MARKETBEAT

# BENGALURU

INDUSTRIAL H2 2024



CUSHMAN & WAKEFIELD

## MARKET FUNDAMENTALS

| | H1 2024 | H2 2024 |
|---|---|---|
| **Inventory** (in MSF) | 43 | 45 |
| **Vacancy** (%) | 7% | 20% |
| **Upcoming Supply** in next 12 months (MSF) | 2.5 | 5.5 |
| **L&I Leasing** (in MSF) | 3.7 | 2.0 |
| **Average Rentals Range** (INR PSFPM) | 22 | 22.5 |
| **Land Transacted** (in acres) | 145 | 355 |
| **Land Values Range** (INR MN per acre) | 25-35 | 25-35 |

## WAREHOUSE LEASE VOLUMES AT A RECORD HIGH IN 2024

Bengaluru recorded 1.8 msf of warehousing lease volumes in H2 2024 with the full year ending at nearly 5 msf, a record high and around 17% higher than the previous year. The eastern corridor continued to dominate warehouse leasing activity, accounting for 39% of lease volumes in H2 with locations such as Hoskote, Malur and Soukya Road the major contributors. The western corridor followed in the second spot with a 35% share with Nelamangala the primary warehousing destination. South bengaluru (Hosur) accounted for 26% of lease volumes. 3PL operators contributed over 50% of warehouse lease volumes in h2 followed by retail (25%) and manufacturing (18%). For the full year, eastern corridor contributed 41% of annual warehouse lease volumes followed by west (38%) and south (20%). 3PLoperators accounted for 41% of annual lease volumes followed by manufacturing (24%) and retail (18%).

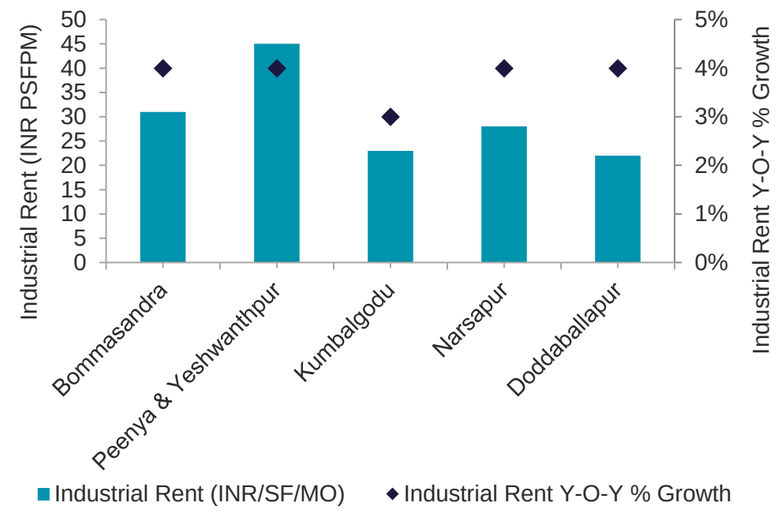
## HEALTHY SUPPLY PIPELINE; RENTALS RECORD MARGINAL GROWTH

Bengaluru recorded warehouse supply addition of around 2 msf in H2 with the city's total inventory (A+B) at 45 msf by the end of the year. Supply pipeline remains strong with around leading developers and warehouse operators expediting greenfield projects to cater to the robust demand for premium warehouse space. Land parcels have also been transacted by leading players across the western (Dabaspet, Nelamangala) and eastern (Hoskote, Narsapura) corridors for planned developments. Headline warehouse rentals posted a growth of 4-5% on an annual basis in H2 while land prices rose by 9-10% yoy.

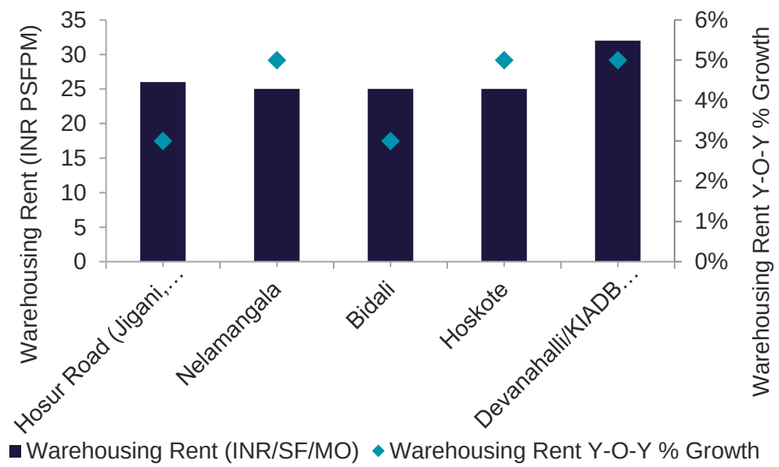
## SLOWER INDUSTRIAL LEASING IN H2

Bengaluru recorded industrial leasing of just over 0.2 msf in H2, with the full year figure at around 0.8 msf, an 18% drop from the previous year. Industrial leasing was recorded at Doddaballapur (north) in H2 and for the full year, north Bengaluru contributed 41% of annual leasing volumes followed by west (34%). Headline industrial rentals increased by 3-4% on an annual basis in H2.

## INDUSTRIAL RENT / Y-O-Y GROWTH




## WAREHOUSING RENT / Y-O-Y GROWTH






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## 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 |
| Hosur Road (Jigani, Attibele) | 24-27 | 3-4% | 70-120 | 0.83-1.42 | 0.78-1.33 | 9-10% |
| Nelamangala | 22-25 | 4-5% | 35-50 | 0.41-0.59 | 0.39-0.56 | 9-10% |
| Bidadii | 22-25 | 3-4% | 55-65 | 0.65-0.77 | 0.61-0.73 | 7-8% |
| Hoskote, Malur | 23-26 | 4-5% | 35-40 | 0.41-0.47 | 0.39-0.45 | 9-10% |
| Devanahalli/KIADB Hitech Zone | 30-32 | 4-5% | 60-100 | 0.71-1.18 | 0.67-1.12 | 8-9% |

## 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 |
| Bommasandra | 30-33 | 3-4% | 175-195 | 2.07-2.31 | 1.95-2.18 | 8-10% |
| Peenya | 42-45 | 3-4% | 220-260 | 2.61-3.08 | 2.46-2.90 | 6-8% |
| Kumbalgodu | 23-25 | 2-3% | 110-130 | 1.30-1.54 | 1.23-1.45 | 6-8% |
| Narsapura | 25-28 | 3-4% | 25-30 | 0.30-0.36 | 0.28-0.33 | 8-10% |
| Doddaballapur | 21-23 | 3-4% | 25-35 | 0.30-0.41 | 0.28-0.39 | 8-10% |

*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) |
|---|---|---|---|---|
| Cheng May Technologies | Indospace | Industrial | Narsapura | 40,000 |
| D-Mart | Individual | Warehouse | Nelamangala | 252,527 |
| DHL | Ascendas Firstspace | Warehouse | Hoskote | 165,000 |
| NX Logistics | Sumadhura | Warehouse | Hoskote | 180,000 |
| Future Accessories | Avigna | Warehouse | Hosur | 127,542 |

## SIGNIFICANT LAND TRANSACTIONS H2 2024

| BUYER | SELLER | TYPE | SUBMARKET / LOCATION | AREA (ACRE) |
|---|---|---|---|---|
| Ascendas Firstspace | Individual | Warehouse | Hoskote | 50 Acres |
| Indospace | Individual | Warehouse | Nelamangala | 18 Acres |

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