



**LIMITED SUPPLY KEEPS VACANCY LEVELS TIGHT**

In 2024, with no significant additions to city’s logistics and industrial (L&I) inventory, total stock remained steady at 31.0 msf, while vacancy levels tightened to a range of 6–8%. The limited supply, combined with sustained demand across sectors, maintained upward pressure on rents for available spaces. Looking ahead to 2025, approx. 1 msf of new supply is expected to enter the market, with a significant portion concentrated in the northern sub-market. This new supply is anticipated to ease some of the market constraints and provide additional options for businesses seeking expansion or relocation.

**LARGE DEALS DROVE DEMAND; 3PL LED AMONGST SECTORS**

In H2 2024, Hyderabad’s warehousing sector saw a total absorption of 1.5 msf, an 8% dip compared to H1. Despite this, annual absorption reached 3.1 msf, marking a 46% YoY increase over 2023. South Hyderabad dominated leasing activity with a 42% overall share, followed by North Hyderabad with 31% share, the majority of which was driven by activity in Medchal. Large-sized deals (over 1 lakh sq. ft.) accounted for 58% of transactions, while mid-sized deals (50,000–1 lakh sq. ft.) captured 30% share. 3PL accounted for the largest share in leasing, leading demand with a 49% share. This was followed by Engineering & Manufacturing at 33%, while Retail and E-Commerce collectively accounted for 17%.

**UPWARD PRESSURE ON RENTS; LAND PRICES RISE**

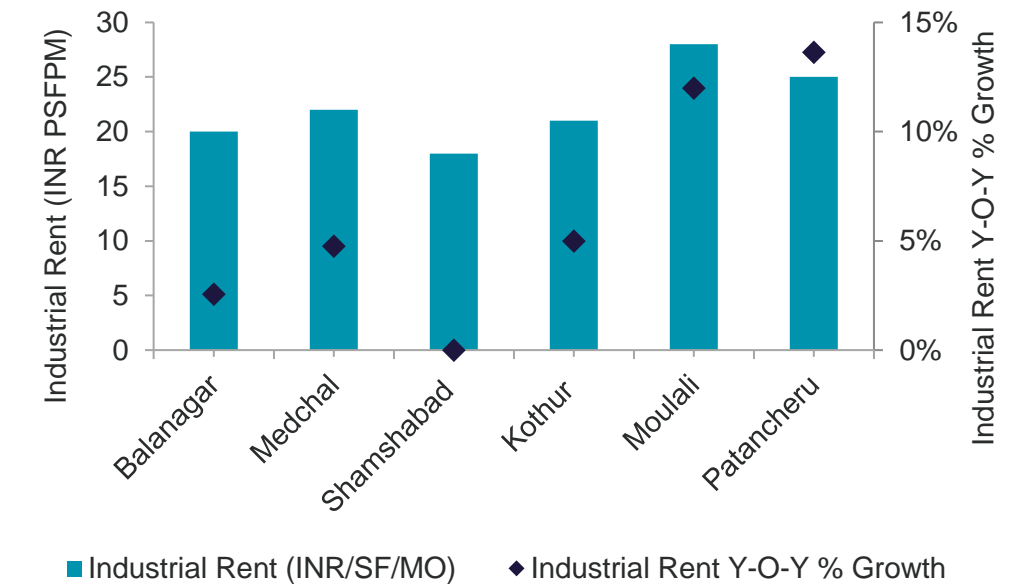
Average warehouse rental rates in Hyderabad rose by 3% YoY over H2 2023, with South and West sub-markets driving growth. On the industrial front, rental rates recorded a YoY increase up to 4%, primarily driven by activity in the North. Land prices witnessed a rise across all sub-markets, with an average annual growth of 12% YoY in 2024. This price escalation, coupled with the limited availability of organized Grade A warehousing spaces, continues to present challenges for businesses seeking quality space.

On the policy front, the state government is contemplating six new industrial policies, focusing on sectors such as electric mobility, electronics, life sciences, defense and aerospace. These initiatives aim to shape the state's industrial landscape and foster economic development.

