



Confederation of Indian Industry



*Achieve
Ambitions*

Fuelling the Retail Revolution- The Paradigm of Emerging Cities

December 2017



Preface

Over the last 20 years, India's retail sector has been witness to a tectonic shift. From an unorganized market, primarily ruled by Kirana shops, it now boasts of large multi-formats that offer global experiences to local consumers. Tier 1 cities have been the first to benefit from the boom of organized retail. Rising interest of reputed national developers, growth of premium high streets and entry of foreign brands have made the marketplace exciting for consumers. And this trend has gradually permeated across Tier II & III cities on account of the rising demand from an evolving consumer base. This consumer is also demanding a high quality shopping experience, similar to his metro counterpart.

With increased land prices and high lease rentals in big cities, retailers too are seeking options beyond the metros. Popular brands are looking at Tier II cities for expansion. Due to rising urban population, increasing per capita income and the success of brand expansions in Tier II cities, this transformation will continue to be seen in the coming years.

The presence of popular high streets across Tier II locations such as Chandigarh, Lucknow and Bhubaneswar is playing out its own dynamics in the retail world. Emerging retail cities like Jaipur, Lucknow and Ahmedabad have now become supremely attractive to large retailers and mall developers too. However, with current demand for expansion, the country will require next-generation retail real estate too. The market is now shifting to offer retail real estate which can meet global standards and conform to the needs of global brands & investors. The industry needs to address growing business needs across key emerging markets and also set a long-term direction for the future.

In our insightful report, **'Fuelling the Retail Revolution: The Paradigm of Emerging Cities'**, we have tried to gauge both - analyze the emerging markets and understand their demand for retail real estate. The report outlines the top 20 cities basis key parameters such as current retail stock, expected supply of malls, investment flows, current brand presence, retailer expansion plans and much more.

We are delighted to present the report and hope you will find it an interesting and thought-provoking read.



Ramesh Nair
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JLL, India



RETAIL REALTY
OVERVIEW



Mall withdrawals in Tier I keep vacancy stable

Cities with Lowest Average Mall Vacancy, 3Q17

CHENNAI **8.3%**

BENGALURU **11.1%**

HYDERABAD **11.7%**

Cities with Maximum Quantum of New Mall Supply, 3Q17

KOLKATA **0.5** mn sq. ft.

PUNE **0.4** mn sq. ft.

BENGALURU **0.3** mn sq. ft.

Retail Parameters, 3Q17

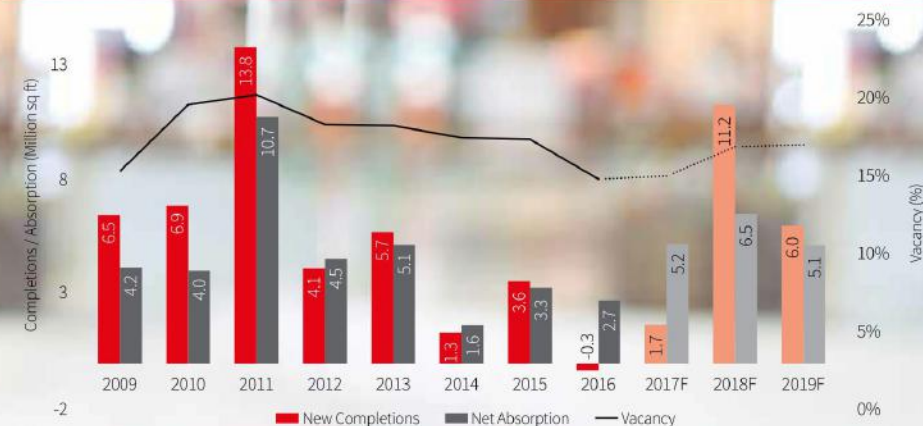
Cities with Maximum Retail Leasing

Cities with Maximum Growth in Retail Rents

Cities

DELHI-NCR (0.74 million sq. ft.)
PUNE (0.35 million sq. ft.)
BENGALURU (0.26 million sq. ft.)

