

	Warehouse	Industrial
LEASING in msf (H2 2022)	3.4	NA
AVG RENTALS in INR/sf/month	21	23
LAND VALUE Avg. Y-o-Y growth	3 - 6%	3 - 6%

Strong growth in warehouse leasing led by consumer durables and 3PL

Demand for warehousing space has picked up sharply in H2 2022 with a leasing volume of more than 3.4 msf. Consumer durables and 3PL occupiers drove bulk of market activity with approx. 36% and 31% market share, respectively in H2. Reputed companies such as Reliance, Schneider, Tata Croma, V guard, and Godrej leased nearly 1.0 msf (combined) of warehousing space across locations such as Shamshabad, Jeedipally, and Ghatkesar in the South, North, and east peripheries, respectively. Chemicals sector accounted for 17% share in H2 leasing volume driven by space take-ups by companies like Fosroc chemicals, ITC, and Asian Paints. Annual leasing volume stood over 4.5 msf, growing by 37% compared to 2021.

Higher demand for warehousing in proximity to the city

The strong warehouse leasing was primarily seen along the Northern corridor with a significant rise in the number of deals that got signed as compared to 2021. Demand for space in proximity to the city has also seen an increase. For instance, Kompally has recorded a huge jump in demand for warehouse space in a span of one year. On the other hand, leasing activities in Peripheral Northern areas, which were quite active until 2021, have slowed down due to the availability of better options within the city. The Southern Corridor has also been very active and has seen over 2X rise in the number of fresh leases that were finalised in 2022 owing to the presence of airport in its vicinity. Market activity is expected to pick up further momentum in 2023 with demand coming from E-commerce, FMCG, and other 3PL logistic companies across the Northern and Southern Corridors.

Robust increase in investments; numerous new establishments in pipeline.

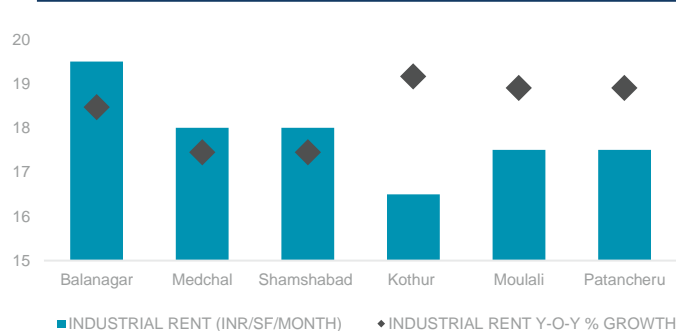
The state government's announcement of the Logistics Policy in 2021 is being considered a big driver of demand in 2022. This announcement has had an impact with various Industrial, Pharmaceutical & E-Commerce companies having set up their projects in the north, west and south of Hyderabad during 2022. In particular, the Northern & Southern stretches have been witnessing more enquiries from industrial, manufacturing and assembling clients. Data centres and pharmaceutical industries have also been scouting for space across prominent locations in the above-mentioned submarkets. Among few of the developments in pipeline, world's largest integrated R&D and manufacturing cluster (i.e. NIMZ), a mega pharma park expected to attract investment worth USD 9.7 is to be launched soon in Zaheerabad, Apollo Tyres Ltd intends to set up its second Digital Innovation Centre in Hyderabad after London, Jockey, a popular innerwear brand by Page Industries is investing INR 290 Crores to build its own facility on a 25-acre land parcel and an Industrial park spread across 547 Acres is being built by the state Government towards the east of the city (Hyderabad Vijayawada highway) for MSME Industries in the state.

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



Industrial H2 2022

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
Medchal	18-22	13%	71	0.86	0.85	9%
Shamirpet	18-22	13%	22	0.27	0.26	10%
Fab City	20-24	5%	30	0.36	0.36	20%
Kothur	17-21	6%	25	0.28	0.28	21%
Moulali, Nacharam	24-28	20%	95	1.15	1.14	6%
Uppal	19-23	19%	170	2.07	2.03	6%
Patancheru	21-25	5%	85	1.03	1.02	6%

KEY INDUSTRIAL SUBMARKETS - RENTALS AND LAND RATES – December 2022

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Kothur	19-23	6%	25	0.28	0.28	21%
Moulali, Nacharam	26-30	20%	95	1.15	1.14	6%
Uppal	21-25	19%	170	2.07	2.03	6%
Patancheru	23-27	5%	85	1.03	1.02	6%

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 is 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)
Reliance	ESR	Warehouse	Shamshabad	276,000
Express bees	Indian Logistics	Warehouse	Medchal	200,000
Schneider	GMR	Warehouse	Shamshabad	200,000

SIGNIFICANT LAND TRANSACTIONS H2 2022- ONLY L&I SECTOR LAND TRANSACTIONS

Buyerna	Seller	Type	Submarket / Location	Area (acre)
No land transaction in Industrial & Warehouse sectors was recorded during H2 2022				

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