

GRI Warehousing & Logistics

Key Insights from the industry leaders
redefining this thriving sector

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INTRODUCTION

Since 1998, GRI Club's exclusive networking events have been providing unique opportunities for the industry's decision makers to exchange valuable insights and experiences, igniting deal flow and potential using the real estate market.

GRI Club reports provide the key takeaways from these events, including the most valuable insights, the most ardent discussions, and the most intriguing strategies.

This report presents the insights from **GRI Warehousing & Logistics**, a **GRI Club India** conference that brought together senior decision-makers for expert-led discussions on critical topics, including the sector's investment potential, the rising demand for quick commerce, and the challenges of evolving regulatory frameworks.



CHECK OUT ALL THE PHOTOS FROM **GRI WAREHOUSING & LOGISTICS** 

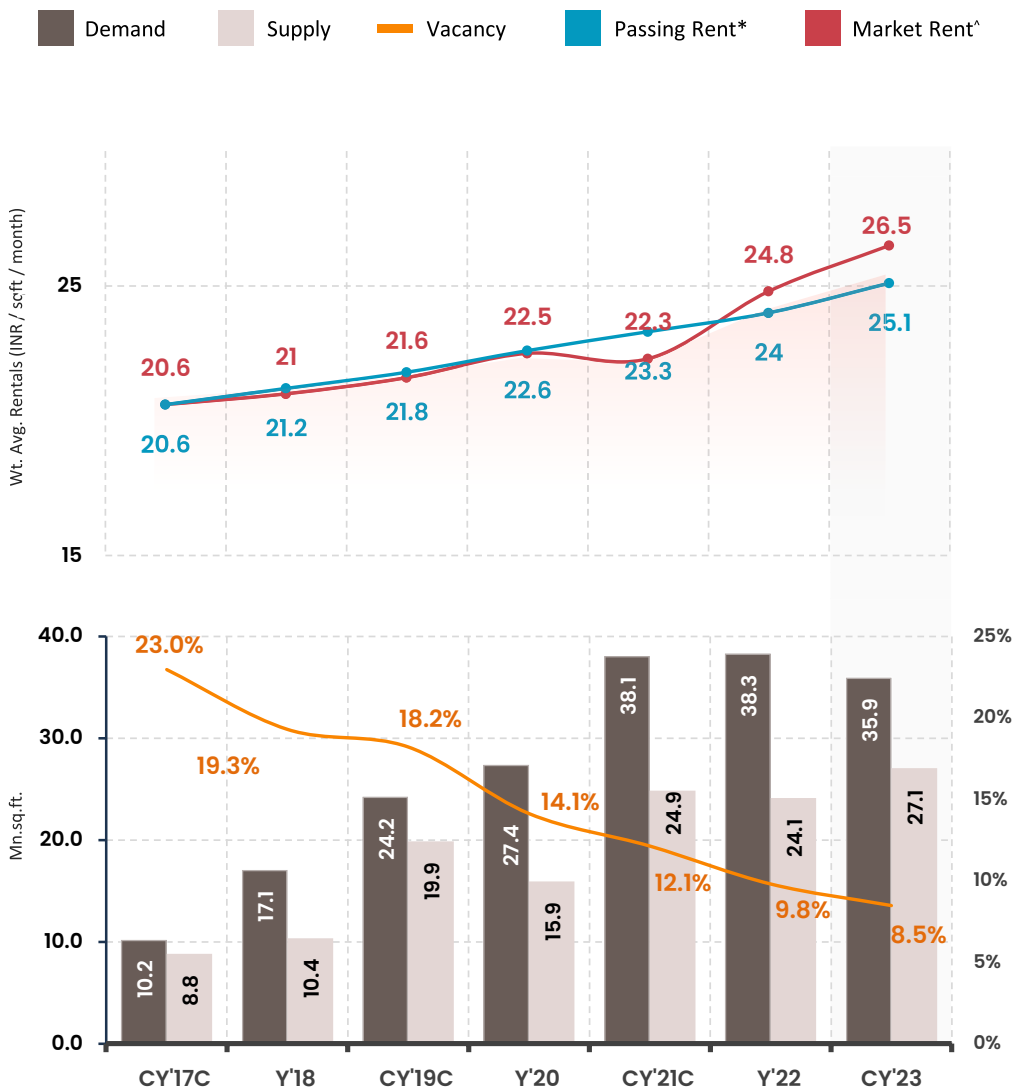
WAREHOUSING COSTS AND RENTAL YIELDS

Is industry-wide collaboration the key to unlocking value?