DELHI-NCR (1.22%)
BENGALURU (0.84%)
MUMBAI (0.58%)



In terms of **overall mall performance** as well as **rental value appreciation** across Tier I cities, suburban malls are fast catching up with their prime city counterparts



Strong absorption with **few key completions** in Kolkata, Pune and Bengaluru has resulted in marginal increase in overall vacancy (3Q17)



India's **overall vacancy** in organized retail sector is recorded at **15.0%** (3Q17)



Good quality malls across cities have been performing well **whereas less superior malls are being withdrawn or converted**



A total of **8.9 million sq. ft. of mall space** has been **withdrawn** across cities (Delhi-NCR, Mumbai, Pune and Chennai) from 2015 to 3Q17



Marginal **rental value appreciation** was recorded in select submarkets in cities like Delhi-NCR, Pune and Mumbai, q-o-q (2Q17 to 3Q17)

Source: JLL, REIS 3Q17

Note: New completions refer to the net completions i.e. difference in the stock positions of the current and the previous quarter

Withdrawal of inferior malls and regulated mall supply across cities, is likely to result in steady vacancy rates in 2017



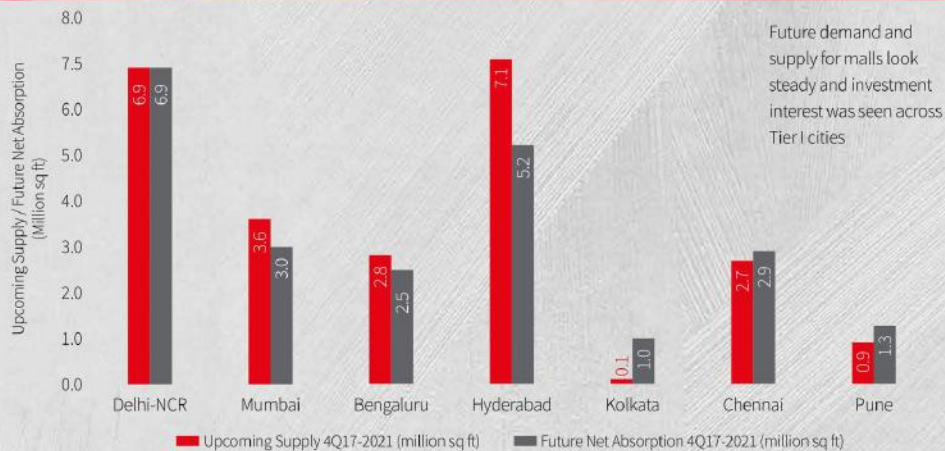
While Retail Markets Steady in Tier I....



India ranked first in A.T. Kearney's 2017 Global Retail Development Index, which ranks the top 30 developing countries worldwide for retail investment



Retail sector is among the top three employers in the country. India's retail sector will require a workforce of approximately 56 million till the year 2022 (National Skill Development Corporation)



Source: JLL REIS 3Q17

.... Tier II Story Unfolds

While the top seven cities viz. Delhi-NCR, Mumbai, Bengaluru, Hyderabad, Chennai, Pune and Kolkata have already emerged as established retail destinations, rapid pace of retail sector growth is now likely to **engulf the next level of emerging cities** based on several factors.

Factors Dictating Retail Development in Emerging Centres



Lack of available space in retail malls in metro cities: Chennai (8.3%), Bengaluru (11.1%) and Hyderabad (11.7%) recorded lowest mall vacancy rates, 3Q17



Increasing lease rentals in metro malls: 2Q16-3Q17 (Y-O-Y) Delhi NCR (2.03%), Bengaluru (0.84 %) and Mumbai (2.28%)



High land prices in Tier I cities making it difficult for retailers to own real estate. Expansion plans are also difficult to implement.



Demographic pattern with increasing population base creating retail demand: By 2018, the Indian retail sector is likely to grow at a CAGR of 13 per cent to reach USD 950 billion. (Source: www.ibef.org)



Overcrowding of brands/retailers in Tier I cities paving way for expansion into Tier II cities: Apparel brands Global Desi, Fabindia & Aurelia have plans for expansion in Lucknow



International Airport connectivity across many Tier II Indian cities: Lucknow, Kochi, Bhubaneswar, Nagpur to name a few, across regions



Rising income levels leading to increased disposable incomes and changes in consumption patterns, which reflects growth in organized retailing across the country

Delhi NCR ranked first in terms of total retail stock, lowest vacancy, highest absorption and rental appreciation for malls, 3Q17

Hyderabad is likely to surpass Delhi NCR marginally in terms of total upcoming supply, 4Q17-2021

A close-up photograph of a hand holding the handles of several colorful shopping bags. The handles are made of thick, braided rope in yellow, red, and blue. The bags themselves are in shades of green, orange, and pink. The background is blurred, showing what appears to be a shopping cart and some bokeh light effects. A large, red, torn-edge rectangular overlay is positioned on the left side of the image, containing white text.