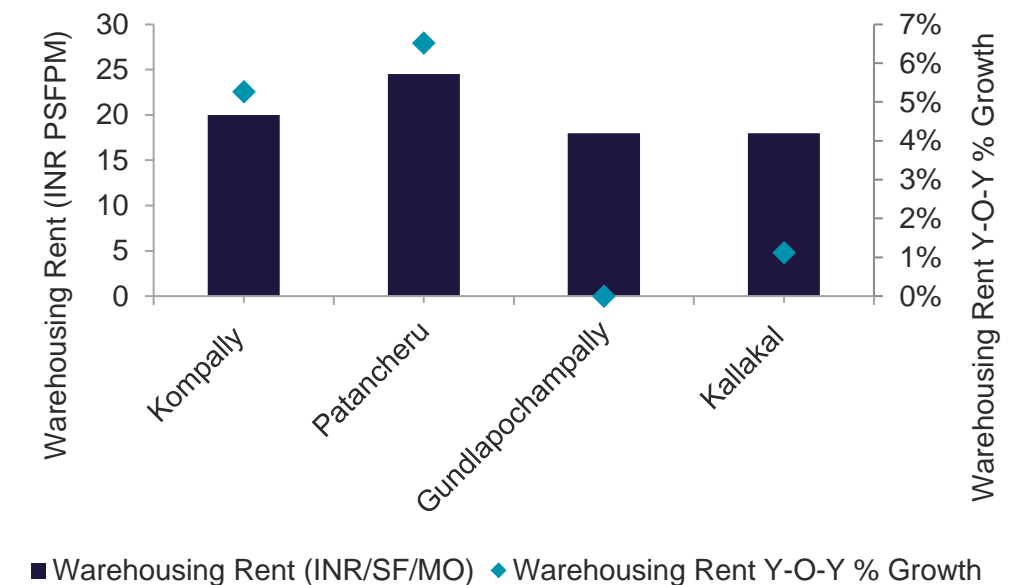
**MARKET FUNDAMENTALS**

	H1 2024	H2 2024
<b>Inventory</b> (in MSF)	<b>31.0</b>	<b>31.0</b>
<b>Vacancy (%)</b>	<b>6-8%</b>	<b>6-8%</b>
<b>Upcoming Supply</b> in next 12 months (MSF)	<b>0.3</b>	<b>0.6</b>
<b>L&amp;I Leasing (2024)</b> (in MSF)	<b>1.6</b>	<b>1.5</b>
<b>Average Rentals Range</b> (INR PSFPM)	<b>16-26</b>	<b>17-27</b>
<b>Land Transacted</b> (in acres)	<b>8-15</b>	<b>8-15</b>
<b>Land Values Range</b> (INR Cr per acre)	<b>30-90</b>	<b>30-90</b>

**INDUSTRIAL RENT / Y-O-Y GROWTH**



**WAREHOUSING RENT / Y-O-Y GROWTH**



KEY WAREHOUSING SUBMARKETS – RENTALS AND LAND RATES – DECEMBER 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
North	18-22	0.0%	30-50	0.33 - 0.55	0.36 - 0.59	14%
South	18-22	4.8%	40-60	0.44 - 0.67	0.47 - 0.71	11%
West	23-26	4.3%	60-90	0.67 - 1.00	0.71 - 1.07	9%

KEY INDUSTRIAL SUBMARKETS – RENTALS AND LAND RATES – DECEMBER 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
North	20-24	4.8%	30-50	0.33 - 0.55	0.36 - 0.59	14%
South	21-25	2.1%	40-60	0.44 - 0.67	0.47 - 0.71	11%
West	24-28	4.2%	60-90	0.67 - 1.00	0.71 - 1.07	9%

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= 84.4 INR and Euro 1 = INR 90.1

SIGNIFICANT INDUSTRIAL / WAREHOUSE TRANSACTIONS H2 2024

LESSEE	LESSOR	TYPE	SUBMARKET	AREA (SF)
Premier Energies	Horizon	Industrial Shed	Shamshabad	260,000
Marri Retail	GMR-ESR	Warehouse	Shamshabad	250,000
Vijay Sales	Individual Landlord	Warehouse	Medchal	132,000
Frontier Energies	Horizon	Industrial Shed	Shamshabad	110,000
ALPLA	Individual Landlord	Warehouse	Patancheru	100,000

SIGNIFICANT LAND TRANSACTIONS H2 2024

BUYER	SELLER	TYPE	SUBMARKET / LOCATION	AREA (ACRE)
Cloud Player	-	-	Mekaguda	25
Cloud Player	-	-	Mekaguda	12
Cloud Player	-	-	Elikatta	50

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