



INDIAN WAREHOUSING SECTOR

EMERGING FROM COVID – 19 INDUCED DISRUPTION



Indian Warehousing A Perspective

Warehousing and logistics sector has been growing steadily since 2017, when it was granted an infrastructure status. Structured reforms such as the implementation of Goods and Services Act, the formation of a Logistics Department under the ministry of commerce and industry and various other policy changes. Riding on steady demand from e-commerce, 3PL (third-party logistics), cold storage, pharma, Engineering & manufacturing and electronics sectors, Warehousing has achieved new benchmarks in terms demand, supply and investments. Institutionalisation of warehousing sector with big players entering the market, previously dominated by small players, helped in consolidation of the sector as an investment segment in Real estate. Policy impetus and reforms have brought in transparency.

With economic slowdown triggered by COVID-19, all the real estate segments including warehousing is seeing a slowdown. Gradual recovery this segment is expected in next 1 - 2 years. While demand for non-essential items are seeing temporary adverse impact, online demand for essential items have increase many folds.

Automobile, consumer durable, engineering are some sectors which will be affected by slowdown thus impacting their warehousing footprints while e-commerce, FMCG, 3PL are likely to increase their facility footprints across India. It is anticipated that warehousing space demand will shift to tier II and tier III cities due to affordability.

In long term, warehousing market consolidation is on cards with structural changes driven by shifting consumer demand, institutionalization and policy reforms. Segments such as Cold storage for essential items emerging as new demand segment with e-commerce and 3PL (third-party logistics) continuing as the major demand drivers.

Chairman, CIRIL

Indian Warehousing Sector – An overview

Warehousing is considered as key link between producer and consumers. Warehousing and warehouse management is a component in supply chain management. Although viewed by some as simply a place to store finished goods, inbound functions that prepare items for storage and outbound functions that consolidate, pack and ship orders provide important economic and service benefits to both the business and its customers.

Historically, Indian warehousing were low-grade concrete godowns that dotted the highways around many transit hubs. That changed with GST, which came into force in 2017. From a network of smaller warehouses across multiple states, the market is being institutionalized with entrance of big investors. In April 2019, the Hiranandani Group set up a new company, GreenBase, which has entered into a joint venture with PE major Blackstone Group to build logistics and warehousing assets. The company has invested ₹500 crore.

IndoSpace is India's largest developer of industrial and warehousing parks, with 35 parks and 15 million sq. ft ready. In 2020, the firm plans to build an additional 5 million sq. ft. IndoSpace, backed by PE firm Everstone Group, has invested over \$3 billion thus far.

About 80% of the demand for warehousing is generated by e-commerce firms, third-party logistics firms who move the goods for many fast-moving consumer goods (FMCG) brands, besides engineering firms.

Covid-19 has strengthened warehousing. People are gradually moving away from offline retail modes of shopping to the online modes of buying basics requirements. The quantum required to service the basic requirements are higher which is expected to would lead to demand for warehousing space. The warehousing market could expand to tier-two cities as well. Work from home (WFH) may result in a resource shift to smaller towns

Categorization of Warehousing

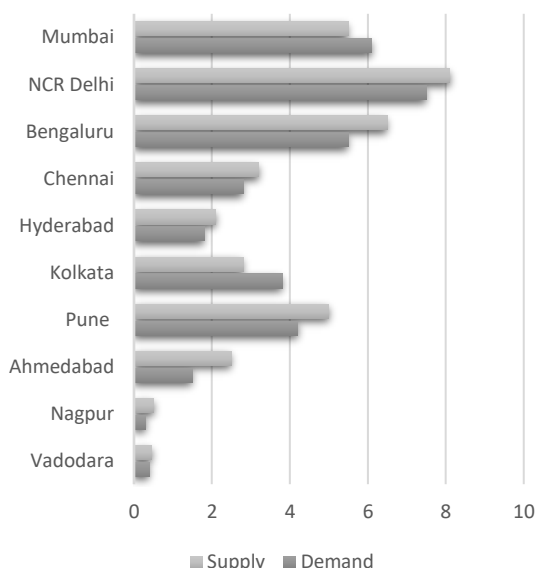


As things stand, across nine Indian cities—NCR, Mumbai, Bengaluru, Pune, Kolkata, Chennai, Hyderabad Ahmedabad and Nagpur—quality warehousing stock totaled 211 million sq. ft in 2019. The stock is expected to rise to 253 million sq. ft this year and further to nearly 300 million sq. ft in 2021.

Indian Warehousing has been seeing sustained activities in terms of demand and supply driven by e-commerce players and FMCGs. Snippet of the market performance is given below:

- In 2019, the total absorption in Industrial and Warehousing segment was 35 mn Sq.ft of space across 8 major markets of India.
- Total supply in 2019 touched the figure of 45 mn Sq.ft across India. Major markets contributed around 80% of the total supply
- The warehouse industry in India is worth INR 560 billion and is growing at a rate of 10- 12 percent every year.
- E-commerce sector continues to be the major demand drive in this segment followed by FMCG, 3PL (third-party logistics), cold storage, pharma, Engineering & manufacturing and electronics
- With the implementation of the GST reputed developers are entering warehousing sector.

Indian Industrial and Warehousing Trend in 2019: Demand & Supply in msf



Indian Warehousing Sector is set to gain in long term

The Logistics & Warehousing segment has been a rescuer for the realty sector in the year 2020. With the growing online consumer base, improved standard of living and the availability of multiple Indian and global brands, the need for a seamless supply chain is paramount.

In May 2020, during the COVID-19 pandemic, the government has become even more vocal about making India an attractive manufacturing destination for global and domestic companies through its initiative Atmanirbhar Bharat.

Atmanirbhar Bharat: In pursuit of self-reliant India

The central government, focusing on Indian self reliance, announced an INR20 trillion (USD267 billion) package of collateral free loans and equity financing to build manufacturing capacities across sectors, and to promote local products. The economic package takes into account key sections of the economy such as migrant laborers, small vendors, farmers, and micro, small and medium enterprises (MSMEs). The package also includes a measure for banks, defense, mining, aviation, etc.

