

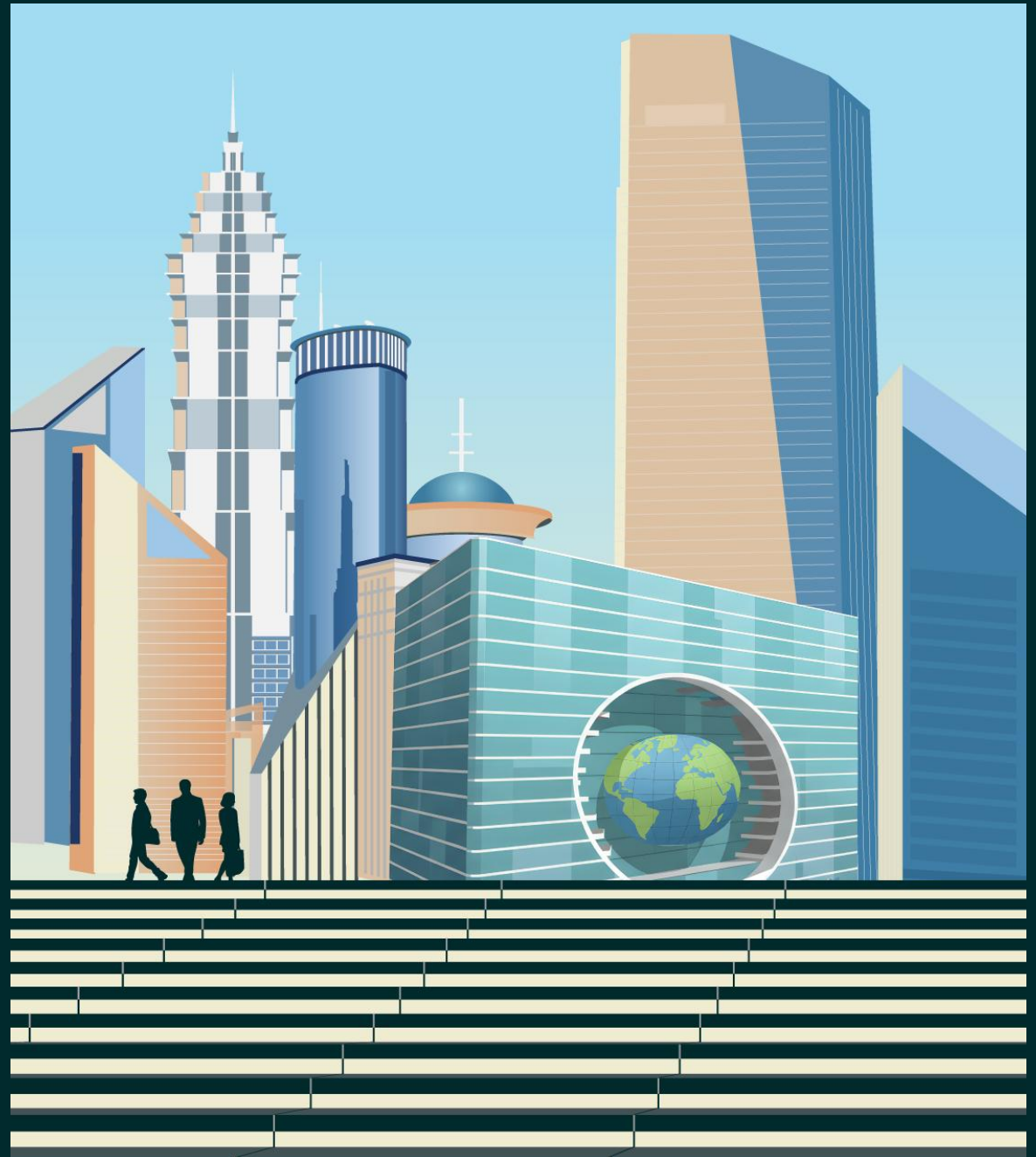
Intelligent Investment

# India Retail Market Outlook 2026

REPORT

CBRE RESEARCH  
MARCH 2026

**CBRE**





**Anshuman Magazine**  
Chairman & CEO  
India, South-East Asia, Middle  
East & Africa, CBRE



**Abhinav Joshi**  
Head of Research, India, Middle  
East & North Africa, CBRE

# Foreword

We are pleased to present the **India Market Outlook 2026**, our premier market intelligence report delivering a distilled perspective on the nation's evolving real estate landscape. Anchored by data-driven rigour and institutional expertise, this publication aims to decipher the structural shifts and strategic trajectories defining the sector's current momentum.

India's economic landscape continues to be characterised by a resilient growth baseline and a disciplined fiscal framework, albeit increasingly tested by global volatility. While robust public capital expenditure sustains domestic momentum, systemic risks—particularly within energy markets—necessitate a calibrated outlook. In this environment, proactive trade diplomacy and strategic project de-risking could serve as vital buffers, providing the policy visibility essential for sustained investment.

The office sector is set to surpass the 1-billion-sq.-ft. threshold in 2026, driven by investment-grade supply and the expansion of GCCs into high-complexity R&D roles and product ownership. This multi-dimensional ecosystem is being redefined by a structural pivot towards AI-driven workforce strategies, where occupiers increasingly prioritise future-ready, high-performance environments to sustain long-term institutional growth.

Parallel to this, the industrial and logistics sectors are transitioning towards manufacturing-led growth and institutional-grade warehousing, bolstered by new-age automation and deepening in-city delivery networks. Simultaneously, the retail landscape is being reshaped by experiential flagship formats and destination malls, as investment-grade supply and high-street corridors drive the steady expansion of the organised footprint.

Notably, the residential sector is moving towards market equilibrium, led by premium demand and disciplined supply-demand parity. At the same time, structural REIT reforms and sustained investment momentum are accelerating institutional maturity, driving a resurgence in international capital and long-term equity inflows into India's real estate sector.

Collectively, these shifts underscore a market moving towards a sophisticated era of institutional-grade maturity. We trust this report will serve as a definitive framework for navigating the complexities of the 2026 landscape and informing your strategic capital objectives.

# Contents

04 Economy

08 Retail





01

# Economy

India's 2026 economic outlook is characterised by a resilient growth baseline and maturing fiscal framework, though this stability is increasingly being tested by ongoing global geopolitical volatility. While nominal GDP is projected to expand by 10.5% this fiscal, supported by a firm public capex outlay of INR 12.2 lakh crore, external pressures—particularly in global energy markets—pose a primary systemic risk. In this context, the government's continued focus on proactive trade diplomacy to secure preferential access to economies representing nearly three-quarters of global GDP, alongside project de-risking via credit support, could provide a vital strategic buffer and the policy visibility essential for sustained investment across sectors.