RETAIL REALTY TRENDS:
**EMERGING
CITIES**

Key Emerging Destinations

Based on total population, airport connectivity (domestic/ international), present retail base (total retail stock & upcoming supply, 4Q17-2021), interest among retailers for future expansion and retail investment inflow, we have identified top 20 Indian cities which will dominate the retail landscape, remain prominent retail destinations and show the way forward over the next 5 years and ahead:

Category of Cities based on retail growth	Regions			
	North	South	East	West
Established Retail Destinations	Delhi	Bengaluru, Hyderabad, Chennai	Kolkata	Mumbai, Pune
Emerging Retail Centres of Growth	Lucknow, Jaipur, Chandigarh	Kochi, Vishakhapatnam, Thiruvananthapuram, Coimbatore	Patna, Bhubaneswar	Ahmedabad, Indore, Vadodara, Nagpur

Organized Retail Sector Overview in Tier II



Currently the **emerging retail destinations** account for small proportion of the **total organised operational retail space** in the country



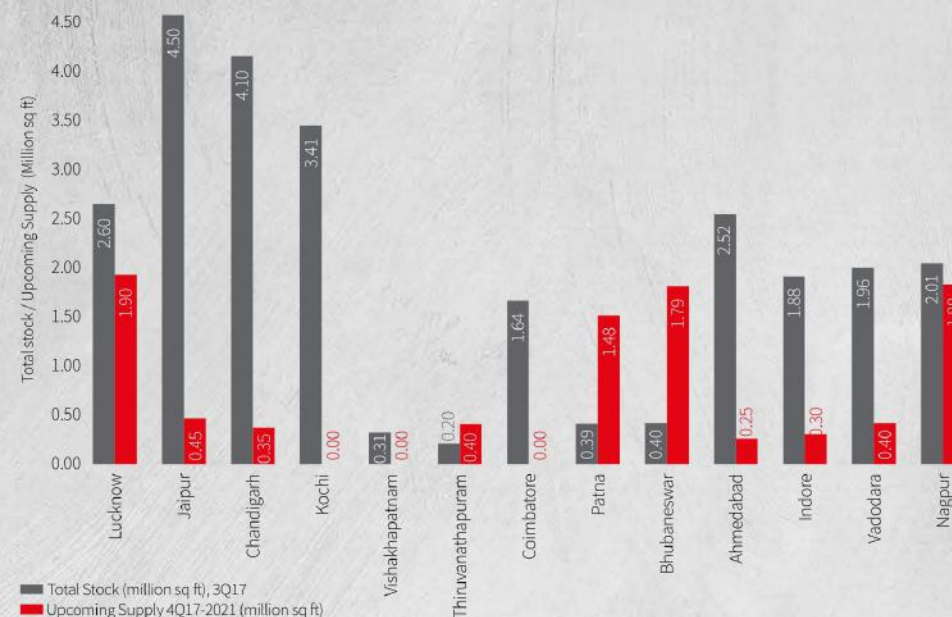
Similarly brands of repute are also showing interest in **standalone commercial developments** (in case of absence of malls or inferior quality malls) in these smaller cities for opening up of their outlets



Trends indicate that **national and international brands** are venturing into **newer destinations** in search of organised mall space leading to **development of large scale high end malls viz. Lulu Mall in Kochi**



Total retail stock, upcoming supply, retailer presence, retailer expansion plans and investments indicate a healthy retail growth in **these emerging cities** and **presence of quality completed retail stock** shows the extent of maturity of the retail sector



RETAIL FUND FLOW IN TIER II & III CITIES

- Private Equity players** have started taking increased interest in Indian retail sector through investments in high-end retail malls across cities
- In recent times, **Blackstone** through its Indian subsidiary Nexus Malls has invested stakes in successful malls of not only Tier I but also in retail assets of **Tier II cities** viz. **Ahmedabad One mall, Elante mall in Chandigarh and Treasure Island mall of Indore.**
- Retail sector in **smaller** (Tier II&III) cities has witnessed a much higher investment (USD 6,192 million) from 2006-2017 compared to Tier I **metro** cities (USD 1,295 million).

