

MARKETBEAT

CHENNAI RETAIL REPORT

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION



2Q 2011

Economy

India's GDP growth rate observed a downtrend as inflation and poor performance by manufacturing and several other sectors pulled down the economic growth during the fourth quarter of FY 2010-2011. The Central Statistics Office, Ministry of Statistics and Programme Implementation has estimated the GDP growth rate of India, for 2010-2011, to be at 8.5% as against the initial projection of 8.6%. The revised rate is the result of the lower than anticipated performance of primary sectors contributing to the GDP. During the year, while agriculture has witnessed growth at 6.6%, the manufacturing sector registered 8.3% growth and the services sector recorded approximately 9.9% growth.

Overview

The second quarter of 2011 was marked by the launch of two new malls in the city, adding 325,000 square feet (sf) to the total mall space, concentrated in the suburban and peripheral regions. The overall mall vacancy rate, surged to approximately 6.6% during the quarter as a result of a fresh mall supply in the market. Chandra Mall commenced operations during the quarter with high occupancy levels; while Coromandel Mall kicked off its operations partially.

The market witnessed stability with virtually no change in the rentals over the year as the malls located in the central districts continued to operate with high occupancy levels. On the other hand, select high street locations have witnessed a strengthening of rentals during the quarter due to limited availability of quality retail space in the city. Pondy Bazaar and Purusavakam registered an appreciation of 4% and 6%, respectively, due to a persistent demand during the quarter.

Outlook

The second half of 2011 is expected to witness additional mall supply of approximately 310,000 sf. The additional mall supply is likely to be launched with high occupancy levels resulting in overall stability in the mall vacancy rate in the city. As a result of low vacancy levels, the mall rentals are likely to remain stable in the medium term. Several high street markets, such as Khader Nawaz Khan Road, North Usman Road, Adyar Main Road and Anna Nagar 2nd Avenue might witness rental appreciation in the short term. The rental appreciation in the listed precincts is expected to be backed by growing retailer interest and a dearth of quality retail space.

PRIME RETAIL RENTS - MALLS

Location	INR per SF/MO			EURO SF/YR	US\$ SF/YR	12-Month Outlook
	2Q10	1Q11	2Q11			
Chennai - Central	265	265	265	49.1	70.0	→
Chennai - Western	230	230	230	42.6	60.7	→
Chennai - South	200	200	200	37.1	52.8	→

ECONOMIC INDICATORS

National	2010	2011F	2012F
GDP Growth	8.5%	8.2%	8.0%
CPI Growth	13.2%	7.5%	6.9%
Private Final Expenditure Growth	8.6%	7.5%	-
Govt. Final Expenditure Growth	16.2%	15.9%	14.9%
Population (In Millions)	1215.9	1232.7	1249.3

Source: IMF, CMIE & Government of India

SIGNIFICANT LEASING TRANSACTION

Property	Location	Tenant	Square Feet
Standalone	Kottivakkam, ECR	Bata	4,000
Standalone	Neelankarai, ECR	Dominos Pizza	1,800

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

Property	Location	Square Feet	Completion Date
Ramee Mall	Anna Salai	150,000	3Q11
Spectrum Mall	Perambur	160,000	3Q11

PRIME RETAIL RENTS - MAIN STREET

Location	INR per SF/MO			EURO SF/YR	US\$ SF/YR	12-Month Outlook
	2Q10	1Q11	2Q11			
Nungambakkam High Road	125	125	125	23.2	33.0	→
Khader Nawaz Khan Road	150	150	150	27.8	39.6	↗
Cathedral Road - RK Salai	125	125	125	23.2	33.0	→
Usman Road - South	115	115	115	21.3	30.4	→
Usman Road - North	90	100	100	18.5	26.4	↗
Adyar Main Road	125	125	125	23.2	33.0	↗
Anna Nagar 2nd Avenue	125	125	125	23.2	33.0	↗
Purusavakam High Road	85	85	90	16.7	23.8	→
Pondy Bazaar	NA	125	130	24.1	34.3	→
Velachery Bypass Road	NA	100	100	18.5	26.4	→

Note: Values are quoted on carpet area for ground floor properties of vanilla retailers

Legend

Market Rising ↗ Market Stable → Market Falling ↘

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MARKETBEAT

HYDERABAD RETAIL REPORT

Economy

India's GDP growth rate observed a downtrend as inflation and poor performance by manufacturing and several other sectors pulled down the economic growth during the fourth quarter of FY 2010-2011. The Central Statistics Office, Ministry of Statistics and Programme Implementation has estimated the GDP growth rate of India, for 2010-2011, to be at 8.5% as against the initial projection of 8.6%. The revised rate is the result of the lower than anticipated performance of primary sectors contributing to the GDP. During the year, while agriculture has witnessed growth at 6.6%, the manufacturing sector registered 8.3% growth and the services sector recorded approximately 9.9% growth.

