



3% GROWTH IN INDUSTRIAL RENTS (Y-O-Y)

3% GROWTH IN WAREHOUSING RENTS (Y-O-Y)

1.0 msf NEW SUPPLY EXPECTED IN H2 2020

ECONOMIC INDICATORS Q2 2020

	2019	2020	2021 Forecast
GDP Growth	4.2%	-3.0%	6.2%
CPI Growth	3.1%	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

Active requirements in the market; transaction closures expected in H2 2020

The city did not see any major transactions getting closed in H1 2020 primarily on account of the COVID-19 outbreak and subsequent lockdown. However, there are active requirements in the market by large e-commerce firms (including grocery e-tailers), Third Party Logistics providers and electronics firms are also actively seeking warehousing spaces. Kolkata is a key city for firms looking to set up a manufacturing and warehousing base in the eastern part of the country, a factor that has kept demand for such spaces steady in the last few years. However, there were some temporary storage space requirements in H1 by E-commerce firms to cater to the high online demand for essential products. This is expected to continue in the near term with large e-commerce players as well as FMCG firms contributing to the rise in demand for smaller storage space and distribution centres.

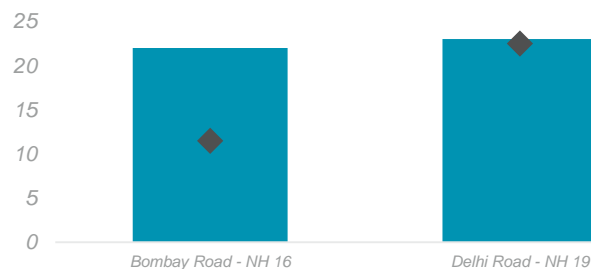
NH-16 and NH-19 submarkets saw a steady rise in industrial and warehousing rents

Lack of much organized supply in NH-16 and NH-19 submarkets led to industrial and warehousing rents increase by 2 – 5% on a y-o-y comparison in these areas. However, there have been occupier-developer conversations around rental waivers in the short term with COVID acting as the catalyst. Land prices in the NH-16 submarket saw a 3% y-o-y rise owing to limited availability of developed land parcels within large industrial parks. There is a corresponding demand for such parcels as they have a return on investment potential. Moreover the introduction of a unified tax regime under GST has played an important role in the enhanced demand for land parcels in the city's peripheries.

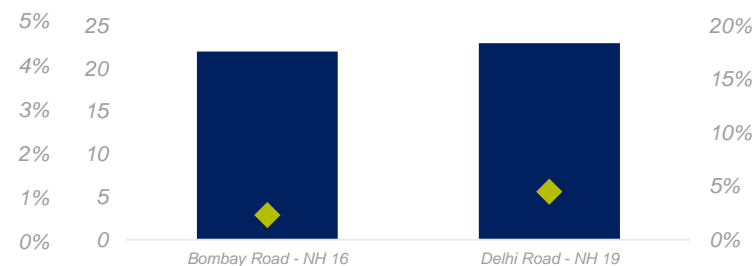
New warehousing supply to cater to the unmet demand in the market

New supply of organized and modern logistics parks scheduled for completion in the upcoming quarters is expected to augur well for the city that has unmet demand and dearth of organised developments. NH-16 / Bombay Road is likely to see more than 1 msf of developments in the micro-markets of Amta, Uluberia, Bagnan in the upcoming quarters. Srijan Industrial Park and Sankrail Industrial Park are among the notable developments in this submarket. Dankuni in the NH-19 / Delhi Road submarket is expected to see new completions of 0.7 msf in the next few quarters, including smaller and mid-sized developments. Availability of large land parcels at competitive prices as well as good transport connectivity has expanded the development of logistics spaces to peripheral areas. Demand for such spaces will continue to grow at a steady pace as they provide a modern and integrated ecosystem for warehousing, logistics and industrial corporates.

INDUSTRIAL RENT / Y-O-Y GROWTH



WAREHOUSING RENT / Y-O-Y GROWTH



■ INDUSTRIAL RENT (INR/SF/MONTH) ◆ INDUSTRIAL RENT Y-O-Y % GROWTH

■ WAREHOUSING RENT (INR/SF/MONTH) ◆ WAREHOUSING RENT Y-O-Y % GROWTH



LAND RATES - JUNE 2020

SUBMARKET	INR MN/ACRE	US\$ MN/ACRE	EURO MN/ACRE	Y-O-Y Change
Bombay Road (NH-16)*	60.0*	0.8	0.7	3.4%
Delhi Road (NH-19)**	48.0**	0.6	0.6	0%

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

*NH-16 is the primary highway number for NH-6 / Bombay Road, Land prices vary between INR 12 – 60 mn / acre

**NH-19 is the primary highway number for NH-2 / Delhi Road, Land prices vary between INR 15 – 48 mn / acre

Land price variation is based on location, size of land parcel, development of land including filling and boundaries.

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

Note: H1 2020 did not record closure of any significant warehousing transactions, however there are active requirements in the market currently.

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