

**4.7%** RISE IN WAREHOUSING RENTS (Y-O-Y) IN PANVEL (PALASPE PHATA)

**20%** RISE IN LAND RATES IN THANE-BELAPUR ROAD (Y-O-Y)

**75%** SHARE OF RETAIL FIRMS IN WAREHOUSING TRANSACTIONS (H2 2021)

### Though lower than H1, leasing volume remains healthy in H2 2021

Mumbai witnessed healthy leasing activity of 2 msf in H2 2021, however, the overall space take-up in the second half of 2021 was lower compared to that in H1 2021. The city recorded an overall leasing volume of 5.2 msf in 2021, a growth of 2X compared to the previous year. Bhiwandi remains the most prominent corridor in terms of warehouse leasing in H2 2021. Space take-up was mainly driven by 3PL and E-commerce companies, constituted bulk of the major occupiers who took up space during the year. The major transactions witnessed during the second half of 2021 included Skechers leasing 900,000 sf in Thane and Reliance Group leasing 300,000 sf and 200,000 sf at Patalganga and Pen-Khopoli Road, respectively. Going forward, Bhiwandi will retain its preferred status for warehousing firms. We expect Panvel and surroundings to emerge as warehousing hotspots over the next 18-24 months, driven mainly by the upcoming Navi Mumbai Airport.

### Multiple drivers of demand put upward pressure on land prices

Land prices witnessed a significant rise around Thane-Belapur Road (20% y-o-y), Taloja (10% y-o-y) and neighbouring areas due to high demand from data centre operators in 2021. Continued demand from data centre operators is expected to further drive land rates higher in the near future. Sustained demand from established warehousing operators and institutional players for setting up grade A warehousing parks in Bhiwandi and surrounding areas is expected to put some upward pressure on land rates. Besides Bhiwandi and Taloja, land prices in other warehousing sub-markets are expected to be range-bound in the coming quarters. The upcoming Navi Mumbai International Airport is likely to drive land rates higher in Panvel and nearby areas along with the JNPT & Uran submarkets.

### Headline rents in select locations witness growth

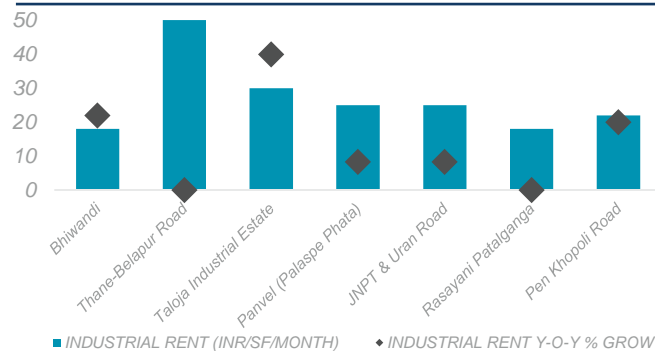
Land value appreciation along with considerable space demand in JNPT & Uran Road, and Pen-Khopoli road belt has induced a y-o-y growth of 5-10% in rentals in these submarkets. Taloja Industrial area is witnessing improved demand as well, resulting in y-o-y growth of 15-20% in rental values. We expect near term demand for Grade A industrial space to remain largely stable. Moreover, due to rising occupier preference for Grade A warehouses, leasing activity in Grade B & C warehousing spaces is expected to decline. Rental values are likely to remain within a narrow range in the near future.

#### ECONOMIC INDICATORS Q4 2021

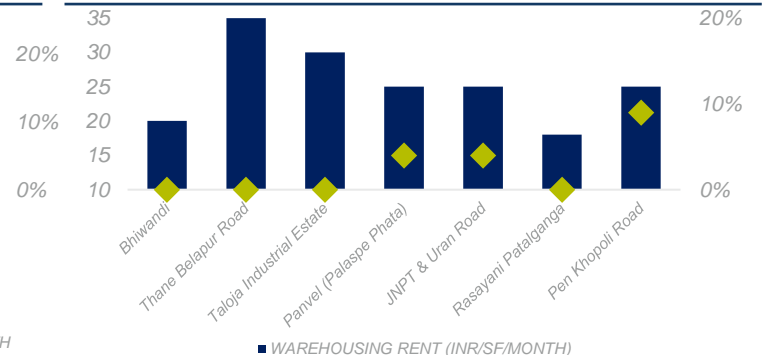
	2020	2021	2022 Forecast
GDP Growth	-7.3%	9.2%	8.5%
CPI Growth	6.1%	5.3%	5.0%
Consumer Spending	-8.5%	6.3%	7.2%
Govt. Final Expenditure Growth	5.7%	10.8%	9.7%

Source: Oxford Economics, RBI, IMF

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



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



**LAND RATES – December 2021**

SUBMARKET	INR MN/ACRE	US\$ MN/ACRE	EURO MN/ACRE	Y-O-Y Change
Bhiwandi	25	0.34	0.30	4 %
Thane-Belapur Road	200	2.73	2.38	20 %
Taloja Industrial Estate	110	1.50	1.31	10 %
Panvel (Palaspe Phata)#	60	0.82	0.71	9 %
JNPT & Uran Road#	25	0.34	0.30	14 %
Rasayani Patalganga	20	0.27	0.24	0 %
Pen Khopoli Road	18	0.25	0.21	13 %

Note: 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 LEASE TRANSACTIONS H2 2021**

Lessee	Lessor	Type	Submarket	Area (sf)
Skechers	ESR	Warehousing	Thane	900,000
Reliance Group	New Era Warehousing	Warehousing	Patalganga	300,000
Reliance Lifestyle	IndoSpace	Warehousing	Pen-Khopoli Road	200,000
3M	Shakti Logistics Park	Warehousing	Bhiwandi	150,000
Mahindra Logistics	Bharat bhai Shah (LL)	Warehousing	Bhiwandi	100,000
SAR Logistics	Global Logistics	Warehousing	Bhiwandi	60,000

**KEY SALES TRANSACTIONS H2 2021**

Buyer	Seller	Type	Submarket	Area
GPX Data Centre	Forbes & Co	Industrial / Data Centre	Chandivali	3.9 acre
Nidhi Steel Industries	Lodha Industrial Park	Industrial	Usathane	2.0 acre

**Suvishesh Valsan**

Director, Research Services

+91 22 67715555 / [suvishesh.valsan@cushwake.com](mailto:suvishesh.valsan@cushwake.com)

[cushmanwakefield.com](http://cushmanwakefield.com)

**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of \$8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services.

©2020 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.