



## ARRIVAL OF THE NEW KIND OF 'DESTINATION' MALLS

*Parsvnath Developers Ltd is writing a new chapter in the history of shopping centres in India by converting several stations of the Delhi Metro into malls*

■ By Shiv Joshi

**P**eople love to shop abroad; not just for the global brands but also for the sophisticated and progressive retail experience. They come back raving about the ambience of shopping centres and the accessibility. In many global cities, one can simply hop off a metro and walk right into a mall. This convenience is now also available right here in India, made available by Delhi-based Parsvnath Developers.

### MADE IN INDIA

The company that is well-known for its residential

and commercial projects, has entered into a B.O.T (build-operate-transfer) arrangement with the Delhi Metro Rail Corporation (DMRC) to construct malls along the metro railway tracks. "We are pioneers in converting metro stations into malls," informed Rema Menon, Vice President- Retail & Commercial, Parsvnath Developers Ltd.

When the Delhi metro was in the planning stages, the Parsvnath team met the then MD of DMRC Dr Elattuvalapil Sreedharan and presented the concept of transforming stations into malls, citing examples

of similar projects from other parts of the world. The metro chief gave an enthusiastic nod, giving Parsvanath the first mover's advantage. "The first track was from Rithala to Shahdara and we got maximum stations on that track for development," Menon informed. "We have the contract to develop about 14 stations. Out of these, some will be mixed use with retail being an important part while most other will be malls," she added.

In Delhi, the metro line runs above the ground, at ground level and underground. Most of the elevated stations being developed are on stations that are elevated as the massive structures supporting the railway are ideal for such a development. "We convert the structure that supports the elevated metro track into a shopping centre. In some cases, we also develop the extended portion," informed Menon.

## MATCHING THE CATCHMENT

Each station has been developed giving due consideration to space available and the catchment. For instance, at Kashmere Gate station, due to space constraints the mall offers few ATMs, eateries (McDonald's and Dominos), a banquet hall, wine shop

and banks. The station has proximity to the university and is a junction where people change metro lines. That dictated the choice of outlets.

Nehru Place metro station has a full-fledged food court with no serious shopping options. Indralok metro station has a Big Bazaar, which has been operational since the last 10 years. The station is close to Karol Bagh, Ashok Vihar. The Azadpur metro station is closer to the university and caters to a young and affluent crowd. "Here, we are coming up with a host of good retail brands. Spar and Pantaloons have already signed up with us," informed Menon.

At Akshardham, due to the large influx of tourists from all across the country and beyond, the emphasis is on a large food court that offers a variety of cuisines. The other part of the station has showrooms of Maruti Nexa and Tata Motors.

## TRACKING PROGRESS

The projects are in various stages of completion. While some are fully operational, others are semi-operational. For instance, Seelampur, Shahdara and Kashmere Gate are operational. In fact, Parsvnath's of-





office is located at Shahdara. About 70,000 sq ft of the mall at Seelampur metro station has been leased out to Metro Cash and Carry and customised for them. For instance, the height is double and there is a special bay for truck parking. It has worked out well for the brand as Seelampur is close to the bulk markets.

In most of the projects the structure is ready. At Azadpur and Akshardham Parsvnath has also constructed the station and the tracks. Both projects are nearing completion, what's left is some internal work including civil and masonry work. Akshardham is under fit outs with only Haldirams being full operational.

If all goes well, most of the malls will be operational by year end.

### RED SIGNALS

Although the concept is unique and has been long pending in coming to India, the metro malls received a lukewarm response in their initial days. "The general belief is that only the working class travels by metro in India unlike in developed countries where senior executives also take the tube," Menon said.

Slowly, that is changing. Today, people who travel by metro are category B, B+ and A. Just one look at the parking zone at the metros gives an idea of the class of the people who take the metro. A lot of them drive to the metro in their cars and then do the further commute by metro to save time



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**REMA MENON, VICE PRESIDENT- RETAIL & COMMERCIAL, PARSVNATH DEVELOPERS LTD.**

and effort. A good thing is that all stations offer ample parking which can be utilised by those who want to shop at the malls as well.

The other challenge was that people weren't if the footfall received would be convertible. But as they realised that their senior management too is travelling by metro, this changed.

"Initially, convincing the big brands was difficult. So we started encouraging smaller brands to take space because we knew that once ROI soars, everyone would come," said Menon. That's exactly what happened. "We now have a good mix of local and established brands," she added.

The third and the biggest challenge is meeting the demands of retailers in this tough market. "Retailers have their own demands; meeting all of them becomes difficult for a mall maker because we have already invested Rs300 – 400 crore. We have to pay monthly rent to DMRC, whether or not we get sub-tenants. Fortunately, that's all getting sorted now," she explained.

In fact, the metro mall maker is

able to achieve break even in just two to three years as compared to the four to five years it takes for a conventional mall.

### ROUTE AHEAD

The company has planned a slew of features. "Just like at airports, we will offer free wi-fi," said Menon.

Also in the pipeline is an app which will enable travellers to connect with retail outlets at the metro malls and place orders en route. They can then collect their purchases on alighting at the station, resulting in huge time savings. Pradeep Jain, Chairman of Parsvnath, is personally involved in this project.

The company is planning to bring in a CSR angle to the malls by putting village artisans in touch with business people from here and offering them subsidised rates to put up a flea market.

But those are plans for the future. The first order of business when all the malls get operational will be to appoint a manager for every property who will nurture it and help it grow. 😊