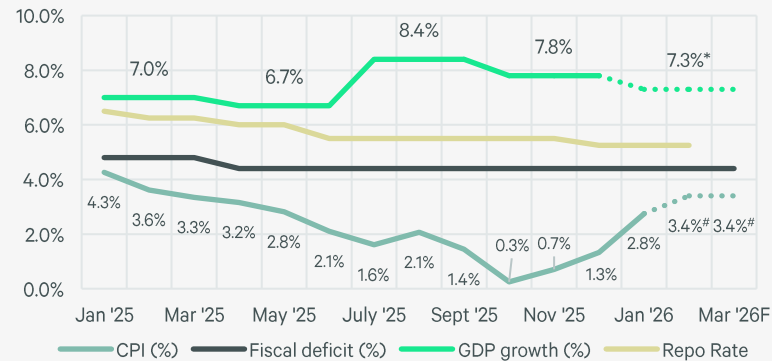
# India's Economy in 2025: A Brief Revisit

## Macro-stability: Sustaining momentum in a "Goldilocks" environment

India's economy in 2025 experienced a "Goldilocks moment"—a rare equilibrium of high growth and record-low inflation. Real GDP is estimated to have expanded by 7.4% in FY2026 (revised to 7.6% in February 2026)<sup>1</sup>, catalysed by a 9.3% surge in the services sector<sup>2</sup> and 7.0% growth across manufacturing and construction<sup>3</sup>. This resilience persisted despite a volatile global backdrop and structural softness in the Indian rupee, which depreciated by ~4% during 2025. Although announcements linked to the U.S.-India trade deal briefly strengthened the INR to 90 against the USD in early February 2026, recent geopolitical tensions have since outweighed those gains, pushing the currency back towards the 92-level as of March 2026.

Another defining trend in 2025 was the easing of inflation. Consumer Price Index (CPI) inflation fell to a historic low of 0.25% in October 2025, averaging ~2.1% in FY2026<sup>4</sup>. This environment provided the Reserve Bank of India the necessary headroom to implement cumulative repo rate cuts of 125 basis points, reducing the rate to 5.25% by December—a level maintained through February 2026. Fiscal consolidation also remained on track; the fiscal deficit is estimated at 4.4% of GDP for FY2026<sup>5</sup>, while the current account deficit narrowed to 0.8% in the first half of the current fiscal<sup>6</sup>.

**Figure 1.1: India's CPI, repo rate, fiscal deficit and GDP growth trends (January 2025-March 2026F)**



Source: MoSPI, RBI, Union Budget 26-27, CBRE Research, Q1 2026

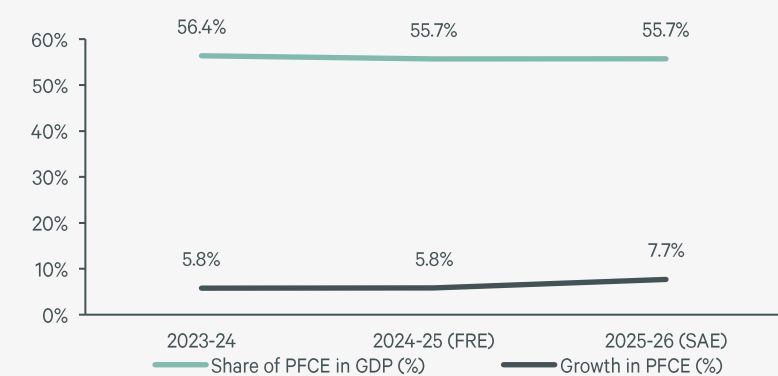
Source: 1. Reserve Bank of India's Monetary Policy Committee and NSO and MoSPI, February 2026, 2. April-September 2025 figures, Economic Survey 2025-26, January 2026, 3. Manufacturing and construction in the secondary sector have been estimated to achieve a growth rate of 7.0% at constant prices in FY2026, FAE, MoSPI, January 2026, 4. RBI MPC, February 2026, 5. Union Budget 2026-27, February 2026, 6. Economic Survey, January 2026, Note: India's CAD widened to 1.3% of GDP (USD 13.2 bn) in the October-December quarter of FY2026; 7. Union Budget 2025-26, February 2025, 8. The Ministry of Finance, September 2025; 9. Government's response in Rajya Sabha, February 2026, 10. Federation of Automobile Dealers Associations, January 2026 \*Note: The Q4 figure (7.3%) is a derived estimate based on the average required to align with the FY26 real GDP projection of 7.6%; #Note: Feb/Mar CPI (3.4%) are derived estimates calculated to align with the Q4 CPI projection of 3.2%.

## Rebound in domestic consumption aided by tax concessions

Domestic demand fuelled India's growth momentum in 2025, catalysed by the Union Budget 2025-26's landmark income tax reforms and the subsequent GST 2.0 rationalisation. By raising the effective zero-tax threshold to INR 12 lakh (inclusive of rebates), the government exempted nearly 10 million additional taxpayers, significantly boosting middle-class disposable income<sup>7</sup>. The GST 2.0 regime further amplified the impact in September 2025 by shifting a vast array of daily essentials and mass-market goods to the 5% slab (down from 12% and 18%)<sup>8</sup>. Consequently, the nation's private final consumption expenditure (PFCE) is projected to have expanded by 7.0% in FY2026, hitting 61.5% of GDP—the highest share since FY2012 (adjusted to 55.7%<sup>1</sup> following the February 2026 GDP rebasing to the 2022-23 base year, as reflected in Figure 1.2).

The resurgence in consumption was further supported by a recovery in rural demand, underpinned by a favourable monsoon and a 3.6% agricultural GVA growth<sup>9</sup>. High-frequency indicators reinforced this trend: UPI transactions reached INR 230 lakh crore during April-December 2025<sup>9</sup>, while two-wheeler sales in CY2025 touched 2.03 crore<sup>10</sup>, reflecting broad-based consumption momentum spanning both urban and rural markets.

**Figure 1.2: India's PFCE trends (FY2024-FY2026F)**



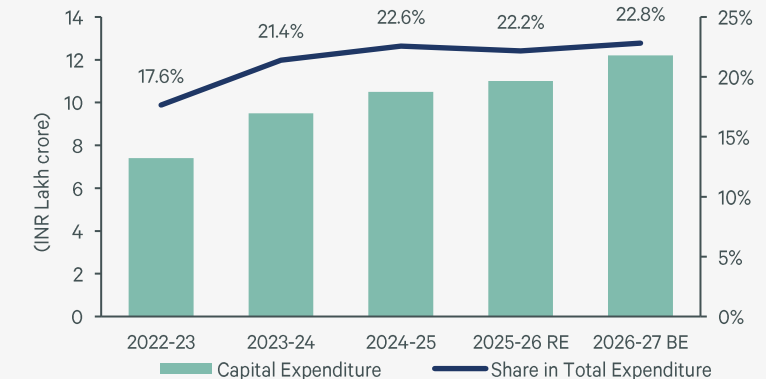
Source: MoSPI, CBRE Research, Q1 2026

## Strategic infrastructure push through public capex

Throughout 2025, the government maintained a strong emphasis on capital expenditure to bridge investment gaps and modernise national infrastructure. The public capex outlay for FY2026 reached ~INR 11.2 lakh crore<sup>5</sup>, with funds directed towards the creation of productive assets.

