

# 'Warehousing to attract up to Rs 15K cr investment every year'

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Mumbai, Aug 7) Banking big on the warehousing sector, which is likely to grow at 9-11 per cent every year, private equity players are keen on tapping the opportunity and expect investments up to Rs 15,000 crore per annum, say experts.

"Warehousing industry has recently seen a sharp growth in demand primarily driven by new age e-commerce industry and growth in organised retail which are leveraging technology in their supply chain to optimise costs," HDFC Realty Chief Executive Vikram Goel told .

According to Milestone Capital Executive Vice Chairman Rubi Arya, investors are very positive towards this sector with strong government support and reforms followed by RERA, GST, REITs, among others.

"With all this development taking place, there is lot of traction from investors, private equity fund houses, high network individuals, NRIs, among others. We expect around Rs 12,000-15,000 crore investments every year in this sector which is itself talks about how this industry will explore in future," Arya said.

According to PropTiger, the supply of warehousing space is in the range of 900 million sqft but much of it is in unorganised sector. Demand is expected to be 1,500 million sqft by 2020 with annual requirement of 100-125 million sqft

Property consultant Jones Lang LaSalle said Delhi-NCR, Mumbai, Pune, Bengaluru, Chennai, Hyderabad, Kolkata and Ahmedabad had a cumulative supply of organised Grade-A and Grade-B warehousing space of around 97 million sqft in 2015 and this is expected to grow to around 116 mn sqft by the end of 2016.

PropTiger Chief Business Officer Ankur Dhawan said since the returns are more attractive in the warehousing space and investment required is lower compared to residential and commercial realty, we will see many real estate PE firms investing in this segment.

"Currently the interest is mostly from international PE players, while domestic players continue to focus on residential and commercial realty," he said.