

SPOTLIGHT

Beyond Make in India: The Rise of Made by India

September 2026



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Introduction

The manufacturing sector is emerging as a key driver of the “Viksit Bharat” (Developed India) vision. It remains a pivotal contributor to India’s economic expansion, with a substantial share in the nation’s GDP. Anticipated trends indicate a gradual increase in the sector’s contribution, with forecasts by NITI Aayog, Govt. of India suggesting a rise to 18% by FY 2030, 22% by FY 2040, and 25% by FY 2047.

To understand the demand dynamics of this high-growth industry and derive deeper insights, Savills India analysed manufacturing leasing data from 2020 to 2025 across eight Tier-I cities and over ten Tier-II and Tier-III cities.

The analysis examines growth trends and patterns, demand composition across manufacturing sub-segments, average deal sizes, evolving preferences for compliant Grade-A spaces, regions & countries driving manufacturing space demand, key clusters, cities and micromarkets.

The report provides a comprehensive assessment of India’s manufacturing landscape, including its structural evolution, demand growth dynamics, leading cities and micromarkets, and the regions & countries from which demand originates, along with growth forecasts and future outlook.

Global Manufacturing Landscape: India on the Rise

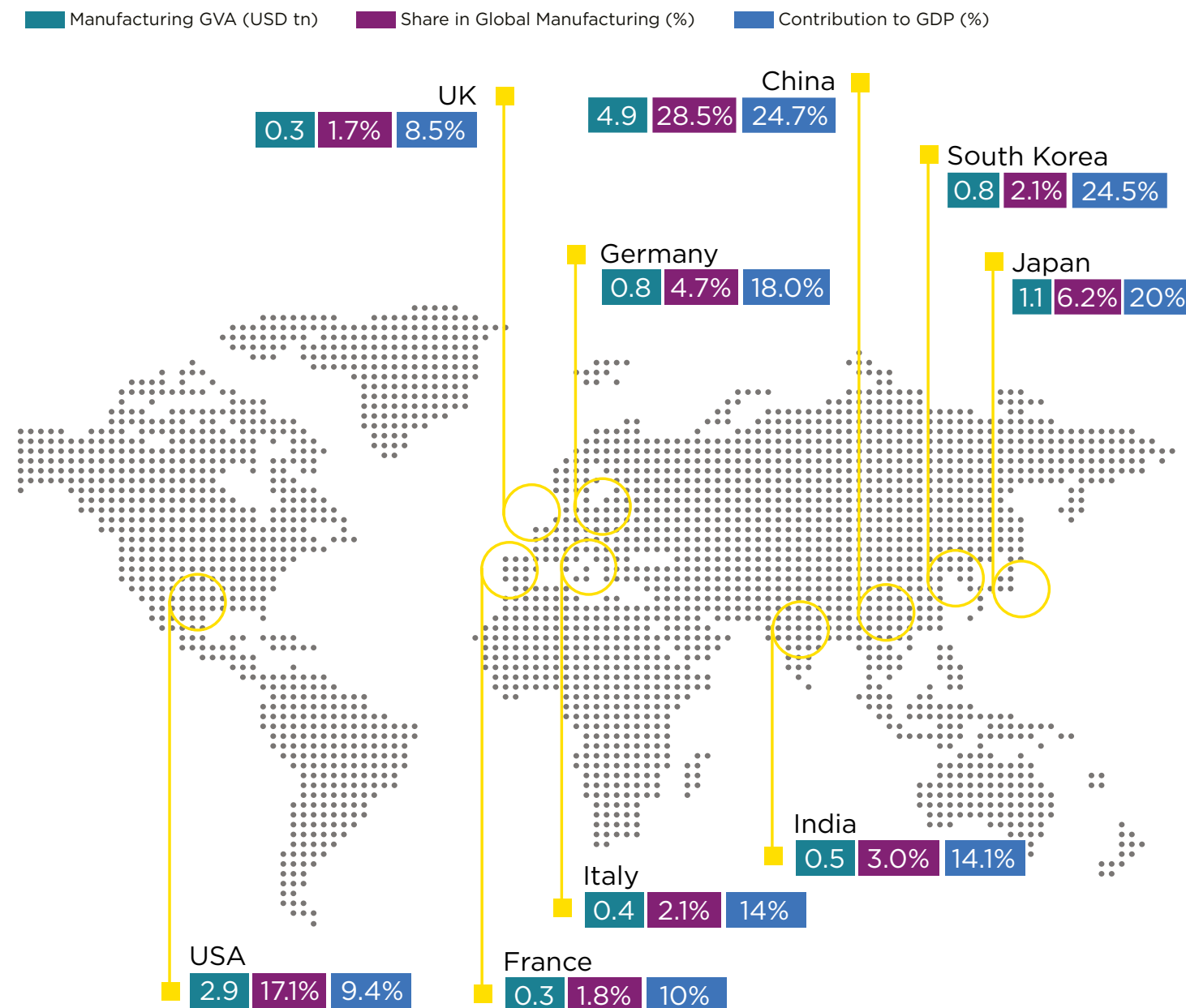
Historically, developed nations such as the USA, Germany, Japan, and the UK emerged as early manufacturing leaders supported by strong industrial infrastructure, innovation, and advanced production ecosystems. Over time, manufacturing activities gradually shifted towards developing economies, particularly across Asia, supported by cost

competitiveness, export-oriented policies, infrastructure development, and rapid globalisation.

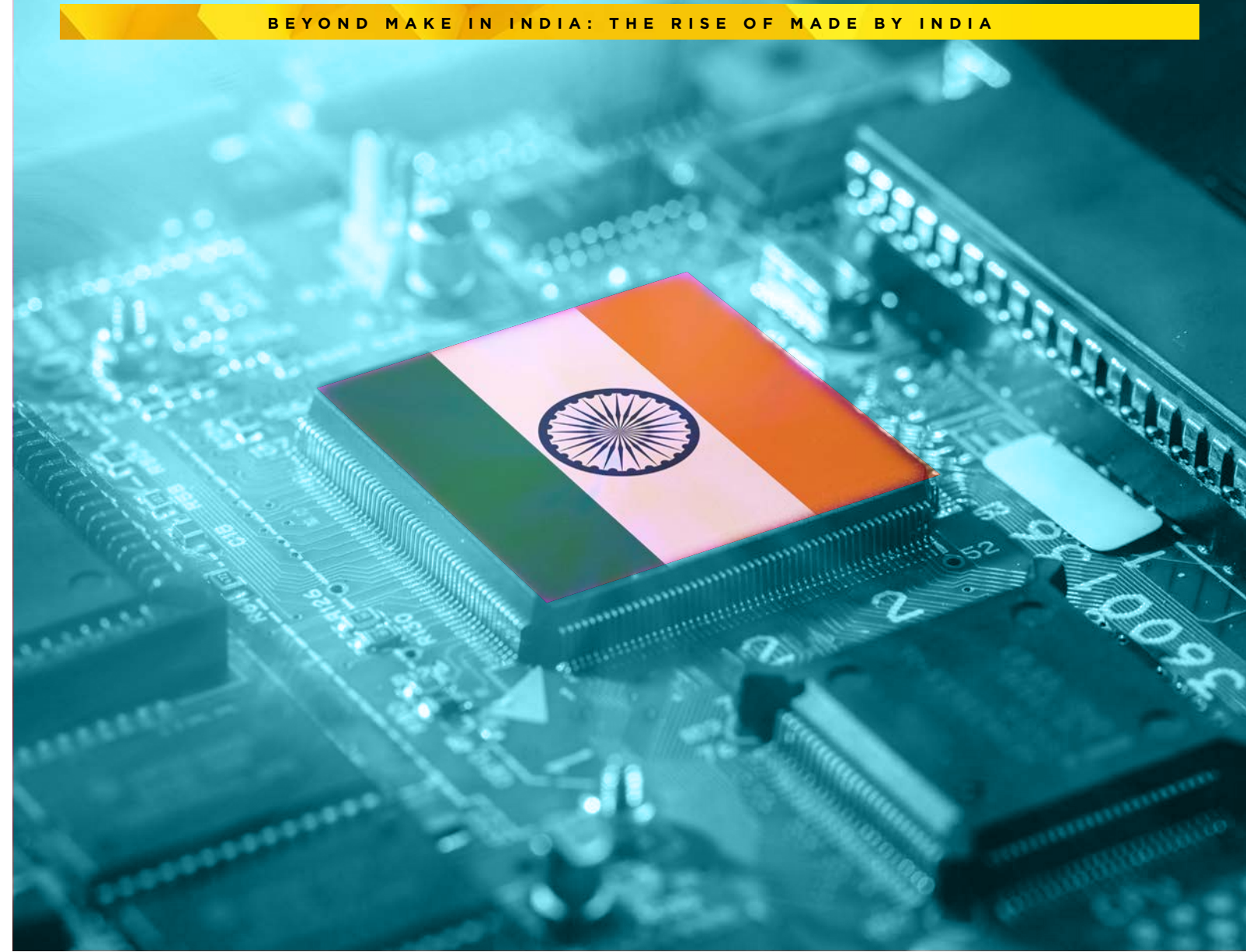
In this evolving environment, India is emerging as an increasingly attractive destination supported by its large domestic market, cost competitiveness, expanding infrastructure base, changing

trade dynamics, and improving industrial ecosystem. Simultaneously, the adoption of advanced technologies, automation, digitalisation, and sustainable manufacturing practices is strengthening India's long-term manufacturing competitiveness and positioning the country as an important part of the global supply chain realignment.

GLOBAL MANUFACTURING LANDSCAPE 2025: MANUFACTURING GVA (USD TN), SHARE IN GLOBAL MANUFACTURING (%) & CONTRIBUTION TO GDP (%)



Sources: World Bank, MOSPI, Govt. of India, China Briefing, FourJaw Manufacturing Analytics, UNIDO Statistics, The Global Economy, International Trade Administration (ITA)
Note: Data includes contributions from manufacturing only and excludes the broader secondary sector.



India's Manufacturing Renaissance

India's manufacturing landscape is witnessing a decisive structural shift, moving from a consumption led growth model to a production, export and investment driven trajectory. The emphasis is increasingly shifting away from import dependent domestic consumption towards the creation of scalable manufacturing capacities that can cater effectively to both domestic demand and global markets.

Enabling Scale: Policy as the Catalyst

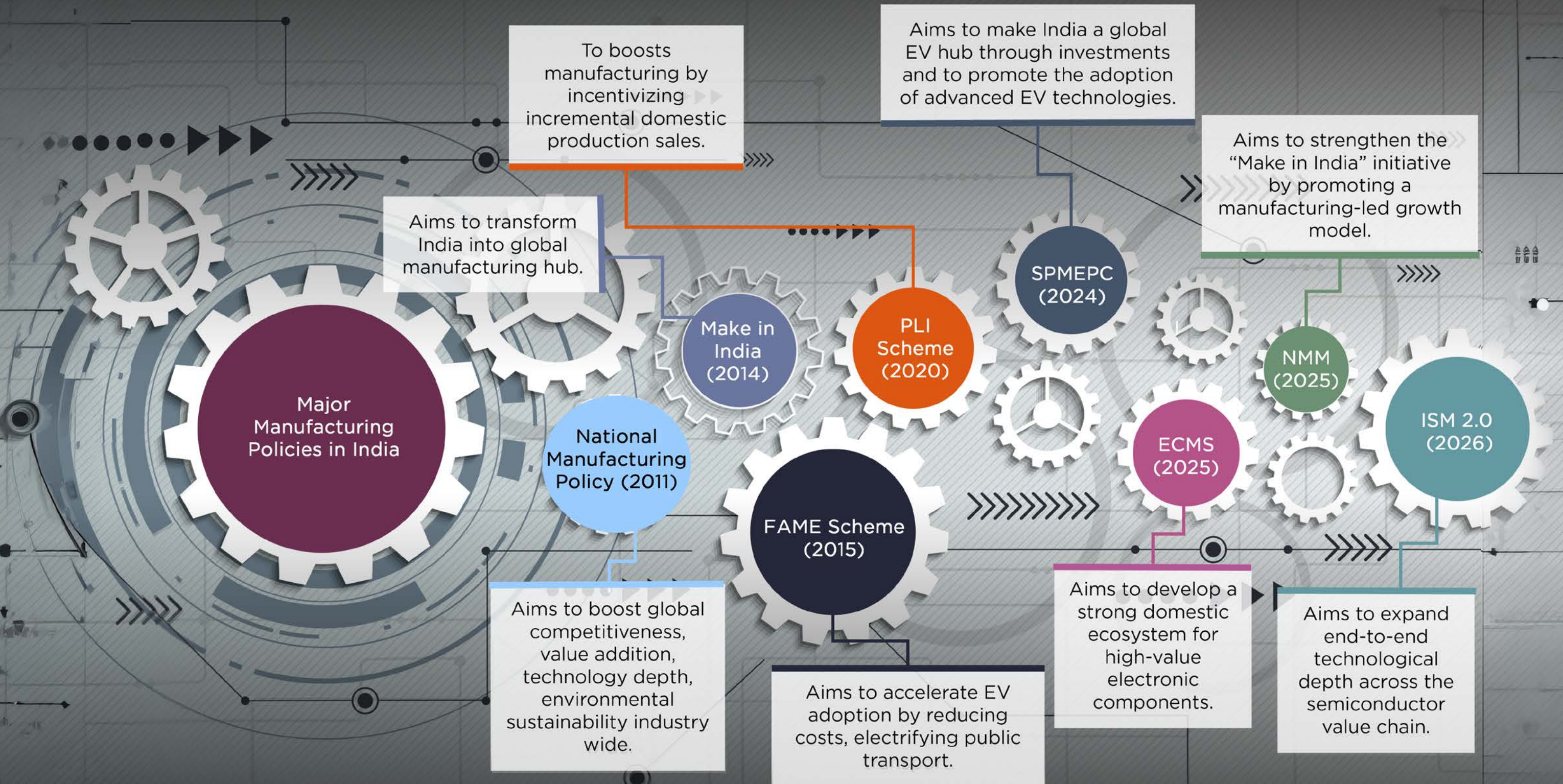
India's economy has evolved from a predominantly agrarian base to a services-driven economy. While the country

established a strong industrial foundation after Independence, the economic reforms of 1990s accelerated growth, particularly in IT & ITeS services, positioning India as a global IT & ITeS hub. In contrast, China and several Asian economies such as Vietnam and Thailand pursued manufacturing-led growth through export-oriented policies and industrial development, emerging as major global manufacturing centres. Recognising the need for large-scale employment generation, export growth and supply chain resilience, India has, over the past few decades, increasingly emphasised manufacturing through various initiatives.