This sustained capex push, representing nearly 3.1% of GDP<sup>5</sup>, served as a key catalyst for the construction sector's robust performance during the year. By enhancing multi-modal connectivity under the PM Gati Shakti framework, the government also aims to reduce logistics costs and incentivise greater private-sector participation across the manufacturing and warehousing sectors.

**Figure 1.3: India's capex growth trends (FY2023-FY2026F)**



Source: Budget 2026-27, CBRE Research, Q1 2026

# Top Trends Expected to Shape India's Economic Trajectory in 2026

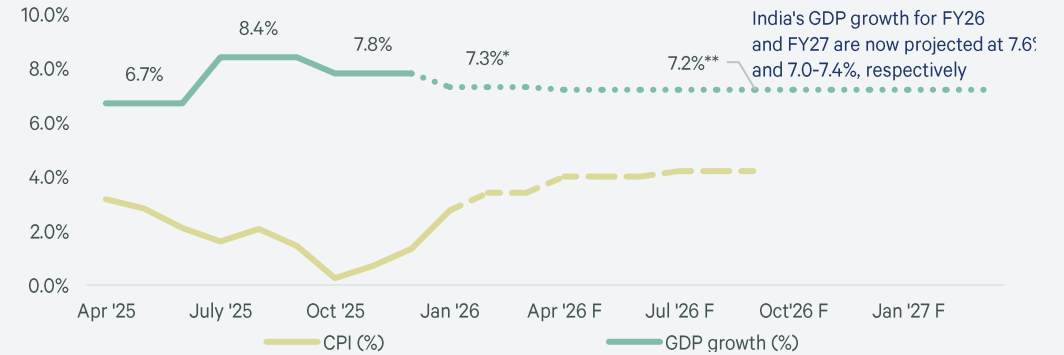
## 01 Fiscal prudence and the growth baseline

The Union Budget 2026-27 reinforces a trajectory of fiscal discipline, with FY2027 nominal GDP projected to grow by 10.5%<sup>1</sup>. This outlook is supported by a strong near-term momentum, as real GDP growth reached 7.8% in Q3 FY2026 (refer to Figure 1.4), lifting the full-year estimate to 7.6%<sup>2</sup>. Consequently, the real GDP growth baseline for FY2027 is now positioned at 7.0-7.4% range, surpassing initial Economic Survey projections of 6.8-7.2%<sup>3</sup>. In tandem, the RBI MPC (February 2026) adjusted its CPI inflation forecast to 4.0% for Q1 FY2027, reflecting a modest upward adjustment while remaining within the target band<sup>4</sup>. Central to this stability is the government's commitment to a 4.3% fiscal deficit target for the next financial year, with a further glide path to 3.8% by FY2028. This is further supported by a gradual decline in the central government's debt-to-GDP ratio, projected at 55.6% for FY2027 and a medium-term target of 50.0% by FY2031<sup>1</sup>. This fiscal roadmap aims to reduce the sovereign interest burden, thereby securing the long-term capital necessary for sustained public infrastructure investment.

## 02 Strategic trade breakthroughs amidst heightened global uncertainties

India's 2026 economic outlook is shaped by a strategic expansion of its trade network, even as heightened geopolitical volatility weighs on the domestic growth trajectory. Renewed tensions in the Middle East—primarily involving Iran, Israel, and the U.S.—have reintroduced significant uncertainty into global energy markets<sup>##</sup>. With roughly 20% of the world's oil and gas supply transiting the Strait of Hormuz, supply-chain disruptions remain a key systemic risk for India's energy-sensitive economy. Against these external pressures, the country's proactive trade diplomacy could emerge as a critical institutional buffer. The India-U.S. Interim Trade Agreement, ratified in February 2026, has successfully de-escalated bilateral frictions. Following a U.S. Supreme Court ruling that invalidated broad emergency tariffs, a subsequent Section 122 proclamation introduced a temporary 15% global import surcharge<sup>5</sup>; importantly, the framework preserves zero-duty treatment for USD 10.03 billion of identified Indian industrial exports<sup>6</sup>, providing essential policy predictability for key sectors, including textiles and electronics. This diplomatic momentum is mirrored globally. In January 2026, India concluded a landmark Free Trade Agreement with the EU-27, granting preferential access to 99% of shared trade value. Alongside the India-UK Comprehensive Economic Thoroughfare Agreement (slated for April 2026) and the Australia ECTA, these agreements potentially secure preferential market access to economies representing approximately 70% of global GDP<sup>7</sup> (refer to Figure 1.5). India's investment landscape reflects these diverging forces of regional risk and structural opportunity. While the country's FDI inflows experienced notable volatility in 2025-26—largely driven by increased profit repatriation—foreign institutional investors (FIIs) recorded a net equity outflow of ~INR 1.6 lakh crore<sup>9</sup>. As global uncertainties continue to test market resilience, these treaty-based frameworks are expected to anchor investor sentiment by providing the policy visibility necessary for long-term capital commitments.

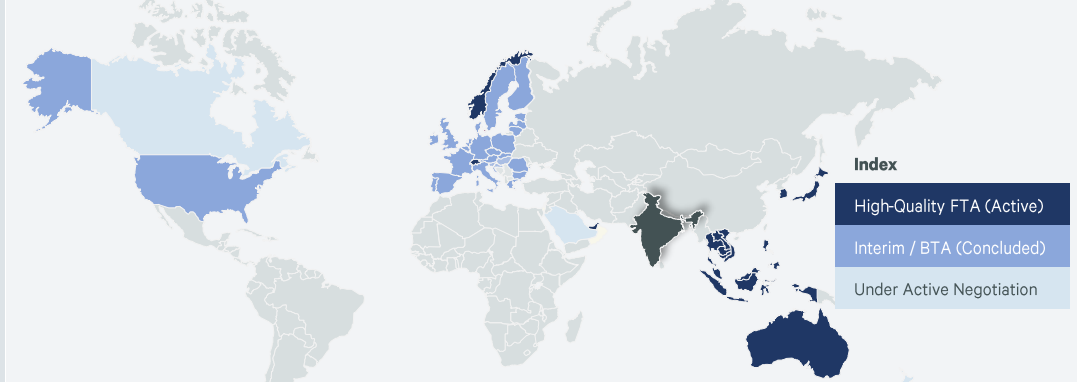
Figure 1.4: India's GDP and CPI inflation forecast (FY2026-FY2027F)



Source: NSO, MoSPI, and RBI MPC, CBRE Research, Q1 2026

\*Note: The Q4 figure (7.3%) is a derived estimate based on the average required to align with the FY26 real GDP projection of 7.6%. \*\*Note: On 27 February 2026, India's Chief Economic Advisor revised the country's FY27 GDP growth forecast to 7.0-7.4% range. The 7.2% figure represents the average of that projection range. #Note: Feb/Mar CPI (3.4%) are derived estimates calculated to align with the Q4 CPI projection of 3.2%.

