



2.3% GROWTH IN INDUSTRIAL RENTS (Y-O-Y)

3.4% GROWTH IN WAREHOUSING RENTS (Y-O-Y)

0.45 msf WAREHOUSING TRANSACTION VOLUME 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

Market rebounds after a slow H1 2020

Kolkata recorded 0.45 msf of warehousing transactions in H2 2020 after a lull in the first half of the year, where no significant transactions were recorded. There is likely to be a build-up in the momentum now visible post the unlocking, with much improvement visible in active warehousing space requirements from occupiers from the e-commerce, retail, pharmaceuticals and electronics segments. B2B e-commerce, automobile and logistics were the main demand drivers for warehousing space in H2 2020 in the NH-6 submarket. Another trend noted was the healthy demand from occupiers for mid and small-sized spaces within city limits and peripheral locations, for last-mile delivery centres and fulfillment of in-city warehousing needs. The demand in the city is largely coming from the e-commerce and FMCG sectors, who have been looking to set up distribution centres to avoid supply chain disruptions and ensure smooth last mile delivery. The city, which is the gateway to eastern India for firms looking to expand in the region, is expected to see the completion of Flipkart's first integrated logistics hub in the state in the next few quarters.

Market to see more traction with completion of new warehousing supply

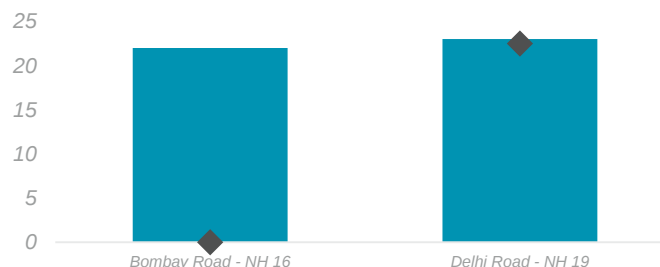
The city's logistics and warehousing market is slated to move towards more organized developments as large players including IndoSpace, Embassy, Allcargo Logistics, Hiranandani, TVS Logistics and Welspun Logistics are actively scouting for land parcels to develop their logistics and warehousing parks. This will expectedly bring more traction in the market as such players generally have demand-backed requirements with an anchor / large tenant which in turn helps pull other occupiers to such developments. H2 2020 saw new space addition of 1.03 msf, with almost 80% of this being added in the NH-6 submarket. This included 0.65 msf development in Srijan Industrial Park in the NH-6 area among the organized developments, while smaller developments were in Amta and Panchla. Dankuni in the NH-2 submarket also recorded new supply addition of 0.22 msf, with more space scheduled for completion in upcoming quarters. Development of logistics spaces in these peripheral areas will help in creating an integrated ecosystem for warehousing, logistics and industrial occupiers, strengthening the industrial infrastructure in the city.

State government's policy initiatives to lend impetus to the logistics sector

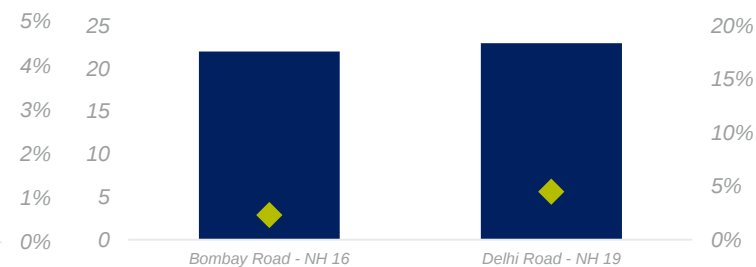
The West Bengal government is expected to release an integrated logistics sector development policy and plans to develop five logistics hubs in the state. The state's locational advantage is an important factor to cater to the huge unmet demand even from the neighbouring areas.

Industrial and warehousing rents remained largely stable during the second half of 2020 in NH-6 and NH-2 submarkets. However, rents increased by 2-3% on a y-o-y comparison. Land prices were also stable during H2, though NH-6 submarket saw a 3.4% rise y-o-y.

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 - DECEMBER 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**	0.7	0.5	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= 73.5 INR and Euro 1 = INR 87.6

SIGNIFICANT TRANSACTIONS H2 2020

Buyer/Lessee	Seller/Lessor	Type	Submarket	Sale/Lease	Area (sf)
Udaan	Individual Landlord	Warehousing	Chamrail, NH-6	Lease	150,000
Volvo	Individual Landlord	Warehousing	Panchla, NH-6	Lease	60,000
Hellmann Logistics	Individual Landlord	Warehousing	Junglepur, NH-6	Lease	56,000

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