

THE INDOSPACE QUARTERLY

April, 2018

2017- A LOOKING GLASS



India rolled out **GST (Goods and Services Tax)** in July 2017, replacing a host of indirect central and state levies. Post GST, with a uniform tax structure eliminating state boundaries, the number of large-format modern warehouses closer to consumption centres is increasing.



The government granted **infrastructure status to the logistics sector** to promote development of integrated logistics framework in the country including industrial parks, cold storages and warehousing facilities. This move enables the industry to raise long-term credit from banks and other financial institutions at lower rates and further attract foreign investments.



India jumped 30 notches up and is now in the **top 100 on the World Bank's 'ease of doing business' index**, thanks to major improvements in resolving insolvency, paying taxes, protecting minority investors and ease of availing credit.



3PL & e-commerce dominate leasing- Supported by healthy consumer spending, 3PL and e-commerce businesses together were responsible for almost 60% of absorption.



2017 has seen approx. INR 10,000 crore + investment in the Indian Industrial & Logistics space. Notable among them was Canada Pension Plan Investment Board's (CPPIB)'s investment of more than INR 3,000 Crore in Indospace which is one of the biggest examples of **increasing focus on investments in this sector.**



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New Trends Unfolding in 2018: Industrial Revolution 4.0

End of 18th Century

1st Industrial Revolution (IR 1.0)
Mechanical Production Facilities were introduced, which used the power of steam

Beginning of 20th Century

2nd Industrial Revolution (IR 2.0)
Mass production was introduced which used electrical energy

Beginning of 1970s

3rd Industrial Revolution (IR 3.0)
Electronics and IT were introduced in Manufacturing sector, with further automated production.

Present

4th Industrial Revolution (IR 4.0)
Automation and 'Artificial Intelligence' are going to be the driving factors in manufacturing

Globally, manufacturing is going through a phase of Industrial Revolution 4.0, where real and virtual worlds meet. It involves the full integration of manufacturing technologies and systems to make 'smart factories'

Impact of Industrial Revolution 4.0 on the Industrial & Logistics Sector

ARTIFICIAL INTELLIGENCE

Enabling machines to make decisions and perform activities autonomously

DIGITALIZATION

Application of digital technology in supply chain to increase the access and fluidity of data flow

WAREHOUSING

Digitalization and Network Collaboration to enable efficient capacity planning and demand forecasting for warehousing

TRANSPORTATION

Access to data through Digitalization would aid in network optimization for efficient transport planning

SECURITY

Digitalization would increase the transparency of supply chains making it more secure and reliable

IR 4.0 would lead to a paradigm shift in the industrial and logistics sector. With its implementation being precision and process driven, grade A ready-built/build-to-suit spaces will provide the necessary solution.



















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- TOP EIGHT INDIAN CITIES
- INDOSPACE NEW LAUNCHES - 2017

	SUPPLY ADDITION	ABSORPTION
AHMEDABAD		
BENGALURU		
CHENNAI		
DELHI NCR		
HYDERABAD		
KOLKATA		
MUMBAI		
PUNE		

 GROWING
  STABLE
  STAGNANT

IndoSpace Supply Update-2017

IndoSpace has an inventory of 28 projects across different parts of the country. Select launches are identified below

Badli, Haryana

Aligned with the logistics spine of India in NCR

- Proximity to KMP interchange
- Easy connectivity to upcoming Dwarka Expressway

 Kundali-Manesar-Palwal Expressway 7 KM (12 min)	 New Delhi Border 8 KM (15 min)	 Dwarka Expressway 25 KM (25 min)
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Bhaproda, Haryana

Distribution hub near to the industrial suburbs




- Excellent connectivity to Delhi NCR
- Good for national and regional distribution

 Kundali-Manesar-Palwal Expressway 7 KM (12 min)	 IMT Manesar 25 KM (50 min)	 New Delhi Border 8 KM (15 min)
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Ranjangaon, Pune

Top grade MIDC industrial park

- Home to numerous manufacturing companies
- State of the art infrastructure with 1 km frontage on Nagar Highway

 Pune International Airport 52 KM (70 min)	 NH-50 Pune Nashik Highway 40 KM (60 min)	 Pune Railway station 54 KM (70 min)
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Khopoli, Mumbai

Excellent proximity to Mumbai and Pune

- Near to JNPT-large container handling port
- Easy 3-way connectivity through rail, road and port

 Mumbai-Pune Expressway 8 KM (15 min)	 Khopoli Railway Station 16 KM (30 min)	 Khopoli City Centre 18 KM (35 min)
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Narsapura, Bengaluru

Strategic location in Chennai Bengaluru corridor

- Situated off Old Madras Road
- Ease in connectivity to three ports of Chennai

 National Highway (NH 75) 6 KM (10 min)	 Railway Station 22 KM (40 min)	 Whitefield 40 KM (60 min)
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Things to watch out for in 2018: Race for Last Mile Connectivity

Last mile connectivity - the final delivery of goods from distribution centre/ retail store to consumer's front door is the most cost-intensive part of the supply chain in India. In addition to this, there has been a change in retailing in terms of growth of omni-channel retail, which has far more reliance on last-mile resources.

As a result, the last mile delivery and connectivity space is likely to witness major innovations and changes to suit the new age market demand. There could be more specialised last-mile fulfilment service providers as modern logistics players are searching for alternatives for in-house distribution, fleet ownership and door to door delivery services.

We may, for example, see growth in solutions such as conveniently placed public "smart lockers" into which deliveries can be made and can be collected later by consumers using their smart phones as keys. In the same way, it may also help the process of returns.

Meanwhile, it is also possible that click-and-collect services will expand further, which may even lead to conversion of larger retail stores into warehouses for storage, providing online shoppers an alternative way to collect their purchases.



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