Along with GST reforms, the key factor driving the post-COVID-19 recovery of the sector is the proposed logistics policy by the Government of India. The policy aims to eliminate inefficiencies and reduce costs by removing bottlenecks in the logistics value chain. Logistics costs associated with customs and border clearance are expected to decline. The development of cold storage infrastructure and the adoption of digital technologies would reduce costs associated with warehousing operations. The policy is expected to streamline trade and investment processes in India, resulting in an improvement in export competitiveness

India is increasing its attractiveness as a manufacturing hub for companies from across the world. Over the last few months, propelled in part by the economic slowdown, the central government and several state governments have initiated policies and reforms to make India competitive for global firms. Further, the upcoming labour reforms will make Indian manufacturing more competitive. The government has drafted new labour codes to regulate wages, define industrial relations, address occupational safety, health, and regulate social security.

The **Warehousing sector** is one of the few that can take a more aggressive stance, as well as evaluate more acquisition opportunities, according to Industry leaders. The sector has focused on managing the impact of the pandemic on their current asset portfolios and explore new opportunities in the next three to four months. The logistics sector is currently in a growth phase and that the current scenario will just be a bump in the road. As consumer shift to online shopping options for all essential goods, e-retailing, e-commerce and FMCG segment will drive the space demand in warehousing segment.

3PL (third-party logistics), cold storage, pharma, Engineering & manufacturing and electronics sectors are expecting stimulus package from Govt. for overall revival, of these essential segments Going forward, Govt. is expected to focus on manufacturing and industrial segments with policy incentives and huge stimulus package to attract investment. This would create huge space demand in both industrial and warehousing sectors. Most of the major markets in this segment is expected to recover by H1 2022.

Expected Recovery of Major Markets - Industrial and warehousing Sector					
Major Markets	H2 2020	H1 2021	H2 2021	H1 2022	H2 2022
Mumbai	██████████	██████████	██████████	██████████	██████████
NCR Delhi	██████████	██████████	██████████	██████████	██████████
Bengaluru	██████████	██████████	██████████	██████████	██████████
Chennai	██████████	██████████	██████████	██████████	██████████
Hyderabad	██████████	██████████	██████████	██████████	██████████
Kolkata	██████████	██████████	██████████	██████████	██████████
Pune	██████████	██████████	██████████	██████████	██████████
Ahmedabad	██████████	██████████	██████████	██████████	██████████
Nagpur	██████████	██████████	██████████	██████████	██████████
Vadodara	██████████	██████████	██████████	██████████	██████████

Mumbai

Known as the 'Financial Capital of India', Mumbai is second largest urban agglomeration and is one of the most important port-based economy for warehousing players of the country.

There are three major warehouse clusters in Mumbai – Bhiwandi, Panvel & JNPT. The Bhiwandi warehousing cluster caters primarily to the consumption-led demand and the Panvel & JNPT warehousing cluster caters to the EXIM demand.

- The Bhiwandi warehousing cluster is situated in proximity to the large consumption markets of Mumbai. The cluster of warehouses and logistics centers in Bhiwandi are quite strategically placed in the north-west corridor of Mumbai.

The region benefits from superior road network to Thane and Mumbai, enabling faster and easy delivery of goods to a large consumer base in the city. It is well connected to the international and domestic airports in Mumbai, and with other regions through the National Highway number 3.

It is in high demand with some of India's biggest eCommerce and automobile companies for its warehouse and logistics centers, and with Third Party Logistics companies for the multi-faceted benefits it provides. The demand and prices are also estimated to rise with the improvement in connectivity through the upcoming Metro Line 5, the Thane – Bhiwandi – Kalyan route, scheduled to be completed by 2022.

- The other prominent warehouse cluster in MMR is the EXIM-driven Panvel warehouse cluster. The Panvel warehouse cluster on account of its proximity to JNPT has emerged as a suitable warehouse hub for EXIM cargo that is mainly inbound.
- Taloja, dominated by the industrial belt has been witnessing demand for commercial warehousing from 3PL clients due to its proximity to Navi Mumbai. Developers having land in this location are open to develop warehouses for prospective clients

H1, 2020 witnessed transaction of around 6.8 msf driven by 3PL and FMCD. E-commerce players and 3PL companies continued to be the prominent occupiers of warehousing space in the region, accounting for 70% of the total space take-up.

Mumbai warehousing is the only market which witnessed growth even during Pandemic. Due to the strong demand levels, rental values increased across most micro markets. However, high costs of land and restricting in land usage (mostly in the green zone) have restricted the development of warehouses. Industrial and warehousing segment will continue its robust performance in H2, 2020.

Mumbai Industrial and Warehousing Trends

Submarkets	Land Rates in INR Cr/acre	Industrial Rents INR/sft/month	Warehousing Rents INR/sft/month
Bhiwandi	1.50 - 3	15 - 25	15 - 30
Thane Belapur Road	12 - 18	40 - 60	30 - 40
Taloja Industrial Estate	2.50 - 3.50	22 - 25	22 - 30
Panvel	1.50 - 2	30 - 40	16 - 30
JNPT & Uran Road	1.50 - 2	25 - 30	20 - 30
Rasayani Patalganga	1 - 1.50	22 - 25	14 - 30
Pen-Khopoli Road	1 - 1.50	22 - 25	14 - 30

Significant Leasing Transactions in warehousing Market of Mumbai – H1 2020

Property	Location	Tenant	Square feet
Individual	Bhiwandi	Flipkart	4,50,000
Antarikh Warehousing	Bhiwandi	Pepper Fry	30,000
Richland Warehousing	Bhiwandi	Xpress Bees	30,000

NCR - Delhi

Known as the 'Gateway to the North', National Capital Region is country's largest urban agglomeration and is one of the most important warehousing markets of the country.