Overview

Retail leasing activity was mostly confined to main streets in the absence of any new mall supply during the second quarter of 2011. Mall developers were observed to resume their construction activities which were earlier deferred or curtailed in the excavation stage. In the absence of fresh leasable space across malls, rentals continued to remain stable and the vacancy rate was recorded between 2% to 3% during the quarter. Moreover, projects under construction were also observed to witness increased interest from prospective retailers.

Main street rentals have remained stable due to moderate demand and limited supply. In some instances, landlords showed some flexibility towards rental terms with serious retailers. Leasing activity continued to remain active in Jubilee Hills Rd. No 36 and in Kukatpally – JNTU corridor. Retailers representing healthcare, beauty & small formats accounted for a larger share in the leasing trend during the quarter.

Outlook

Few standalone developments or retrofitted properties are expected in the main streets during 2011. Several mall projects are under various stages of construction and are expected to become operational in 2012 and forthcoming years, largely concentrated in the Kukatpally region. Mall rentals are likely to remain stable, though some appreciation could occur only if any new spaces become vacant. In the short term, most main streets are also likely to continue with stable rentals.

PRIME RETAIL RENTS - MALLS

Location	INR per SF/MO			EURO SF/YR	US\$ SF/YR	12-Month Outlook
	2Q10	1Q11	2Q11			
NTR Gardens	130	130	130	24.1	34.3	➔
Himayathnagar	150	150	150	27.8	39.6	➔
Banjara Hills Road No.1	240	240	240	44.5	63.4	➔
Madhapur	225	225	225	41.7	59.4	➔

ECONOMIC INDICATORS

National	2010	2011F	2012F
GDP Growth	8.5%	8.2%	8.0%
CPI Growth	13.2%	7.5%	6.9%
Private Final Expenditure Growth	8.6%	7.5%	-
Govt. Final Expenditure Growth	16.2%	15.9%	14.9%
Population (In Millions)	1215.9	1232.7	1249.3

Source: IMF, CMIE & Government of India

SIGNIFICANT LEASING TRANSACTION

Property	Location	Tenant	Square Feet
Standalone	Punjagutta	Womens World	30,000
Standalone	Banjara Hills Road No.12	Café Coffee Day	3,000
Standalone	Habsiguda	Mom & Me	3,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

Property	Location	Square Feet	Completion Date
Crystal Forum	Kukatpally	500,000	2Q12
NSL Centrum	Kukatpally	257,000	4Q11

PRIME RETAIL RENTS - MAIN STREET

Location	INR per SF/MO			EURO SF/YR	US\$ SF/YR	12-Month Outlook
	2Q10	1Q11	2Q11			
MG.Road	100	100	100	18.5	26.4	➔
SP.Road/ Begumpet	90	90	90	16.7	23.8	➔
Raj Bhavan Road/ Somajiguda	90	90	90	16.7	23.8	➔
Banjara Hills Road No. 1, 2 & 3	125	130	130	24.1	34.3	➔
Abids	100	110	110	20.4	29.0	➔
Himayathnagar	90	100	100	18.5	26.4	➔
Punjagutta	110	110	110	20.4	29.0	➔
Ameerpet	100	100	100	18.5	26.4	➔
Jubilee Hills Road No.36	120	140	140	25.9	37.0	➔
Kukatpally NH No.9	100	100	100	18.5	26.4	➔
A.S.Rao Nagar	75	75	75	13.9	19.8	➔
Madhapur	90	90	90	16.7	23.8	➔

Note: Values are quoted on carpet area for ground floor properties of vanilla retailers

Legend

Market Rising ↗ Market Stable ➔ Market Falling ↘

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MARKETBEAT

KOLKATA RETAIL REPORT

Economy

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Overview

Positive market sentiments and increased enquiries kept Kolkata's retail market stimulated during the second quarter of 2011. As no new malls became operational, vacancy levels remained on the lower side. Mall rentals exhibited an upward movement in Rajarhat and Elgin Road and at the same time, malls in other micro markets recorded lower vacancies. The limited availability of ready mall space also led to an increased pressure on main streets. Most transactions during this quarter took place in main streets causing rentals to move upward. Kankurgachi witnessed a 22% quarter-on-quarter increase as lifestyle retailers are increasingly showing interest in this location due to its close proximity to Salt Lake Sector V and its good catchment. However, few premium menswear brands were seen to be withdrawing their presence from Elgin Road due to low footfalls and parking problems.

