NEWS RELEASE

Bengaluru's MG Road best high street in India, Hyderabad's Somajiguda ranks second: Knight Frank and Phygital Retail Convention Report

- **Linking Road (Mumbai), and South Extension (Delhi) among top 10 high streets**
- **4 Bengaluru high streets in top 10; Chennai and Kolkata rank 5th and 6th respectively**
- **Total high street stock of 13.2 mn sq ft spread across 4,875 retail stores in top 8 markets**
- **NCR contributes 24% of India's total occupied modern retail arena, highest across top 8 market**
- **Potential consumption in high streets derived at nearly $2 bn for FY-24**

Mumbai, May 10, 2023: In a primary survey conducted by global real estate consultancy in India, Knight Frank across eight markets of India, it has been determined that **Bengaluru has best of high streets that provide significantly better shopping experience with 4 of its markets making to the top 10 list.** As per the insights, MG Road (Bengaluru) tops the list of high streets in India, followed by Somajiguda (Hyderabad) in the second position, Linking Road (Mumbai), and South Extension (Delhi) are also listed among the top 10 high streets in the country. This ranking study is part of Knight Frank India's flagship annual retail report **'Think India Think Retail 2023 -** High Street Real Estate Outlook**'** in association with Phygital Retail Convention 2023. The report will be formally inaugurated at a gala event on May 11, 2023. The study was conducted for 30 high streets across the top eight markets.

Top 10 High Streets

Rank	City	High Street
1	Bengaluru	Mahatma Gandhi Road (MG Road)
2	Hyderabad	Somajiguda
3	Mumbai	Linking Road
4	Delhi	South Extension – Part I & Part II
5	Kolkata	Park Street and Camac Street
6	Chennai	Anna Nagar
7	Bengaluru	Commercial Street
8	Noida	Sector 18 Market
9	Bengaluru	Brigade Road
10	Bengaluru	Church Street

Source: Knight Frank Research

The top ten high streets are those that are convenient in terms of access, parking facilities and with a varied assortment of retailers. The layout and master planning of the high street define the visibility. Inward looking markets like Khan Market (Delhi) and DLF Galleria (Gurugram) scored very low, whereas markets aligned along the access road like MG Road (Bengaluru), Somajiguda (Hyderabd), Linking Road (Mumbai), Anna Nagar, Park Street and Camac Street (Kolkata) scored high. Ahmedabad and Pune do not house any of the top 10 high streets. The survey was conducted across 30 high streets across the top eight cities of India based on parameters that determine the quality of experience high streets provide to customers.

Ahmedabad's SG Highway has the highest spending quotient amongst the 30 high streets surveyed. Contrary to common perception, the top high streets are not the ones demanding the highest rent. High Average Ticket Price retail categories such as Electronics, Accessories and Home & Lifestyle that have a lower presence in micro markets like Connaught Place, Lower Parel, Khan Market, Colaba Causeway make the Spending Quotient low in these seemingly lucrative markets for retail brands.

Shishir Baijal, Chairman & Managing Director at Knight Frank India said, *"Retail is a highly competitive business and, more recently with the advent of malls, is also closely related to the overall customer experience. Globally, cities are identified by their highstreets, often one of the main attractions of the city, and the brands on these streets - a barometer of the city's worth on a global platform. But as we evolve, customer experience is the key and due to their traditional nature, high streets often fail to provide amenities like those of shopping centres. However, as cities in India are modernising, we see many high streets in the country reviving as facilities like access, parking, store visibility etc. have improved. Our estimations say that the average per square meter revenues of high streets will be significantly higher than those of malls in FY 2023–24. Going forward, we expect that high streets provide a good retailing experience to customers to see a revival even as other formats of retail continue to thrive."*

Modern and Non- Modern Retail Arenas

According to the findings, NCR, Kolkata, and Ahmedabad are the top three markets with a high concentration of non-modern retail arenas, while Ahmedabad and Kolkata are yet to witness the foray and expansion of many large national and foreign retailers on its key high streets, NCR's dominance across the non-modern retail arenas stems from the fact that both traditional and modern retail outlets have co-existed and flourished to serve the mixed bag of ethnicities and cultures from nearby states for many years now.

