

## MARKETBEATS

3%

GROWTH IN INDUSTRIAL  
RENT IN PEENYA (YoY)

0.22 msf

WAREHOUSING SPACE  
LEASED BY RELIANCE

5.3%

GROWTH IN WAREHOUSE  
RENT IN NELAMANGALA (YoY)WHAT'S  
NEXT

## HIGHLIGHTS

## North-West Bangalore attracts most of the warehousing demand

Major proportion of the city's warehousing activity is concentrated on the Nelamangala-Dabaspate cluster along the prominent peripheral node of Tumkur Road, in the north-western quadrant of the city. This cluster, a 30 km belt on Tumkur Road that connects Bengaluru with Mumbai has been attracting the e-commerce sector, IT, third-party logistics and FMCG companies over the last couple of years. Being located in proximity to the Peenya Industrial area, it caters to manufacturing units from across industries like pharmaceutical, automobile, logistics and food & beverage among others with some of the major tenants taking up space in H12019 being Himalaya, Reliance and Safexpress.

## High quality supply to attract higher investments

Keeping pace with the ongoing transformation of this sector into an organised format, the upcoming warehousing supply in the city is in line with the regulatory standards like clear height of more than 10m, in-house fire safety measures, 24 hrs power back up, plinth height specification for loading/unloading of trucks among others. Adherence to these specifications is acting as a deciding parameter for the tenants and developers have also shown preference for the same. The upcoming supply in different industrial pockets of Bengaluru by developers like RKV, NDR and VCNR is in sync with such specifications. This organised structure of the warehousing sector along with increasing demand is likely to pave way for higher investments

## Strong demand resulting in rental appreciation

Bengaluru's warehousing and logistics sector currently marked by strong demand and lack of quality supply results in rental appreciation in prominent locations like Nelamangala where industrial rentals and warehousing rentals grew by 10% (y-o-y) and 5.3%(y-o-y) respectively.

## ECONOMIC INDICATORS

	2017	2018	2019 Forecast
GDP Growth	7.2%	6.8%	7.0%
CPI Growth	3.6%	3.5%	3.4%
Consumer Spending	7.4%	8.1%	7.1%
Government Final Consumption Expenditure	14.2%	9.2%	15.0%

Source: Oxford Economics, Central Statistics Office

## INDUSTRIAL AND WAREHOUSE RENTS - H1 2019



# BENGALURU INDUSTRIAL MARKETBEATS

JUNE 2019

## LAND RATES- JUNE 2019

Submarket	INR MN/ACRE	US\$ MN/ACRE	EURO MN/ACRE	Y-O-Y Change
<b>KIADB Hitech Zone</b>	26	0.38	0.33	0.0%
<b>Narsapura</b>	15	0.22	0.19	0.0%
<b>Bommasandra</b>	100-152	1.44 – 2.19	1.26 - 1.92	0.0%
<b>Bidadi</b>	35	0.50	0.44	0.0%
<b>Dabaspeta</b>	25	0.36	0.32	0.0%
<b>Harohalli</b>	15	0.22	0.19	0.0%
<b>Peenya</b>	152-174	2.19 - 2.50	1.92 - 2.20	0.0%

Note: Land rates in Bommasandra and Peenya are provided in a range due to difference in rates along the highway and interiors.  
Percentage growth are in local currency; Y-O-Y – Year on Year  
Conversion Rate: US\$1= INR 69.55 and Euro 1 = INR 79.10

## SIGNIFICANT TRANSACTIONS

Buyer/Lessee	Seller/Lessor	Type	Submarket	Sale/Lease	Area (sf)
<b>Reliance</b>	VCNR	Warehousing	Nelamangala	Lease	220,000
<b>Gardner Aero-Space</b>	Gemini Infrastructure	Industrial	Peenya	Lease	66,000

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