Outlook

The city is expected to see 250,000 square feet of mall supply by the fourth quarter of 2011. Even so, vacancy level across the city will still remain low and mall rentals will continue their upward trend. The lack of fresh mall supply will be a concern for retailers and transactions are likely to take place mostly in main streets. As such, main street rentals will also continue to feel an upward pressure over the next three months.

PRIME RETAIL RENTS - MALLS

Location	INR per SF/MO			EURO SF/YR	US\$ SF/YR	12-Month Outlook
	2Q10	1Q11	2Q11			
South Kolkata	280	315	315	58.4	83.2	↗
Salt Lake	400	400	400	74.1	105.7	→
Rajarhat	125	135	150	27.8	39.6	→
Elgin Road	450	450	533	98.8	140.8	↗

ECONOMIC INDICATORS

National	2010	2011F	2012F
GDP Growth	8.5%	8.2%	8.0%
CPI Growth	13.2%	7.5%	6.9%
Private Final Expenditure Growth	8.6%	7.5%	-
Govt. Final Expenditure Growth	16.2%	15.9%	14.9%
Population (In Millions)	1215.9	1232.7	1249.3

Source: IMF, CMIE & Government of India

SIGNIFICANT LEASING TRANSACTION

Property	Location	Tenant	Square Feet
Standalone	Elgin Road	Max Lifestyle	6,500
Standalone	Kankurgachi	Peter England	4,300
South City Mall	Prince Anwar Shah Road	Accessorize & Nautica	1,850
South City Mall	Prince Anwar Shah Road	FCUK	1,440
Standalone	Rashbehari Avenue	Turtle	833

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

Property	Location	Square Feet	Completion Date
Lake Mall	Rashbehari Avenue	250,000	4Q11

PRIME RETAIL RENTS - MAIN STREET

Location	INR per SF/MO			EURO SF/YR	US\$ SF/YR	12-Month Outlook
	2Q10	1Q11	2Q11			
Park Street	245	245	260	48.2	68.7	↗
Camac Street	245	245	255	47.3	67.3	↗
Elgin Road	190	190	205	37.9	54.1	↗
Theatre Road	175	175	185	34.3	48.9	↗
Gariahaat	125	125	150	27.8	39.6	→
Shyambazar	110	110	115	21.3	30.4	→
Hatibagan	90	90	95	17.6	25.1	→
Kakurgachhi	115	115	140	25.9	36.9	↗
VIP Road	55	55	55	10.2	14.5	→

Note: Values are quoted on carpet area for ground floor properties of vanilla retailers

Legend

Market Rising ↗ Market Stable → Market Falling ↘

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MARKETBEAT

AHMEDABAD RETAIL REPORT

Economy

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Overview

Even while inflationary pressures have resulted in some cautious spending by consumers, most retailers are anticipating an improvement in demand in the near future owing to overall positive economic sentiments coupled with upcoming festive season by the fourth quarter of 2011. As a result, several brands are expanding to tap these opportunities as evidenced by an increase in leasing activity in second quarter of 2011. While rentals across most malls and high streets remained stable, continued preference by brands for established retail hubs resulted in some appreciation in rentals in Satellite Road.

Outlook

Improving retailer confidence coupled with the anticipated improvement in consumption during the festive season will drive transaction activities over the next six months. However, leasing activity is expected to be centered in established high streets. While micro markets like Satellite Road and S.G. Highway may witness some appreciation in the near future, adequate availabilities across other high streets will keep rentals stable. Moreover, with approximately 700,000 square feet of mall space expected to become operational in the third quarter of 2011, mall rentals in the city are expected to be under pressure due to high vacancy rates.