India's flagship policy initiatives such

as "Make in India", "Production Linked Incentive (PLI)" scheme and the push for self-reliance under "Atmanirbhar Bharat (Self-Reliant India)" are encouraging manufacturing activities. At the same time, global geopolitical developments and the global supply chain diversification have positioned India as a credible alternative manufacturing destination. This transition is also reflected in the narrative shift from "Make in India" to "Made by India", signalling India's ambition to emerge not just as a production base, but as an integrated manufacturing and export hub with deeper value addition, technology adoption, and global quality standards.

POLICY & INCENTIVE FRAMEWORK POWERING MANUFACTURING GROWTH



Source: Various Secondary Sources

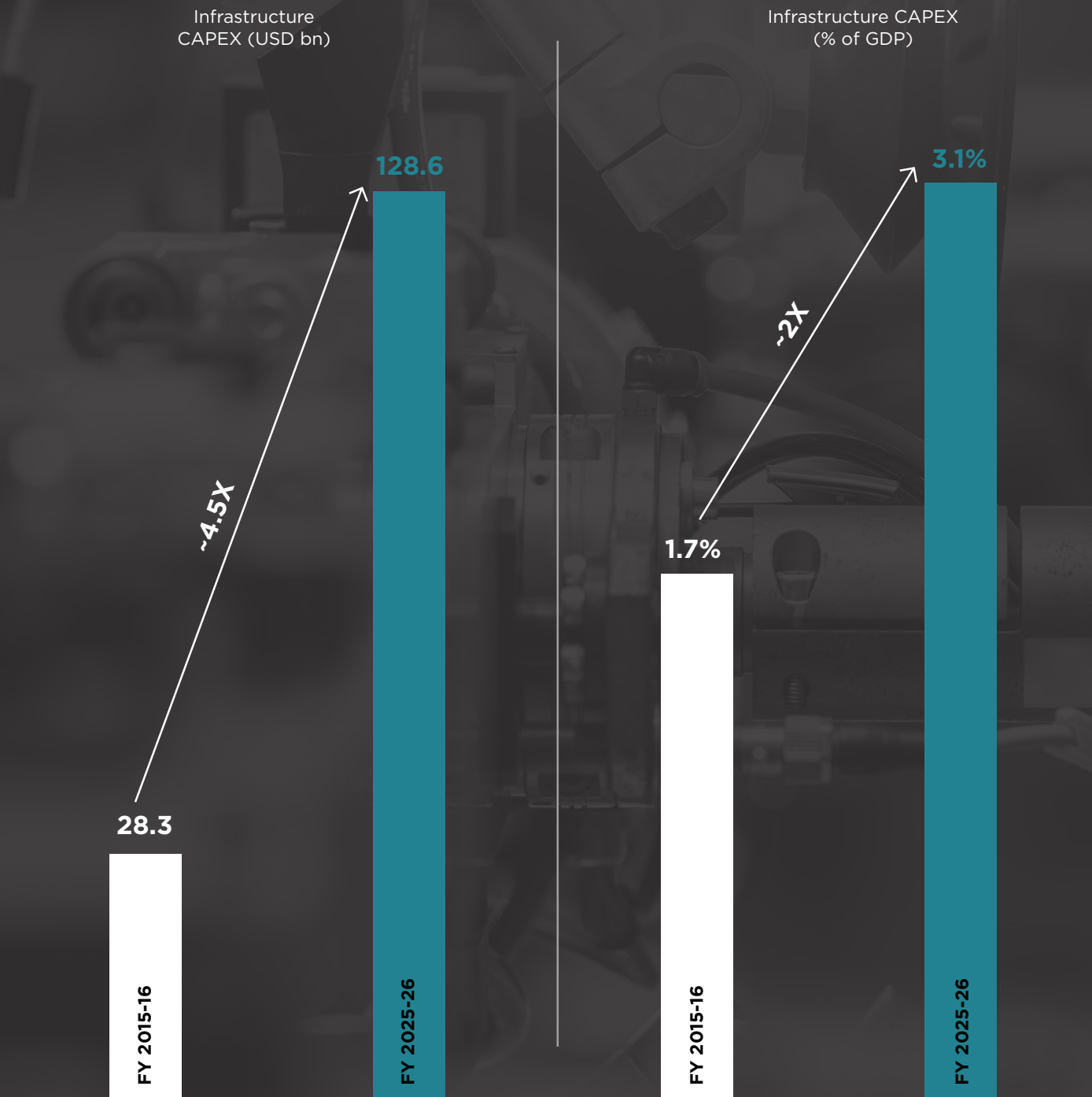
Note: FAME (Faster Adoption and Manufacturing of Hybrid & Electric Vehicles); ECMS (Electronic Component Manufacturing Scheme); SPMEPCI (Scheme to Promote Manufacturing of Electric Passenger Cars); NMM (National Manufacturing Mission); ISM (India Semiconductor Mission)

Enabling Manufacturing Scale: Infrastructure as the Catalyst

The Indian government has been proactive in infrastructure spending, which is critical for the country's manufacturing growth and improved connectivity. Government capital expenditure on infrastructure

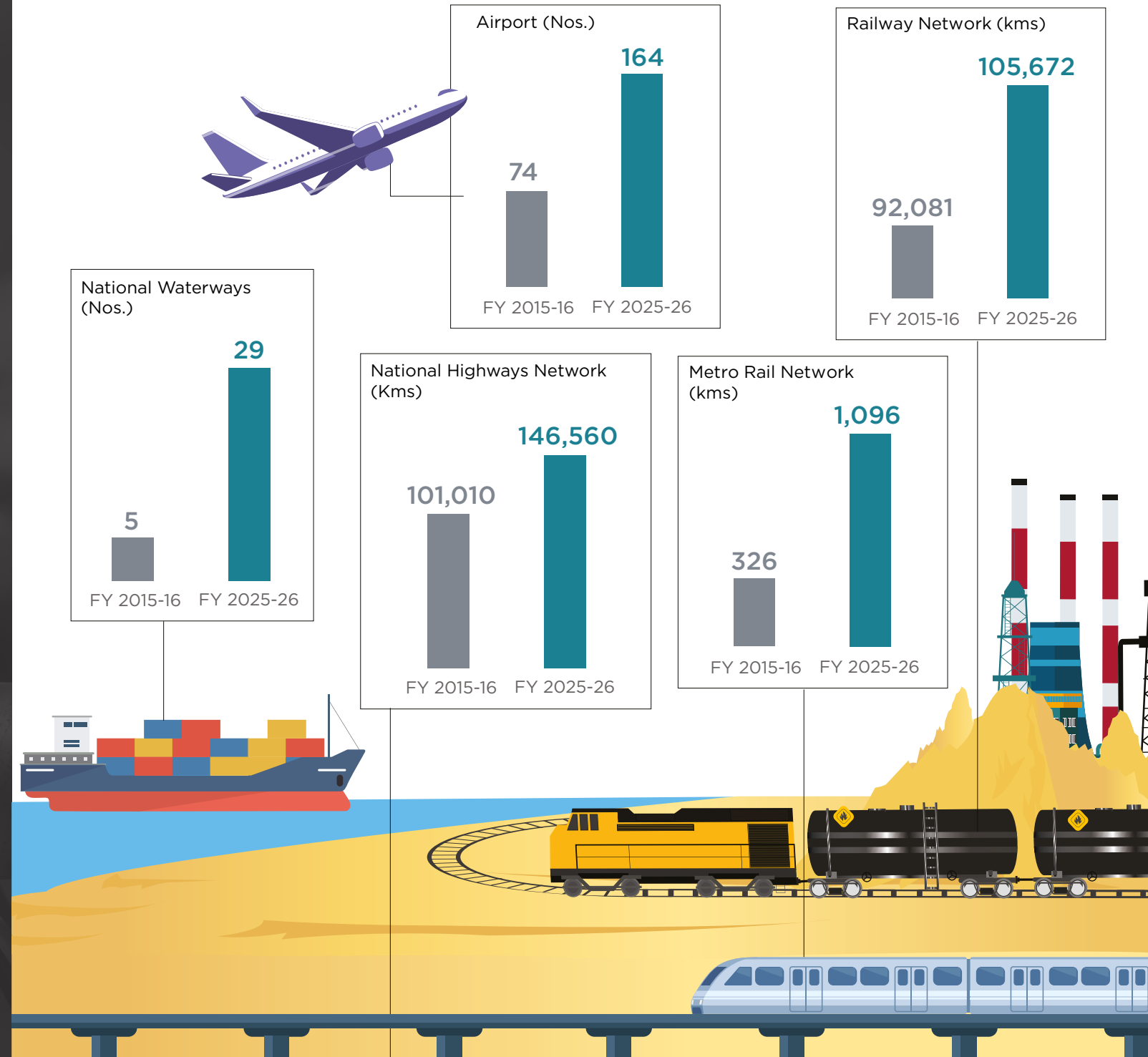
increased from USD 28.3 bn in FY 2015-16 (1.7% of GDP) to USD 128.6 bn in FY 2025-26 (3.1% of GDP), representing a 4.5X growth. These investments spread across roads, railways, airports, ports, dedicated freight corridors, inland waterways, and industrial corridors, which collectively help reduce logistics costs and improve efficiency.

INFRASTRUCTURE CAPEX BY GOVERNMENT (FY 2015-16 VS FY 2025-26)



Source: Ministry of Finance, Govt. of India

DECADAL INFRASTRUCTURE DEVELOPMENT PROGRESS (FY 2015-16 VS FY 2025-26)



Decadal Infrastructure Development Process

Sources: Ministry of Civil Aviation, Ministry of Road Transport & Highways and the National Highways Authority of India (NHAI), Ministry of Railways, Inland Waterways Authority of India



Manufacturing Investment Landscape

India's manufacturing investment landscape is evolving rapidly with investments increased significantly from USD 145.6 bn in FY 2020-21 to USD 464.8 bn in FY 2023-24, highlighting the strong expansion activity. While government investments nearly tripled during the period, private sector participation

emerged as the primary growth driver, rising sharply from USD 73.5 bn in FY 2020-21 to USD 276.9 bn in FY 2023-24 and consistently contributing the larger share of investments. The strong private capital inflow indicates growing investor confidence in India's long-term manufacturing potential. Although FY

2024-25 (9M) investments stood at USD 374.4 bn, the continued dominance of private investments suggests sustained industrial momentum and continued expansion across key manufacturing sectors.

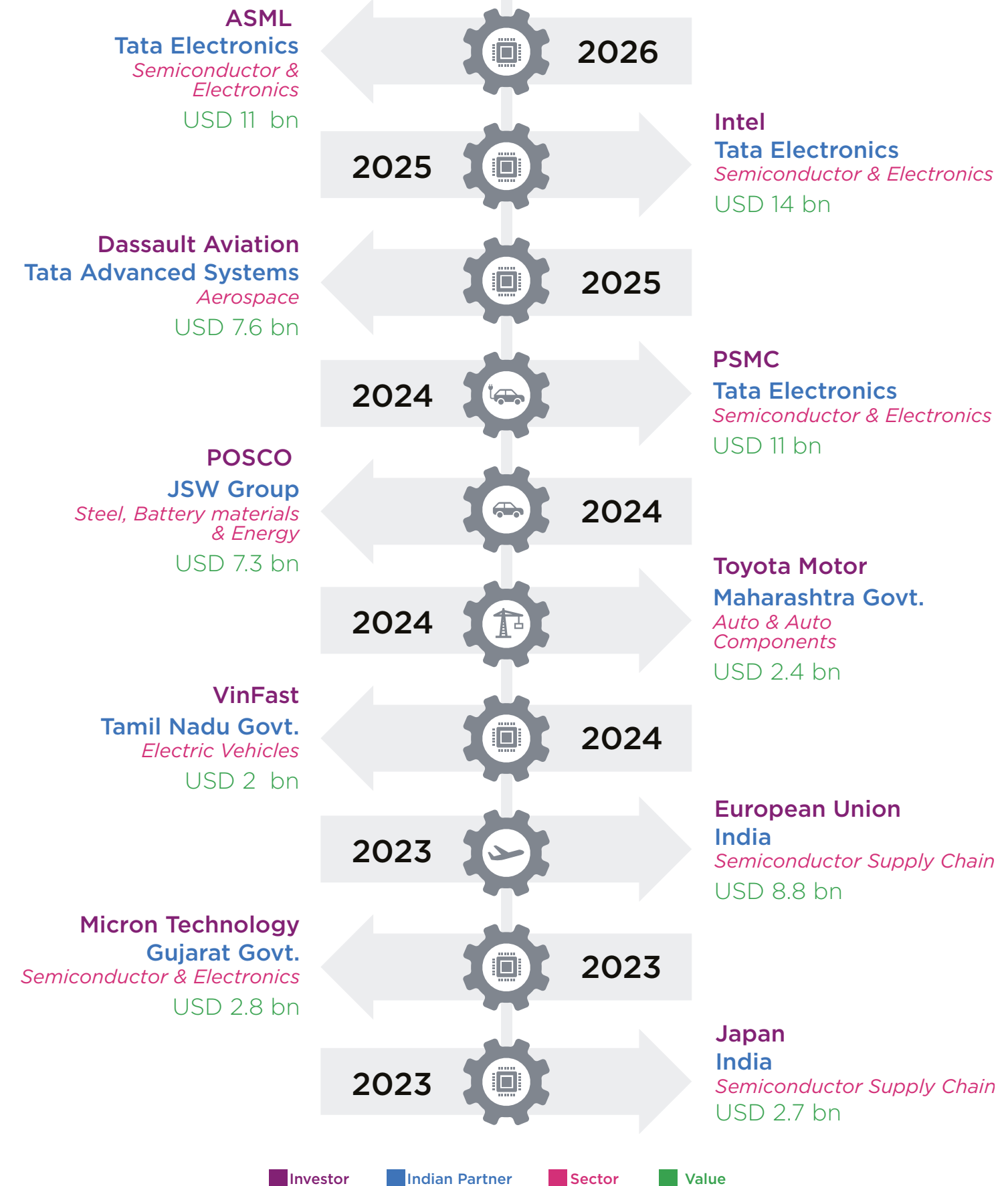
MAJOR MANUFACTURING INVESTMENTS ANNOUNCED/COMMITTED (FY 2020-21 TO FY 2024-25)

Financial Year	Government (USD bn)	Private (USD bn)	Total (USD bn)
2020-21	72.1	73.5	145.6
2021-22	84.6	185.2	269.8
2022-23	141.2	310.5	451.7
2023-24	187.9	276.9	464.8
2024-25 (9M)	113.5	260.9	374.4

Source: Ministry of Commerce, Govt. of India

Note: 1. Includes major manufacturing investments made/committed over the past five years by domestic and foreign players, including joint ventures and select PLI-supported projects.
2. USD to INR Conversion Rate of Rs.73.5 for FY 2020-21, Rs.74.5 for FY 2021-22, Rs.82.13 for FY 2021-22, Rs.83.04 for FY 2023-24, and Rs.85.47 for FY 2024-25

MAJOR MANUFACTURING INVESTMENTS ANNOUNCED/COMMITTED RECENTLY (2023-2026)



Source: Various Secondary Sources

Note: Covers major mega deals worth USD 2 bn and above.

