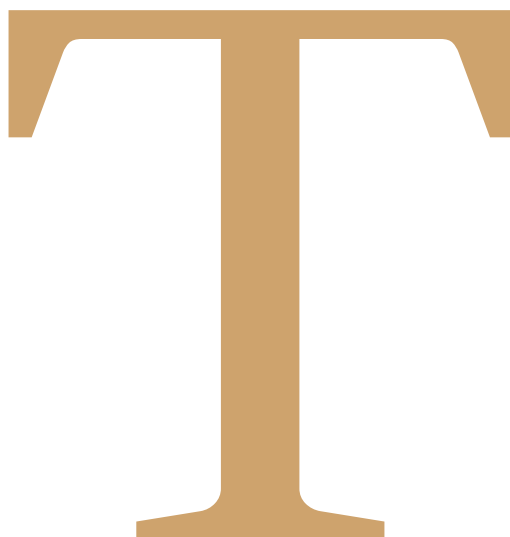


Warehousing in the fast lane

on India's High Weighed Economy





he real-estate sector as a whole is a key component in any thriving economy. And, when talking about the impact of industrial real-estate on the overall economy, it can be clearly understood when we take a look at any nation's logistics sector growth story. In the face of the COVID-19 disaster, the Indian industrial and logistics (I&L) sector remained largely resilient and bounced back once the pandemic was over. Today, businesses look at India as an attractive, resilient, and cost-effective investment destination to contain costs. A number of large overseas investors have pumped money into the country's real-estate



TVS ILP Madurai facility

sector in recent years, attracted by its potential for long-term growth. This has helped to offset any slowdown in domestic demand and keep the market afloat.

With India's rising importance in the global value chain, it is estimated that the I&L stock would double by 2030 to cross 700 million sq ft as occupiers continue to expand across segments such as e-commerce, 3PL, and engineering & manufacturing. It is therefore estimated that more than US\$20 billion in investment would be required to develop additional I&L spaces by 2030 across the length and breadth of the country.

The I&L sector has taken up the gauntlet thrown by the rise of e-commerce and omnichannel retail. The shortage of available industrial land and last-mile delivery call for urban distribution centres that guarantee same-day deliveries and this has directly impacted the market. Super-fast deliveries and last-mile management have made it all the more necessary to bring warehouses closer to cities to enable quick and efficient logistics service. Due to these reasons, the industrial real-estate market is living in the golden age. In addition, some of the trends set to shape logistics real-estate in the coming years are already on the horizon: taller storage installations, XXL warehouses (measuring over 50,000 sq mt and usually located far from cities), and smaller facilities (micro-fulfilment centres) established close to large urban areas.

"A paradigm shift is being witnessed in the demand landscape of the industrial and warehousing real-estate sector," agrees **Hemant Prabhu Keluskar, Chief Operating Officer, Greenbase Industrial & Logistics Park** (a fully-owned subsidiary of Hiranandani Group). "Companies have pinned the focus on optimal capacity utilisation, cost efficiency and hi-tech integration in the business model. The demand for instant delivery has nudged companies to practice hub-and-spoke models with in-city warehousing gaining momentum."

"The just-in-time (JIT) delivery phenomenon has induced market players to diversify their footprints across geographies from metropolis to tier cities," continues Keluskar.

Trends in Grade A Gross absorption (mn sq ft)

City	2021	2022	YoY Change
Bengaluru	3.2	3.5	11%
Chennai	3.8	2.7	-28%
Delhi NCR	6.5	8.8	34%
Mumbai	4.6	3.9	-15%
Pune	4.6	5.6	21%
TOTAL	22.7	24.5	8%

Trends in Grade A Gross supply (mn sq ft)

City	2021	2022	YoY Change
Bengaluru	1.4	2.1	55%
Chennai	4.2	2.5	-42%
Delhi NCR	11.9	7.8	-34%
Mumbai	4.1	2.7	-34%
Pune	2.5	4.1	61%
TOTAL	24.1	19.2	-20%

Source: Colliers

Note: Data pertains to Grade A buildings



“The reverse migration during COVID times impelled commercial real-estate players to foray in tier cities fuelling job creation. This has led to an increase in purchasing power and subsequently demand for goods in tier and semi-urban areas. Hence, it has paved an opportunity for the logistic players to develop Grade A assets by setting up regional warehousing in such offbeat locations to catch up with the same-day delivery trend.”

Opportunities, challenges, and the Master Plan

Amid a buoyant outlook, top-ranking global real-estate consultant CBRE’s ‘2023 India Market Outlook’ report forecasting I&L supply to exceed 2022 levels and touch 24-26 million sq ft in 2023 couldn’t come at a better time.

