

Industrial H1 2024

	Warehouse	Industrial
LEASING in msf (H2 2023)	1.44	0.16
AVG RENTALS in INR/sf/month	22	24
LAND VALUE Avg. Y-o-Y growth	10%-12%	10%-12%

Hyderabad Warehousing market moderation in H1 2024

Hyderabad's warehousing sector took a measured pace in H1 2024, with total space absorption reaching 1.44 msf, marking a 17% dip YOY over H1 2023. This moderation can be attributed to the impact of recent elections, which influenced decision-making over the past 3-6 months. While H1 saw a slowdown, H2 is expected to rebound driven by retail expansion, manufacturing growth, and rising logistics needs.

Large-sized deals (more than 1 lakh sq ft) accounted for the highest market share with almost 59%, followed by mid-sized deals (50,000 -1 lakh sq ft) capturing 26% market share. The leasing activity was primarily driven by three sectors: Retail, Third-party logistics (3PL) firms, E-Commerce and Manufacturing. Collectively, these sectors captured a dominant share of the market, at approximately 90%.

Limited supply, rental growth in select markets

Medchal in the North and Shamshabad in the South emerged as the most sought-after locations, garnering maximum traction. Warehouse leasing activity was concentrated in these two regions, collectively accounting for 93% of the total volume. On the rental front, the city experienced a moderate increase of 5-7% YOY across the warehousing sector. This growth was particularly notable in key micro-markets like Kothur and Patancheru.

Land prices, witnessed a significant rise across all sub-markets, with average annual growth reaching 10-12%. This price hike, coupled with limited availability of organized Grade A warehousing spaces, continues to pose a challenge for businesses seeking occupancy.

ECONOMIC INDICATORS Q2 2024

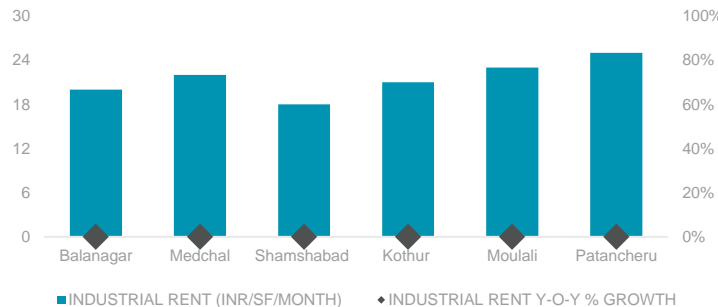
	2023	2024	2025 Forecast
GDP Growth	7.3%	7.0%	6.5%
CPI Growth	5.6%	4.5%	4.2%
Consumer Spending	5.0%	6.1%	6.5%
Govt. Final Expenditure Growth	7.5%	7.0%	6.7%

Source: Oxford Economics, RBI, IMF

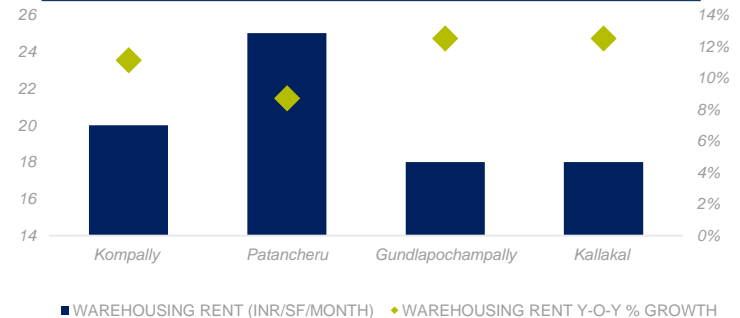
Industrial Space leasing picks up pace

Industrial space leasing witnessed an uptick in H1 2024, reaching 0.16 msf, a significant improvement over the negligible levels recorded in the same period last year. Patancheru dominated the leasing activity, with Shamshabad accounting for the remaining share. Retail and manufacturing sectors were the primary drivers of industrial activity. Rental rates for industrial spaces remained stable during the period. To further bolster industrial growth, the state government is set to introduce six new industrial policies. The new policy framework is expected to play a pivotal role in shaping the state's industrial landscape and driving economic development.

INDUSTRIAL RENT / Y-O-Y GROWTH



WAREHOUSING RENT / Y-O-Y GROWTH



Industrial H1 2024

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
Medchal	18-22	0%	80	0.96	0.89	13%
Shamirpet	18-22	0%	35	0.42	0.39	59%
Fab City	20-24	0%	35	0.42	0.39	17%
Kothur	19-23	11%	30	0.36	0.33	20%
Moulali, Nacharam	24-28	0%	100	1.20	1.11	5%
Uppal	20-24	5%	180	2.16	2.00	6%
Patancheru	23-26	7%	100	1.20	1.11	18%

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
Medchal	20-24	0%	80	0.96	0.89	13%
Shamirpet	20-24	0%	35	0.42	0.39	59%
Fab City	22-26	0%	35	0.42	0.39	17%
Kothur	19-23	0%	30	0.36	0.33	20%
Moulali, Nacharam	26-30	0%	100	1.20	1.11	5%
Uppal	21-25	0%	180	2.16	2.00	6%
Patancheru	23-27	0%	100	1.20	1.11	18%

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\$ = INR 83.4 AND € = INR 89.9

SIGNIFICANT INDUSTRIAL / WAREHOUSE TRANSACTIONS H1 2024

Lessee	Lessor	Type	Submarket	Area (sf)
CanPac	-	Industrial	Patancheru	100,000
DP World	-	Warehouse	Shamshabad	225,000
Ratnadeep	-	Warehouse	Medchal	400,000

SIGNIFICANT LAND TRANSACTIONS H1 2024- ONLY L&I SECTOR LAND TRANSACTIONS

Buyer name	Seller	Type	Submarket / Location	Area (acre)
No prominent land transactions in Warehouse & Industrial sector recorded during H1 2024				

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