International brands turn to India's Pune to expand footprint

By Maverick Martins - 13 June 2017

Pune’s retail market is receiving considerable investment attention from global retail players, as many international brands, which preferred to be present only in the bigger Indian cities, are recognising the potential of Pune as a model city to expand their footprint and study consumers’ behaviour patterns, said real estate consultancy firm JLL India in a statement.

There has been some important supply augmentation on Pune’s retail real estate market recently, particularly at Westend Mall in Aundh and The Pavilion Mall on S.B Road, which is slated to become operational in 2017.

"Pune has seen a visible growth in the luxury retail segment in certain catchment areas. The Pavilion on S.B Road and Westend Mall in Aundh, which account for of 4.5 lakh sq. ft. and 4 lakh sq. ft. respectively, plan to up their game with major international brands like H&M, Zara, Gant, Kenneth Cole, Brooks Brother, M.A.C Cosmetics and Superdry," said Mayank Sharan, local director-retail at JLL India.

Many global retailers are expanding their retail footprint in Pune to display their collections across multiple stores. Some of the leading international and domestic players in Pune, which are dictating quality, organised retail spaces in upcoming retail establishments, are H&M, Marks & Spencers an French sports retailer Decathlon.

International retail giants like Walmart and Ikea are also considering Pune. Ikea plans to acquire land parcels to execute entry into Pune in 2018-19, and Walmart is considering a suitable location to activate its stores.

"Both these retail giants will focus primarily on the brick-and-mortar model, but use e-commerce to supplement sales in the city," said Sharan.

With the introduction of retail reforms like Retail REIT and GST, Pune’s retail real estate market will see better quality malls, a reduction in strata sold spaces and significantly improved efficiency and ease of retail goods movement, according to the executive.

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