The share of project completions by prominent global/domestic developers is expected to increase to 40 per cent in 2023-24 from 37 per cent during 2021-22, the report said. The demand is expected to be predominantly driven by 3PL and engineering & manufacturing occupiers. The report points to anticipated heightened interest from FMCG, retail and electronics & electrical firms. Moreover, the share of large-sized deals ranging from 32-35 per cent is expected in 2023.

The report clearly outlines how the government’s holistic approach to transform the logistics sector and bring it at par with global standards through a comprehensive logistics plan, supply side interventions (such as a unified policy framework, interconnected infrastructure, digital transformation and a skilled ecosystem) and a detailed policy on warehousing standards are aimed at capacity building across the sector and driving investments. This would ultimately enable India to figure among the top 25 countries on the Logistics Performance Index by 2030.

One of the top concerns is the availability and quality of infrastructure, including transportation networks, power supply, and logistics facilities. Another concern revolves around the regulatory framework governing the sector, including land acquisition processes, zoning regulations, and ease of doing business. A favourable regulatory environment can encourage real-estate developers to invest and undertake new projects. The overall market demand for industrial real-estate is influenced by economic factors such as GDP growth, manufacturing output, and consumer spending. Therefore, considering these, developers in the industry must re-evaluate their models and strategies to adapt to the changes and capitalise on emerging opportunities.

MANIKANDAN RAMACHANDRAN
CHIEF OPERATING OFFICER,
TVS INDUSTRIAL AND LOGISTICS PARKS



Growth levellers are even, and momentum is only likely to ramp up in magnitude. While the global real-estate industry has seen a slump and sales plummet and I&L portfolio leasing is likely to slow down to 32-35 million sq ft in 2023 due to global headwinds, as CBRE depicts, the Indian industrial real-estate sector serves as a fitting example of tiding over tumultuous times and show signs of growth consistency in the years to come.

“The industrial real-estate is witnessing its dream run currently with initiatives such as Make in India, Performance Linked Incentive (PLI) scheme, the introduction of the Goods and Services Tax (GST), and the stellar rise of e-commerce in India. These factors are driving the demand for the sector across the country,” says **Abhijit Verma, Founder and MD, Avinya Industrial & Logistics Park.**

“As a testament to this, industrial and warehousing space witnessed absorption of around 11 million sq

With India's rising importance in the global value chain, it is estimated that the I&L stock would double by 2030 to cross 700 million sq ft as occupiers continue to expand across segments such as e-commerce, 3PL, and engineering & manufacturing. It is therefore estimated that more than US\$20 billion in investment would be required to develop additional I&L spaces by 2030 across the length and breadth of the country.

Super-fast deliveries and last-mile management have made it all the more necessary to bring warehouses closer to cities to enable quick and efficient logistics service. Due to these reasons, the industrial real-estate market is living in the golden age. In addition, some of the trends set to shape logistics real-estate in the coming years are already on the horizon: taller storage installations, XXL warehouses (measuring over 50,000 sq mt and located far from cities), and smaller facilities (micro-fulfilment centres) close to large urban areas.



Avinya ILP facility



3PL and e-commerce players have always garnered the lion's share of Grade A warehousing properties to bring efficiencies into their supply chain operations. This coupled with the ability of an asset to offer a well-built infrastructure and limited risks make it an attractive investment proposition. In the long-run, as rents rise and the demand for the best of the properties increases, it will lead to each and every occupier viewing Grade A warehousing properties as an investment avenue to save on costs and bring efficiencies. At Avinya, we believe in developing state-of-the-art Grade A warehousing properties to fulfil the evolving requirements of emerging businesses across the country. Our decades of knowledge and expertise play a key role in empowering landlords to emerge as developers, attracting investments from across the board.

ABHIJIT VERMA
FOUNDER AND MANAGING DIRECTOR,
AVINYA INDUSTRIAL & LOGISTICS PARK

ft in Q1 2023, including 77 per cent from tier I cities and 23 per cent from tier II and III cities, as reported by international property consultant Savills. Moving forward, the industrial and logistics sector is likely to see absorption of 40+ million sq ft in 2023.”

“At present, India's per capita warehousing stock stands at just 0.02 sq mt as compared to that of the US, China and the UK that have 4.4 sq mt, 0.8 sq mt, and 1.09 sq mt, respectively, according to property consultant Knight Frank, spelling out huge opportunities to expand.”

“In the near-term, as I see, the demand for small, medium and large warehousing is going to increase significantly led by dark stores and Direct-to-Consumer (D2C) brands selling through e-commerce, among other factors. These indicate healthy fundamentals for a sector which will form the basis as India looks forward to becoming a US\$5 trillion economy,” Verma maintains.

