

**6%** Y-O-Y GROWTH IN INDUSTRIAL RENTS

**1.3 msf** WAREHOUSING / INDUSTRIAL TRANSACTION VOLUMES (H1 2020)

**92%** HARYANA'S SHARE IN WAREHOUSING / INDUSTRIAL TRANSACTION VOLUMES (H1 2020)

### ECONOMIC INDICATORS Q2 2020

	2019	2020	2021 Forecast
GDP Growth	4.2%	-3.0%	6.2%
CPI Growth	3.4%	4.1%	4.2%
Consumer Spending	5.0%	-0.5%	5.8%
Govt. Final Expenditure Growth	13.2%	12.8%	11.5%

Source: Oxford Economics, IMF, RBI

### Demand for warehousing and industrial spaces on firm ground amidst the pandemic

Online demand for essential products as well as discretionary purchases ensured promising prospects for the logistics sector even during the pandemic with Delhi NCR recording 1.3 msf of warehousing and industrial leases during the first half of the year. The average transaction size for such transactions was 0.1 msf with demand being led by e-commerce, 3PL players, retail and electronics firms like Flipkart, BigBasket, DHL, GEODIS, V2 Retail and Samsung to name a few. Majority of the warehousing and industrial demand was concentrated in Haryana in micro-markets like Manesar, Luhari, Badli, Dharuhera, Murthal and Khaintawas. There are various active space requirements in the market for short-term / temporary space take-up (ranging from three to six months) to cater to the spike in demand in the upcoming festive season and also for essential goods. Also, there is a sizeable in-city demand for warehouses and last-mile distribution centres, though that remains unmet due to dearth of correctly priced supply in such areas. A lot of the industrial demand continues to be driven by companies from China, Taiwan and South Korea especially in Noida and surrounding region; some of these include ATL Battery, Huntkey and Q-Tech Corporation.

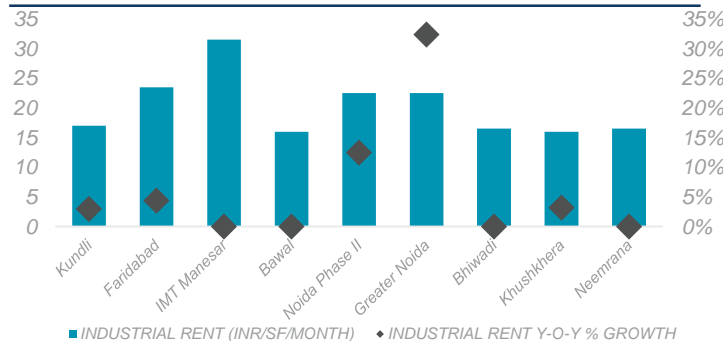
### Organized supply of Grade A spaces to witness higher demand

On account of several health and safety considerations in the current environment marked by COVID-19, Grade A logistics and warehousing spaces are likely to see robust demand in the coming quarters. Large players including Indospace, Logos, Ascendas, Allcargo Logistics and ESR (in a strategic tie-up with Future Group) already have or are planning expansion of their space footprint in the city. Many of these developments are in Haryana (particularly in and around Gurugram) which captures a significant portion of warehousing demand in Delhi NCR. Primarily, the demand in organized spaces is centred around the Built-To-Suit model with companies looking to minimize the capital investment in a Tier-I city like Delhi NCR with comparatively higher land prices. Infact, there are plans by some developers who have traditionally not been a part of this segment to venture in the domain given its strong long-term fundamentals especially as the country prepares to give a boost to the manufacturing sector by attracting global players to set up base here.

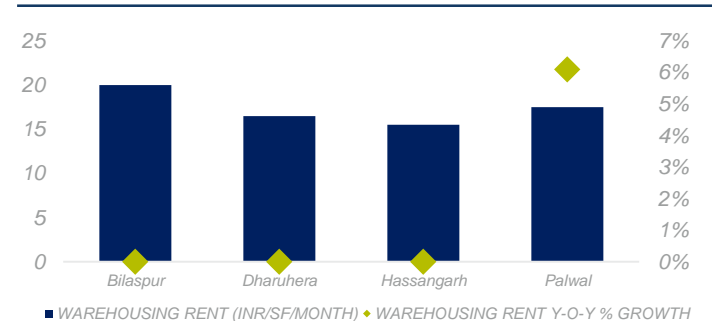
### Industrial and warehousing rents increase y-o-y; occupiers demand waivers for lockdown period

Industrial rents recorded an average 6% y-o-y increase with Noida Phase II and Greater Noida submarkets witnessing the highest increase due to strong demand for industrial spaces in these areas, even though average rents were largely stable on a half yearly comparison. Warehousing rents increased by an average 6.1% on a half yearly basis owing to robust demand, though there were several occupier – landlord conversations for rent waivers and abatements for the lockdown period. Land rates remained unchanged on a half yearly comparison as well in key submarkets of Haryana, Rajasthan and Uttar Pradesh. It is pertinent to note that circle rates being higher than market rates in some locations in Haryana have had an impact on the transaction frequency in this region, especially for land deals.

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



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



## LAND RATES - JUNE 2020

SUBMARKET	INR MN/ACRE	US\$ MN/ACRE	EURO MN/ACRE	Y-O-Y Change
Haryana - Faridabad	81	1.1	0.9	0%
Haryana - Manesar	90	1.2	1.1	0%
Haryana - Bawal	46	0.6	0.5	12.5%
Haryana – Rohtak#	33	0.4	0.4	6.5%
Haryana - Reliance Model Economic Township	34	0.5	0.4	0%
Uttar Pradesh - Noida Phase II	89	1.2	1.0	10.0%
Uttar Pradesh - Greater Noida	65	0.9	0.8	18.5%
Uttar Pradesh - Yamuna Expressway#	26	0.3	0.3	0%
Rajasthan - Bhiwadi	40	0.5	0.5	0%
Rajasthan - Khushkhera	26	0.3	0.3	0%
Rajasthan - Neemrana	42	0.6	0.5	0%

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

#Represents primary land rates by Infrastructure Development Corporation of respective states

Khushkhera includes Khushkhera, Tapukara and Chaupanki

Percentage growth are in local currency; Y-O-Y – Year on Year

Conversion Rate: US\$1= 75.6 INR and Euro 1 = INR 85.3

## SIGNIFICANT TRANSACTIONS H1 2020

Buyer/Lessee	Seller/Lessor	Type	Submarket	Sale/Lease	Area (sf)
V2 Retail	Private Landlord	Warehousing	Khaintawas, Haryana	Lease	160,000
Flipkart	Private Landlord	Warehousing	Kulana, Haryana	Lease	150,000
P&G	Private Landlord	Warehousing	Murthal, Haryana	Lease	150,000
BigBasket	Private Landlord	Warehousing	Khaintawas, Haryana	Lease	50,000
Amperex Technology Ltd.	Jindal Buildsys	Industrial	IMT Bawal, Haryana	Sale	15 acres land with 280,000 sf built-up structure

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