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INTELLIGENT INVESTMENT

India MARKET MONITOR

Q2 2026 - Retail

REPORT | CBRE RESEARCH

July 2026

CBRE

India
Market Monitor
Q2 2026

RETAIL

India's retail real estate leasing activity reached **~2.0 million sq. ft.** in the **April-June (Q2) quarter of 2026**, taking total space absorption in **H1 2026 to ~3.9 million sq. ft.** Market momentum remained resilient despite inflationary pressures and supply-chain-related disruptions faced by select retailers amid the ongoing Middle East crisis. Demand was led by Delhi-NCR, Hyderabad, and Mumbai, which together accounted for more than **60% of total activity during the quarter**. Meanwhile, Delhi-NCR accounted for the entire **H1 2026 supply addition of ~0.9 million sq. ft.**, following the launch of Felix Plaza and DLF Midtown Plaza earlier in the year.

Note: The data presented in this report was compiled at the time of report generation and may be revised in subsequent quarters as more information becomes available. Therefore, the data should be considered provisional and subject to ongoing refinement.

~20% Y-o-Y jump in leasing activity in H1 2026

~3% Q-o-Q growth in leasing activity in Q2 2026

~64% Cumulative share of Delhi-NCR, Hyderabad, and Mumbai in retail space take-up in Q2 2026

~66% Cumulative share of Delhi-NCR, Chennai, and Mumbai in space take-up in H1 2026

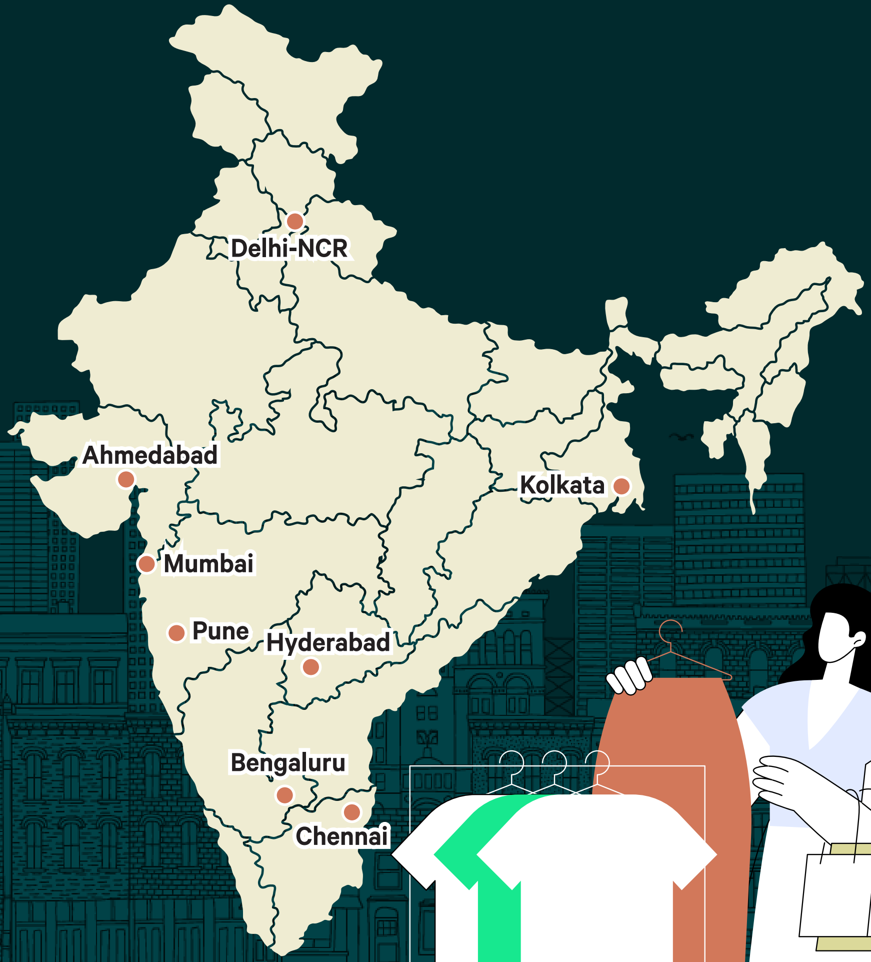
~100% Contribution of Delhi-NCR in supply addition in H1 2026

