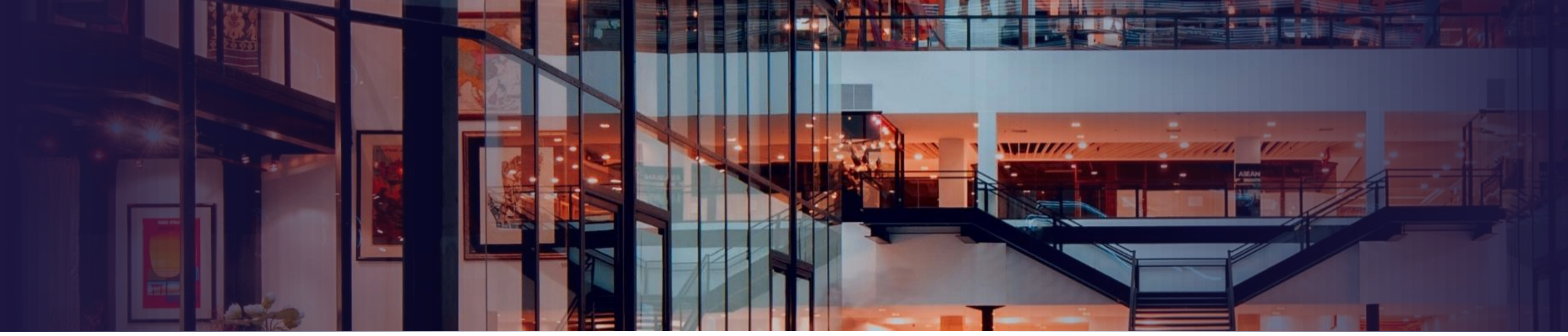
MARKETBEAT
MUMBAI
RETAIL Q2 2026



MARKET FUNDAMENTALS

	YOY Chg	Outlook*
12.5 Mall Stock* (MSF)	▲	▲
0.45 Retail Space Per Capita	▼	▲
3.4% 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

ENTERTAINMENT & FASHION DOMINATE RETAIL LEASING ACTIVITY

The overall retail leasing was close to 0.50 msf in Q2 2026, almost doubled q-o-q while the leasing declined by ~5% y-o-y. Demand for retail space in the city is underpinned by strong consumption trends, constrained supply of quality retail space, continued retailer expansion, and a growing preference for organized retail destinations. Consequently, the Entertainment and Fashion segments emerged as the largest contributors to leasing activity in Q2 2026, accounting for approximately 29% and 26% of the total leasing volume, respectively. The Food & Beverages (F&B) segment followed with an 18% share. Department stores and Footwear contributed around 7% each, while Accessories & Lifestyle and Furniture & Furnishings collectively accounted for nearly 10% of total leasing activity. Domestic retailers remained the key demand drivers, accounting for 86% of the leasing volume during the quarter, reflecting increased traction compared to both the previous quarter and the same period last year.

Malls continued to dominate leasing activity in Q2 2026, accounting for ~73% of the total leasing volume, compared to 27% for Main Streets. The quarter's leasing performance was largely supported by a few sizeable transactions across the Western and Eastern Suburbs, underscoring sustained occupier preference for established retail destinations in these micro-markets.