India's warehousing sector is undergoing a major transformation, driven by rising costs, fluctuating rental yields, and growing tenant demands for regulation compliance and scalability. While these challenges are significant, the sector's potential is perhaps even more compelling, with Grade A stock expected to see substantial growth and private equity investments paving the way for long-term changes.

Collaboration among developers is playing an increasingly important role in addressing industry inefficiencies. By streamlining approvals, managing costs, and improving competitiveness, the sector is finding ways to adapt to escalating land prices and construction expenses while maintaining stable rental yields.

MARKET TRENDS



Source: CREDAI & CRE Matrix, 2024.

* Passing rent: Wt. Avg. rent paid by all active tenants as of that date in the region.

^ Market rent: Wt. Avg. rent paid by tenants for all leases signed in that quarter.

The push for collaboration could also include coordinated efforts to raise rental values and align market practices. Consolidation is already occurring, driven by some of the largest players, and this trend is likely to continue as smaller operators face challenges. As the market matures, emphasis on creating value through tenant retention, and mixed-use developments will be essential to unlocking long-term growth and stabilising returns in India's warehousing and logistics real estate market.

Developer collaboration has emerged as a solution to address rising costs, compliance challenges, and low rental yields. While competition remains fierce, joint ventures in multi-modal logistics parks or shared infrastructure could help optimise resources. Collaborative efforts can unlock economies of scale, reduce duplication, and address shared concerns like regulatory hurdles and infrastructure limitations.

As examples of this, the Make in India initiative and Production Linked Incentive (PLI) schemes have already contributed to a 36% increase in manufacturing sector transactions in H1 2024, driven by sectors like automotive and electronics. Aligning warehousing development with these trends can unlock value for developers and tenants alike.

This wave of innovation and collaboration is set to redefine the sector's trajectory. Developers are actively exploring opportunities in quick commerce, airport-based logistics, and port-centric projects, tailoring their offerings to cater to evolving tenant needs and positioning the industry for sustained growth.

» **Overcoming land cost and operational hurdles**

India's warehousing sector is facing significant challenges that must be addressed to ensure sustainable growth. The core issues include land availability, high real estate costs, and the need for efficient supply chain integration. In urban centres, land prices often range between INR 200-400 million (USD 2.5-5 million) per acre, making the establishment of economically viable facilities increasingly difficult.

This issue is even more pronounced in metro cities such as Mumbai, Delhi, and Bangalore, where prime land costs rise to INR 400-600 million (USD 5-7.5 million) per acre, along with construction expenses of approximately INR 4,000 per square foot. To achieve profitability under these conditions, rental rates must surpass INR 100 per square foot, ensuring competitive returns on investment and attractive internal rate of return (IRR) based on a 60:40 debt-equity financing structure.



VARIATION IN CONSTRUCTION COSTS (INR PER SQ. FT.) FOR GENERAL MANUFACTURING: H1 2020 vs H1 2024



Source: Savills Cost Benchmarking Data.

Note: a) Cost per sq. ft. indicated are exclusive of all taxes. b) For a Built Up Area (BUA) of around 2.5 to 3 lac sq. ft. c) This is an approximate cost per sq. ft. based on our experience. However, the same depends on detailed design parameters. d) This is only for buildings along with associated infrastructure works around the building; however, this does not include land development works and shared utilities.

Another major challenge lies in the disconnect between escalating costs and stagnant rental yields. Despite inflation in India averaging 5.6%, rental increases in key warehousing markets have lagged, typically ranging from 2.5-4%. For example, in Gurgaon, land prices have surged beyond INR 30 million (USD 375,000) per acre, yet rental values for Grade A warehouses remain flat, often negotiated at rates established a decade ago.

This stagnation contrasts sharply with international markets such as other APAC countries and the US, where rental growth averages 10-15%. Institutional investors struggle to achieve expected returns, with yields hovering at 7-8%, barely matching bond yields, further emphasizing the financial strain.

The Grade A segment exemplifies these challenges. Developers often face resistance from tenants, particularly multinational corporations, leasing warehouses at INR 18-20 per square foot. Even when offered upgraded facilities with sustainability features and electric vehicle infrastructure, these tenants frequently resist rental escalations, forcing renewals at outdated rates.

AVERAGE RENT (IN INR/SQ FT/MONTH)

Market	H1 2023	H1 2024	% Change
Pune	25.0	26.0	4.0%
Chennai	22.5	23.4	4.0%
Ahmedabad	17.0	17.6	3.7%
NCR	20.2	20.8	3.0%
Kolkata	23.1	23.8	3.0%
Hyderabad	20.0	20.5	2.5%
Mumbai	23.1	23.6	2.3%
Bangalore	21.5	22.0	2.3%

Source: Knight Frank India, 2024.

Scalability presents another significant hurdle. Individual warehousing projects in India typically require investments of INR 2-2.5 billion (USD 25-31 million), significantly smaller than comparable projects in developed markets, which restricts the ability of funds aiming to deploy USD 150-200 million annually to achieve scale. To overcome this limitation, the sector must focus on developing large, integrated portfolios that can attract institutional capital and enable public market exits.

» Building the future of Indian warehousing

Changing market demands and the need for modern, scalable infrastructure are not only reshaping the warehousing industry, but also setting the stage for sustainable growth in the years ahead.

A key focus of this evolution is the rise of Grade A facilities. By 2027, these premium spaces are expected to expand from 178 million square feet to 400 million square feet, representing a substantial share of the projected 1,250 million square foot market.

Developers are working to align costs and rental expectations with tenant needs for high-quality and compliant spaces - however, the investments required to build these facilities often lead to rental increases that challenge tenants' budgets, highlighting the need for creative strategies to balance costs and market demands.

Mumbai serves as a clear example of the sector's redevelopment potential. Only 22% of the city's warehousing stock currently meets Grade A standards, leaving significant room for upgrading outdated facilities. Across many regions, older Grade B and C warehouses - often called "farmers' warehouses" due to their informal construction - still dominate the market, making up 70%-80% of total inventory. Modernising these facilities is critical to support the growing demands of India's economy.

To address land constraints and growing urban demand, developers are embracing innovative formats. Multi-storey logistics centres are emerging as a solution to maximise land use in dense cities, while mixed-use developments that combine warehousing with retail, office, and residential properties are optimising space and providing flexibility and resilience in India's rapidly changing market.

The sector is also seeing a shift in lease structures. Short-term contracts of two years with one-year extensions are giving way to longer agreements, such as three-plus-two or five-plus-two-year terms. In high-cost urban areas, long leases spanning 50-60 years are becoming an alternative to outright land purchases. These models, supported by mechanisms like escrow arrangements, are slowly gaining acceptance among institutional investors, signalling confidence in the market's long-term potential.

More than a trend, the growing focus on sustainability is further exemplifying the sector's evolution and becoming a baseline expectation for Grade A facilities. Certifications like LEED Gold and Platinum are increasingly standard, driven by both tenant and investor expectations.

Features like rooftop solar, energy-efficient systems, and EV infrastructure are becoming integral to new developments. While these green features may not yet directly influence rental yields, they enhance the appeal of premium assets and are likely to drive higher rents over time.



WAREHOUSING REGULATORY FRAMEWORK

Navigating land acquisition hurdles and streamlining complex procedures

The Indian warehousing sector is grappling with persistent challenges in land acquisition, which remain a critical barrier to its growth. Fragmented ownership, unclear titles, and historical disputes make acquiring land an arduous process, even for seasoned developers. Missing critical documents such as grant certificates and family tree records, especially for parcels tied to decades-old grants, create significant delays and uncertainty.

Urban centres such as Mumbai, Delhi, and Bangalore exemplify the challenges, where high commercial value drives disputes and overlapping claims. Land prices in these cities can soar to INR 400-600 million (USD 5-7.5 million) per acre, yet the process is often marred by unregistered agreements, unstamped documents, and undisclosed litigation.

Even parcels that initially seem clear are frequently derailed by legal complications during the registration process. Developers must navigate a maze of stakeholders and unverified ownership claims, particularly near city limits where commercial activity is high.

Fragmented land ownership further complicates acquisition in states such as Karnataka, Maharashtra, and West Bengal. While other states might offer better clarity and accessibility in records, no region is entirely immune to issues such as succession disputes and outdated documentation, particularly in rural areas and on city outskirts, where overlapping claims and a lack of verified ownership records exacerbate litigation risks.

Developers also face prolonged aggregation timelines and limited digitisation of land records, making it challenging to secure suitable parcels at the right price. For instance, conference participants noted that a 4-million-square-foot project in Pune reportedly took over two years to complete land acquisition.



Government agencies add another layer of complexity. Bodies such as the State Industries Promotion Corporation of Tamil Nadu (SIPCOT) and the Maharashtra Industrial Development Corporation (MIDC) have frameworks for land allotment, but developers often encounter delayed allocations, inconsistent documentation, and bureaucratic inefficiencies.

Moreover, state policies frequently favour industrial end-users over warehousing developers, citing greater employment generation and capital investment from manufacturing firms, reinforcing a bias and leaving warehousing projects at a disadvantage in accessing prime industrial land.

Additionally, approvals remain a bottleneck in warehousing development, with delays in environmental clearances, zoning inconsistencies, and conflicting state guidelines. For instance, recent High Court rulings in Kerala expanded EC requirements to smaller projects, adding to costs and timelines. Categorisation under “red” or “non-red” classifications further complicates approvals, depending on factors such as water consumption and environmental risks.

» **Key reforms to address land-related challenges**

The absence of proper zoning regulations exacerbates the multiple land-related challenges faced by developers, resulting in fears of oversupply and intense competition for prime land parcels. Warehousing developers often find themselves competing with their future tenants, such as OEMs and manufacturers, for the same pieces of land.

Clear zoning guidelines that designate specific areas for manufacturing, warehousing, and other uses can help prevent conflicts and create a structured framework for growth. States like Haryana and Maharashtra have started adopting zoning strategies, but broader implementation is needed nationwide. Moreover, integrating zoning with expressway development in national highway plans could ensure land near new infrastructure is earmarked for warehousing, much like the planned allocation of petrol stations and refreshment zones.

Structural reforms are also essential to address land acquisition challenges. Digitising land records is a critical step, and many state governments are making progress in this area. By automating revenue and registration systems, these initiatives enhance transparency, reduce disputes, and expedite transactions while simplifying workflows.

Title insurance, though still underutilised, offers potential as a risk mitigation tool by providing financial protection against specific threats such as defence costs and partial land loss. While it is not a comprehensive solution, title insurance can resolve minor title issues that might otherwise disrupt larger projects. However, its limitations - such as the inability to cover broader operational costs or lost rental income - highlight the need for additional reforms.

Aggregators also play a pivotal role in streamlining the land acquisition process. These intermediaries negotiate with multiple landowners to facilitate the acquisition of large land parcels. Their effectiveness varies significantly, depending on their financial stability, local influence, and capacity to secure clear titles.

Reliable aggregators, particularly those capable of forming Special Purpose Vehicles (SPVs) and acquiring clear titles before transferring them, often charge higher premiums but help mitigate risks for developers. It is essential for developers to thoroughly evaluate an aggregator's control over land, possession of original titles, and ability to secure necessary municipal permissions to ensure a smooth and reliable acquisition process.

The path forward requires addressing systemic inefficiencies. Standardising approval processes across states, introducing in-principle clearances, and allowing self-declarations of compliance backed by audits and penalties could significantly streamline development. These reforms are vital for creating a more predictable and efficient environment for warehousing development in India.



IS INVESTOR INTEREST IN WAREHOUSING SLOWING DOWN?

Examining the balance between challenges and growth potential

India's warehousing sector continues to attract significant interest from domestic and international investors, underscoring its role as a critical pillar of the country's evolving logistics and industrial landscape.

Platforms such as Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InVITs) are gaining momentum, providing structured and scalable investment avenues. Institutional players, including pension funds, private equity firms, and sovereign wealth funds, have been key drivers of this growth, reflecting the sector's increasing maturity.

A major turning point for the industry came with the introduction of the Goods and Services Tax (GST) in 2017. This reform not only streamlined the nation's tax structure but also fostered the institutionalisation of warehousing, creating a conducive environment for organised, large-scale operations.

INDUSTRIAL & WAREHOUSING DOMINATE WITH USD 2.5 BILLION IN REALTY INVESTMENTS FOR 2024

INVESTMENT INFLOWS (USD MILLION) TREND

Asset Class	2023	2024	2024 vs 2023 (% YoY Change)	Q4 2023	Q3 2024	Q4 2024	Q4 2024 vs Q4 2023 (% YoY Change)	Q4 2024 vs Q3 2024 (% QoQ change)
Office	3,022.5	2,338.9	-23%	135.5	616.3	825.3	509%	34%
Residential	788.9	1,149.1	46%	81.0	384.8	118.2	46%	-69%
Alternate assets*	649.1	39.5	-94%	418.7	-	18.5	-96%	-
Industrial & Warehousing	877.6	2,541.6	190%	187.1	95.2	735.7	293%	673%
Mixed use	42.3	390.0	822%	-	52.4	84.4	-	61%
Retail	-	104.4	-	-	-	104.4	-	-
Total	5,380.4	6,563.5	22%	822.3	1,148.7	1886.5	129%	64%

Source: Colliers India, 2024.