Manufacturing-led Land Allotments

Manufacturing growth in India continues to be led by land acquisitions, as manufacturers increasingly prefer securing land to develop purpose-built facilities aligned with their operational and long-term expansion requirements. This trend is being supported by the growing availability of government-led land banks, industrial parks, corridors and dedicated manufacturing zones, which provide large contiguous parcels and enable faster project execution. A significant share of transactions comprises allotments by government agencies and industrial development authorities, while acquisitions from private landowners remain relatively limited. Indian manufacturers continue to drive the bulk of demand, with foreign

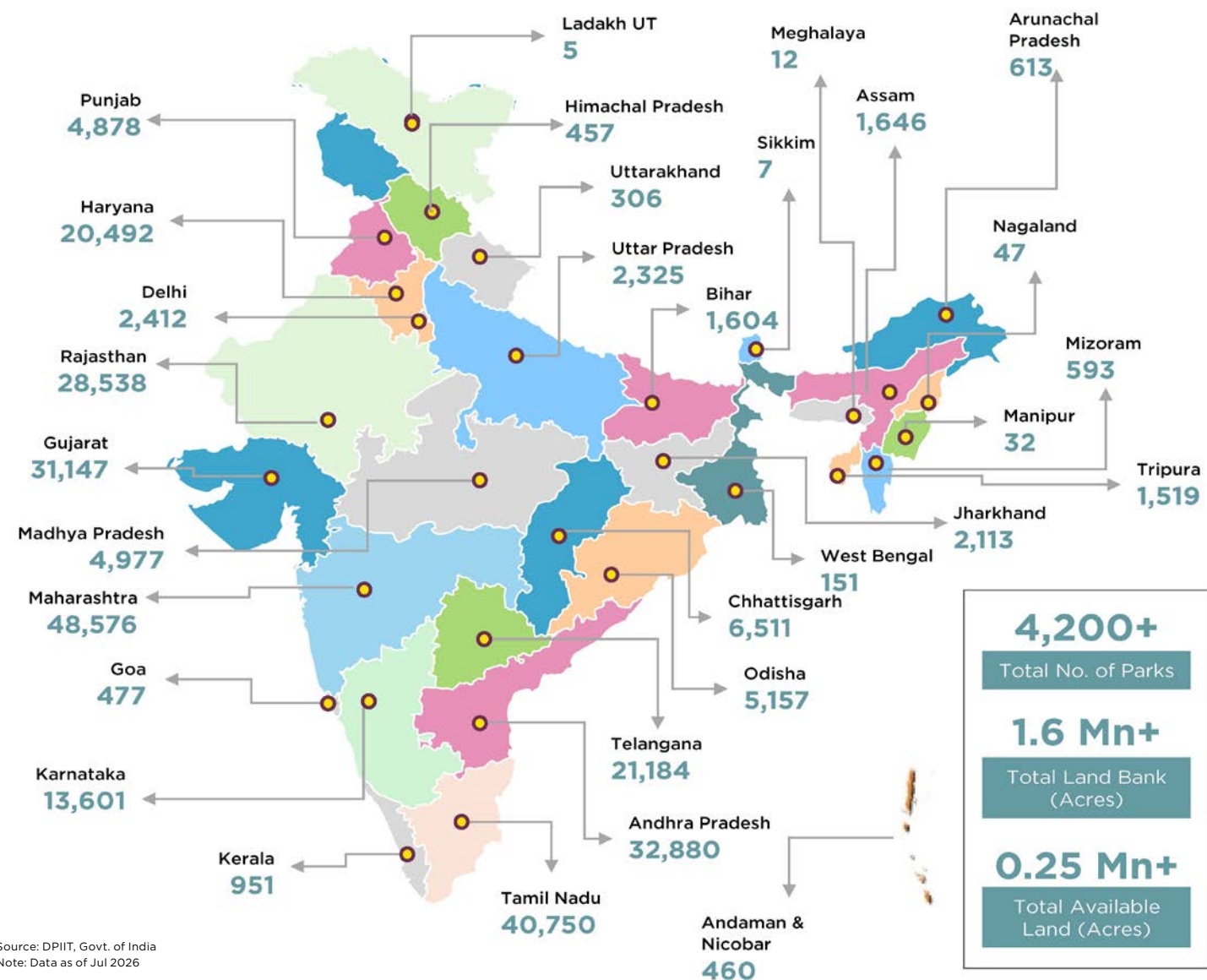
manufacturers steadily expanding their presence as India strengthens its position as a global manufacturing hub.

India has built one of the world's largest industrial land ecosystems to support manufacturing-led growth. The India Industrial Land Bank (IILB) comprises 4,249 industrial parks spanning 1.6 mn acres, with over 253,600 acres readily available for industrial development. The ecosystem includes 1.85 mn industrial plots, of which nearly 415,000 plots are vacant and available for immediate allotment. It is estimated that over 40,000 acres of land were allotted in 2025 for manufacturing-led activities and warehousing, reflecting the government's

proactive commitment to expanding manufacturing capacity.

Industrial land development is led by state agencies such as MIDC (Maharashtra), GIDC (Gujarat), RIICO (Rajasthan), KIADB (Karnataka), SIPCOT (Tamil Nadu), UPSIDA (Uttar Pradesh), TGIIC (Telangana), APIIC (Andhra Pradesh), IDCO (Odisha) and MPIDC (Madhya Pradesh). Together, these agencies drive industrial land allotment for manufacturers, infrastructure development and allotments across key sectors including electronics, semiconductors, EVs, automobiles, aerospace, pharmaceuticals, engineering and logistics.

AVAILABILITY OF INDUSTRIAL & WAREHOUSING LAND IN MAJOR STATES (ACRES)



Source: DPIIT, Govt. of India
Note: Data as of Jul 2026

Government initiatives continue to strengthen India's manufacturing ecosystem through the development of industrial cities, sector-specific clusters, industrial corridors and technology hubs. Projects such as Dholera SIR, Greater

Bengaluru AI City, Hyderabad Pharma City, Krishnapatnam Industrial Node, PM MITRA Parks and the Dholera Semiconductor Ecosystem are expanding the availability of investment-ready land and supporting industrial growth across key sectors.

Emerging initiatives such as the 100 Industrial Parks Programme and the Smart Industrial Cities Programme are further enhancing India's manufacturing and investment landscape.

LAND ALLOCATION FOR KEY INDUSTRIAL MEGAPROJECTS ACROSS INDIA

Project	Year	State	Approx. Land (in Acres)	Status
Dholera Special Investment Region (SIR)	Ongoing	Gujarat	-2,27,000	Phase-I under development
Future City	Ongoing	Telangana	-19,000	Phased development
Krishnapatnam Industrial Node (CBIC)	Ongoing	Andhra Pradesh	-8,000	Infrastructure development
100 Industrial Parks Programme	2026	Pan India	-33,000	Approved
Greater Bengaluru Integrated Township (GBIT) - AI City	2025	Karnataka	7,500-9,600	Proposed / Land acquisition
Palakkad Industrial Smart City	2024	Kerala	1,710	Approved
Dholera Semiconductor Ecosystem	2024	Gujarat	1,000	Under construction
PM MITRA Mega Textile Park (Dhar)	2023	Madhya Pradesh	2,158	Infrastructure under development
PM MITRA Mega Textile Park (Virudhunagar)	2023	Tamil Nadu	1,050	Development initiated
Bulk Drug Park	2022	Himachal Pradesh	1,400	Infrastructure development

Source: Various Secondary Sources





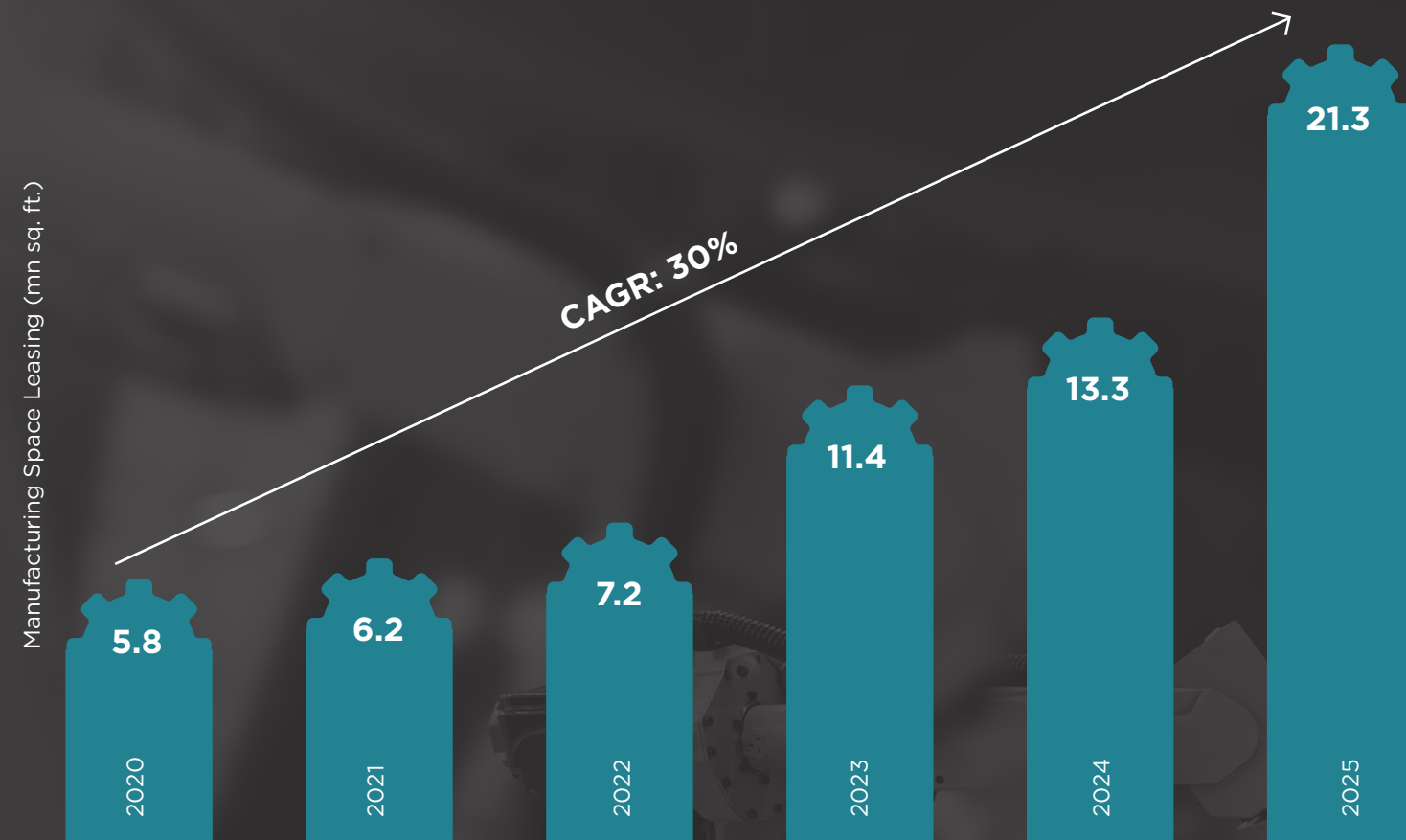
Manufacturing Space Leasing

India's manufacturing sector momentum is strengthening, signalling a clear structural shift in the industrial landscape. As output scales up across sectors, occupiers

are increasingly seeking larger, high compliance manufacturing spaces within established industrial clusters. This is reflected in the sharp rise in manufacturing

space leasing, which is expanding at a robust CAGR of 30% from 5.8 mn sq. ft. in 2020 to 21.3 mn sq. ft. in 2025.

MANUFACTURING SPACE LEASING TREND (2020-2025)



Source: Savills India Research
Note: Data and analysis are based solely on leasing activity and exclude land transactions

Manufacturing Space Leasing: Leading & Emerging Cities

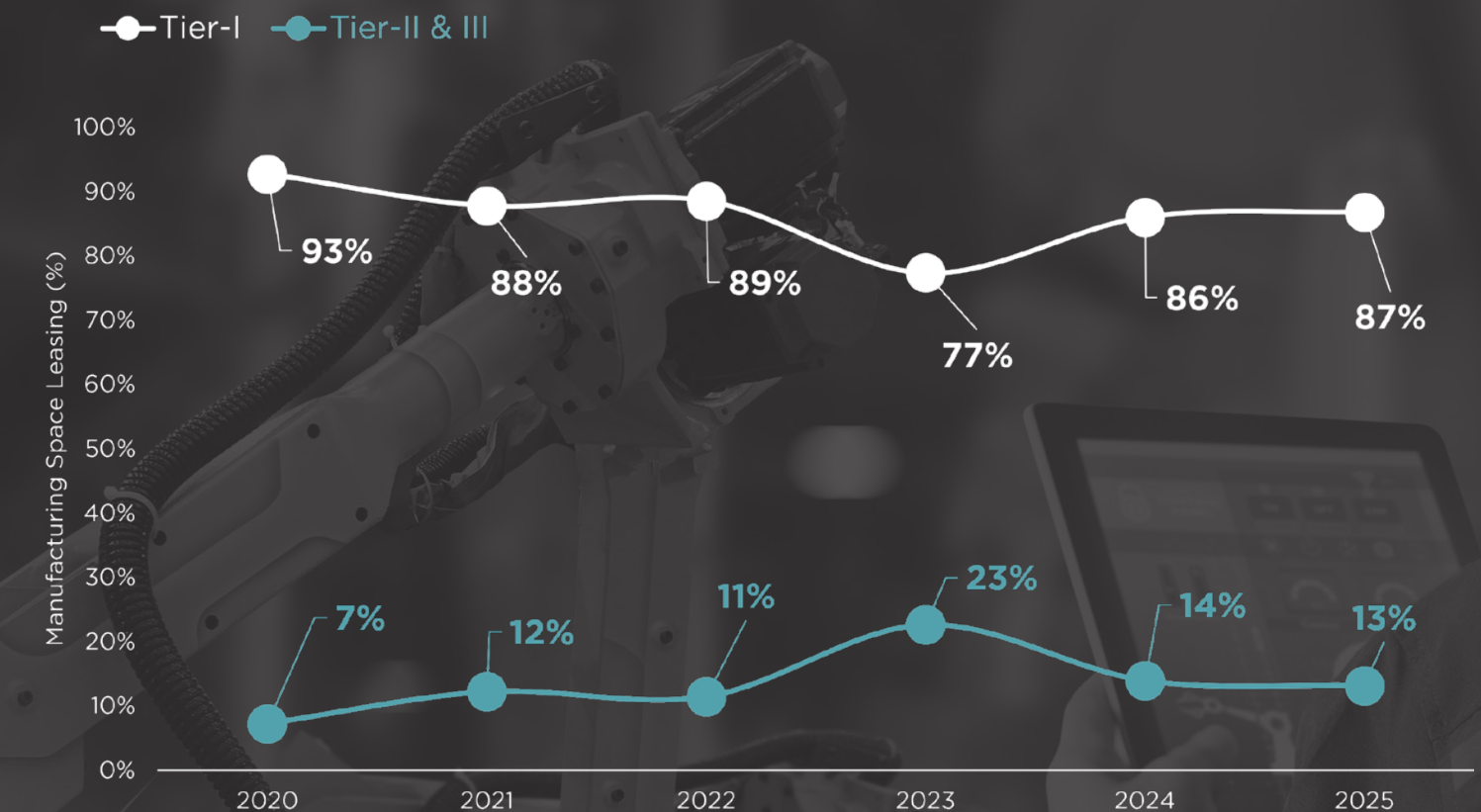
In line with accelerating manufacturing growth, space leasing is shifting from a Pune and Chennai-led pattern to a more diversified, multi-city landscape, driven by their established eco-system, skilled technical workforce and matured supply chains. While Pune continues to dominate manufacturing space leasing, followed by Chennai, other cities such as Bengaluru, Ahmedabad, Delhi-NCR, and Tier-II and Tier-III cities are witnessing significant activity, signalling a decentralisation of industrial activity driven by cost efficiencies, policy incentives, and improving infrastructure. This evolving pattern underscores a maturing market where manufacturing expansion is no longer confined to established hubs but is increasingly dispersing across a wider network of cities, aligning closely with the sector's next phase of growth.

