

**BANGALORE RETAIL REAL ESTATE
JULY 2009 UPDATE**

ASIA RETAIL

ANALYST : SWATI SHARMA

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Market Summary

- Bangalore will witness a supply of approximately 3 million sq.ft area being added into Retail space by the end of 2009. The supply will be majorly concentrated in areas like Whitefield, Rajeshwari, Bannerghatta and Malleswaram.
- Around 2.5 million sq.ft area is expected to be added into Retail in the next two year i.e. in 2010 – 2011.
- 2 projects are proposed to come up, one at Old Madras Road and the other at Kormangala.
- The average occupancy rate of the malls is around 70 – 75 %.
- Operational Malls have vacancy of around 17 % and the upcoming malls have average vacancy of 40 %.
- The average Lease Rentals in some of the locations is as: (depending on the floors)
 - Brigade Road – Rs. 65 – 90 per sq.ft area
 - Malleswaram – Rs. 150 – 175 per sq.ft area
 - Whitefield – Rs. 75 – 85 per sq.ft area
 - M.G Road – Rs. 80 – 200 per sq.ft area
 - Bannerghatta – Rs. 70 – 110 per sq.ft area
 - Rajeshwari Nagar – Rs. 60 – 80 per sq.ft area.
- The High Streets in Bangalore are areas like
 - M.G Road
 - Brigade Road
 - Commercial Street
 - Kormangala
 - Indiranagar
 - Malleswaram.
- In High Street Commercial Street is the most saturated. Though M.G Road is the most preferred, the demand has now been shifting to other locations like Kormangala and Indiranagar due to reasons like Parking problem, Traffic congestion and Metro coming up.

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- The Rentals have witnessed a fall of 10 % as compared to last year.
- The Lease Rentals in the High Streets is as follows
 - M.G Road Rs. 150 – 200 per sq.ft area but on the main road it goes upto Rs. 300 – 350 per sq.ft area. The Capital Value is around Rs 15000 per sq.ft area and the Yield is around 12 %.
 - Brigade Road Rs. 200 – 250 per sq.ft area and Capital Value is around Rs. 12,000 per sq.ft area. The Yield is around 20 %.
 - Commercial Street is saturated and the Rentals is around Rs. 200 – 250 per sq.ft area. The Capital Value is around Rs.10, 000 per sq.ft area and the Yield is around 25 %.
 - In Indiranagar the Rentals is around Rs. 125 per sq.ft area and the Capital Value is around Rs. 8000 per sq.ft area. The Yield is around 18 %.
 - Malleswaram the Rental is around Rs. 80 – 100 per sq.ft area
 - In Kormangala has Rentals of Rs. 80 – 90 per sq.ft area.

Malls

- Forum Mall at UB City has a Retail space of 350,000 sq.ft area and is operational since 2004.
- Prestige Eva Mall at Brigade Road has an area of 70,000 sq.ft and has occupancy of 80 %. It is operational on Sale, Lease and Revenue Sharing model. The mall has a vacancy of around 15,000 sq.ft area. Croma is the Anchor Client and there is no Multiplex. The Lease Rentals is between Rs. 65 – 90 per sq.ft area
- Forum Value Mall at Whitefield has an area of 300,000 sq.ft. The Mall is operational since June 2009. Mega mart is the Anchor Client with 50,000 sq.ft area and Fame is the Multiplex partner.
- U B Mall is a luxurious Mall and has an area of 125,000 sq.ft area and is operational. Brands like Louis Vuitton, Gucci, Dunhill, Moschino and others are present.

