

Industrial H2 2022

	Warehouse	Industrial
LEASING in msf (H2 2022)	1.13	0.66
AVG RENTALS in INR/sf/month	22.1	23.1
LAND VALUE Avg. Y-o-Y growth	6%	6%

Healthy warehouse leasing, primarily driven by 3PL sector

During the second half of 2022, Chennai's warehousing and logistics market witnessed healthy leasing of nearly 1.13msf, a rise of 5% when compared to H1 2022. On a y-o-y basis, H2 2022 leasing saw a rise of 20% in comparison to H2 2021. Majority of the transactions in H2 were recorded in the western region. Irungattukottai submarket accounted for most of the warehouse leasing activity recorded during H2, with a share of 31% while Oragadam submarket had a share of 26%. In H2 2022, warehouse demand was primarily driven by 3PL players with a share of 47%. Engineering & Manufacturing and E-commerce majors closely followed with 17% and 16% shares respectively in H2 leasing volumes. The city recorded sustained leasing momentum with annual warehouse lease volume of 2.21msf during the year. Demand was mainly from logistics and manufacturing sectors throughout the year which accounted for a cumulative share of 75% in annual leasing volumes.

Warehousing rentals remain mostly unchanged

On a half yearly basis, warehousing rentals remained unchanged across most submarkets except Periyapalayam submarket which recorded a 6% rental growth. This may be attributed to healthy demand this submarket has been witnessing, mainly from 3PL players. In addition, Periyapalayam has also been attracting developers, who have come up with quality Grade A warehouse supply in recent times. With the new quality supply quoting higher rentals, the submarket rental has seen a growth. On a yearly basis, Poonamallee submarket has witnessed a drop of 4% when compared to H2 2021 while rentals remained unchanged across most of the other submarkets.

Strong industrial leasing in H2; Oragadam sees land prices rise

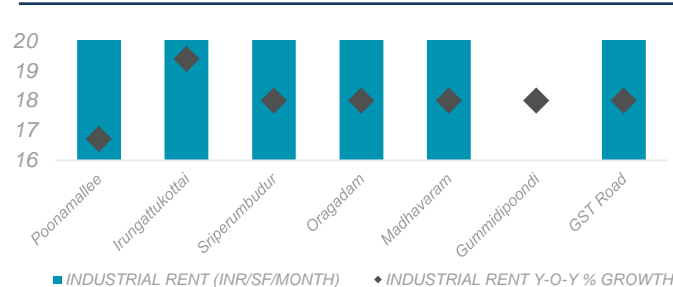
In H2 2022, the city witnessed robust Industrial leasing amounting to 0.66msf, a rise of 48% when compared to H1 2022. Major portion of the industrial transactions were recorded in prominent industrial hub of Oragadam which accounted for 73% of the leasing during H2. Other major industrial clusters along GST Road and Irungattukottai together contributed an aggregate share of 23%. For the whole year, the city recorded healthy industrial leasing of 1.11msf which is nearly 6X the figure recorded in 2021. Oragadam as well led the annual industrial leasing with a 57% share followed by Irungattukottai at 16%. During the year, the demand for industrial sheds was mainly from Engineering & Manufacturing majors who contributed 88% of the leasing activity. Few occupiers from Home & Décor segment also took up space during 2022. City-wide industrial rentals remained unchanged in H2. Due to higher enquiries for Industrial land along the Oragadam industrial belt, the land rates in this submarket saw a rise of 7% on a half yearly basis.

ECONOMIC INDICATORS Q4 2022

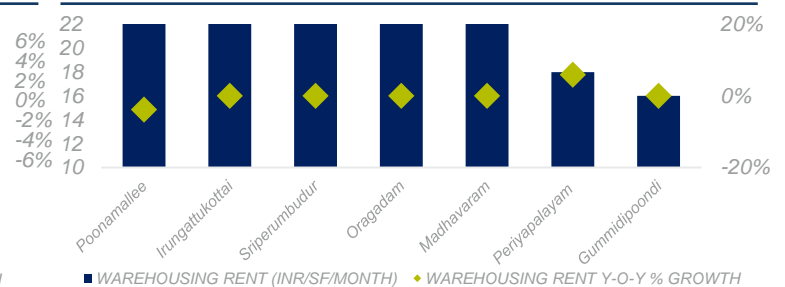
	2021	2022	2023 Forecast
GDP Growth	8.7%	6.8%	6.1%
CPI Growth	5.3%	6.7%	5.0%
Consumer Spending	6.3%	7.5%	7.2%
Govt. Final Expenditure Growth	10.8%	9.7%	8.5%

Source: Oxford Economics, RBI, IMF

INDUSTRIAL RENT / Y-O-Y GROWTH



WAREHOUSING RENT / Y-O-Y GROWTH



KEY WAREHOUSING SUBMARKETS - RENTALS AND LAND RATES – December 2022

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	23	0%	80.0	0.97	0.96	7%
Periyapalayam	18	6%	17.0	0.21	0.20	6%
Irungattukottai	25	0%	26.0	0.32	0.31	8%
Sriperumbudur	23	0%	25.0	0.30	0.30	0%

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	INR/SF/MONTH	Y-O-Y Change	INR MN/ACRE	US\$ MN/ACRE	EURO MN/ACRE	Y-O-Y Change
Sriperumbudur	23	0%	22.1	0.27	0.26	0%
Oragadam	25	0%	25.0	0.30	0.30	7%
Irungattukottai	25	4%	25.7	0.31	0.31	8%
Gummidipoondi	16	0%	16.0	0.19	0.19	2%

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= 82.3 INR and Euro 1 = INR 83.6

SIGNIFICANT INDUSTRIAL / WAREHOUSE TRANSACTIONS H2 2022

Lessee	Lessor	Type	Submarket	Area (sf)
JOST World	Greenbase	Industrial shed	Oragadam	2,00,000
DHL	Sakthi Industrial Park	Warehouse	Irungattukottai	1,61,000
Cooper & Turner	Greenbase	Industrial shed	Oragadam	82,000

SIGNIFICANT LAND TRANSACTIONS H2 2022

Buyer	Seller	Type	Submarket / Location	Area (acre)
Capita Land	Godrej	Industrial	Ambattur	4 Acres

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