Market Performance in Q2 2026

India Market Monitor

RETAIL

~2.0 mn sq. ft.	~3.9 mn sq. ft.	~0.9 mn sq. ft.
Absorption in Q2 2026	Absorption in H1 2026	Supply in H1 2026



Q2 2026 rental indicator arrows (Q-o-Q)*

Increase | Stable | Decrease

Absorption in H1 2026 (mn sq. ft.) | Absorption in Q2 2026 (mn sq. ft.) | Supply in H1 2026 (mn sq. ft.) | Supply in Q2 2026 (mn sq. ft.)

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.
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The numbers have been rounded off and might not add up to the exact total.

City	Absorption in H1 2026 (mn sq. ft.)	Absorption in Q2 2026 (mn sq. ft.)	Supply in H1 2026 (mn sq. ft.)	Supply in Q2 2026 (mn sq. ft.)	Q2 2026 rental indicator (Q-o-Q)*
Delhi-NCR	1.4	0.5	0.9	-	Increase
Bengaluru	0.4	0.2	-	-	Increase
Mumbai	0.6	0.4	-	-	Increase
Hyderabad	0.5	0.4	-	-	Stable
Chennai	0.7	0.3	-	-	Increase
Pune	0.3	0.2	-	-	Stable
Kolkata	0.04	0.02	-	-	Increase
Ahmedabad	0.05	0.04	-	-	Stable

Source: CBRE Research, Q2 2026

Key sectors that drove leasing activity

Sector	share in Q2 2026	share in Q1 2026	Trend
Fashion & Apparel	40%	40%	Stable
Food & Beverage (F&B)	13%	14%	Decrease
Entertainment	11%	8%	Increase
Jewellery	8%	6%	Increase
Consumer Electronics	5%	7%	Decrease

Regional share in leasing activity

Retailers	share in Q2 2026	share in Q1 2026	Trend
Domestic Retailers	74%	74%	Stable
EMEA Retailers	7%	13%	Decrease
American Retailers	10%	6%	Increase
APAC Retailers	9%	6%	Increase

Cities which led absorption in Q2 2026

Delhi-NCR	Hyderabad	Mumbai	Chennai
24%	22%	19%	13%

Quarterly rental movement – Growth witnessed across a few pockets of Delhi-NCR, Bengaluru, Mumbai, Kolkata, and Chennai*

Micro-market (Mall)

Rental growth	Micro-market
10-12%	Central Kolkata, Kolkata
5-7%	Gurgaon, Delhi-NCR
4-6%	Central Mumbai, Mumbai

Micro-market (High Street)

Rental growth	Micro-market
8-10%	Western Suburbs, Mumbai
7-9%	South Extension, Delhi-NCR
3-5%	South Kolkata, Kolkata

Outlook
RETAIL

Building on the strong momentum witnessed in H1 2026, India's organised retail sector is expected to remain resilient through the remainder of the year. Supported by a robust pipeline of upcoming Grade-A supply, retail development is likely to expand further into peripheral and suburban corridors, reflecting a gradual decentralisation of growth.

Fashion, jewellery, entertainment, and F&B are expected to remain the key demand drivers, while growth will be further supported by AI-led efficiencies, experiential retail formats, and space optimisation strategies aimed at attracting high-value consumers.

At the same time, limited availability of quality retail space and low Grade-A vacancy levels are expected to sustain rental growth in prime locations, strengthening developers' pricing power as brands compete for high-visibility space.

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