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Project Appraisal and Monitoring Services

Indian Commercial Real Estate Industry (Mall): From High Street to High Returns

About Us

Resurgent India Ltd. is a top-tier financial advisory firm and a Category I Merchant Banker, serving SMEs, large corporates, and government bodies. Our services span Techno-Economic Viability (TEV) studies, Lender's Independent Engineer (LIE) assessments, Agency for Specialised Monitoring (ASM), Detailed Project Reports (DPRs), and Due Diligence assignments. We also support clients through specialised practices in Debt Syndication, Capital Markets, and Valuations, alongside Investment Banking and NBFC Advisory. In addition, we provide Stressed Asset Advisory, Insolvency (IBC) Services, Corporate Legal Services, ESG Advisory, Government Advisory, FinTech Solutions, and Training, enabling clients to access a complete suite of financial and strategic solutions.

Our Project Appraisal and Monitoring vertical assists in both pre- and post-disbursement decision-making for lenders. We have delivered over 2000 TEV studies and more than 750 LIE reports. Furthermore, we are empanelled with nearly all public sector banks, several private banks, and NBFCs for LIE and TEV studies, and with the Indian Banks' Association (IBA) for ASM services. With over 20 years of experience and our team of experts, including engineers, chartered accountants, and industry specialists, we have completed numerous assignments in TEV across various sectors like Agriculture, Logistics, Packaging, Education, FMCG, Textiles, Real Estate, Solar Power, Chemicals, Pharmaceuticals, Infrastructure, Healthcare, Hotel, Ethanol, Iron & Steel, etc. Mall Retail Real Estate in India: Sector Expansion, Occupancy Trends, and Investment Outlook.

Riding India's Consumption Story: Growth of Organized Mall Real Estate

India's organized shopping mall real estate sector has evolved into an important segment of the country's commercial real estate market, supported by rising urbanization, increasing disposable incomes, favourable demographics, and changing consumer preferences. The expansion of domestic retail chains and growing participation of international brands have further strengthened demand for institutional-grade retail assets.

A commercial shopping mall typically comprises multiple retail stores and consumer-facing establishments operating under a common ownership or management structure. Modern malls increasingly function as integrated lifestyle destinations, incorporating retail, food and beverage outlets, multiplexes, entertainment centres, wellness services, and experiential offerings. While some mixed-use developments include office and hospitality components, mall stock generally refers only to leasable retail space.

India's retail market is projected to maintain strong growth over the medium term, supported by rising discretionary spending, increasing formalization of retail, and expanding organized retail penetration. Given that organized retail penetration remains substantially lower than developed markets, the sector offers significant long-term growth potential.
(Source: IBEF Retail Industry Report 2025; Deloitte India Retail Outlook 2025)

Expanding Footprints: Supply Growth and Leasing Momentum

India's top seven cities collectively account for approximately 92 million sq. ft. of Grade A mall stock. During CY2025, nearly 6.3 million sq. ft. of new retail supply was added, while an additional 16–17 million sq. ft. is expected to become operational over the next two years. The majority of upcoming supply remains concentrated in key consumption centres where retailer demand continues to be robust.

Leasing activity remained healthy during CY2025, with malls accounting for nearly 45% of overall retail leasing activity. Delhi NCR, Bengaluru, and Hyderabad emerged as the leading leasing markets, supported by expansion by fashion, food and beverage, beauty, wellness, and international retail brands. Vacancy levels across premium Grade A malls remained near historical lows, reflecting strong occupier demand and limited availability of quality retail assets.
(Source: JLL India Retail Market Overview 2025; Cushman & Wakefield India Retail Market Beat 2025; CBRE Retail Figures India Q4 2025)

From Shopping Centres to Lifestyle Destinations: Evolution of India's Mall Landscape

Consumer preferences have increasingly shifted towards experience-led retail environments. Consequently, malls have evolved from traditional shopping centres into lifestyle destinations offering shopping, dining, entertainment, and social experiences under one roof. This trend has encouraged developers to diversify tenant mixes and allocate greater space to experiential categories.

Exhibit 1: Mall Formats and Tenant Mix

Format	Key Characteristics
Neighborhood Mall	Convenience and daily-needs retail
Community Mall	Fashion, F&B and entertainment
Regional Mall	Large city-wide retail destination
Lifestyle Mall	Premium fashion and dining-focused
Luxury Mall	International luxury and premium brands
Mixed-use Retail Development	Retail integrated with office/hospitality

(Source: ICSC; JLL India Retail Market Overview 2025)

Exhibit 2: Typical Tenant Mix in Grade A Malls

Tenant Category	Share of GLA
Fashion & Apparel	25–35%
Food & Beverage	15–20%
Hypermarkets / Department Stores	10–20%
Entertainment & Multiplexes	8–15%
Electronics & Consumer Durables	5–10%
Beauty & Wellness	5–10%
Jewellery & Luxury	2–5%

(Source: JLL India Retail Market Dynamics 2025; CBRE India Retail Occupier Survey 2025) ICSC; JLL India Retail Market Overview 2025)

Fashion and apparel continue to remain the largest occupier segment. However, food and beverage, entertainment, wellness, and experiential retail concepts are increasingly gaining prominence as mall operators seek to improve footfalls and customer dwell times. Jewellery retailers have also emerged as an important contributor to leasing demand, reflecting growing premiumization of consumer spending.

