

Warehouse Industrial

LEASING in msf (H2 2022)	<b>0.2</b>	<b>0.4</b>
AVG RENTALS in INR/sf/month	<b>17.7</b>	<b>18.3</b>
LAND VALUE Avg. Y-o-Y growth	<b>27%</b>	<b>20%</b>

### Leasing demand in H2 majorly driven by 3PL; rental rise in select markets

The second half of 2022 witnessed about 0.2 msf of warehouse leasing activity, a 17% dip as compared to same period last year. 3PL occupiers drove total activity during this period with deals in Kheda and Changodar submarkets. Among notable deals in H2, Delhivery, a prominent 3PL player has recently took up a 120,000 sf of space in Kanera near Kheda. For the whole year, warehousing space take-up stood at 0.37 msf, a 48% drop from 2021 levels. Unlike in the previous year, limited activity was observed from e-commerce and consumer electronic sector. In 2022, 3PL and Engineering & Manufacturing were major sectors that drove annual leasing volume. Rental values in Changodar and Kheda submarkets recorded an 11-13% rise over the past year driven by strong demand from 3PL players.

In terms of land values, the submarket of Changodar has seen steep rise in the land values over the past year on the back of rising warehousing and industrial activity in the region. Aslali and Kheda submarkets have also seen a substantial rise in land prices over the year.

### Industrial Space Leasing driven by Automobile Sector

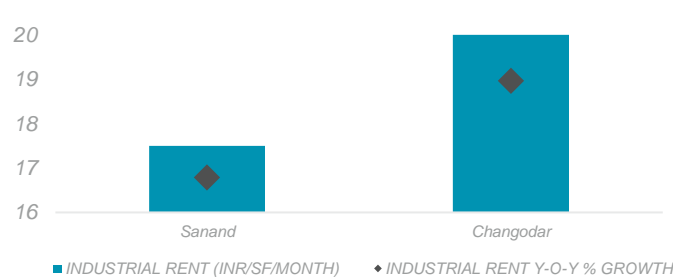
About 0.4 msf of industrial space take-up was recorded in H2 2022. Space take up by Tata Auto Comp Systems in Sanand area is the prominent deal that happened in H2 2022. For the year 2022, the leasing volumes by industrial occupiers stood at 0.95 msf with major space take up at Sanand and Kheda submarkets. Industrial space demand is steadily coming from auto-ancillary and engineering companies. With an already established automobile ecosystem, emerging auto-centric segments such as EV manufacturing has been establishing base in the city in 2022. Industrial rentals within the Changodar submarkets have seen a rise of 10-11% yoy while Sanad submarket has seen a smaller uptick of 2-3%. Going forward, Sanand and Bechraji submarkets is expected to see more industrial space demand especially from automotive and engineering sector occupiers.

### ECONOMIC INDICATORS Q4 2022

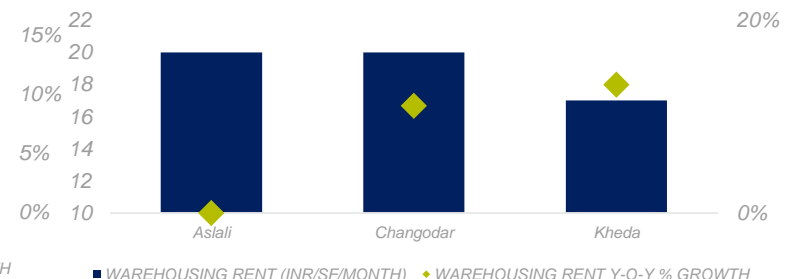
	2021	2022	2023 Forecast
GDP Growth	8.7%	6.8%	6.1%
CPI Growth	5.3%	6.7%	5.0%
Consumer Spending	6.3%	7.5%	7.2%
Govt. Final Expenditure Growth	10.8%	9.7%	8.5%

Source: Oxford Economics, RBI, IMF

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



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



## Industrial H2 2022

## KEY WAREHOUSING SUBMARKETS - AVERAGE RENTALS AND LAND RATES – December 2022

SUBMARKET	WAREHOUSE RENT		LAND RATES			
	INR/SF/MONTH	Y-O-Y Change	INR MN/ACRE	US\$ MN/ACRE	EURO MN/ACRE	Y-O-Y Change
Aslali	20	0 %	15	0.18	0.18	20 %
Kheda	17	13.3 %	15	0.18	0.18	20 %
Changodar	20	11.1 %	25	0.30	0.30	67 %
Vitthalapur-Bechraji	14	0 %	8	0.09	0.09	0 %

## KEY INDUSTRIAL SUBMARKETS - AVERAGE RENTALS AND LAND RATES – December 2022

SUBMARKET	INDUSTRIAL RENT		LAND RATES			
	INR/SF/MONTH	Y-O-Y Change	INR MN/ACRE	US\$ MN/ACRE	EURO MN/ACRE	Y-O-Y Change
Sanand	18	2.9 %	18.7	0.26	0.24	- 6 %
Changodar	21	11.1 %	25	0.30	0.30	67 %
Vitthalapur-Bechraji	16	0 %	8	0.09	0.09	0 %

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= 82.3 INR and Euro 1 = INR 83.6

## SIGNIFICANT INDUSTRIAL / WAREHOUSE TRANSACTIONS H2 2022

Lessee	Lessor	Type	Submarket	Area (sf)
Tata Auto Comp	-	Industrial Shed	Sanand	400,000
Delhivery	-	Warehousing	Kanera	120,000
Shiprocket	-	Warehousing	Kheda	45,000

## SIGNIFICANT LAND TRANSACTIONS H2 2022

Buyer	Seller	Type	Submarket / Location	Area (acre)
Mankind Pharma	NA	Industrial	Halol	35

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