The role of the government here, he says, will be to support the sector in keeping the input costs in check as it can play a spoilsport in the sector's growth story. Pooja Malik, Head of Leasing at Horizon Industrial Parks agrees that the growth of the industrial real-estate sector in India is at an all-time high. She quotes a latest report by JLL which indicates supply and demand in top 8 cities growing in tandem at a CAGR of 20 per cent and 19 per cent respectively, between 2016 and 2022.

“At approximately 49 million sq ft, Grade A comprised 68 per cent of the net absorption in these locations, the report notes, adding that there is a clear preference for Grade A, as not only demand, the rentals for superior quality warehouses have also grown YoY at 9 per cent in 2022 (vs 7 per cent Grade B).”

Validating the above statement, **Manikandan Ramachandran, Chief Operating Officer, TVS Industrial and Logistics Parks (TVS ILP)** acknowledges the significant momentum and considerable investments flowing into the sector, which he says, clearly exhibits the sector's inherent potential. “The sector continues to have ample room for further expansion and progress and positive developments have created an encouraging

environment for the growth of this industry.”

“The regional markets are emerging as hubs for warehousing solutions in the country. We have observed a significant trend where companies in the FMCG and FMCD segments are relocating their operations to the regional warehousing market due to space constraints. This dynamic market presents substantial potential as a favourable real-estate asset class,” adds Rama.

“Tapping this opportunity, TVS has expanded its footprints in the tier II and III cities like Madurai, Cuttack, Vishakapatnam, etc. with the aim to offer last-mile connectivity to its customers and helping them expand their reach across India through the company’s hyper-localised network.”

“As of 2023-24, the regional warehousing market is set to gain momentum owing to the emerging growth opportunities. Tier II and III markets are expected to serve as prime markets,” says **Anshul Singhal, Managing Director of Welspun One Logistics Parks (WOLP)**. “Reports and insights suggest tier II and III cities witnessed 17.4 per cent YoY growth in industrial and warehousing absorption. Although absorption in top tier I markets continued to dominate, warehousing absorption of close to 10 million sq ft was attributed to tier II and III cities.”

“National initiatives like the National Logistics Policy (NLP) and the PM Gati Shakti are being developed to make the Indian logistics sector a key

driver of economic growth. The Union Budget 2023’s focus on infrastructure creation is also in line with the policy intent of the NLP, which seeks to reduce the logistics cost as a percentage of GDP from 14 per cent to 8 per cent, thereby increasing the overall competitiveness of the country’s logistics industry.”

“Warehousing, being a critical component of the sector, will be a direct beneficiary of this growth,” notes Singhal.


“Definitely, this would have been not possible without the government’s efforts, such as the development of industrial corridors,” adds Rama. “This has contributed to the robust growth of the warehousing sector and created new avenues for stakeholders.”

“We appreciate the centre’s proactive approach in implementing business-friendly reforms, harmonising planning implementation and through initiatives like the NLP, improving connectivity through Dedicated Freight Corridors (DFCs), while providing incentives to promote the establishment of warehousing and logistics facilities in strategic locations.”


Keluskar couldn’t agree more. “The government is highly focused on curating strategic policy frameworks to improve ease of doing business. Impetus to mega infrastructure projects by setting up the National Infrastructure Pipeline (NIP) funds will help establish last-mile connectivity via multimodal and dedicated freight corridors.”


“India is aiming towards becoming a global

Avinya is a new entity in the market but fast growing. The developer is bullish on the long-term growth of the sector and among the first movers to unlock huge land parcels in the world’s seventh largest country to empower businesses of all shapes across the country.



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Greenbase has a natural competitive edge due to the rich legacy of Hiranandani Group and its expertise in land acquisition, approval liaison, construction and precision engineering, timely delivery, high credit and customer ratings and pioneers of developing mixed-use township. Greenbase currently has parks in Chennai, Pune, Panvel, Nashik, and Durgapur spanning over the total developmental potential of approximately 15 million sq ft. The company aims to expand this target to 30 million sq ft in the next five years.

manufacturing hub with the Make in India objective. The PLI schemes and NIP policy have been attracting global industries to set up their base in Indian corridors which will undoubtedly augment the growth trajectory of the logistics and warehousing industry going forward,” he bets.

The current state of industrial real-estate shows promise and offers opportunities aplenty. However, there is an urgent need to take stock of certain concerns to understand its impact on the scale and revenue of businesses, something Singhal does understand as see as hampering the growth pace.

“While the growth of the sector is noteworthy, there are some underlying concerns that need to be addressed in order to derive maximum productivity from this sector,” apprises Ramachandran.

According to Singhal, “A primary problem that continues to remain a challenge in the warehousing sector has been identifying bankable land assets in strategic locations for warehouses. When it comes to the primary requirements of the business, land and location play an integral role.” However, as a business, he says, WOLP has endeavoured to address these challenges through a rigorous assessment process.

