MARKETBEAT
HYDERABAD
RETAIL Q2 2026

MARKET FUNDAMENTALS

	YOY Chg	Outlook*
5.52 Mall Stock* (MSF)	▲	▲
0.48 Retail Space Per Capita	▲	▲
4.15% Vacancy*	▲	▲

Note: All data above pertains to Grade A and B+ malls

ECONOMIC INDICATORS

	YOY Chg	Outlook*
7.80% GDP Growth (Q4 FY25-26)	▲	▼
3.93% CPI Inflation	▲	▲
7.10% Consumer Spending Growth (Q4 FY25-26)	▲	▼

Source: MOSPI, RBI

LEASING EASES; FASHION LEADS ACTIVITY

Retail leasing in Hyderabad stood at 0.37 msf in Q2 2026, dipping 13% q-o-q and 34% y-o-y, primarily due to a high base effect. Main Streets accounted for 55.8% of total leasing activity, while the share of mall leasing increased to 44.2% from 35.5% in the previous quarter, supported by continued retailer expansion across organized retail assets. Geographically, the Suburban submarket led demand with a 76.0% share, driven primarily by leasing activity in Kukatpally and Sainikpuri, while the Core submarket accounted for the remaining 24.0%, led by Jubilee Hills, Karkhana and Secunderabad.

From a sectoral standpoint, Fashion remained the largest occupier category, accounting for 37.4% of total leasing volume, followed by Department Stores (17.6%) and F&B (15.7%). Furniture & Furnishing contributed 10.6% of leasing activity, while Supermarkets/Hypermarkets accounted for 6.8%.

VACANCY TIGHTENS AMID NO NEW SUPPLY

With no new mall completions during Q2 2026, overall Grade A mall vacancy compressed to 4.15%, down 160 bps q-o-q, reflecting sustained leasing activity and a tightening availability of Grade A retail space.

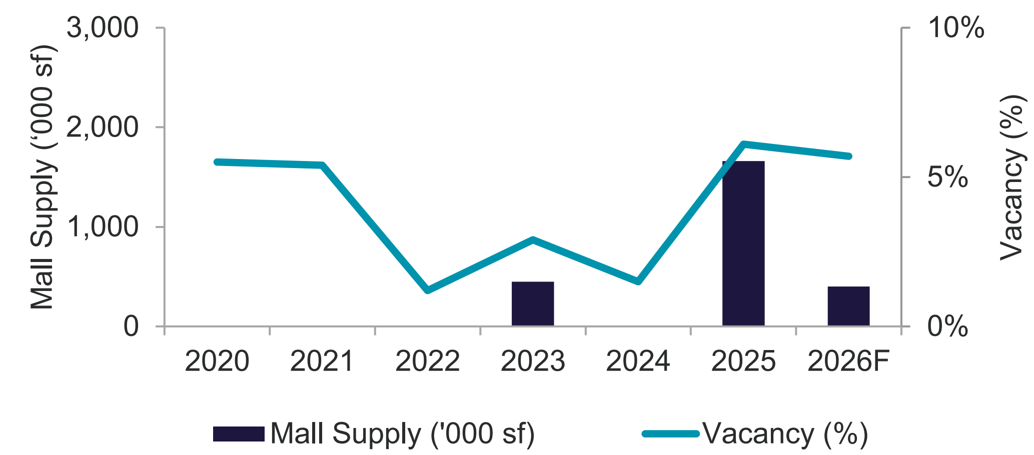
The Grade A mall supply pipeline remains constrained, with only 0.95 msf scheduled for completion through 2028. Of this, nearly 0.75 msf is expected in the Core submarket through upcoming developments in Karmanghat and Sun City, while Shamshabad will contribute the remaining 0.2 msf, marking the Peripheral submarket's first organized mall development.