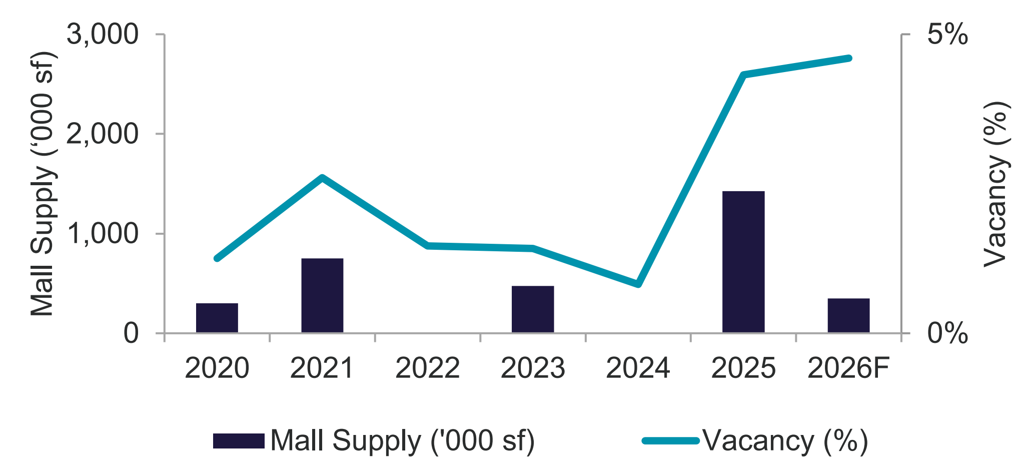
VACANCY DECLINES FURTHER AMID ABSENCE OF NEW SUPPLY

With no new supply added in the quarter, the overall vacancy moderated to 3.4% in Q2 2026, a decline of 30 bps over Q1 2026. With 0.35 msf of new supply in the pipeline, vacancy levels are expected to witness a marginal uptick by end-2026. The upcoming supply is largely concentrated in the Southern and Eastern corridors.

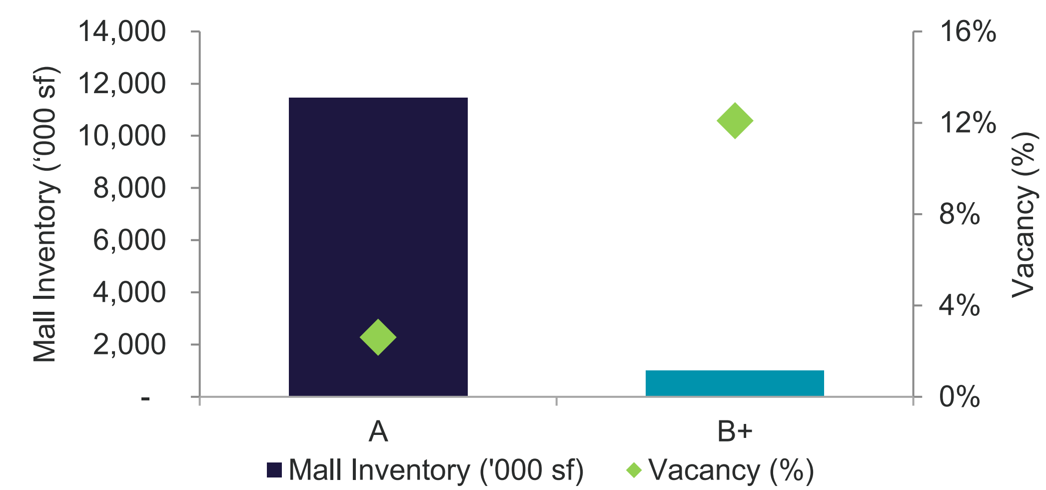
MAIN STREET RENTALS MOSTLY REMAIN STEADY

Main Street rentals remained stable in Q2 2026, with rents inching up by nearly 1% q-o-q and approximately 7% y-o-y. Select high streets such as Linking Road and Chembur witnessed healthy annual growth amid high demand and limited availability of quality retail spaces. While the mall rentals rose in the range of 7-8% y-o-y with the supply crunch and very tight vacancy levels.

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	1,100	120	140	7.8%	22.2%
Kemps Corner / Breach Candy	560	61	71	0.0%	1.8%
Colaba Causeway	850	92	108	0.0%	4.9%
Fort	580	63	74	0.0%	3.6%
Lokhandwala Andheri	460	50	58	0.0%	5.7%
Borivali LT Road	510	55	65	0.0%	8.5%
Chembur	450	49	57	0.0%	12.5%
Vashi	450	49	57	0.0%	0.0%
Thane	330	36	42	0.0%	6.5%

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 second quarter is 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
Oberoi Sky City	Borivali	Lucira	600
Infiniti	Malad	Nike	7,700

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

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