Taking cue from the above statement, Malik adds, “There is a wide gap between the cost of doing business and development – and rental growth. This is compounded by the unavailability of adequate land for setting up warehouses within or near urban centres, and unnatural growth in land prices due to multiple Indian and multi-national developers entering this asset class. Even after identifying suitable land parcels for industrial and warehousing purposes, it takes several months to acquire or start building on that land leading to potential revenue loss.”

Further, she says, in the absence of a single nodal agency for land-related approvals, there are significant delays in the conversion of land for setting up of warehouses owing to multiple approvals, and liaison needed with multiple departments/authorities for the purpose of acquisition.

For Rama one of the top concerns is the availability and quality of infrastructure, including transportation



We have been the youngest and the fastest growing warehouse developer in the country. In just a span of four years, we are running at a capacity of 12 million sq ft of warehousing space and that too all grown organically. We genuinely feel that with growing population and rapid digitalisation, the expansion of our portfolio into strategic tier II markets will hold great potential in future. Our 2.5 million sq ft of warehousing real-estate space is fully occupied and another 1.8 million sq ft is under construction. Over the past three years, we have developed and leased 2.1 million sq ft in Oragadam, Tamil Nadu. We have been able to develop and lease approximately 0.5 million sq ft in Talegaon, Pune. As far as ground-breaking projects are concerned, we always consider our new warehousing parks to be a trend-setter in the industry.

HEMANT PRABHU KELUSKAR
 CHIEF OPERATING OFFICER,
 GREENBASE INDUSTRIAL & LOGISTICS PARK
 (PART OF HIRANANDANI GROUP)



networks, power supply, and logistics facilities. “Insufficient infrastructure can hamper the operations and efficiency of firms in the sector, potentially impacting their business scale and revenue generation.”

Echoing the same sentiment as Malik, he adds, another concern revolves around the regulatory framework governing the sector, including land acquisition processes, zoning regulations, and ease of doing business. A favourable regulatory environment, Rama says, can encourage real-estate developers to invest and undertake new projects.

“The overall market demand for industrial real-estate is influenced by economic factors such as GDP growth, manufacturing output, and consumer spending. Therefore, considering these concerns, developers in the industry must re-evaluate their models and strategies to adapt to the changes and capitalise on emerging opportunities.”

“Meanwhile, continued collaboration between the government and industry stakeholders is crucial



Greenbase ILP facility

Horizon Industrial Parks brings to the table Blackstone's global experience in logistics management and operating expertise, and its capability of speedy decision-making, acquisitions, development, and leasing. The company's proven track record in developing superior facilities in committed timelines in the first year of its operations, have made Horizon a partner of choice for our customers.

to address challenges related to infrastructure, land availability, and policy frameworks.”

For Verma, the key challenge is the widespread unavailability of quality land along with a lack of professionally developed micro, small and medium warehousing properties. “The latter becomes essential to support small businesses across the country.”

Avinya, Verma says, is committed to solving these pain points and is among the first organisations to empower small and medium landowners and aggregators in India to become Grade A developers and fulfil the need for quality commercial spaces in the country. “This becomes imperative in expanding the burgeoning warehousing infrastructure development in the country which is currently limited to the top 8-10 cities only. Our efforts are enabling local landlords and aggregators to acquire the necessary skill sets and knowledge to attract the right clients and make the right use of their real-estate assets,” Verma adds.

Meanwhile, Singhal points out some other pre-eminent factors that stakeholders should take heed of. “Strict adherence to compliance standards is another variable that can bear direct impact on the business,” he says. “Zero tolerance to statutory non-compliance is a reflection of a company’s commitment to quality grade infrastructure. When compliance is consistently monitored and practised across the business value chain, it can prove to be beneficial to the parties involved.”