Figure 1.5: India's ongoing and recent trade deals give potential access to ~70% of global GDP



Note: This map is for illustrative purposes only and may not be exhaustive; Source: CBRE Research, Q1 2026

Source: 1. Union Budget 2026-27, February 2026; 2. NSO & MoSPI, February 2026 (under new measurement framework with base year revised to 2022-23); 3. Chief Economic Adviser, 27 February, 2026; 4. RBI MPC, February 2026; 5. After the U.S. Supreme Court invalidated previous emergency tariffs on 20 February 2026, the White House invoked Section 122. A 15% surcharge now serves as the baseline for non-exempt imports; 6. PIB, GoI, February 9, 2026; 7. Statement by India's commerce minister noting that the country has secured market access to 70% of global GDP, largely under zero-duty conditions. This follows the conclusion of nine FTAs in the last three years covering 38 countries—including the 27-nation EU, four-nation EFTA, UK, Australia, New Zealand, and the U.S.—alongside existing arrangements with the Japan, South Korea, and ASEAN nations. PIB, 12 February 2026; 8. The RBI Annual Report (May 2025) confirms that while gross FDI reached USD 81 bn in FY2025, net FDI was moderated by USD 51.5 bn in repatriation and disinvestment, characterising the phase as a sign of investment cycle maturity rather than a dilution of investment appeal; 9. NSDL, December 2025. ##Note: Global energy market conditions remain fluid amid evolving geopolitical developments in West Asia. Policy responses and transitional arrangements around crude supply chains—including temporary waivers for shipments already in transit—underscore the dynamic nature of energy security considerations and supply adjustments.

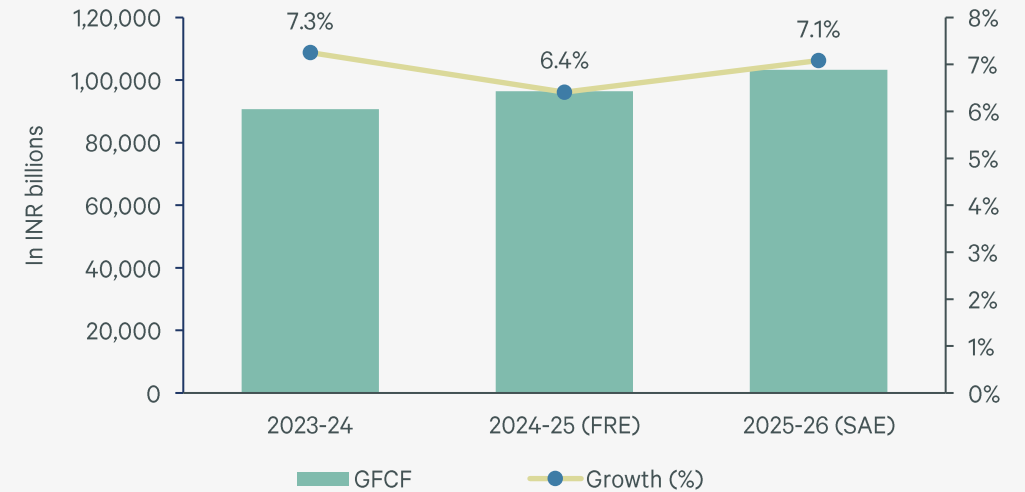
# Top Trends Expected to Shape India's Economic Trajectory in 2026

## 03 Capex expansion: Urban integration and capital de-risking

The country's economic outlook continues to be fuelled by a sustained emphasis on infrastructure-led development, as reflected in the Union Budget 2026-27, which proposes an increase in public capital expenditure to ~INR 12.2 lakh crore, accounting for ~3.1% of GDP for FY2027<sup>1</sup>. These allocations support initiatives such as lowering India's logistics costs and strengthening its economic corridors, including seven high-speed rail connections identified in the Budget. A pillar of this fiscal strategy is the City Economic Region (CER) framework, designed to harness the shared potential of linked urban centres through seamless infrastructure networks. This programme is supported by a proposed allocation of INR 5,000 crore per CER over five years via a reform-linked "challenge" mechanism. Furthermore, the Union Cabinet has approved an INR 1 lakh crore Urban Challenge Fund to catalyse investments through market-led financing, with central assistance covering up to 25% of project costs, contingent on mobilising private or alternative capital<sup>2</sup>.

To further accelerate private sector participation, recent policy measures have also pivoted towards de-risking mechanisms and credit support structures, seeking to make projects more financially attractive and secure for private investors. Such initiatives align with a broader upward trend in macroeconomic data, which shows India's gross fixed capital formation (GFCF) grew by an estimated 7.1% in FY2026<sup>3</sup> (refer to Figure 1.6). The momentum was bolstered by the previous Budget's (2025-26) provision of INR 1.5 lakh crore in 50-year interest-free loans to states—a long-tenor capital support scheme that expanded the capacity of state and local authorities to deliver infrastructure. By combining these established fiscal foundations with newer market-linked urban investment schemes, the government aims to create a more resilient, de-risked environment for large-scale capital deployment.

Figure 1.6: Increasing share of GFCF (FY2024-FY2026F)



Source: MoSPI, CBRE Research, Q1 2026

## 04 Stronger bank balance sheets and capital market deepening

India's financial sector enters 2026 with one of its strongest balance sheet positions in decades, supported by asset quality improvement and steady credit expansion. Gross non-performing assets (NPAs) were at multi-year lows of about 2.15% as of September 2025<sup>4</sup>, based on the RBI's stability assessments, while outstanding credit by scheduled commercial banks has increased by 14.5% Y-o-Y as of December 2025<sup>5</sup>. A visible shift underway is the greater use of market-based funding channels alongside traditional bank lending, helping in diversifying sources of capital for corporates and infrastructure projects.

Policy measures in the Union Budget 2026-27 also aim to deepen these markets; for instance, the introduction of Total Return Swaps (TRS) on corporate bonds facilitates institutional risk distribution and improves bond market liquidity. Further maturing the landscape, the Securities Market Code, 2025 (currently under Parliamentary Standing Committee review) seeks to consolidate fragmented legacy laws into a unified framework<sup>6</sup>. These structural reforms, alongside the proposed rationalisation of FEMA rules<sup>7</sup>, are intended to simplify cross-border capital flows and sustainably lower the cost of capital across the economy.

Source: 1. Union Budget 2026-27, February 2026. 2. PIB, February 2026; 3. NSO and MoSPI, February 2026; 4. RBI's Trends and Progress Report, December 2025. 5. Economic Survey 2025-26, January 2026. 6. The Securities Markets Code, 2025, following its introduction in December 2025, proposes to consolidate three legacy acts (SEBI Act 1992, SCRA 1956, and Depositories Act 1996) into a unified, principle-based framework. This "Super Code" is designed to enhance protection for India's over 12-crore unique investors and introduces a statutory Securities Market Ombudsperson with quasi-judicial powers to pass binding compensation awards, formalising the existing grievance redressal mechanism. 7. Recent RBI notifications, specifically the FEMA (Export and Import of Goods and Services) Regulations, 2026 and updates to the Non-Debt Instrument (NDI) framework, have transitioned foreign investment rules towards a principle-based regime. Key rationalisations include greater flexibility in valuation methodologies—moving away from rigid pricing caps towards internationally accepted standards—and eased requirements for downstream investments and reporting, aimed at reducing regulatory friction for inbound equity capital.