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- Garuda Mall at Magrath Road has an area of 300,000 sq.ft and is operational since last 4 years. The mall has high occupancy of 90 % +. It is operational on Lease basis and the Rentals is around
- Rs. 150 – 175 per sq.ft area depending on the floors. Westside and Shoppers Stop is the Anchor Client and Inox is the Multiplex partner.
- A mall is proposed to come up at Kormangala and has an area of approximately 300,000 sq.ft.
- Orion Mall at Malleswaram is under construction and is expected to be completed by Q2; 2010. The area of the mall is around 1.1 million sq.ft area. The occupancy is 58 %. The Rentals is around Rs. 150 – 175 per sq.ft area depending on the floors. Westside, Star Bazaar and Landmark is the Anchor Client and PVR is the Multiplex partner.
- The Arcade at Whitefield is under construction and the area of the mall is 100,000 sq.ft. No Multiplex and Anchor Client as of now. It is operational on Sale and Lease basis. The Lease Rental is around Rs. 75 – 85 per sq.ft area.
- Poorva Mall at M.G Road has an area of 40,000 sq.ft and is operational since last 5 years. No Multiplex and Anchor Clients area there. The occupancy rate is around 60 %
- Poorva Mall at Old Madras Road is proposed to come up.
- Mantri Mall of approximately 1 million sq.ft area is expected to be completed by end of 2009. It is located at Malleswaram. It is operational on Sale, Lease and Revenue Sharing and the occupancy rate is around 80 %. Shoppers Stop and Lifestyle is the Anchor Client and Inox is the Multiplex partner.
- Shop at Mantri at J P Nagar is under construction and is expected by end of 2009. The area is 250,000 sq.ft and it is entirely taken over by Central.
- Nitesh Mall at Indiranagar has an area of 650,000 sq.ft and is expected by 2010 end.
- Innovation Mall at Main Bannerghatta Road has an area of 180,000 sq.ft and is expected to be completed by December 2009. The vacancy is around 35,000 sq.ft area. The Lease Rentals is around Rs. 70 – 110 per sq.ft area depending on the floors. Adlabs is the Multiplex partner.

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- Signature Tower at Old Madras Road has an area of 200,000 sq.ft and is expected by 2010. The occupancy rate is around 65 %. The Mall has a vacancy of 75,000 sq.ft area
- Gopalan Arch at Rajeshwari Road will be operational from August 15, 2009. The area of the mall is 225,000 sq.ft and has occupancy of around 95 %. It is operational on Lease basis and Lease Rental is around Rs. 60 – 80 per sq.ft area depending on the floors.
- Spectrum Mall at Sarjapur Road has an area of 550,000 sq.ft area and is expected to be completed by 2011.
- Spectrum at Bannerghatta Road has an area of 300,000 sq.ft and is expected by end of 2009.
- Galleria Mall has an area of 1 million sq.ft and has Anchor Clients like, Hyper city, Hypermarket, Shoppers Stop, Westside and Debenhams and PVR is the Multiplex partner.
- Ion Mall has an area of 263,000 sq.ft area of Retail space is located at Sarjapur Road.

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 - Commercial Street
 - Kormangala
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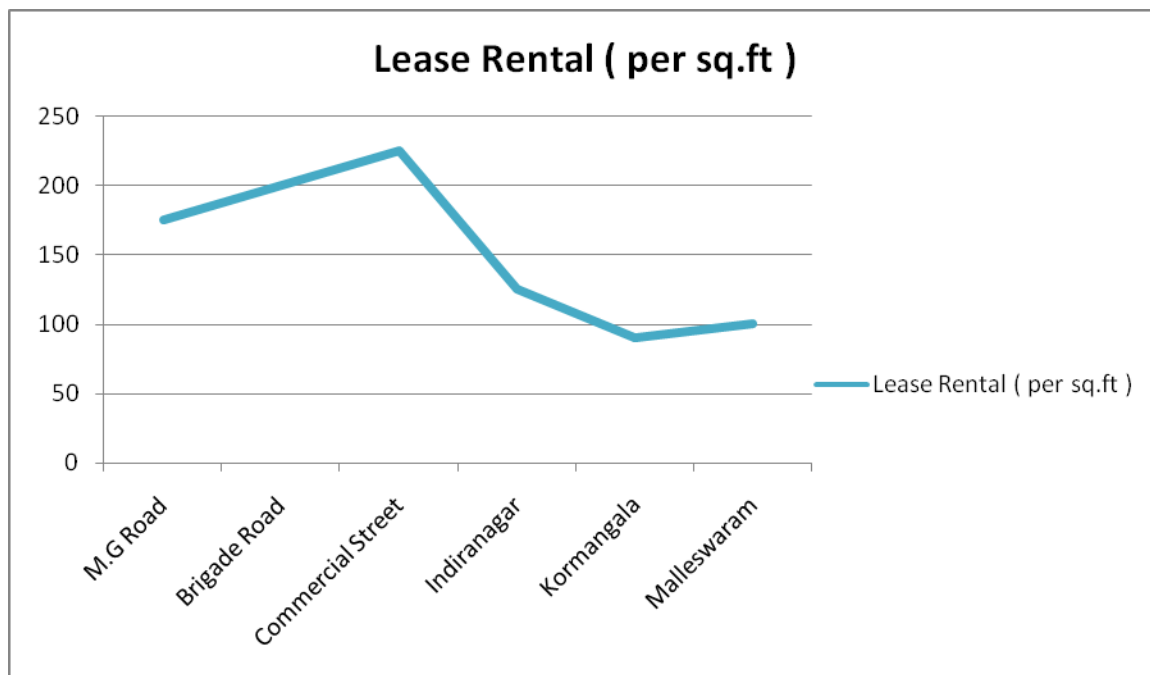
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High Street Rentals