The warehousing markets in NCR is spread across major road networks in Gurugram, Delhi, Noida Greater Noida Ghaziabad and Faridabad. The market not only caters to the intrinsic warehousing demand of the national capital region, but also acts as a key storage and warehousing hub for the neighboring states of Punjab, Uttar Pradesh, Haryana, Rajasthan and other distant regions in the North

Geographically, warehousing in NCR has shifted from areas such as Delhi, Alipur, Grand Trunk Road, Kapashera, Bamnoli, Dhul Siras and Okhla, that had godown-type structures to newer areas such as Pataudi – Luhari road, Jamalpur Panchgaon road, Bilaspur -Tauru - Sohna road, Farrukhnagar in Gurugram that are well connected. National Expressway II (135 kms) and the Western Peripheral Expressway (135.6 kms), that form a 270 kms ring around the national capital region and other consumption areas in NCR is emerging as the main warehousing corridor.

The increased demand for organized warehousing with quality infrastructure has attracted large scale warehouse developers to enter the NCR market. Companies such as IndoSpace, Allcargo Logistics, Embassy group have developed significant warehouse portfolios in key locations such as Farrukhnagar, Luhari and Badli along the Kundli-Manesar-Palwal (KMP) Expressway.

In terms of demand, majority of the warehousing demand in NCR comes from the manufacturing sector comprising of auto and auto ancillary, metals, textile and engineering along NH-48 and NH-2, and food processing, metals, chemicals and pharmaceuticals along on the north eastern part of NCR along NH-91, NH-24 and NH 58 and these regions together account for approximately 85% of the total manufacturing activity within NCR.

H1 2020 saw total absorption of around 7.5 msf space. E-commerce players contribute to 30% of the total demand followed by manufacturing sector which contributed 25%. Major occupiers such as Flipkart took space in Kundli – Manesar – Palwal expressway. This corridor accounts to 85% of the total volume of leasing activities in NCR.

Rentals have remained stable in most micro-markets but may see downward movement owing to Covid – 19 situation. Demand for In – city warehousing may increase going forward, as Covid – 19 situation has brought in disruption in logistics sector.

Larger scale consolidation as well as re-evaluation of warehousing will become focus areas for organized warehousing players. Tier II cities in the peripheral locations of NCR – Delhi may emerge as transit points in whole warehousing supply chain due to affordability factor.

Delhi NCR Industrial and Warehousing Trends

Industrial and warehousing Submarkets	Land rates in INR Cr/acre	Warehousing Rents INR/sft/m
Bilaspur-Tauru Road	2.5 - 3	18 – 22
NH8	2.5 - 4	18 – 24
Farukhnagar	1.7 - 2.25	18 – 20
Badli	1.3 – 1.6	15 – 16
Lohari	1.2 – 1.6	16 – 20
Kulana	1 – 1.25	14 – 16
Pataudi Road	3.5 – 6	16 – 22
Sohna Tauru Road	1.5 – 1.6	14 – 18
Palwal Sohna Road	1 – 1.5	13 – 14



Significant Leasing Transactions in warehousing Market– H1 2020

Property	Location	Tenant	Square feet
Standalone building	Chandu	Big Basket	1,50,000
Standalone building	Khaintawas	Big Basket	50,000
Standalone building	Pataudi road	Reliance	60,000
Standalone building	Pataudi road	ASN Logistics	50,000
Standalone building	Khirki Daula	KD Supply chain	18,000
Standalone building	Kulana	Flipkart	1,50,000
Standalone building	Sidhrawali	Pathways logistics	1,14,000
Standalone building	Khaintawas	Purple	1,00,000
Standalone building	Tauru road	FM Logistics	1,00,000
Standalone building	ESR Sohna Palwal road	Amazon	75,000
Standalone building	Dhoommanikpur, Ghaziabad	Pedilite	50,000
Standalone building	Gurgaon	Indolink	20,000
Standalone building	Gurgaon	DHL	50,000

Bengaluru

Known as 'IT Capital India', Bengaluru has become the e-commerce capital of India. The advent and subsequent rapid growth of the e-commerce industry has lent substantial boost to the warehousing sector in the city. The city accounting for almost a quarter of the total demand for logistics and warehousing space in the top eight cities of the country.

Warehousing activity in Bengaluru is located in peripheral areas of Bengaluru Metropolitan Region's (BMR)

- **The Nelamangala–Dabaspete** warehousing cluster, a 30-km belt on Tumkur Road that connects to Mumbai via NH-48 caters to manufacturing units from automobile, pharmaceutical and food and beverage sector occupiers.
- **The Hoskote–Narsapura cluster** is an established industrial hub connected to Sriperumbudur in Chennai via Old Madras Road on NH-48. Easy access to this automobile hub has led many auto and auto ancillary occupiers to establish their footprint here. It is also emerging as a warehousing hub due to ease of delivery to the eastern and south-eastern consumption centers.
- Other warehouse clusters that are gaining traction are Whitefield– Malur Road and Soukya Road in the east, Bidadi on Mysore Road and Bommasandra and Attibele-Anekal on Hosur Road.

Both, the Nelamangala–Dabaspete cluster in the city's north-west and the Hoskote– Narsapura cluster in the east, are witnessing a lot of demand growth and supply side augmentation primarily led by the expansion activities of e-commerce players and logistics companies.

Bengaluru warehousing market saw 4.0 msf of absorption and saw a supply of around 6.5 msf in H1, 2020. It is substantial decline with respect to previous year due to ongoing pandemic situation. Rentals have remained stable in most micro-markets but may see downward movement owing to Covid – 19 situation.

E-commerce and third-party logistics providers (3PL) accounted for 35% and 25% share of the overall warehousing space leased across sectors. The demand for Grade A warehouses has been steadily rising with efficiencies in the distribution channel being prioritized and creation of warehousing infrastructure as part of the facility gaining prominence. As a result, land prices in some of the established warehousing clusters such as Nelamangala–Dabaspete and the Hoskote–Narsapura cluster have increased substantially in the past one year.