RETAIL RENTALS CONTINUE TO TREND UPWARD

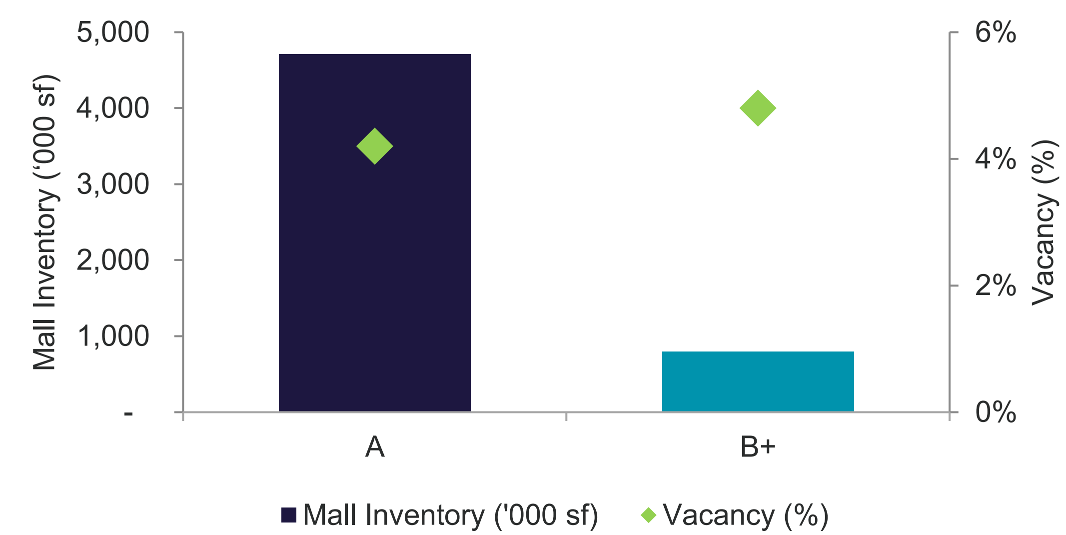
Grade A mall rentals in Hyderabad continued to trend upward during Q2 2026, increasing by up to 7% q-o-q, supported by sustained retailer demand and low vacancy levels across Grade A retail assets.

High street rentals recorded a modest growth of 2% q-o-q and 3% y-o-y, driven by rental appreciation in emerging corridors such as Kokapet, Manikonda, Habsiguda and Kukatpally. Most established high streets remained stable, while ongoing residential and commercial development is expected to support rental growth across select locations.

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
Kompally	180	19.6	22.8	0.0%	0.0%
MG Road/Parklane	160	17.4	20.3	3.2%	3.2%
Dilsukhnagar/ Kothapet	180	19.6	22.8	0.0%	0.0%
Banjara Hills	225	24.5	28.5	0.0%	0.0%
Abids/Koti	150	16.3	19.0	0.0%	0.0%
Himayathnagar	225	24.5	28.5	0.0%	0.0%
Punjagutta/ Ameerpet	165	17.9	20.9	3.1%	10.0%
Madinaguda/ Chandanagar	155	16.8	19.7	0.0%	0.0%
Jubilee Hills	250	27.2	31.7	0.0%	0.0%
Kukatpally NH.9	210	22.8	26.6	5.0%	5.0%
AS Rao Nagar	185	20.1	23.5	0.0%	0.0%
Madhapur/Kondapur	170	18.5	21.6	0.0%	0.0%
Nallagandla	150	16.3	19.0	0.0%	0.0%
Habsiguda	200	21.7	25.4	11.1%	11.1%
Attapur	150	16.3	19.0	0.0%	0.0%
Manikonda	150	16.3	19.0	11.1%	11.1%
Thrimulgiri/ Vikrampuri	150	16.3	19.0	3.4%	3.4%
Kokapet	170	18.5	21.6	13.3%	13.3%

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

US$ = 94.6 INR AND € = 110.4 INR

Data for the first quarter are based on market information collected until 12th June 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 Malls: Predominantly lease driven retail assets characterized by professional management, strong tenant mix, healthy occupancy levels, and high standards of operations and upkeep, including institutionally owned and professionally managed assets.*

Grade B+ Malls: Organized retail assets with relatively lower operational efficiency, tenant quality, occupancy levels, or asset management standards compared to Grade A malls.

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	LOCATION	TENANT	SF
High Street	Sainikpuri	Westside	35,000
High Street	AS Rao Nagar	Shoppers Stop	30,000
Lakeshore Mall	Kukatpally	Azorte	25,000
Lakeshore Mall	Kukatpally	SPAR	25,000

KEY PROJECTS COMPLETED IN LAST 12 MONTHS

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

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