

	Warehouse	Industrial
LEASING in msf (H1 2024)	2.14	1.04
AVG RENTALS in INR/sf/month	25.0	26.1
LAND VALUE Avg. Y-o-Y growth	2%	0%

Sustained warehouse demand driven by Logistics/3PL sectors

During the first half of 2024, Chennai's warehouse sector recorded a leasing volume of 2.14msf, witnessing a slight decline of 1% from the same period last year. The Oragadam submarket continued its dominance in H1-24, capturing 57% of the market share, followed by Madhavaram and Irungattukottai with 16% and 14% shares respectively. Logistics/3PL sectors dominated the leasing activity in H1-24 with a 41% share, followed by the Automobile sector with a 23% share. Pharmaceuticals and FMCG sectors, which had been expanding in recent quarters, together accounted for 22% of the half-yearly lease volume. Strong demand is expected to continue in the western and northern clusters, fueled by consistent enquiries from automobile, FMCG and e-commerce occupiers.

Minor rise in warehouse rentals; Healthy warehouse supply pipeline

The availability of high-quality Grade A supply, coupled with higher rentals and consistent demand mainly from logistics and manufacturing sectors, led to a 4-5% yoy rental growth in Oragadam, Madhavaram and Periyapalayam. Poonamallee submarket witnessed an 8% rental increase over H1 2023. Minor rental appreciation is anticipated in the near term, backed by healthy demand.

In H1, a global logistics company inaugurated its largest free trade warehouse zone, spanning 0.6msf (Phase 1), to cater to industrial engineering, FMCG, cosmetics and pharmaceutical sectors, with plans for further expansion over the next three to four years. The city anticipates a healthy influx of Grade A supply from prominent developers in the western and northern industrial hubs over the next year. For instance, a leading national industrial and logistics parks developer is adding ~2msf of industrial and warehouse space in the western cluster.

Land values at key warehousing locations such as Madhavaram, Gummidipoondi, Oragadam and Irungattukottai increased by 2-3% on an annual basis, driven by strong demand from developers.

Industrial leasing in H1 driven along western industrial clusters

Chennai recorded industrial leasing of 1.04msf in the first half of 2024, a 13% decline compared to the same period last year. Established industrial hubs of Oragadam, Irungattukottai and Sriperumbudur in the western region collectively accounted for a significant 81% of the leasing volume in H1. Other prominent industrial clusters such as Periyapalayam and GST Road also witnessed strong demand from occupiers. H1 saw large space take-up by manufacturers in the fashion and apparel, precision engineering and industrial automation sectors.

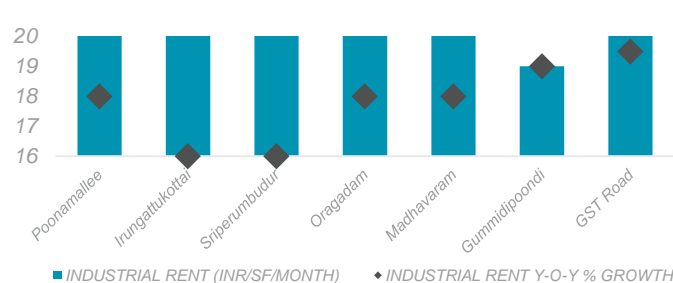
Following the Global Investors Meet held early in H1-24, several MoUs were signed across various sectors, many of which are now in advanced stages of implementation. With an aim to further stimulate industrial growth across the state, the Tamil Nadu Govt plans to introduce several policies, including the Tech Industrial Policy, Circular Economy Investment Promotion Policy and Toy Manufacturing Policy and establish eight Sipcot parks across the state.

ECONOMIC INDICATORS H1 2024

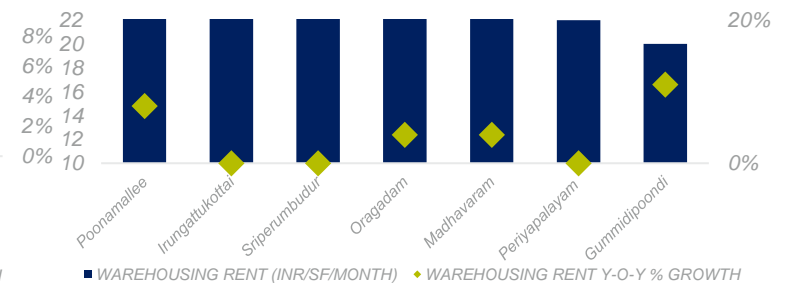
	2023	2024	2025 Forecast
GDP Growth	7.3%	7.0%	6.5%
CPI Growth	5.6%	4.5%	4.2%
Consumer Spending	5.0%	6.1%	6.5%
Govt. Final Expenditure Growth	7.5%	7.0%	6.7%

Source: Oxford Economics, RBI, IMF

INDUSTRIAL RENT / Y-O-Y GROWTH



WAREHOUSING RENT / Y-O-Y GROWTH



KEY WAREHOUSING SUBMARKETS - 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
Madhavaram	24	4%	82	0.98	0.91	3%
Periyapalayam	22	0%	16	0.19	0.18	0%
Irungattukottai	27	0%	27	0.32	0.29	2%
Sriperumbudur	25	0%	24	0.28	0.26	2%

KEY INDUSTRIAL SUBMARKETS - 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
Sriperumbudur	26	0%	23	0.28	0.26	0%
Oragadam	29	4%	25	0.30	0.28	0%
Irungattukottai	27	0%	26	0.31	0.29	0%
Gummidipoondi	19	6%	16	0.19	0.18	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= 83.4 INR and Euro 1 = INR 89.9

SIGNIFICANT INDUSTRIAL / WAREHOUSE TRANSACTIONS H1 2024

Lessee	Lessor	Type	Submarket	Area (sf)
Nissan	Indospace	Warehouse	Oragadam	500,000
Kerry Indev	Preethi Warehouse	Warehouse	Oragadam	100,000
Satiya	OPG	Warehouse	Irungattukottai	250,000
Micronics India	Green Base	Industrial shed	Oragadam	130,000
HI-P	Polyhose	Industrial shed	Sriperumbudur	120,000

SIGNIFICANT LAND TRANSACTIONS H1 2024

Buyer	Seller	Type	Submarket / Location	Area (acre)
Pragathi	Aggregation	Industrial and Warehouse	Sriperumbudur	51.7 Acres

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