

1.37 msf WAREHOUSE SPACE LEASED
(H1 2021)

60% SHARE OF 3PL AND E-COMMERCE PLAYERS
IN TOTAL LEASED SPACE (H1 2021)

10-20% AVERAGE ANNUAL GROWTH IN
LAND RATE (H1 2021)

ECONOMIC INDICATORS Q2 2021

	2019	2020	2021 Forecast
GDP Growth	-7.3%	9.5%	7.0%
CPI Growth	6.1%	5.3%	4.5%
Consumer Spending	-8.5%	7.2%	6.3%
Govt. Final Expenditure Growth	5.7%	10.8%	9.7%

Source: Oxford Economics, RBI, IMF

Healthy warehousing demand in H1 2021, increase in enquiries across locations

The year started off with healthy warehouse leasing activity driven by demand from 3PL and E-commerce occupiers. Despite the second wave and subsequent lockdown, nearly 1.37 msf of warehousing space was leased during H1 2021. 3PL and E-commerce were dominant with nearly 60% share in total warehouse space leased in the city, followed by FMCG, pharma and engineering companies. GSK Pharma, CCI, Amazon, Samsung, Nilkamal, Marico and Fly High Logistics among others have leased space at major catchments of Medchal, Shamirpet and Shamshabad to name a few.

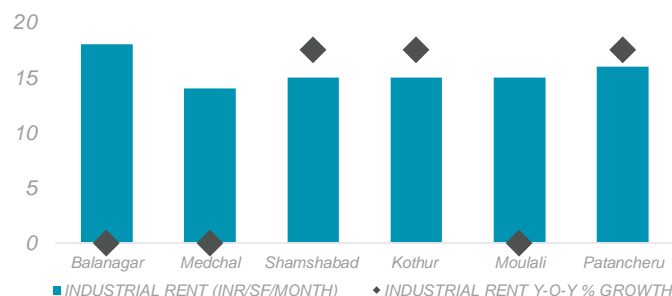
Government initiatives attract investments; surge in manufacturing footprint

The state government has been focusing on attracting large scale investments in electronics, manufacturing and R&D sectors over the last few years and has rolled out several policies providing incentives. Initiatives to expand the industrial base in southern Hyderabad and introduction of the new GRID (Growth in Distribution) policy to disperse city's growth has been driving investor interest in Northern and Southern parts of Hyderabad. There has been a growth in investments in the last 12-24 months and Hyderabad and its immediate surroundings are witnessing a steady rise in demand for suitable land parcels. Some of the recent announcements include companies such as Azad Engineering Pvt Ltd, which manufactures aerospace parts announcing plans to setup its second manufacturing facility with an infusion of INR 585 cr. This planned facility shall spread across 50 acres of land allotted by Telangana State Industrial Infrastructure Corporation in Shameerpet. Laxai Life Sciences has also announced plans to invest INR 400 Cr. in R&D and expand their manufacturing facility in the Pharma City. Hintastica Private Limited has also announced plans to set up a major water heater manufacturing plant. During H1 2021 the second integrated logistics park at Batasingaram (developed jointly by HMDA and Truck Dock Logistics) became operational adding 200,000 sf of warehousing space and 10,000 MT of cold storage capacity. The city is also gaining a strong foothold in the data centre space and some large-scale investments are likely to happen in H2 2021. We expect the momentum in industrial, logistics & warehousing sector to continue in the short term and could further pick up momentum in the post COVID scenario.

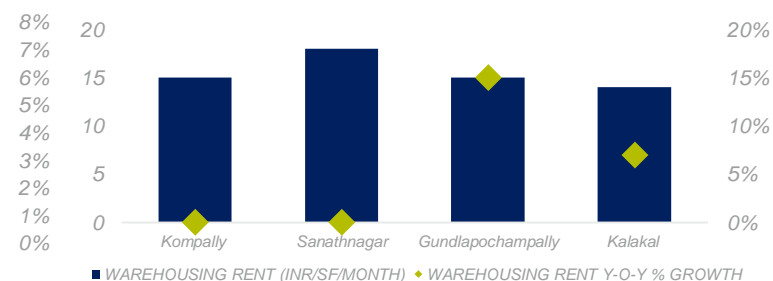
Stable rentals, continued growth in land rates

Industrial and warehousing rentals largely remained stable across major locations such as Shamshabad, Kothur, Patancheru, Gundlupochampally and Kompally during H1 2021. However, land rates have continued to move up recording an average 10-20% annual growth in Medchal, Kothur, Shamirpet and Patancheru. The recent mega e-auctioning by HMDA also reiterate the upward trend in the land rates. Meanwhile, the state government has recently announced revisions of guideline values for land and property registration charges.

INDUSTRIAL RENT / Y-O-Y GROWTH



WAREHOUSING RENT / Y-O-Y GROWTH





Industrial H1 2021

LAND RATES - JUNE 2021

SUBMARKET	INR MN/ACRE	US\$ MN/ACRE	EURO MN/ACRE	Y-O-Y Change
Medchal	65	0.88	0.74	30%
Shamirpet	15	0.20	0.17	25%
Fab City	18	0.24	0.20	13%
Kothur	17	0.23	0.19	13%
Moulali, Nacharam	90	1.22	1.02	0%
Uppal	160	2.16	1.81	7%
Patancheru	75	1.01	0.85	7%

Note: Quoted land rates for serviced industrial land parcels are mentioned

Represents government owned serviced plots in industrial parks

Percentage growth are in local currency; Y-O-Y – Year on Year

Conversion Rate: US\$1= 74.07 INR and Euro 1 = INR 88.38

SIGNIFICANT TRANSACTIONS H1 2021

Buyer/Lessee	Seller/Lessor	Type	Submarket	Sale/Lease	Area (sft)
Mahindra Logistics	Individual Landlord	Warehousing	Bandamailaram	Lease	372,000
CCI	Individual Landlord	Warehousing	Medchal	Lease	200,000
Amazon	Individual Landlord	Warehousing	Shamshabad	Lease	100,000
TATA Coffee	Multiple Investor	Land	Toopran	Sale	914,760
GSK Pharma	Individual Landlord	Warehousing	Shamirpet	Lease	30,000

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