

## Warehousing demand remains strong in H1-22, backed by e-commerce and FMCG

Warehouse leasing activity in Mumbai gained momentum with around 4.64 msf of transaction volume in H1 2022. Demand from 3PL, E-commerce, and FMCG sectors were the major drivers of high demand for warehousing spaces across prominent locations. Bhiwandi remained the most active submarket in terms of warehouse leasing in H1, accounting for a major share in transactions. Apart from Bhiwandi, the JNPT warehousing belt is also witnessing improved traction in warehousing space demand mainly from 3PL players. The major transactions recorded during H1 included Delhivery and DHL leasing 0.7 msf and 0.32 msf respectively in the Bhiwandi micro-market. Demand for smaller spaces (less than 50,000 sf space) remained high during the first half of the year, as 3PL, E-commerce, and FMCG players continued to look for such spaces.

The demand for large warehousing spaces from e-commerce players as well as e-grocers and 3PL companies is expected to remain healthy in the near term. Along with these, FMCG, Healthcare and Pharma companies will be major drivers of Grade A warehousing space demand. The progress of Navi Mumbai Airport development is likely to provide the necessary impetus to the new warehousing developments in Panvel, Rasayani, and Talaja.

## Data Center and Warehousing demand drives land price in Thane Belapur Road

Land prices in Thane-Belapur Road witnessed 14% growth y-o-y, due to demand from data center operators. Adani Connex- Raheja land deal is a recent example of land prices being driven higher due to data center-specific transactions. Continued demand from data center operators in Thane Belapur Road is expected to drive land rates higher in the near term.

Sustained demand from established warehousing operators and institutional players for setting up grade-A warehousing parks in the Bhiwandi belt is also expected to increase land rates in upcoming quarters. Apart from Bhiwandi, individual landowners in Panvel, Talaja, and nearby areas are also witnessing increased demand from warehousing operators as these are key belts for E-commerce and 3PL operators.

## Bhiwandi and Talaja submarket witnessed a rise in rentals.

City-wide rentals for grade A warehousing space across most sub-markets remained stable on a YoY basis in H1, though Bhiwandi and Talaja belts witnessed an annualized growth of 5% and 14.3%, respectively. Going forward, near-term demand for Grade A industrial space is expected to remain stable; Grade A projects are expected to exhibit stable rental values over the next few quarters.

**14.3%** RISE IN WAREHOUSING RENTS (Y-O-Y) IN THANE BELAPUR ROAD

**14%** RISE IN LAND RATES (Y-O-Y) IN THANE BELAPUR ROAD

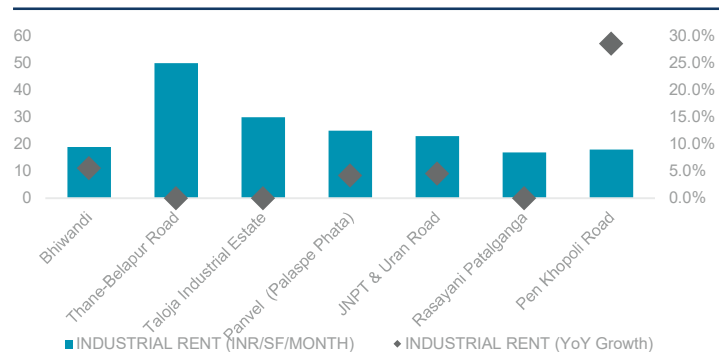
**1.0 msf** WAREHOUSE SPACE LEASED BY 2 PROMINENT 3PL PLAYERS (H1 2022)

### ECONOMIC INDICATORS Q2 2022

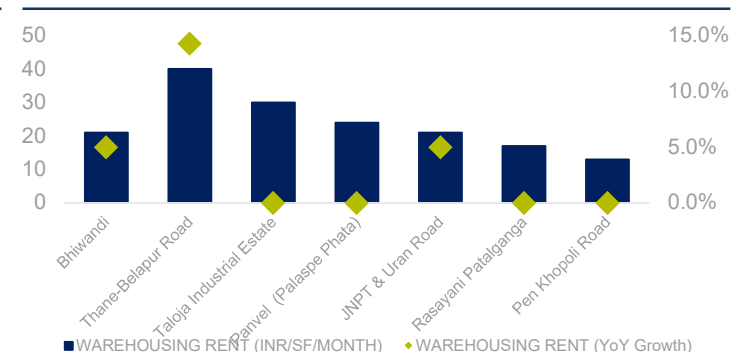
	2021	2022	2023 Forecast
GDP Growth	8.9%	7.2%	7.0%
CPI Growth	5.3%	6.7%	5.0%
Consumer Spending	6.3%	7.5%	7.8%
Govt. Final Expenditure Growth	10.8%	9.7%	8.5%

Source: Oxford Economics, RBI, IMF

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



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



## LAND RATES – JUNE 2022

SUBMARKET	INR MN/ACRE	US\$ MN/ACRE	EURO MN/ACRE	Y-O-Y Change
Bhiwandi	25	0.32	0.30	0.0%
Thane-Belapur Road	250	3.23	3.04	14.0%
Taloja Industrial Estate	120	1.55	1.46	0.0%
Panvel (Palaspe Phata)#	55	0.71	0.67	0.0%
JNPT & Uran Road#	25	0.32	0.30	0.0%
Rasayani Patalganga	20	0.26	0.24	0.0%
Pen Khopoli Road	18	0.23	0.22	0.0%

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= 77.30 INR and Euro 1 = INR 82.20

## SIGNIFICANT LEASE TRANSACTIONS H1 2022

Lessee	Lessor	Type	Submarket	Area (sf)
DHL	Universal Logistic Park	Warehousing	Bhiwandi	325,000
Delhivery	Welpsun One	Warehousing	Bhiwandi	700,000
DTDC	Pichad Builder & Developer	Warehousing	Bhiwandi	340,000
E-com Express	Welpsun One	Warehousing	Bhiwandi	200,000

## KEY SALES TRANSACTIONS H1 2022

Buyer	Seller	Type	Submarket	Area
Adani Connex	K Raheja Corp	Datacentre/Commercial Land	Thane Belapur Road	96 Acres

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