

Intelligent Investment

# India Market Monitor Q1 2025 *Industrial and Logistics*

REPORT

CBRE RESEARCH

April 2025



# Industrial and Logistics

India's industrial and logistics (I&L) real estate sector witnessed strong leasing activity during Q1 2025, registering a substantial ~40% Y-o-Y growth, driven primarily by robust demand from third-party logistics (3PL) and e-commerce companies. In response to the positive market sentiment, supply addition witnessed a remarkable ~57% Y-o-Y increase as institutional investor-backed developers expanded their footprint.



40%

Y-o-Y increase in I&L leasing in Q1 2025; 5% increase on a Q-o-Q basis

60%

Total share of Delhi-NCR, Hyderabad, and Bengaluru in leasing in Q1 2025

57%

Y-o-Y increase in I&L project completions in Q1 2025; 25% increase on a Q-o-Q basis

69%

Combined share of Mumbai, Bengaluru, and Chennai in supply addition in Q1 2025

# India Market Monitor

**12.1** mn sq. ft.  
Absorption in Q1 2025

**12.4** mn sq. ft.  
Supply in Q1 2025

Absorption (mn sq. ft.) in Q1 2025    Supply (mn sq. ft.) in Q1 2025

Q1 2025 rental indicator arrows (Q-o-Q)