* Alternate assets include data centres, life sciences, senior housing, holiday homes, student housing, schools, etc.

The sector has further benefited from the global manufacturing shift driven by the China Plus One strategy, with industries like electronics, automotive, and fast-moving consumer goods (FMCG) increasingly relying on India's warehousing infrastructure to support their supply chains.

Despite these advancements, growth in the warehousing sector has stabilised in recent years. Annual absorption has levelled at around 40 million square feet, a stark contrast to the rapid growth observed in the office real estate market, which expanded from 40 to 60 million square feet post-COVID. This plateau reflects the need for sustained innovation, infrastructure development, and policy support to maintain the sector's upward trajectory.

» **Overcoming barriers to capital flows**

Despite its growing prominence, India remains a sub-scale market compared to developed APAC economies like Japan and Australia. Currently, warehousing allocations in India account for a minority of the total Asia-Pacific investments, reflecting the sector's limited share of global capital. Persistent issues mentioned before, such as land acquisition hurdles and stagnant rental growth, further constrain its ability to attract fresh investment.

While institutional interest remains robust, deploying capital efficiently poses a major challenge. Local developers often outpace institutional investors in acquiring land due to their agility, faster decision-making, and ability to take calculated risks.

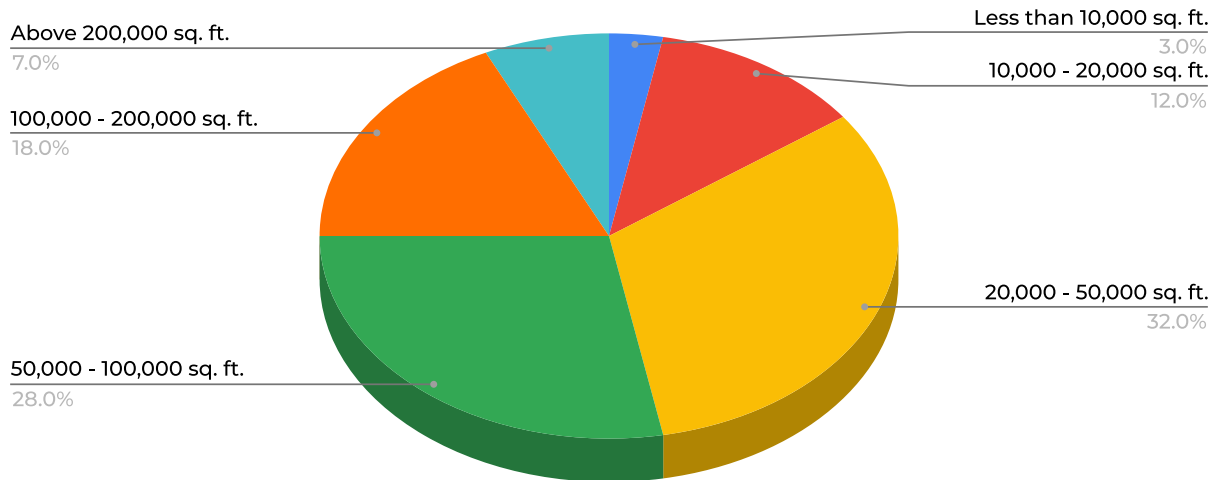
In contrast, institutional investors face delays caused by exhaustive due diligence and stringent internal approval processes, which frequently result in missed opportunities. This dynamic has allowed local developers to maintain a competitive edge, particularly in rapidly evolving markets.

Institutional players primarily focus on large-scale, high-quality portfolios, favouring geographic diversity and scale. Single-warehouse acquisitions attract limited interest from these investors, who are cautious about issues like rental stagnation, scalability, and the lack of consolidated portfolios.

Smaller deals, yielding returns between 5.5% and 6%, are often dominated by local developers willing to accept lower returns. By comparison, institutional deals typically aim for yields between 8.5% and 9%, but increasing competition and flat rents have compressed these margins over time.

The early stages of India's warehousing sector offered investors yields as high as 17%, but these returns have steadily declined due to rising competition. Today, many investors, particularly those from risk-averse regions, face mounting pressure to compromise on returns in order to remain competitive in the market.

SEGMENTATION OF TRANSACTION ACTIVITY AS PER TRANSACTION SIZE IN H1 2024



Source: CBRE Research, Q2 2024

Adding to these pressures is a strong preference among institutional investors for litigation-free titles, leaving developers responsible for resolving legal issues before presenting proposals to investment committees. While pricing and commercial risks are part of the sector's nature, legal risks tied to land ownership are often deemed unacceptable.