Consolidation in terms of transactions are happening across most warehousing micro – markets of Bengaluru. Large developers are venturing to buying new properties for greenfield projects and few are planning expansion of existing facilities to cater to sustained demand. Going forward, there may be correction in terms of rentals in short-term basis, but market is expected to recover by end of 2021.

Bengaluru Industrial and Warehousing Trends			
Industrial and warehousing Submarkets	Land rates in INR Cr/acre	Industrial Rents INR/sft/month	Warehousing Rents INR/sft/month
Nelamangala	1.5 - 3	15 -25	14 - 25
Hoskote	1.5 - 3	17-26	17-26
Malur	1.5 - 2.5	15-25	15-22
Attibele	2 - 3	20-30	18 - 26
Bommasandra Industrial Estate	5 - 8	20 - 28	18 - 28
Jigani	1.25 - 3	15 - 25	15- 22
Narsapura	1.25 - 3	15 - 25	15- 22
Bidadi IDA	4 - 6	15 - 25	15-24
Dabaspete	1 - 2	14 - 18	14 - 18
Harohalli	2 - 4	15 - 22	15 - 22
Peenya IDA	6 -12	25 - 35	20 - 30
Doddabalapur Industrial Estate	2-3	18-25	15-20
Kolar / Bangarpet	0.5 -1	12- 14	12- 14



Significant Leasing Transactions in warehousing Market at Hoskote/Malur – H1 2020

Property	Location	Tenant	Square feet
All Cargo Logistics Park	Malur	Decathlon	500000 Sft
Gokaldas Logistic Park	Hoskote	Pepperfry	200000 Sft
Standalone buliding	Hoskote	Yusen Logistics	150000 Sft
Standalone buliding	Hoskote	Reliance Fresh	200000 Sft
Standalone buliding	Hoskote	Wipro GeHealthCare	115000 Sft
Standalone buliding	Hoskote	YCH Logistics	100000 Sft
Standalone buliding	Hoskote	First Cry	70000 Sft
Standalone buliding	Soukhya Road	Ecom Express	100000 Sft

Significant Leasing Transactions in warehousing Market of Nelamangala – H1 2020

Property	Location	Tenant	Square feet
Standalone building	Nelamangala	Reliance	250000 Sft
Standalone buliding	Nelamangala	Himalaya Wellness	140000 Sft
Standalone buliding	Nelamangala	Delhivery	80000 Sft
Standalone buliding	Nelamangala	DTDC	100000 Sft
Standalone buliding	Huskur Road	Flipkart	150000 Sft
Standalone buliding	Nelamangala	20 cubes	80000 Sqft

Significant Leasing Transactions in warehousing Market at Attibele/Hosur Road– H1 2020

Property	Location	Tenant	Square feet
RKV Logistic Park	Attibele	DHL	250000 Sft
RKV Logistic Park	Attibele	Aditya Birla Fashions	150000 Sft
RKV Logistic Park	Attibele	Amazon	300000 Sft
Standalone buliding	Chandapur	Flipkart	145000 Sft
Standalone buliding	Off Hosur Road	Tata Motors	200000 Sft
Standalone buliding	Bommasandra	Big Basket	160000 Sft

Chennai

Known as 'Detroit of India', Chennai is one of the oldest commercial centres in India that came into prominence as a textile hub and has evolved into a Automobile and manufacturing centre for heavy industries owing to its proximity to the sea

Warehousing activity in Chennai has been concentrated in the radius of 40–60 km from the city center going north, west and south

- **Sriperumbudur – Oragadam cluster** located in the western and southern locations that have been clubbed into one homogeneous cluster which primarily caters to the warehousing requirements of the dominant auto and auto ancillary industry and constitute the leading warehousing market of the city.
- **NH 16 – Periyapalayam warehousing cluster** is formed by North Northern locations such as Puzhal, Cholavaram, Karanodai and Periyapalayam. This cluster caters largely to the Fast-Moving Consumer Goods (FMCG) sector companies such as Hindustan Unilever Limited and Proctor & Gamble.
- Towards the west are the Grand Southern Trunk Road (GST Road / Chennai – Trichi Highway / NH 45), Poonamallee High Road (Mumbai Highway / NH 48) and Chennai – Thiruvallur High Road (CTH Road / formerly Madras – Thiruvallur High Road i.e. MTH Toad / NH 716);
- Chennai has, in its vicinity, two major ports – Chennai Port (second largest container port of India) and Ennore Port, along with other upcoming ports like the Kattupalli Port. Availability of increased port infrastructure is resulting in increased non-automotive industrial activity in these regions.

The Chennai warehouse market is expected to continue its sustained demand in the year 2020. Demand for Grade A warehouse spaces in Chennai triggered most of developers to actively purchase land opportunities for building Industrial & Logistics parks. The city is base to around 30% of India's automobile industry and 40% of the auto components industry.

The rapid ramping up of e-commerce activity has led to a rise in demand logistics and warehousing in Chennai. Also, the upcoming Chennai – Bengaluru Industrial Corridor will facilitate further integration of transportation in Chennai. To cater to this demand, most organized players and private equity funds are keen on investing further in developing the logistics and warehousing sector. Infra upgrades, like the proposed Chennai - Maduravoyal port and accelerated completion of Outer Ring Road, are further driving up the stakes for Chennai's logistics and warehousing sector.

Chennai warehousing market saw 4.5 msf of absorption in H1, 2020. The Chennai saw decline in the warehousing demand due to slowdown of Auto industry. With pandemic triggering slowdown in Manufacturing sector, the demand for warehousing is expected to be further affected. Rentals have remained stable in most micro-markets but may see downward movement owing to Covid – 19 situation.

