

6% Y-O-Y GROWTH IN WAREHOUSING RENTS
3.1 msf WAREHOUSING / INDUSTRIAL
TRANSACTION VOLUMES (H2 2020)

86% HARYANA'S SHARE IN WAREHOUSING /
INDUSTRIAL TRANSACTION VOLUMES (H2 2020)

ECONOMIC INDICATORS Q4 2020

	2019	2020	2021 Forecast
GDP Growth	4.2%	-7.5%	8.8%
CPI Growth	3.4%	6.1%	4.5%
Consumer Spending	5.0%	-8.5%	7.2%
Govt. Final Expenditure Growth	13.2%	5.7%	10.5%

Source: Oxford Economics, IMF, RBI

Warehousing and industrial spaces record strong demand amidst the pandemic

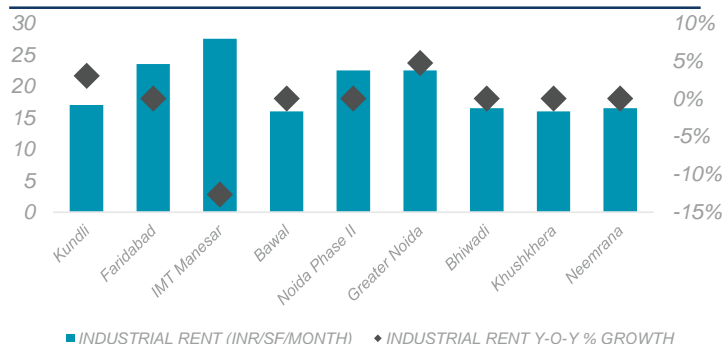
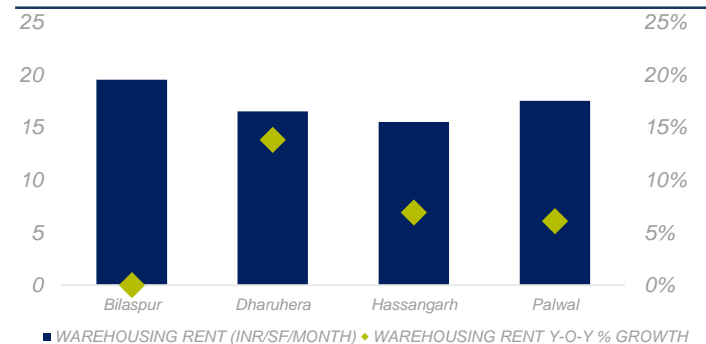
The warehousing and logistics segments benefitted from a shift in consumption behaviour towards online purchases during the pandemic, with Delhi NCR recording a robust 3.1 msf of warehousing and industrial leases during the second half of 2020 while the year closed at 4.4 msf. Third-party logistics and e-commerce firms were the primary demand drivers for warehousing spaces in H2 2020 with an average transaction size of 0.13 msf. Ecom Express, TVS Logistics, Delhivery, Safexpress, BigBasket, Grofers and Amazon leased large warehousing spaces in Haryana in micro-markets including Sidhrawali, Bhaproda, Tauru Road, Farukhnagar and Sonipat during H2. Flipkart acquired a 140-acre land parcel from Haryana State Industrial & Infrastructure Development Corporation (HSIIDC) to set up their largest fulfilment centre in Asia in Manesar. In another large land allotment, Japan's Amperex Technology acquired a 180-acre land parcel in IMT Sohna through a bidding conducted by HSIIDC to bolster its manufacturing presence in the country. Companies setting up their manufacturing facilities and warehouses in Haryana will lend a huge impetus to the state's warehousing and logistics sector. Noida's industrial sector also witnessed traction with allotments of 92 industrial plots in Phase II by Noida Authority during H2 2020. Greater Noida and Yamuna Expressway regions are likely to see increased activity with the development of Jewar Airport; Yamuna Expressway Industrial Development Authority made more than 900 land allotments for industries in the region during the year.

Organized developments and greater institutionalization key features on the supply side

Completed and upcoming Grade A developments by organized players including Embassy, IndoSpace, Logos, Ascendas, Allcargo Logistics and ESR (in a strategic tie-up with Future Group) are being increasingly sought after by large occupiers with preference for Built-To-Suit facilities. Private equity investments backing many of these developments will take the hitherto unorganized warehousing segment to increased levels of institutionalization. Singapore-based CapitalLand is also in discussions for a large warehouse development in Sohna in a joint venture model, while IndoSpace is in the process of acquiring a land parcel in Gurugram. Quality construction by large developers backed by several modern warehousing amenities have been pivotal in the massive transformation of this segment. Demand for such spaces with even more enhancements, including multi-tier, automated facilities and especially in the cold storage space, is bound to accelerate further as the country begins its vaccination drive to combat COVID and consumption for perishable foods rises significantly through the online route.

Industrial and warehousing rents largely stable

Industrial rents remained largely range-bound across submarkets in Haryana, Uttar Pradesh and Rajasthan. However, IMT Manesar with several auto-ancillary units recorded an 8-10% softening in industrial rents with demand being hit by the slowdown in the auto sector with COVID disrupting sales and supply chains. Additional supply in this corridor also added to the rental softening. Warehousing rents also remained unchanged in H2 2020; there was, however a 6% increase on a y-o-y basis given the robust demand. Land prices remained largely stable in H2.

INDUSTRIAL RENT / Y-O-Y GROWTH

WAREHOUSING RENT / Y-O-Y GROWTH




LAND RATES - DECEMBER 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	105	1.4	1.2	0%
Haryana - Bawal	46	0.6	0.5	0%
Haryana – Rohtak#	33	0.5	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	0%
Uttar Pradesh - Greater Noida	67	0.9	0.8	3.1%
Uttar Pradesh - Yamuna Expressway#	26	0.4	0.3	0%
Rajasthan - Bhiwadi	40	0.5	0.5	0%
Rajasthan - Khushkhera	26	0.4	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= 73.5 INR and Euro 1 = INR 87.6

SIGNIFICANT TRANSACTIONS H2 2020

Buyer/Lessee	Seller/Lessor	Type	Submarket	Sale/Lease	Area (sf)
Ecom Express	Private Landlord	Warehousing	Sidhrawali, Haryana	Lease	265,000
Safexpress	Private Landlord	Warehousing	Tauru Road, Haryana	Lease	153,000
TVS Logistics	IndoSpace Logistics Park	Warehousing	Bhaproda, Haryana	Lease	150,000
Amazon	Embassy Industrial Parks	Warehousing	Farukhnagar, Haryana	Lease	139,000
Grofers	Private Landlord	Warehousing	Murthal, Haryana	Lease	137,000
Yuto Printing & Packaging	Private Landlord	Industrial	Noida	Lease	200,000
Lotus India	Private Landlord	Industrial	Sonipat, Haryana	Lease	100,000

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