Retail Investment in Tier II (2006-2017)

USD
6,192
million

Retail Investment in Tier III (2006-2017)

USD
448
million

Jaipur ranks 1st in total current retail stock while Lucknow ranks 1st in upcoming retail supply (4Q17-2021)

Mall and High Street in Tier II Cities

CITIES	Prominent Malls	Mall Size (BUA in sq. ft.)	Prominent High Streets	Existing Brands in malls/high streets
Lucknow	SAHARAGANJ MALL PHOENIX UNITED	417,000 330,000	HAZRATGUNJ PATRAKARPURAM	LOUIS PHILIPPE, DOMINOS, TANISHQ, W, PUMA, MOCHA
Jaipur	MGF METROPOLITAN WORLD TRADE PARK	200,000 350,000	MI ROAD C-SCHEME	APPLE, ADIDAS, THE BODY SHOP, W, NIKE, PLNET FASHION, BATA
Chandigarh	NORTH COUNTRY ELANTE MALL	1,000,000 1,150,000	SECTOR 17	KFC, SUBWAY, PIZZA HUT, SAGAR RATNA, PLANET FASHION
Kochi	LULU MALL GOLD SOUK GRANDE	1,700,000 500,000	MG ROAD & EXT MARINE DRIVE	TOMMY HILFIGER, DELSEY, SAMSONITE, VAN HUESEN
Vishakhapatnam	CMR CENTRAL MALL CHITRALAYA MALL	250,000 55,000	VIP ROAD CBM COMPUED ROAD	TANISHQ, PANTALOONS, SHOPPERS STOP, FAB INDIA, NIKE
Thiruvananthapuram	QRS SQUARE MALL	200,000	MG ROAD	NA
Coimbatore	FUN REPUBLIC BROOKFIELDS	325,000 450,000	CROSS/ X CUT ROAD OPPANAKARA ROAD	CHENNAI SILKS, POTHYS, TITAN, SARAVANA STORES, JOYLUKKAS
Patna	P&M MALL PATNA ONE MALL	225,000 80,000	FRASER ROAD/ AKBUNGLOW RD BORING CANAL ROAD	MAX, CENTRAL, KFC, METRO, PANTALOONS, RELIANCE TRENDS, TBZ, BIG BAZAAR
Bhubaneswar	BMC BHAWANI MALL FORUM MART	100,000 165,000	JANPATH PATIA- CHANDRASHEKHARPUR	BIG BAZAAR, RELIANCE TRENDS, MAX, PANTALOONS, BIBA, TANISHQ, METRO, LEVIS, BATA
Ahmedabad	AHMEDABAD ONE 4 SQUARE MALL	720,000 500,000	CG ROAD PRAHLADNAGAR ROAD	PANTALOONS, BIBA, AND, GLOBAL DESI, TANISHQ, VAN HUESEN, UCB
Vadodara	INORBIT MALL SARABHAI CIRCLE	345,241 115,000	ALKAPURI RACE COURSE ROAD	PUMA, TANISHQ, DOMINOS, PIZZA HUT
Nagpur	EMPRESS MALL ETERNITY MALL	900,000 175,000	DHARAMPETH SADAR	ADIDAS, LEE, UCB, BATA, ZODIAC, RELIANCE FOOTPRINT

- Average mall size in Tier II cities ranges between 150,000 - 450,000 sq. ft. with few exceptions like Lulu Mall in Kochi (1,700,000 sq. ft.) and North Country Mall (1,000,000 sq. ft.) and Elante Mall (1,150,000 sq. ft.) in Chandigarh
- Typically, high streets command a premium in terms of lease rentals when compared to average rents in the malls located in the vicinity
- Based on expansion plans of few retailers in Tier II cities, it may be said that due to absence of good quality malls in most of these cities, the retailers/brands have shown preference towards expansions in high streets in these cities.