Occupancy Dynamics and Revenue Drivers

Premium Grade A malls continue to outperform lower-grade retail assets, with occupancy levels generally ranging between 92% and 95%+. Retailers increasingly prefer institutional-quality assets that offer superior catchment demographics, strong footfalls, and professionally managed environments.

Exhibit 3: Typical Key Operating Metrics

Parameter	Typical Range
Occupancy Levels (Grade A)	92–95%+
Lease Tenure	3–9 years
Rental Escalation	12–15% every 3 years
Anchor Tenant Share	25–40% of GLA
F&B Allocation	15–20% of GLA
Entertainment Allocation	8–15% of GLA

(Source: JLL Retail Leasing Guide; CBRE Occupier Survey; Industry Estimates)

Mall revenues are primarily derived from fixed rentals, revenue-sharing arrangements, common area maintenance recoveries, parking income, advertising revenues, promotional events, and kiosk leasing. Premium malls increasingly incorporate revenue-sharing mechanisms that align landlord income with tenant sales performance.

Beyond Metros: Expansion into Tier II and Tier III Cities

While metropolitan markets continue to dominate India's organized retail landscape, the next phase of growth is expected to emerge from Tier II and Tier III cities. Rising disposable incomes, improving infrastructure, increasing urbanization, and relatively lower development costs are encouraging developers to expand into emerging consumption centres.

Industry estimates indicate that approximately 25 million sq. ft. of new retail supply is expected across Tier II and Tier III cities over the next three years. Cities such as Lucknow, Jaipur, Ahmedabad, Surat, Coimbatore, Kochi, Guwahati, and Chandigarh are expected to witness significant organized retail development activity.
(Source: JLL Tier II & III Retail Expansion Report 2025)

Institutionalization and Competitive Landscape

The sector is increasingly characterized by institutional ownership and professional asset management. Participation from REITs, sovereign wealth funds, pension funds, private equity investors, and global retail platforms has strengthened governance standards and improved access to long-term capital.

Exhibit 4: Major Developer with Approx. Retail Portfolio

Major Developer	Approx. Retail Portfolio
Phoenix Mills	~11 mn sq. ft.
Nexus Malls	~10.5 mn sq. ft.
DLF Retail	~5.9 mn sq. ft.
Inorbit (K Raheja)	~4 mn sq. ft.
Prestige Group	Multiple retail assets
Lulu Group	Multiple retail assets

(Source: Company Filings; Annual Reports; Industry Reports)

Large institutional developers continue to enjoy competitive advantages through scale, superior access to capital, stronger tenant relationships, and established operating track records.

Outlook and Key Risks

India's organized shopping mall sector remains well positioned to benefit from favourable demographics, rising consumer spending, increasing retailer expansion, and growing organized retail penetration. Future growth is expected to be supported by greater institutionalization, expansion into emerging cities, and increasing adoption of experience-led retail formats.

Key risks include increasing penetration of e-commerce and quick commerce platforms, lease renewal concentration, tenant concentration, supply additions within overlapping catchments, and the widening performance gap between premium Grade A assets and lower-grade malls. Nevertheless, high-quality institutional assets are expected to remain resilient due to strong occupancies, diversified tenant profiles, and growing consumer preference for destination-led retail experiences.

(Source: IBEF Retail Industry Report 2025; JLL India Retail Outlook 2025; CBRE India Market Outlook 2026; Deloitte India Retail Outlook 2025)

Overall, the organized mall sector is expected to remain one of the fastest-growing segments within India's commercial real estate market, supported by rising consumption, expanding retailer demand, increasing institutional ownership, and growing penetration of organized retail formats across both metropolitan and emerging cities.

Resurgent India has strong presence in Commercial Real Estate (Mall) Project Appraisal (TEV)

Resurgent India Limited has steadily expanded its presence across India's organized shopping mall and commercial real estate sector, covering projects across metropolitan, Tier-II, and Tier-III markets. Its experience spans shopping malls, mixed-use developments, commercial complexes, and high-street retail projects, providing valuable insights into market dynamics, consumer behaviour, tenant preferences, and location-specific demand drivers.

Through its engagement across diverse retail formats and geographies, Resurgent has developed expertise in assessing project viability based on factors such as catchment potential, tenant mix, occupancy levels, lease rental income, competitive positioning, and long-term asset performance. These insights strengthen the company's techno-economic viability studies and project appraisals, helping lenders, investors, and developers make informed financing and investment decisions in the organized retail real estate sector.

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