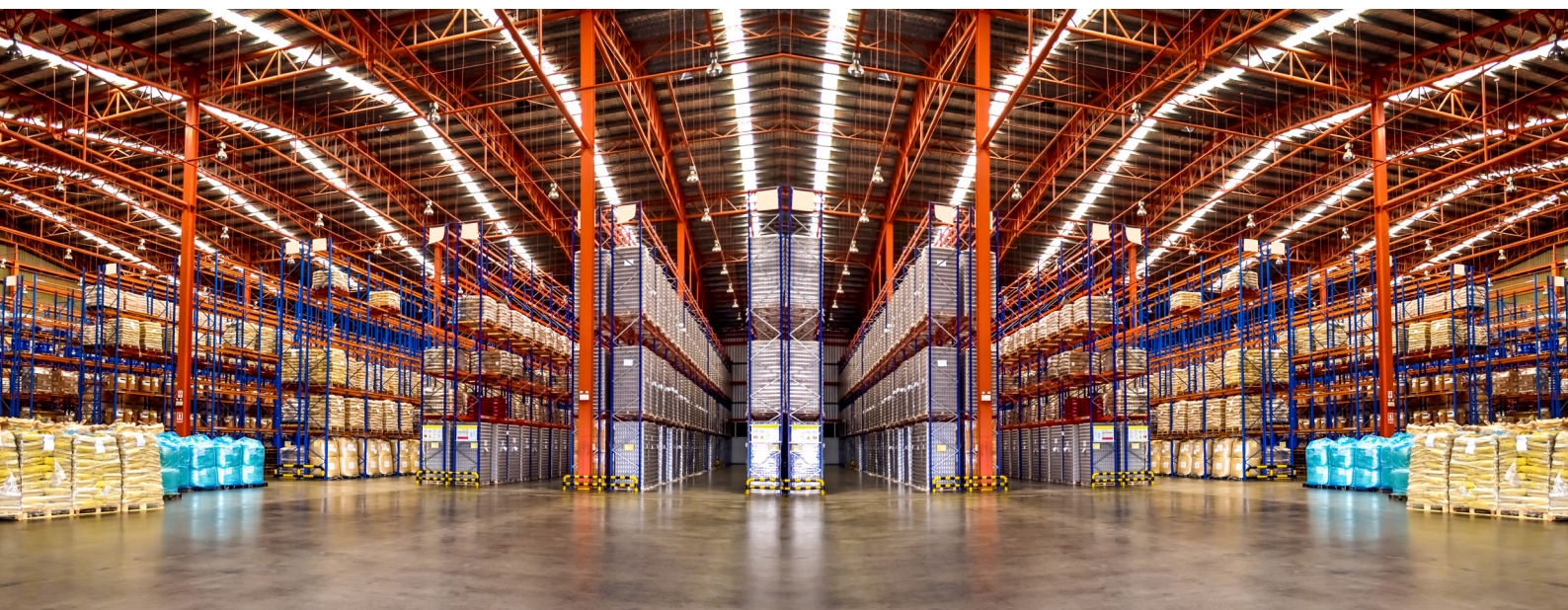


Industrial & Logistics

India | Q3 2026

savills



KEY TRENDS

- India's industrial and logistics sector continued its growth trajectory, witnessing 24.3 mn sq. ft. of absorption in Q3 2026, with a YoY growth of 14.1%. Cumulative absorption during the first nine months of 2026 hit an all-time high of 59.1 mn sq. ft., up 6.9% YoY.
- On the supply front, fresh completions totaling 26.2 mn sq. ft. were added in Q3 2026, representing a 21.3% YoY growth, while cumulative supply during the first nine months of 2026 rose to 68.9 mn sq. ft. from 55 mn sq. ft., reflecting a growth of 25.3% over the corresponding period last year, highlighting a robust supply pipeline and continued market expansion.
- Tier-I cities continued to dominate absorption, accounting for 19.9 mn sq. ft. and an 82% share of the total absorption in Q3 2026, while Tier-II and III cities contributed 4.4 mn sq. ft. (18%) during the same period.
- Driven by sustained expansion, the manufacturing segment strengthened its contribution to total absorption, reaching 31% in Q3 2026 compared to 27% in Q3 2025. The 3PL segment maintained sustained momentum, contributing 26% of total absorption in Q3 2026, while the retail segment strengthened its presence, increasing its share from 5% in Q3 2025 to 12% in Q3 2026.
- Delhi-NCR remained the leading market, accounting for 20% of total absorption in Q3 2026, followed by Bengaluru at 16%, and Mumbai and Pune at 14% and 13% respectively. In terms of supply, Pune emerged as the highest contributor, accounting for 18% in Q3 2026, followed by Delhi-NCR and Mumbai, each at 15%.