PRIME RETAIL RENTS - MALLS

Location	INR per SF/MO			EURO SF/YR	US\$ SF/YR	12-Month Outlook
	2Q10	1Q11	2Q11			
Vastrapur	75	78	78	14.4	20.6	→
SG Highway	60	65	65	12.0	17.2	→
Drive-in Road	65	70	70	13.0	18.5	→
Kankaria Lake	40	45	45	8.3	11.9	→

ECONOMIC INDICATORS

National	2010	2011F	2012F
GDP Growth	8.5%	8.2%	8.0%
CPI Growth	13.2%	7.5%	6.9%
Private Final Expenditure Growth	8.6%	7.5%	-
Govt. Final Expenditure Growth	16.2%	15.9%	14.9%
Population (In Millions)	1215.9	1232.7	1249.3

Source: IMF, CMIE & Government of India

SIGNIFICANT LEASING TRANSACTION

Property	Location	Tenant	Square Feet
Standalone	S.G. Highway	Pantaloons	35,000
Standalone	Satellite Road	Cream Centre	5,000
Standalone	C. G. Road	Zapp	4,400
Standalone	C. G. Road	Bata	2,500

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

Property	Location	Square Feet	Completion Date
Alpha One	Vastrapur	700,000	3Q 11
Acropolis	SG Highway	500,000	NA

PRIME RETAIL RENTS - MAIN STREET

Location	INR per SF/MO			EURO SF/YR	US\$ SF/YR	12-Month Outlook
	2Q10	1Q11	2Q11			
CG Road	130	140	140	25.9	37.0	→
Law Garden	85	100	100	18.5	26.4	→
Satellite Road	70	100	105	19.4	27.7	↗
SG Highway	65	85	85	15.7	22.4	↗

Note: Values are quoted on carpet area for ground floor properties of vanilla retailers

Legend

Market Rising ↗ Market Stable → Market Falling ↘

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MARKETBEAT

BANGALORE RETAIL REPORT

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CUSHMAN & WAKEFIELD
Global Real Estate Solutions

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Economy

India's GDP growth rate observed a downtrend as inflation and poor performance by manufacturing and several other sectors pulled down the economic growth during the fourth quarter of FY 2010-2011. The Central Statistics Office, Ministry of Statistics and Programme Implementation, has estimated the GDP growth rate of India, for 2010-2011, to be at 8.5% as against the initial projection of 8.6%. The revised rate is the result of the lower than anticipated performance of primary sectors contributing to the GDP. During the year, while agriculture has witnessed growth at 6.6%, the manufacturing sector registered 8.3% growth and the services sector recorded approximately 9.9% growth.

Overview

The relatively untapped suburban micro market of Bangalore witnessed approximately 375,000 square feet of fresh mall supply during the second quarter of 2011. The new mall became operational with almost full occupancy levels thereby allowing the overall vacancy rate in the city to continue to remain on the lower side. Mall projects which are likely to attain completion during the second half of 2011 or early 2012 witnessed increased interests from retailers. Rental negotiations were pronounced in projects under construction as both retailers/developers strived to capitalize on their standings. However, operational malls continued to witness stability in rentals on account of their eminence thereby commanding a premium.

Leading international retailers were also observed to be committing space in upcoming developments. Though leasing activity continued across both main streets and malls, retailers in general were observed to adopt a cautious approach with regard to their expansion plans. The market was characterized by increasing retailers' concern on optimizing store efficiency and operational costs with many opting for shop-in-shop options to lower any further real estate losses.

Outlook

Three mall developments are likely to become operational by the third quarter of 2011 or by early 2012. Mall vacancy levels across the operational malls may remain on the lower side; however, marginal appreciation is likely with the infusion of fresh supply in the forthcoming quarters. Main streets are likely to see more demand from retailers with immediate space requirements which may perpetuate marginal escalations in rentals in the range of 3% to 4% in the short term across prominent properties.

