

# MARKETBEATS



CUSHMAN &amp; WAKEFIELD

6.0%

INCREASE IN WAREHOUSING  
RENTS (YoY)

3.0%

INCREASE IN INDUSTRIAL  
RENT (YoY)

11%

INCREASE IN LAND RATES IN  
JNPT & URAN ROAD (YOY)WHAT'S  
NEXT

## HIGHLIGHTS

### Land rates increase marginally in select locations

Capital values for industrial land parcels rose 11.1% YOY in JNPT & Uran Road and by 3.3% YOY in Panvel during second half of 2018, helped by robust demand for land parcels by developers looking to set up logistics parks. Prominent warehousing operators are scouting for larger land parcels, mainly in Bhiwandi and nearby areas, to set up integrated warehouses, to capitalize on the healthy demand from occupiers here. Moreover, with work on Navi Mumbai International Airport having commenced, we expect to see an increase in land rates in Panvel and nearby areas.

### Increased Warehousing demand

E-commerce companies, large retailers and logistics companies along with manufacturing, pharmaceutical and FMCG companies drove demand for warehousing space in Bhiwandi and its vicinity. During the latter half of 2018, Bhiwandi witnessed a few prominent warehousing transactions. Flipkart leased 500,000 sf, while Kuehne Nagel and Steller Value Chain leased 250,000 sf each. The improved demand led to 6% YOY increase in rents in Bhiwandi. JNPT & Uran Road and Rasayani – Patalganga region also saw rise in rents on a yearly basis. Going forward, we expect Bhiwandi and nearby areas like Mumbai – Nashik Highway and Kalyan – Saphe Road to drive overall demand for warehousing, along with JNPT and Panvel area.

### Restrained demand in Industrial leasing

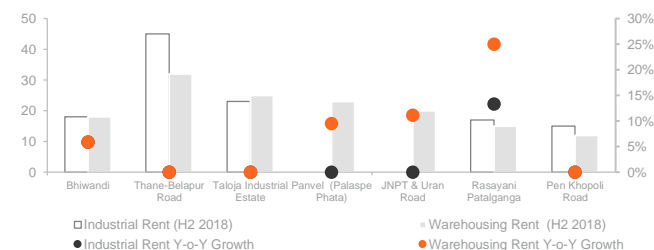
Leasing in industrial sheds continue to be sluggish leading to a marginal uptick in rents in Bhiwandi and Rasayani Patalganga. Rents are expected to remain range-bound for upcoming quarters. Rasayani – Patalganga and Talaja Industrial Estate remain preferred markets for industrial sheds leasing.

### ECONOMIC INDICATORS

	2017	2018	2019 Forecast
GDP Growth	6.2%	7.6%	7.2%
CPI Growth	3.3%	4.5%	5.0%
Consumer spending	5.9%	7.5%	7.3%
Govt Final Expenditure Growth	14.2%	2.6%	16.6%

Source: Oxford Economics

### INDUSTRIAL AND WAREHOUSE RENTS – H2 2018



Source: Cushman and Wakefield Research

A Cushman & Wakefield  
Research PublicationDATA  
INTO  
ACTION

Rohan Sharma  
Director  
Research Services  
Tel: +91 124 4695555  
Rohan.sharma1@cushwake.com

## LAND RATES - DECEMBER 2018

Submarket	INR MN/ACRE	US\$ MN/ACRE	EURO MN/ACRE	Y-O-Y Change
<b>Bhiwandi</b>	20	0.3	0.3	0.0%
<b>Thane-Belapur Road#</b>	80	1.1	1.0	0.0%
<b>Taloja Industrial Estate#</b>	65	0.9	0.8	0.0%
<b>Rasayani Patalganaga#</b>	20	0.3	0.2	0.0%
<b>Pen-Khopoli Road</b>	16	0.2	0.2	0.0%

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= INR and Euro 1 = INR 80.3

## SIGNIFICANT TRANSACTIONS

Buyer/Lessee	Seller/Lessor	Type	Submarket	Sale/Lease	Area (sf)
<b>Kuehne Nagel</b>	BGR Complex	Warehousing	Bhiwandi	Lease	250,000
<b>Agility Logistics</b>	Saidhara Logistics park	Warehousing	Bhiwandi	Lease	100,000
<b>Flipkart</b>	Antariksh Logipark	Warehousing	Bhiwandi	Lease	500,000
<b>Stellar Value Chain</b>	Antariksh Logipark	Warehousing	Bhiwandi	Lease	250,000

DATA  
INTO  
ACTION

A Cushman & Wakefield  
Research Publication

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value by putting ideas into action for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with 48,000 employees in approximately 400 offices and 70 countries. In 2017, the firm had revenue of \$6.9 billion across core services of property, facilities and project management, leasing, capital markets, advisory and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.

[www.cushmanwakefield.com](http://www.cushmanwakefield.com)