BENGALURU INDUSTRIAL JUNE 2019

CUSHMAN & WAKEFIELD

3%
GROWTH IN INDUSTRIAL WAREHOUSING SPACE LEASED BY RELIANCE RENT IN NELAMANGALA (YOY)

HIGHLIGHTS

North-West Bangalore attracts most of the warehousing demand

Major proportion of the city's warehousing activity is concentrated on the Nelamangala-Dabaspete 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

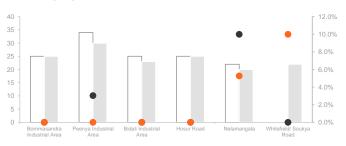
Bengaluru's warehousing and logistics sector currently marked by strong demand and lack of quality supply results in rental appreciation in prominent locations like Nelamangala where industrial rentals and warehousing rentals grew by 10% (y-o-y) and 5.3%(y-o-y) respectively.

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



□Industrial Rent (H1 2019)

Industrial Rent Y-o-Y Growth

Warehousing Rent (H1 2019)

Warehousing Rent Y-o-Y Growth

A Cushman & Wakefield Research Publication

www.cushmanwakefield.com

CUSHMAN & WAKEFIELD

BENGALURU INDUSTRIAL
MARKETBEATS JUNE 2019



Rohan Sharma

Director

Research Services, India

Tel: +91 124 4695555

Rohan.Sharma1@cushwake.com

LAND RATES- JUNE 2019

Submarket	INR MN/ACRE	US\$ MN/ACRE	EURO MN/ACRE	Y-O-Y Change
KIADB Hitech Zone	26	0.38	0.33	0.0%
Narsapura	15	0.22	0.19	0.0%
Bommasandra	100-152	1.44 – 2.19	1.26 - 1.92	0.0%
Bidadi	35	0.50	0.44	0.0%
Dabaspet	25	0.36	0.32	0.0%
Harohalli	15	0.22	0.19	0.0%
Peenya	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	Туре	Submarket	Sale/Lease	Area (sf)
Reliance	VCNR	Warehousing	Nelamangala	Lease	220,000
Gardner Aero-Space	Gemini Infrastructure	Industrial	Peenya	Lease	66,000

A Cushman & Wakefield Research Publication

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of 82.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

www.cushmanwakefield.com