PRIME RETAIL RENTS - MALLS

Location	INR per SF/MO			EURO SF/YR	US\$ SF/YR	12-Month Outlook
	2Q10	1Q11	2Q11			
Koramangala	400	400	400	74.1	105.6	→
Magrath Road	315	315	315	58.4	83.2	→
Cunningham Road	200	200	200	37.1	52.8	↘
Mysore Road	140	130	130	24.1	34.3	↘
Vittal Mallya Road	350	350	350	64.9	92.4	→
Whitefield	150	150	150	27.8	39.6	→
Rajarajeshwarinagar	115	120	120	22.2	31.7	↗
Malleswaram	220	220	220	40.8	58.1	↗
Bannerghatta Road	NA	NA	160	29.6	42.3	→

ECONOMIC INDICATORS

National	2010	2011F	2012F
GDP Growth	8.5%	8.2%	8.0%
CPI Growth	13.2%	7.5%	6.9%
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Population (In Millions)	1215.9	1232.7	1249.3

Source: IMF, CMIE & Government of India

SIGNIFICANT LEASING TRANSACTION

Property	Location	Tenant	Square Feet
Standalone	100 Feet Road, Indiranagar	Tommy Hilfiger	2,000
Standalone	100 Feet Road, Defence Colony	Pavers England	1,600

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

Property	Location	Square Feet	Completion Date
Brigade Orion	Rajajinagar	750,000	4Q11
Park Square Mall	Whitefield	450,000	3Q11
I MG Mall	MG Road	250,000	3Q11

PRIME RETAIL RENTS - MAIN STREET

Location	INR per SF/MO			EURO SF/YR	US\$ SF/YR	12-Month Outlook
	2Q10	1Q11	2Q11			
MG Road	180	192	195	36.1	51.5	→
Brigade Road	400	440	440	81.5	116.2	→
Commercial Street	270	320	320	59.3	84.5	↗
100 Feet Road, Indiranagar	125	152	152	28.2	40.1	→
Jayanagar, 4th Block, 11th Main	210	245	245	45.4	64.7	↗
Sampige Road, Malleshwaram	85	90	90	16.7	23.8	↗
80 Feet Road, Koramangala	85	100	100	18.5	26.4	→
Vittal Mallya Road	180	185	185	34.3	48.9	→
New BEL Road	105	135	135	25.0	35.7	↗
Marathalli Junction	85	110	110	20.4	29.0	↗
Kamanahalli Main Road	90	135	135	25.0	35.7	↗

Note: Values are quoted on carpet area for ground floor properties of vanilla retailers

Legend

Market Rising ↗ Market Stable → Market Falling ↘

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MARKETBEAT

NATIONAL CAPITAL REGION RETAIL REPORT (New Delhi, Gurgaon and Noida)

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2Q 2011

Economy

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Overview

NCR witnessed no new supply during the quarter. Some of the projects which were likely to become operational were delayed due to slower construction schedules and lack of commitments.

Rental values have remained stable across most of the mall and main street locations over the quarter. Greater Kailash – I and Connaught Place have seen the highest rental appreciation up to 10% over the quarter. The demand was primarily driven by the Lifestyle and Food & Beverage segments. However, rental values in South Extension and Karol Bagh have remained stable over the quarter as these locations continue to witness persistent demand.

Outlook

Mall supply admeasuring 3.1 million square feet is likely to be operational in the last quarter of the year spread across the micro markets of Gurgaon and Greater Noida.

Rental values across mall locations are likely to remain stable during the next quarter due to limited supply. However, values across Khan Market, Connaught Place and Greater Kailash -I are expected to appreciate due to prevalent demand in the location and limited space availabilities.

PRIME RETAIL RENTS - MALLS

Location	INR per SF/MO			EURO SF/YR	US\$ SF/YR	12-Month Outlook
	2Q10	1Q11	2Q11			
Gurgaon	225	210	210	38.9	55.5	→
Noida	275	250	250	46.3	66.0	→
South Delhi	430	450	450	83.4	118.8	→
West Delhi	230	250	250	46.3	66.0	→

ECONOMIC INDICATORS

National	2010	2011F	2012F
GDP Growth	8.5%	8.2%	8.0%
CPI Growth	13.2%	7.5%	6.9%
Private Final Expenditure Growth	8.6%	7.5%	-
Govt. Final Expenditure Growth	16.2%	15.9%	14.9%
Population (In Millions)	1215.9	1232.7	1249.3

Source: IMF, CMIE & Government of India

SIGNIFICANT LEASING TRANSACTION

Property	Location	Tenant	Square Feet
Standalone	South Extension II, Delhi	Marks & Spencers	9,000
Standalone	Karol Bagh	Joyalukkas Jewellery	8,000
Standalone	Connaught Place (Inner Circle)	Tommy Hilfiger	3,500