KEY STATISTICS - Q3 2026 VS Q3 2025

ABSORPTION ACROSS TIERS

	Absorption mn sq. ft.		Y-o-Y change (%)	Absorption mn sq. ft.		Y-o-Y change (%)
	Q3 26	Q3 25		YTD Q3 26	YTD Q3 25	
Overall	24.3	21.3	14.1%	59.1	55.3	6.9%
Tier-I	19.9	17.8	11.8%	47.2	44.0	7.3%
Tier-II & III	4.4	3.5	25.7%	11.9	11.3	5.3%

Source: Savills India Research

Note: Tier I cities include Ahmedabad, Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, Delhi-NCR, and Pune. Tier II and Tier III cities include Guwahati, Bhubaneswar, Patna, Hosur, Coimbatore, Rajpura, Lucknow, Jaipur, Nagpur, Surat and Indore.

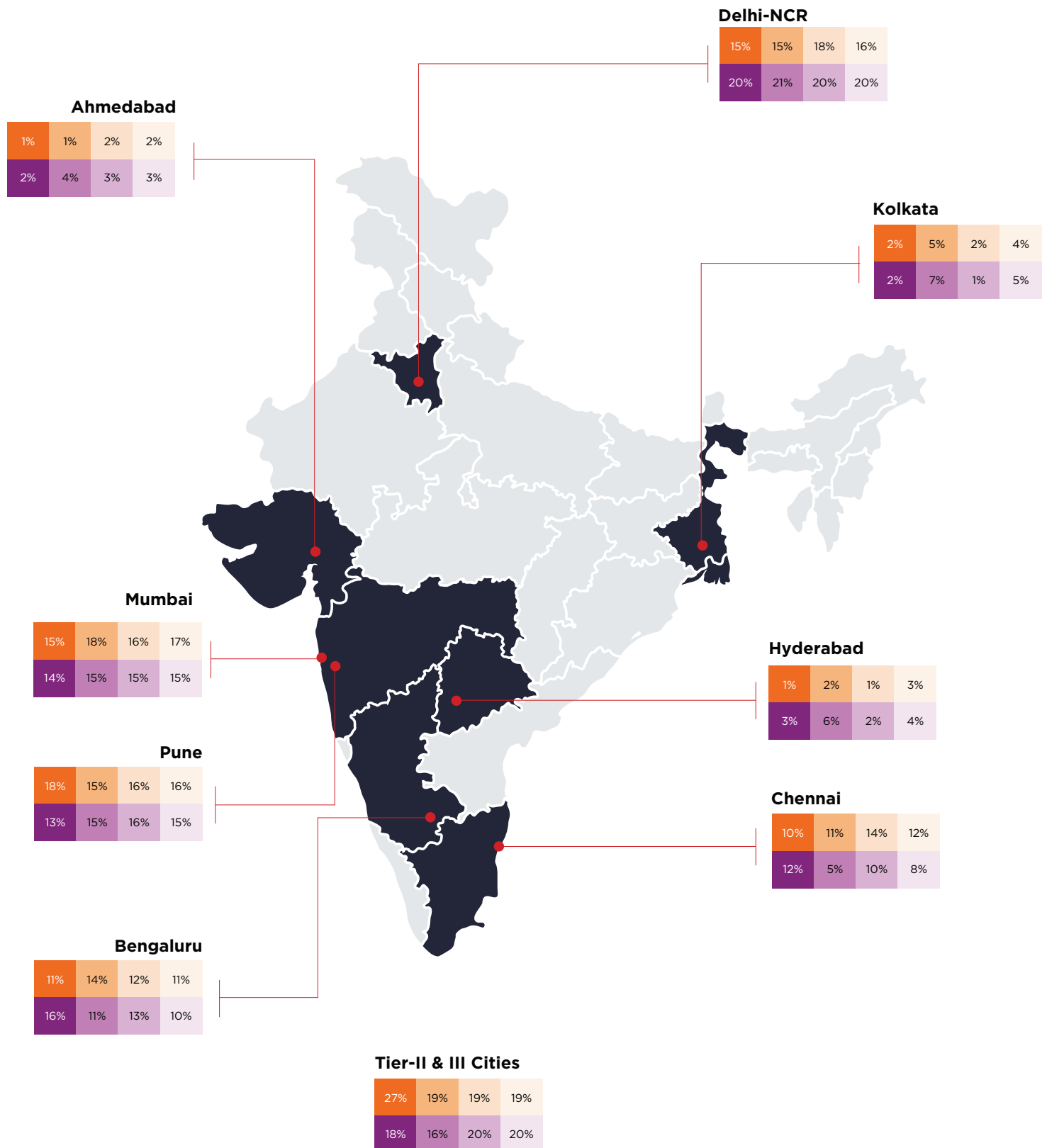
SUPPLY ACROSS TIERS

	Supply mn sq. ft.		Y-o-Y change (%)	Supply mn sq. ft.		Y-o-Y change (%)
	Q3 26	Q3 25		YTD Q3 26	YTD Q3 25	
Overall	26.2	21.6	21.3%	68.9	55.0	25.3%
Tier-I	19.2	17.5	9.7%	55.9	44.8	24.8%
Tier-II & III	6.9	4.0	72.5%	12.9	10.2	26.5%

