

Warehouse Industrial

LEASING in msf (H1 2023)	1.73	NA
AVG RENTALS in INR/sf/month	21	23
LAND VALUE Avg. Y-o-Y growth	3%-6%	3%-6%

E-commerce and consumer durable sector occupiers drive warehouse demand in H1

Hyderabad warehousing sector recorded a lease volume of 1.73 msf, a 62% growth on a y-o-y basis even with a 49% drop from H2 2022. Approx 55% of the total half-yearly lease volume was driven by the e-commerce segment with a large space taken up by a prominent global firm. The consumer durable & electronics segment together followed with a 27% share in half-yearly leasing. 3PL and Logistics players continued to lease with warehouse space take-up (~290,000 sf) being at par with the volume transacted during the same period last year.

Shamshabad submarket dominated warehouse leasing; rentals remain unchanged

Demand for warehousing in the southern corridor (Shamshabad Submarket) which has been growing since H1 2022, recorded a 41% growth in H1 2023 on a half-yearly basis. The southern corridor accounted for ~59% of the city's warehouse leasing in the first half of the year with major contributors being e-commerce and consumer durable & electronics segment players. The Northern Corridor accounted for 23% of the warehousing demand with consumer durables (16%) and 3PL (4%) sectors driving the leasing activity. Warehouse rentals remained stable across prominent locations such as Shamshabad, Patancheru, and Medchal during H1. Land rates have however inched up recording an average of 8-12% annual growth in Medchal, Kothur, Shamirpet, and Patancheru submarkets. Limited supply in organized Grade A warehouse space continues to pose a challenge for occupiers in the city.

ECONOMIC INDICATORS Q2 2023

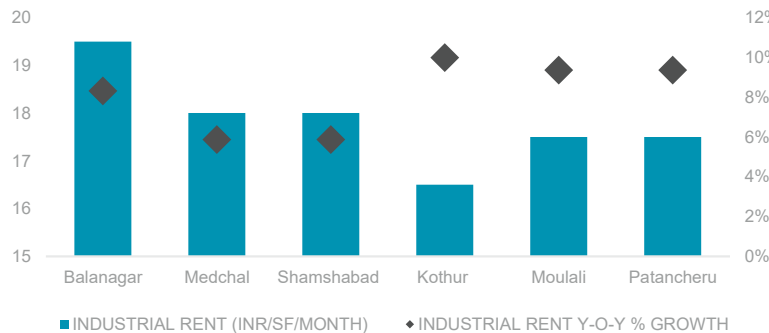
	2022	2023	2024 Forecast
GDP Growth	7.2%	6.1%	6.5%
CPI Growth	6.7%	5.3%	5.0%
Consumer Spending	7.5%	7.0%	6.7%
Govt. Final Expenditure Growth	9.7%	8.1%	7.4%

Source: Oxford Economics, RBI, IMF

2023 Industrial Policy led to heavy Investments in Industrial Sector.

The state government's industrial policy is trying to provide a framework to attract foreign investments in the market. HMDA has recently decided to develop six parks along the Outer Ring Road in the next 2 years. Logistics parks are aimed at streamlining freight movement and supporting industrial activity in Metropolitan Area. Industrial infrastructure is anticipated to have an impact due to the government's new industrial policies and other initiatives.

INDUSTRIAL RENT / Y-O-Y GROWTH



WAREHOUSING RENT / Y-O-Y GROWTH



Industrial H1 2023

KEY WAREHOUSING SUBMARKETS - RENTALS AND LAND RATES – June 2023

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 – June 2023

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
Medchal	20-24	13%	71	0.86	0.85	9%
Shamirpet	20-24	13%	22	0.27	0.26	10%
Fab City	22-26	5%	30	0.36	0.36	20%
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= 82.17 INR and Euro 1 = INR 89.43

SIGNIFICANT INDUSTRIAL / WAREHOUSE TRANSACTIONS H1 2023

Lessee	Lessor	Type	Submarket	Area (sf)
Amazon	GMR	Warehouse	Shamshabad	900,000
Delhivery	Individual	Warehouse	Medchal	200,000
Harrier Electronics	Individual	Warehouse	Medchal	125,000

SIGNIFICANT LAND TRANSACTIONS H1 2023- ONLY L&I SECTOR LAND TRANSACTIONS

Buyerna	Seller	Type	Submarket / Location	Area (acre)
No prominent land transactions in Warehouse & Industrial sector recorded during H1 2023				

Srija Banerjee

Assistant Vice President, Research Services

+91 080 40465555 /srija.banerjee@cushwake.com

Suvishesh Valsan

Director, Research Services

+91 22 67715555 /suvishesh.valsan@cushwake.com

cushmanwakefield.com**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in approximately 400 offices and 60 countries. In 2022, the firm reported revenue of \$10.1 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), Environmental, Social and Governance (ESG) and more. For additional information, visit www.cushmanwakefield.com.

©2022 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.