

INR 15M LAND RATES IN CHANGODAR (INR/ACRE)

INR 14 WAREHOUSING RENT IN KHEDA (INR/SF/MONTH)

INR 17 INDUSTRIAL SHED RENT IN SANAND (INR/SF/MONTH)

ECONOMIC INDICATORS Q4 2021

| | 2020 | 2021 | 2022 Forecast |
|--------------------------------|-------|-------|---------------|
| GDP Growth | -7.3% | 9.2% | 8.5% |
| CPI Growth | 6.1% | 5.3% | 5.0% |
| Consumer Spending | -8.5% | 6.3% | 7.2% |
| Govt. Final Expenditure Growth | 5.7% | 10.8% | 9.7% |

Source: Oxford Economics, RBI, IMF

E-commerce and Consumer electronics drive leasing demand in H2

Warehouse leasing picked up momentum in Ahmedabad in the second half of 2021 as compared to subdued leasing activity in H1 2020. E-commerce and Consumer electronics were the major sectors driving the demand in H2. Although Changodar-Bavla corridor continues to remain preferred market for manufacturing occupiers, leasing activity in H2 was spread across all submarkets evenly. Consistent demand has exhausted the ready to move-in supply in the city. Flipkart as well as another leading logistics and supply chain solution firm announced expansion of their warehouse network in Ahmedabad in H2. While warehousing units are coming up within the city limits as e-commerce occupiers expedite their last mile-delivery, industrial units are compelled by authorities to move out of the city periphery to stop the discharge of untreated sewage and industrial effluent into the Sabarmati river.

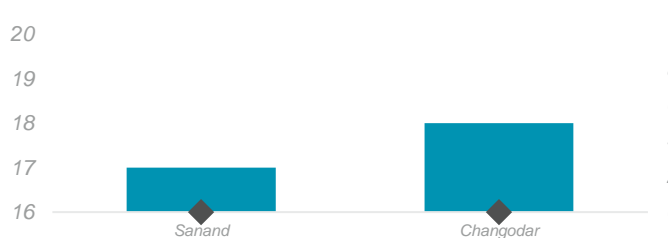
Manufacturing units came up in Sanand and Kheda

Sanand recorded movement in terms of exits as well as acquisition in the second half of 2021. A US based engineering and manufacturing firm has acquired 17 acres of land to set up its new factory. A geotextile manufacturing unit commenced operations at Kheda as well. Meanwhile Ford announced closing operations at its manufacturing plant by March 2022. However, in the longer run, as the demand in the automobile sector improves, Sanand could be established as a major automobile hub in India. A leading ridesharing company is in talks with Ford for manufacturing electric cars. MOUs worth more than INR 20 billion were signed in the EV segment recently which could turn into a flourishing EV ecosystem in the near future.

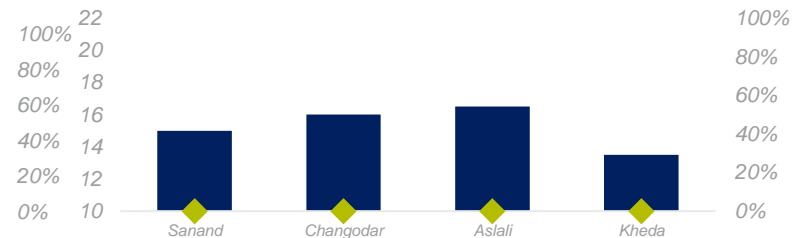
Capital Values and rentals exhibit stability; e-commerce will drive warehouse demand

Going forward, we expect future warehousing demand in Ahmedabad to be largely driven by e-commerce and manufacturing occupiers mainly in Aslali and Kheda submarkets, while demand for industrial facilities is expected to be mainly from automotive and engineering sectors in Sanand and Becharaji. Though there is limited availability of ready to move-in facilities, ample options in BTS spaces are available at several Industrial parks in the region. On the policy front, government has extended the deadline to avail benefits of the industrial policy by six months, but manufacturing units may have to face increased costs as municipal corporation proposed a 25-percentage point reduction in property tax rebates to GIDC estates. However, the capital values and rentals are expected to remain unaffected by this proposal.

INDUSTRIAL RENT / Y-O-Y GROWTH



WAREHOUSING RENT / Y-O-Y GROWTH



Industrial H2 2021

LAND RATES – December 2021

| SUBMARKET | INR MN/ACRE | US\$ MN/ACRE | EURO MN/ACRE | Y-O-Y Change |
|-----------|-------------|--------------|--------------|--------------|
| Sanand | 20 | 0.27 | 0.24 | 0 % |
| Changodar | 15 | 0.20 | 0.18 | 0 % |
| Aslali | 12.5 | 0.17 | 0.15 | 0 % |
| Kheda | 12.5 | 0.17 | 0.15 | 0 % |

*Note: quoted industrial and warehousing rents are historically corrected to reflect accurate market conditions.
Quoted land rates for serviced industrial land parcels are mentioned
Represents government owned serviced plots in industrial parks
Percentage growth are in local currency; Y-O-Y – Year on Year
Conversion Rate: US\$1= 73.3 INR and Euro 1 = INR 84.04*

SIGNIFICANT TRANSACTIONS H2 2021

| Lessee | Lessor | Type | Submarket | Area (sf) |
|------------------------|------------------------|-----------------|-----------|-----------|
| Nykaa | Godwitt Construction | Warehouse | Changodar | 47,000 |
| Meesho | Modern Builders | Warehouse | Adalaj | 23,000 |
| NTF India | Godwitt Construction | Industrial Shed | Bechraji | 27,000 |
| Alps Logicom | Godwitt Construction | Warehouse | Bechraji | 22,000 |
| Shadowfax Technologies | Mascot Industrial Park | Warehouse | Surat | 150,000 |

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