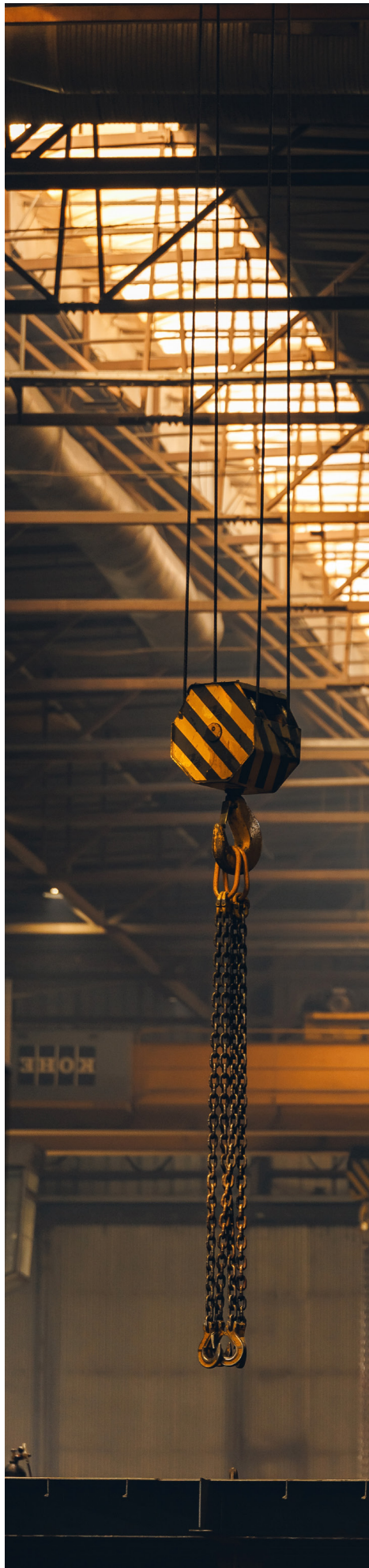
Source: Savills India Research



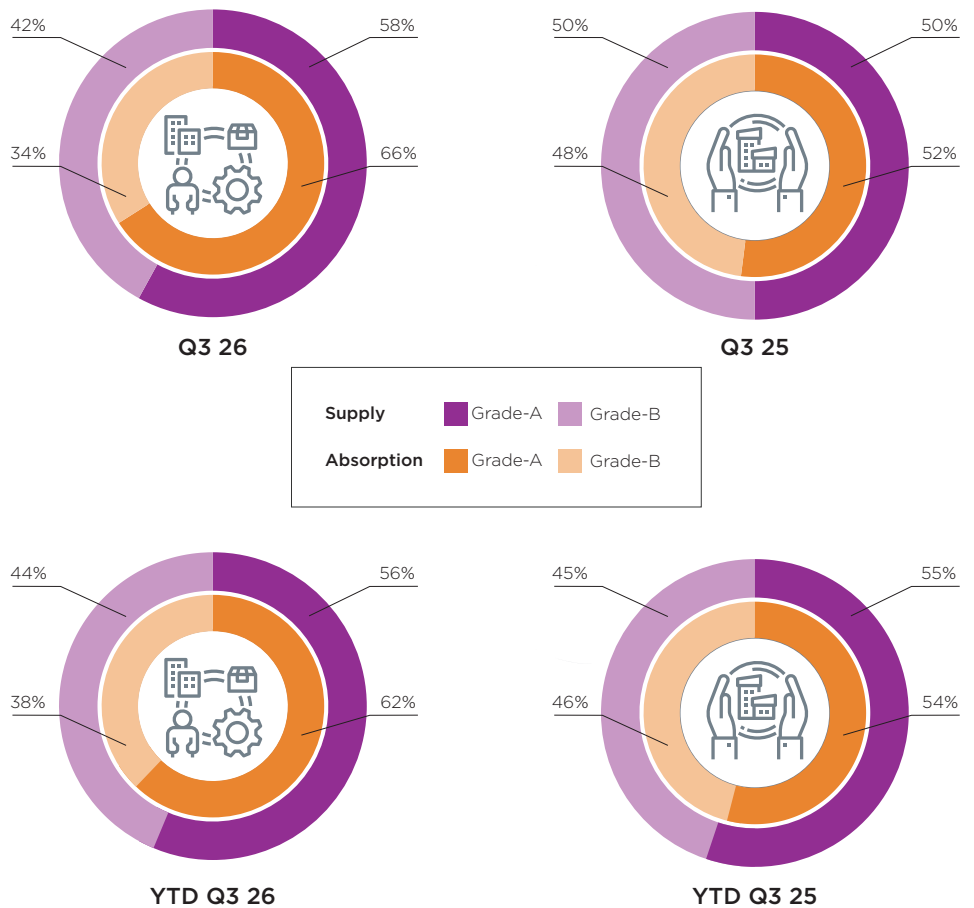
CITY-WISE SUPPLY AND ABSORPTION (%)