02

# Retail

The record-breaking leasing performance of 2025 has set a high-growth stage for India's retail real estate sector in 2026. This trajectory—driven by a dual surge in occupier demand and new completions—rests on three critical pillars: the resilience of retail consumption, continued clarity in trade frameworks, and the timely execution of the supply pipeline. If these factors remain aligned, the sector is well-positioned for a phase of sustained expansion, supported by broader economic stability.



# Retail Market Performance in 2025: A Brief Revisit

**Retail sales**  
~6% Y-o-Y  
(2025 vs. 2024)

**Consumer spending**  
~7% Y-o-Y  
(2025 vs. 2024)

Source: Oxford Economics, February 2026;  
Note: Refers to India-specific data

**Curated supply and bespoke formats drive retail momentum**

India's retail landscape is being redefined by a transition towards curated supply pipelines and bespoke retail formats. In 2025, leasing activity reached a record **~8.9 million sq. ft.**, as brands pivoted towards experiential, tech-enabled flagship stores, food halls, kiosks, and immersive Gen Z-targeted environments. This period of high-momentum absorption was underpinned by the completion of **~4.3 million sq. ft.** of prime mall inventory across Hyderabad, Mumbai, and Delhi-NCR—a strategic expansion that further solidified these cities as the nation's primary retail gateways.

**D2C expansion and strategic offline integration**

Bolstered by strong investor backing, direct-to-consumer (D2C) brands expanded their physical footprint in 2025, accounting for ~27% of total retail leasing. This momentum was further reinforced by strategic acquisitions aimed at portfolio modernisation; notably, two-thirds of FMCG deals over the past five years have targeted the D2C segment<sup>1</sup>. As key catalysts for tenant-mix reconfiguration, these brands have also prompted landlords to adopt shorter lease cycles and more dynamic curation strategies to enhance sales density. Parallel to this, the sector's primary performance metric has shifted to how effectively digital-first brands translate online brand equity into consistent, high-yield revenue within physical storefronts.

**'Experience' remains retail's resilient core**

While the drivers of repeat footfall vary across asset classes, unique and family-friendly experiences remain the core pillars of the sector. As tenant segments increasingly refine their experiential requirements, these priorities have emerged as key catalysts in shaping contemporary retail format decisions.

	High Priority			Low Priority	
<b>Shopping</b>	Unique experience	Personalisation	Niche design / brand	Customer service	Relaxing atmosphere
<b>Entertainment</b>	Fun atmosphere	Family-oriented	Unique experience	Relaxing atmosphere	Personalisation
<b>Dining</b>	Relaxing atmosphere	Family-oriented	Unique experience	Health conscious	Fun atmosphere

Note: The high to low priority consideration are indicative of generic market trends, and are subject to change according to individual consumer preferences. | Source: CBRE Research, Q1 2026

Figure 2.1: Retail sales across key global markets (2023-2025)<sup>2</sup>

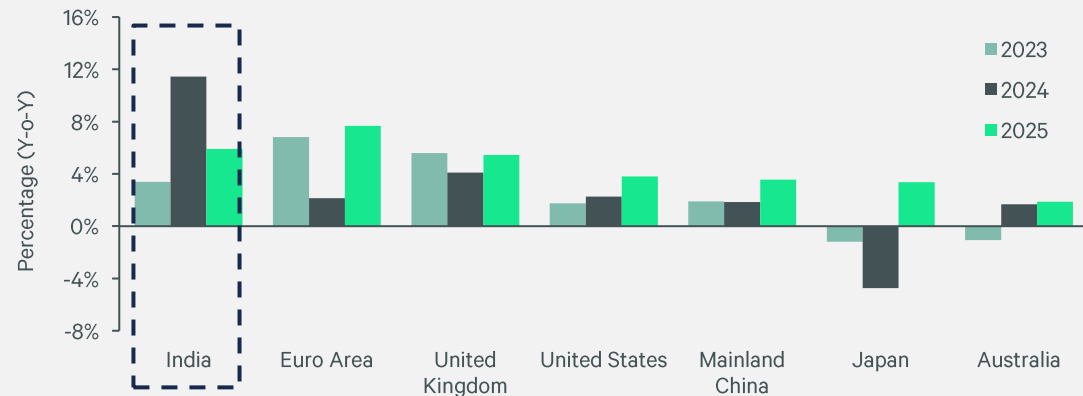
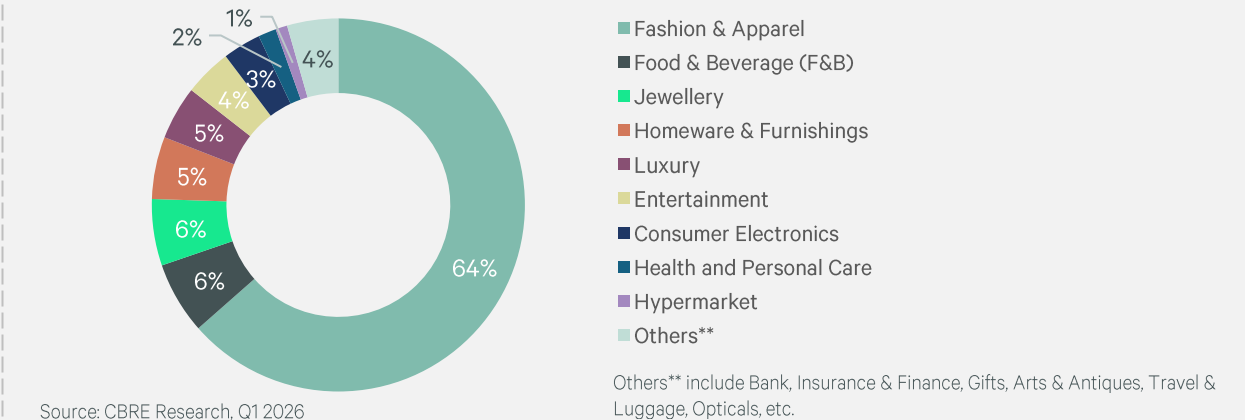


Figure 2.2: Tenant category-wise segmentation of D2C leasing in 2025



Source: 1. FMCG companies on a D2C buyout spree for growth, premiumisation, CRISIL Ratings, September 2025; 2. Oxford Economics, February 2026