Cities	Probable Expansion/ Entry Plans of Selected Retailers to High Streets/Malls in some Tier II cities		
	Apparel & Footwear	Accessories	Hypermarket
Jaipur		Xiaomi, Hamdard	
Kochi	MAX, Arvind Lifestyle, Madura Lifestyle		
Vishakhapatnam	Pantaloon, Westside	Reliance Trends	Metro Cash n Carry
Coimbatore	Ganapathy Silks, Brand Factory, Pantaloon, FBB		Easy Buy
Patna	MAX, Levis		
Bhubaneswar	Westside	Titan	
Ahmedabad	Trent (Tata), MAX, H&M	Croma, Reliance Digital	
Nagpur	Most of the brands are planning to expand in high street (Dharampeth) or upcoming TRIL mall		
	PROBABLE EXPANSION/ENTRY PLANS TO HIGH STREETS	PROBABLE EXPANSION/ENTRY PLANS TO MALLS	

Source: JLL Retail Research & Secondary Internet Sources

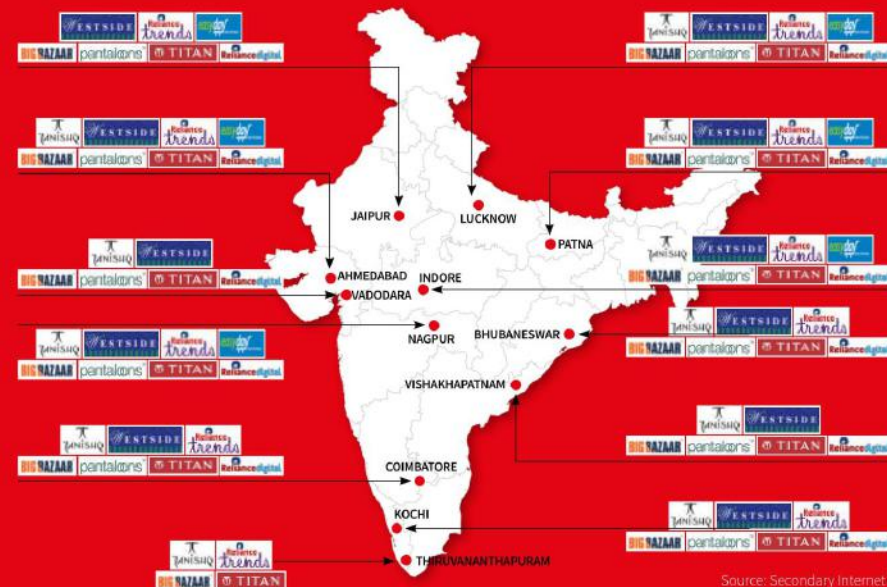
Presence of Prominent Retailers in Emerging Retail Cities



After **Bhiwandi**, Walmart is planning a fulfillment centre (new format of its cash-and-carry store model that will focus exclusively on FMCG products and staples and will not stock fresh food or electronics) at **Lucknow**



H&M is planning to expand its presence in another 8 cities including **Coimbatore, Indore** and Amritsar, post opening its first store in Eastern India at **Kolkata**



Source: Secondary Internet Sources

- Amazon India** has opened six new fulfillment centres across cities of **Chennai, Coimbatore, Delhi, Jaipur and Mumbai**, which will open up 5.5 million square feet of storage space for sellers in the marketplace.
- Lenskart**, online eyewear retailer, has raised capital to enhance its supply chain and **expand the reach of its products across smaller (Tier II & III) cities**.
- Future Group** is also planning to increase the penetration of its smaller format retail stores in **smaller (Tier II and III) cities** over the next five years. It has plans to open smaller format retail stores namely **Easyday stores** and will also increase the number of **Heritage and Nilgiri stores in the south**.

- Easyday already has approximately 4,000 outlets at locations with low rentals.
- Notable quality mall developments in emerging cities include **North Country Mall and Elante mall in Chandigarh and Lulu mall in Kochi**.
- Smaller cities where brands like **Titan, AND, Global Desi and Westside** have plans to expand are **Lucknow, Aurangabad, Indore, Vishakhapatnam, Nagpur and Vadodara**.
- Reliance Digital** is present in more than 100 cities which include cities viz. **Lucknow, Thiruvananthapuram, Vishakhapatnam, Vadodara and Patna among others**.

Retailers are fast opening up new fulfillment centres at Tier II locations.