Decentralising Manufacturing Growth: Rise of Tier-II & III Cities

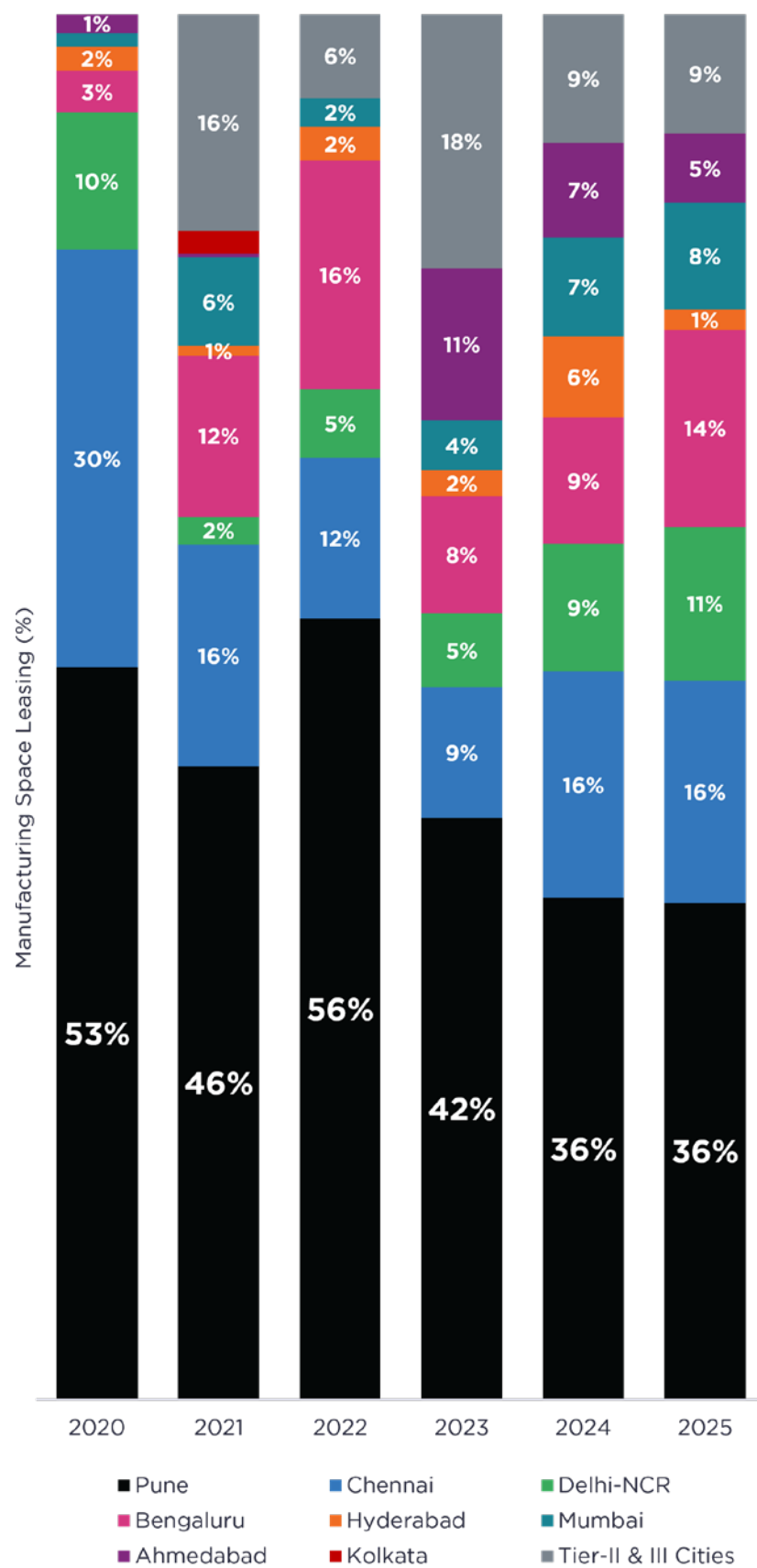
The manufacturing space leasing pattern between 2020 and 2025 highlights the continued dominance of Tier-I cities, which consistently accounted for nearly 77-93% of total leasing during the period, reflecting the resilience of established industrial hubs supported by superior infrastructure, logistics networks, and mature supply-chain ecosystems. Simultaneously, Tier-II & III cities have steadily strengthened their presence in India's manufacturing landscape. Their share increased from 7% in 2020 to 13% in 2025. The increasing participation from Tier-II & III cities indicates a gradual decentralisation of manufacturing activity,

driven by lower operating costs, availability of large land parcels, infrastructure upgrades, and the expansion of industrial and logistics corridors into Tier-II & III markets.

MANUFACTURING SPACE LEASING TREND BY TIER (2020-2025)



Source: Savills India Research
Note: Data and analysis are based solely on leasing activity and exclude land transactions.

MANUFACTURING SPACE LEASING TREND BY CITY
(2020-2025)

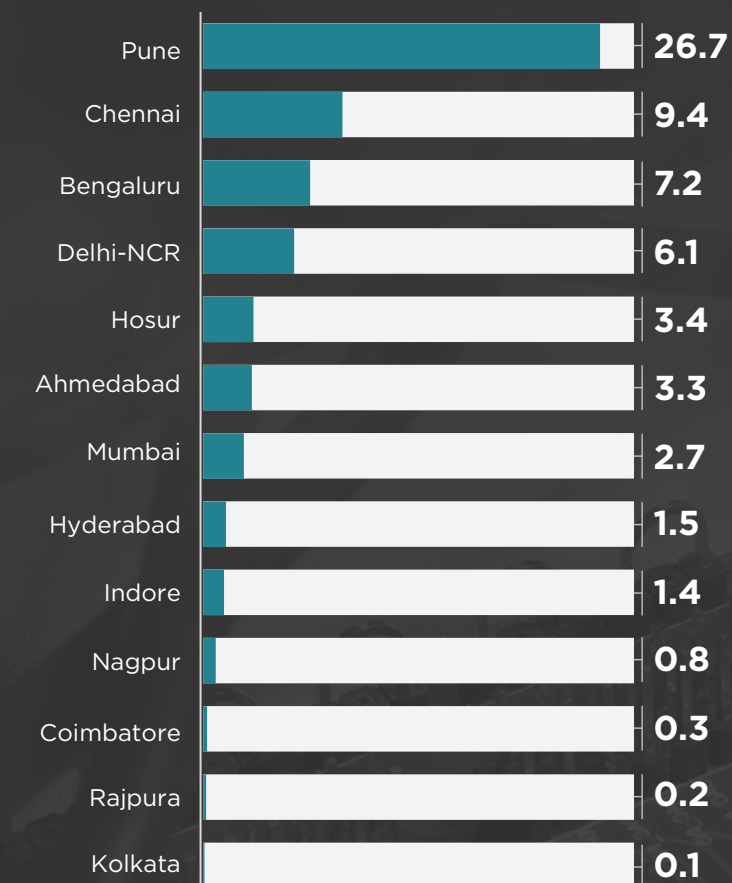
Source: Savills India Research
Note: Data and analysis are based solely on leasing activity and exclude land transactions.

Demand Hotspots: Cities and Micromarkets

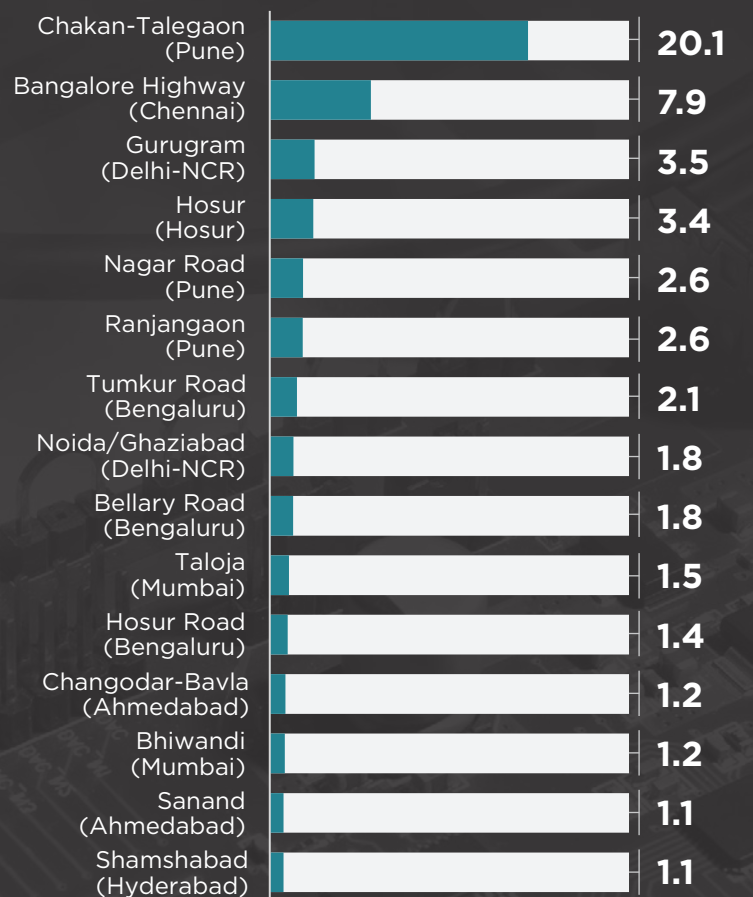
Manufacturing activity is expanding across cities, while increasingly clustering within well-established cities and micromarkets. At the city level, Pune continues to dominate cumulative leasing with 26.7 mn sq. ft. between 2020 and

2025, significantly ahead of Chennai (9.4 mn sq. ft.) and Bengaluru (7.2 mn sq. ft.), reinforcing their position as core manufacturing hubs supported by well-established eco-system. Delhi NCR follows with 6.1 mn sq. ft., while emerging

cities such as Hosur (3.4 mn sq. ft.) and Ahmedabad (3.3 mn sq. ft.) are steadily scaling up, highlighting a widening industrial base beyond Tier-I cities.

MANUFACTURING SPACE LEASING IN (MN SQ. FT.)
BY CITY (2020-2025)

Source: Savills India Research
Note: Data and analysis are based solely on leasing activity and exclude land transactions.

MANUFACTURING SPACE LEASING (MN SQ. FT.)
BY MICROMARKET (2020-2025)

2025, followed by key micromarkets like the Bangalore Highway in Chennai with 7.9 mn sq. ft., Gurugram in Delhi-NCR (3.5 mn sq. ft.) and Hosur (3.4 mn sq. ft.) further underlining strong demand for manufacturing space.

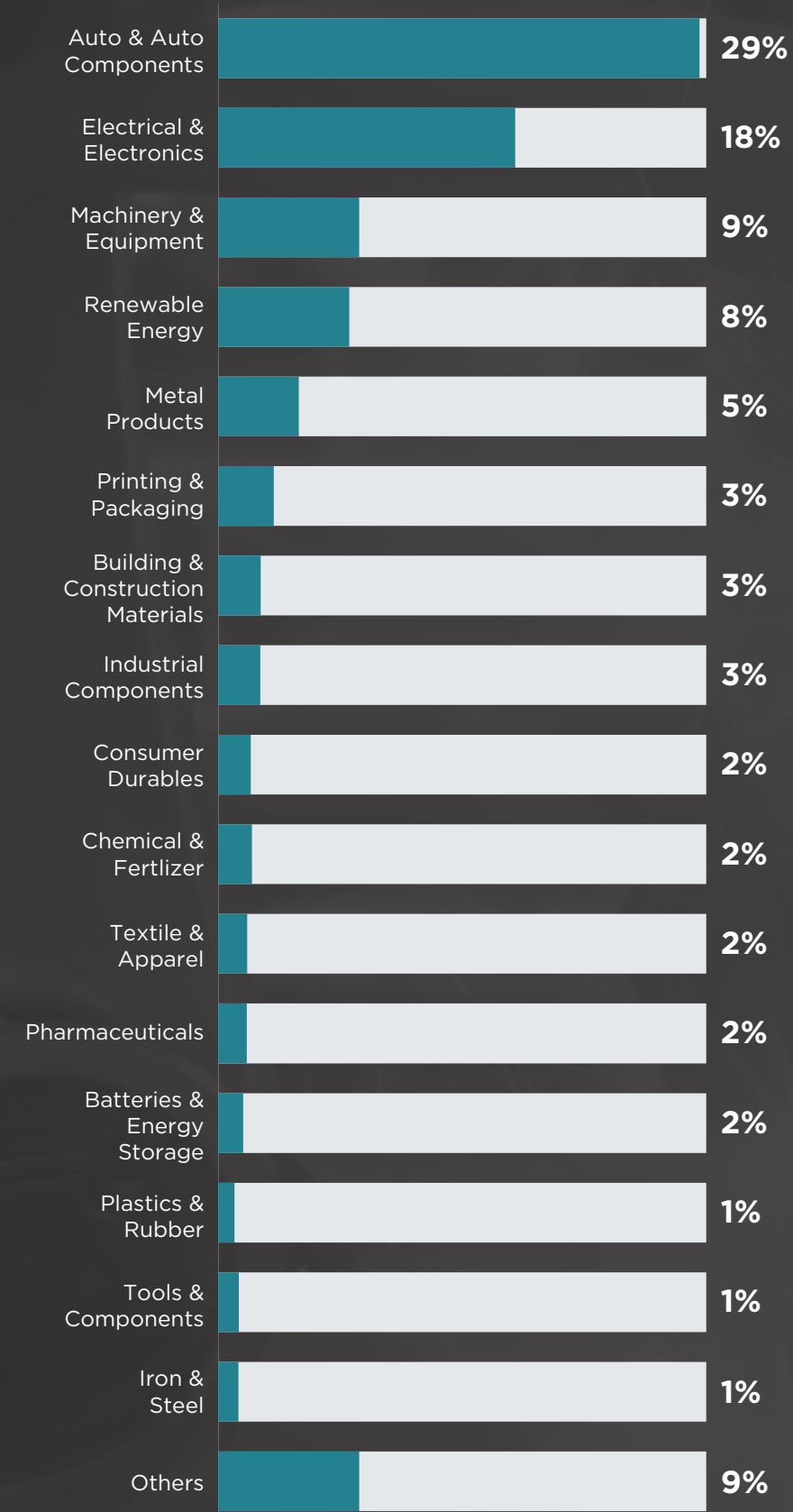
Within Pune, Nagar Road and Ranjangaon micromarkets witnessed cumulative leasing of 2.6 mn sq. ft. each during 2020 to 2025, showcasing the depth of its industrial ecosystem, while Bengaluru's Tumkur Road (2.1 mn sq. ft.) and Bellary Road (1.8 mn sq. ft.). Other emerging

nodes such as Noida-Ghaziabad (1.8 mn sq. ft.), Taloja in Mumbai (1.5 mn sq. ft.), and Changodar-Bavla in Ahmedabad (1.2 mn sq. ft.) are witnessing significant activity, supported by improving infrastructure and cost advantages.

