

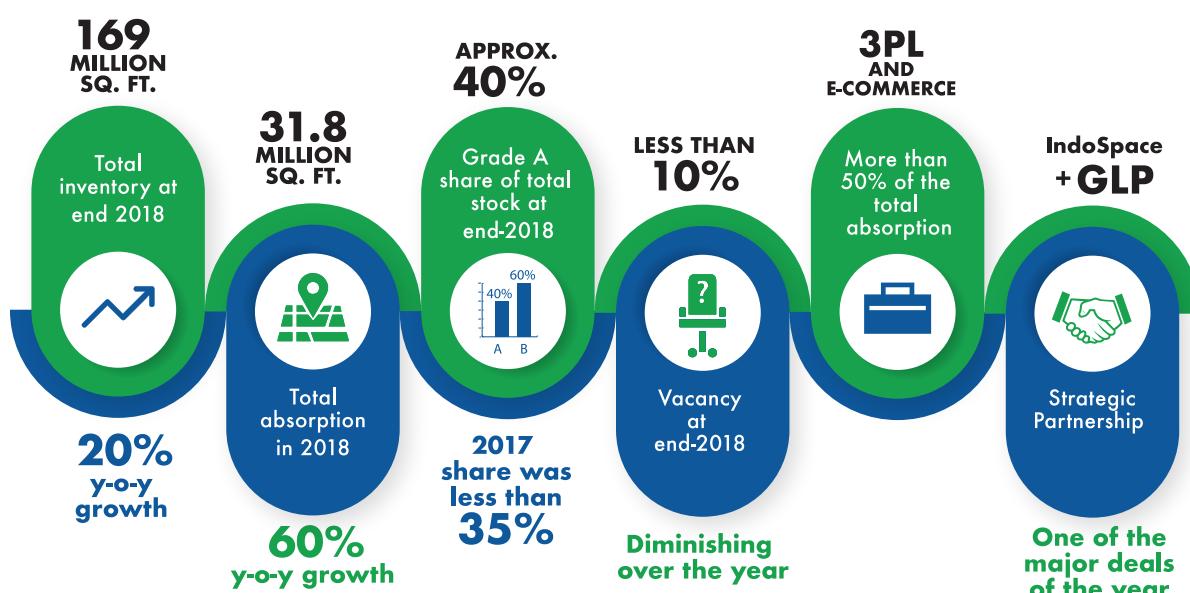
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QUARTERLY

APRIL, 2019

WRAPPING UP 2018

Warehouse & light manufacturing real estate in India

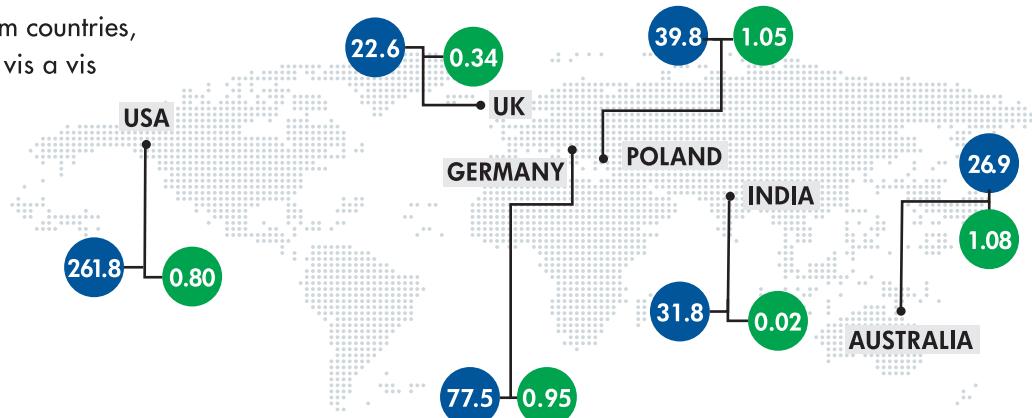


India absorption performance amidst the global take-up

The take-up of 31.8 million sq. ft. in 2018 was 60% higher than the 2017 levels. However, considering the global perspective of industrial & warehousing space in some of the other mainstream countries, the Indian absorption vis a vis population is far less.

