

# THE INDOSPACE QUARTERLY

July 2018

## Emerging Cities in India- Post GST evaluation

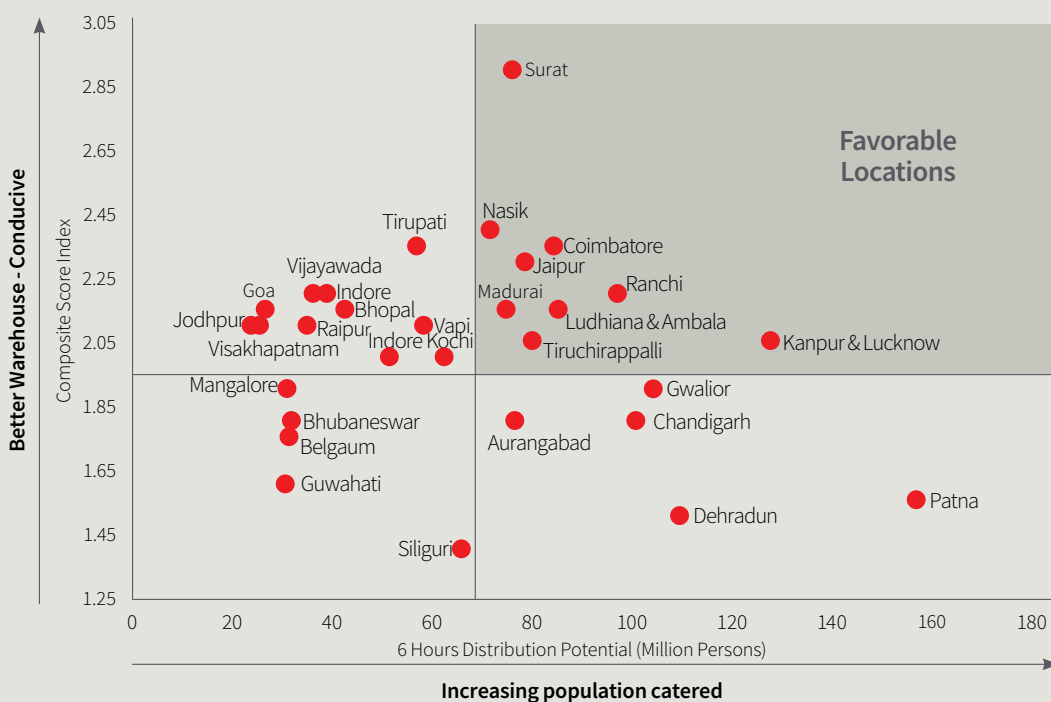
While the top cities in India are witnessing rapid growth in the industrial and warehousing domain; GST implementation is taking away the state barrier in storage. Going forward, the location of the city would be one of the major selection criteria irrespective of the administrative boundary of the states. As a result, many cities are emerging due to their locational advantages. These cities are also backed by a booming middle class which is driving massive consumer demand. However, some of these cities may need some more time to get the infrastructure required to be at par with developed cities.

We have compiled a matrix for 30 of the emerging cities in India based on 6 Hours distribution potential and composite logistics score index.

### Matrix Parameters



### 6 Hours Distribution Potential and Composite Logistics Score Index



It emerges from the analysis that while certain cities have the locational advantage to serve a large population within 6 hours, they may not have the conduciveness for the logistics business. On the other hand, many cities which are conducive, score low in distribution potential. As a result, occupiers may evaluate those cities which have scored fairly in both the parameters and are in 'favourable' co-ordinate of post-GST location identification.

Top cities in Industrial & Logistics Sector include NCR Delhi, Mumbai, Pune, Bengaluru, Chennai, Hyderabad, Kolkata & Mumbai (Source: JLL)  
\* IEM- Industrial Entrepreneurs' Memorandum

## IKEA partners with IndoSpace for its India journey

Back in 2017 when IKEA, the world's largest furniture retailer that owns and operates 415 stores in 49 countries, was planning to expand into India, it decided to partner with IndoSpace to handle its warehousing requirements.

As an industry leader, IndoSpace has been setting the benchmark for warehouse design by introducing global best practices for efficient and cost-effective operations. Integrating the most innovative and superior technology available, IndoSpace delivered its largest build-to-suit building till date in Chakan, Pune, to IKEA in February 2018.

The facility located at Chakan will be a key distribution centre for the world's biggest furniture retailer as it expands in this country. Some of the cutting-edge features of this centre are docking door facilities and globally approved fire safety sprinkler systems, including in-rack sprinklers.

IKEA will open its first retail store in Hyderabad in July, 2018, followed by stores across Mumbai, Bengaluru and Delhi-NCR in the coming years. In addition, IKEA is also planning to launch its own e-Commerce portal next year.