Private equity investments in Indian warehousing have surged, with USD 1.53 billion raised in the first half of 2024, primarily from US and Singapore-based funds. However, rupee depreciation and foreign exchange volatility have created additional strain on returns for global investors.

Funds structured around rental income often struggle to capitalise on the intrinsic land value appreciation that private developers can leverage, further intensifying the competition between local and institutional players.

As land availability becomes increasingly scarce, even private equity players are beginning to adapt to the realities of the market. They are now more open to parcels with manageable title disputes, provided these issues do not disrupt operations or future developments. For instance, while institutional investors may abandon a 25-acre transaction over a single contentious acre, local developers often proceed despite the risks, leveraging their tolerance for ambiguity to secure competitive advantages.

Construction financing for warehousing has also matured significantly. Previously dominated by a few players, the financing landscape now includes structured long-term solutions offered by banks. For fully converted land, financing is generally available at interest rates between 11% and 13%, while agricultural land requiring conversion attracts higher rates of 16% to 18%, reflecting a growing financial ecosystem that supports the sector's evolution.

Despite its growth, the sector has been slow to adopt alternative warehousing models such as cold storage, free trade warehousing zones (FTWZs), and port-related warehousing. Cold storage, in particular, demands substantial upfront capital investment and operates as an integrated business model rather than a traditional real estate asset. These operational complexities, combined with high tenant default risks, have deterred institutional investors from exploring these segments, despite their long-term promise.

» **Strengthening investor confidence**

While hurdles persist, strategic shifts in investment focus and market consolidation are paving the way for long-term growth. The introduction of REITs and InvITs in logistics and warehousing has created new exit opportunities for developers, though large-scale public market exits remain limited.

Historically, international funds have targeted development projects, but there is now a growing preference for core assets, which offer lower risk and immediate revenue generation. Prolonged execution timelines, regulatory hurdles, and uncertain returns have made development-focused strategies less appealing, further driving this shift.

Market consolidation is emerging as a critical trend, as well-capitalised players look to streamline operations and optimise returns. Multinational developers are focusing on high-yield Grade A assets while phasing out older, non-compliant facilities.

This approach aims to create a unified standard of quality, attract premium tenants, and improve rental yields. Consolidation within the fragmented landscape of Grade A, B, and C facilities is expected to bring greater stability to the sector, addressing inefficiencies and enabling scalability.

While cities like Pune, Chennai, and Ahmedabad dominate the landscape, there is increasing recognition of the need to expand into secondary and tertiary markets. Emerging hubs such as Vadodara, Shirdi, Anantapur, Rajpura, and Coimbatore offer lower land costs and untapped demand.

Developers exploring these markets early can establish a competitive advantage before competition intensifies. Although some past attempts in these regions have failed, revisiting these opportunities with strategic investments and improved market timing could unlock significant potential.

In-city warehousing, driven by the rise of quick commerce, represents another promising avenue. Strategically located in densely populated urban areas, these facilities cater to last-mile delivery and light industrial uses. While the model is still evolving, the growing demand for quick commerce is expected to fuel this segment's expansion, as these irreplaceable urban facilities become increasingly vital to supply chain operations.

Cold storage and integrated facilities are also gaining traction, offering consistent returns and addressing the specialised needs of sectors like food and pharmaceuticals. For instance, silo investments linked to Food Corporation of India (FCI) operations have reported returns of 12-13%.

Cold storage facilities often involve partnerships with operators experienced in handling temperature-controlled environments and specialised assets, adding complexity to the business model but also creating new revenue streams. This integration of storage and operational services demonstrates the sector's shift towards value addition beyond traditional capex approaches.

To unlock its full potential, the warehousing sector must prioritise collaboration among stakeholders, including developers, investors, and policymakers. Addressing systemic issues like land acquisition delays, inadequate rental growth, and regulatory inefficiencies is crucial. Initiatives such as digitising land records, introducing zoning regulations, and streamlining approval processes could significantly reduce barriers to scaling supply and attracting fresh investment.

Innovation will also play a critical role in shaping the sector's future. As tenant requirements evolve, developers must offer differentiated solutions, such as sustainable facilities, integrated developments, and vertical warehousing. Embracing alternative warehousing models, including cold storage and multi-level facilities, will cater to the growing demands of various industries, driving new growth opportunities in India's rapidly maturing warehousing landscape.