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

Property	Location	Square Feet	Completion Date
Grand Venezia	Greater Noida	1,200,000	4Q11
Metropolis	MG Road, Gurgaon	800,000	4Q11

PRIME RETAIL RENTS - MAIN STREET

Location	INR per SF/MO			EURO SF/YR	US\$ SF/YR	12-Month Outlook
	2Q10	1Q11	2Q11			
Khan Market	1100	1200	1200	222.4	316.9	↗
Connaught Place (Inner Circle)	600	600	650	120.4	171.7	↗
South Extension I & II	550	550	550	101.9	145.2	→
Karol Bagh	350	325	325	60.2	85.8	→
Basant Lok	275	250	250	46.3	66.0	→
Greater Kailash I, M Block	450	500	550	101.9	145.2	↗

Note: Values are quoted on carpet area for ground floor properties of vanilla retailers

Legend

Market Rising ↗ Market Stable → Market Falling ↘

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MARKETBEAT

PUNE RETAIL REPORT

Economy

India's GDP growth rate observed a downtrend as inflation and poor performance by manufacturing and several other sectors pulled down the economic growth during the fourth quarter of FY 2010-11. The Central Statistics Office, Ministry of Statistics and Programme Implementation has estimated the GDP growth rate of India, for the year 2010-11, at 8.5% as against the initially projected 8.6%. The revised rate is the result of the lower than anticipated performance by primary sectors contributing to the GDP. During the year, while agriculture has witnessed growth at 6.6%, manufacturing sector registered 8.3% growth and services sector recorded approximately 9.9% growth.

Overview

In the second quarter of 2011, retail market in Pune was driven by an increase in leasing activity coupled with renewed momentum in mall construction. Phoenix Market City, the much anticipated mall at Nagar Road, measuring 1.2 million square feet (msf) became operational with brands such as Zara, Blu O, Ovisse and Orama among others. In spite of high vacancy rates, mall rentals during the quarter remained stable. This can be attributed to positive sentiments from retailers who are now executing their expansion plans to tap the anticipated growth in demand in the near future.

With established high streets emerging as preferred choice for retailers, MG Road, JM Road and FC Road witnessed upward movement in rentals. Limited availability of quality space coupled with increase in enquiries led to appreciation of rental values across these markets. However, Aundh witnessed some correction in rentals due to higher availabilities on account of new supply entering this precinct.

Outlook

Pune is likely to witness approximately 2.6 msf of mall supply over the next six months. This large supply is expected to outstrip demand and result in a downward pressure in rentals across most markets. However, continued preference for established high streets along with limited availabilities is likely to bring some appreciation in the rental values across most high streets in the near future.

PRIME RETAIL RENTS - MALLS

Location	INR per SF/MO			EURO SF/YR	US\$ SF/YR	12-Month Outlook
	2Q10	1Q11	2Q11			
MG Road	200	180	180	33.4	47.5	→
Bund Garden Road/ Koregaon Park	160	140	140	25.9	37.0	→
Ganesh Khind Road	90	80	70	13.0	18.5	→
Nagar Road	110	90	75	13.9	19.8	→

ECONOMIC INDICATORS

National	2010	2011F	2012F
GDP Growth	8.5%	8.2%	8.0%
CPI Growth	13.2%	7.5%	6.9%
Private Final Expenditure Growth	8.6%	7.5%	-
Govt. Final Expenditure Growth	16.2%	15.9%	14.9%
Population (In Millions)	1215.9	1232.7	1249.3

Source: IMF, CMIE & Government of India

SIGNIFICANT LEASING TRANSACTION

Property	Location	Tenant	Square Feet
Fortaleza	Kalyani Nagar	Megamart	40,000
Times Square	Bund Garden Road	Tanishq	12,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

Property	Location	Square Feet	Completion Date
Amanora	Hadapsar	1,000,000	3Q11
Megacenter	Hadapsar	600,000	3Q11
Kumar Pacific	Shankarshet Road	517,000	3Q11

PRIME RETAIL RENTS - MAIN STREET

Location	INR per SF/MO			EURO SF/YR	US\$ SF/YR	12-Month Outlook
	2Q10	1Q11	2Q11			
MG Road	250	275	300	55.6	79.2	↗
JM Road	250	280	300	55.6	79.2	↗
FC Road	170	180	200	37.1	52.8	↗
Koregaon Park	120	140	150	27.8	39.6	↗
Aundh	120	140	125	23.2	33.0	↘
Bund Garden	150	150	150	27.8	39.6	→

