

0.32 msf TOTAL LEASING (H1 2022)

INR 16 WAREHOUSING RENT IN KHEDA (PER SF/MONTH)

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

3PL and Manufacturing drive leasing demand; limited quality space available

The city saw improved industrial & warehousing leasing in H1 2022. Leasing volume stood at 0.32 msf, a 19% growth from H2 2021 level. Leasing activity had a slow start during initial months of the year but picked up momentum in Q2. 3PL and Manufacturing were major sectors driving demand. Activity was largely concentrated in Kheda submarket which witnessed higher demand from 3PL and Manufacturing companies. There is limited availability of ready-to-move-in Grade A supply across the city as of Q2 end.

Warehousing demand is likely to be driven by expansion of e-commerce and also advent of quick commerce services. Aslali, Kheda and Bareja are going to be the major markets attracting these e-commerce and 3PL occupiers. Considering the growing demand for Grade A facilities, Indospace is venturing into the market with an upcoming supply of 2.0 msf of warehousing space to be delivered over next two years in the locations of Bavla and Bechraji.

Sanand and Kheda seeing traction on EV manufacturing front

Sanand witnessed major activity in H1 2022 as a multi-national conglomerate refurbishes an existing 460 acres automobile plant to set up their EV manufacturing facility. With the arrival of this EV manufacturer in Sanand, related ancillary industries will get a significant push. The state government, along with Sanand Industry Association (SIA), is setting up infrastructure to attract occupiers. Approval of Mehsana-Sanand rail track, that would connect Sanand directly to the Western Dedicated Freight Corridor (WDFC), is being expedited. A US-based EV manufacturer is setting up its R&D centre in Kheda. The EV player has further acquired a 3.7msf automobile manufacturing plant in Bhuj as a part of setting up an EV Truck manufacturing hub. Going forward, demand for industrial facilities is expected to be driven by EV and automobiles sector in Sanand and Vitthalapur-Bechraji corridor.

Capital Values and rentals rise on the back of strong demand

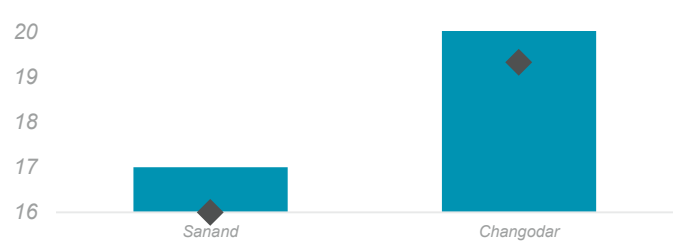
Industrial and warehouse rentals witnessed a rise of ~15% as compared to the same period last year, with exceptions such as Changodar recording a 25% rise. Capital values for land parcels across submarkets recorded an increase of ~15% on average on a y-o-y basis. Locations like Changodar and Bavla are nearly saturated in terms of land availability, resulting in ~40% hike in the land rates.

ECONOMIC INDICATORS Q2 2022

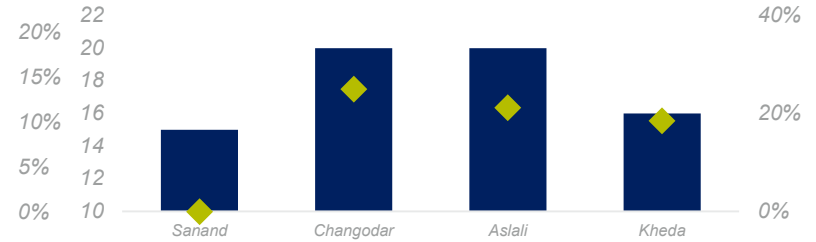
	2021	2022	2023 Forecast
GDP Growth	8.9%	7.2%	7%
CPI Growth	5.3%	6.7%	5.0%
Consumer Spending	6.3%	7.5%	7.8%
Govt. Final Expenditure Growth	10.8%	9.7%	8.5%

Source: Oxford Economics, RBI, IMF

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 – June 2022

SUBMARKET	INR MN/ACRE	US\$ MN/ACRE	EURO MN/ACRE	Y-O-Y Change
Sanand	20	0.26	0.24	0 %
Changodar	25	0.32	0.30	40 %
Aslali	12.5	0.16	0.15	9 %
Kheda	12.5	0.16	0.15	9 %
Vitthalapur-Bechraji	8	0.10	0.10	5 %

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= 77.3 INR and Euro 1 = INR 82.2

SIGNIFICANT TRANSACTIONS H1 2022

Lessee	Lessor	Type	Submarket	Area (sf)
Exide	Hiramani Logistics	Warehouse	Aslali	30,000
Asian Paints	Prime Warehouse Hub	Warehouse	Kheda	100,000
Triton EV	Indraprastha Industrial and Warehouse Park	Industrial Shed	Kheda	150,000

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