As a result, the future probability of the take-up in a developing country, such as India, growing manifold, is very strong.

- Take-up (million sq. ft.)
- Take-up per individual



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BUILD-TO-SUIT (BTS) DEVELOPMENT & ADVANTAGE FOR OCCUPIERS

The BTS Real Estate Perspective of India

India witnessed a significant share of absorption in BTS, as approx. 35% of the total 32 million sq. ft. of industrial and logistics real estate in 2018 was contributed by BTS leases. The shift which was witnessed in almost all the Tier-I cities encompasses various factors, occupier preference especially from 3PL, e-commerce and retail as major influencers.

Interestingly, a large share of these BTS leases concluded were in Grade A projects with land availability as there is a limited



35% OF TOTAL ABSORPTION IN 2018



FOCUS ON ALMOST ALL THE TOP CITIES



E-COMMERCE, 3PL, RETAIL OCCUPIERS

supply of ready-built Grade A properties with large box sizes and required technical specifications. Going forward, the requirement for BTS developments would remain steady supported by various parameters such as financial considerations, select availability of suitable ready-built spaces, and enhanced technical requirements.

BTS developments are not only a focused development type in India but are also being considered as a property type to look forward to in developed nations as well. For example, the UK, which is primarily considered to be a Grade A market witnessed almost 75% of the total absorption in 2018 in BTS developments.

The advantages of BTS: Occupier Perspective

In most cases, a new built-to-suit development tends to be a more cost-effective and less risky endeavour than some other types of development. The property is

designed and build to suit the specifications of the tenant. Therefore, the tenant has significant input into the design and construction. Ultimately, this approach helps to

- Maximise space
- Maximise efficiency
- Provide operational advantage

- Create the base for suitable intralogistics planning
- Reduce CAPEX investment

The creation of a tenant's ideal property helps them to avoid settling for an existing structure that may not meet their specific requirements and therefore may lack the needed efficiency.

The IndoSpace Advantage

With a total of nearly 31 million sq. ft. (2.9 mn sq. mt.) of existing and upcoming projects across different parts of India,

IndoSpace is already home to several clients for their BTS needs from different segments. IndoSpace has successfully delivered BTS spaces of 2.54 mn sq.ft. (0.23 mn sq. mt.) with a pipeline area of 0.81 mn sq.ft. We build close partnerships with

clients to understand their business needs and use our expertise in industry specific state-of-the-art infrastructure and logistics facilities to deliver the most optimal solution. Our BTS services include Site Selection, Master Planning, Facility Design & Construction, and Property Management.

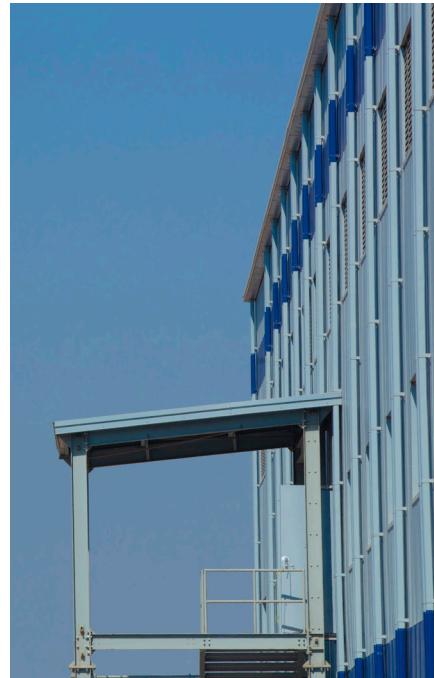
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INDIA MARKET MOVEMENT

CITY	SUPPLY ADDITION	ABSORPTION
AHMEDABAD		
BENGALURU		
CHENNAI		
DELHI NCR		
HYDERABAD		
KOLKATA		
MUMBAI		
PUNE		
Growing		Stable
Stagnant		



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DELHI NCR – THE BIGGEST WAREHOUSE HUB OF INDIA

With the growth of Warehousing & Logistics industry in India at an all-time high, Delhi NCR has been the biggest beneficiary with the highest absorption across all the cities.