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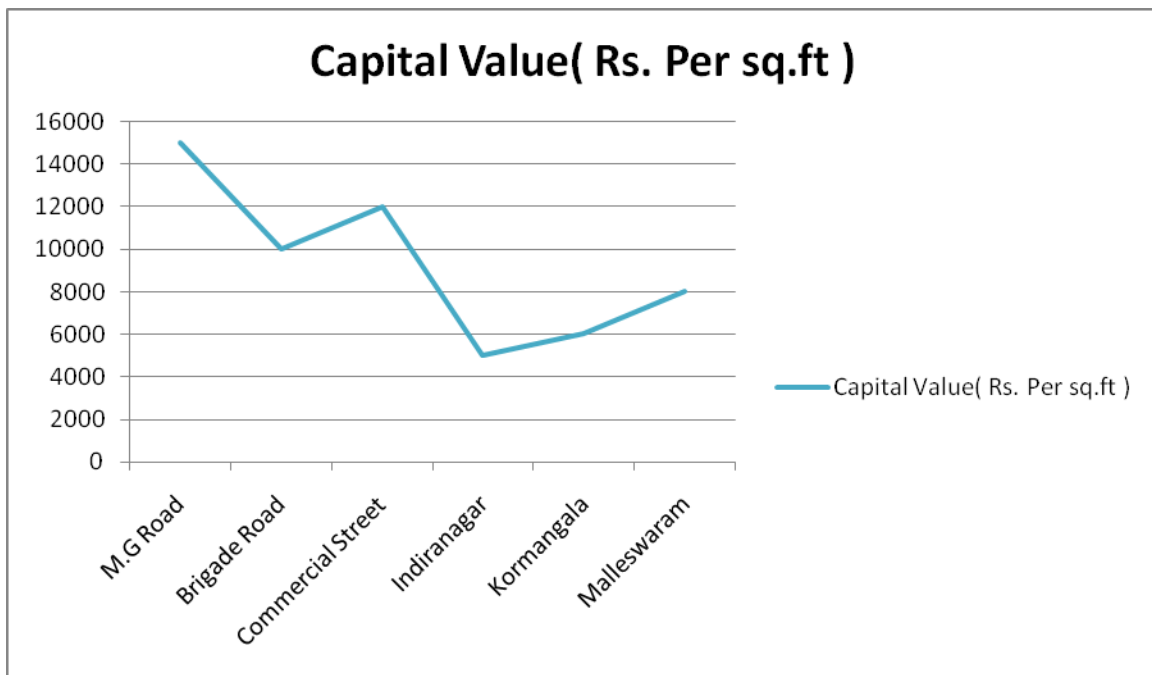
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High Street Capital Value



