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**NEW PERSPECTIVES
NEW ASPIRATIONS**



THE BIG WINNERS: WAREHOUSING, INDUSTRIAL & DATA PARKS

INDIAN WAREHOUSING MARKET AT \$12.2 BILLION IN 2020 IS EXPECTED TO GROW TO \$19.5 BILLION BY 2025. THE 12TH REALTY+ E-CONCLAVE 2020 - SOUTH BROUGHT TOGETHER THE BIGWIGS OF THE SEGMENT TO DELIBERATE ON THE GROWTH TRAJECTORY OF THE NEW ASSET CLASSES.

Mayank Saxena, MD & CEO – Land Services, Bengaluru, Anarock Property Consultants initiated the discussion saying, “An accelerated movement is taking place in India’s industrial & logistics sector. Further, growth in digital infrastructure has led to Data Centers gaining momentum with considerable investments.”

Captain K. Srinivas, CEO, Cornerstone Property Developers Pvt. Ltd giving a developers perspective stated, “We are like investors of land parcel and our strategy is to monetize them as per the requirement of that location. Some of these areas lend them to an integrated approach. Therefore, we bring in what we are good at and tie-up with experts of the given asset class.”

Darshan Hiranandani, Managing Director, Hiranandani Group of Companies added, “Almost two years ago we expected huge data demand and thus our new business venture Yotta Infrastructure is set to tap rising demand of data storage capacity. The first data centre located at Panvel has its first phase comprising 8.2 lakh sq ft. Yotta Infrastructure will invest around Rs 5,000 crore over the next 3 years and investment numbers will go up substantially over the next 7-10 years.

Anshul Singhal, Managing Director, Welspun One Logistics Parks Pvt. Ltd said, “We are building large scale industrial and warehousing parks to provide customers the functional requirements which suit their business We have launched our first 1000 crore Project in Bhiwandi which is

2.6 million sqft project in 110 acres. We have signed 4-5 new locations across the country. We follow the concept of Buy, Build and Lease.”

R. K. Narayan, COO, Allcargo Logistics & Industrial Parks shared his organization’s approach, “Everyone is positive of logistics sector’s growth in coming years. Government is also helping this industry. It is forecasted to grow at 10 to 11% on a per annum basis minimum. With more localization of production and need for cost- efficient distribution, we see a huge demand in this space and plan to expand our footprint in the coming years.”





Sharad Gohil, Managing Director-Asset Management, IndoSpace Capital Advisors Pvt. Ltd agreed, "Industrial warehousing sector remained more or less resilient to the impact of the pandemic. E-commerce growth, industrial activity and infrastructure push by the government remain the key drivers and the sector will attract larger pool of institutional capital. Traditional buildings are not capable of supporting new age storage requirements and therefore the demand for digitally advanced warehouses are on the rise."

Sudeep Aditya, MD & Co-Founder, Oakbridge Asset Partners expressed that, "In next couple of years we will focus on distress assets & data centers. Two REITs have been extremely well received in India. In fact REIT worked much

better for institutional investors than retail investors. In terms of capital allocation it goes more towards warehousing and data centers. These are future ready sectors."

INFRASTRUCTURE DEVELOPMENT KEY TO SUCCESS

Captain K Srinivas feels that location plays a very important role in placing data centers "Data migration is one of the top agendas of corporates and with Indian consumers adopting technology to such an extent, localisation of data storage is expected. We need more connectivity between states including upgrade of road and rail infrastructure."

Anshul Singhal added, "With online e-commerce buying behaviour has changed. Customer wants instant delivery of their parcel which is now leading to multilevel warehouses near city."

Sharad Gohil said, "I think there is significant infrastructure push by the government. This will improve activity, demand and rental value in the warehousing space. Chennai, Jharkhand and Pune are the industrial & manufacturing hub that will attract lot of players and investors. In fact, warehousing REIT is a matter of time."

R. K. Narayan was of the view that National Logistics Policy will boost investor confidence and facilitate the expansion of manufacturing units to tier-II and tier-III. It will drive integrated development of logistics sector and business opportunities."

Darshan Hiranandani explaining the company's location strategy shared, "There are two locations where submarine cables come in - Mumbai and Chennai. And connectivity between Chennai and Bangalore is excellent. Therefore, Chennai and Mumbai are the optimum locations for a data park where the cable lands and where the consumer is."

Sudeep Aditya added, "The size of the digital population in India presents a huge potential demand for data center infrastructure and investors/developers with long term focus can exploit the growing demand for outsourced data centres."

Mayank Saxena concluded, "The coming year bodes well as warehousing demand in the country grew by 44% CAGR in the last three years while, India is now the fastest growing region, regarding large data centre segments."



Drivers such as unified GST, development of freight corridors, digitization, etc. are unlocking the potential of the new asset classes. Despite the economic slowdown and the pandemic, warehousing, industrial and data parks segment has remained largely resilient.