Supply				Absorption			
Q3 26	Q3 25	YTD Q3 26	YTD Q3 25	Q3 26	Q3 25	YTD Q3 26	YTD Q3 25

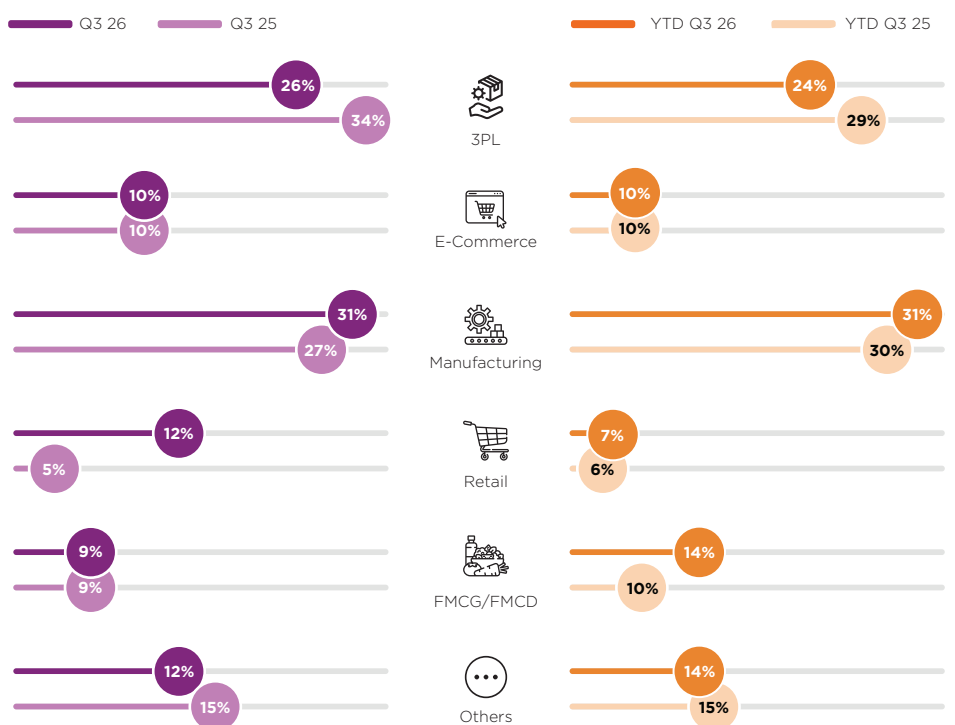


GRADE-WISE SUPPLY & ABSORPTION (%)



Source: Savills India Research

SECTOR-WISE ABSORPTION (%)



Source: Savills India Research

Note: Others including manufacturing warehousing, cold storage, chemical storage, FTWZs, ICDs, and Urban Warehousing



OUTLOOK

- India's industrial and warehousing sector is entering a defining phase, with 2026 expected to set new benchmarks in both demand and supply. With India strengthening its position as a preferred manufacturing, distribution and export hub, the sector is evolving beyond a cost-led proposition towards a resilient, innovation-driven ecosystem anchored in supply chain efficiency, competitiveness and long-term sustainable growth.
- The next phase of growth will be defined not only by scale but also by geographic diversification, with industrial activity

expanding across 20+ Tier-I and II cities and gaining momentum in over 25 Tier-II and III markets.

- India's manufacturing sector is strengthening its contribution to demand, supported by policy reforms, infrastructure development, rising private investments and global supply chain diversification. High-growth sectors such as semiconductors, EVs, electronics, renewable energy, batteries & energy storage, and aerospace & defence are likely to play pivotal roles in driving manufacturing space demand.

- Rental values for Grade-A assets are likely to see a mild uptick amid rising land prices and development costs, while stable yields and strong investor interest are expected to reinforce the sector's attractiveness as a resilient and scalable asset class.
- Increasing investments in multimodal logistics parks, dedicated freight corridors, industrial corridors, and last-mile connectivity projects are expected to enhance supply chain efficiency and unlock new growth opportunities across key markets.



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