Total retail arena: break up of modern, non-modern arena

Cities	Modern Retail Arena (mn sq ft)	Non-modern Retail Arena (mn sq ft)	Total Retail Arena (mn sq ft)
Ahmedabad	0.6	0.9	1.5
Bengaluru	1.0	0.5	1.5
Chennai	0.4	0.2	0.6
Hyderabad	1.1	0.7	1.8
Kolkata	0.2	0.6	0.8
Mumbai	0.7	0.7	1.4
NCR	1.4	3.8	5.2
Pune	0.3	0.2	0.5
India	**5.7**	**7.5**	**13.2**

Source: Knight Frank Research

NCR followed by Hyderabad, Ahmedabad and Bengaluru occupies the highest percentage of modern, non-modern retail arenas in the country.

High Street Rental Trends in Prime Indian Cities

The average monthly rents to lease retail space on the high streets vary across the top eight cities. Despite real estate rent corrections across all asset classes, the post pandemic bounce-back led to numerous transactions being closed at rents higher than previously witnessed. Some of the high streets captured in the survey are the country's most expensive retail hubs. New Delhi's Khan Market, Gurugram's DLF Galleria, and Mumbai's Linking Road and Turner Road are three high streets in the country where retailers have to shell out hefty rents to maintain brand presence.

Average Rents in Indian High Streets

City	High Street	Avg Rents in INRINR/sq ft/mth
Ahmedabad	Chimanlal Girdharlal Road (CG Road)	180 – 200
Ahmedabad	SG Highway	140 – 160
Bengaluru	Indira Nagar – 100 Ft Road	150 – 200
Bengaluru	Church Street	200 – 250
Bengaluru	Mahatma Gandhi Road (MG Road)	100 – 125
Bengaluru	Koramangala – 100 Ft Road and 80 Ft Road	125 – 175
Bengaluru	Brigade Road	180 – 250
Bengaluru	Commercial Street	220 – 250
Bengaluru	Jayanagar – 4th Block	200 – 250
Chennai	Anna Nagar	150 – 175
Chennai	Nungambakkam High Road	190 – 240
Delhi	Connaught Place	200 – 550
Delhi	Lajpat Nagar	200 – 350
Delhi	Khan Market	1000 -1500
Delhi	South Extension – Part I & Part II	250 – 450
Gurugram	DLF Galleria	800 – 1200
Hyderabad	Jubilee Hills	200 – 225
Hyderabad	Banjara Hills	190 – 230
Hyderabad	Somajiguda	150 – 175
Hyderabad	Ameerpet	110 -130
Hyderabad	Gachibowli	120 – 140
Kolkata	Park Street & Camac Street	300 – 450
Mumbai	Colaba Causeway	450 – 750
Mumbai	Lower Parel	300 – 500
Mumbai	Lokhandwala	350 – 550
Mumbai	Linking Road	350 – 1000
Noida	Sector 18 Market	150 – 250
Pune	Mahatma Gandhi Road (MG Road)	200 – 250
Pune	Koregaon Park	250 – 300
Pune	Baner Road	150 – 200

Source: Knight Frank Research

The Outlook - Potential Consumption in FY 2023-24

Indian high streets occupy only 6% of the total gross leasable area as compared to the shopping mall stock, however, in terms of efficiency, high streets offer 100% efficacy due to low maintenance costs, whereas in the case of shopping malls, the efficiency can range anywhere between 50% - 60% depending on the grade of the shopping mall. This is largely due to high maintenance costs for common areas, central air conditioning and escalators.

