

	Warehouse	Industrial
LEASING in msf (H2 2022)	1.41	0.15
AVG RENTALS in INR/sf/month	24.0	22.5
LAND VALUE Avg. Y-o-Y growth	10%	8%

### Strong momentum in warehouse leasing, especially at the NH6 micro market

Kolkata's warehouse lease volume stood at 1.41 msf in H2 2022, marginally above leasing volume seen in the first half, and over 3x jump compared to the same period in 2021. For the whole year, lease volume stood at 2.8 msf, a sharp increase as compared to ~0.90 msf recorded in 2021. Retail (48%) and FMCG (19%) tenants accounted for major chunk of space leased, followed by the manufacturing sector with 18% share. Dominance of retail and FMCG sectors has been consistent over the past year with major consumer brands looking to expand in the eastern region. Kolkata is reportedly being envisaged as a central warehousing/logistics hub through which various parts of eastern / north-eastern states can be serviced. The share of the e-commerce sector in half yearly lease volume was just 16% compared to more than 60% share during the same period last year. Over 60% of the transaction volume in H2 was in the NH6 micromarket, especially in industrial parks located at Amta, with remaining transactions in NH2 (Dankuni and surrounding locations). In 2022, NH6 was at the forefront of warehousing demand, contributing ~70% of annual volumes mainly due to supply addition.

### Warehouse rents rise as demand is stronger than Grade A supply

Around 0.5 msf of new Grade A supply became operational in H2, bringing the total supply addition in 2022 to ~1.5 msf. The supply addition in H2 was at Amta and Dankuni in the NH6 and NH2 Micromarkets, respectively. For the whole year, over 80% of the new supply was in the NH6 micromarket, in locations such as Amta, Panchla, and Sankrail, thereby resulting in a gradual development of a warehousing and logistics ecosystem. Availability of space is relatively limited in the established NH2 micromarket though some lower grade properties are being refurbished. City wide warehouse rentals increased ~10% yoy in 2022 with demand surpassing supply in recent quarters. Land prices moved up by around 10-12% yoy across both NH2 and NH6 with developers scouting for sites for greenfield developments.

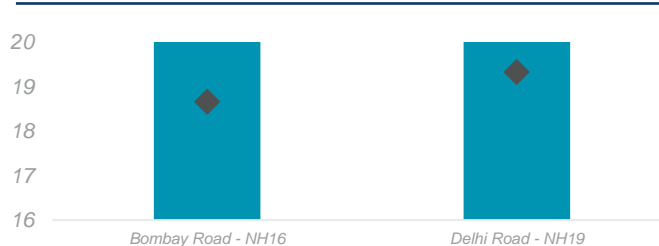
### ECONOMIC INDICATORS Q4 2022

	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%

### Traction in industrial lease in H2; marginal growth in industrial rentals

Industrial leasing recorded some traction in H2 with a global power equipment manufacturer announcing a new unit in Kolkata and taking up space in the NH2 micro market. Industrial segment accounted for around 10% of the overall H2 lease volume and reports of companies across sectors such as iron and steel, FMCG and textile looking to set up units augurs well for industrial space demand going forward. City wide industrial rentals increased 4-5% yoy in 2022 and land rates moved up by 6-8% across NH2 and NH6 micro markets on an annual basis.

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



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



Source: Oxford Economics, RBI, IMF

## KEY WAREHOUSING SUBMARKETS - 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
Bombay Road – NH16	23	8 %	60*	0.72	0.71	10 %
Delhi Road – NH19	25	10 %	48**	0.58	0.57	12 %

## KEY INDUSTRIAL SUBMARKETS - 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
Bombay Road – NH16	21	4 %	60*	0.72	0.71	6 %
Delhi Road – NH19	24	5 %	48**	0.58	0.57	8 %

Note: quoted industrial and warehousing rents are historically corrected to reflect accurate market conditions.

Quoted land rates for serviced industrial land parcels are mentioned

\*NH-16 is the primary highway number for NH-6 / Bombay Road, Land prices vary between INR 18 – 60 mn / acre

\*\*NH-19 is the primary highway number for NH-2 / Delhi Road, Land prices vary between INR 2.0 – 48 mn / acre

Land price variation is based on location, size of land parcel, development of land including filling and boundaries.

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

Buyer/Lessee	Seller/Landlord	Type	Submarket	Sale/Lease	Area (sf)
Reliance	Ganesh Complex	Warehouse	Amta, NH6	Lease	250,000
Nestle	Prospace	Warehouse	Old Delhi Road, NH2	Lease	150,000
Schneider Electric	Prospace	Industrial	Old Delhi Road, NH2	Lease	150,000
Asian Paints	Prospace	Warehouse	Old Delhi Road, NH2	Lease	130,000
Godrej	Amta Industrial Park	Warehouse	Amta, NH6	Lease	120,000

**Swarnava Adhikary**

Assistant Vice President, Research Services

+91 80 40465555/Swarnava.Adhikary@cushwake.com

**Suvishesh Valsan**

Director, Research Services

+91 22 67715555 /suvishesh.valsan@cushwake.com

[cushmanwakefield.com](http://cushmanwakefield.com)

**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in over 400 offices and approximately 60 countries. In 2021, the firm had revenue of \$9.4 billion across core services of property, facilities and project management, leasing, capital markets, and valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.

©2022 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy..