

### Activity relatively modest in H1-2021 due to second wave; recovery anticipated from H2 onwards

Pune recorded 0.75 msf of warehouse transactions in H1 2021, a 50% y-o-y decline, largely due to the COVID-19 outbreak. Due to movement restrictions, there was subsequent slowdown in demand which resulted in economic slowdown. It is anticipated, there will be closures of a few large warehousing transactions in H2-2021, which got deferred in H1-2021. Around 1.7 msf of space has been pre-leased by major occupiers such as Amazon and JCI among others. A major proportion of the transactions during this period were driven by 3PL and manufacturing occupiers. The growth of warehousing, industrial and data centres are likely to be concentrated in Chakan, Talegaon cluster. While land acquisitions were relatively subdued during the first half of the year, few transactions that were under discussions before the second wave lockdown are progressing well and deals are likely to be materialized in the coming quarters. The Chakan submarket accounted for 67% of overall leasing activity in H1 2021 followed by Wagholi (33%). Major occupiers with large space take-ups in Chakan & Wagholi during H1 2021 were Atomberg Technologies, Aptiv and Webasto.

### Significant upcoming supply in Chakan & Talegaon submarkets

Chakan and Talegaon clusters have emerged as top destinations for warehousing and industrial leasing, attracting several major occupiers such as IKEA, Amazon, to name a few. Good connectivity with major state highways, the PCMC belt influence, presence of multinational companies, proximity to JNPT Port and the upcoming Navi Mumbai International Airport have all contributed towards creating greater momentum and preference for Chakan submarket among occupiers. Approx. 4.62 msf of supply is expected to be operational by 2023 in Chakan and Talegaon by major developers like Global Group, Indospace and Ascendas Singbridge.

### Immediate supply constraints moves market beyond established corridors; incremental demand coming from diversified sectors

In Pune, capital values and rentals are expected to remain range bound or largely stable because of a steady demand-supply scenario. About 1.41 msf of industrial space is vacant in Chakan and Talegaon cluster and is likely to be occupied by major players in coming quarters owing to anticipated recovery in business. With relatively muted supply in prominent submarkets in the immediate term, locations like Supa & Shirwal are also being actively considered by occupiers, mainly due to availability of land parcels and good infrastructure and government support in terms of interest subsidy on loans, electricity duty exemption, waiver of stamp duty, power tariff subsidy among others. The largest drivers of the industrial sector in the city has been automobile, pharmaceutical, electronics and other sectors of the manufacturing industry. The industrial demand in Pune, which was earlier concentrated only from the automobile segment, is now coming from diverse sectors, including e-commerce and 3PL companies. A notable trend in the warehousing space is the increasing demand for cold storage facilities, as demand for perishable items, including groceries and vegan food has increased substantially from online vendors.

**0.75 msf** TOTAL WAREHOUSE LEASING (H1 2021)

**67%** SHARE OF CHAKAN SUBMARKET IN WAREHOUSE LEASING (H1 2021)

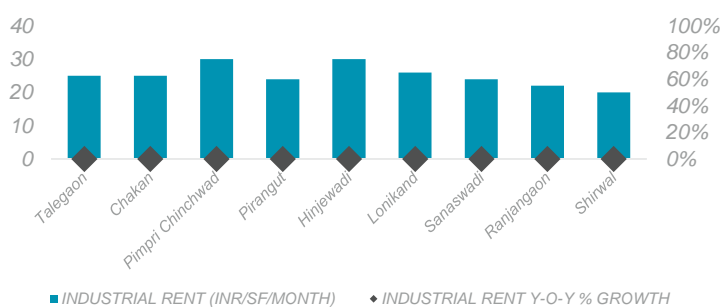
**0%** Y-o-Y INCREASE IN RENTALS & CAPITAL VALUES

#### ECONOMIC INDICATORS H1 2021

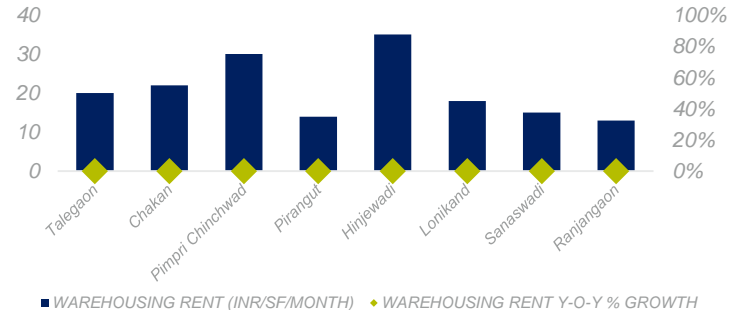
|                                | 2020  | 2021  | 2022 Forecast |
|--------------------------------|-------|-------|---------------|
| GDP Growth                     | -7.3% | 9.5%  | 7.0%          |
| CPI Growth                     | 6.1%  | 5.3%  | 4.5%          |
| Consumer Spending              | -8.5% | 7.2%  | 6.3%          |
| Govt. Final Expenditure Growth | 5.7%  | 10.8% | 9.7%          |

Source: Oxford Economics, RBI, IMF

#### INDUSTRIAL RENT / Y-O-Y GROWTH



#### WAREHOUSING RENT / Y-O-Y GROWTH



## LAND RATES - June 2021

| SUBMARKET        | INR MN/ACRE | US\$ MN/ACRE | EURO MN/ACRE | Y-O-Y Change |
|------------------|-------------|--------------|--------------|--------------|
| Talegaon         | 20          | 0.3          | 0.2          | 0.0%         |
| Chakan           | 30          | 0.4          | 0.3          | 0.0%         |
| Pimpri Chinchwad | 74          | 1.0          | 0.8          | 0.0%         |
| Pirangut         | 30          | 0.4          | 0.3          | 0.0%         |
| Hinjewadi        | 65          | 0.9          | 0.7          | 0.0%         |
| Lonikand         | 25          | 0.3          | 0.3          | 0.0%         |
| Sanaswadi        | 20          | 0.3          | 0.2          | 0.0%         |
| Ranjangaon       | 16          | 0.2          | 0.2          | 0.0%         |
| Khed             | 15          | 0.2          | 0.2          | 0.0%         |
| Shirwal          | 12          | 0.2          | 0.1          | 0.0%         |

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

Pimpri Chinchwad includes Bhosari; Lonikand also includes Phulgaon, Sanaswadi also includes Shikrapur, Kondhapuri and Koregaon Bhima

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 (sf) |
|-----------------------|----------------|------------|-----------|------------|-----------|
| Atomberg technologies | Global         | Industrial | Chakan    | Lease      | 250,000   |
| Aptiv                 | Indospace      | Industrial | Chakan    | Lease      | 170,000   |
| JCI                   | Global         | Industrial | Wagholi   | Lease      | 50,000    |
| Webasto               | Global         | Warehouse  | Wagholi   | Lease      | 150,000   |
| Forbo                 | Global         | Warehouse  | Wagholi   | Lease      | 50,000    |
| ACG Packaging         | Local Landlord | Warehouse  | Chakan    | Lease      | 40,000    |

## KEY SALES TRANSACTIONS H1 2021

| PROPERTY | SUBMARKET | SELLER / BUYER | SF | PRICE/INR | PSF |
|----------|-----------|----------------|----|-----------|-----|
|----------|-----------|----------------|----|-----------|-----|

No transactions recorded

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