Manufacturing Space Leasing Composition

India's manufacturing space leasing is supported by a diverse mix of segments but remains concentrated in a few high-growth industries. Auto and auto components lead the demand mix, with the highest share at 29% in cumulative manufacturing space leasing between 2020 and 2025, reflecting strong momentum in core manufacturing and capital goods. This is followed by electrical & electronics components segment accounting for a significant 18%, highlighting the growing push toward domestic production, supported by policy incentives and rising consumption. Meanwhile, machinery & equipment, renewable energy, metal product segments contribute a moderate share of 5% to 9%, indicating steady, consumption-driven demand. Other sectors such as pharmaceuticals, textiles, and chemicals, each accounting for around 2%, maintain a relatively small yet consistent footprint, while niche segments collectively make up the remaining share. This demand composition reflects a balanced yet evolving manufacturing base, where traditional sectors like engineering and automobiles continue to dominate, even as new-age industries such as electronics, semiconductors, EVs and renewable energy gain prominence-signalling a gradual upward shift.

SECTOR WISE MANUFACTURING SPACE LEASING IN % (2020-2025)



Source: Savills India Research

Note: 1. Data and analysis are based solely on leasing activity and exclude land transactions.

2. Other sectors include glass & glass products, wires & cables, leather & footwear, biotechnology, wood and paper-based products etc.



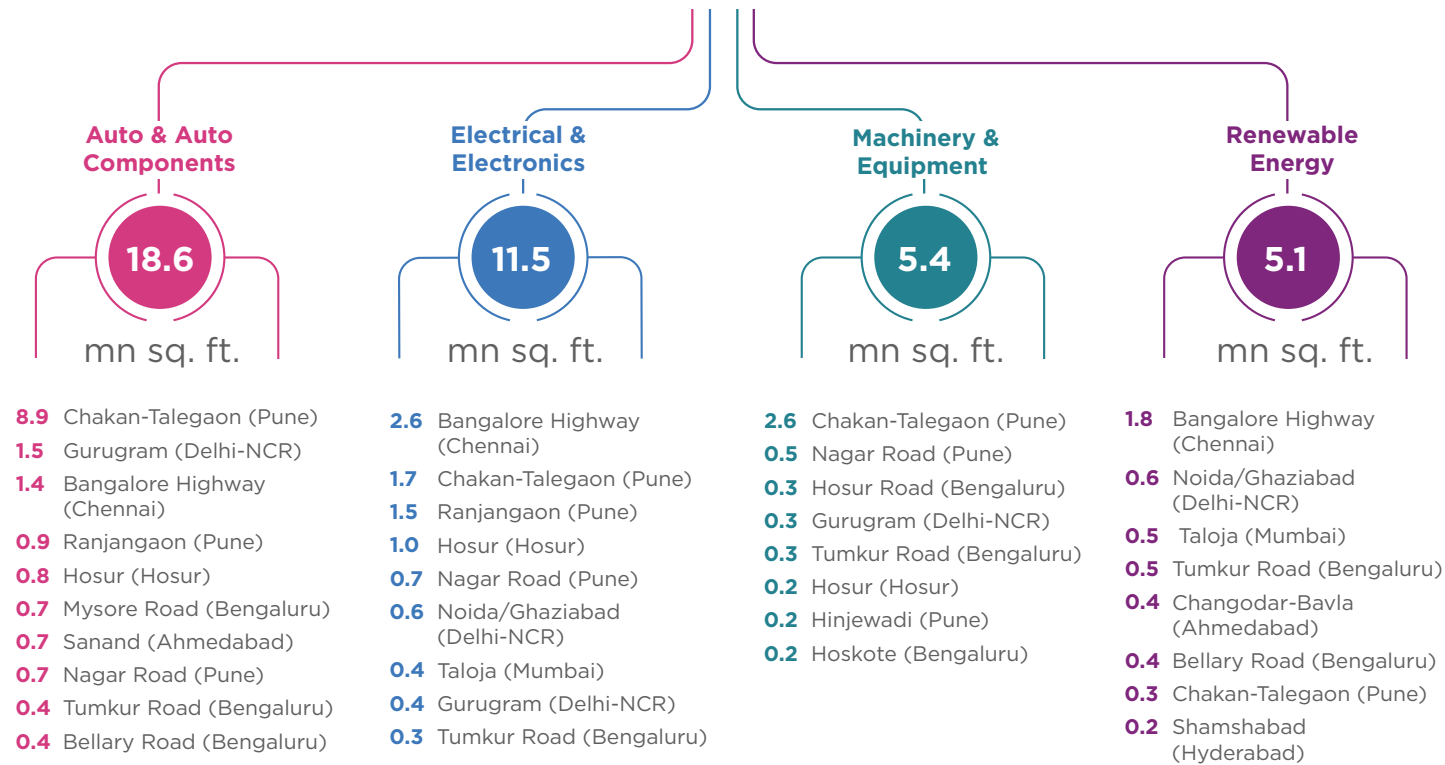
Manufacturing Space Leasing: Segment Clusters

Manufacturing demand across industrial real estate is increasingly being shaped by distinct segment clusters, each characterized by specific scale requirements, supply chain linkages, and location preferences. Rather than a uniform spread, demand is concentrating around key micromarkets that offer ecosystem advantages such as proximity to suppliers, skilled labor pools, and multimodal connectivity. These clusters reflect how different manufacturing segments prioritise infrastructure, cost efficiencies, and operational synergies, leading to the emergence of specialised

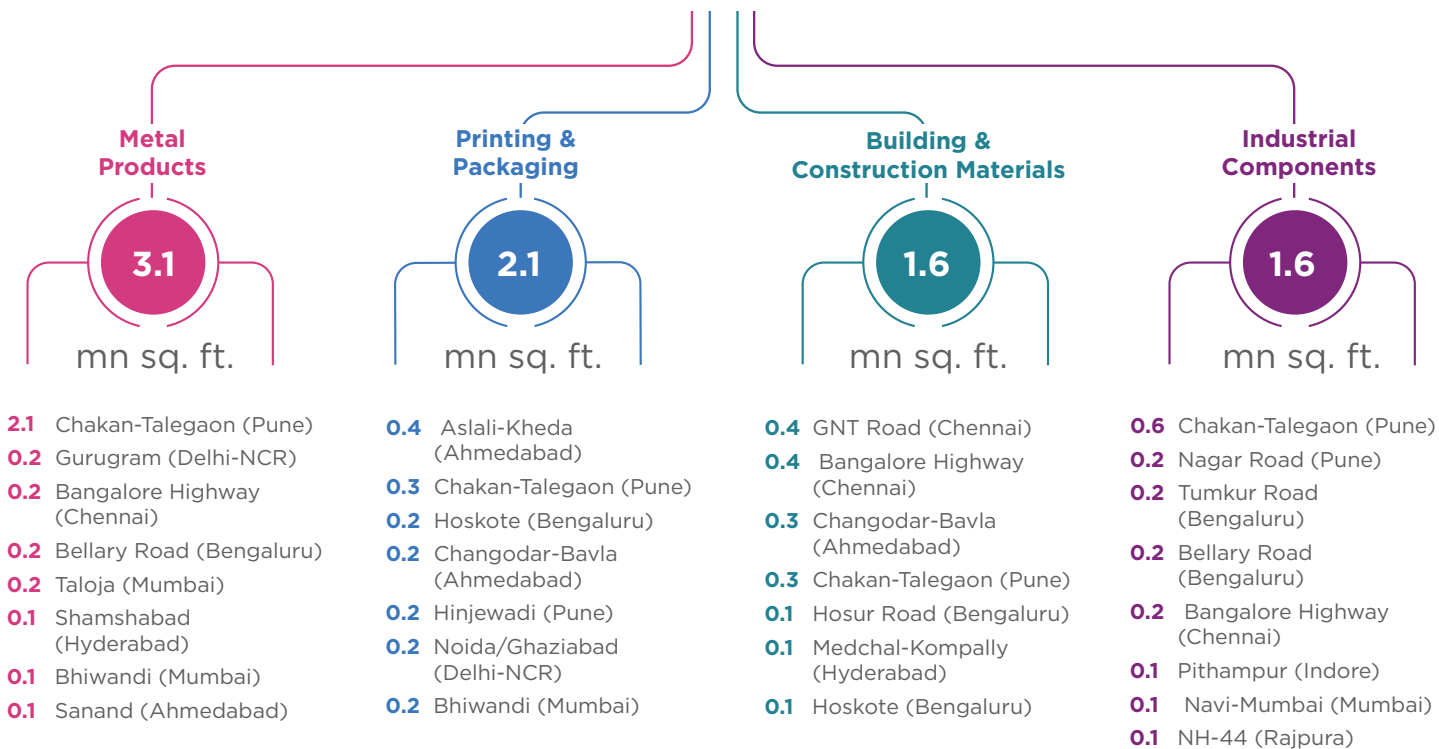
industrial corridors across the country.

A clear concentration of manufacturing demand within a few dominant segments has been witnessed, led by auto & auto components (18.6 mn sq. ft.). This is followed by electrical and electronics components (11.5 mn sq. ft.), machinery & equipment (5.4 mn sq. ft.), and renewable energy (5.1 mn sq. ft.). Notably, these high-demand segments are heavily clustered around established hubs such as Chakan-Talegaon (Pune), Bangalore Highway (Chennai), and Gurugram (Delhi-NCR), reflecting the importance of mature industrial ecosystems.

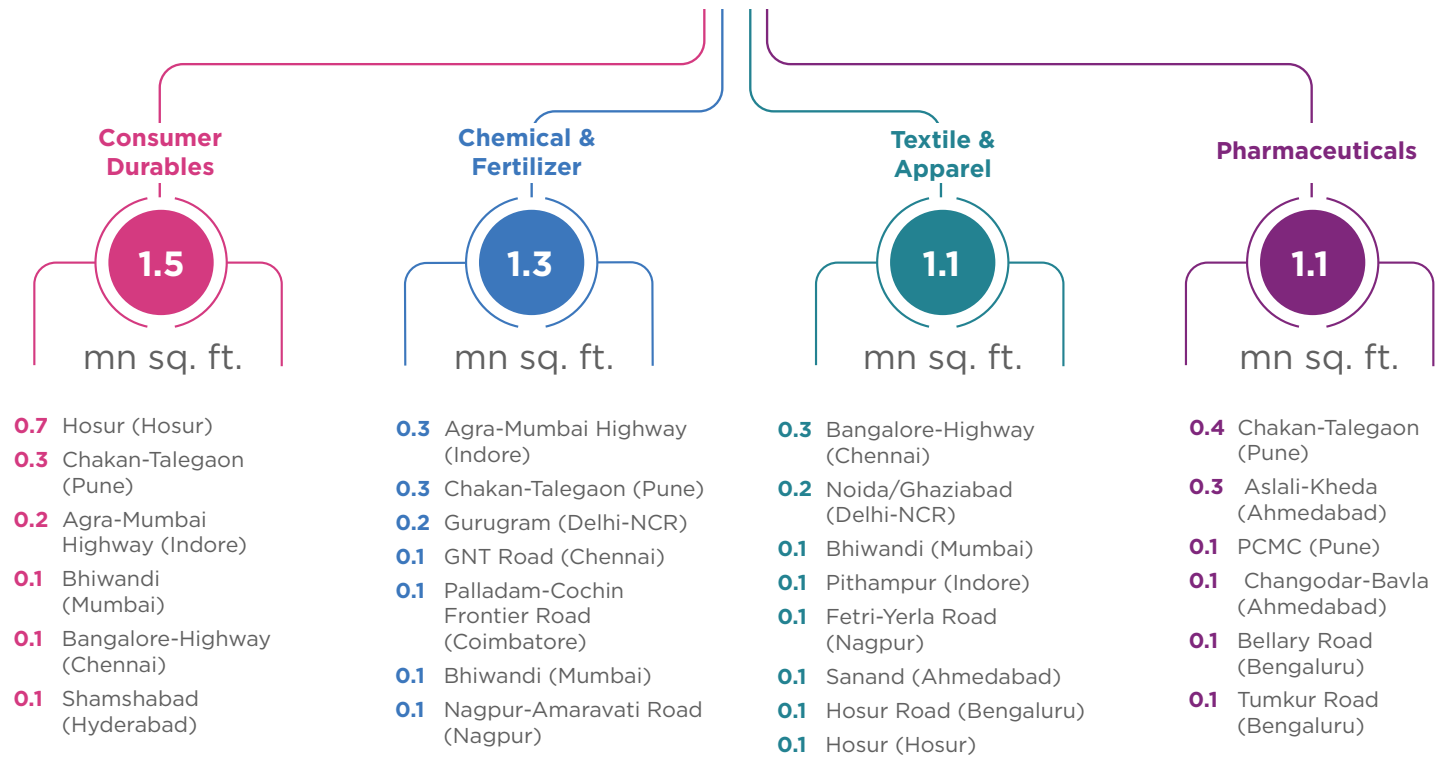
At the same time, mid-tier segments such as metal products and printing & packaging exhibit more distributed demand across locations including Ahmedabad, Bengaluru, Hyderabad, and the Mumbai region, suggesting diversification beyond core clusters. The relatively smaller footprint of building & construction materials and industrial components reflecting limited large-scale adoption and slower expansion compared to dominant sectors, with activity primarily concentrated in Chennai, Bengaluru, Hosur, Ahmedabad, and Pune.

