

Logos India to buy warehousing assets from Casagrand in debut deal



Chennai-based Casagrand Builder Pvt. Ltd has entered into an agreement to sell two warehousing assets with a leasable area of 2.2 million square feet to Logos India for Rs 700 crore (\$98.6 million at current exchange rate), the companies said in a statement.

The two warehousing assets -- Mappedu Logistics Park and Mahindra World City – are spread over an area of 85 acres.

Logos India is an India logistics joint venture (JV) between Macquarie-backed Asia-Pacific-focused Logos Property Group and Singapore's Assetz Property Group. The JV has raised money from Caisse de depot et placement du Quebec (CDPQ), which is one of Canada's biggest public pension funds, and Canada's QuadReal Property Group.

The transaction marks Logos' first operational footprint in the fast-growing warehousing market of India and reflects strong interest from global investors in this industry. Logos India has \$800 million in its kitty.

The development comes a little more than two years after VCCircle had first reported that Casagrand was looking to monetise its warehousing assets.

Trent Iliffe, managing director, Logos, said, "India is one of the fastest-growing economies in the world and with a high-growth real estate sector, this market is an important part of our Asia-Pacific strategy as we continue to support our tenant customers' growth across the region."

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

Casagrand builds and operates multi-product warehousing and industrial parks that can provide value-added services on demand. The firm claims that its clients come from automobile component, energy, cold-chain logistics and other sectors.

India's warehousing space is witnessing significant interest from global investors with major players partnering developers to create large platforms. The highly unorganised and under-developed Indian industrial warehousing sector is expected to undergo a major transformation owing to rapid changes in the business environment, such as the rise of e-commerce, GST (Goods and Services Tax) implementation, and Make-in-India movement.

Warehousing as an asset class has caught the fancy of a slew of global investors. For example, Morgan Stanley has bought a majority stake in KSH Infra Pvt. Ltd, a Pune-based warehousing and industrial logistics park developer. The bet marks the return of Morgan Stanley to the real estate sector. It had been an investor in India's residential real estate market for a long time before discontinuing its exposure to the segment a few years ago.

Link: <https://www.vccircle.com/chennai-s-casagrand-builder-to-sell-warehousing-assets-to-logos-india>