Industrial and warehousing Submarkets	Land rates in INR Cr/acre	Industrial Rents INR/sft/month	Warehousing Rents INR/sft/month
Red Hills	2 - 3.5	18-25	18-25
Sriperumbudur	1.5 - 3	20-25	20-25
Oragadam	1.5 - 2.5	23-28	23-28
Vallam	1.5 - 2.5	22-25	22-25
Maraimalai Nagar	1.5 - 2.5	24-28	24-28
Gummidipoondi	1 - 1.75	16-19	16-19
Thiruvallur	0.8 - 2	14-20	14-20
Sricity	0.85 to 0.9 (only lease hold land)	22-23	22-23



Warehouse Transactions in Chennai

Client	Location	Area	Transaction type
RRB Energy	Sriperumbudur	25,000 sq.ft.	Lease
Jonas Woodhead & sons (India) ltd	Sriperumbudur	60,000 sq.ft.	Lease
Wheels India	Sriperumbudur	1,00,000 sq.ft.	Lease
Otto Clothing Company	Sriperumbudur	50,000 sq.ft.	Lease
Saddles India Pvt Ltd	Oragadam	24,000 sq.ft.	Lease
Aptiv	Oragadam	60,000 sq.ft.	Lease
Sea Shelter	Puzhal	72,000 sq.ft.	Lease

Land Transactions in Chennai

Client	Location	Area	Transaction type
Nissi electronics	Mahindra Origins(Ponneri)	10 Acres	99 years lease
Usui Susira International Pvt Ltd	Mahindra Origins(Ponneri)	10 Acres	99 years lease
Indospace	Vishnuvakkam Village(Thiruvallur)	62 Acres	Outright

Hyderabad

Known as 'City of Pearls', Warehousing activity in Hyderabad is largely concentrated in three major clusters. These are the Jeedimetla- Medchal-Kompally cluster, the Patancheru cluster and the Shamshabad cluster along the Bengaluru-Hyderabad highway

Industrial and Warehousing activities in Hyderabad are located in peripheral industrial clusters.

- **Nagpur Highway – Jeedimetla – Medchal-Kompally cluster** accounts for bulk of the warehousing activity in the city (approximately 70% as per various stakeholders in the city). The primary driver for Kompally-Medchal belt is the efficiency of logistics and supply chain developed due to proximity with micro markets across Secunderabad & Hyderabad. This includes both traditional retailers such as FMCG, electronics as well as e-commerce players.
- **Mumbai Highway- Patancheru cluster** is another preferred location for warehousing players. Due to high land prices some players are now moving towards the adjoining area of Shankarpally. The primary reason for land prices moving up in this area is due to proximity of HITECH City and IT development leading to higher residential demand and thereby surge in real estate pricing. Landowners are finding it lucrative to develop real estate projects at such locations.
- **Bangalore Highway- Shamshabad cluster** has emerged as a major cluster largely because of its proximity to the airport and good connectivity due to Bangalore-Hyderabad highway. With established players providing quality supply close to the airport, global players too have moved into this area.

Hyderabad shows the highest potential for warehousing development among top eight cities in the country. In H1 2020, Hyderabad's warehousing market witnessed 3.5 million sq. ft leasing activity, which was 15% lower compared to the previous fiscal.

An important market update of 2020 is development of Grade A warehousing facilities in Hyderabad.

Allcargo at Shankarpally (Patancheru) is the first grade A facility developed in Hyderabad on 30 acres of land with a development potential of 6 lakh Sq.ft. ESR has signed up with GMR airport to develop 1.6 mn Sq.ft of warehousing space on 66 acres of land within the airport complex. K Raheja group has also firming up plans to develop warehousing facilities at Shamshabad, just outside the airport. Amazon is one of the largest occupiers of space in & around the airport. We see south Hyderabad developing as a Grade A facility cluster and other clusters remaining predominantly non-grade A

Rentals have remained stable in most micro –markets due to low vacancy rates. 87% of the FY-2020 transaction activity was concentrated in the Medchal cluster. While warehousing market demand was affected in FY 2020 due to economic slowdown and disruption caused by COVID-19, the market's underlying strength is evident in the 40% CAGR growth. Investment interest continues to remain strong in warehousing segment of Hyderabad.

Industrial and warehousing Submarkets	Land rates in INR Cr/acre	Industrial Rents INR/sft/month	Warehousing Rents INR/sft/month
Jeedimetla	8-10	12-14	12-14
Gunda-Pochampally	3-5	12-14	12-14
Kandlakoya	3-5	13-16	10-12
Kompally	10-15	14-16	14-16
Bowrampet	3-5	10-12	10-12
Gajularamaram	3-5	10-12	10-12
Medchal	5-8	12-14	12-14
Dandupally	3-4	10-12	10-12
Shamshabad	5-8		18-20

Client name	Location	Area	Lease/sale	Rate
Amazon	Shamshabad	200000 sft	BTS	Not available
Apollo Tyres	Deveryamjal, Medchal	45000 sft	Lease	12/-
Big Baazar	Kompally	18000 sft	Lease	14/-
VRL logistics	Kompally	400000 sft	Lease	14/-
Reliance	Deveryamjal, Medchal	13000 sft	Lease	13/-
YCH Logistics	Deveryamjal, Medchal	40000 sft	Lease	12/-

Kolkata

is a major warehousing hub serving the primary requirements of the entire eastern belt of India. Dankuni – Delhi Road, Old Delhi Road, Dhulagarh – Bombay Road, Taratala – Maheshtala, BT Road and Madhyamgram - Barasat are the major warehousing clusters in Kolkata

Industrial and Warehousing activities in Kolkata are located in peripheral industrial clusters.