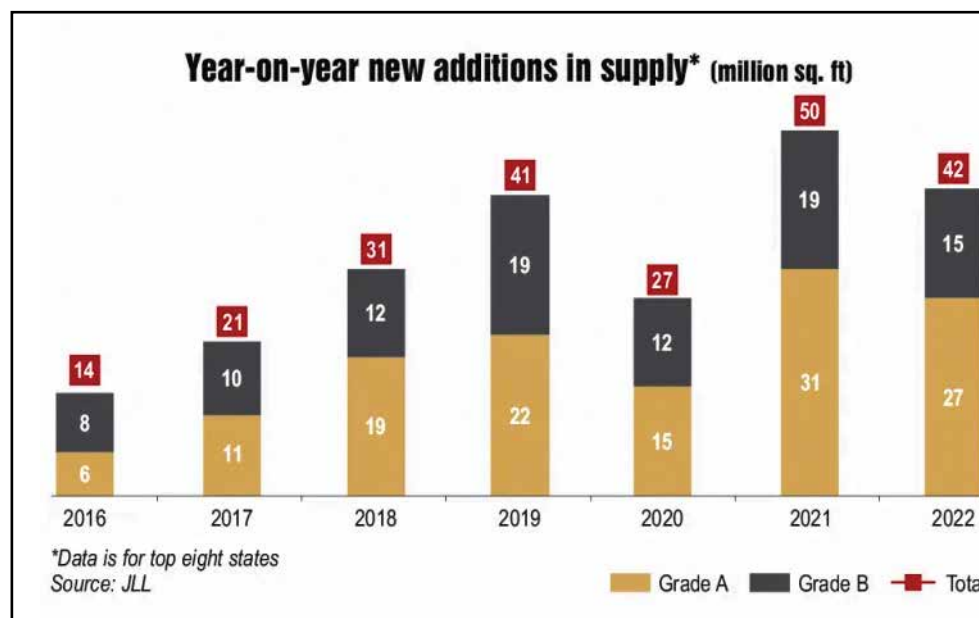
Also, Grade A classification, Singhal says, needs to be defined by clear characteristics that sets it apart from other forms of classification. “These specifications will enable businesses and clients to collaborate seamlessly, thus offering premium infrastructure that will aid in elevating business operations. From a business and legal perspective it is imperative to establish clarity in terms of Grade A classification.”

Grade A: Key facet altering warehousing infrastructure

Fulfilling all the necessary requisites, Grade A warehouses emerged as the one-stop solution, and its demand continued to witness a major uptick, which Malik had also mentioned in her initial statement. Grade-A warehouses are essentially gigantic spaces that allow storing, facilitate efficient operations of the supply chain of any business, and are built with modern amenities, state-of-the-art infrastructure and technology to provide competencies. Occupiers thus prefer Grade A properties with good eaves height and compliances. Moreover, the economy is going to see larger companies adopting new and rising technologies like Artificial Intelligence (AI), Blockchain, etc. at scale to enhance efficiency to satisfy the changing consumer needs.

Grade A warehouses in India are almost equivalent to international standards in terms of quality, which encourages more investors to invest and attract MNC clients who need such facilities. Global manufacturing companies have been stepping into the country to build manufacturing hubs that can establish an incremental supply base for them. The entry of these new global participants with limited/no presence in India will warrant an imperative need for Grade A parks providing clean, marketable land titles, assistance for all statutory approvals, and permits for hassle-free onboarding.

With the upgradation of warehouses from Grade B and C to Grade A facilities, the sector has been rapidly expanding its roots in tier I and II cities. According to a recent Business Today report, in 2015, there were only 3 per cent of Grade A warehouses.





We are deeply committed to creating a green and sustainable future for India with an immediate focus on reducing the carbon intensity of our business by 15 per cent, over the next three years. With this sustainability goal as our North Star and excellence as one of our core values, we have been delivering best-in-class infrastructure with a variety of options to suit every customer requirement including, ready buildings with plug and play facilities and fully customisable BTS units. We have laid a robust foundation in FY23, the very first year of our establishment by adding 3.7 million sq ft to our portfolio through Greenfield and Brownfield acquisitions in Kothur (Hyderabad), Shoalagiri (Hosur), Dobbaspeth (Bengaluru), Chakan (Pune), and Koka (NCR).

POOJA MALIK
HEAD- LEASING,
HORIZON INDUSTRIAL PARKS



Avinya ILP facility

Up till, last year, the share increased to 10 per cent in terms of growth of Grade A warehouses. Well, this illustrates that the sector is not only developing but getting more organised.

According to international real-estate advisory firm Savills India, Grade A space accounted for 42 per cent of total absorption and 48 per cent of total supply witnessed in 2022.

"Increasing business complexity, scale, and customer expectations are driving the shift to Grade A warehouses. Many new-age companies and global players who have set shop in India are also demanding warehouses which are at par with global benchmarks," states Malik.

"Analysis of supply chain efficiencies over a period, clearly shows the benefits of investing in or running operations in Grade A industrial and logistics facilities, which provide more clear height (12 mt or above), greater floor strength (5 mt or above), comply with safety, health and environment regulations, resulting in higher manpower productivity, all the while supporting the implementation of technology, automation, and mechanisation."

At Horizon, Malik says, they follow market trends and work closely with customers to understand their business/product roadmaps and supply chains, to expand proactively in markets where our customers aspire to grow. In line with this approach, the developer has taken a strategic decision to construct speculative buildings with best-in-class Grade A specifications to cater to customer demand, on time, every time.