Retailer Expansion Trends In Emerging Smaller Cities

FORMATS ADOPTED BY PROMINENT ANCHOR RETAILERS IN TIER II & III CITIES

- Absence of good quality malls in the Tier II & III cities are attracting retailers towards **high streets and standalone shopping complexes**, viz. Westside has launched high street stores in cities like **Allahabad and Kanpur**. Pantaloon's has opened up approximately 55-60 stores in high streets, whereas, Lifestyle plans to open its outlet in a standalone shopping complex in **Jaipur**
- Future Group's hypermarket chain **Big Bazaar** is planning to launch around 100 stores across the country over the next 12 months to target value shoppers.
- **Easy Day**, a part of Future Group plans to operate 24*7 'neighbourhood grocery outlets' (occupying spaces ranging between 1500-4000 sq. ft.) in **Tier I, Tier II & Tier III locations** to provide shopping convenience to its customers throughout the day and night, especially after the Govt. relaxed its norms on 24*7 retailing in India.
- Anchor retailers prefer to launch their outlets in Tier II & III cities via the **FOCO (Franchisee Owned & Company Operated) & FOFO (Franchisee Owned Franchisee Operated)** models to lower their input costs of real estate, since the markets are nascent and largely untested. Therefore, such models enable the retailers to have a lesser investment exposure while still offering their products and merchandise to the untapped Middle Income Group in Tier II & III cities.
- **'Trent'** is the retail arm of Tata Sons. Westside, a fashion anchor brand of Trent prefers BTS options in emerging Tier II & III cities. Such option give them the flexibility of better designing their store layouts.
- Trent's value fashion brand **'Zudio'** has launched in smaller (Tier II & III cities), other than Bengaluru. Due to its low merchandise price points and low margins, it opts for properties at low rentals which is mostly available in Tier II & III cities. For Tier I markets, they prefer to work on below market rentals or revenue share, since it achieves higher sales volumes.

Availability of land at cheaper prices, lower rentals and huge target clientele of aspirational as well as value - conscious middle income population in smaller (Tier II&III) cities makes them attractive destinations for retailers to plan their expansion or entry

EXPERIENTIAL RETAILING TO MEET THE ONLINE SHOPPING CHALLENGE

- Future Group's **'GEN NEXT'** format of Big Bazaar is positioned as a premium hypermarket brand to operate in prime malls in Tier I cities. It offers value and premium merchandise while providing high-end retail experience through its upmarket store designs.
- Future Group's **'Brand Factory'** outlets offer quality and affordable fashion in Tier I cities and also in emerging Tier II and Tier III cities.
- **Big Bazaar's FBB (Fashion at Big Bazaar)** targets young shoppers with prominent celebrities featuring in its TV advertisements. It offers aspirational merchandise at value price points. Its store designs are 'chic'. It is mostly looking to expand in Tier II & Tier III cities, and some Tier I locations.

Source: JLL Retail Research, Internet sources



Retail investments in Tier II and III cities

Tier II & III Cities	Investments (INR Crore)	Year	Retail Investment in USD Million	
			TIER II	TIER III & Others
Ahmedabad	29	2006	135	10
Vadodara	19	2007	93	333
Chandigarh	4,018	2008	79	105
Kochi	63	2015	1,785	-
Indore	1,334	2017	4,100	-
Jaipur	43	Grand Total	6,192	448
Lucknow	10	Retail Investors prefer emerging retail destinations (Tier II & III) over metros due to better growth prospects.		
Mohali	700			
Vishakhapatnam	9	• Strategic Investment platform, (2017): Between Canada Pension Plan Investment Board (CPPIB) and Island Star Mall Developers Pvt. Ltd (ISMDPL); CPPIB will initially own 30% stake in Island Star Mall Developers (subsidiary which owns Phoenix Market City, Bengaluru). • Virtuous Retail South Asia Platform (VRSA): APG Asset Management and Virtuous Retail (VR) formed a Joint Venture to acquire three retail assets - VR Bengaluru, VR Surat and an upcoming mall in Chennai.		
Bhavnagar	36			
Bhilai	33			
Jabalpur	25			
Mysore	22			
Nashik	57			
Raipur	47			
Rajkot	47			
Surat	200			
Agra	23			