# Top Trends Expected to Shape India's Retail Sector in 2026

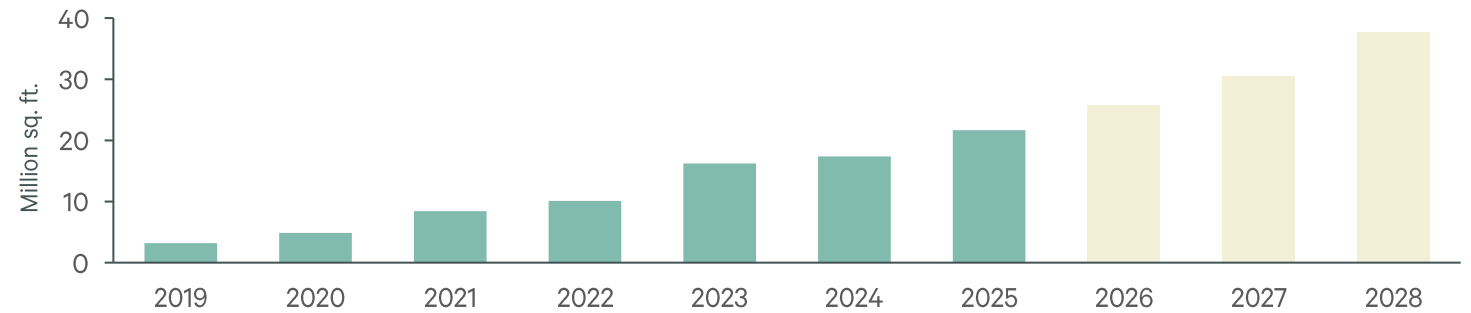
## 01 Quality inventory to aid the organised retail landscape

India's organised retail sector has maintained a strong upward trajectory since 2019, underpinned by a robust 14% Y-o-Y growth in 2025<sup>1</sup>. This momentum is expected to continue through 2026, driven primarily by the steady expansion of the organised physical retail footprint. With a healthy pipeline of investment-grade malls set to become operational in major cities, including Delhi-NCR, Hyderabad, and Kolkata, supply addition is expected to remain robust. This pipeline is projected to strengthen further during 2027-28, with more than 50-55%<sup>2</sup> of upcoming supply over the next three years comprising destination malls (assets exceeding 800,000 sq. ft.). Key developers, such as Bharti Realty, DLF, Prestige, Phoenix Mills, and SPR Group, are expected to dominate the supply landscape during this period.

As the Indian retail market scales towards a projected USD 1.93 trillion mark by 2030—representing a steady CAGR of ~10%<sup>1</sup>—the landscape is increasingly mirroring the structural maturity seen in developed global economies (refer to Figure 2.4). In line with these global growth trajectories, the sector is poised for a period of accelerated portfolio expansion within the organised retail segment. However, while supply addition and high-street maturity have improved in recent years, sustained growth remains contingent upon a continuous infusion of investment-grade inventory. Notably, the current market environment presents a compelling opportunity for developers to introduce high-quality mall spaces that align with evolving occupier demand. Ultimately, the delivery of institutional-grade supply will be a critical catalyst in supporting this expansion and enabling India's next phase of organised retail growth.

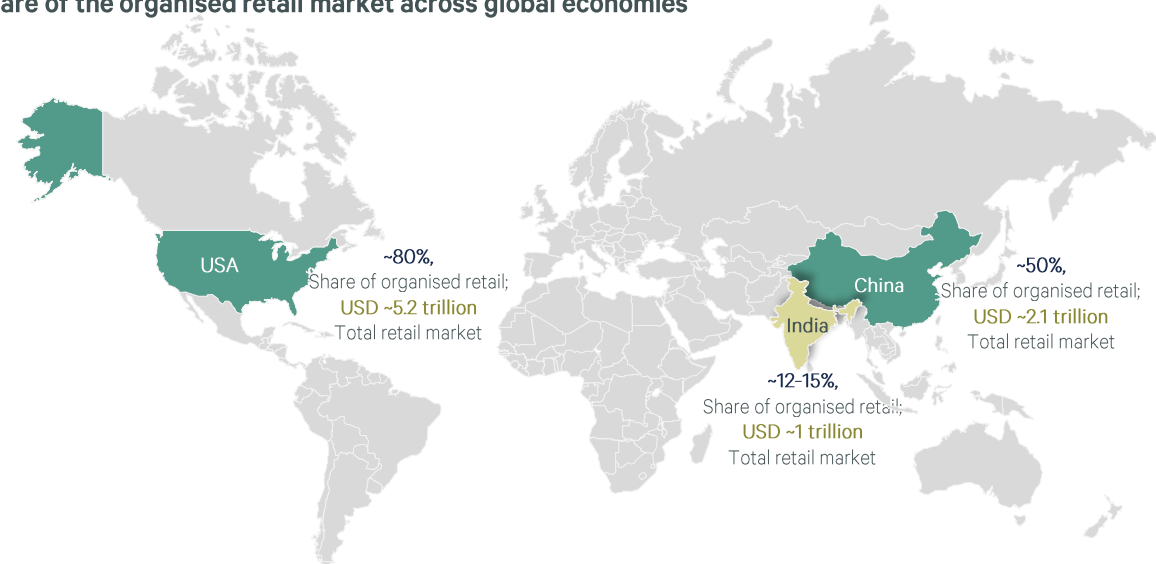
1: Winning Codes for Retail 2035: Capturing the USD 200 Trillion Prize, BCG, Retailers Association of India, February 2026; 2: CBRE Research, Q1 2026

Figure 2.3: India's cumulative retail supply addition across key cities (2019-2028F)



Source: CBRE Research, Q1 2026

Figure 2.4: Share of the organised retail market across global economies



Source: Forrester Research, January 2026; China Retail Sector Report, Research & Markets, 2025; Invest India, 2025; Spotting India's PRIME innovation moment, Deloitte-FICCI, August 2025

# Top Trends Expected to Shape India's Retail Sector in 2026

02

## Sustained rise of high street lifestyle corridors set to continue

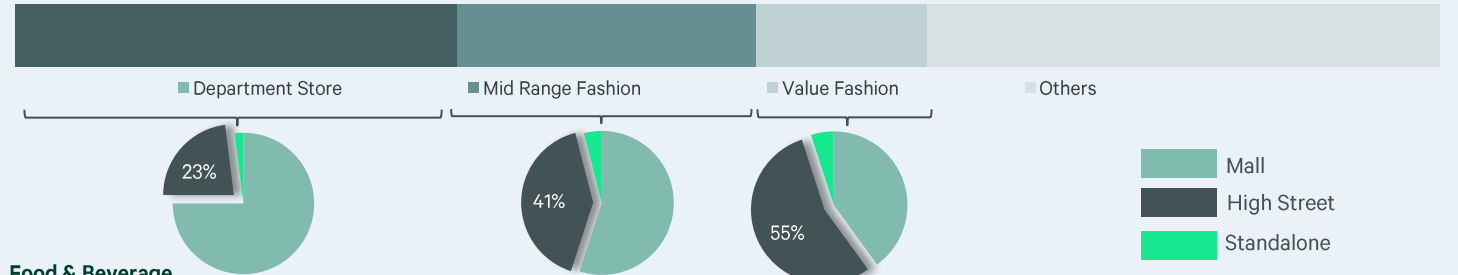
India's retail landscape continues to mature through a significant structural evolution. While planned shopping centres remain a primary engine of organised retail, high streets derive enduring strength from their established presence and organic integration within urban catchments. These corridors have evolved from local 'go-to hubs' into sophisticated destinations for domestic and international brands—exemplified by Delhi-NCR's Khan Market, Bengaluru's Brigade Road, and Mumbai's Linking Road (*Bandra*)—evolving into modern, 24X7 'physical billboards' for key anchors.

