

# Industrial & Logistics

## Q3 2023



### Key Trends

The industrial & logistics sector witnessed absorption of 11.4 mn sq. ft. in Q3 2023. Notably, tier I cities witnessed 78% of the absorption, while tier II and III cities accounted for the remaining 22%.

India witnessed supply of 17.8 mn sq. ft. in Q3 2023 of which 14.1 mn sq. ft. (79%) was from tier I cities and 3.7 mn sq. ft. (21%) was from tier II and III cities.

Delhi-NCR remained at the top with the highest contribution of 31% to total supply, closely followed by Mumbai with 12%. Chennai and Bengaluru contributed 8% and 7%, respectively to total supply.

The manufacturing and 3PL sectors together accounted for 65% of total absorption in Q3 2023 followed by the retail sector at 16%.

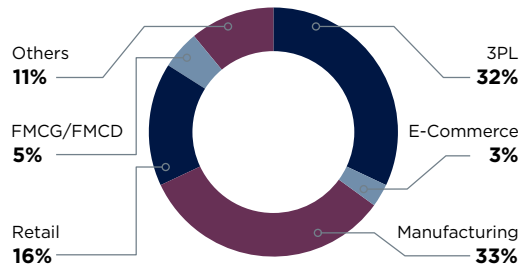
Grade A space accounted for 54% of the supply and 52% of the absorption in Q3 2023.

Rental values increased marginally across cities for compliant and graded buildings.

Source: Savills India Industrial Research

### Industrial & Logistics Sector Performance

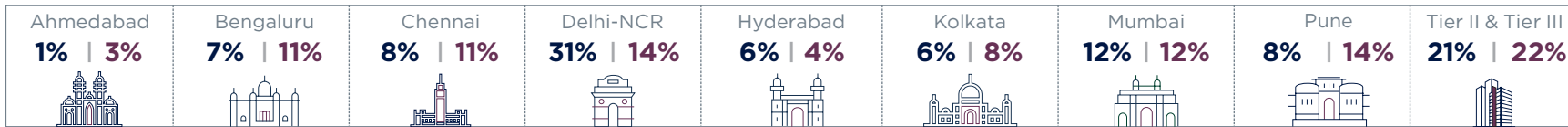
#### Absorption by Sector Q3 2023



Source: Savills India Industrial Research

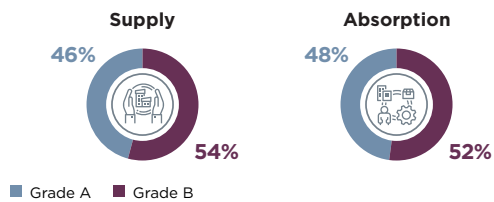
#### Supply & Absorption by City Q3 2023

##### Supply | Absorption



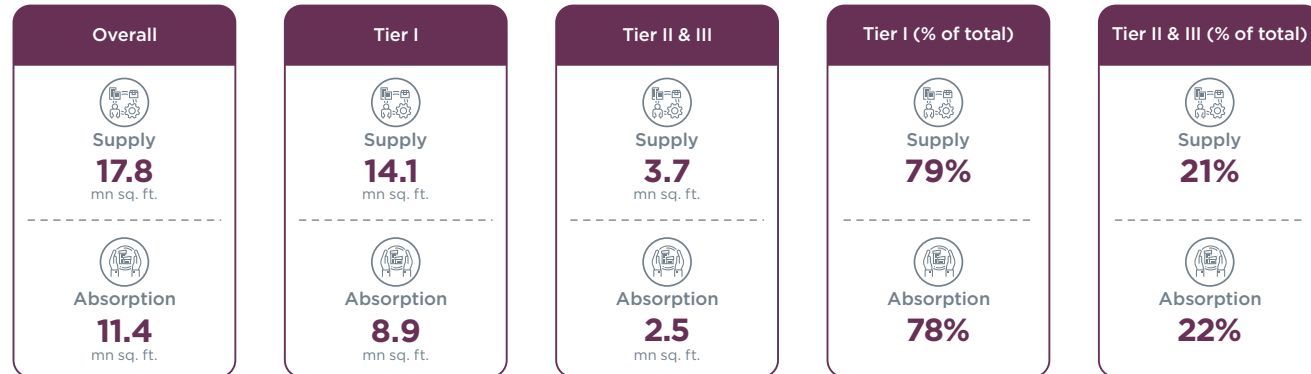
Source: Savills India Industrial Research

#### Supply & Absorption by Grade Q3 2023



Source: Savills India Industrial Research

### Key Statistics Q3 2023



Note: Note: Tier I cities include Ahmedabad, Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, Delhi-NCR, and Pune. Tier II and Tier III cities include Guwahati, Bhubaneswar, Patna, Hosur, Coimbatore, Rajpura, Lucknow, Jaipur, Nagpur, Surat and Indore.

Source: Savills India Industrial Research

### Outlook

- Industrial and logistics sector is likely to absorb in excess of 40 million sq. ft. and supply in excess of 45 million sq. ft. in 2023.
- The growing 3PL, manufacturing and retail sectors continue to drive the demand.
- Tier II and III cities are likely to witness significant growth.
- Rental values are expected to marginally increase for compliant and graded buildings.

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