

MARKETBEAT RETAIL SNAPSHOT



Delhi-NCR (NEW DELHI, GURGAON AND NOIDA), INDIA

A Cushman & Wakefield Research Publication

Q1 2015



ECONOMIC OVERVIEW

Macro-economic indicators signal stability.

The government's effort to re-energize the economy have created a pro-business environment and restored global investors' confidence in India. The Gross Domestic Product (GDP) for the third quarter of FY2014-15 was recorded at 7.5% (as per the new methodology),

making India one of the fastest growing economies globally. The HSBC India Composite Purchasing Managers' Index also rose marginally from 53.3 in January to 53.5 in February 2015 due to an increase in new businesses.

Reduction in repo rate. Although the Consumer Price Index (CPI) increased marginally from 5.19% in January to 5.37% in February 2015, inflation seemed to be under control. Hence, since January 2015, the Reserve Bank of India (RBI) has reduced its benchmark lending rate - the repo rate - twice (0.50 basis points in total) to 7.5% to revive economic growth.

Introduction of Goods and Services Tax (GST) from April 1, 2016.

The central government has announced the date of enactment of the much-awaited GST during the Union Budget 2015-16. The introduction of the GST is a positive move as it will bring about efficiencies in indirect taxes and ensure price parity across the country.

RETAIL MARKET OVERVIEW

No new mall supply; decline in mall vacancy levels. In the absence of new supply, overall mall vacancy was recorded at 14.4%, declining by 0.5 percentage point from the previous quarter. Malls in Ghaziabad, Gurgaon and South Delhi witnessed strong interest from retailers during the quarter.

Stable mall rentals across the city. Despite low levels of churn and limited availability of quality spaces in prominent malls, rental values maintained status quo during the first quarter of 2015. The demand for space in malls was driven mainly by accessories and apparel brands such as Carat Lane, Fossil and Nappadori, to name a few.

Rentals largely remain stable across main street locations. Robust demand led to rentals increasing by 6.3% in Connaught Place and 7.1% in DLF Galleria, Gurgaon. Rentals in other main street locations maintained status quo during the quarter. Retailers from the food & beverage (F&B) and jewellery brands had the highest share in demand across main streets with brands such as Subway, The Backyard and Senco Gold, to name a few, expanding their presence in the city. Main street locations across Greater Kailash, Lajpat Nagar and Green Park witnessed healthy leasing.

OUTLOOK

Significant new mall supply in the next quarter. Nearly 1.9 million square feet (msf) of new mall supply is scheduled for completion in the next quarter across Ghaziabad, South Delhi and West Delhi. With tepid demand, rental values are expected to remain stable. The infusion of new supply would lead to an increase in vacancy levels in select submarkets.

Rentals will remain stable across most main streets. During the next quarter, rentals across most main street locations are expected to remain

stable. Prominent main street locations such as Connaught Place, Lajpat Nagar and Greater Kailash II are expected to witness continued retailer interest.

ECONOMIC INDICATORS

NATIONAL	2014	2015F	2016F
GDP Growth	7.2%	7.5%	7.5%
CPI Growth	6.6%	5.5%	5.9%
Private Final Expenditure Growth	5.8%	7.1%	7.0%
Govt. Final Expenditure Growth	5.5%	8.3%	7.9%

Source: Oxford Economics

PRIME RETAIL RENTS – MARCH 2015

MAIN STREETS	INR	EURO	US\$	Q-Q-Q CHANGE	Y-O-Y CHANGE
	SF/MTH	SF/YR	SF/YR		
Khan Market	1,250	223	241	0.0%	0.0%
South Extension I & II	750	134	145	0.0%	3.4%
Lajpat Nagar	225	40	43	0.0%	4.7%
Connaught Place	850	152	164	6.3%	13.3%
Greater Kailash I, M Block	550	98	106	0.0%	0.0%
Rajouri Garden	200	36	39	0.0%	5.3%
Punjabi Bagh	200	36	39	0.0%	11.1%
Karol Bagh	375	67	72	0.0%	0.0%
Kamla Nagar	400	71	77	0.0%	8.1%
Dwarka	425	76	82	0.0%	6.3%
Vikas Marg	200	36	39	0.0%	0.0%
DLF Galleria (Gurgaon)	750	134	145	7.1%	15.4%
Sector 29 (Gurgaon)	190	34	37	0.0%	0.0%
Sector 18 (Noida)	225	40	43	0.0%	0.0%

