing space optimization among existing retailers, as the market currently operates in a zero-supply environment.

RENTALS REMAIN RANGE-BOUND WITH ANNUAL UPTICK

Rental values remained broadly range-bound on a quarterly basis across both formats. Grade A malls recorded a marginal annual growth of 3–4%, reflecting tight occupancy and steady leasing conditions. High street rentals registered annual growth in the range of 3–7%, supported by sustained demand across department store, fashion and F&B segments.

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
M.G. Road	330-370	37-42	44-49	0.00%	2.9%
J.M. Road	380-420	43-47	50-55	0.00%	5.3%
F.C. Road	325-360	36-40	44-49	0.00%	1.5%
Koregaon Park	280-350	31-39	38-47	0.00%	0.0%
Aundh	200-250	22-28	27-34	0.00%	0.0%
Bund Garden Rd	190-230	21-26	26-31	0.00%	10.5%
Mumbai-Pune Highway – PCMC	140-180	16-20	19-24	0.00%	6.7%
Baner- Balewadi	210-270	24-30	28-36	0.00%	0.0%
Kothrud-Karve Road	180-230	20-26	24-31	0.00%	10.0%
Pune Satara Road	150-180	17-20	20-24	0.00%	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 is 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
Main Street	Wakad	Westside	30,560
Main Street	J M Road	Solitario	800
Main Street	Baner	HUFT	800

KEY PROJECTS COMPLETED IN LAST 12 MONTHS

PROPERTY	LOCATION	SF	COMPLETION TIMELINE
No mall supply in last 12 months			

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