

	Warehouse	Industrial
LEASING in msf (H2 2023)	4.81	2.62
AVG RENTALS in INR/sf/month	24.3	25.3
LAND VALUE Avg. Y-o-Y growth	-2.9%	0.3%

### Robust leasing of warehouse spaces, largely driven by Oragadam submarket

Chennai experienced robust warehouse leasing activity in the second half of 2023 reaching 4.81 msf, a 2.2x growth compared to H1 2023. The western region played a significant role in driving demand during H2, with Oragadam leading the leasing activity at 30% market share, followed by Sriperumbudur submarket with 23% share. Logistics/3PL sector dominated half-yearly leasing, contributing to a 64% share, while Engineering & Manufacturing segment held 29% share.

For the full year 2023, leasing activity stood at 6.97 msf, nearly threefold increase compared to 2022. Oragadam submarket witnessed robust demand with gross leasing reaching 2.14 msf, a 5x growth compared to 2022. Locations such as Vallam, Ullavur, Oragadam and Sunguvarchathiram in the western region experienced healthy activity in 2023, while Vengal, Poochiathipeedu, Orakadu and Janappanchatram in the northern corridor saw notable activity. Throughout the year, demand was predominantly driven by the 3PL/logistics sector, contributing 64% to the yearly gross leasing activity, followed by the Engineering & Manufacturing sector with a 31% share. 3PL/logistics players serving clients in the FMCG and engineering & manufacturing spaces were active.

### Annual rental appreciation across most submarkets owing to good demand

In H2-23, warehousing rentals remained unchanged across most markets except for Gummidipoondi submarket where it grew 11% compared to H1 2023. This increase can be attributed to limited supply and good demand observed in this submarket, driven by 3PL players. On a yearly basis, submarkets like Periyapalayam and Gummidipoondi saw significant rental appreciation ranging from 22-25% on a y-o-y basis, owing to healthy demand. Additionally, submarkets such as Oragadam, Sriperumbudur and Irungattukottai witnessed rental appreciation in the range of 8-12% on a y-o-y basis.

### Strong demand for industrial sheds fuelled by the Automobile sector in H2

In the second half of 2023, leasing activity for industrial sheds surged to 2.6 msf, marking a significant 2x growth compared to H1-23. Key industrial clusters, including Sriperumbudur, played a prominent role in the half-yearly leasing, commanding 40% share, followed closely by Oragadam with 35%. Automobile sector led the leasing activity in H2, constituting 33% share, followed by the Energy sector with a 25% share. On a yearly basis, manufacturing tenants leased a total of 3.8 msf in 2023. Oragadam emerged as the dominant submarket with a 43% share, followed by Sriperumbudur with 38% share. For the full year, the Electronics sector led with a 28% share, followed by the Automobile sector with a 24% share. While half-yearly rental rates for industrial sheds remained unchanged, significant rental growth of 8-13% on a y-o-y basis was observed across industrial clusters of Oragadam, Sriperumbudur, Gummidipoondi, Irungattukottai, GST Road and Madhavaram.

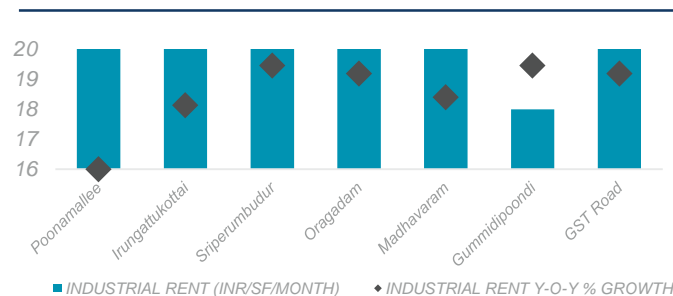
The industrial land prices in submarkets of Sriperumbudur and Irungattukottai saw a marginal rise of 2-4% y-o-y, attributed to robust infrastructure support and healthy demand. The Tamil Nadu Global Investors Meet 2024 is anticipated to garner significant investments, particularly from automobile industry, thereby potentially influencing demand for industrial and warehouse spaces in the upcoming quarters.

### ECONOMIC INDICATORS H2 2023

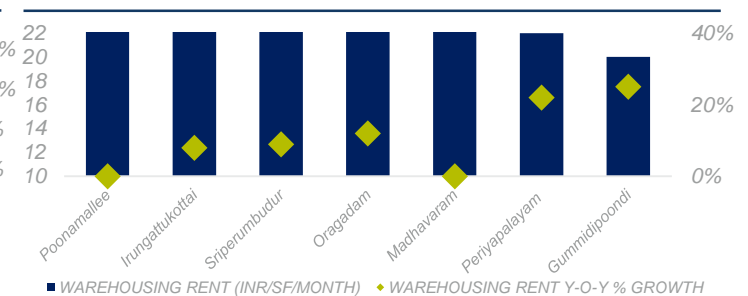
	2022	2023	2024 Forecast
GDP Growth	7.2%	6.1%	6.5%
CPI Growth	6.7%	5.3%	5.0%
Consumer Spending	7.5%	7.0%	6.7%
Govt. Final Expenditure Growth	9.7%	8.1%	7.4%

Source: Oxford Economics, RBI, IMF

### INDUSTRIAL RENT / Y-O-Y GROWTH



### WAREHOUSING RENT / Y-O-Y GROWTH



## KEY WAREHOUSING SUBMARKETS - RENTALS AND LAND RATES – December 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
Madhavaram	23	0%	80	0.96	0.89	0%
Periyapalayam	22	22%	16	0.19	0.18	-6%
Irungattukottai	27	8%	26	0.31	0.29	0%
Sriperumbudur	25	9%	23	0.28	0.26	-8%

## KEY INDUSTRIAL SUBMARKETS - RENTALS AND LAND RATES – December 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
Sriperumbudur	26	13%	23	0.28	0.26	4%
Oragadam	28	12%	25	0.30	0.28	0%
Irungattukottai	27	8%	26	0.31	0.29	1%
Gummidipoondi	18	13%	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= 83.3 INR and Euro 1 = INR 89.6

## SIGNIFICANT INDUSTRIAL / WAREHOUSE TRANSACTIONS H2 2023

Lessee	Lessor	Type	Submarket	Area (sf)
DHL	Indospace Ullavur	Warehouse	Oragadam	500,000
Inalfa Gabirel	Indospace - Kunnam	Industrial shed	Oragadam	200,000
Kerry Indev	Tapp Sem	Warehouse	Sriperumbudur	500,000
SV Global	Polyhose	Warehouse	Irungattukottai	220,000
First Solar	TVS Infra	Industrial shed	Sriperumbudur	570,000

## SIGNIFICANT LAND TRANSACTIONS H2 2023

Buyer	Seller	Type	Submarket / Location	Area (acre)
House of Hiranandani	Aggregation	Industrial	Vishnuvakkam	35 Acres

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