High-street leasing demonstrated notable resilience, accounting for 45% and 39% of total leasing volume in 2024 and 2025, respectively, up from 32% in 2023. Several categories continued to show a clear preference for these locations (see *Figure 2.5*), led by fine jewellery (gold), mid-range fashion, and value fashion, alongside robust expansion in F&B—specifically QSRs, speciality coffee chains, and casual dining formats. Lower overheads are making high streets a leaner and more profitable model while providing full control over brand identity and operating hours, driving continued expansion from select F&B and fashion brands.

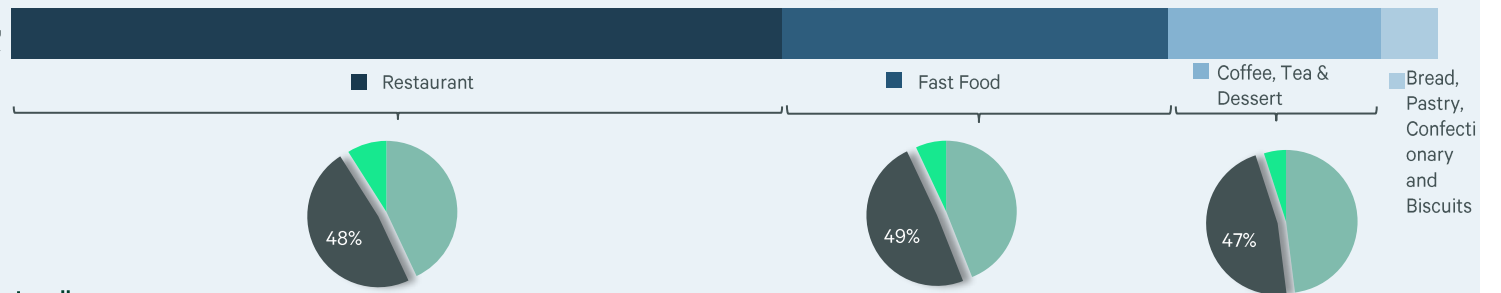
While new supply on high streets is typically limited, the market is likely to witness continued rejuvenation through the redevelopment of older properties, particularly in Mumbai. Simultaneously, scattered high streets are emerging in peripheral metro locations, characterised by larger store formats. Specialised high streets dominated by F&B brands are also expected to emerge along major tech corridors in Bengaluru, Hyderabad, and Pune. Looking ahead, sustained occupier interest and operational flexibility are expected to ensure that high-street corridors remain a prominent feature of India's retail expansion narrative through 2026.

Figure 2.5: Asset type and category-wise leasing trends in 2025

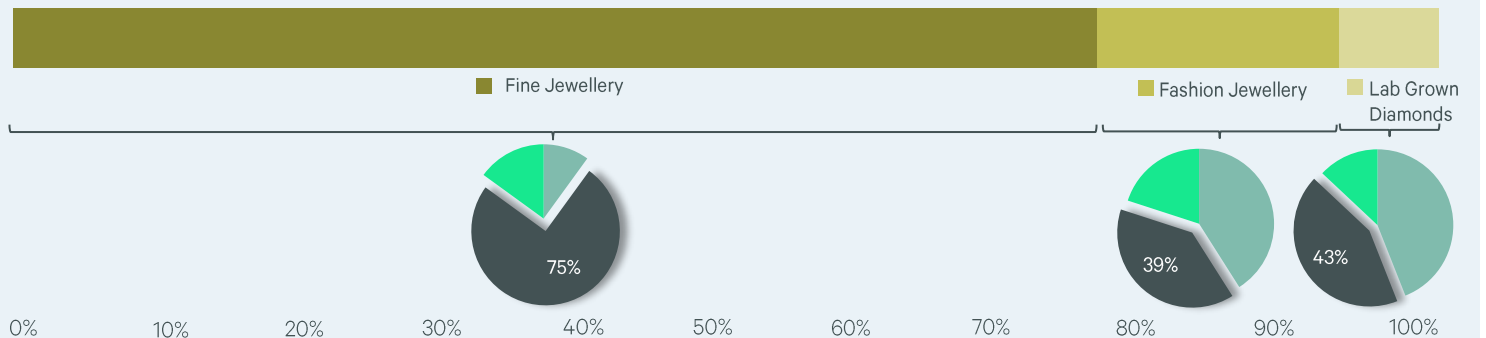
### Fashion & Apparel



### Food & Beverage



### Jewellery



0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Source: CBRE Research, Q1 2026

# Top Trends Expected to Shape India's Retail Sector in 2026

## 03 Key catalysts likely to continue driving tenant mix reconfiguration

### Experiential fashion hubs



Retail trade is transitioning from traditional transactional formats to immersive brand ecosystems. Experiential flagship stores, curated style zones, and wellness-oriented amenities are increasingly designed to extend dwell time and foster brand loyalty. This evolution is underpinned by AI-driven technologies, enabling brands to implement more agile and targeted retail strategies.

### Social and entertainment destinations



Entertainment zones are evolving into high-tech destinations that integrate edutainment, virtual reality, and gamified RFID-based loyalty systems, facilitating premium pricing and encouraging repeat visits. For landlords, these zones optimise underutilised areas and enhance rental yields for adjacent F&B tenants. By providing long-term revenue stability through extended leases, these formats effectively combine multi-generational engagement with robust real estate value.

### Evolving F&B landscape



India's F&B sector is at a strategic juncture, as the expansion of domestic powerhouses is increasingly complemented by international brands leveraging local alliances. Reliance's partnerships with Pret A Manger, EL&N London, and Armani/Caffè (Mumbai) and launch of The Cheesecake Factory Bakery via The Gourmet Café (Bengaluru), epitomise this trend. Supported by record leasing volumes and a shift towards organised dining, the sector is on a clear trajectory to exceed a USD 125 billion valuation by 2030<sup>1</sup>. Traditionally, F&B accounted for 10-12%<sup>2</sup> of a mall's gross leasable area; however, as developers prioritise engagement over retail density, this allocation has increased to 15-20%<sup>2</sup> in recent years. **The strategic bundling of dining and entertainment has increased their combined footprint to nearly one-third of total mall space, acting as a strong magnet for repeat footfall.** From gourmet markets to speciality kiosks, these diverse formats are fostering seamless integration with traditional retail, driving significant cross-category synergy.