PRIMARY MANUFACTURING SEGMENTS AND CLUSTERS: CUMULATIVE SPACE LEASING
(2020 TO 2025)

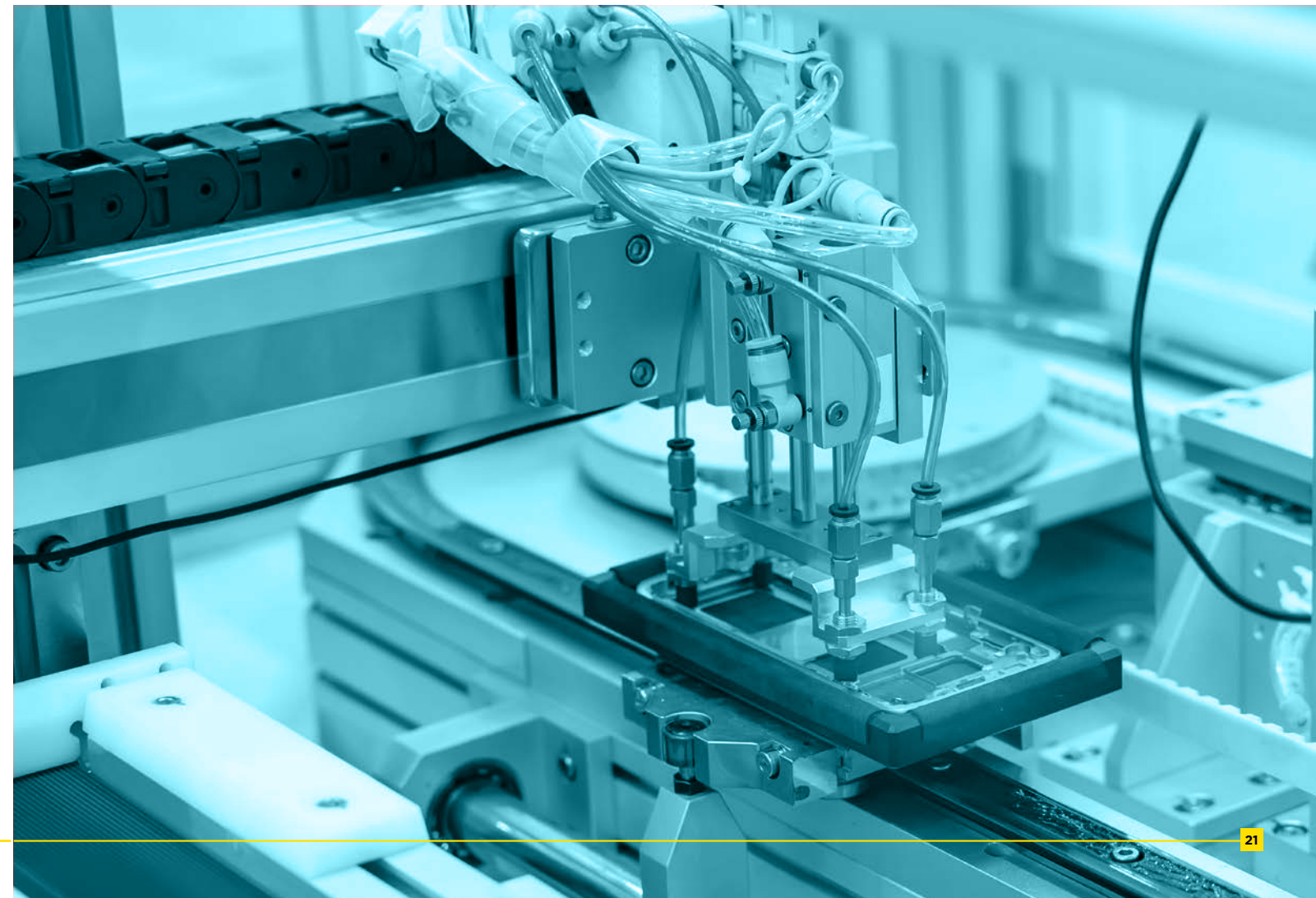
Source: Savills India Research
 Note: Data and analysis are based solely on leasing activity and exclude land transactions.
 Figures against each micromarket indicate cumulative manufacturing space leasing during 2020-2025

SECONDARY MANUFACTURING SEGMENTS AND CLUSTERS: CUMULATIVE SPACE LEASING
(2020 TO 2025)

Source: Savills India Research
 Note: Data and analysis are based solely on leasing activity and exclude land transactions.
 Figures against each micromarket indicate cumulative manufacturing space leasing during 2020-2025

TERTIARY MANUFACTURING SEGMENTS AND CLUSTERS: CUMULATIVE SPACE LEASING
(2020 TO 2025)

Source: Savills India Research
 Note: Data and analysis are based solely on leasing activity and exclude land transactions.
 Figures against each micromarket indicate cumulative manufacturing space leasing during 2020-2025





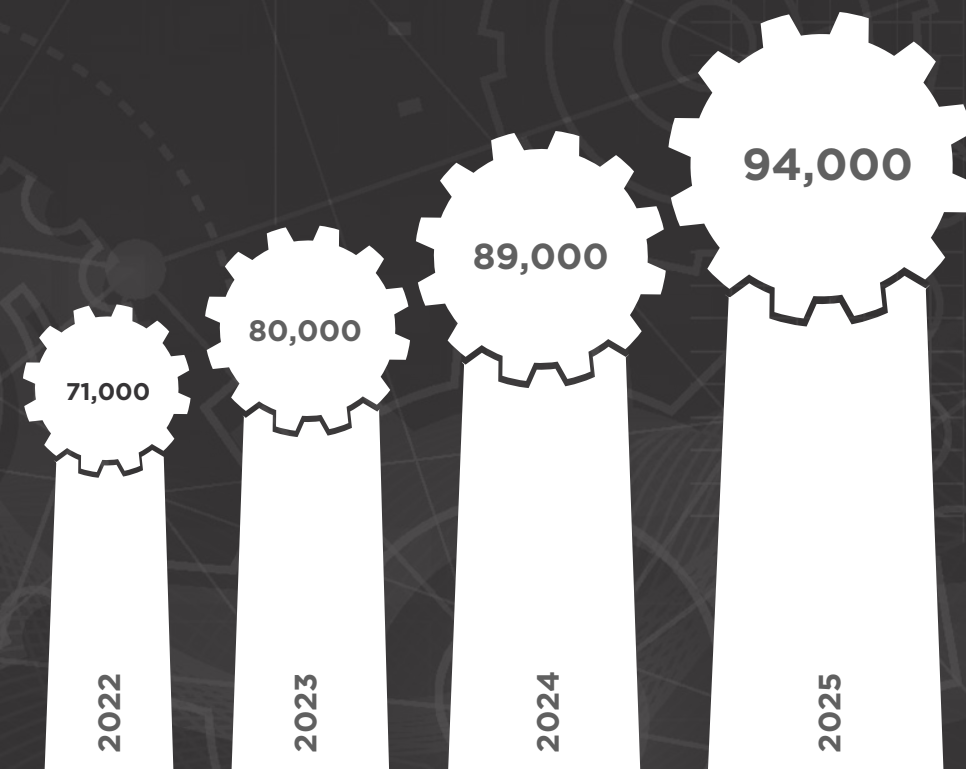
Evolving Space Preferences: Bigger, Better & Compliant

As manufacturing scales up and become more sophisticated, occupiers' preferences are clearly shifting toward larger, higher-quality, and compliance-driven facilities. Average deal sizes have been steadily increasing, reflecting the need for large-scale, integrated, automation-ready operations, along with provisions for future expansion within the facility. This transition is not just about size, but also about quality, with manufacturers increasingly prioritising well-planned, infrastructure-ready facilities. As compliance requirements tighten and operational efficiency becomes critical, demand is gravitating toward institutional-grade developments, reinforcing a clear "bigger, better, and compliant" approach to industrial real estate.

Average Manufacturing Space Leasing: Rising Size

Amid ongoing diversification and scaling of manufacturing activity, average space leasing increased from 71,000 sq. ft in 2022 to 94,000 sq. ft in 2025, reflecting a sustained upward trend. This trend is particularly visible across segments such as auto & auto components, renewable energy, electrical & electronics and batteries & energy storage, where occupiers are consolidating operations into large-format, Grade-A industrial spaces.

AVERAGE MANUFACTURING SPACE LEASING (IN SQ. FT.) FROM 2022 TO 2025



Source: Savills India Research
Note: Data and analysis are based solely on leasing activity and exclude land transactions.

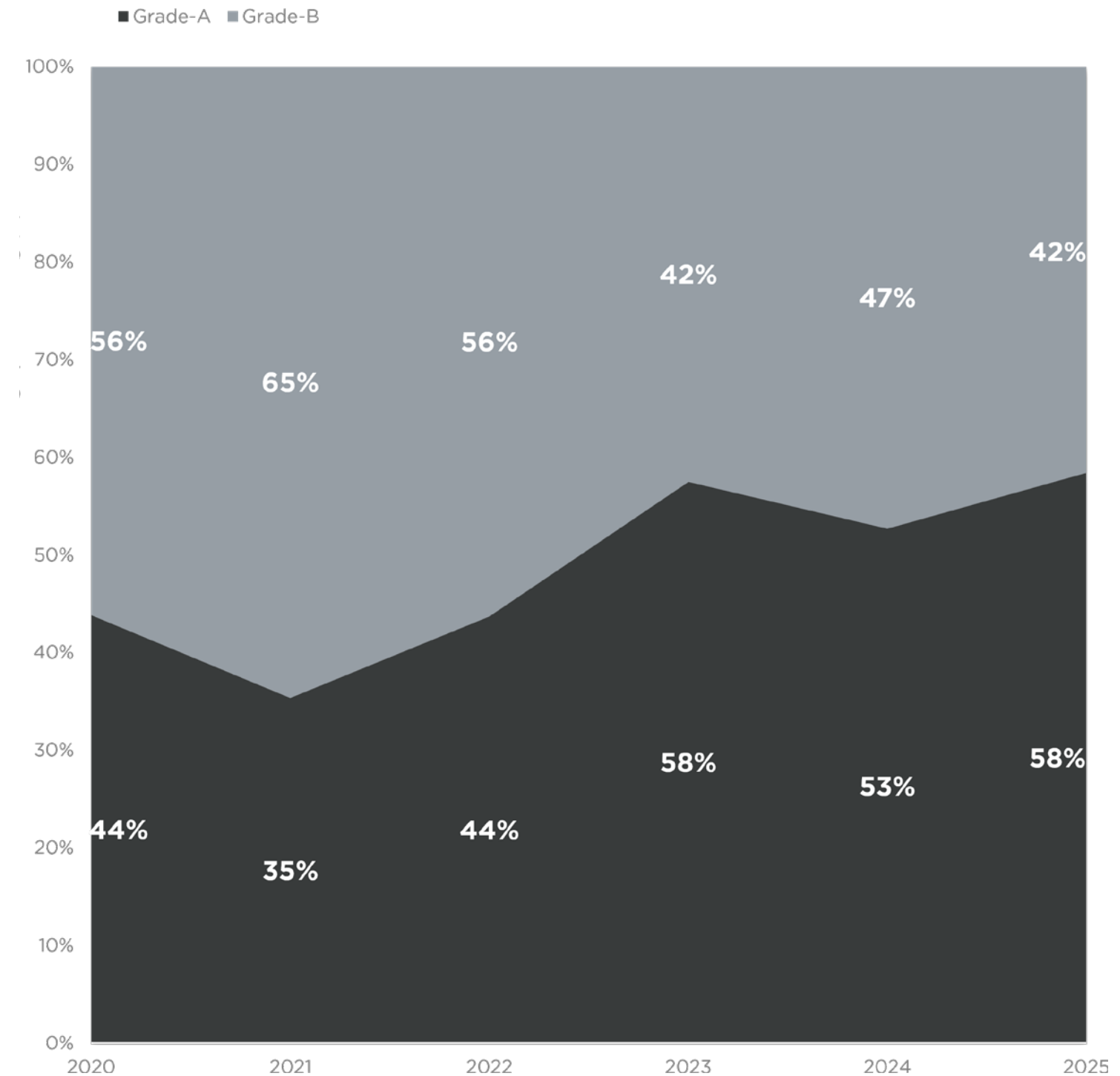
Compliance Push: Grade-A Takes Over

With increasing emphasis on regulatory compliance, infrastructure readiness, sustainability, and fire & safety norms, occupiers are prioritising manufacturing facilities with good connectivity, reliable

power, clear titles, and environmental approvals, accelerating the shift towards Grade-A, institutional-quality and organised developments. As a result, demand is steadily transitioning away from fragmented, smaller units toward larger, high-quality, and compliant spaces enhancing operational efficiency,

scalability, and long-term viability. This is reflected in its share of space leasing, which increased from 44% in 2020 to 58% in 2023 and has remained at 53 to 58% through 2024-2025.

MANUFACTURING SPACE LEASING BY GRADE (%) FROM 2020-2025



Source: Savills India Research
Note: Data and analysis are based solely on leasing activity and exclude land transactions.