**Bimal Patel**, Distribution Operations Manager, IKEA India, said, *India is one of the key growth markets for IKEA and our goal is to open 25 stores by 2025. The Chakan distribution centre has been set up to service our upcoming Hyderabad store. Also we will be expanding the centre into a national distribution hub as we set up across India. IndoSpace was the only developer which could meet our global quality and design standards, and we are delighted to partner with them.*

IndoSpace is already working on another large distribution centre that will be spread over three lakh sq. ft. (approx. 27,870 sq. m.) in Chakan for IKEA, which is expected to be completed by the end of this year.



**India Warehousing Snapshot**

	Supply Addition	Absorption
<b>AHMEDABAD</b>	↔	↔
<b>BENGALURU</b>	↔	↔
<b>CHENNAI</b>	↔	↗
<b>DELHI NCR</b>	↗	↑
<b>HYDERABAD</b>	↔	↔
<b>KOLKATA</b>	↗	↔
<b>MUMBAI</b>	↗	↗
<b>PUNE</b>	↗	↔

Growing ↑ Stable ↔ Stagnant ↗



**IndoSpace Supply Update, 2018**

**BAVLA, AHMEDABAD**  
**11,62,000 SF (1,08,000 SQ.M)**  
**Close proximity to the Changodar Industrial Area**

- Easy access to the major ports of Kandla and Mundra
- Industrial hub of Sanand can be reached within an hour

Ahmedabad City Centre  
40 KM (50 min)



GIDC Sanand  
43 KM (50 min)



SVP International Airport  
61.8 KM (75 min)



**COIMBATORE**  
**5,87,000 SF (55,000 SQ.M)**  
**Only organized Logistics Park in Coimbatore**

- Coimbatore is a major textile, industrial and manufacturing hub of Tamil Nadu
- Well-connected to Kerala, Karnataka and Andhra Pradesh

NH 47  
10 KM (15 min)



NH 209  
17 KM (25 min)



Coimbatore City Centre  
25 KM (40 min)



**ORAGADAM, CHENNAI**  
**Expansion of approx. 8,42,000 SF (79,000 SQ.M)**  
**One of the biggest auto & ancillary manufacturing corridor of India**

- Located in the heart of the Oragadam industrial area
- Several manufacturing giants have also set up their facilities nearby

Chennai Port  
60 KM (75 min)



Chennai International Airport  
35 KM (50 min)



Chennai City Centre  
52 KM (70 min)



**CHAKAN, PUNE**  
**Expansion of approx. 17,32,000 SF (1,62,000 SQ.M.)**  
**Located in Pune's prime industrial corridor**

- Manufacturing facilities of large corporations are in the vicinity
- Easy connectivity to ports of Mumbai

Pune City Centre  
35 KM (50 min)



Pune Airport  
35 KM (50 min)



JNPT  
120 KM (150 min)



**SRI CITY, ANDHRA PRADESH**  
**6,20,000 SF (58,000 SQ.M)**  
**Smart Integrated Business City located 50 KM north of Chennai**

- Located within the Domestic Tariff Zone (DTZ) area of Sri City
- Ready access to infrastructure with roads, power and telecom

Ennore Port  
63 KM (80 min)



Chennai Port  
68 KM (85 min)



Chennai City Centre  
67 KM (85 min)



All area statements have been rounded for ease of reading.  
\*Tentative Chargeable Area



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## Green Logistics: Changing the Global Perception

Green logistics is the process to coordinate the activities within a supply chain in such a way that the beneficiary needs are met at “least cost” to the environment. Since the last decade, organizations are using innumerable ways to keep the logistics cost as low as possible, subsequently decreasing the true cost to the environment, society and economy. Some examples are listed below



### Solar Panels

A global US BASED e-commerce giant has installed solar panels on 15 fulfilment centres in 2017, enough to generate up to 41 megawatts of power, and plans to expand to 50 of its sites by 2020.



### Lighting Systems

Dedicated warehouse lighting systems that seamlessly integrate state-of-the-art LED lighting with easy-to-use and reliable networked control solution helps warehouse developers to achieve maximum energy savings.



### Construction Detailing

Low-emitting sealants, adhesives and carpet systems adhering to ‘Green Building’ norms are being used in the design of leading warehouse developers to contribute to better air quality and ensure a healthier work environment.



### Alternative Fuel

An American Logistics Company operates a fleet of nearly 5,000 natural gas vehicles along with filling stations across various parts of US, Germany, Netherlands and Thailand decreasing CO2 emissions by more than 100 million metric tonnes annually.

In 2018, we'll continue to see progress in green logistics. Asset-based logistics players are increasingly taking sustainability into consideration when purchasing transportation, occupying/ designing warehouses as well as utilising reusable packaging.

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KNOWLEDGE  
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