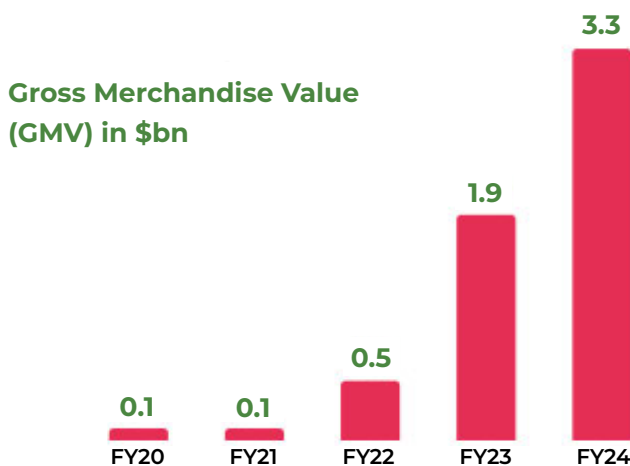
SPEED MEETS STRATEGY

Logistics integration in India's quick commerce boom

India's quick commerce sector is transforming logistics by creating a supply chain ecosystem focused on speed and convenience. This model seamlessly integrates large warehouses, mid-mile distribution hubs, and last-mile dark stores, catering to consumers' growing preference for rapid delivery and hyper-local services.

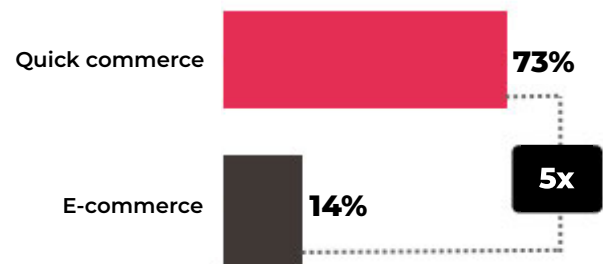
The evolution of quick commerce is closely tied to the changing habits of India's urban consumers, particularly following the post-COVID resurgence of urbanisation. A shift from bulk purchases to smaller, more frequent buys has redefined the logistics landscape. Beyond staples like groceries, platforms now cater to affluent urbanites by offering high-value items, including electronics and even gold, meeting rising expectations for convenience and immediacy.

GMV OF QUICK COMMERCE IN INDIA



YoY GROWTH

%, FY23-24



Source: Chryseum, 2024.

At the centre of this transformation is the concept of dark stores - small, hyper-local fulfilment centres that function as micro-warehouses. Unlike traditional retail outlets, dark stores are closed to walk-in customers and are designed exclusively to handle online orders, ensuring rapid delivery by stocking inventory tailored to local consumer preferences.

Supporting this rapid delivery model are mid-mile distribution hubs, often referred to as "mother warehouses." These hubs serve as vital intermediaries between large-format storage facilities on city outskirts and urban dark stores. This tiered structure strikes a balance between operational speed and cost efficiency, enabling businesses to uphold their delivery commitments while managing the high costs associated with urban warehousing.

Speed is the essence of quick commerce, and the rise of dark stores has revolutionised the urban logistics landscape. These strategically located hubs are tailored to meet localised demand with precision. Leveraging advanced data analytics, AI, and machine learning, dark stores can manage up to 6,000 SKUs (Stock Keeping Units) while fulfilling the promise of instant delivery.

Technology plays a pivotal role in driving the sector's success. Several quick commerce platforms have adopted data-driven strategies, focusing on consumer insights and operational optimisation while outsourcing logistics to remain agile. Innovations like edge data centres have further enhanced the customer experience, enabling real-time tracking and faster lead times.

India's quick commerce model stands as a remarkable example of homegrown ingenuity in the global logistics arena. Unlike traditional e-commerce, which heavily borrows from international frameworks, quick commerce addresses uniquely Indian challenges with solutions tailored to local realities. This approach has piqued interest across Southeast Asia and other regions, showcasing India's potential to influence global supply chain trends.

The future of the sector will hinge on deeper integration. Connecting large warehouses, mid-mile hubs, and dark stores into a cohesive system will not only enhance efficiency but also empower businesses to meet the growing expectations of consumers. Mixed-use developments and institutional investments will play a critical role in providing the infrastructure and capital necessary to sustain the sector's impressive growth trajectory.

