

~1.5 msf WAREHOUSE SPACE LEASED (H1 2022)

30-35% SHARE OF 3PL FIRMS IN WAREHOUSE SPACE LEASED (H1 2022)

60-65% SHARE OF WEST BENGALURU IN WAREHOUSE SPACE LEASED (H1 2022)

Warehouse demand remains strong; City's western hubs witness most traction

Around 1.5 msf of warehouse space was leased in the H1-2022 with established warehousing hubs in the western quadrant of the city accounting for majority of the activity. These hotspots in and around Nelamangala, Peenya and Dabaspete in the west and Bidadi in the south west held a share of 60-65% during the period. Emerging clusters like Malur in the east and Jigani in the south east too witnessed healthy traction and contributed towards remaining 30-35% share. Demand was driven by 3PL and Engineering & Manufacturing tenants with a total share of 45-50% in warehousing space take-up. Large transactions (75,000-100,000 sf) of warehouse spaces included deals done by Britannia, Brandex, Ecom, Rhenus Logistics, Reliance, Eicher and Asian Paints. Decathlon signing up a warehouse space of 3.5 lakh sf at Malur was one of the highlights in H1 2022. Amid lack of quality warehousing space, particularly in the active corridors, developers prefer large-sized space lock-ins from occupiers on a long-term basis.

To meet the rising demand from occupiers and to enhance quality supply in the city's warehousing sector, developers have paced up the construction of greenfield and speculative Grade A warehouses. Emerging clusters like Attibele, Jigani, Malur are likely to witness a supply addition of 2.0-2.5 msf during 2022-2023. Along with new supply addition, developers are also exploring opportunities to upgrade ageing properties in prominent and established warehousing corridors of Nelamangala-Dabaspete, Hoskote-Narsapura to cater to the rising demand.

Industrial spaces also witness momentum; South East corridor dominate in H1-22

Leasing of industrial space recorded momentum with around 1.3 msf of deals getting signed during H1 2022. Industrial corridors of Jigani, Bommasandra and Hosur Road in the south-east region accounted for 75-80% of the leasing volume. Established industrial hubs of Peenya and Nelamangala in West Bengaluru, which already enjoy tight vacancy levels, contributed for 15-20% of H1 2022 industrial leasing. Few of the prominent space takers signing large (75,000-100,000 sf) industrial spaces were Schenck Process, Sturlite Electric and e bike manufacturer Oben Electric. Manufacturers of automobile parts, cables & wires and chemicals & paints were the other major contributors to industrial leasing.

Rental appreciation in prominent industrial hubs

Industrial hotspots in the western and southern quadrants of the city have recorded healthy rental growth compared to H2 2021 and same period previous year. Peenya, Yeshwanthpur, Nelamangala and Dabaspete belts in the west recorded an average rental growth of around 28-30% over H2 2021, driven by strong demand. Prominent emerging industrial corridors of Bommasandra, Jigani, Attibele in the south east and Bidadi in the south west saw an average rental growth of 15-16% over H2 2021. Healthy demand clubbed with increase in construction and operating costs have resulted in rental growth. No change in city wise warehousing rentals and land rates was recorded during H1 2022. However, an appreciation in warehousing rentals is as well anticipated in the short term backed by rise in construction costs.

ECONOMIC INDICATORS Q2 2022

	2021	2022	2023 Forecast
GDP Growth	8.9%	7.2%	7.0%
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 H1 2022

LAND RATES - JUNE 2022

SUBMARKET	INR MN/ACRE	US\$ MN/ACRE	EURO MN/ACRE	Y-O-Y Change
KIADB Hitech Zone	28-45*	0.36 - 0.58	0.34 - 0.55	0.0%
Narsapura	20-25**	0.26 - 0.32	0.24 - 0.30	0.0%
Bommasandra, Attibele, Jigani	74 -155#	0.96 - 2.01	0.90 - 1.89	0.0%
Bidadi, Kumbalgodu	35-45	0.45 - 0.58	0.43 - 0.55	0.0%
Dabaspet	25^	0.32	0.30	0.0%
Harohalli	15^^	0.19	0.18	0.0%
Peenya	195-220	2.52 - 2.85	2.37 - 2.68	8-10%

Note: Land rates in Bommasandra and Peenya are provided in a range due to difference in rates along the highway and interiors.

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

Conversion Rate: US\$1= INR 77.3 and Euro 1 = INR 82.2

*KIADB allotment rate: INR 28 mn/acre

**KIADB allotment rate: INR 15-16 mn/acre

#Emerging micro-markets between Bommasandra and Jigani included

^KIADB allotment rate: INR 15 mn/acre

^^KIADB allotment rate, freehold rate is INR 20-25 mn/acre

SIGNIFICANT TRANSACTIONS H1 2022

Buyer/Lessee	Seller/Lessor	Type	Submarket	Sale/Lease	Area (sf)
Decathlon	Individual Landlord	Warehouse	Malur	Lease	350,000
Oben Electric	Individual Landlord	Industrial	Jigani	Lease	110,000
Asian Paints	Individual Landlord	Warehouse	Huskur	Lease	100,000
Ridhi Corporate Services LTD	Individual Landlord	Warehouse	Nelamangala	Lease	100,000
Ecom	Individual Landlord	Warehouse	Hoskote	Lease	100,000
Brandex	Individual Landlord	Warehouse	Jigani	Lease	100,000
Eicher	Individual Landlord	Warehouse	Nelamangala	Lease	90,000
Sturlite Electric	Individual Landlord	Industrial	Nelamangala	Lease	90,000

KEY SALES TRANSACTIONS H1 2022

Buyer	Seller	Type	Submarket	Area
Godrej Properties	Individual landlord	Residential	Bannerghatta Road	33.0 acre (3.4 msf of potential saleable area)

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