- **Dankuni and its suburbs** are a major warehousing cluster and both, the Durgapur Expressway from Dankuni (NH-19 [Old NH- 2]), as well as Old Delhi Road. This area has several industrial parks and warehouses of industries such as steel, coal, cement, e-commerce and manufacturing. Located only 25 kms away from the central business district, Dankuni has easy access to source both labour and raw materials. Many e-commerce companies and 3PL players are sitting up and taking note of this belt for setting warehouse footprint in eastern India.
- **Dhulagarh –Bomday Road (NH – 6)** has multiple smallscale industrial parks and Grade B warehouses in this belt are paving way for high specification Grade A warehousing facilities and many private players are actively revamping this warehousing belt which has excellent connectivity to the peripheral belts in West Bengal such as Alampur, Panchla, Uluberia, Bagnan, Kharagpur and finally to Mumbai. In fact Uluberia & Bagnan are already getting established as the major warehouse zone post development of ESR Warehouse Park in Uluberia & Jalan Industrial Park in Bagnan. Again Sankrail on this node is an established warehousing hub for consumer goods just outside city limits with transit hubs in the nearby Bardhaman–Durgapur belt.

- **Taratala–Maheshtala** is an erstwhile regional warehousing hub in Kolkata in proximity to the Kolkata Port and Kolkata Suburban Railway. This cluster has many industrial plants with godowns and is popular with the FMCG players. Due to high land prices and lack of land availability, contiguous supply of new warehouses in this area does not seem feasible but the cluster is strategically located to serve the needs of occupiers across sectors who require frequent cargo movement via waterways and at the same time being closer to consumption centers.

In H1 2020, Kolkata saw healthy warehousing leasing of around 4 msf of space. Demand in warehousing segment in Kolkata is mostly driven by 3PL, ecommerce players and Manufacturing industries. Due to on-going Covid – 19 situation, there has been a setback in terms of demand for warehousing space. However inside the city the demand for small warehouse is increasing for final fulfilment or last mile delivery. As a result of which we will witness construction of multilevel warehouses in the near future

Rentals have remained stable in most micro – markets due to low vacancy rates. Going forward, the rentals may see correction. With enhanced focus of Eastern Dedicated freight corridor (EDFC), the warehousing and industrial market is expected to revive by end of 2022.

Submarkets	Land rates in INR per acre	Warehousing Rents INR/sft/month
Dankuni – Delhi Road	3 - 4.5	19 - 26
Singur	1 - 1.5	15-18
Old Delhi Road (Srirampur, Hooghly)	2 - 2.4	18-21
Dhulagarh – Bombay Road	2.1 - 4	18 - 22
Ranihati Amta Road	2.4 - 3	16-20
Panchla	2.4 - 2.5	16-19
Uluberia	2.1 - 2.4	17-20
Bagnan	2 - 2.4	18.50 - 20
Taratala – Maheshtala	6 -7	18 – 25
BT Road	6 - 7.5	24 - 28
Madhyamgram, Barasat	1.8 - 3	15 – 24

Significant Leasing Transactions in Industrial and Warehousing - H1 2020

Property	Location	Tenant	Area (sq. ft)	Lease / Sale
Individual	Chamrail	Ecom Express	135000	Lease
Individual	NH6	Kaba express	55000	Lease
Pro Space	Old Delhi Road	First Cry	200000	BTS
Pro Space	Old Delhi Road	LG	100000	BTS
Sankrail Industrial Park	NH6	Haier Electronics	50000	Lease

Pune

is the second largest city in State of Maharashtra known for its Manufacturing and industrial hubs. Pune has three major industrial clusters developed by MIDC at Chakan, Talegaon and Ranjangaon.

Industrial and Warehousing activities in Pune are located in developed MIDC clusters.

- **Chakan MIDC cluster**, is known as 'Auto hub' of Maharashtra. Chakan is the most developed and mature industrial hub amongst the three MIDCs in Pune. Chakan offers a thriving manufacturing environment and an established support infrastructure, which is predominantly catering to the in-house / captive demand of manufacturers from Chakan MIDC. It is the most preferred location for warehousing facilities despite the high land rates and rentals due to developed industrial ecosystem.
- **Talegaon MIDC** has emerged as an attractive warehousing destination due to high land prices in Chakan. Talegaon has a mix of industrial as well as pure warehousing occupiers. The cluster has excellent utility infrastructure along with good support infrastructure and connectivity with Pune city via NH-48 and also to the port in Mumbai. Chakan phase 4 and 5 expansion is underway by MIDC which will facilitate Chakan and Talegaon to merge into a single cluster.
- **Ranjangaon MIDC** has several large multinational companies (MNCs) operating their manufacturing activities from this cluster. Ranjangaon has the best infrastructure amongst the three MIDC clusters. This cluster is fast emerging as a manufacturing hub with several investors planning their facility here. This cluster is around 58 km away from the city and it takes around two hours to reach Pune city and 1.5 hours to reach Chakan.

Demand in warehousing segment in Pune is mostly driven by e-commerce players and Manufacturing industries. Pune saw space absorption of around 4.8 msf in H1 2020 driven by 3PL, e-commerce and manufacturing. Due to on-going Covid – 19 situation, there has been a setback in terms of demand for warehousing space.

Rentals have remained stable in most micro – markets due to low vacancy rates. Going forward, the rentals may see correction due to temporary disruption in demand due to Covid- 19.

Pune Industrial and Warehousing Trends – H1 2020

Industrial and warehousing Submarkets	Land rates in INR Cr/acre	Warehouse Rentals in INR sq.ft/month	Industrial Rentals in INR sq.ft/month
Talegaon	1.8-2.2	20 -22	22 - 25
Chakan	1.8 -2.5	24 -30	24 -30
Pimpri Chinchwad	8-10	25-35	25-35
Pirangut	3	18-22	18-22
Hinjewadi	6-7	25-35	32-40
Lonikand	2	14-20	14-20
Sanaswadi	2.5	14-20	18-22
Ranjangaon	1.5- 2	18-22	18-22
Khed City	1.7	17-26	17-26
Shirwal	1.5	12 16	15-20
Wagholi	3.5	18-25	18-25



