

**MUMBAI RETAIL REAL ESTATE
JULY 2009 UPDATE**

ASIA RETAIL

ANALYST : SWATI SHARMA

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Market Summary

- Around 1.3 million sq.ft area will be added into Retail space in the next 3 months in Mumbai.

The supply is majorly concentrated in Thane, Bhandup, Ghatkopar and Navi Mumbai.

A retail space of around 30,000 sq.ft area in Dadar is expected to come in another 2 months.

- Demand is now coming for Luxury malls. There is a huge demand for Luxury malls but there is no supply. A supply needs to come up to cater to luxury brands such as Hugo Boss, Canali, and Burberry who are interested to come up in luxury malls.
- Recession has hit the Retail sector badly but now slowly revival can be seen as demand is coming up. The majority of demand for retail space is coming from Food Joints and Apparel brands.

Mc. Donalds, CCD, Dominos, Subway and others have huge expansion plans.
- There is a big gap between expectation of the Developers and that of the Clients which has made it difficult to undertake major transaction.
- Even though there is surging demand it coming for High streets. High Streets like Causeway, Bandra linking Road, Lokhandwala are witnessing demand from brands for space.
- Every brand likes to have its presence in these High streets. A brand like Puma wants to have a space at Causeway since other major shoe brands like Adidas, Nike and Reebok are already present there.
- A major Apparel Brand is planning to come up with a retail space of 10,000 sq.ft area on Bandra Linking road.

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- A developer which had proposed a mall in Borivali has dropped the plan and is now coming up with a Residential tower there.
- A mall in Malad has been closed down and is now looking to sell it.
- The occupancy rate of malls in prime locations is more than 90 % and in other location also the operational malls have occupancy of 70 – 80 %
 - Prime Mall has occupancy of 60 %.
 - Megamall has occupancy of 70 %.
 - V Mall at Kandivali has occupancy of 50 % (shops)

The upcoming malls have also been occupied to a great extent.

- Korum Mall at Thane has occupancy of 65 %.
- R City and R Mall have occupancy of more than 95 %

Locations

South Mumbai

- Major Malls present in South Mumbai are CR 2 and Atria Mall. The occupancy rate in both the malls is very high i.e. 100 %.The footfall in Atria mall is not that high as compared to malls in Suburbs.
- The Lease Rentals is around Rs 450 per sq.ft area.
- Currently there is no significant supply which is coming up except for Star Mall at Dadar which is around 30,000 sq.ft area.

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- The High Street Phoenix Mill at Lower Parel has occupancy of 98 %.

Western Suburbs

- Western Suburbs witnesses the highest footfall as there is presence of Malls like Infinity, Inorbit, Oberoi and Raghuleela .These malls have Multiplexes, Food Court, Hyper and Super market in their malls which attracts lot of people to come here attract
- The malls like Inorbit, Infinity and Raghuleela have occupancy of more than 90 %.
Raghuleela Mall at Kandivali has vacant area of around 15,000- 20,000 sq.ft
- Eastern Mall at Malad has been closed down.
- A mall was proposed to come up at Borivali has been cancelled and are now coming up with a Residential tower there.
- A mall is expected at Jogeshwari West of 400,000 sq.ft area. It is under construction and is expected by next year.
- Prime Mall at Vile Parle has occupancy of 60 %. The Lease Rental is between Rs. 100 – 200 per sq.ft depending on the floor.
- Mega Mall has occupancy of 70 %. The Lease Rental is between Rs. 200 – 250 per sq.ft area.

The Anchor Clients are Pantaloons and Big Bazaar and there is no Multiplex.
- Milan Mall a 105,000 sq.ft mall has vacancy of 400 sq.ft area. It is operational on Lease basis and the Lease Rental is around Rs. 120. Big Bazaar and Pantaloons are the Anchor Clients and Inox is the Multiplex partner.
- Hi! Life Mall of 34,000 sq.ft area has vacancy of around 17,000 sq.ft. There is no Anchor Client and Multiplex present. The Lease Rental is around Rs. 200 per sq.ft

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- V Mall at Kandivali has an area of 150,000 sq.ft and is operational since 3 years. The mall is not successful and has footfalls only on Saturday and Sunday. The Lease Rental is between Rs. 80 – 100 per sq.ft depending on the floors.
- Oberoi Mall has an area of 550,000 sq.ft and has Anchor Clients like Lifestyle, Central, and Food Bazaar.

Around 8 stores of 700 – 800 sq.ft area is lying vacant.

The latest transaction that took place is with PVR as its Multiplex.

Central Suburbs

- The Central Suburbs includes areas like Ghatkopar, Chembur, Mulund, Bhandup and others which currently have and are also witnessing few malls coming up in next one year.
- R City Mall at Ghatkopar has an area of 1.2 million and is operational. The mall has occupancy of 90 %+.
- R Odeon Mall is also coming up in Ghatkopar with an area of 100,000 sq.ft and is expected to be completed by the end of 2009.
- Dreams The Mall at Bhandup has a retail space of 800,000 sq.ft and completed by August 2009.