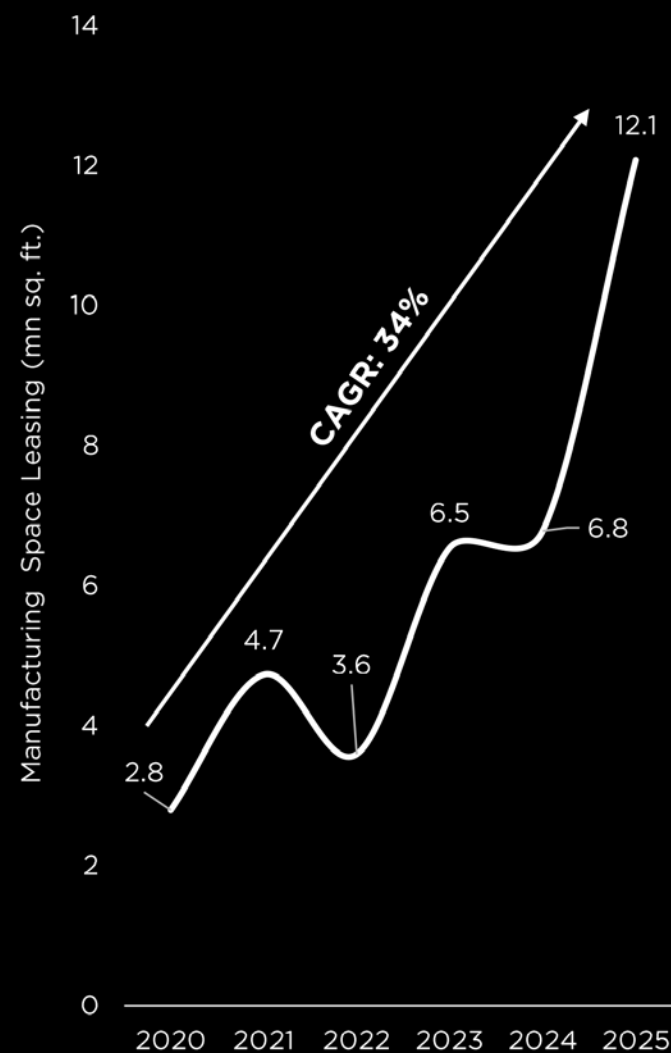
Manufacturing Space Leasing by Indian Manufacturers

Indian manufacturers continue to account for the largest share of manufacturing space absorption, driven by favourable policy measures, sustained capacity expansion and supply chain localisation. Over the past few years, Indian manufacturers have steadily scaled up production capacities to meet rising domestic consumption while strengthening

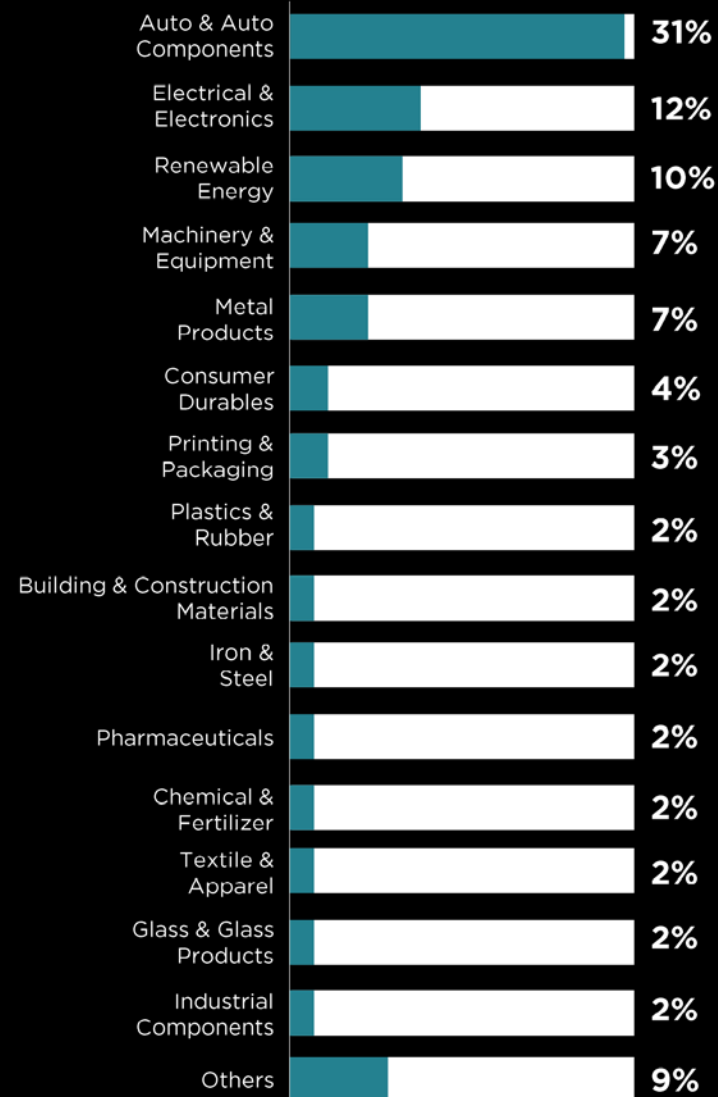
their export capabilities. This has translated into a sharp increase in demand for modern manufacturing facilities, with space leasing by Indian manufacturers witnessing a 34% CAGR between 2020 and 2025. The automotive and auto components sector emerged as the largest demand driver, contributing 31% of total leasing, followed by electrical & electronics

(12%) and renewable energy (10%), reflecting India's evolving manufacturing landscape and the diversification of its industrial base.

MANUFACTURING SPACE LEASING BY INDIAN MANUFACTURERS (MN SQ. FT.), 2020-2025



SECTOR-WISE MANUFACTURING SPACE LEASING BY INDIAN MANUFACTURERS, 2020-2025



Source: Savills India Research

Note: 1. Data and analysis are based solely on leasing activity and exclude land transactions.

2. Other sectors include leather & footwear, food & beverages, paper and paper-based products, precision equipment, medical devices, and fabrication-based products etc.



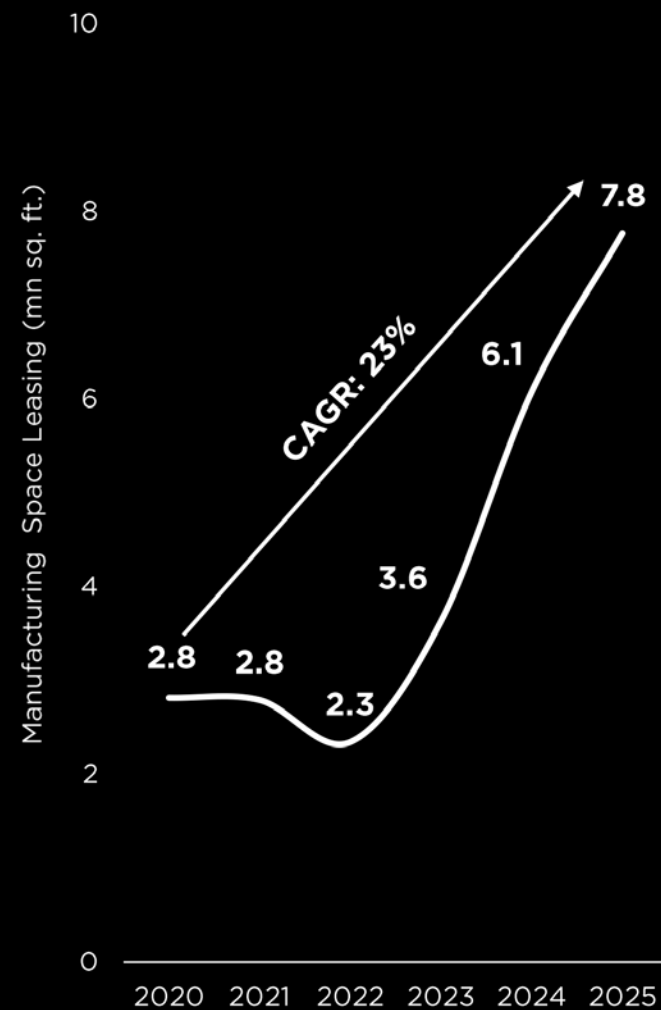
Manufacturing Space Leasing by Foreign Manufacturers

Foreign manufacturers exhibit a more measured and strategic growth trajectory, with a slower start followed by steady acceleration, reflecting cautious capital deployment and alignment with global supply chain diversification strategies. Foreign manufacturers' space leasing increased from 2.8 mn sq. ft. in 2020 to

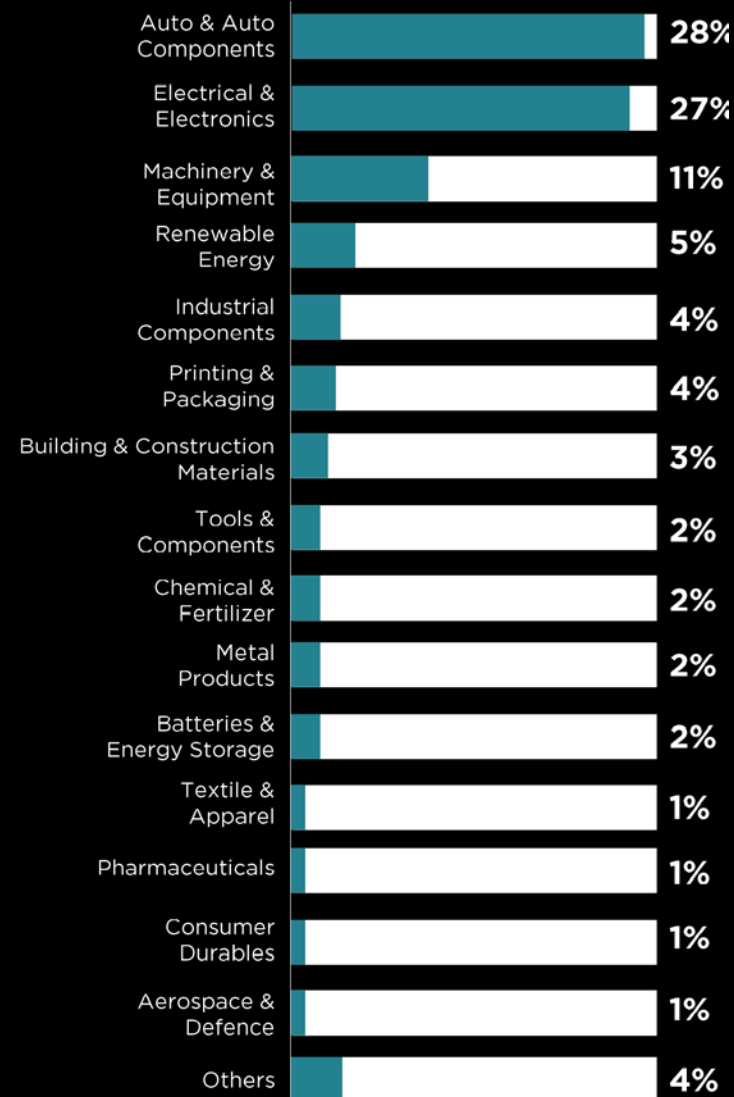
6.1 mn sq. ft. in 2024, peaking at 7.8 mn sq. ft. in 2025, translating into a CAGR of 23% over 2020-2025. Global players are adopting a calibrated expansion strategy by entering via JVs or partnerships, scaling from pilot/assembly units to full manufacturing. Manufacturing space demand was primarily driven by

automotive & auto components, electrical & electronics, and machinery & equipment during 2020-2025. Emerging sectors such as renewable energy, industrial components, and batteries & energy storage also recorded growing traction, highlighting India's appeal as a destination for advanced manufacturing investments.

MANUFACTURING SPACE LEASING BY FOREIGN MANUFACTURERS (MN SQ. FT.), 2020-2025



SECTOR-WISE MANUFACTURING LEASING BY FOREIGN MANUFACTURERS, 2020-2025



Source: Savills India Research

Note: 1. Data and analysis are based solely on leasing activity and exclude land transactions.

2. Other sectors include leather & footwear, food & beverages, paper and paper-based products, precision equipment, medical devices, and fabrication-based products etc.

Regions and Countries Driving the Manufacturing Space Leasing

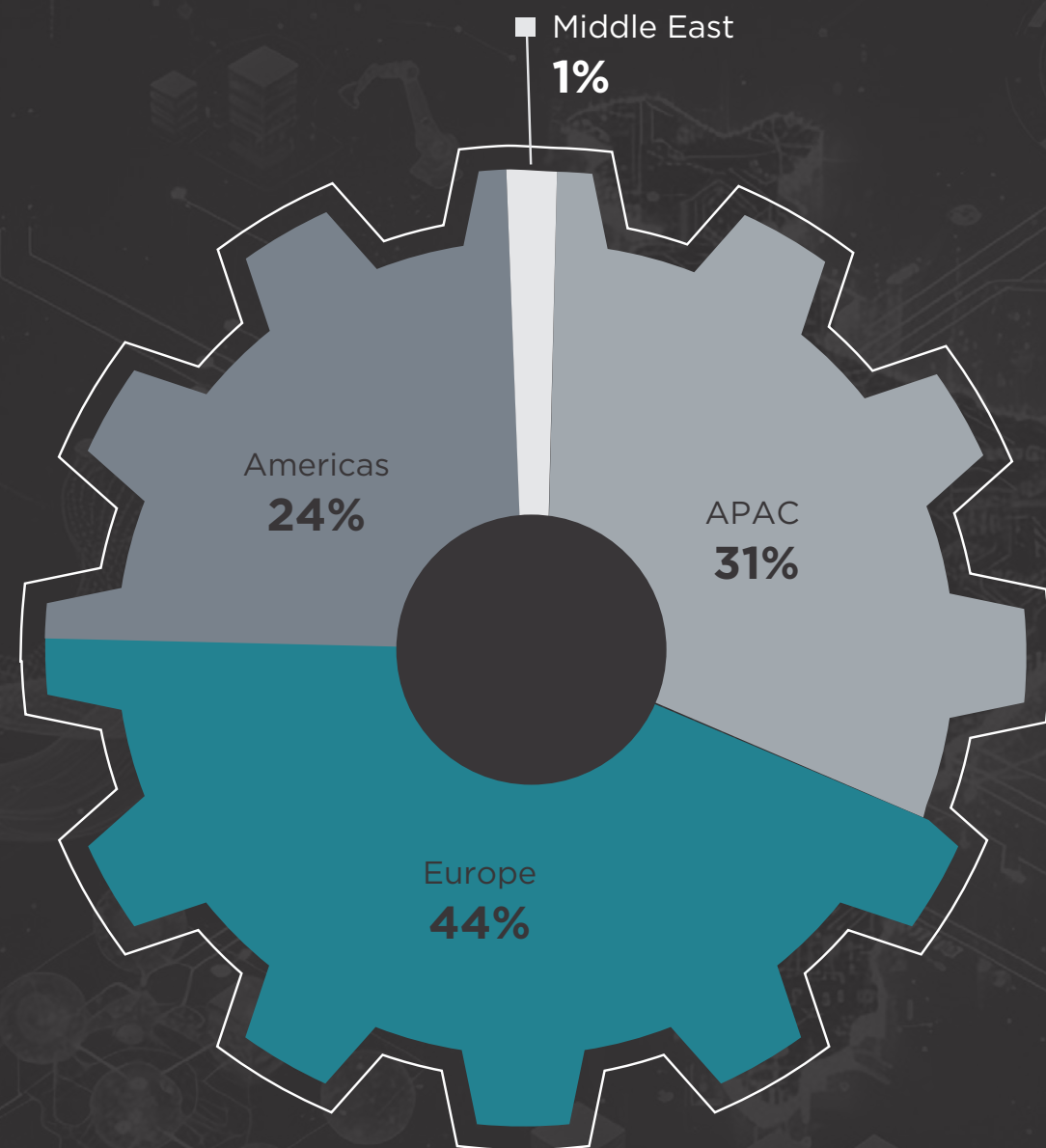
The manufacturing space leasing trends in India by foreign manufacturers reflect an increasingly balanced and geographically diversified landscape. A noticeable shift in demand for manufacturing space from foreign manufacturers was observed between 2020 and 2025.