Year	Project Name*	Amount (INR)*	Buyer
2015	Elante Mall, Chandigarh	1,785 Crore	Carnival Group
2015	Ahmedabad One (erstwhile Alpha One mall)	1,600 core	Blackstone
2015	Mall of Amritsar (erstwhile Alpha One mall)		Blackstone
2017	Treasure Island (50% stake)	1,200 crore	Blackstone
2017	Treasure Island Next, Indore (70% stake)		
2017	Elante Mall, Chandigarh	2200 Crore	Blackstone
2017	North Country Mall, Mohali	700 Crore	Virtuous Retail South Asia (VRSA)

MAPPING TIER II AND TIER III CITIES ON FUTURE RETAIL POTENTIAL

Future Retail Growth in Tier I Cities

IDENTIFICATION OF CITIES WITH FUTURE MARKET POTENTIAL

The top 7 cities, which are established retail destinations have been analysed on the basis of their **population, smart city recognition, airport connectivity (domestic/international) total retail stock, future supply (4Q17-2021), net absorption (3Q17) and retail investment flow (2006-17)** to assess their future retail growth trends.

CITIES	REAL ESTATE PARAMETERS						OVERALL POTENTIAL
	TOTAL POPULATION (2011)	TOTAL RETAIL STOCK (3Q17)	FUTURE RETAIL SUPPLY (4Q17-2021)	NET ABSORPTION (3Q17)	VACANCY (3Q17)	RETAIL INVESTMENT FLOW (2006-2017)	
MUMBAI	1	2	3	5	4	1	2
DELHI-NCR	2	1	2	1	7	2	1
BENGALURU	3	3	4	3	2	4	3
HYDERABAD	4	7	1	6	3	6	5
CHENNAI	5	6	5	6	1	3	4
KOLKATA	6	4	7	4	6	7	7
PUNE	7	5	6	2	5	5	6

The performance of each of the 7 cities have been ranked under **POPULATION** (indicating size of consumer market) and **REAL ESTATE PARAMETERS** (total retail stock, future supply, net absorption and retail investment flow) according to JLL Research data and is elaborated as below:

- The darkest shade of **Orange** represents the best potential in the respective parameter and the gradual colour change to lighter shades indicates the lowest of the potential against the respective parameter
- Based on **population and real estate parameters**, **DELHI-NCR** indicates having the highest potential for retail growth (darkest shade of **Purple**) followed by Mumbai, Bengaluru, Chennai, Hyderabad, Pune and Kolkata in that order in future retail potential with **KOLKATA** having the lowest potential for future retail growth among the top seven metro cities of the country. Since all these cities have both international and domestic airport connectivity, the future retail potential ranking is not affected.
- However, taking into consideration the qualitative parameter of smart city recognition status, these Tier I cities can be further grouped into Cities with **HIGH** future retail potential (having smart city recognition) like Delhi-NCR, Mumbai, Chennai and Pune and cities with **MEDIUM** future retail potential (not having smart city recognition) like Bengaluru, Hyderabad and Kolkata.

Source: Census 2011 & JLL Research

Cities which have managed to keep vacancy levels low and retail investment flow high have come out winners for future retail potential.

Emerging Centres of Future Retail Growth-Tier II & III

IDENTIFICATION OF CITIES HAVING MARKET POTENTIAL AND FUTURE PROMISING CENTRES OF RETAIL GROWTH

The next 13 cities, which are likely to be the emerging retail destinations of the country have been analysed on the basis of total population, population growth rate (2001-2011), per capita purchasing power, smart city recognition, airport connectivity (domestic/international) and real estate parameters viz. total retail stock and future supply (4Q17-2021) to assess their future retail sector potential.