The Lease Rental is between Rs. 40 – 100 per sq.ft area depending on the floors.

There is no Anchor Client in the mall yet, only Broadway is the Multiplex partner.

Vanilla stores like Nike, Titan, Archies, Wilson, Bata, Sony World and others are present.

- Nirmal Life Style has an area of around 500,000 sq.ft and is successful. It has Shoppers Stop and PVR as its Anchor Clients. The occupancy rate is 90 % +.

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Vacancy is approximately 22,000 sq.ft area i.e. Ground Floor around 3500 sq.ft, First Floor around 4000 sq.ft and above PVR there is vacancy of around 15,000 sq.ft area

The Lease Rentals is between Rs. 80 – 150 per sq.ft plus the CAM charges depending on the floors.

Navi Mumbai and Thane

- Navi Mumbai area like Vashi has some of the good malls like Inorbit, Centra one, Raghuleela, Palm Beach Galleria. Malls in Thane are Eternity Mall, Wonder Mall, Korum, and VIVA Mall.
- Magnet Mall at Navi Mumbai is under construction and is expected to be completed by 2009 end. The total area is around 1 million sq.ft. The occupancy rate is 70 % and is operational on Lease basis.

Hyper City is the Anchor Client and Movie Time is the Multiplex partner.

- Centre One Mall at Vashi is operational since last 7 years and has an area of 150,000 sq.ft

The mall has a vacancy of

- 3000 sq.ft area on Ground Floor
- 1000 sq.ft area on First Floor
- 1000 sq.ft area on Second Floor.
- 100 sq.ft area on Food Court
- A mall is coming up at Palm Beach Road which is under construction and 60 % of the work is complete. It is expected in Next 6 months. The occupancy rate is 50 %.
- Palm Beach Galleria Mall is operational since 2 years and has occupancy of 90 %.

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It is operational on both Lease and Revenue Sharing model but mainly on Lease basis.

The average Lease Rental is between Rs. 70 – 120 per sq.ft depending on the floors.

Max and Vijay Sales is the Anchor Client and Big Cinema is the Multiplex partner.

- Inorbit Mall in Vashi is Successful.
- The Raghu Leela Arcade at Vashi has vacancy of around 25,000 – 30,000 sq.ft area

The Lease Rental is between Rs. 80 – 130 per sq.ft depending on the floors.

- R Mall at Thane has an area of 400,000 sq.ft and has occupancy of 90 % +
- Korum Mall in Thane is 400,000 sq.ft and is expected by August 2009. It has occupancy of 65 % and is operational on Lease basis.

Star Bazaar and Westside is the Anchor Client and Fame is the Multiplex partner.

The Lease Rental is around Rs. 150 per sq.ft on an average.

- The other operational malls in Thane are Eternity and the Wonder mall.
- VIVA Mall in Thane is of 1 million sq.ft area. It has Hyper city and Shoppers Stop as its Anchor Client.

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High Street

- The High Streets in Mumbai are location like Andheri Link Road, Colaba Causeway, Bandra Linking Road and Juhu Tara Road. A lot of demand is coming for spaces especially for Colaba Causeway; Linking Road as all the brands wants to be there.
- Puma wants to be there as all major shoe like Adidas, Nike, Reebok are there.
- A major apparel brand is planning to come up with a retail space of 10.000 sq.ft area on Bandra Linking Road.

High Street Rental

- The lease Rentals of some of the high streets is as following.
 - Andheri Link road Rs. 140 – 160 per sq.ft area.
 - Juhu Tara Road Rs. 350 – 400 per sq.ft
 - Bandra Linking Road Rs. 600 – 700 per sq.ft
 - Malad Link Road

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Mall Lease Rental

- Most of the Malls are operational on Lease basis. The Lease Rentals vary across locations for instance
 - A mall in South Mumbai charges a rental of Rs.450 per.sq ft area
 - Grade A Mall in Vashi charges rental of Rs.100 – 130 per sq.ft area
 - Grade A mall in Thane charges rental of Rs. 150 per sq.ft area.
 - Grade A Mall in Bhandup charges rental between Rs. 50 – 100 per sq.ft area
 - Grade A Mall in Mulund has rental of Rs. 80 – 150 per sq.ft area.
 - Grade A Mall in Kandivali has rental of Rs 100 – 150 Rs. per sq.ft area.
 - Grade B Mall in Vile Parle and Santacruz charges rental of Rs.100 – 200 per sq.ft area.
- The Lease Rentals in South Mumbai, Malad and Andheri has not seen correction over the last month as these malls have a high occupancy.
- Lease Rentals in Mulund, Thane, Ghatkopar, Jogeshwari and Santacruz has seen correction in rentals by 10 – 20 % in last two months.

