

5.91 msf TOTAL LEASING (H1 2022)

66% SHARE OF CHAKAN SUBMARKET IN H1 LEASING

2.1 msf NEW SUPPLY (H1 2022)

Manufacturing, Automotive occupiers drive demand in H1 2022

Pune recorded 5.91 msf of warehouse and industrial lease transactions in H1 2022, a 75% y-o-y increase. Industrial usage accounted for 70% of the leasing while rest were warehousing deals. Renewed confidence in the Indian economy, government focus on the manufacturing sector, and demand from e-commerce and 3PL players drove leasing volumes. Major occupiers with large space take-ups in H1 2022 were Atomberg, Kawasaki, TVS Supply Chain Solutions and KSH Logistics, among others.

Chakan witnessed 66% of the total industrial/warehouse leasing activity, followed by Talegaon with a 12% share. Chakan submarket led overall leasing in 2022 on the back of strong demand from original equipment manufacturers (OEMs), 3PL, e-commerce and Automotive sectors. As of H1 2022, Pune's leasing was dominated by manufacturing sector with a 42% share followed by automotive and 3PL sectors with 28% and 25% shares, respectively. Going forward, we expect manufacturing companies to remain the key demand drivers for Grade A space in the city. Demand for in-city warehousing spaces across multiple locations by 3PL and e-commerce sector remains high to expedite their last mile-delivery.

Limited organized Grade A supply; developers focus on expediting projects

Limited supply of Grade A assets to cater to the massive warehousing demand is compelling developers to increase supply of quality assets across submarkets in the city. While the city recorded an additional supply of 2.1 msf of warehousing space in H1, the upcoming quarters are likely to see completion close to ~1.0 msf mostly concentrated in the Talegaon submarket.

Industrial & warehousing rents remain stable; land values appreciate in all submarkets

City wide industrial and warehousing rents remained within a range during the first half of the year, with a few exceptions in certain submarkets. Chakan, Talegaon and PCMC submarkets witnessed a 3-4% increase in industrial rents compared to the same period last year on the back of strong demand. Chakan, Talegaon, PCMC; Hinjewadi submarkets also saw a 3-5% y-o-y increase in warehousing rents during H1.

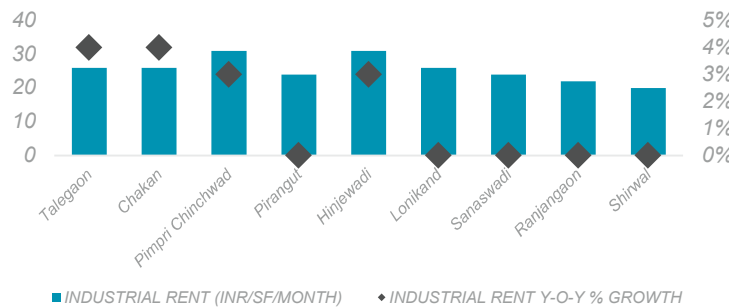
Land values in the PCMC (Pimpri-Chinchwad Municipal Corporation) submarket increased by 7% y-o-y while remaining submarkets witnessed an uptick of 4-5% in their rates on an annualised basis. The increase in land rates was witnessed due to increase in leasing activity and limited quality supply.

ECONOMIC INDICATORS Q2 2022

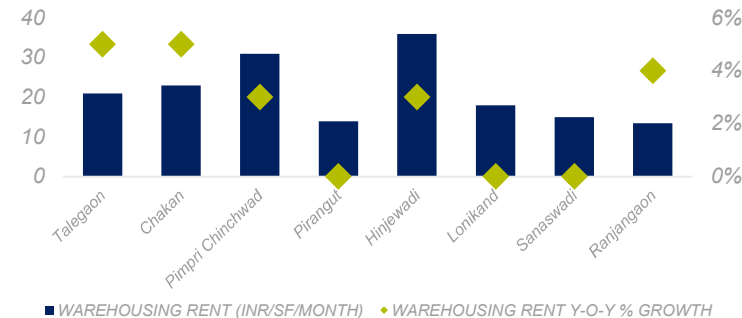
	2021	2022	2023 Forecast
GDP Growth	8.9%	7.20%	7.00%
CPI Growth	5.30%	6.70%	5.00%
Consumer Spending	6.30%	7.50%	7.80%
Govt. Final Expenditure Growth	10.80%	9.70%	8.50%

Source: Oxford Economics, IMF, RBI

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
Talegaon	21	0.3	0.3	5.0%
Chakan	32	0.4	0.4	5.0%
Pimpri Chinchwad	79	1.0	1.0	7.0%
Pirangut	32	0.4	0.4	5.0%
Hinjewadi	68	0.9	0.8	5.0%
Lonikand	26	0.3	0.3	5.0%
Sanaswadi	21	0.3	0.3	5.0%
Ranjangaon	17	0.2	0.2	5.0%
Khed	16	0.2	0.2	5.0%
Shirwal	12	0.2	0.1	2.0%

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= 77.30 INR and Euro 1 = INR 82.20

SIGNIFICANT TRANSACTIONS H1 2022

Buyer/Lessee	Seller/Lessor	Type	Submarket	Sale/Lease	Area (sf)
GEDIA India Automotive Components Pvt. Ltd.	KSH Group	Industrial	Chakan	Lease	199,000
KSH Logistics Pvt. Ltd.	KSH Group	Warehouse	Chakan	Lease	182,000
Ultra Corptech Pvt. Ltd.	Indospace Park	Industrial	Chakan	Lease	117,000
Northcred Services Pvt. Ltd.	Indospace Park	Warehouse	Chakan	Lease	100,000
Mahindra Logistics Ltd.	Indospace Park	Warehouse	Chakan	Lease	83,500
SKS Fasteners Ltd.	KSH Group	Industrial	Chakan	Lease	83,000
FM India Supply Chain Pvt. Ltd.	KSH Group	Warehouse	Chakan	Lease	70,000
Prihoda India Pvt. Ltd.	Global Group	Industrial	Chakan	Lease	70,000
Octillion Power Systems India Pvt. Ltd.	Global Group	Industrial	Chakan	Lease	68,000

KEY SALES TRANSACTIONS H1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/INR PSF
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No new sale transaction were recorded

Suvishesh Valsan

Director, Research Services
+91 22 6771555 / suvishesh.valsan@ap.cushmanwake.com

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