

LOGOS acquires warehousing assets of Casa Grande for ₹700 crore

- The deal marks LOGOS's first operational footprint in the Indian warehousing market
- LOGOS says the industrial parks can efficiently service the high-volume consumption markets of the greater Chennai region and the industrial corridors of Southern India

MUMBAI: Chennai-based real estate developer Casagrand Builder Pvt. Ltd has agreed to sell 2.2 million sq. ft of pre-leased warehousing assets of its subsidiary, Casa Grande Distripark Pvt. Ltd (CGD), to Asia Pacific logistics property specialist LOGOS, both the companies said on Monday.

LOGOS's Indian business is a partnership between LOGOS and Assetz Property Group. The property has been acquired within LOGOS's India Logistics Venture, which has commitments from Canadian investors Ivanhoé Cambridge and QuadReal Property Group.

The transaction marks LOGOS's first operational footprint in the Indian warehousing market.

Mint had first reported in April 2018 that LOGOS was in talks to acquire the warehousing assets of Casa Grande.

According to a person aware of the development, LOGOS acquired the Casa Grande assets for around ₹700 crore. He spoke on the condition of anonymity as he is not authorized to speak with the media.

Motiram Prasad, managing director, Casa Grande Distripark, said in a statement, "This event hallmarks our journey through the complete infrastructure life cycle of land-acquisition, development, leasing and the final step of exiting to a marquee platform. We are very excited about the development and look forward to working along with and gaining from LOGOS's global expertise and scale."

CGD builds and operates multi-product warehousing and industrial parks with capabilities to provide value-added services (facility management, inventory management, materials management, etc.) on demand. Currently, its client base includes names across auto-components, energy and cold chain logistics sectors.

"This is a strategic acquisition for LOGOS. The parks are very well located with access to one of the country's largest ports, meaning they can efficiently service the high-volume consumption markets of the greater Chennai region and the industrial corridors of Southern India," said Mehul Shah, chief executive officer, LOGOS India.

Avendus Capital advised Casa Grande Distripark on the sale of the warehousing assets.

"We are witnessing significant interest from global investors in the Indian warehousing space in recent times with major players partnering with developers to create large platforms. The highly unorganized and underdeveloped Indian industrial warehousing sector is expected to undergo an unforeseen transformation owing to rapid changes in business environment such as rise of the e-commerce, GST (goods and services tax) implementation, changing costs and Make-in-India movement," said Prateek Jhavar, director and head, infrastructure and real assets investment banking, Avendus Capital.

The anticipated demand-supply gap of Grade 'A' warehousing is expected to open up numerous investment opportunities in the future, he added.

In the last couple of years, the Indian warehousing sector has seen several investments, with funds such as CPPIB and Warburg Pincus partnering with developers to create large platforms.

In May 2017, IndoSpace and Canadian pension fund CPPIB created a joint venture, IndoSpace Core, to acquire and develop modern logistics facilities in India. CPPIB has made a significant commitment of around \$1 billion towards IndoSpace's assets. Currently, IndoSpace's portfolio includes 28 logistics and industrial parks across the country. Singapore-based Ascendas-Singbridge Group announced a joint venture with Firstspace Realty in June 2017 to enter the Indian industrial logistics and warehousing market.

Link: <https://www.livemint.com/companies/news/logos-acquires-warehousing-assets-of-casa-grande-for-700-crore-1551100734358.html>