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Retail Leasing Declines 6 Percent to 2.24 Million Sq Ft in Q2 2025 Across Top Cities: C&W Report

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Retail leasing activity in India declined by 6.3 percent year-on-year in the second quarter of 2025, totaling 2.24 million square feet across the top eight cities, according to a report released by real estate consultancy Cushman & Wakefield. This marks a 5.4 percent drop

compared to the first quarter of the year, indicating a moderate slowdown in expansion across retail formats.

Among the major cities, Hyderabad led retail leasing with 0.76 million square feet, followed by Mumbai at 0.52 million square feet and Delhi-NCR with 0.30 million square feet. These three cities collectively accounted for more than 70 percent of the total leasing volume in Q2.

High street properties remained the preferred format, contributing 55 percent of total leasing activity, or around 1.23 million square feet. However, this segment saw a 26 percent decline from the previous quarter. On the other hand, mall leasing rose by 42 percent quarter-on-quarter to 1.01 million square feet, making up 45 percent of total leasing activity and marking the highest share in the past five quarters.

The report noted that no new mall supply was added during the quarter, although 1.3 million square feet of new Grade-A mall space was delivered in the first half of 2025. As a result, overall mall vacancy rates dropped to 8.16 percent, while premium Grade-A+ malls posted a vacancy rate of just 4.28 percent.

Food and beverage along with fashion retail remained the dominant demand drivers, accounting for over 50 percent of total leasing. The wellness sector saw its share double to 8 percent compared to the same period last year. Supermarkets and hypermarkets also expanded significantly, accounting for 10 percent of leasing with a threefold increase from the previous quarter.

According to Suvishesh Valsan, Head of Research at Cushman & Wakefield India, the retail sector continues to show strong momentum supported by consumer spending and demand for experience-driven retail. He added that the upcoming 4 million square feet of new Grade-A retail supply expected in the second half of the year could further stimulate leasing across key markets such as Mumbai, Hyderabad, and Delhi-NCR.