MALLS	INR	EURO	US\$	Q-Q-Q CHANGE	Y-O-Y CHANGE
	SF/MTH	SF/YR	SF/YR		
South Delhi	500	89	96	0.0%	0.0%
West Delhi	325	58	63	0.0%	0.0%
Gurgaon	375	67	72	0.0%	0.0%
Noida	380	68	73	0.0%	0.0%
Greater Noida	125	22	24	0.0%	0.0%
Ghaziabad	200	36	39	0.0%	0.0%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
Conversion Rate: US\$1 = INR 62.28 and Euro 1 = INR 67.25

SIGNIFICANT LEASING TRANSACTIONS

PROPERTY	LOCATION	TENANT	SQUARE FEET
Standalone	Lajpat Nagar	Senco Gold	5,000
Standalone	Greater Kailash II	Zingo Star	2,000
Ambience Mall	Gurgaon	Rosso Brunello	1,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SQUARE FEET	COMPLETION DATE
Reliance Mall	Vikasपुरी	500,000	Q3 2015
Capitol Mall	Paschim Vihar	200,000	Q2 2015

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MUMBAI, INDIA

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RETAIL MARKET OVERVIEW

Mall vacancies increase in Mumbai. Overall mall vacancy for the city increased by 1.0 percentage point to 17.0% at the end of the first quarter of 2015 due to a few exits in malls located in Thane and Malad.

Mall rentals increase in Lower Parel, Goregaon and Vashi. Low availabilities and high demand for space has resulted in mall rentals appreciating in the range of 7-9% in Goregaon, Lower Parel, and Vashi during the quarter. Demand for space in these locations was primarily from food & beverage (F&B), lifestyle and apparel brands. Rentals at all other mall locations remained stable during the quarter. Select malls in Goregaon and Lower Parel are increasingly rejigging tenant locations and replacing brands to maintain their distinctiveness among competitors.

Stable rentals across most main streets. With stable demand, rentals remained unchanged across most major main streets during the quarter. However, high demand from F&B and apparel brands and limited availabilities has resulted in rentals at Vashi increasing 15% during the quarter.

OUTLOOK

Mall rentals could increase in quality malls. High demand for space from F&B and apparel brands coupled with limited availability could lead to mall rentals appreciating in Lower Parel and Goregaon. Enquiries for quality space remain high, especially from foreign apparel brands like H&M, Gap and Massimo Dutti, who are looking to open their first stores in the city.

Healthy demand for select main streets may lead to rental appreciation. High level of enquiries for prime main streets of Borivali LT

Road and Lokhandwala-Andheri may result in higher rentals at these locations. With healthy enquiry levels from foreign F&B and apparel brands, transaction activity in main streets is likely to increase in the coming quarter.

ECONOMIC INDICATORS

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Private Final Expenditure Growth	5.8%	7.1%	7.0%
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Source: Oxford Economics

PRIME RETAIL RENTS – MARCH 2015

MAIN STREETS	INR	EURO	US\$	Q-Q-Q CHANGE	Y-Q-Y CHANGE
	SF/MTH	SF/YR	SF/YR		
Linking Road	750	134	145	0.0%	0.0%
Kemps Corner / Breach Candy	400	71	77	0.0%	-11.1%
Colaba Causeway	650	116	125	0.0%	-7.1%
Fort Fountain	350	62	67	0.0%	-6.7%
Lokhandwala-Andheri	350	62	67	0.0%	0.0%
Borivali LT Road	370	66	71	0.0%	0.0%
Chembur	350	62	67	0.0%	9.4%
Vashi	350	62	67	14.8%	25.0%
Thane	250	45	48	0.0%	0.0%