Similarly, in the case of WOLP, the development of Grade A logistics parks centres on the continually evolving needs of clients. "We assure customer involvement through the development and management of our warehouses," says Singhal.

"Our built-to-suit (BTS) solutions take into consideration the complex infrastructure needs of our tenants. Right through the design and execution stages, our clients are assured the warehouses are in line with their requirements and expectations. Additionally, our BTS framework comprises speculative constructions followed by further development basis customised business requirements."

Such a level of customer-centrism, Singhal believes, has given WOLP the opportunity to serve Grade A tenants across e-commerce, retail, 3PL as well as start-ups across sectors, adding that their steadfast commitment to operational excellence, safety, and sustainability is aimed at redefining the industry's future.

Abundant reports and experts say and validate the growth of Grade A warehousing demand as driven by e-commerce and 3PL companies.

"3PL and e-commerce players have always garnered the lion's share of Grade A warehousing properties to bring efficiencies into their supply chain operations, accounting for over half of all Grade A transactions. This coupled with the ability of an asset to offer a well-built infrastructure and limited risks make it an attractive investment proposition," informs Verma.

According to a recent Business Today report, in 2015, there were only 3 per cent of Grade A warehouses. Up till, last year, the share increased to 10 per cent in terms of growth of Grade A warehouses. This illustrates that the sector is not only developing but getting more organised. According to Savills India, Grade A space accounted for 42 per cent of total absorption and 48 per cent of total supply witnessed in 2022.

From its flagship 110-acre park in Bhiwandi to strategic investments in Delhi/NCR, Bangalore, Lucknow-Kanpur, Welspun's portfolio continues to expand taking into consideration probable tier II and III markets. Recently, the company announced its JV with GRT Group to develop two warehouses in Tamil Nadu. Welspun has also signed MoUs with other state governments, including Haryana, Karnataka and Uttar Pradesh.

"In the long-run, as rents rise and the demand for the best of the properties increases, it will lead to each and every occupier viewing Grade A warehousing properties as an investment avenue to save on costs and bring efficiencies."

From a business perspective, supporting the growth prospects, Verma adds, "At Avinya, we believe in developing state-of-the-art Grade A warehousing properties to fulfil the evolving requirements of emerging businesses across the country. Our decades of knowledge and expertise plays a key role in empowering landlords to emerge as developers, attracting investments from across the board."

Greenbase also has a natural competitive edge due to the rich legacy of Hiranandani Group and its expertise in land acquisition, approval liaison, construction and precision engineering, timely delivery, high credit and customer ratings and pioneers of developing mixed-use township.

Keluskar elucidates, "Our real-estate township is testimonial to the exemplary civic and social infrastructure, integrated utility, and facility services along with the product innovation. Hiranandani Group's core competencies in the BTS model ensures quality, safety, structural stability, certification, and sustainability quotient."

TVS ILP's core strength also lies in their ability to offer a BTS model, tailoring each warehouse to meet the unique needs and requirements of clients. This personalised approach has played a pivotal role in retaining a significant portion of the company's client base.

"To stay abreast of industry standards and evolving market dynamics, TVS ILP consistently engages with customers to gain a deep understanding of their specific requirements," says Rama. "In the past, we have not only assisted our clients to execute customised floor designs but also offered assistance as a technical partner to ensure a smooth start to their operations."

"Apart from prioritising investing in cutting-edge infrastructure, our warehouse properties are meticulously designed to accommodate the evolving needs of our clients, boasting features such as high ceilings, ample loading docks, and efficient layouts that optimise storage and inventory management. This has helped us achieve 100 accident-free man-days in the majority of our warehouses."

Modernising the non-glamorous industry's future starts here and now

The forthcoming times will be optimistic for the logistics and warehousing sector. The knowledge from the pandemic-ridden years, the emphasis on building stability, the rise of e-commerce, the hastening of digital mediums, the adoption of newer technologies, and green logistics will boost the sector this year



Welspun Farukhnagar facility

and beyond. With a persistent focus, developers will have to become increasingly relevant ensuring agile establishments that respond effectively to the current scenario.

Apparently, environmental, social and governance norms and sustainability is charting a new course for warehousing in India. ESG is being considered to minimise carbon emissions. Sustainable construction materials are being explored for interiors, cool roofing and solar panels for exteriors, and wastewater treatment plants and rainwater harvesting for infrastructure. Combining expertise with both ESG and digital capabilities will drive deals as these will be key themes going forward. Looking at the immense potential, the market has a long runway for growth in this country and the industrial real-estate players must tap this demand to contribute in a big way to the take-off of the sector and the national economy at large.

