

	Warehouse	Industrial
LEASING in msf (H1 2024)	0.27	0.31
AVG RENTALS in INR/sf/month	18.5	26.8
AVG LAND VALUE in INR MN/acre	34	28

## Warehouse leasing demand driven by Engineering & Manufacturing Sector

In the first half of 2024, Ahmedabad recorded warehouse leasing volumes of ~0.27 msf, recording a drop of 24% on a y-o-y basis and 3% drop compared to H2 2023. The engineering and manufacturing sector drove leasing activity during this period, constituting about 65% of the market share. Companies in sectors such as automobile, paints & adhesives, packaging materials, etc. marked their presence in Aslali, Kheda, and Changodar submarkets. Among the notable deals in H1-24, two of the prominent paints & adhesives manufacturing companies have collectively taken up warehousing space of ~70,000 sf at Changodar and Aslali. The Changodar submarket witnessed ~65% of the total H1 2024 warehouse leasing activity followed by Kheda with ~18% share. Going ahead, the warehousing market is likely to see consistent demand from Engineering & Manufacturing, Third-Party Logistics and FMCG sectors.

## Automobile Manufacturing drives Industrial leasing surge in Sanand and Changodar

Ahmedabad experienced a rise in industrial leasing activity in H1 2024, amounting for ~0.31 msf, contrasting with muted activity noticed in H1 2023 and reflected a 56% decline against the robust leasing in H2 2023. During H1 2024, Sanand and Changodar emerged as hubs of significant industrial activity with the establishment of two prominent automobile manufacturing plants. One of the company specializes in manufacturing electric bikes, while the other focuses on producing sheet metal components, welded assemblies, and modules for passenger vehicles, commercial vehicles and tractors. Together, these companies occupied ~0.26 msf, accounting for around 86% of the total industrial leasing volume. In addition to these developments, there was a notable land transaction involving an Air & Gas Compressors Manufacturing company acquiring ~15 acres land in the Sanand GIDC for a new manufacturing facility.

Looking forward, industrial activity is expected to stay strong, fueled by sectors like Engineering & Manufacturing and FMCG, which will sustain demand. The Gujarat Government's initiative scheme to reclaim ~18,000 hectares of unused GIDC land is expected to draw new industries, promoting the establishment of fresh units on the surrendered plots and boosting momentum in the city's industrial corridors in coming years.

## Rental and land values rise in select submarkets

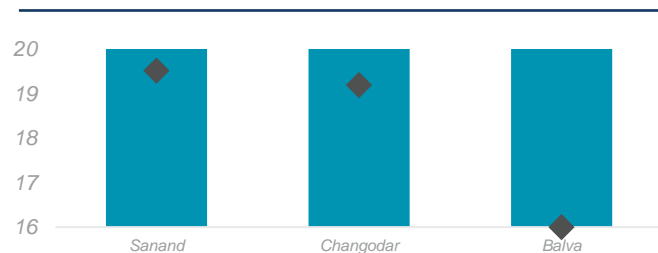
Rental values in submarkets like Changodar and Aslali witnessed a 2-8% rise on an annual basis driven by strong demand for grade A warehouses and tighter vacancies. Land values have recorded appreciation with an average 15-30% y-o-y growth in the Changodar and Aslali submarkets owing to the increasing demand. Due to the saturation of Changodar Bavla belt, the land values in the submarkets like Aslali have increased significantly.

### ECONOMIC INDICATORS Q2 2024

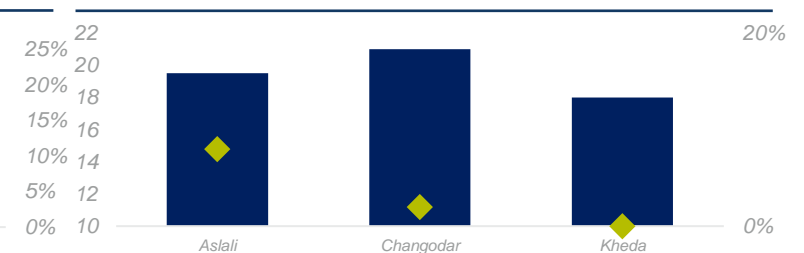
	2023	2024	2025 Forecast
GDP Growth	7.3 %	7.0%	6.5%
CPI Growth	5.6%	4.5%	4.2%
Consumer Spending	5.0%	6.1%	6.5%
Govt. Final Expenditure Growth	7.5%	7.0%	6.7%

Source: Oxford Economics, RBI, IMF

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



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



## Industrial H1 2024

## KEY WAREHOUSING SUBMARKETS - RENTALS AND LAND RATES – H1 2024

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	17 – 22	8%	45 – 60	0.54 - 0.72	0.50 - 0.67	36%
Kheda	12 - 15	0%	15 – 20	0.18 - 0.24	0.17 - 0.22	0%
Changodar - Bavla	20 – 22	2%	40 – 65	0.48 - 0.78	0.44 - 0.72	11%
Vitthalapur-Becharaji	14 – 17	3%	10 – 15	0.12 - 0.18	0.11 - 0.17	9%
Sanand	18 – 25	0%	25 – 32	0.30 – 0.38	0.28 – 0.36	19%

## KEY INDUSTRIAL SUBMARKETS - RENTALS AND LAND RATES – H1 2024

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	26 – 30	22%	25 – 32	0.30 – 0.38	0.28 – 0.36	19%
Changodar	28 – 32	20%	30 – 45	0.36 – 0.54	0.33 – 0.50	21%
Vitthalapur-Becharaji	20 – 25	13%	16 – 20	0.19 – 0.24	0.18 – 0.22	29%
Balva	25 - 30	0%	40 - 65	0.48 – 0.78	0.44- 0.72	11%

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 83.4; € 1 = INR 89.9

## SIGNIFICANT INDUSTRIAL / WAREHOUSE TRANSACTIONS H1 2024

Lessee	Lessor	Type	Submarket	Area (sf)
Svitch	-	Industrial	Changodar	~143,000
ASAL – The TATA Enterprise	-	Industrial	Sanand	~120,000
Zomato	-	Warehousing	Changodar	~75,000
Toyota	-	Warehousing	Kheda	~47,500

## SIGNIFICANT LAND TRANSACTIONS H1 2024

Buyer	Seller	Type	Submarket / Location	Area (acre)
Ingersoll Rand	-	Industrial	Sanand	~15

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