MALLS	INR	EURO	US\$	Q-Q-Q CHANGE	Y-Q-Y CHANGE
	SF/MTH	SF/YR	SF/YR		
Lower Parel	650	116	125	8.3%	8.3%
Link Road (Andheri W)	400	71	77	0.0%	0.0%
Malad	460	82	89	0.0%	0.0%
Goregaon	375	67	72	7.1%	25.0%
Kandivali*	220	39	42	NA	NA
Kurla*	200	36	39	NA	NA
Ghatkopar	300	54	58	0.0%	-9.1%
Bhandup-Mulund	175	31	34	0.0%	-12.5%
Vashi	350	62	67	9.4%	16.7%
Thane	285	51	55	0.0%	0.0%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
Conversion Rate: US\$ 1 = INR 62.28 and Euro 1 = INR 67.25

*Newly Added in 2015

SIGNIFICANT LEASING TRANSACTIONS

PROPERTY	LOCATION	TENANT	SQUARE FEET
Korum Mall	Thane	Burger King	2,000
Standalone	Khar	Rado Boutique	905

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SQUARE FEET	COMPLETION DATE
Lodha Mall	Dombivli	500,000	Q4 2015
Grand Central	Seawoods	1,100,000	Q2 2016

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MARKETBEAT RETAIL SNAPSHOT



BENGALURU, INDIA

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RETAIL MARKET OVERVIEW

Dip in overall vacancy. Due to sustained demand, the mall vacancy level for the city dropped by 0.6 percentage point to 8.8% in the first quarter of 2015. A new mall of 200,000 square feet (sf) became operational on Tumkur Road.

Stable mall rentals. Mall rentals across various micro-markets have remained steady this quarter. Leasing, mainly by food and beverage (F&B) and apparels retailers, was noted in the malls.

Rental values hold steady in most main streets. Main street rentals remained largely steady across Bengaluru with a few exceptions such as Brigade Road and Koramangala 80 Feet Road. In Brigade Road, rentals dropped by 3.2% from the previous quarter due to exits by a few retailers. Further, driven by the presence of a captive target segment, main streets such as Indiranagar and Koramangala are gaining preference amongst retailers across all categories, and rentals at Koramangala 80 Feet Road witnessed a 4.3% quarter-on-quarter appreciation.

OUTLOOK

Mall rentals are anticipated to be stable. The demand-supply equilibrium is expected to maintain and keep the rentals stable across most malls. The malls in the Whitefield submarket may experience some flux due to simultaneous inflow and outflow of retailers.

Main street rentals are expected to hold steady. New BEL Road and Kamanahalli Main Road are continuing to experience increased enquiries from international brands. However, given the limited availability of space,

rentals are likely to increase in the coming quarters. Rentals across other main streets are expected to maintain status quo.

ECONOMIC INDICATORS

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GDP Growth	7.2%	7.5%	7.5%
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Source: Oxford Economics

PRIME RETAIL RENTS – MARCH 2015

MAIN STREETS	INR	EURO	US\$	Q-Q-Q CHANGE	Y-Q-Y CHANGE
	SF/MTH	SF/YR	SF/YR		
MG Road	240	43	46	0.0%	0.0%
Brigade Road	300	54	60	-3.2%	-9.1%
Commercial Street	300	54	58	0.0%	0.0%
Indiranagar 100 Feet Road	190	34	37	0.0%	-5.0%
Jayanagar 4th Block, 11th Main	330	59	64	0.0%	0.0%
Sampige Road, Malleswaram	120	21	23	0.0%	0.0%
Koramangala 80 Feet Road	120	21	22	4.3%	-4.0%
Vittal Mallya Road	270	48	52	0.0%	-3.6%
New BEL Road	145	26	28	0.0%	3.6%
Marathahalli Junction	125	22	24	0.0%	0.0%
Kamanahalli Main Road	130	23	25	0.0%	4.0%
HSR Layout 27th Main	130	23	25	0.0%	18.2%

MALLS	INR	EURO	US\$	Q-Q-Q CHANGE	Y-Q-Y CHANGE
	SF/MTH	SF/YR	SF/YR		
Koramangala	420	75	81	0.0%	0.0%
Magrath Road	375	67	72	0.0%	0.0%
Cunningham Road	90	16	17	0.0%	-10.0%
Mysore Road	65	12	13	0.0%	-18.8%
Vittal Mallya Road	400	71	77	0.0%	0.0%
Whitefield	120	21	23	0.0%	0.0%
Rajarajeshwarinagar	80	14	15	0.0%	-5.9%
Malleswaram	280	50	54	0.0%	0.0%
Bannerghatta Road	195	35	38	0.0%	-2.5%

