

Warehouse Industrial

LEASING in msf (H1 2023) **2.92** **3.09**

AVG RENTALS in INR/sf/month **26.0** **27.1**

LAND VALUE Avg. Y-o-Y growth **5%** **5%**

Strong warehouse leasing momentum in H1 driven by 3PL/Logistics

Pune witnessed warehousing leasing of ~2.92 msf in the first half of 2023, a 64% growth on a y-o-y basis. The leasing activity was dominated by the 3PL category which contributed around 60% followed by Engineering & Manufacturing with a 20% share. Northern submarkets such as Talegaon (27%), Pimpri (16%) and Chakan (12%) saw major warehouse leasing activities on the back of large transactions (>200,000 sf) by prominent 3PL players. Going ahead, these markets are likely to drive warehouse demand, with occupiers from e-vehicles, auto ancillary and consumer electronics scouting for Grade A facilities.

Northern submarkets to witness Grade A supply in near term

Limited inventory of Grade A assets amidst strong demand is compelling developers to increase the supply of quality assets across major submarkets. The first half of the year witnessed a large-scale land acquisition deal by Logos India in Chakan backed by institutional player Ivanhoe Cambridge. While the city recorded an additional supply of 3.1 msf of warehousing space in 2022, 2023 is also likely to see the completion of an additional ~2.0 msf of Grade A warehouses, mostly concentrated in the Talegaon submarket to cater to the rising demand. Steady demand for good-grade assets has resulted in steadily rising rentals, thereby transforming Pune warehouse market into a developer-friendly one. Chakan, Talegaon and PCMC submarkets witnessed a 5-8% increase in warehouse rents compared to the same period last year on the back of strong demand from e-commerce occupiers.

Slower Industrial leasing activity; Chakan remains the preferred submarket

Pune recorded ~3.09 msf of industrial lease transactions in H1 2023, a dip of 25% from the same period last year. The leasing activity was driven by equipment and packaging companies closely followed by the automotive and auto ancillary segments. Among the major leases recorded in H1-23, an automobile manufacturing major has taken a space of ~1.3 lakh sf at Chakan while another equipment and packaging service provider has taken up a space of ~1.5 lakh sf in Pirangut. Chakan continues to remain most preferred submarket with nearly 39% share in total industrial leasing followed by Pimpri and Ranjangaon with around 9% shares each. The rental values for witnessed 5-8% increase in y-o-y basis given the steady demand

ECONOMIC INDICATORS Q2 2023

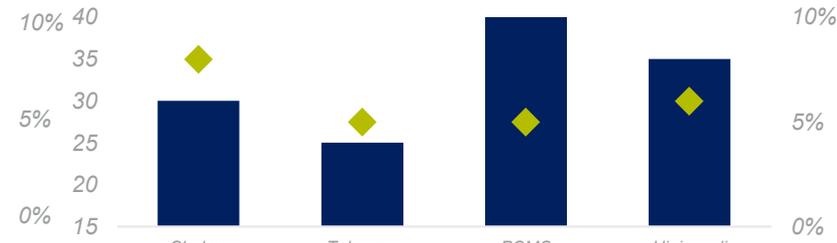
	2022	2023	2024 Forecast
GDP Growth	7.2 %	6.1%	6.5%
CPI Growth	6.7%	5.3%	5.0%
Consumer Spending	7.5%	7.0%	6.7%
Govt. Final Expenditure Growth	9.7%	8.1%	7.4%

Source: Oxford Economics, RBI, IMF

INDUSTRIAL RENT / Y-O-Y GROWTH



WAREHOUSING RENT / Y-O-Y GROWTH



■ INDUSTRIAL RENT (INR/SF/MONTH) ◆ INDUSTRIAL RENT Y-O-Y % GROWTH ■ WAREHOUSING RENT (INR/SF/MONTH) ◆ WAREHOUSING RENT Y-O-Y % GROWTH

KEY WAREHOUSING SUBMARKETS - RENTALS AND LAND RATES – June 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
Chakan	30	8.0%	30	0.37	0.34	8.0%
Talegaon	25	5.0%	20	0.24	0.22	5.0%
PCMC	40	5.0%	109	1.33	1.22	8.0%
Hinjewadi	35	6.0%	87	1.06	0.97	6.0%

KEY INDUSTRIAL SUBMARKETS - RENTALS AND LAND RATES – June 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
Chakan	27	8.0%	35	0.43	0.39	8.0%
Talegaon	22	5.0%	26	0.32	0.29	5.0%
PCMC	42	5.0%	109	1.33	1.22	5.0%
Ranjangaon	25	6.0%	17	0.21	0.19	6.0%

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 = INR 82.17; € 1 = INR 89.43

SIGNIFICANT INDUSTRIAL / WAREHOUSE TRANSACTIONS H1 2023

Lessee	Lessor	Type	Submarket	Area (sf)
Mahindra Logistics	Ascendas	Warehousing	Talegaon	500,000
DHL	Ascendas	Warehousing	Talegaon	300,000
Bost India	NA	Industrial	Pirangut	150,000
TM Seating	NA	Industrial	Chakan	130,000

SIGNIFICANT LAND TRANSACTIONS H1 2023

Buyer	Seller	Type	Submarket / Location	Area (acre)
Logos India	NA	Warehousing/Industrial	Chakan	77

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