

MARKETBEATS

9%

YOY GROWTH IN
WAREHOUSE RENTS IN
GUNDLAPOCHAMPALLY

50%

AVERAGE YOY GROWTH IN
LAND RATES ACROSS THE
CITY

9-10%

YOY GROWTH IN
MANUFACTURING RENTS IN
MEDCHAL, KOTHURWHAT'S
NEXT

HIGHLIGHTS

Warehousing demand on the rise

Warehousing demand from E-commerce, FMCG, Pharma and Logistics players has been robust in the first half. Flipkart has leased 100,000 sf. at Kompally and BigBasket, Grofers, Danube, DHL etc. have expanded in the established Northern corridor comprising areas such as Medchal, Devarayamjal and Shamirpet. Meanwhile, Amazon has opened a 20,000-sf delivery center near Gachibowli. Several E-commerce, FMCG players including Pepperfry, Flipkart, Parle Agro are actively looking for medium-large warehousing spaces in the established corridors of Jeedimetla-Medchal and Shamshabad-Kothur.

New industrial and logistic parks in the pipeline

HMDA has proposed to develop 6 logistic parks and identified Pedda Amberpet, Shamshabad, Shameerpet, Patancheru and Manoharabad as suitable locations. Work has commenced in Batasingaram and Mangalapally logistics parks and they are expected to get ready by 2021. Adani group and Welspun group have also announced plans to set up logistic parks and acquired 100 acres and 25 acres respectively in the peripheral areas of the city. GMR-ESR have also announced plans to develop a 120-acre logistics park near the international airport in Shamshabad.

Land rates shooting up across the city

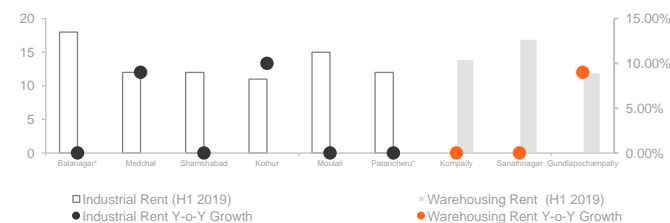
Land rates have steadily increased across all submarkets on the back of ongoing infrastructure developments, strong demand and growing enquiries from the warehousing, manufacturing operators. Major appreciation is recorded towards the South near Kothur and Shamshabad which is an upcoming warehousing cluster in closer proximity to the airport, ORR and the highways. Land prices have also increased in Patancheru, Medchal and Shamirpet submarkets even as new warehouses develop beyond ORR.

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



Source: Cushman and Wakefield Research

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HYDERABAD INDUSTRIAL MARKETBEATS

JUNE 2019

LAND RATES-JUNE 2019

Submarket	INR MN/ACRE	US\$ MN/ACRE	EURO MN/ACRE	Y-O-Y Change*
Medchal	50	0.72	0.63	67.0%
Shamirpet	10	0.14	0.13	67.0%
Fab City	15	0.22	0.19	67.0%
Kothur	12	0.17	0.15	71.0%
Moulali, Nacharam	90	1.29	1.14	29.0%
Uppal	150	2.16	1.90	50.0%
Patancheru	70	1.01	0.88	75.0%

*Historical data has been reconciled to reflect average quoted prices across submarkets

US\$ = INR 69.55 AND € = INR 79.10

SIGNIFICANT TRANSACTIONS

Buyer/Lessee	Seller/Lessor	Type	Submarket	Sale/Lease	Area (sf)
Flipkart	Individual	Warehouse	Kompally	Rent	100,000
CEAT Tyres	Individual	Warehouse	Moinabad	Rent	80,000
Danube	Individual	Warehouse	Devarayamjal	Rent	40,000

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