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

PROPERTY	LOCATION	TENANT	SQUARE FEET
Standalone	ISRO Layout	Star Bazaar	5,800
Standalone	Indiranagar	Raymond	4,500

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SQUARE FEET	COMPLETION DATE
ETA Namma Mall	Binnypet	320,000	Q3 2015

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MARKETBEAT RETAIL SNAPSHOT



PUNE, INDIA

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ECONOMIC OVERVIEW

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RETAIL MARKET OVERVIEW

Decline in vacancies. Pune witnessed stable inventory levels in the first quarter of 2015, as a mall was deferred to next quarter due to a delay in obtaining licences. Further, the overall mall vacancy level dipped by 2.3 percentage points to 20.7% during the quarter due to stable leasing activity, as quality spaces were limited across main streets. Two major malls on Nagar Road are looking to attract new brands to boost trading densities, maintain consumer interest and stay relevant amidst growing competition from online retailers. A major lifestyle brand commenced its operations from 24,000 square feet (sf) of mall space in Shankar Seth Road in 2015. Mall rentals in Hadapsar declined by 3.8% in a quarter as a couple of tenants exited the malls and demand decreased from the previous quarter. Koregaon Park also recorded rentals softening by 5% during the quarter due to limited enquiries from occupiers.

Main street demand remains stable. Main streets across Pune continued to witness stable demand. However, rentals in established main streets like MG Road and FC Road corrected by 3.1% and 3.8% respectively in the quarter due to the lack of options at prime locations, which contributed to a slight decline in occupier interest. As majority of the supply available at these locations comprised of small, non-prime spaces, quoted rentals were comparatively low. Both the main streets of Aundh and Old Mumbai-Pune Highway in Pimpri-Chinchwad Municipal Corporation (PCMC) registered rental appreciation of 2.6% and 4.5% respectively during the quarter due to limited quality supply amongst growing enquiries from retailers. No major transactions were recorded in main streets during the quarter

OUTLOOK

Malls will continue to dominate leasing activity. Limited availability of spaces along main streets despite persistent demand is likely to contribute to demand spilling over to malls. Also, the two malls nearing completion are expected to witness decent leasing activity in the coming quarter. Mall rentals are expected to remain stable in the next quarter.

Rentals in main streets likely to be under pressure. Rentals in main streets located in vicinity to the upcoming malls might record a slight correction due to an increase in competition and supply availability.

ECONOMIC INDICATORS

NATIONAL	2014	2015F	2016F
GDP Growth	7.2%	7.5%	7.5%
CPI Growth	6.6%	5.5%	5.9%
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MG Road	310	55	60	-3.1%	-3.1%
JM Road	380	68	73	0.0%	8.6%
FC Road	250	45	48	-3.8%	2.0%
Koregaon Park	125	22	24	0.0%	-3.8%
Aundh	195	35	38	2.6%	11.4%
Bund Garden Road	140	25	27	0.0%	0.0%
Mumbai Pune Highway – PCMC	115	21	22	4.5%	4.5%

MALLS	INR	EURO	US\$	Q-O-Q	Y-O-Y
	SF/MTH	SF/YR	SF/YR	CHANGE	CHANGE
Camp	150	27	29	0.0%	3.4%
Koregaon Park	95	17	18	-5.0%	-5.0%
Nagar Road	150	27	29	0.0%	0.0%
Hadapsar	125	22	24	-3.8%	13.6%
PCMC*	130	23	25	NA	NA

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SIGNIFICANT LEASING TRANSACTIONS

PROPERTY	LOCATION	TENANT	SQUARE FEET
Inorbit Mall	Nagar Road	Hypercity	20,000
Phoenix Market City	Nagar Road	Forever 21	10,000
City One Mall	PCMC	FBB	6,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SQUARE FEET	COMPLETION DATE
Westend Mall	Aundh	350,000	Q2 2015

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KOLKATA, INDIA

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RETAIL MARKET OVERVIEW

Stable vacancy levels and deferment of mall supply. During the first quarter of 2015, mall supply of 288,000 square feet (sf) were deferred to the next quarter due to construction delays. The overall city mall vacancy level remained stable during the quarter at 3.11%, with a marginal drop of 0.06 percentage point from the preceding quarter.

