

Warehouse Industrial

LEASING in msf (H1 2023)	0.35	0.0
AVG RENTALS in INR/sf/month	17.8	22.6
LAND VALUE Avg. Y-o-Y growth	16%	18%

Leasing demand driven by Engineering & Manufacturing

In the first half of 2023, Ahmedabad recorded warehouse leasing volumes of ~0.35 msf, close to the number recorded in the same period last year. The electrical equipment manufacturing category drove the leasing activity, accounting for over 42% of the leasing volumes, followed by the automobile category with a share of around 25%. Among the notable deals in H1-23, a prominent electrical equipment and cable manufacturing company has taken up warehousing space of ~1.50 lakh sf cumulatively at Becharaji and Sanand. Becharaji submarket witnessed ~50% of the total H1 leasing activity followed by Sanathal with ~25% share. Going ahead, the warehousing market is likely to see consistent demand from Engineering & Manufacturing, Third-Party Logistics and FMCG sectors.

Rental and land values rise in select submarkets

Rental values in submarkets like Changodar and Aslali witnessed a 3-7% rise on an annual basis driven by strong demand for grade A warehouses and tighter vacancies. Land values have recorded appreciation with 15-16% y-o-y growth in select submarkets owing to the Jantri rate revision and proposed town planning schemes in the region. Due to this, the demand for land parcels is likely to slowdown provisionally in the near term.

Prominent occupiers to set up Industrial units in Sanand

Industrial segment did not witness significant leasing momentum in the first half of the year but is likely to pace up in the upcoming period. Sanand cluster recorded major land transactions of ~164 acres by prominent occupiers to set up their manufacturing plants. In line with the Make in India initiative, a prominent semiconductor manufacturing company, has taken up ~110 acres of land in Sanand GIDC. Additionally, tenants from machinery manufacturing and pharmaceuticals sectors have also acquired a space of 44 acres and 10 acres respectively at the same location to set up their manufacturing base. The presence of these companies is likely to boost Industrial space demand from their ancillaries and other engineering companies as well.

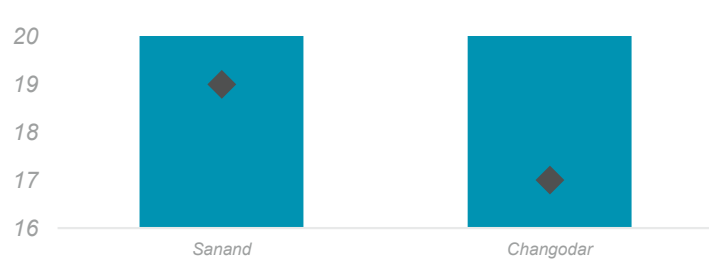
The government plans to establish 21 new industrial estates in Gujarat, out of which, two are proposed in the Kheda cluster and Gandhinagar. These industrial estates are expected to further attract companies and boost industrial development of the region.

ECONOMIC INDICATORS Q2 2023

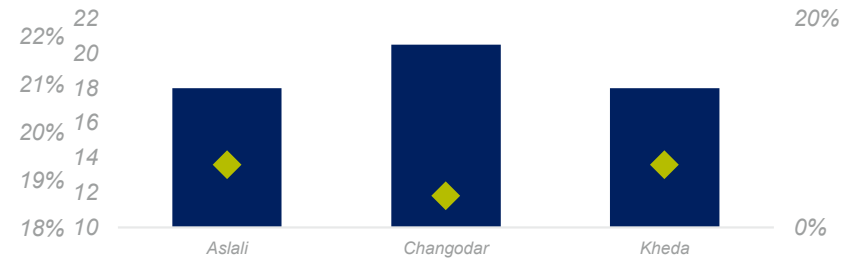
	2022	2023	2024 Forecast
GDP Growth	7.2 %	6.1%	6.5%
CPI Growth	6.7%	5.3%	5.0%
Consumer Spending	7.5%	7.0%	6.7%
Govt. Final Expenditure Growth	9.7%	8.1%	7.4%

Source: Oxford Economics, RBI, IMF

INDUSTRIAL RENT / Y-O-Y GROWTH



WAREHOUSING RENT / Y-O-Y GROWTH



Industrial H1 2023

KEY WAREHOUSING SUBMARKETS - RENTALS AND LAND RATES – H1 2023

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	16 – 20	6%	35 - 42	0.27 - 0.32	0.39 - 0.47	7%
Kheda	16 – 20	6%	15 – 20	0.18 - 0.24	0.17 - 0.22	9%
Changodar - Bavla	19 – 22	3%	40 – 55	0.67 - 0.45	0.45 - 0.62	46%
Vitthalapur-Becharaji	14 - 16	7%	8 – 15	0.10 - 0.18	0.09 - 0.17	0%

KEY INDUSTRIAL SUBMARKETS - RENTALS AND LAND RATES – H1 2023

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	22 - 24	21%	22 - 26	0.27 – 0.32	0.25 – 0.29	20%
Changodar	22 – 28	19%	28 – 34	0.34 – 0.41	0.31 – 0.38	13%
Vitthalapur-Becharaji	18 – 22	11%	12 – 16	0.15 – 0.19	0.13 – 0.18	22%

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 = INR 82.17; € 1 = INR 89.43

SIGNIFICANT INDUSTRIAL / WAREHOUSE TRANSACTIONS H1 2023

Lessee	Lessor	Type	Submarket	Area (sf)
Yazaki	-	Warehousing	Becharaji	~115,000
KIA Motors	-	Warehousing	Sanathal	~50,000
Porsche	-	Warehousing	Sanathal	~40,000

SIGNIFICANT LAND TRANSACTIONS H1 2023

Buyer	Seller	Type	Submarket / Location	Area (acre)
Terex	-	Industrial	Sanand	~44
Biogenomics	-	Industrial	Sanand	~10

Suvishesh Valsan

Director, Research Services

+91 22 6771555 / suvishesh.valsan@cushwake.com

[cushmanwakefield.com](https://www.cushmanwakefield.com)

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