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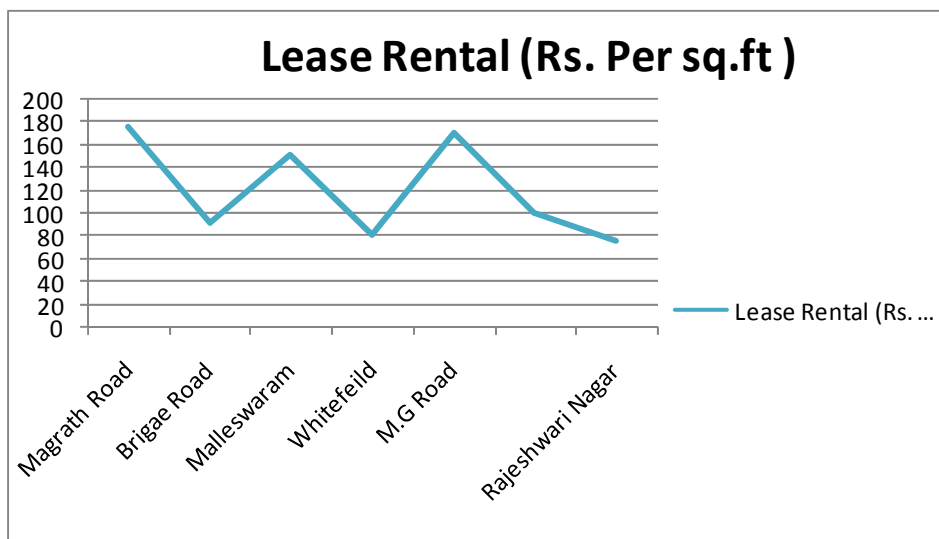
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Mall Lease Rental

- The Lease Rentals in Malls have fallen between 5 – 15 %.
- Lease Rentals in some of the prime locations is as follows.
 - Brigade Road Rs 65 – 90 per sq.ft area
 - Magrath Road Rs. 150 – 175 per sq.ft area
 - Malleswaram Rs. 150 – 175 per sq.ft area
 - Whitefield Rs 75 – 85 per sq.ft area
 - M G Road Rs. 80 – 200 per sq.ft area
 - Main Bannerghatta Road Rs. 70 – 110 per sq.ft area
 - Rajeshwari Nagar Rs. 60 – 80 per sq.ft area



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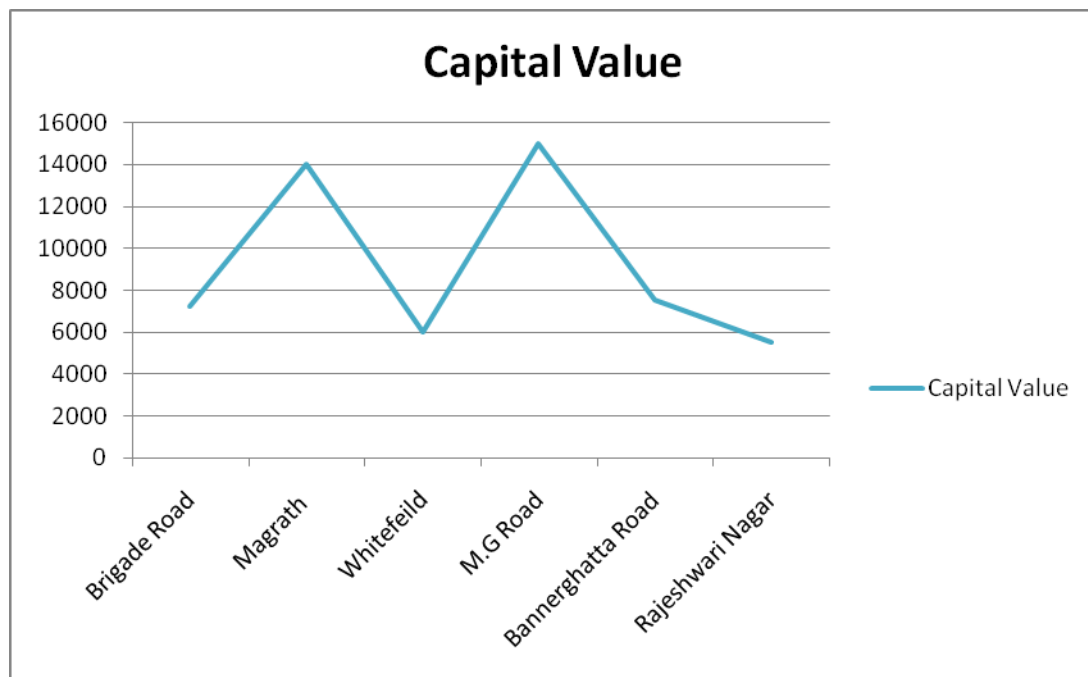
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Malls Capital Value

* Assuming Yield of around 15 % the Capital Value of various locations is as follows.



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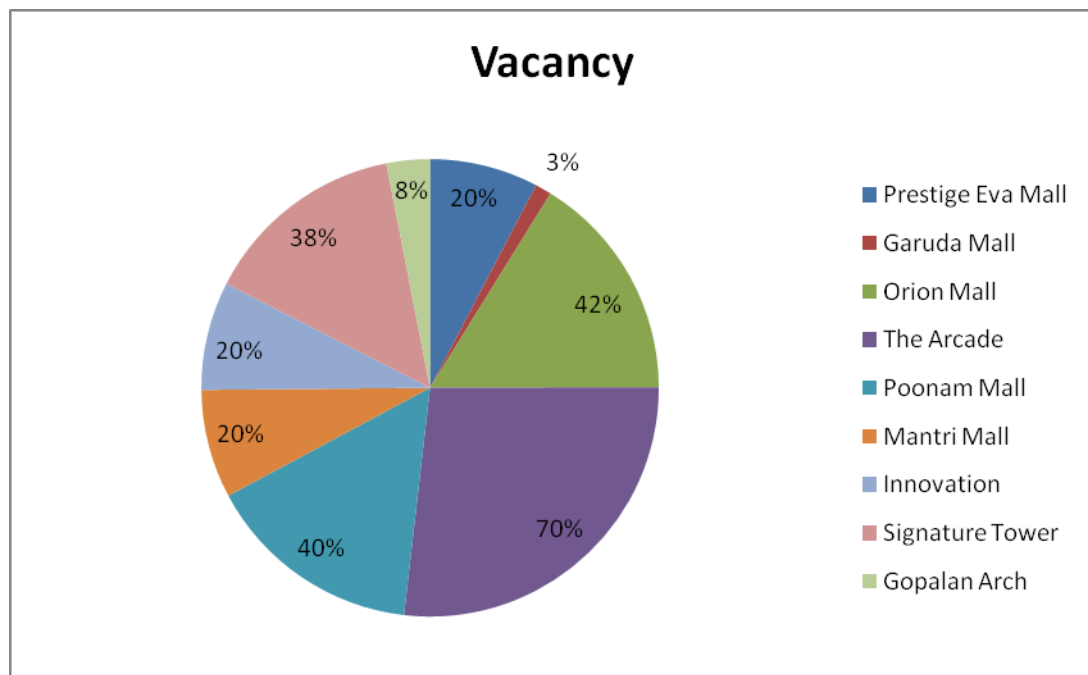
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Vacancy

- The average vacancy in Malls which are operational is around 17 % and the upcoming Malls have an average vacancy of 40 %.



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Significant Upcoming Malls

- Bangalore will witness around 8 Malls coming up by 2009 end with a supply of around 3.7 Million sq.ft area
- Around 1.3 million sq.ft area is expected in the year 2010.
- 3 Malls have been proposed with an area of more than 1 million sq.ft area which are expected to come in next 2 years

Project	Location	Area (sq.ft)	Status
Forum Value Mall	Whitefield	300,000	June 2009
-	Kormangalam	300,000	Proposed
Orion Mall	Malleswaram	1.1 Million	Q2, 2010
The Arcade	Whitefield	100,000	Under Construction
Poorva Mall	Old Madras Road	-	Proposed
Mantri Mall	Malleswaram	1 Million	Q3,2009
Shop at Mantri	J P Nagar	250,000	Q3,2009
Nitesh Mall	Indiranagar	650,000	Proposed
Innovation Mall	Main Bannerghatta Road	180,000	December 2009

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Signature Tower	Old Madras Road	200,000	2010
Gopalan Arch	Rajeshwari Nagar	225,000	August 2009
Spectrum Mall	Sarjapur Road	550,000	2011
SJR Spectrum	Bannerghatta Road	300,000	Q4,2009
Galleria	-	1 million	2009
ION Mall	Sarjapur Road	263,000	2009

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