

1.53 msf INDUSTRIAL AND WAREHOUSE LEASING IN H1 2022

INR 26 Mn/acre AVERAGE LAND RATE IN SRIPERUMBUDUR - ORAGADAM

4% HALY-YEARLY GROWTH IN WAREHOUSING RENT IN POONAMALLEE

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, IMF, RBI

3PL sector a dominant driver of demand for warehouses in H1

The first half of 2022 recorded nearly 1.08msf of warehouse leasing, a 14% rise when compared to H2 2021. Demand came primarily from 3PL sector tenants, who accounted for around 77% (0.83msf) of H1 leasing volumes. Engineering & manufacturing majors contributed another 8%. Prime industrial hubs such as Irungattukottai, Sriperumbudur, Gummidipoondi, Oragadam remained the most sought-after locations for warehouse leasing in the current year. Warehousing rentals remained unchanged on a half yearly basis across most of the submarkets except GST Road and Poonamallee which recorded a 4% rental growth, due to healthy leasing demand. On a yoy basis, there has been a rental appreciation of 4-7% across all submarkets. The increase can largely be attributed to robust demand mainly from the 3PL players. With healthy demand expected to continue from 3PL and manufacturing segments, warehouse rents are anticipated to rise marginally in the short to medium term.

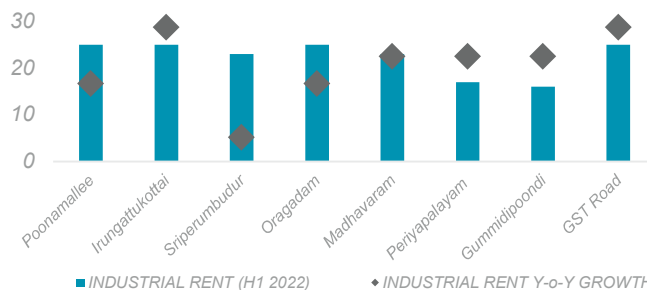
Strong leasing of industrial space along Sriperumbudur – Oragadam corridor

In H1 2022, industrial transactions amounted to ~0.45msf, nearly double the quantum recorded in H2 2021. These transactions were recorded in key industrial clusters of western Chennai. Sriperumbudur topped the list with a share of 38% in half yearly leasing by manufacturing units, Oragadam closely followed with a share of 33%. In H1 Engineering & Manufacturing sector leased 0.31msf of manufacturing sheds and the remaining 0.13msf was contributed by the Home & Décor and FMCG sectors. Irungattukottai submarket recorded a 4% rental growth on a half-yearly basis due to scarcity of supply, while rentals remained stable across other submarkets.

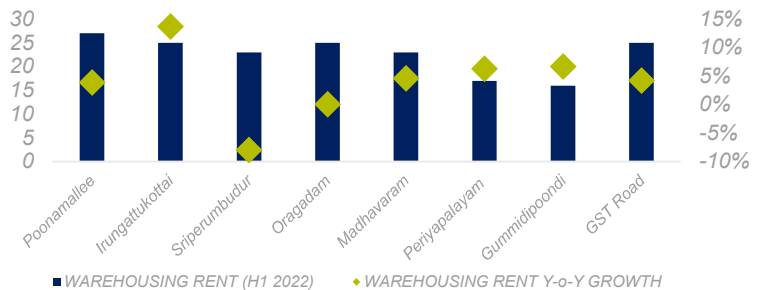
Land prices rise marginally in few submarkets; good demand for Residential and Industrial land parcels

Land rates in Ambattur submarket saw a rise of 5% on a half-yearly basis owing to the increased demand from data center operators in and around this industrial area. While Ambattur submarket witnessed the highest increase in land rate (approx.11% on a y-o-y basis), other submarkets such as Poonamallee, Sriperumbudur-Oragadam, Gummidipoondi and Madhavaram too recorded a rise of 4-7%. This land price increase was largely driven by rising demand for industrial as well as residential purposes. Large scale land transactions were recorded during H1 2022, with industrial lands being taken up in the north peripheral locations. Developers bought land parcels for residential projects along OMR and at Poonamallee and Madhavaram which is seeing high interest due to progress in the metro work. While residential and industrial land have been witnessing consistent demand, healthy requirement is expected from data center operators too in the near term.

INDUSTRIAL RENT / Y-O-Y GROWTH



WAREHOUSING RENT / Y-O-Y GROWTH



LAND RATES – JUNE 2022

SUB MARKET	INR MN/ACRE	US\$ MN/ACRE	EURO MN/ACRE	Y-O-Y Change
Ambattur	200	2.59	2.43	11%
Poonamallee	100	1.29	1.22	5%
Sriperumbudur – Oragadam	26	0.34	0.32	4%
Irungattukottai	25	0.32	0.30	0%
Madhavaram	75	0.97	0.91	7%
Gummidipoondi	14	0.18	0.17	8%
Periyapalayam road	16	0.21	0.19	0%
Manali	36	0.47	0.44	3%
Mannur	14	0.18	0.17	0%
Maraimalai Nagar	45	0.58	0.55	0%

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

SIGNIFICANT TRANSACTIONS H1 2022

Buyer/Lessee	Seller/Lessor	Type	Submarket	Area (sf)
New Century Sofa	Indospace	Manufacturing	Oragadam	111,605
New Century Sofa	Indospace	Warehouse	Oragadam	74,532
Amber & ILJIN	CCI Logistics & Industrial Parks	Manufacturing	Sriperumbudur	113,000
Yusen Logistics	EmmKay Logistics	Warehouse	Periyapalayam	61,600
MRF Corp	National Polyplast	Manufacturing	Irungattukottai	53,747

KEY SALES TRANSACTIONS H1 2022

Buyer/Lessee	Seller/Lessor	Type	Submarket	Area
Welspun Group	GRT	Land	Gummidipoondi	120 Acres
BAM Digital	India Forge	Land	Ambattur	10 Acres
G Square	Individual Landlord	Land	Irungattukottai	7 Acres

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