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Bengaluru warehousing market estimated to generate 12%-16% returns for investors: Knight Frank India Warehousing Market Report 2016

Bengaluru, September 29th, 2016: Knight Frank India launches second edition of its flagship **India Warehousing Market Report 2016**. The report unravels the present scenario of the Indian logistics sector along with providing a definitive view of Bengaluru Metropolitan Regions warehousing clusters.

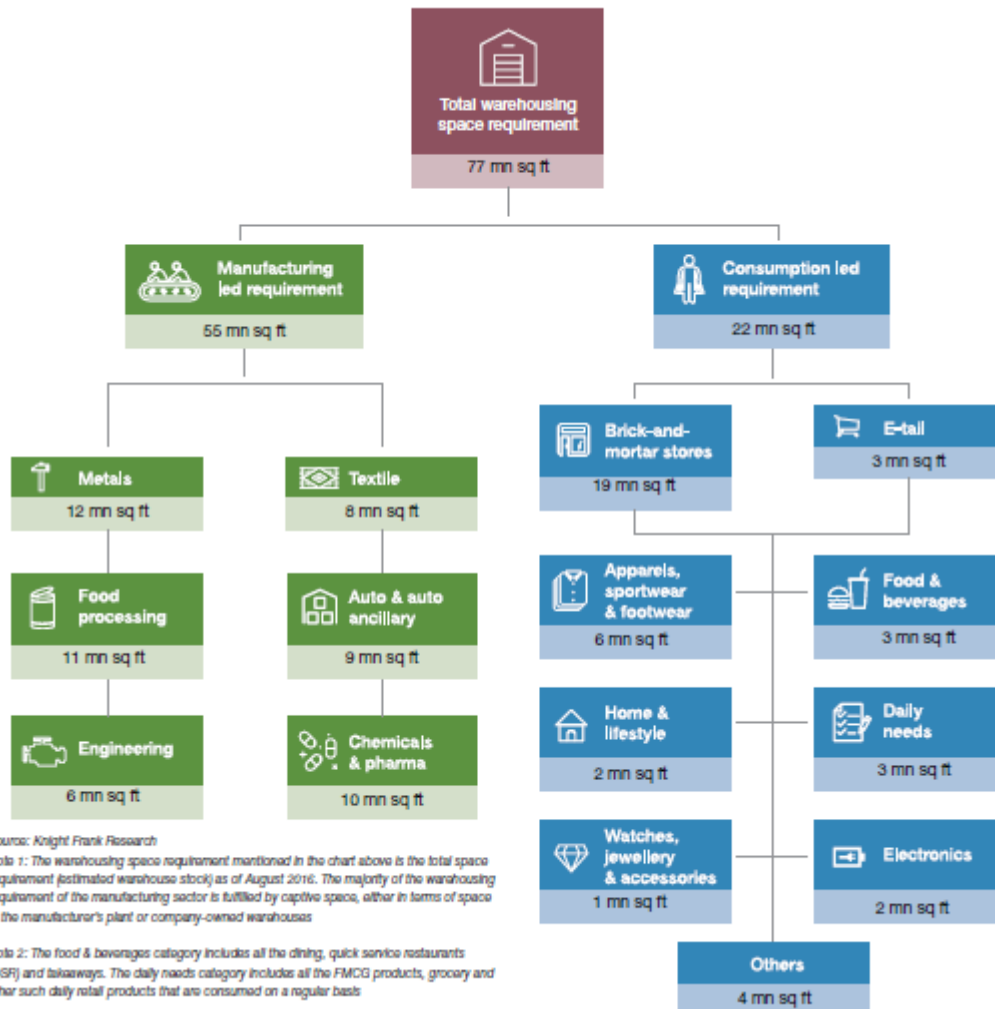
Key Takeaways:-

- The total warehousing space requirement in the city is estimated at 77 mn sq. ft. and leasable warehousing market in Bengaluru is estimated at around 60 mn sq. ft.
- Manufacturing sector leads the way with 55 mn sq. ft. followed by 22 mn sq. ft. by the retail sector. Nelamangala – Dabaspete cluster is the significant warehouse cluster for manufacturing sector whereas Soukya Road has emerged as the top warehousing cluster for the retail sector.
- T Begur to Dabaspete region holds great potential on account of relatively lower land price within the cluster. Its geographical connectivity to Mumbai and Chennai makes its one of the important industrial and warehousing hub
- With emergence of the E-tail segment in the last few years, its share in the consumption-led warehousing requirement stands at 15%. Going forward, we believe that the share of the E-tail sector will increase further in the total retail spending of consumers

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The Table below depicts sector wise requirement for Warehousing Space in Bengaluru

TOTAL REQUIREMENT FOR WAREHOUSING SPACE IN BENGALURU



Speaking about the report, **Balbirsingh Khalsa, National Director – Industrial, Knight Frank India** said “Bengaluru has traditionally been known as the technology driven city. However, of late the city has been witnessing warehousing and industrial activities, thanks to the manufacturing- led and consumption- led demand .E-tailing which has picked up well in Bengaluru is another reason that have brought the warehousing industry to the forefront. The Nelamangala- Debaspete cluster is expected to have an edge in its position as it has the potential as required for any industrial and warehousing hub”.

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Also added Dr. Samantak Das, Chief Economist & National Director - Research, Knight Frank India, *“Bengaluru has begun to witness great demand for warehousing with the manufacturing sector dominating the overall space demand followed by retail sector. There are many factors related to the rise in demand. The recently announced Goods and Services Tax (GST) will amalgamate several central and state taxes into a single tax, thereby mitigating double taxation and facilitating a unified national market. At the same time, improved regulatory environment for the Indian Real Estate Investment Trust (REIT), which also covers the warehousing segment, has added more confidence and boost to the sector. The total warehousing space requirement in Bengaluru is 77 mn sqft and we expect the requirement to grow in future”.*

Click here to download the report <http://bit.ly/IndiaWarehousingMarketReport2016>

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