Limited transactions and stable rental values in malls. Limited transactions were noted due to very scarce options available in prime malls and deferment of new mall supply. As a result, rental values in operational malls remained stable during the quarter. However, under-construction malls witnessed steady leasing activity from apparel and food & beverage (F&B) brands.

Healthy leasing activity and stable rentals in main streets. Main streets continued to witness healthy leasing as compared to malls. Leasing activity on main streets was primarily focused in central locations of Kolkata such as Camac Street, Elgin Road, Theatre Road and Park Street. Home furnishings followed by apparels brands were the most active tenants during the quarter. An international premium apparel brand leased a large retail space during the quarter on Elgin Road. Main street rentals remained stable across the city despite the healthy leasing activity as they are already at their peak.

OUTLOOK

Addition of mall supply, higher leasing activity expected. Quality retail mall space of total 638,000 sf is anticipated to become operational in the next quarter in suburban south and west locations. As a result, healthy leasing activity is expected in malls in the next quarter. Rentals are likely to remain stable across all malls in the city.

Steady demand and stable rentals in main streets to persist.

Submarkets in central and northern Kolkata are expected to witness steady leasing activity due to stable demand and availability of retail spaces on main streets. Apparels, F&B and electronics brands are creating healthy enquiry levels. Despite the continued demand, main street rentals are expected to remain stable over the next quarter.

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Source: Oxford Economics

PRIME RETAIL RENTS – MARCH 2015

MAIN STREETS	INR	EURO	US\$	Q-Q CHANGE	Y-O-Y CHANGE
	SF/MTH	SF/YR	SF/YR		
Park Street	500	89	96	0.0%	0.0%
Camac Street	450	80	87	0.0%	0.0%
Lindsay Street	400	71	77	0.0%	0.0%
Elgin Road	320	57	62	0.0%	0.0%
Theatre Road	200	36	39	0.0%	0.0%
Gariahat	200	36	39	0.0%	0.0%
Shyambazar	140	25	27	0.0%	0.0%
Hatibagan	140	25	27	0.0%	0.0%
Kankurgachi	200	36	39	0.0%	0.0%
VIP Road	90	16	17	0.0%	0.0%

MALLS	INR	EURO	US\$	Q-Q CHANGE	Y-O-Y CHANGE
	SF/MTH	SF/YR	SF/YR		
South Kolkata	300	53	58	0.0%	0.0%
East Kolkata	400	71	77	0.0%	0.0%
Rajarhat	100	18	19	0.0%	0.0%
Elgin Road	600	107	116	0.0%	0.0%
Park Circus	600	107	116	0.0%	0.0%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
Conversion Rate: US\$1 = INR 62.28 and Euro 1 = INR 67.25

SIGNIFICANT LEASING TRANSACTIONS

PROPERTY	LOCATION	TENANT	SQUARE FEET
Woodburn Central	Elgin Road	Marks & Spencers	16,000
Forum Mall	Elgin Road	TGIF	9,800

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SQUARE FEET	COMPLETION DATE
Merlin Acropolis	Rajdanga Main Road	288,000	Q2 2015
Forum Rangoli	Howrah	350,000	Q2 2015

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MARKETBEAT RETAIL SNAPSHOT



AHMEDABAD, INDIA

A Cushman & Wakefield Research Publication

Q1 2015



ECONOMIC OVERVIEW

Macro-economic indicators signal stability.

The government's efforts to re-energize the economy have created a pro-business environment and restored global investors' confidence in India. The Gross Domestic Product (GDP) for the third quarter of FY2014-15 was recorded at 7.5% (as per the new methodology),

making India one of the fastest growing economies globally. The HSBC India Composite Purchasing Managers' Index also rose marginally from 53.3 in January to 53.5 in February 2015 due to an increase in new businesses.