Europe Dominates Manufacturing Space Leasing, Followed by APAC

The regional composition of manufacturing space leasing between 2020 and 2025 highlights the strong dominance of European occupiers, positioning Europe as the leading contributor to manufacturing space leasing during 2020 to 2025, as they seek to diversify supply chains,

access domestic demand, leverage policy incentives, and respond to evolving geopolitical dynamics. The APAC region follows closely, supported by rising investments from countries such as Japan, Taiwan, South Korea, and China across sectors including electronics, automotive, engineering, and consumer goods. While demand from Americas and other regions remains comparatively moderate but continues to grow steadily, positioning the country as a resilient and strategic manufacturing hub.

MANUFACTURING SPACE LEASING IN INDIA BY REGION IN % (2020-2025)



Source: Savills India Research
Note: Data and analysis are based solely on leasing activity and exclude land transactions.

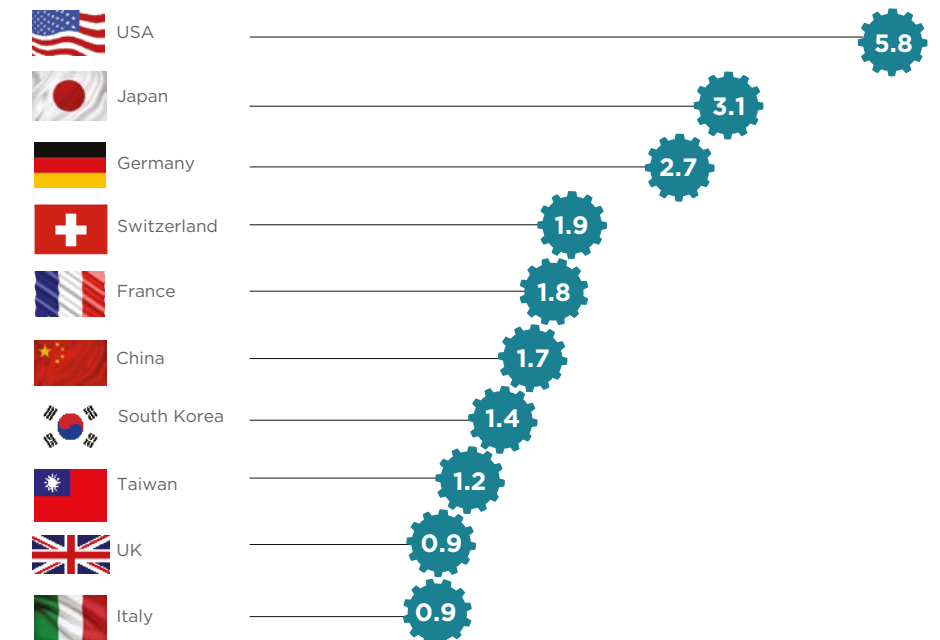
Countries Driving Manufacturing Space Leasing

The USA continues to lead in manufacturing space leasing in most years, reflecting an ongoing push towards reshoring, with investments in electrical and electronics, machinery and equipment, auto and auto components, and building and construction materials. European countries, including Germany, France, Italy, Sweden, and Switzerland, also remain key contributors, driven by strong engineering capabilities and high-quality manufacturing ecosystems; however, their presence in India is more evident through land acquisition and self-developed facilities rather than leasing. The primary segments driving demand from European countries include auto and auto components, electrical and electronics, machinery and equipment, and renewable energy.

At the same time, Asian economies such as Japan, Taiwan, China, and South Korea are gaining prominence, driven by their established industrial base, strong export orientation, and sectors like electrical and electronics, machinery and equipment and automotive. Japan remains a consistent top contributor due to its technological capabilities and focus on auto and auto components, while China continues to play a critical role owing to its scale across diverse industries, integrated supply chains, and cost competitiveness. Taiwan and South Korea's manufacturing activities in India are supported by its dominance in electronics and semiconductor manufacturing.

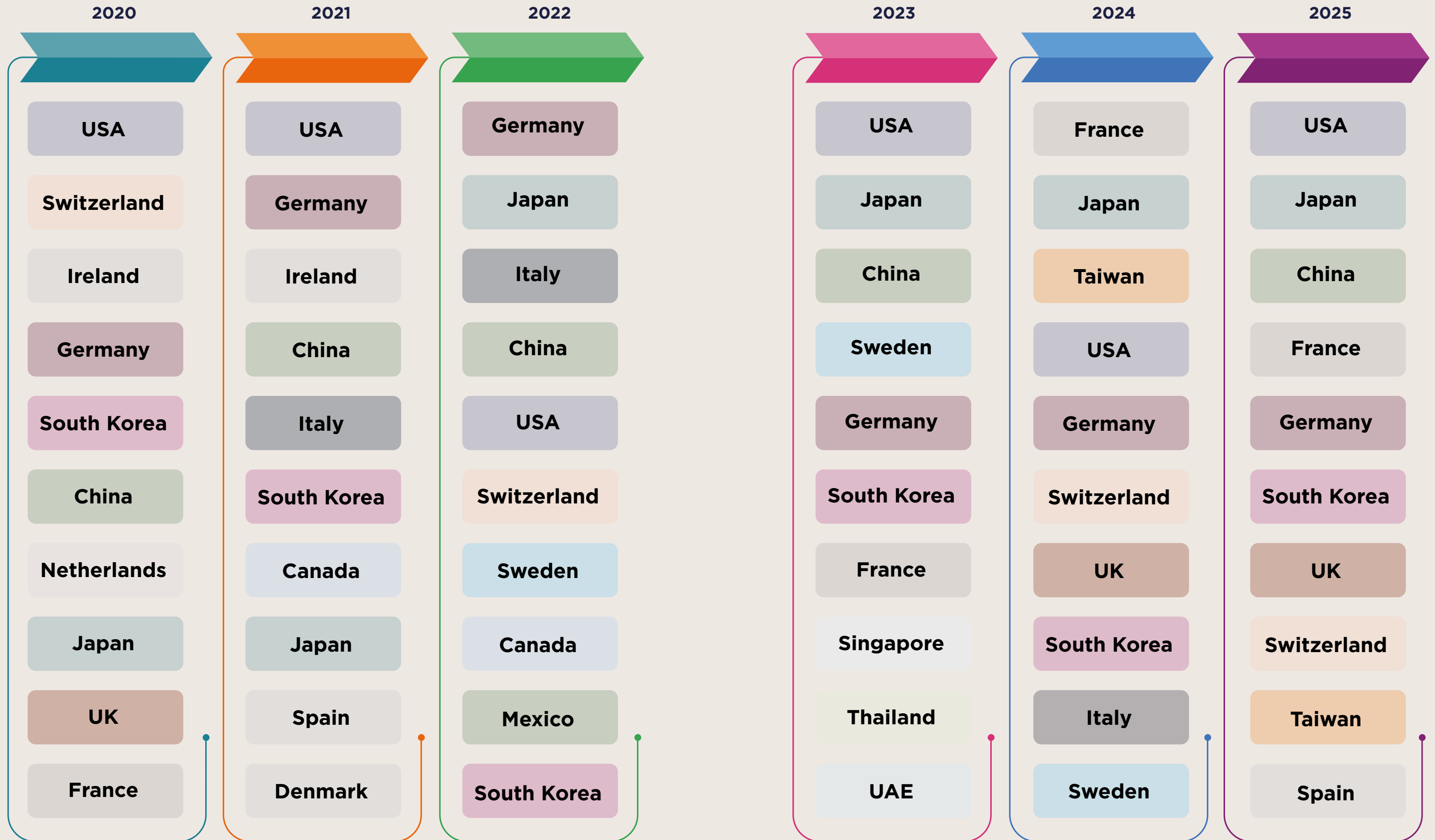


TOP 10 COUNTRIES DRIVING MANUFACTURING CUMULATIVE SPACE LEASING IN INDIA IN MN SQ. FT. (2020-2025)



Source: Savills India Research
Note: Data and analysis are based solely on leasing activity and exclude land transactions.

MANUFACTURING SPACE LEASING IN INDIA BY KEY FOREIGN MANUFACTURERS, YEARLY TREND (2020-2025)



Source: Savills India Research
 Note: Data and analysis are based solely on leasing activity and exclude land transactions.

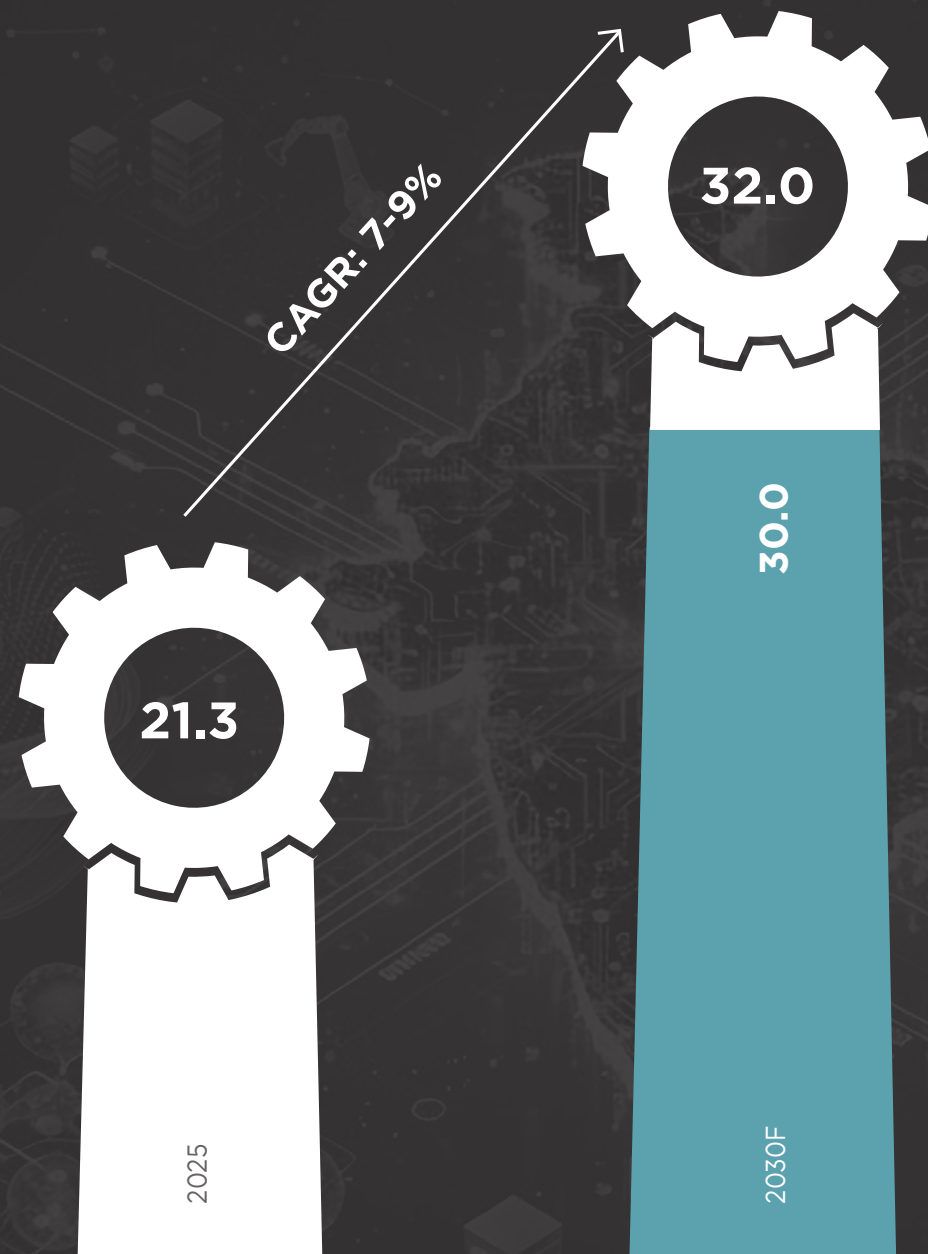
Demand Forecasts

Manufacturing space demand in India is set for strong growth through 2030, driven by policy support, rising domestic consumption, export-led growth, and global supply-chain realignment. As manufacturing expands its role in the economy, with a growing contribution to GDP, key sectors such as electronics,

renewable energy, semiconductors, auto and auto components, and industrial machinery are expected to remain the primary demand drivers. This momentum is translating into sustained demand, with projected space leasing increasing from 21.3 mn sq. ft. in 2025 and expected to reach 30-32 mn sq. ft. by 2030, reflecting

a CAGR of 7-9%. Additionally, growth is increasingly decentralised, with both established Tier-I cities and emerging Tier-II & III cities contributing to demand.

MANUFACTURING SPACE LEASING:
GROWTH FORECASTS TO 2030 (MN SQ. FT.)



Source: Savills India Research
Note: Data and analysis are based solely on leasing activity and exclude land transactions.

BEYOND CORE: HIGH-GROWTH SECTORS ANCHORING THE NEXT MANUFACTURING CYCLE



Source: Savills India Research

Road Ahead

India is steadily strengthening its position as a preferred global manufacturing and export hub, supported by a large domestic consumer base, rising exports, and continued global supply-chain diversification. This momentum is translating into sustained manufacturing space demand, with projected space leasing expected to increase from 21.3 mn sq. ft. in 2025 to nearly 32 mn sq. ft. by 2030, driven by expanding investments across high-growth sectors such as semiconductors, EVs, electronics, renewable energy, batteries and energy storage, and aerospace and defence.

Occupiers are increasingly prioritising integrated Grade-A industrial parks offering reliable power supply, multimodal connectivity, regulatory compliance, and automation-compatible infrastructure. As manufacturing operations become more technology-intensive and compliance-driven, demand is expected to shift further towards larger, institutional-grade facilities capable of supporting automation, scalability, and sustainability requirements.

Established hubs such as Pune and Chennai are expected to remain key investment destinations, supported by mature industrial ecosystems, strong supplier networks, and access to skilled talent. Simultaneously, emerging locations including Hosur, Coimbatore, Indore, and Nagpur are likely to witness growing traction as manufacturers expand into cost-efficient and infrastructure-driven secondary markets.

While Indian manufacturers continue to expand their footprint across key industrial sectors, global manufacturers, particularly from Europe and APAC countries such as Japan, Taiwan, and South Korea, are expected to deepen their presence in India through phased localisation strategies, strategic partnerships, and supplier ecosystem development.

Over the long term, India's manufacturing sector is expected to evolve beyond its traditional cost-advantage proposition towards a capability-led ecosystem driven by technology adoption, supply-chain resilience, and export competitiveness, further strengthening the country's role as a critical node in global manufacturing and trade networks.



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