EMERGING RETAIL DESTINATIONS (TIER II & III CITIES)	DEMOGRAPHIC PARAMETERS			REAL ESTATE PARAMETERS		OVERALL POTENTIAL	QUALITATIVE PARAMETERS	
	TOTAL POPULATION	POPULATION GROWTH RATE	PER CAPITA PURCHASING POWER	TOTAL RETAIL STOCK	UPCOMING RETAIL SUPPLY (4Q17-2021)		SMART CITY RECOGNITION	AIRPORT CONNECTIVITY (DOMESTIC/ INTERNATIONAL)
AHMEDABAD	1	7	4	5	10	2	YES	INTERNATIONAL
JAIPUR	2	6	11	1	5	1	YES	INTERNATIONAL
LUCKNOW	3	7	12	4	1	2	YES	INTERNATIONAL
NAGPUR	4	13	6	6	2	4	YES	INTERNATIONAL
VISHAKHAPATNAM	5	9	5	12	11	12	YES	DOMESTIC
INDORE	6	3	9	8	9	8	YES	DOMESTIC
PATNA	7	11	13	11	4	13	NO	INTERNATIONAL
VADODARA	8	10	2	7	6	5	YES	INTERNATIONAL
COIMBATORE	9	5	7	9	11	11	YES	INTERNATIONAL
CHANDIGARH	10	12	1	2	8	5	YES	INTERNATIONAL
THIRUVANANTHAPURAM	11	1	3	13	6	7	NO	INTERNATIONAL
BHUBANESWAR	12	4	10	10	3	10	YES	INTERNATIONAL
KOCHI	13	2	8	3	11	9	YES	INTERNATIONAL

- JAIPUR** indicates having the highest potential (ranking) for retail growth (darkest shade of **Purple**) based on the parameters followed by AHMEDABAD, LUCKNOW, NAGPUR, CHANDIGARH, VADODARA, THIRUVANANTHAPURAM, INDORE, KOCHI, BHUBANESWAR, COIMBATORE, VISHAKHAPATNAM and PATNA in that order in future retail potential with PATNA having the lowest potential for future retail growth among the top thirteen Tier II & III cities
- Further taking into consideration qualitative parameters viz. smart city recognition and airport connectivity (domestic/international) for these cities, we have categorised the future potential of these thirteen cities into three groups viz:

CITIES WITH HIGH RETAIL POTENTIAL - Jaipur, Ahmedabad and Lucknow (cities having higher future retail potential along with Smart City recognition and International Airports)

CITIES WITH MEDIUM POTENTIAL - Nagpur, Vadodara, Chandigarh, Kochi and Bhubaneswar (cities having medium future retail potential with Smart City recognition and International Airports)

CITIES WITH AVERAGE POTENTIAL - Thiruvananthapuram, Indore, Coimbatore, Vishakhapatnam and Patna (cities having low future retail potential with Smart City recognition and International Airports (either of the two parameters) not being present.

Source: Census 2011 and JLL Retail Research

Note: This ranking is on the basis of real estate data available with JLL Research and may not reflect investment flows to the city.

CONCLUSION

Over presence of retailers/brands in established retail centres viz. the metro cities has created the need for expansion and entry to other emerging locations i.e. the smaller Indian cities are set to pave the way for sustainable future retail growth. Retailers are looking actively beyond these metro (Tier I) cities to explore the opportunity offered by a large consumer base hungry for experiential retail. What adds to the attraction of these smaller cities, which are future centres of retail growth in the country is availability of land at cheaper prices, lower rentals, new high street formats and a younger generation of retailers now willing to experiment with new leasing formats. Investors have also sensed the opportunity these towns offer and the investment flows show that slowly these smaller Tier II&III cities are making their mark on the Retail Real Estate stage. Amongst these the clear winners will be those who can offer affordable real estate options and a consumer base which is willing to experiment with new brands.



Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering industry, Government, and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, playing a proactive role in India's development process. Founded in 1895, India's premier business association has over 8,300 members, from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 200,000 enterprises from around 250 national and regional sectoral industry bodies.

CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, healthcare, education, livelihood, diversity management, skill development, empowerment of women, and water, to name a few.

The CII theme for 2017-18, India Together: Inclusive. Ahead. Responsible emphasizes Industry's role in partnering Government to accelerate India's growth and development. The focus will be on key enablers such as job creation; skill development and training; affirmative action; women parity; new models of development; sustainability; corporate social responsibility, governance and transparency.

With 66 offices, including 9 Centres of Excellence, in India, and 10 overseas offices in Australia, Bahrain, China, Egypt, France, Germany, Singapore, South Africa, UK, and USA, as well as institutional partnerships with 344 counterpart organizations in 129 countries, CII serves as a reference point for Indian industry and the international business community.

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Published by Confederation of Indian Industry (CII), The Manish Sondhi Centre, 23, Institutional Area, Lod Road, New Delhi 110003, India. Tel: +91-11-24639994-7, Fax: +91-11-24626149. Email: info@cii.in Web: www.cii.in

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Special Acknowledgements: Shweta Kakkar and Rohit Roy



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