"We are deeply committed to creating a green and sustainable future for India with an immediate focus on reducing the carbon intensity of our business by 15 per cent, over the next three years. With this sustainability goal as our North Star and excellence as one of our core values, we have been delivering best-in-class infrastructure with a variety of options to suit every customer requirement, including ready buildings with plug and play facilities and fully customisable BTS units," says Malik.

"Our speed in understanding customer requirements and delivering these solutions, and our proven track record in developing superior facilities in committed timelines in the first year of our operations, have made us a partner of choice for our customers. They have appreciated our sector expertise, attitude of collaboration and agility, quality, and commitment; ethos which set us apart in this industry."

"What's more, we bring to the table Blackstone's global experience in logistics management and operating expertise, and its capability of speedy decision-making, acquisitions, development, and leasing. We have laid a robust foundation in FY23, the very first year of our establishment by adding 3.7 million sq ft to our portfolio through Greenfield and Brownfield acquisitions in Kothur (Hyderabad), Shoolagiri (Hosur), Dobbaspur (Bengaluru), Chakan (Pune), and Koka (NCR)."

"To sustain the growth potential, we will continue



to onboard customers from a variety of sectors like cold chain, electric vehicles, and chemicals and offer bespoke solutions. We will also keep upgrading our operational parks with renewable energy solutions like rooftop solar panels to support our customers' ESG goals; and expand in attractive tier I and II markets where our customers aspire to grow," summarises Malik.

Greenbase currently has parks in Chennai, Pune, Panvel, Nashik, and Durgapur spanning over the total developmental potential of approximately 15 million sq ft. The company aims to expand this target to 30 million sq ft in the next five years with additional land banks being added to their portfolio.

"We genuinely feel that with growing population and rapid digitalisation, the expansion of our portfolio into strategic tier II markets will hold great potential in future," expresses Keluskar. "Our 2.5 million sq ft of warehousing real-estate space is fully occupied and another 1.8 million sq ft is under construction. Over the past three years, we have developed and leased 2.1 million sq ft in Oragadam, Tamil Nadu. We have been able to develop and lease approximately 0.5 million sq ft in Talegaon, Pune."

"As far as ground-breaking projects are concerned, we always consider our new warehousing parks to be a trend-setter in the industry. We have always looked to deliver our new projects with the same zeal as if it is our first."

With net-zero targets and sustainability becoming increasingly important, integrating green logistics and green channels for supply chain management into warehousing is crucial, and so is for Greenbase and TVS ILP.

"We have been the youngest and the fastest growing warehouse developer in the country. In just a span of four years, we are running at a capacity of 12 million sq ft of warehousing space and that too all grown organically," adds Keluskar. "While moving towards attaining our business goals, we have also been able to showcase our efforts towards the sustainable development of our clients, people and nature altogether. We have planted over 100 different species of plants to promote organic farming at our Talegaon project site. Our Talegaon project is the house to Miyawaki forest plantation as well, helping the growth and sustenance of the dense, native forest."

TVS ILP's warehouse designs and operations

WOLP's commitment to the Indian market extends beyond Grade A infrastructure development. We have harnessed the trust and confidence of high net-worth domestic investors securing capital commitments of ₹500 crores for our first fund. This year, we launched the largest AIF in warehousing at ₹2000 crore that includes a greenshoe option of ₹1000 crore. Eight weeks later, we have concluded the first close at ₹500 crores. The speed of the raise underscores the strong investor confidence in the prospects of the warehousing and industrial sector in India. Our Grade A industrial and logistics campuses enable seamless supply chain operations, positioning us as the preferred partner for businesses seeking efficient and effective warehousing solutions.

ANSHUL SINGHAL
MANAGING DIRECTOR,
WELSPUN ONE LOGISTICS PARKS



incorporate eco-friendly measures such as solar panel installations, rainwater harvesting, and waste management systems. "This commitment to sustainability not only contributes to the greater good but also meets the rising demand for environmentally responsible solutions in the market. In fact, our green practices have recently been recognised with the 'Best Green Warehouse' at 5th India Logistics & Warehousing Excellence Awards 2023," reveals Rama.

Sustainability also lies at the core focus at WOLP, and Singhal informs that their Grade A warehouses incorporate solar panels, wastewater management systems and most importantly, the prestigious IGBC certification. "We prioritise global compliance standards and place great emphasis on safety, health, and legal compliance thus showcasing resilience, sustainability, and adherence to the highest industry standards."

Avinya is a new entity in the market but fast growing. The developer is bullish on the long-term growth of the sector and among the first movers to unlock huge land parcels in the world's seventh largest country to empower businesses of all shapes across

Growth levellers are even, and momentum is only likely to ramp up in magnitude. While the global real-estate industry has seen a slump and sales plummet and I&L portfolio leasing is likely to slow down to 32-35 million sq ft in 2023 due to global headwinds, as CBRE depicts, the Indian industrial real-estate sector serves as a fitting example of tiding over tumultuous times and show signs of growth consistency in the years to come.



