

Intelligent Investment

India Market Monitor

Q2 2025

Retail

REPORT

CBRE RESEARCH

July 2025





Retail

Supply addition in India's retail sector witnessed a significant boost in the first half of 2025 as approximately 2.2 million sq. ft. of new retail space became operational. Fashion and apparel brands continued to lead space take-up, accounting for a ~37% share of the overall leasing during Q2 2025. Shopping malls continued to refine their tenant mix to enhance the visitor experience, integrating a wider array of entertainment, dining, and innovative retail formats.



~346%

Y-o-Y growth in retail supply addition in H1 2025

~58%

Share of Mumbai in supply addition in H1 2025, followed by Hyderabad (~28%) and Delhi-NCR (~14%)

~64%

Cumulative share of Mumbai, Hyderabad, and Chennai in retail space take-up in Q2 2025

~59%

Cumulative share of Mumbai, Hyderabad, and Bengaluru in retail leasing in H1 2025

India Market Monitor

3.2 mn sq. ft.
Absorption in H1 2025

1.3 mn sq. ft.
Absorption in Q2 2025

2.2 mn sq. ft.
Supply addition in H1 2025

■ Absorption (mn sq. ft.) in H1 2025
 ■ Absorption (mn sq. ft.) in Q2 2025
■ Supply (mn sq. ft.) in H1 2025
 ■ Supply (mn sq. ft.) Q2 2025

Q2 2025 rental indicator arrows (Q-o-Q)

▲ Increase
 ↕ Stable
 ▼ Decrease

Delhi-NCR

0.5	0.2	▲
0.3	-	

Ahmedabad

0.1	0.02	↕
-	-	

Mumbai

0.7	0.3	↕
1.3	-	

Pune

0.2	0.1	▲
-	-	

Bengaluru

0.5	0.1	▲
-	-	

Kolkata

0.1	0.05	↕
-	-	

Hyderabad

0.7	0.3	↕
0.6	-	

Chennai

0.5	0.2	▲
-	-	

Source: CBRE Research, Q2 2025
Please note that the numbers have been rounded off and might not add up to the exact total

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Key sectors that dominated leasing

Fashion and Apparel 37% share in Q2 2025 29% share in Q1 2025 	Homeware and Department Store 25% share in Q2 2025 21% share in Q1 2025
Food and Beverage 12% share in Q2 2025 10% share in Q1 2025 	Health and Personal Care 5% share in Q2 2025 2% share in Q1 2025

Regional share in leasing activity

Domestic Retailers 83% share in Q2 2025 87% share in Q1 2025	EMEA Retailers 7% share in Q2 2025 7% share in Q1 2025	American Retailers 4% share in Q2 2025 4% share in Q1 2025	APAC Retailers 6% share in Q2 2025 2% share in Q1 2025
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Cities which led absorption in Q2 2025

23% Mumbai	22% Hyderabad	19% Chennai	15% Delhi-NCR
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Quarterly rental movement – Growth witnessed across few pockets of Delhi-NCR, Bengaluru, Pune and Chennai

Micro-market (Mall)				Micro-market (High Street)		
6-8%	2-4%	2-4%	1-3%	4-6%	2-4%	1-3%
East, Pune	Gurugram, Delhi-NCR	West / North West Delhi, Delhi-NCR	North Bengaluru, Bengaluru	Golf Course Road, Delhi-NCR	Alwarpet and Adyar, Chennai	Commercial Street, Bengaluru

*Note: The trend for transacted rentals may be in line with or diverge from quoted rentals for different assets depending on various factors such as asset quality, location, accessibility, age of the asset, space availability, etc.



Outlook

Retail



With several investment-grade malls nearing completion, the market anticipates a significant expansion of prime leasing opportunities for both international and domestic retailers. Demand will continue to be led by fashion & apparel players, encompassing sustainable labels, streetwear / youth-centric brands, ethnic / fusion wear, athleisure, luxury / designer brands, and D2C brands.

In fact, D2C brands are expected to secure space in major malls, with developers actively integrating them into their tenant mix due to their growing online popularity. Jewellery brands are also expected to expand their footprint.

The demand for immersive experiences is also likely to drive a boom in family entertainment centres (FECs), which are now expanding beyond malls into mixed-use developments (consisting of commercial and residential, among other categories) and standalone locations.

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