Reduction in repo rate. Although the Consumer Price Index (CPI) increased marginally from 5.19% in January to 5.37% in February 2015, inflation seemed to be under control. Hence, since January 2015, the Reserve Bank of India (RBI) has reduced its benchmark lending rate - the repo rate - twice (0.50 basis points in total) to 7.5% to revive economic growth.

Introduction of Goods and Services Tax (GST) from April 1, 2016.

The central government has announced the date of enactment of the much-awaited GST during the Union Budget 2015-16. The introduction of the GST is a positive move as it will bring about efficiencies in indirect taxes and ensure price parity across the country.

RETAIL MARKET OVERVIEW

Increase in overall mall vacancy. Despite the lack of mall supply, overall city level mall vacancy rose by 1.2 percentage points to 33.3% at the end of the first quarter of 2015. The increase in vacancy was due to exits in select malls located in Kankaria Lake and S.P Ring Road.

Stable rentals across most mall micro-markets. With limited availability of quality mall space, transaction activity remained low during the quarter. Rentals in most malls remained firm during the quarter with the exception of Kankaria Lake where they have declined by 16.7% from the last quarter due to high vacancy levels and low demand from retailers

Increase in transaction activity in select main streets; stable rentals on most main streets. Transaction activity remained high in the main street of S.G. Highway with apparel, lifestyle and automobile brands expanding their footprints. This led to rentals appreciating by 11% during the quarter. Rentals in all other main streets remained steady, due to a demand-supply equilibrium. Quick service restaurants like Starbucks and Burger King are looking to open their first stores in the city. Dunkin Donuts has already opened its first store in the city during the quarter.

OUTLOOK

Mall rentals may decline in S.G. Highway and appreciate in Vastrapur. With persistent high vacancy levels, rentals in malls along the S.G. Highway may decline in the upcoming quarter. High demand in a prominent mall in Vastrapur could lead to rentals appreciating in the upcoming quarter.

Leasing likely to remain high on main streets. With high levels of enquiries from food & beverage (F&B) and lifestyle brands for space in prime main streets like C.G. Road and Prahladnagar, rentals could appreciate in these main streets whilst they are expected to remain stable in all other main streets for the upcoming quarter.

ECONOMIC INDICATORS

NATIONAL	2014	2015F	2016F
GDP Growth	7.2%	7.5%	7.5%
CPI Growth	6.6%	5.5%	5.9%
Private Final Expenditure Growth	5.8%	7.1%	7.0%
Govt. Final Expenditure Growth	5.5%	8.3%	7.9%

Source: Oxford Economics

PRIME RETAIL RENTS – MARCH 2015

MAIN STREETS	INR	EURO	US\$	Q-Q	Y-Q
	SF/MTH	SF/YR	SF/YR	CHANGE	CHANGE
C.G. Road	150	27	29	0.0%	0.0%
Law Garden	120	21	23	0.0%	0.0%
Satellite Road	150	27	29	0.0%	0.0%
Maninagar*	140	25	27	NA	NA
Prahladnagar	130	23	25	0.0%	0.0%
S.G. Highway	100	18	19	11.1%	11.1%

MALLS	INR	EURO	US\$	Q-Q	Y-Q
	SF/MTH	SF/YR	SF/YR	CHANGE	CHANGE
Vastrapur	120	21	23	0.0%	0.0%
S.G. Highway	75	13	14	0.0%	0.0%
Drive-in Road	70	12	13	0.0%	0.0%
Kankaria Lake	50	9	10	-16.7%	-16.7%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
Conversion Rate: US\$1 = INR 62.28 and Euro 1 = INR 67.25

*Newly Added in 2015

SIGNIFICANT LEASING TRANSACTIONS

PROPERTY	LOCATION	TENANT	SQUARE FEET
C.G. Square	C.G. Road	Dunkin Donuts	1,800
NA	C.G. Road	Biba	1,400

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SQUARE FEET	COMPLETION DATE
Applewoods Galleria	Bopal	160,000	Q1 2016

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MARKETBEAT RETAIL SNAPSHOT



HYDERABAD, INDIA

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ECONOMIC OVERVIEW

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making India one of the fastest growing economies globally. The HSBC India Composite Purchasing Managers' Index also rose marginally from 53.3 in January to 53.5 in February 2015 due to an increase in new businesses.