## 04 Evolution of retail formats anticipated to persist

While traditional malls remain the primary drivers of consumer footfall, developers are increasingly pivoting towards newer asset formats to diversify and enhance the predictability of their revenue streams. As consumer preferences shift towards convenience, experience, and community-driven spaces, developers are reimagining retail ecosystems by seamlessly blending shopping with leisure, dining, and social interaction.



### Integration within mixed-use developments

Leading developers are increasingly prioritising mixed-use projects, integrating retail with office and residential components to mitigate risk. While retail cultivates the 'vibe' and brand equity, office spaces typically provide stable, long-term capital appreciation, with residential contributing to demand depth and project viability.

While the retail mix was historically dominated by F&B, it is now expanding to include wellness, essentials, and fashion, reflecting a shift towards balanced, experience-led ecosystems. Furthermore, these projects are frequently designed around transit-oriented nodes to maximise accessibility and capture transient commuter spend.

Prominent mixed-use developments are reshaping the landscape: Worldmark Aerocity stands as a first-of-its-kind integrated hub in Delhi-NCR, while Mumbai's Project Rise integrates premium workspaces with a retail ecosystem. Additionally, neighbourhood centres are emerging as a key trend, prioritising hyper-local accessibility through boutique, open-air formats designed to facilitate a modern walkable shopping experience.



### Strategic expansion of outlet stores

Capitalising on value-conscious yet brand-aware demographics, premium outlet centres are flourishing in peri-urban fringes. While this format was previously concentrated in Delhi-NCR, it is also gaining traction in Bengaluru.



### Growing retail prominence of transit hubs

Traditional roadside pit-stops are evolving into integrated highway transit hubs, conceptualised as wayside amenity centres that consolidate traveller needs. Instead of fragmented eateries, these centres combine fuel stations, clean restrooms, dining, convenience stores, and pharmacies, creating a seamless stopover. Newer hubs also incorporate wellness zones, pet-relief parks, and premium hygiene facilities, catering to the evolving expectations of the modern commuter. Moreover, despite a smaller physical footprint, airports are emerging as high-velocity, premium retail gateways. Terminals in major hubs, including Delhi, Mumbai, and Bengaluru have transitioned into curated destinations, where luxury shopping is now seamlessly integrated into the traveller's journey.

1. The Ever-Evolving Food Space in India, How India Eats Swiggy X Kearney, January 2026; 2. CBRE Research, Q1 2026

# Research Contacts

---

## Abhinav Joshi

Head of Research, India, Middle East and North Africa  
[abhinav.joshi@cbre.co.in](mailto:abhinav.joshi@cbre.co.in)

## Vidhi Dheri

Director, National Research Operations  
[vidhi.dheri@cbre.co.in](mailto:vidhi.dheri@cbre.co.in)

## Rajorshi Sanyal

Senior General Manager  
[rajorshi.sanyal@cbre.com](mailto:rajorshi.sanyal@cbre.com)

## Uttaresh Venkateshwaran

General Manager  
[uttaresh.venkateshwaran@cbre.com](mailto:uttaresh.venkateshwaran@cbre.com)

## Swati Sisoudiya

Senior Associate  
[swati.sisoudiya@cbre.com](mailto:swati.sisoudiya@cbre.com)

## Retail

### Uttara Nilawar

Associate Director  
[uttara.nilawar@cbre.com](mailto:uttara.nilawar@cbre.com)

### Neha Guhe

Manager  
[neha.guhe@cbre.com](mailto:neha.guhe@cbre.com)

### Simran Sawant

Senior Associate  
[simran.sawant@cbre.com](mailto:simran.sawant@cbre.com)

### Vishakha Bhabad

Senior Analyst  
[vishakha.bhabad@cbre.com](mailto:vishakha.bhabad@cbre.com)

## Economy

### Rajorshi Sanyal

Senior General Manager  
[rajorshi.sanyal@cbre.com](mailto:rajorshi.sanyal@cbre.com)

### Uttaresh Venkateshwaran

General Manager  
[uttaresh.venkateshwaran@cbre.com](mailto:uttaresh.venkateshwaran@cbre.com)

### Simran Sawant

Senior Associate  
[simran.sawant@cbre.com](mailto:simran.sawant@cbre.com)

## Follow Us



© Copyright 2026. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

# CBRE

# Business Line Contacts

---

## Leasing Services

### Bimal Sharma

Head - Retail & Alternatives  
[bimal.sharma@cbre.co.in](mailto:bimal.sharma@cbre.co.in)

### Anand Dutta

Associate Executive Director  
[anand.dutta@cbre.co.in](mailto:anand.dutta@cbre.co.in)

### Sakshi Goel

Associate Executive Director  
[sakshi.goel@cbre.co.in](mailto:sakshi.goel@cbre.co.in)

## Consulting & Valuations

### Vamshi Nakirekanti

Head Valuation & Advisory Services, India & Southeast Asia  
[vamshi.krishna@cbre.co.in](mailto:vamshi.krishna@cbre.co.in)

### Sumit Arora

Head - National Operations & Workplace Strategy, Consulting, India  
[sumit.arora@cbre.co.in](mailto:sumit.arora@cbre.co.in)

### Alok Kumar Puri

Associate Executive Director,  
Head of Business Development & Alternate Assets  
[alok.puri@cbre.co.in](mailto:alok.puri@cbre.co.in)

### Divya Goyal

Executive Director,  
Head - Investment Risk Monitoring, India  
[divya.goyal@cbre.co.in](mailto:divya.goyal@cbre.co.in)

### Saurabh Khare

Senior Director,  
Head - National Operations for Valuation Advisory Services, India  
[saurabh.khare@cbre.co.in](mailto:saurabh.khare@cbre.co.in)

### Akshay Yadav

Head, Development Advisory, North & East India and Operations, Retail Advisory, India  
[akshay.yadav@cbre.co.in](mailto:akshay.yadav@cbre.co.in)

## Follow Us



© Copyright 2026. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

# CBRE

# Business Line Contacts

---

## Leasing Services

### Ram Chandnani

Managing Director,  
Leasing Services, India  
[ram.chandnani@cbre.co.in](mailto:ram.chandnani@cbre.co.in)

## Capital Markets

### Gaurav Kumar

Managing Director & Co-Head,  
Capital Markets, India  
[gaurav.kumar@cbre.co.in](mailto:gaurav.kumar@cbre.co.in)

## Consulting & Valuations

### Rami Kaushal

Managing Director,  
Consulting & Valuations, India, Middle East & Africa  
[rami.kaushal@cbre.co.in](mailto:rami.kaushal@cbre.co.in)

## Capital Markets

### Nikhil Bhatia

Managing Director & Co-Head,  
Capital Markets, India  
[nikhil.bhatia@cbre.co.in](mailto:nikhil.bhatia@cbre.co.in)

## Global Workplace Solutions

### Rajesh Pandit

Managing Director,  
Global Workplace Solutions, India & Property  
Management, India, SE Asia, Middle East & North Africa  
[rajesh.pandit@cbre.co.in](mailto:rajesh.pandit@cbre.co.in)

## Follow Us



© Copyright 2026. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

# CBRE