

**KOCHI RETAIL REAL ESTATE - JUNE 2009**

**ASIA RETAIL**

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### Market Summary

- The Mall culture in Kochi is very novel. The concept of escalators, food courts, etc is new and the foot falls has been increasing ever since the concept of mall came up.
- A supply of around 2.5 million sq.ft area will be added in the city in next one and a half years.
- A Bangalore based Group was to come up with a mall in Kochi but has now decided to put a hold on it.
- The occupancy trend is in the region of 80 %. The operational malls have a high occupancy and the upcoming malls also have a high occupancy.
- The malls are operational on three models i.e. Sale, Lease and Revenue Sharing but currently due to downturn they are mostly opting for Lease.  
The Lease rentals have come down by 20% due to existing slowdown. The Lease Rentals currently varies between Rs. 60 – 80 per sq.ft area. In the Prime location it is between Rs. 65 – 80 and in Non Prime location it is between Rs. 30 – 40.
- The Anchor Clients in the malls are Pantaloons, Spencer's, Bata, Reebok, Lilliput, Rado, Titan, Pepe and others.  
Lulu International Shopping mall which is expected to be completed by Q4, 2010 will have Lulu Hyper market as its major anchor clients and there will be major others brands also.
- Two malls are expected by the end of this year. One has occupancy of 80 % and other 20 %.
- No latest transactions have taken place.

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Malls

➤ **Lulu International Shopping Mall**

- Lulu International Shopping mall is 1.8 million sq.ft area project.
- It is under construction. It is expected to be completed by Q4, 2010.
- Currently there has not been any transaction that has taken place as it would be Ready for Fit Out in another six months. It is only on Lease basis.
- The Anchor clients would be mainly the Lulu Hyper Market and also they are having major brands that are approaching them.

➤ **Grand Mall**

- Grand Mall has an area of 200,000 sq.ft and the Gross Leasable area is 130,000 sq.ft.
- It is under construction and is expected by December 2009.
- Only 20 % have been leased out and the remaining is vacant.
- It is operational only on Lease model but may sell upto 10 % to recover the cost of land.
- The Lease Rentals is around Rs.100 – 150. There has been a drop of 20 % in Rental values.
- They don't have any Multiplex partner.
- No latest transaction, the last space leased out was in January 2009.

➤ **Bay Pride**

- Bay Pride is the oldest shopping arcade in Kochi and is operational since 2006.
- The area of the mall is 43,000 sq.ft and has occupancy of 95 %.
- Currently it is on Lease basis due to slowdown however initially it was on Revenue Sharing as well.

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- The Lease Rentals have fallen drastically i.e. from Rs. 60 per sq.ft it has come down to Rs. 30 – 40.
- The Vanilla stores are Metro, Brandz, Levis, Bata, Nike, Koutons, Barista, China Town, Fab India and many others.

#### ➤ Nucleus Mall

- Nucleus Mall of 125,000 sq.ft area is coming up at Marine Drive.
- The project is under construction and is expected by December 2009.
- It is operational on Sale, Lease and Revenue Sharing all. The Lease Rental is around Rs. 20 per sq.ft and Outright value is Rs. 8000 per sq.ft.
- The Anchor Clients are Big Bazaar, Reliance.
- There is no Multiplex and has number of Vanilla stores like Nike, Bata and others.

#### ➤ Oberon Mall

- The Oberon mall has an area of 350,000 sq.ft and is operational since last six months.
- The occupancy rate is around 70 – 80 %.
- The mall is operational on Sale and Lease basis. The Lease Rental is between Rs. 65 – 80 per sq.ft
- Reliance is the Anchor Client. It had sold 84,000 sq.ft area to Reliance.
- The Entertainment Partner is Boomerang and Multiplex Partner is Cinemax with 4 screens.
- Oberon operates the food court.
- The Vanilla stores are all major apparel brands and Titan, Rado and others.

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#### ➤ Gold Souk Grande

- The mall is 500,000 sq.ft area project at Kochi Bypass.
- It is under construction and is expected by Q2, 2009.
- The occupancy rate is 80 %.
- It is operational on Sale, Lease and Revenue Sharing.
- The Lease Rental is between Rs. 100 – 200 per sq.ft
- The Anchor Clients are Pantaloon, Spencer's.
- The Multiplex partner is Fun Cinemas.
- The Food Court partner is H.K Agencies.
- The Vanilla stores are Blackberry's, Titan, Reebok, Raymond, Lilliput, Cat moss. Jewellers like Sky Jewellers, Alapatt, Revathy, Orra, Kiah and others.

#### Lease Rentals

- The Lease Rentals have fallen by 20% due to current slowdown.
- Bay Pride which is the first mall in Kochi has witnessed a fall in rentals by around 20 %.
- Rentals also vary from location. In Prime location the rentals is between Rs. 60 – 80 and in Non Prime locations it is between Rs. 30 – 40.
- A mall which was initially on Revenue Sharing model is currently on Lease only due to the present scenario.

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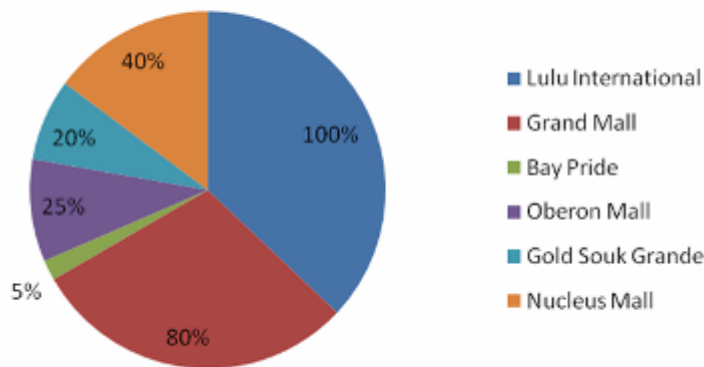
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Floor	Lease Rental (Rs. Per sq.ft )
Ground Floor	100
First Floor	80
Second Floor	75
Third Floor	65

**Vacancy**

- The operational malls have 10 – 20 % vacancy and the upcoming ones have 80 % vacancy.

**Vacancy**



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**Significant Upcoming Malls**

Project	Area (sq.ft)	Status
Lulu International	1.8 million	Q4, 2010
Grand Mall	200,000	December 2009
Gold Souk Grande	500,000	Q2, 2009

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