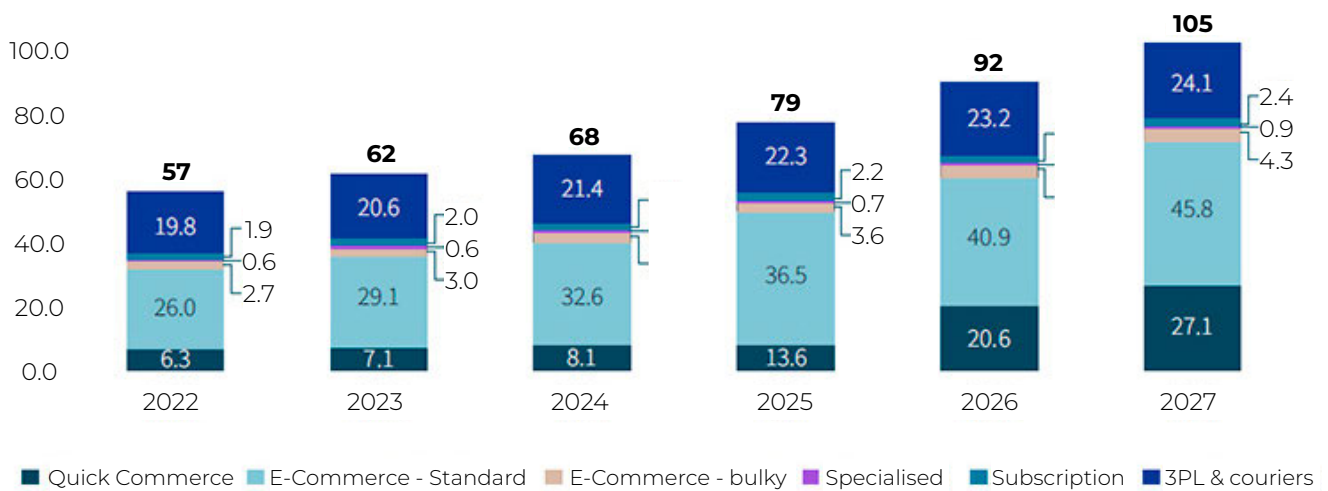
» **Navigating compliance and scalability**

Quick commerce in India is expanding rapidly, revolutionising the logistics landscape. However, its growth remains concentrated in metropolitan hubs like Mumbai, Delhi, and Bangalore, where high land costs and infrastructure constraints pose significant challenges, leaving smaller markets largely untapped.

Unlocking opportunities in these markets will require crucial interventions, including zoning clarity, digitisation of land records, and streamlined approval processes. In the meantime, the focus on major cities serves as a testing ground to refine the quick commerce model and prepare it for broader scalability.

Central to the sector's challenges is the difficulty of achieving economies of scale. Large-format warehouses benefit from serving extensive geographies, but dark stores and micro-fulfilment centres cater to hyper-local operations, inherently driving up operational costs per square foot. While the potential to aggregate facilities across multiple cities offers a promising path to significant investment, the model remains in its early stages, demanding a long-term strategic approach.

URBAN FULFILMENT COMBINED SPACE REQUIREMENT



Source: JLL India, 2024.

Adding to these operational challenges is the critical issue of regulatory compliance. Many urban fulfilment centres currently operate out of retrofitted retail spaces, basements, or other non-compliant structures due to a lack of suitable urban properties. This non-compliance - estimated to affect over 50% of such facilities - poses risks related to safety, fire standards, and operational efficiency.

This move towards compliant infrastructure, while necessary, presents a financial challenge, since bridging this gap will require not just better urban planning, but also investment in purpose-built, regulation-compliant facilities designed to meet both operational and legal standards.

Companies willing to absorb these additional costs could position themselves as leaders in a more stable, trustworthy ecosystem. This shift also opens opportunities for institutional investors to fund compliant infrastructure projects, creating a mutually beneficial relationship between stakeholders.

Despite these challenges, the concentrated focus on metropolitan areas presents an opportunity for the sector to refine its systems before expanding further. Concentrated activity in these hubs provides a fertile environment for businesses to experiment with scalable models, address compliance issues, and solidify their operational frameworks. By proactively tackling these barriers, quick commerce is well-positioned to secure its foothold in urban India while building a foundation for future expansion into smaller cities.



Founded in 1998 in London, GRI Club currently brings together more than 19,000 senior executives spread across 100+ countries, operating in both real estate and infrastructure markets.

GRI Club's innovative discussion model allows free participation of all executives, encouraging the exchange of experiences and knowledge, networking, and business generation.

GRI Club Members also have access to our exclusive online platform to learn more about other members and their companies, correspond, schedule meetings, and receive unrestricted access to all GRI Club content.

CONTACT



Rodrigo Branchini

Partner | Managing Director APAC

rodrigo.branchini@griclub.org



GRI Club



GRI Club India



GRI Club



@griclub.apac

griclub.org