The forthcoming times will be optimistic for the logistics and warehousing sector. The knowledge from the pandemic-ridden years, the emphasis on building stability, the rise of e-commerce, the hastening of digital mediums, the adoption of newer technologies, and green logistics will boost the sector this year and beyond. With a persistent focus, developers will have to become increasingly relevant ensuring agile establishments that respond effectively to the current scenario.

the country. "This spells immense opportunities for industrial and warehousing development in the country," says Verma.

However, he acknowledges that it is imperative to solve the geographical complexities to be able to navigate through roadblocks to unleash the full potential of the asset. "Interestingly, the local landlords or aggregators are well suited for this with their immense knowledge of the region acquired over several years, which becomes crucial to ensure the long-term viability of the project. We aim to be a catalyst in leveraging their knowledge to help them emerge as Grade A developers by imparting the right business acumen, helping them connect with clients and guide them in the best use of their assets."

As a testament of their bullishness on the sector, Verma says, Avinya is developing an industrial and logistics park in Karnataka which is expected to create thousands of direct and indirect employment and entrepreneurship opportunities. It is being developed at Narasapura, Karnataka in collaboration with Logiy Spaces with a total investment outlay of US\$37 million. The first phase of the ambitious project is scheduled for completion by September 2023 and the project has already received soft commitments from some of the marquee clients from across the globe and will put Karnataka on the global warehousing map.

TVSILP, like every other developer, also see immense potential, particularly in the regional warehousing sector. "Our focus on tier II and III cities positions us strategically to tap into the growing demand for new-age and efficient warehousing solutions in these areas. We believe that the greatest potential lies in catering to the needs of FMCG and FMCD firms, as they continue to expand their operations and require state-of-the-art facilities," Rama puts across.

"With an increase in demand, it has been our primary focus to stay ahead of the curve. To achieve this, we are supporting our customers in the automation. For one of our plants in Hosur, we have done an interesting warehouse automation. In terms of ground breaking projects, recently, we announced our project in Vijayawada Andhra Pradesh which is all set to enable us to serve our clients better and further propel the growth of the logistics and warehousing industry."

An integrated fund, asset and development management organisation, WOLP recognises the vast potential lying ahead in the emerging Indian market. From the flagship 110-acre park in Bhiwandi

to strategic investments in Delhi/NCR, Bangalore, Lucknow-Kanpur, the company's portfolio continues to expand taking into consideration probable tier II and III markets.

Recently, WOLP announced its joint venture with GRT Group to develop two warehouses in Tamil Nadu. The projects are being developed as part of the company's MoU with the TN government to invest in the state over a period of five years. WOLP has also signed MoUs with other state governments, including Haryana, Karnataka and Uttar Pradesh, to develop Grade A warehousing facilities in those states that in turn will contribute directly to the state's economy and industrial development.

WOLPs expertise particularly lies in its unique integrated model that ensures end-to-end involvement – right from raising capital to identifying, evaluating and executing a transaction. Additionally, the entity is also able to execute the real-estate side of the business in-house including securing approvals, master planning and design, project management, leasing and operations, without having to depend on a third-party developer.

According to Singhal, WOLP was the first to identify an opportunity for domestic capital to invest in India's growing warehousing sector in a hassle free, transparent and institutional manner. "We provided this opportunity through financialisation of real-estate by launching India's first AIF focussed on warehousing development. Our SEBI registered AIF takes financialisation a step further as domestic investors can invest across the entire asset creation cycle starting from land acquisition, leasing and development without any of the hassles of physical ownership."

"Domestic investors can now warm up to this idea of financialisation that permits them to partake in varied investment opportunities and play an integral role in the Indian warehousing growth story."

Notably, WOLPs maiden fund garnered 100 per cent commitment, encompassing 6 projects spanning 6.5 million sq ft of Grade A warehousing and industrial space. Fund 1 exhibits an impressive track record with over 50 per cent of the portfolio close to being leased and physically delivered within just two years.

"WOLP's commitment to the Indian market extends beyond Grade A infrastructure development. We have harnessed the trust and confidence of high net-worth domestic investors securing capital commitments of ₹500 crores for our first fund. This year, we launched the largest AIF in warehousing at ₹2000 crore that includes a greenshoe option of ₹1000 crore. Eight weeks later, we have concluded the first close at ₹500 crores. "The speed of the raise underscores the strong investor confidence in the prospects of the warehousing and industrial sector in India. Our Grade A industrial and logistics campuses enable seamless supply chain operations, positioning us as the preferred partner for businesses seeking efficient and effective warehousing solutions," asserts Singhal. [CE](#)