

Sustained annual leasing momentum despite a slower H2; 3PL drove demand

Pune recorded 1.48 msf of warehouse lease transactions in H2 2023, a rise of 41% on a y-o-y basis but a 49% decline compared to the high base of H1 2023. In H2, Chakan submarket asserted its dominance, capturing 61.5% lease share, while Talegaon followed with a 15.5% share. 3PL and Engineering & Manufacturing players drove activity with 52% and 24% of warehousing leases, respectively, in the second half.

For the entire year 2023, warehouse leasing saw record-breaking milestone with ~4.4 msf of transactions. A 55% jump from last year was observed largely due to high demand witnessed across 3PL and Engineering & Manufacturing companies. 3PL leasing made up about 57% of total warehouse leasing in 2023, a significant rise from the previous year. This rise is a result of a pressing need to accommodate large number of e-commerce tenants who had secured warehouse space last year, emphasizing the use of 3PL solutions to support and improve e-commerce companies' operational efficiencies. Like in 2022, Chakan continued to maintain the lead by accounting for 49.5% of total leasing volume, and Talegaon stood behind at 14.7% share. However, Talegaon has been gaining increasing momentum over the past three years (~avg 65% y-o-y leasing growth) and is anticipating a substained leasing activity in 2024 with the establishment of a major warehouse park.

Record Industrial leasing activity; Engineering and Manufacturing drove demand

Pune recorded 5.2msf of industrial lease transaction in H2 2023, a rise of ~47% on a y-o-y basis and 66% growth as compared to H1 2023. Leasing was largely driven by the Engineering & Manufacturing (51.2%) and Automobile (33%) sectors. For the entire year 2023, Industrial leasing recorded a milestone ~8.3msf, a rise of 8% from 2022. Engineering & Manufacturing firms, constituting 57.5% of total industrial leasing, predominantly drove leasing with an impressive 8.8x rise compared to previous year. Automobile industry maintained similar share of industrial leasing as last year with a 20% share.

Prominent industrial submarkets exhibits annual rental growth;

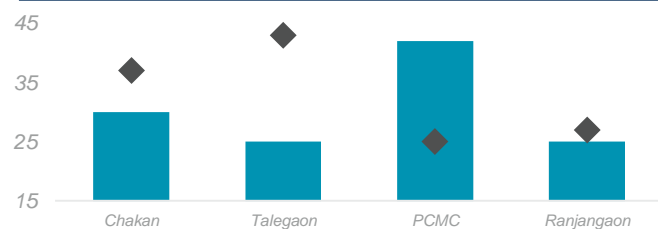
City-wide industrial rentals witnessed a rise of 9-14% largely driven by Chakan and Talegaon submarkets. In terms of land transactions, a major automobile company has sold over 13.26 acres of industrial land at Maan, while another auto major entered a long-term lease for its industrial plant at Chakan. During the year, a prominent industrial real estate player unveiled its plans for a new warehouse park in Talegaon, featuring 1 msf facility which is scheduled to become operational later in the year 2024. Chakan MIDC too is set for new warehousing supply in the coming years.

ECONOMIC INDICATORS Q4 2023

	2022	2023	2024 Forecast
GDP Growth	7.2 %	6.5%	7.0%
CPI Growth	6.7%	5.3%	5.0%
Consumer Spending	7.6%	7.0%	6.7%
Govt. Final Expenditure Growth	9.7%	8.1%	7.4%

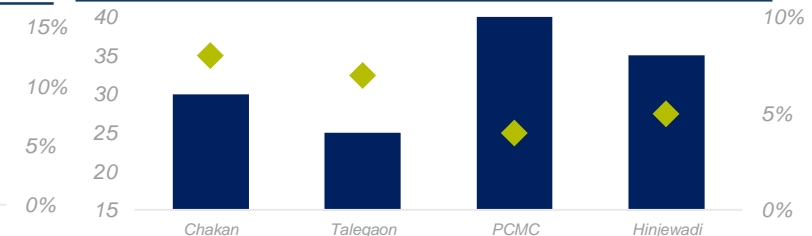
Source: Oxford Economics, RBI, IMF

INDUSTRIAL RENT / Y-O-Y GROWTH



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

WAREHOUSING RENT / Y-O-Y GROWTH



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

KEY WAREHOUSING SUBMARKETS - RENTALS AND LAND RATES – Dec 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	27	11.0%	35	0.42	0.39	14.0%
Talegaon	25	14.0%	28-30	0.33	0.31	15.0%
PCMC	40	5.0%	130.61	1.56	1.45	13.0%
Hinjewadi	35	6.0%	100.19	1.20	1.11	13.0%

KEY INDUSTRIAL SUBMARKETS - RENTALS AND LAND RATES – Dec 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	30	11.0%	35	0.42	0.39	14.0%
Talegaon	25	14.0%	28-30	0.33	0.31	15.0%
PCMC	42	5.0%	130.61	1.56	1.45	13.0%
Ranjangaon	24	6.0%	17	0.20	0.19	13.0%

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 83.33; € 1 = INR 89.6

SIGNIFICANT INDUSTRIAL / WAREHOUSE TRANSACTIONS H2 2023

Lessee	Lessor	Type	Submarket	Area (sf)
DHL	Ascendas	Warehousing	Talegaon	200,000
Dextra	RMK Spaces	Industrial	Talegaon	190,000
Kawasaki	Mapletree	Industrial	Chakan	250,000
Hindalco	KSH	Industrial	Chakan	150,000

SIGNIFICANT LAND TRANSACTIONS H2 2023

Buyer	Seller	Type	Submarket / Location	Area (acre)
Titania Industrial Development	Tata Autocomp Systems	Industrial	Hinjawadi(Maan)	13.26
Bajaj Auto	MIDC	Industrial	Chakan	189

Arun P Nair

Manager, Research Services

+91 22 67715555 / arun.nair@cushwake.com

Suvishesh Valsan

Director, Research Services

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

cushmanwakefield.com

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