Potential Consumption in FY 2023-24	In USD Billion
Shopping Malls	11
High Streets	2

Source: Knight Frank Research

Potential consumption in FY 2023-24

- Across all operational malls

~ USD 1,273 per sq m per annum

- Across high streets

~ USD 4,099 per sq m per annum

Source: Knight Frank Research

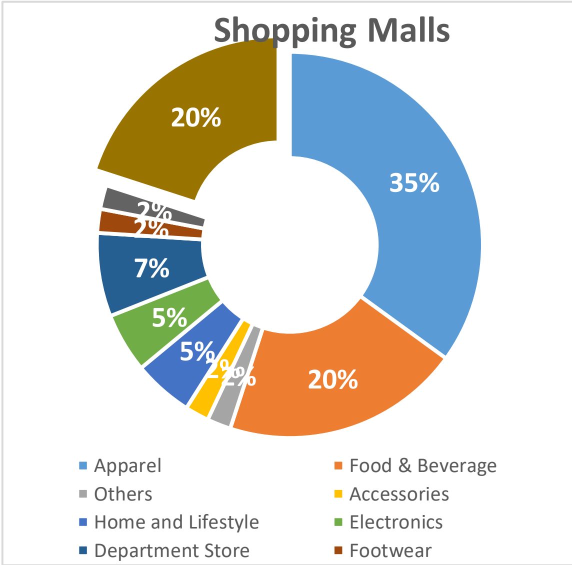
Opportunities for Retailing in Modern Retail Arenas on High Streets

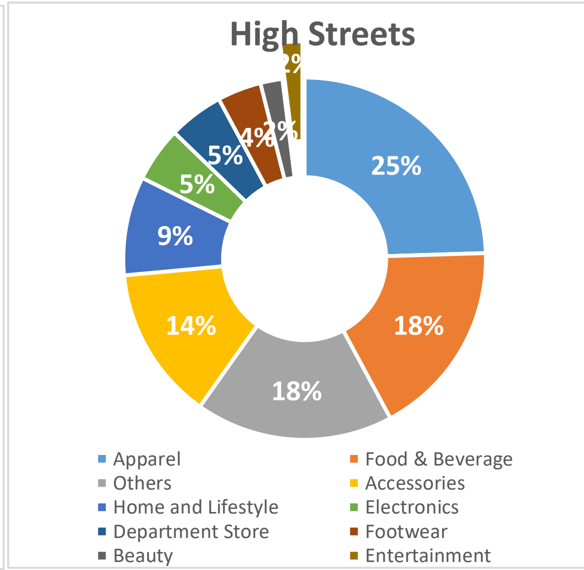
After a series of disruptions in consumption due to the pandemic, the retail industry seems to be back on track with consumption surpassing pre-pandemic levels across regions. In the backdrop of the flourishing e-commerce sector, Phygital or omnichannel retailing has become the norm of the day. Knight Frank India has assessed the potential of retailing in the modern retail arenas in the high streets. After careful assessment of the average trading densities in top 10 retailer categories across 30 high streets, the potential consumption in the high streets is derived at nearly **USD 2 bn for FY 2023-24.** This represents 19% of the **potential consumption of USD 11 bn projected for operational shopping mall stock in FY 2023-24.** While on an overall basis, high streets may appear to have limited consumption potential, when compared on a per sq m basis the consumption story is significantly different.

Comparison With Shopping Malls

Globally, malls have emerged as family entertainment and shopping destinations with a confluence of retail categories under one air-conditioned roof. High streets, on the other hand, serve as the core of friendly neighborhood shopping and utilitarian functions. Both these formats have different characteristics and command captive interest from retailers and consumers. There are many differences between the two when it comes to stock availability in the top 8 cities, retailer category comparison, and brand origin comparison.

Apparel and Food & Beverage remain the top two categories in both shopping malls and high streets. In the case of shopping malls, the second position is jointly shared by Entertainment and Food & Beverage, whereas in the case of high streets, the 'Others' category emerged as the second favourite along with Food & Beverage, followed by Accessories. The Others category comprises gymnasiums, photo studios, and miscellaneous other retailers that give a sales invoice and create a vast footprint on the modern retail arenas in high streets compared to shopping malls. This category's share is the second highest in high streets at 18%. However, high streets lack entertainment options, which comprise 2% in comparison to 20% in shopping malls.





Source: Knight Frank Research

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