Reduction in repo rate. Although the Consumer Price Index (CPI) increased marginally from 5.19% in January to 5.37% in February 2015, inflation seemed to be under control. Hence, since January 2015, the Reserve Bank of India (RBI) has reduced its benchmark lending rate - the repo rate - twice (0.50 basis points in total) to 7.5% to revive economic growth.

Introduction of Goods and Services Tax (GST) from April 1, 2016. The central government has announced the date of enactment of the much-awaited GST during the Union Budget 2015-16. The introduction of the GST is a positive move as it will bring about efficiencies in indirect taxes and ensure price parity across the country.

RETAIL MARKET OVERVIEW

Deferment of mall supply. A mall measuring 150,000 square feet (sf), which was expected to become operational in the first quarter of this year, is still undergoing fitouts by tenants and is now expected to begin operations in the third quarter.

No leasing activity in malls; steady mall vacancy levels. Reduced footfalls in select malls in Himayathnagar and Banjara Hills, and poor availability of quality spaces resulted in poor leasing activity during the quarter. Due to very limited transactions and low churn, mall rentals remained stable across all micro-markets as the city's overall mall vacancy level remained steady at 7%.

Significant leasing activity in main streets. Limited availability of quality spaces in malls led to healthy leasing activity in main streets such as Jubilee Hills, Kukatpally and Chandanagar. The demand primarily comprised of tenants from apparels, and food & beverage (F&B) segments. Despite healthy leasing, main street rentals remained stable across the city.

OUTLOOK

Mall rentals expected to remain stable. With no new supply expected and limited availability in existing malls, rentals are likely to remain stable in the next quarter.

Main street rentals expected to maintain status quo. Rentals across most main streets will keep stable in the upcoming quarter as leasing is expected to remain steady. However, issues related to physical access in specific micro-markets such as Raj Bhavan Road / Somajiguda may be a reason for waning retailers' interest and may lead to lower rentals.

ECONOMIC INDICATORS

NATIONAL	2014	2015F	2016F
GDP Growth	7.2%	7.5%	7.5%
CPI Growth	6.6%	5.5%	5.9%
Private Final Expenditure Growth	5.8%	7.1%	7.0%
Govt. Final Expenditure Growth	5.5%	8.3%	7.9%

Source: Oxford Economics

PRIME RETAIL RENTS – MARCH 2015

MAIN STREETS	INR	EURO	US\$	Q-0-Q	Y-0-Y
	SF/MTH	SF/YR	SF/YR	CHANGE	CHANGE
M.G. Road	110	20	21	0.0%	0.0%
S.P. Road/ Begumpet	110	20	21	0.0%	0.0%
Raj Bhavan Road/Somajiguda	90	16	17	0.0%	0.0%
Banjara Hills	130	23	25	0.0%	0.0%
Abids	110	20	21	0.0%	0.0%
Himayathnagar	135	24	26	0.0%	0.0%
Punjagutta	155	28	30	0.0%	0.0%
Ameerpet	125	22	24	0.0%	0.0%
Jubilee Hills	125	22	24	0.0%	-3.9%
Kukatpally NH.9	140	25	27	0.0%	0.0%
A.S. Rao Nagar	120	21	23	0.0%	0.0%
Madhapur	100	18	19	0.0%	0.0%

MALLS	INR	EURO	US\$	Q-0-Q	Y-0-Y
	SF/MTH	SF/YR	SF/YR	CHANGE	CHANGE
NTR Gardens	125	22	24	0.0%	0.0%
Himayathnagar	150	27	29	0.0%	0.0%
Banjara Hills	260	46	50	0.0%	0.0%
Madhapur	235	42	45	0.0%	0.0%
Panjagutta	140	25	27	0.0%	0.0%
Somajiguda	140	25	27	0.0%	0.0%
Kukatpally	180	32	35	0.0%	0.0%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
Conversion Rate: US\$1 = INR 62.28 and Euro 1 = INR 67.25

SIGNIFICANT LEASING TRANSACTIONS

PROPERTY	LOCATION	TENANT	SQUARE FEET
Stand-alone	Kukatpally	Vijaya Diagnostic	3,500
Mohan Plaza	Jubilee Hills 36	Laven	3,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SQUARE FEET	COMPLETION DATE
GSM Infra Mall	Chandanagar	425,000	Q1 2016
Shanta Sriram Mall	Patny Circle	500,000	Q1 2016