▲ Increase    ⇄ Stable    ▼ Decrease

Delhi-NCR

**3.7**    ⇄  
**0.8**

Ahmedabad

**0.7**    ⇄  
**0.8**

Mumbai

**0.7**    ⇄  
**5.0**

Pune

**1.6**    ▲  
**1.0**

Bengaluru

**1.7**    ▲  
**2.1**

Kolkata

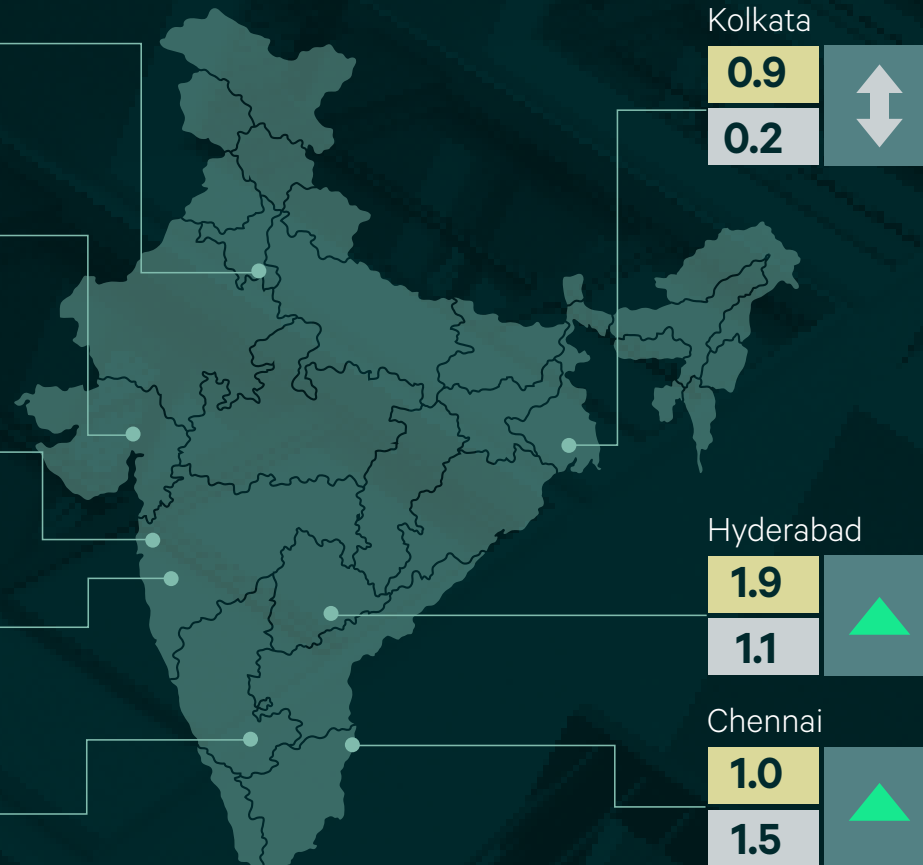
**0.9**    ⇄  
**0.2**

Hyderabad

**1.9**    ▲  
**1.1**

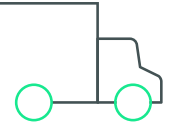
Chennai

**1.0**    ▲  
**1.5**

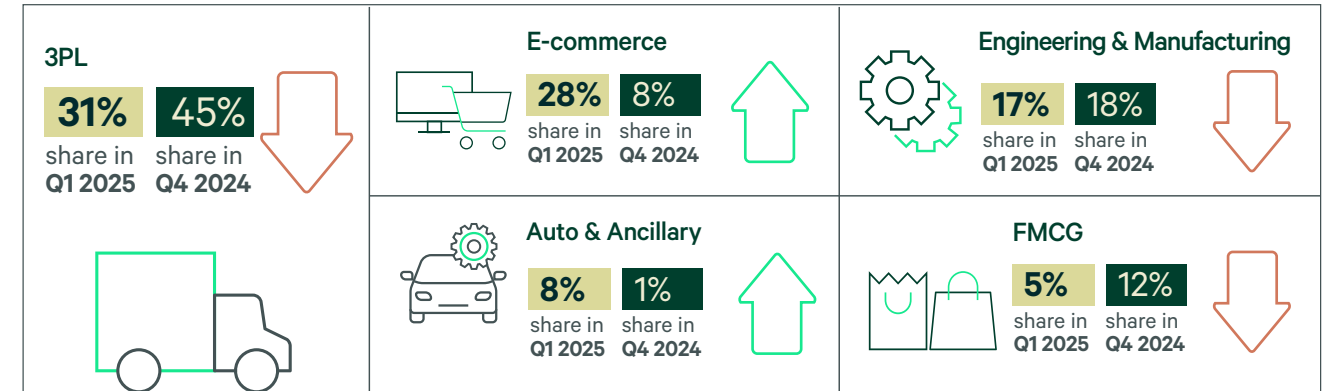


Source: CBRE Research, Q1 2025  
Please note that the numbers have been rounded off and might not add up to the exact total.

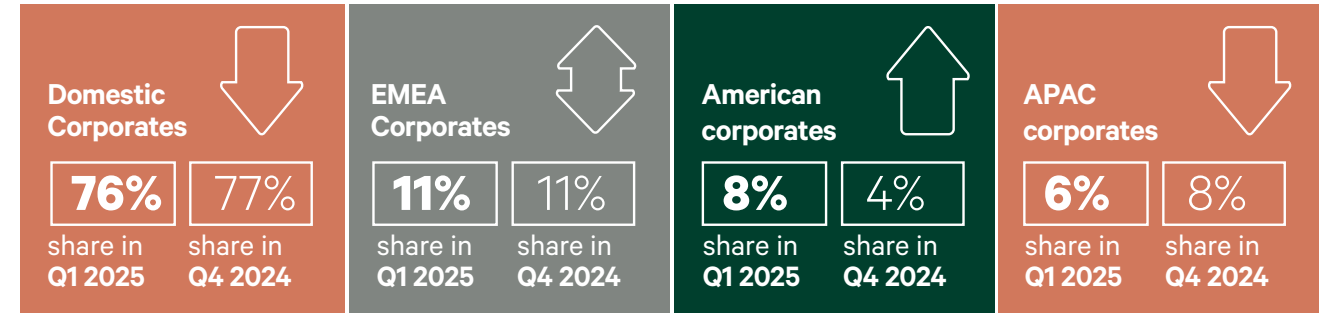
## INDUSTRIAL & LOGISTICS



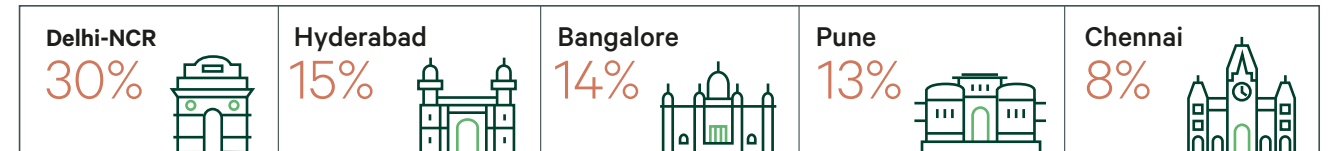
### Key sectors that drove leasing activity



### Regional share in leasing activity

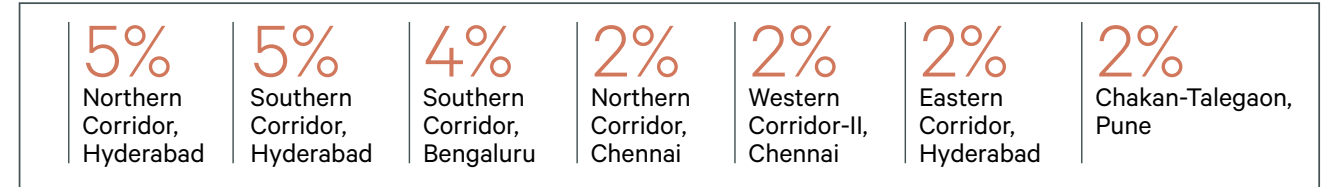


### Cities which led absorption in Q1 2025



### Quarterly rental\* movement -

#### Growth witnessed in select micro-markets of Bengaluru, Hyderabad, Chennai, and Pune



\*Note: The trend for transacted rentals may be in line with or diverge from quoted rentals for different assets depending on various factors such as asset quality, location, accessibility, age of the asset, space availability, etc.



# Outlook

## Industrial & Logistics



Following the positive trajectory observed in the first quarter, India's I&L sector is expected to maintain strong leasing momentum in 2025. This anticipated growth is underpinned by several key drivers: the infusion of high-quality supply, robust demand for distribution centres and warehousing facilities driven by increasing industrial activity, and the accelerated expansion of e-commerce leasing, particularly within the quick commerce segment.

The 3PL sector is poised to lead I&L leasing activity, reflecting the increasing demand for comprehensive supply chain and logistics solutions. However, a diversification of leasing contributors is also anticipated, with sectors such as E&M, FMCG, and e-commerce likely exhibiting substantial growth. This diversification can be attributed to India's strategic evolution as a global manufacturing hub, heightened consumer demand, the need for faster delivery timelines, and optimised last-mile logistics.

On the supply side, we anticipate that the proportion of projects completed by institutional investor-backed developers will continue to grow in the coming quarters as they expand their footprint to capitalise on robust demand.

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