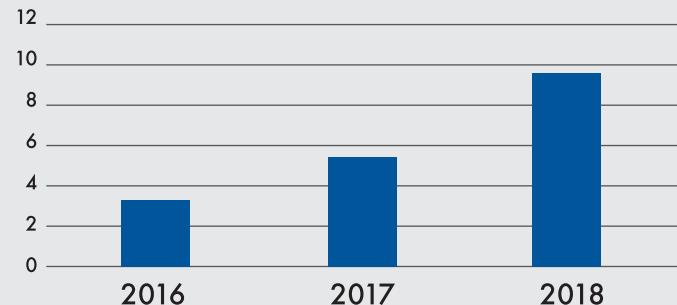
With 9.8 million sq. ft. of take-up in 2018, Delhi NCR witnessed about 30% of the total absorption in the country. A large share of about 65% came from two sectors, namely 3PL and e-commerce. NH8-Gurgaon remained the largest corridor with almost 75% of the total take-up. The demand has also increased manifold during 2016-18.

It is important to mention that the

stock has grown at a similar pace and has reached nearly 40 million sq. ft. by the end of 2018, clocking a near 30% y-o-y jump in

its total inventory. The overall vacancy witnessed downward trend and was hovering above 10%.

Delhi NCR Absorption



Highlights of Delhi NCR warehousing real estate

9.8 MILLION SQ. FT. OF ABSORPTION IN 2018

MORE THAN 20% OF THE COUNTRY'S STOCK

VACANCY WITNESSED SOUTHWARD TREND

DRIVEN BY 3PL AND E-COMMERCE

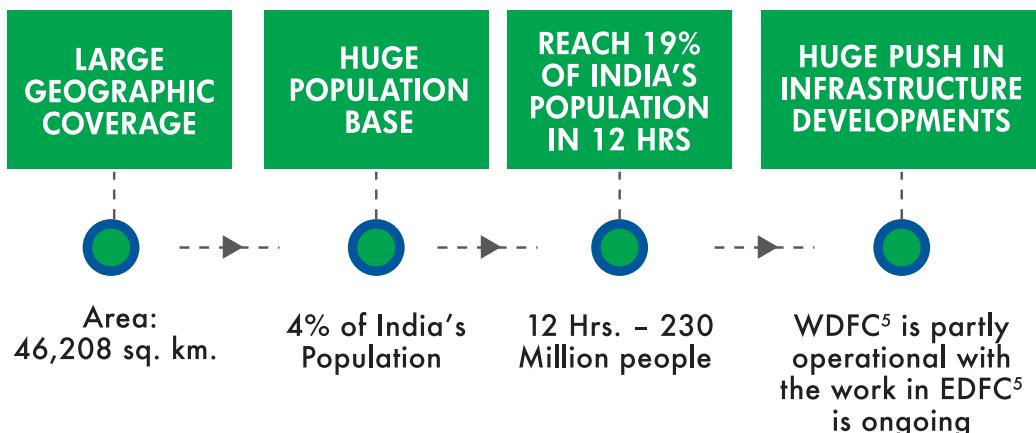
GURGAON NH8 REMAINED THE FOCUS CORRIDOR

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Drivers of Delhi NCR



Future outlook

With steady demand arising out of large consumer base, JLL Industrial Research predicts that long term potential of the region looks strong and favourable. The vacancy is expected to hover around 10% in the next few years. Interestingly, the share of Grade A stock is likely to increase and the stock would be more than double the present level.

³Source: NCR Planning Board | ⁴Source: Census of India, 2011 | ⁵WDFC- Western Dedicated Freight Corridor & EDFC – Eastern Dedicated Freight Corridor

Indospace at Delhi NCR

Indospace has been one of the leading contributors to the Grade A stock in the Delhi NCR. We have a landbank of

over 324 acres in the Delhi-NCR Region with chargeable area of almost 8 million sq. ft. (0.8 million sq.mt.) Indospace caters

to the Delhi-NCR region, through 5 industrial and logistics parks in Luhari, Badli and Bhaproda.

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