

Warehouse Industrial

LEASING in msf (H1 2024) **2.7** **0.6**

AVG RENTALS in INR/sf/month **21-24** **25-28**

LAND VALUE Avg. Y-o-Y growth **8-10%** **8-10%**

Warehouse leasing maintains healthy momentum across east and west Bengaluru

Bengaluru recorded warehouse leasing volumes of 2.7 msf in H1 2024, a 36% growth as compared to the first half of the previous year and a 19% expansion over H2 2023. The eastern corridor dominated leasing accounting for around 41% of the transaction volume in H1 followed by around 39% share held by west Bengaluru in the half yearly market activity. In the west, Nelamangala remained the chief warehousing corridor, witnessing significant space takeup by manufacturing, 3PL and retail firms. In the east, Hoskote recorded healthy warehouse space absorption by 3PL and retail firms. Notable transactions were also recorded at Hosur in south Bengaluru, which had a 19% share in the half yearly lease volume. Market activity in north Bengaluru, particularly at Devanahalli, was relatively lower during H1.

Leasing activity was dominated by 3PL and manufacturing firms in H1 with shares of 36% and 28% respectively while retail and e-commerce occupiers accounted for around 14% of lease volumes each.

Strong Grade A supply pipeline across prominent micromarkets; steady rise in warehouse rentals

Demand for quality warehouse space from a wide spectrum of occupiers is driving developers to expedite Grade A completions across prominent micromarkets. A number of projects are at various stages of construction, which are likely to enter the market in the next couple of years, across the prime warehousing corridors in west and east Bengaluru. This includes Grade A developments both by global as well as domestic warehousing and logistics firms. On the other hand, BTS facilities are being set up in the southern corridor (Jigani, Anekal) and a few other projects are at the land stage and expected to commence construction soon. Given the continued strong demand and space enquiries, warehouse rentals posted growth of 8-10% yoy at Nelamangala and Hoskote and 6-8% yoy at locations such as Jigani and Attibele. Land prices rose by 8-10% yoy at prime warehousing corridors across the city.

Manufacturing drives steady industrial lease volumes

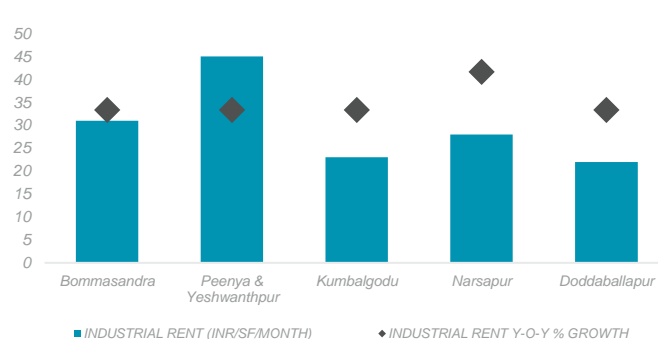
Bengaluru recorded industrial leasing volumes of over 0.6 msf in H1, nearly 2.5x jump over the same period last year though an 11% decline as compared to H2 2023. Market activity was driven by the international and domestic manufacturing firms as they raised their space takeup to expand operations. Doddaballapur (north), Nelamangala and Dabaspote (west) and Hoskote (east) were the prominent locations with significant industrial lease transactions. Industrial rentals increased by 6-8% yoy at Doddaballapur and Hoskote while Nelamangala and Bommasandra witnessed rental growth of 5-6% yoy.

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



KEY WAREHOUSING SUBMARKETS – AVERAGE QUOTED RENTALS AND LAND RATES – June 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
Hosur Road (Jigani, Attibele)	24-27	6-8 %	70.0 - 120.0	0.84- 1.44	0.78 - 1.33	8-10 %
Nelamangala	22-25	8-10%	35.0 - 50.0	0.42 – 0.60	0.39 – 0.56	8-10 %
Bidadi	22-25	5-6 %	55.0 - 65.0	0.66 - 0.78	0.61 - 0.73	6-8%
Hoskote, Malur	23-26	8-10 %	35.0 – 40.0	0.42 - 0.48	0.39 - 0.45	8-10 %
Devanahalli/KIADB Hitech zone	30-32	6-8 %	60.0 - 100.0	0.72 - 1.20	0.67 - 1.12	8-10 %

KEY INDUSTRIAL SUBMARKETS – AVERAGE RENTALS AND LAND RATES – June 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
Bommasandra	30-33	5-6 %	175-195	2.10 – 2.34	1.95 – 2.18	8-10 %
Peenya	42-45	5-6 %	220-260	2.64 – 3.12	2.46 – 2.90	8-10 %
Kumbalgodu	23-25	3-4 %	110-130	1.32 – 1.56	1.23 – 1.45	4-5 %
Narsapur	25-28	6-8 %	25-30	0.30 – 0.36	0.28 – 0.33	6-8 %
Doddaballapur	21-23	6-8 %	25-35	0.30 – 0.42	0.28 – 0.39	6-8 %

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

Quoted land rates for serviced industrial land parcels are mentioned

Percentage growth are in local currency; Y-O-Y – Year on Year

Conversion Rate: US\$= INR 83.4 AND € = INR 89.9

SIGNIFICANT INDUSTRIAL / WAREHOUSE TRANSACTIONS H1 2024

Lessee	Lessor	Type	Submarket	Area (sf)
DP World	Agility Logistics Park	Warehouse	Hoskote	300,000
DHL	Ascendas Firstspace	Warehouse	Malur	160,000
Star Bazaar	Shakya Logistics Park	Warehouse	Hoskote	160,000
Zomato	Sumadhura Logistics Park	Warehouse	Hoskote	300,000
Haier	Individual	Warehouse	Nelamangala	100,000
Pepsi	ATB Developers	Warehouse	Anekal	115,000

SIGNIFICANT LAND TRANSACTIONS H1 2024

Buyer	Seller	Type	Submarket / Location	Area (acre)
No prominent Warehouse and Industrial land transaction recorded during H1 2024				

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