Note: Values are quoted on carpet area for ground floor properties of vanilla retailers

Legend

Market Rising ↗ Market Stable → Market Falling ↘

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MARKETBEAT

MUMBAI RETAIL REPORT

Economy

India's GDP growth rate observed a downtrend as inflation and poor performance by manufacturing and several other sectors pulled down the economic growth during the fourth quarter of FY 2010-2011. The Central Statistics Office, Ministry of Statistics and Programme Implementation has estimated the GDP growth rate of India, for 2010-2011, to be at 8.5% as against the initial projection of 8.6%. The revised rate is the result of the lower than anticipated performance of primary sectors contributing to the GDP. During the year, while agriculture has witnessed growth at 6.6%, the manufacturing sector registered 8.3% growth and the services sector recorded approximately 9.9% growth.

Overview

After witnessing a dearth of supply over the last six months, Mumbai witnessed supply of approximately 850,000 square feet during the second quarter of 2011. Driven by positive retailer sentiments as well as anticipated increase in consumption in the upcoming festive season, several brands are now executing their expansion plans. As a result, Mumbai's retail market witnessed a steady growth in both leasing activity as well as enquiries. GAS, Haagen Dazs, Nautica and Aston Martin were amongst the major brands which opened new outlets during the quarter. Retailer apprehension that any further increase in rentals will impact feasibility coupled with large upcoming supply was instrumental in containing any rental escalations across malls and high streets during the quarter.

Outlook

Mall rentals are expected to witness a mixed response over the next six months. While locations like Lower Parel, Malad and Goregaon are expected to witness some rise in rentals due to relatively low vacancy levels, large supply in the peripheral locations, admeasuring approximately 2.9 million square feet, will keep rentals across other markets stable. Established main streets like Linking Road and Colaba Causeway may witness some increase due to limited availabilities and buoyant demand.

PRIME RETAIL RENTS - MALLS

Location	INR per SF/MO			EURO SF/YR	US\$ SF/YR	12-Month Outlook
	2Q10	1Q11	2Q11			
Lower Parel	480	480	480	88.9	126.8	↗
Malad	480	460	460	85.2	121.5	↗
Link Rd. (Andheri W)	400	400	400	74.1	105.6	→
Mulund	260	275	275	51.0	72.6	→
Goregaon	280	300	300	55.6	79.2	↗
Vashi	185	200	200	37.1	52.8	→
Ghatkopar	220	255	255	47.3	67.3	→
Thane	225	235	235	43.5	62.1	→

ECONOMIC INDICATORS

National	2010	2011F	2012F
GDP Growth	8.5%	8.2%	8.0%
CPI Growth	13.2%	7.5%	6.9%
Private Final Expenditure Growth	8.6%	7.5%	-
Govt. Final Expenditure Growth	16.2%	15.9%	14.9%
Population (In Millions)	1215.9	1232.7	1249.3

Source: IMF, CMIE & Government of India

SIGNIFICANT LEASING TRANSACTION

Property	Location	Tenant	Square Feet
Infiniti - 2	Malad	Soch	4,491
Oberoi Mall	Goregaon	Haagen Dazs	2,607
Oberoi Mall	Goregaon	Nautica	2,171
High Street	Linking Road	GAS	1,600

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

Property	Location	Square Feet	Completion Date
Market City	Kurla	1,000,000	4Q11
Viva City	Thane	1,000,000	1Q12
R City - 2	Ghatkopar	600,000	3Q11

PRIME RETAIL RENTS - MAIN STREET

Location	INR per SF/MO			EURO SF/YR	US\$ SF/YR	12-Month Outlook
	2Q10	1Q11	2Q11			
Linking Road	665	685	685	126.9	180.9	↗
Kemps Corner / Breach Candy	380	410	410	76.0	108.3	↗
Colaba Causeway	360	400	400	74.1	105.6	↗
Lokhandwala, Andheri	300	300	300	55.6	79.2	→
Fort Fountain	330	350	350	64.9	92.4	→
Vashi	230	230	230	42.6	60.7	→
Thane	200	235	235	43.5	62.1	→

Note: Values are quoted on carpet area for ground floor properties of vanilla retailers

Legend

Market Rising ↗ Market Stable → Market Falling ↘

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