Major Deals in Industrial and Warehousing Market - H1 2020

Client	Location	Area (SF)	Lease/ sale
Aptiv	Chakan	3,00,000	Lease
Tata Autocomp	Chakan	1,10,000	Lease
S-Form India	Chakan	70,000	Lease
Star Engineering	Chakan	68,000	Lease
EberspaEcher & Sharda Motor	Chakan	50,000	Lease
New Aniket packaging	Chakan	40,000	Lease
S. V. Logistics	Lonikand	40,000	Lease
Mega KLC	Chakan	40,000	Lease
Solidus Globally Innovative	Chakan	40,000	Lease
Aim Engineering	Chakan	35,000	Lease
Busch	Chakan	35,000	Lease
ITW	Chakan	30,000	Lease
Forbo	Phulgaon - Lonikand	27,000	Lease
Fintech	Chakan	35,000	Lease
Rexel	Chakan	16,000	Lease

Ahmedabad

is one of the main warehousing hubs in State of Gujarat and is known for its wholesale markets, industrial and manufacturing clusters. Warehousing activity in the city is largely concentrated in Four major clusters—Aslali-Kheda, Changodar- Bagodara, Sanand-Viramgam and Vithalapur-Becharaji belt.

Warehousing activities in Ahmedabad is mostly located on the peripheral area of the city.

- **Aslali-Kheda cluster**, located along the Ahmedabad- Vadodara highway, is the oldest and most preferred location. The demand is driven by retail and wholesalers in this market. Expansion of the city limits and high land prices have made this area financially unviable with warehouses starting to explore new areas to capitalize on cost
- The **Changodar- Bagodara** belt is the industrial corridor of Ahmedabad. Several large manufacturing and pharma players have well developed warehousing facilities, and many logistic and warehousing parks are coming up in this belt driven by demand from manufacturing and e-commerce players.
- The **Sanand-Viramgam and Vithalapur-Becharaji** belt is the upcoming Auto manufacturing hub. Some of the largest automobile players along with their ancillary manufacturing facilities are operating from this hub. This cluster accounts for 40% of the total warehousing demand in Ahmedabad.

Ahmedabad warehousing and industrial markets continue to have robust demand. It witnessed demand of around 4.9 msq in H1 2020. Warehousing demand was driven by manufacturing, consumer goods sectors, as well as e-commerce and automobile

Large warehousing players continue to see Ahmedabad as a investment hub with several players having plans to expand their existing facilities. Rentals in most submarkets remained stable, but micro markets such as Aslali and Kheda show appreciation of 4% - 12% Y-O-Y.

In short term scenario, due to ongoing Covid – 19 situation, the manufacturing and automobile segment has been affected which may lead to rental correction as well as dip in demand.

Industrial and warehousing, demand will remain robust in major industrial and warehousing corridors of Ahmedabad particularly along Aslali, Sanand, Bavla and Changodar corridors.

Ahmedabad Industrial and Warehousing Trends – H1 2020

Industrial and warehousing Submarkets	Land rates in Cr/acre	Industrial Land Rents INR/sft/month	Warehousing Rents INR/sft/month
Changodar	3 - 7	14-20	16-24
Aslali	4 - 8	16-19	18-27
Kanera	2 - 4	13-16	16-21
Kheda	1.8 - 3	12-15	14-20
Bavla	3 - 5	14-18	16-23
Bhayla	1.5 - 2.5	12-15	15-22
Bagodara	1.2 - 2	12-15	14-18
Sanand	2 - 4	12-18	14-22
Chhatral	3 - 5	12-17	15-21
Kalol	3 - 5	13-17	15-22
Becharaji	2 - 5	14-19	17-25



Major Deals in Ahmedabad Warehousing Market – H1 2020			
Client	Location	Area (sq ft)	Transaction Type
Amazon	Changodar	600000	Lease
Kilosker	Bhayla	100000	Lease
SR paper	Chhatral	50000	Lease
Reliance	Changodar	120000	Lease
Croma	Changodar	85000	Lease
Express Kitchen	Changodar	32000	Lease
Investor	Changodar	33000	Lease
Cubic Space	Becharaji	45000	Lease
Udaan	Aslali	100000	Lease
Udaan	Changodar	125000	Lease
Udaan	Aslali	17000	Lease
DTDC	Naroda	52000	Lease
Blue Dart	Kenara	45000	Lease
Individual (Cosmetic brand)	Kheda	123000	Lease
Individual (Pharma factory)	Changodar	35000	Lease
Delivery Courier	Changodar	65000	Lease
Gujarat Pharma	Changodar	30000	Lease
TVS	Aslali	36000	Lease
Investor	Kheda	100000	Sale
Investor	Bavla	52000	Sale

Nagpur

known as “City of Oranges”, Nagpur is the third most populous city of State of Maharashtra and is centrally located from major consumption markets. The development of Multi-modal International Cargo Hub and Airport at Nagpur (MIHAN) project is expected to attract a lot of investments and is set to transform Nagpur into a major cargo hub.

Warehousing activities in Nagpur is mostly located in the industrial area developed by Maharashtra Industrial Development Corporation (MIDC).

- **Butibori Industrial cluster**, is developed as 5 Star Industrial district by MIDC. Butibori Industrial Area lies on the Nagpur - Hyderabad National Highway and the Delhi - Chennai National Highway just 27 kms. away from Nagpur city. The number of industries operating in the area is around 100, with around 35 under construction. Butibori Industrial Area spans a total area of 1,500 hectares. Maharashtra State's First Food - Park in Butibori Nagpur is being set up by MAIDC Mumbai
- **Hingna Industrial Cluster** is part of Nagpur Metropolitan Region and emerging as an industrial suburb of Nagpur city due to presence of various industrial developments. Hingna is located 15.06 km distance from its District Main City Nagpur.
- **MIHAN:** The Multi-modal International Cargo Hub and Airport at Nagpur (MIHAN) project is one of the largest transit hubs planned in India. The SEZ area in MIHAN will be the one of its kind with the largest multi-product SEZ in India spread across 1,472 hectares. The manufacturing industry units includes multiple industries from sectors like food processing, pharmaceuticals and textiles.

