

**3.79 msf** TOTAL LEASING (H2 2021)

**68%** SHARE OF CHAKAN IN LEASING (H2 2021)

**37%** SHARE OF LEASING IN AUTOMOTIVE SECTOR (H2 2021)

**3PL, manufacturing occupiers drive demand in H2**

Pune recorded 3.79 msf of warehouse and industrial transactions in H2 2021, a 40% y-o-y increase. Despite the second wave and subsequent lockdown, Pune continued to witness healthy warehousing and industrial leasing activity in H2, mainly in the Chakan, Talegaon, and Nagar Road submarkets. Major occupiers with large space take-ups in H2 2021 included TATA Autocomp Gotion, TVS Logistics, Aptive, Minda Corporation, Grofers, and Baker Hughes. Majority of the transactions were in industrial segment followed by warehouses which accounted for 58% and 34% shares respectively. Chakan witnessed 68% of the overall leasing activity followed by Talegaon with a 12% share. Demand for temporary, short term-spaces across multiple locations remained high during the second half of the year from e-commerce and automotive sectors. FMCG, healthcare, and pharma companies were other key demand drivers for Grade A warehousing space in the city.

Due to strong demand from e-commerce, Original Equipment Manufacturers (OEM) & 3PL players, along with sufficient supply, we anticipate BTS leasing to continue to grow in 2022. Rents and capital values are expected to remain range-bound in the short term due to availability of adequate supply to support incremental demand.

**Significant upcoming supply in Chakan & Talegaon submarkets**

Talegaon and Chakan submarkets continued to lead leasing activity in 2021 on the back of strong demand from 3PL, E-commerce, and OEMs. There are several key drivers for industrial growth in these submarkets, including good access to major state highways, PCMC industrial belt, JNPT Port, proposed 75 m wide MIDC Road, and the upcoming Navi Mumbai International Airport. The projected route connecting Talegaon MIDC Phase 2 and Chakan MIDC Phase 2, which will reduce travel time to a third, is expected to boost the connection between these two corridors even further.

**Land rates are likely to remain stable**

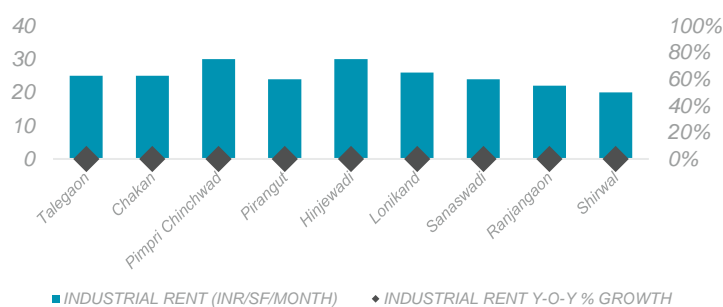
We expect that Chakan, Talegaon, and Nagar Road submarkets will witness continued interest from industrial and warehouse occupiers and developers alike, due to their excellent infrastructure and locational advantages. The developers of organized warehouse space, such as Hiranandani, Indospace, KSH hold large land holdings which are likely to translate into a healthy supply pipeline of quality assets in the short to medium term. This bodes for the growth of organized warehousing & industrial market. On the other hand, there is some slowdown expected in industrial corridors such as Shirwal & Pirangut owing to relatively weak connectivity and inadequate physical infrastructure. Also, Hinjewadi and Pimpri Chinchwad have become dense residential catchments, having limited land availability and commanding higher land costs, thereby constraining industrial growth.

**ECONOMIC INDICATORS Q4 2021**

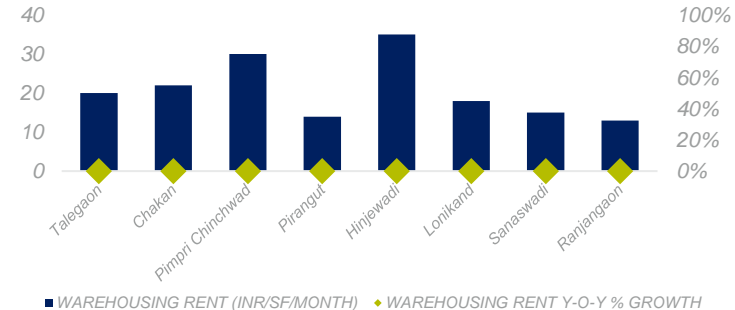
	2020	2021	2022 Forecast
GDP Growth	-7.3%	9.2%	8.5%
CPI Growth	6.1%	5.3%	5.0%
Consumer Spending	-8.5%	6.3%	7.2%
Govt. Final Expenditure Growth	5.7%	10.8%	9.7%

Source: Oxford Economics, IMF, RBI

**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
Talegaon	20	0.3	0.2	0.0%
Chakan	30	0.4	0.4	0.0%
Pimpri Chinchwad	74	1.0	0.9	0.0%
Pirangut	30	0.4	0.4	0.0%
Hinjewadi	65	0.9	0.8	0.0%
Lonikand	25	0.3	0.3	0.0%
Sanaswadi	20	0.3	0.2	0.0%
Ranjangaon	16	0.2	0.2	0.0%
Khed	15	0.2	0.2	0.0%
Shirwal	12	0.2	0.1	0.0%

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

Pimpri Chinchwad includes Bhosari; Lonikand also includes Phulgaon, Sanaswadi also includes Shikrapur, Kondhapuri, and Koregaon Bhima

Percentage growth is in local currency; Y-O-Y – Year on Year

Conversion Rate: US\$1= 73.30 INR and Euro 1 = INR 84.04

## SIGNIFICANT TRANSACTIONS H2 2021

Buyer/Lessee	Seller/Lessor	Type	Submarket	Sale/Lease	Area (sf)
Tata Autocomp Gotion Green Energy Solutions Pvt. Ltd.	ESR Industrial Park - Chakan - 1	Industrial	Chakan	Lease	235,601
TVS Logistics	Ascendas - First industrial Park	Industrial	Talegaon	Lease	207,099
Aptiv	Indospace	Industrial	Chakan	Lease	175,000
NOV	Global Group	Industrial	Chakan	Lease	150,000
Minda Corporation	Global Group	Industrial	Chakan	Lease	134,000

## KEY SALES TRANSACTIONS H2 2021

PROPERTY	SUBMARKET	SELLER / BUYER	Area (acres)
Yamazaki Mazak	Ranjangaon	Global Group	21.7 Acres (approx.)

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