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MARKETBEAT RETAIL SNAPSHOT



CHENNAI, INDIA

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Q1 2015



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RETAIL MARKET OVERVIEW

Absence of new mall supply; mall vacancies decline marginally. In line with the trend witnessed in 2014, no new mall commenced operations during the first quarter of 2015 in Chennai. In the wake of supply constraints and limited leasing, overall mall vacancy dipped only marginally by 0.12 percentage point to 6.50% at the end of this quarter.

Mall rentals maintain status-quo across submarkets. Low levels of churn coupled with limited availability of quality malls resulted in rental values remaining steady across all submarkets during the quarter. Leasing was seen only in select shopping malls with quality spaces by some apparel, food & beverage (F&B) brands during this period.

Rentals increase in select established main streets as demand improves. The entry of new retailers on Anna Nagar 2nd Avenue led to a sharp rental appreciation of 15% on a quarter-on-quarter basis, as quality retail spaces that were not affected by ongoing infrastructure works quoted higher rentals. Continual shortage of retail spaces on Purusawakam High Road resulted in a 4% quarter-on-quarter rental increase, as demand from retailers in apparel and footwear segments remained strong.

OUTLOOK

Mall rentals expected to remain stable No new mall supply is expected in the next quarter and mall vacancy is expected to decline further due to demand from apparel, F&B and footwear brands. However, mall rentals are expected to hold steady.

Main street rentals may remain stable. Most main streets are expected to maintain stable rentals. However, Anna Nagar 2nd Avenue and

Pondy Bazar may witness an upward rental bias due to healthy demand and non-availability of prime retail spaces on these main streets.

ECONOMIC INDICATORS

NATIONAL	2014	2015F	2016F
GDP Growth	7.2%	7.5%	7.5%
CPI Growth	6.6%	5.5%	5.9%
Private Final Expenditure Growth	5.8%	7.1%	7.0%
Govt. Final Expenditure Growth	5.5%	8.3%	7.9%

Source: Oxford Economics

PRIME RETAIL RENTS – MARCH 2015

MAIN STREETS	INR	EURO	US\$	Q-Q-Q CHANGE	Y-Q-Y CHANGE
	SF/MTH	SF/YR	SF/YR		
Nungambakkam High Road	150	27	29	0.0%	0.0%
Khadar Nawaz Khan Road	210	37	40	0.0%	0.0%
Cathedral Road – RK Salai	140	25	27	0.0%	-7.0%
Usman Road –South	130	23	25	0.0%	4.0%
Usman Road – North	140	25	27	0.0%	4.0%
Adyar Main Road	160	29	31	0.0%	7.0%
Anna Nagar 2nd Avenue	150	27	29	15.0%	7.0%
Purusawakam High Road	125	22	24	4.0%	14.0%
Pondy Bazar	160	29	31	0.0%	7.0%
Velachery	130	23	25	0.0%	0.0%
Ambattur (MTH Road)#	120	21	23	NA	NA

MALLS	INR	EURO	US\$	Q-Q-Q CHANGE	Y-Q-Y CHANGE
	SF/MTH	SF/YR	SF/YR		
Chennai – CBD*	345	62	66	2.2%	0.0%
Chennai – Western*	300	54	58	0.0%	-9.0%
Chennai – South*	330	59	64	0.0%	-4.0%

Note: Asking rent (INR/sf/month) for malls on carpet area of ground floor Vanilla stores is quoted
Conversion Rate US\$1 = INR 62.28 and Euro 1 = INR 67.25

*Select shopping malls have been considered for calculation of mall rents. Luxury spaces not included

#Newly Added in 2015

SIGNIFICANT LEASING TRANSACTIONS

PROPERTY	LOCATION	TENANT	SQUARE FEET
Stand Alone	T.Nagar	Westside	20,000
Express Avenue	Royapettah	Pantaloons	12,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SQUARE FEET	COMPLETION DATE
Gold Souk	Vandalur	500,000	Q4 2015
The Palladium	Velachery	250,000	Q1 2016

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