- **Gumgaon**, a surrounding district of Butibori, is home to Orange City Logistics Park which is in close proximity to the Mumbai-Kolkata Highway. This huge warehousing facility is ideally located to meet the upcoming warehousing requirements of large companies which will eventually set footprint in MIHAN.

The growth of an organized warehousing market in Nagpur is mostly seen in industrial suburbs developed by Maharashtra Industrial Development Corporation (MIDC) such as Butibori and Hingna. Both these micro markets account for majority of the city's industrial activity and large warehousing and logistics park have come up in and around them.

Nagpur warehousing markets are mostly driven by industrial and manufacturing development. E-commerce players have started showing interest in Nagpur warehousing market due to its accessibility from all major consumption markets. Gumgaon, Waddhamana, Hingna Road, Hingna MIDC area, Kotewada and Kamleswar are some upcoming warehousing locations. Rentals have remained stable and affordable in most warehousing micro markets of Nagpur. It is expected that Nagpur will emerge as a cargo hub once MIHAN is operational, boasting the warehousing and industrial demand.

Submarkets	Land rates in INR Cr/acre	Warehousing Rents INR/sft/month
Lava	1.25	9 – 12
Nimji	0.65	11 – 13
Samruddhi Highway	0.65	13 – 16
Waddhamna	1.25	10 – 14
Bhandara Road	0.65	9 – 12
Hingna	0.85	11 – 13
Gondkheri	0.85	11 – 13

Major Deals in Nagpur Warehousing Market – H1 2020

Client	Type	Location	Area (sq ft)	Transaction Type
Udan	Warehouse	Nimji	40000	Lease
Local CNF	Warehouse	Nimji	165000	Lease
3 PL	Warehouse	Gondkhairi	30000	Lease
Polycab Wire Pvt.	Warehouse	Lava	10000	Lease
Filpkart	Warehouse	Lava	5500	Lease
Jaiswal liquor	Warehouse	Fetri Road	12000	Lease
Realy Express Pvt. Ltd	Warehouse	Fetri Road	10000	Lease
Akhil Logistics Pvt. Ltd.	Warehouse	Hingna MIDC	10000	Lease
NTEX Transportation Services Pvt. Ltd.	Warehouse	Dawalameti Khadgon Road	7000	Lease

Vadodara

Is the third largest city in State of Gujarat, Vadodara has been a manufacturing and industrial Hub housing prominent industries such as IOCL, RIL, GSFC, VMD, etc. Over 35% India's power transmission and distribution equipment manufacturers are located here. Industrial base is the main driver behind the demand for Warehousing in Vadodara.

Vadodara has 3 Warehousing clusters:

- **Padmala – Ranoli Cluster**, is located on the north and caters majorly to the industrial demand. It is one of the oldest warehousing clusters of the city. The demand in this cluster is mainly driven by e-commerce, FMCG and retail players. The main advantage of this cluster is its proximity to NH and Ring Road.
- **Jarod – Halol Cluster** has good connectivity to city and has good availability of warehousing space. The warehousing demand in this cluster is driven by manufacturing cluster particularly, pharmaceutical, electrical and heavy engineering ancillary industries.
- **Jambua – Por Cluster** like Jarod - Halol cluster has presence of many manufacturing and industrial units that drive the demand of warehousing sector.

Vadodara warehousing markets are mostly driven by industrial and manufacturing development, E-commerce and retail players due to its accessibility from all major consumption markets. Since it historically has been a Industrial Hub, the warehousing sector offer a range of space for different scale of requirements.

The warehousing market saw demand of 0.17 mn sft space in H1, 2020. Rentals have remained stable and affordable in most warehousing micro markets of Vadodara. The warehousing market of Vadodara will continue to grow driven by healthy demand from Industrial and manufacturing sector.

Vadodara Industrial and Warehousing Trends – H1 2020

Industrial and warehousing Submarkets	Land rates in Cr/acre	Industrial Land Rents INR/sft/month	Warehousing Rents INR/sft/month
Por	1.31 - 3.05	09-13	10-15
Manjusar	0.87 - 3.05	12-20	15-22
Halol Rd	0.87 - 1.7	10-15	12-18
Waghodia Rd	0.65 - 1.7	09-13	10-15
Ajwa Rd	0.65 - 1.7	09-13	10-15
Gorwa GIDC	13 - 19.6	10-15	15-20
Makarpura GIDC	13 - 19.6	12-18	15-25
Halol GIDC	1.1 - 1.5	10-15	12-18
Nandesari	0.87 - 1.3	12-18	15-20
Ranoli	0.87 - 1.3	12-18	15-20

Major Deals in Vadodara Warehousing Market – H1 2020

Client	Location	Area (SF)	Lease/sale	Rate per sq ft
New Plasser India Pvt. Ltd	Karjan	10,00,000	Sale	200/-
Rockman Munjal Group	Asoj	5,50,000	Sale	280/-
Stone Sapphire (India) Pvt. Ltd.	Maneja	52,000	Lease	20/-
Spantech	Makarpura	50,000	Lease	18/-
Gati	Jarod Rd	80,000	Lease	20/-
Aavid Thermalloy India Pvt. Ltd.	Halol Rd	38,000	Lease	20/-
Big Basket	Chhani	25,000	Lease	21/-
Stone Sapphire (India) Pvt. Ltd.	Maneja	22,000	Lease	20/-
BSTO	Kalol GIDC	15,000	Lease	15/-
Shalimar Warehousing	Ranoli	10,000	Lease	12/-



CITY ESTATE MANAGEMENT
AHMEDABAD



CHENNAI



SILVERLINE GROUP
BENGALURU



SURE SHOT SUGGESTIONS
MUMBAI



PROPERTY TERMINUS
PUNE



N.K. REALTORS
KOLKATA



TRINITY PARTNERS
HYDERABAD



NAGPUR



VADODARA

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