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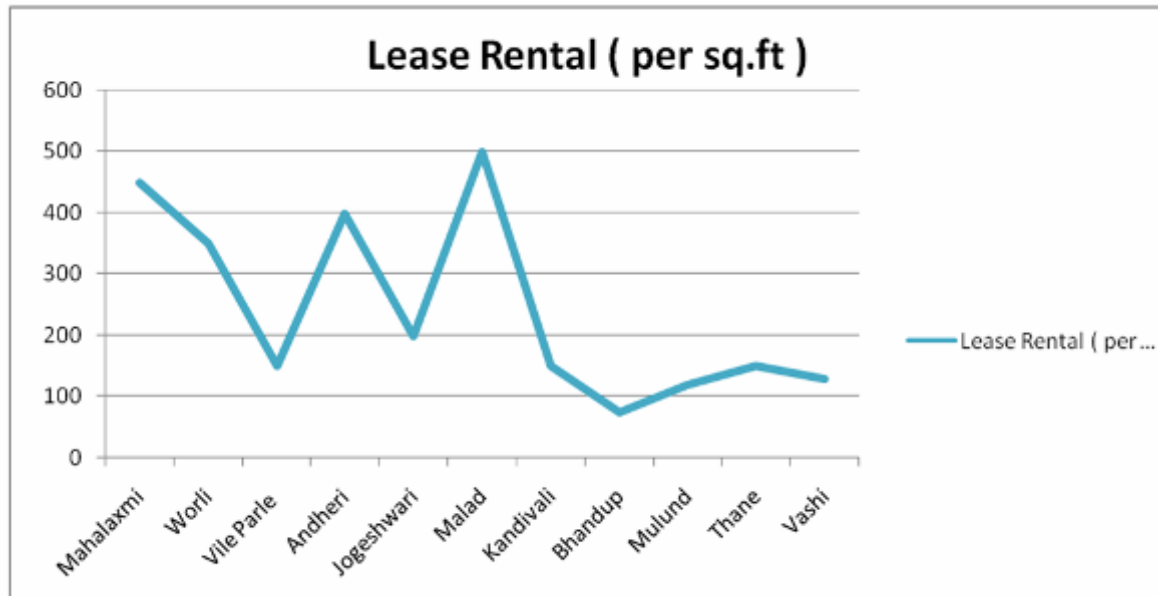
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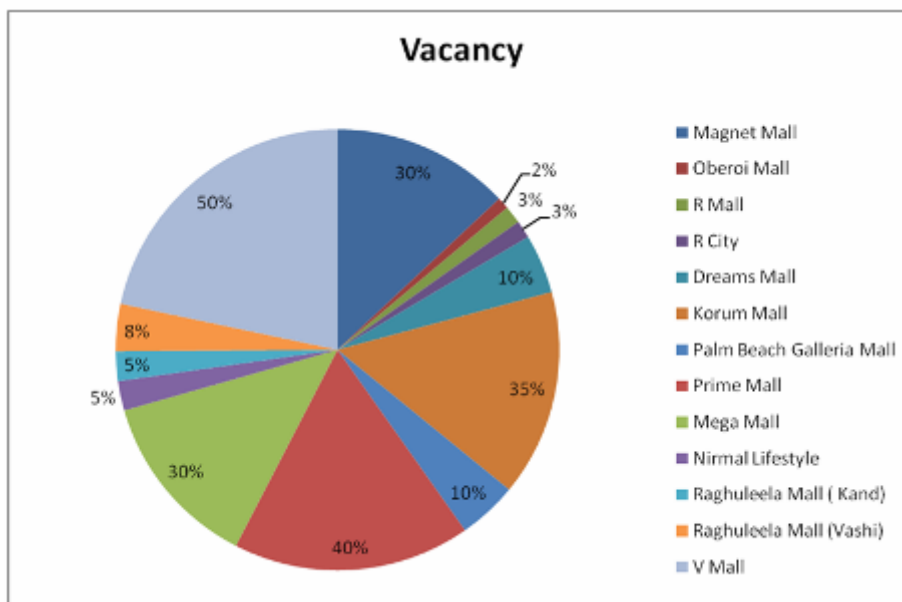
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Vacancy

- Grade A malls in Worli, Mahalaxmi, Andheri, Malad have a very high vacancy of 95 % +, some even have 100 % occupancy.
- Grade A malls in Ghatkopar, Thane and Navi Mumbai have a vacancy as high as 90 % +.
- A mall in Malad has been closed down.

Vacancy in some malls

- Inorbit Mall, CR 2 Mall, Infinity Mall has no vacancy.



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Significant Upcoming Malls

Project	Area (sq.ft)	Status
Magnet Mall	1 Million	2010
Star Mall	30,000	August 2009
R Odeon	100,000	2009
Dreams Mall	800,000	August 2009
Harmony	400,000	2010
Korum Mall	400,000	August 2009
VIVA City Mall	1 Million	-

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