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CHENNAI

City Snapshot

Jan-Mar 2023



RESIDENTIAL

Chennai's residential real estate market continued with an upward trajectory during the first quarter of 2023, with the highest residential launches in the last 5 years. However, with over 13,000 new launches, considering the fact that the city has been the last one to adapt to high-rise apartments culture, the city has ranked at the second lowest rank in the supply tally for top-8 cities.

A total of 15,050 units were sold during the last financial year.

Going forward, we expect a healthy demand combined with a sizable number of projects in the pre-launch stage to support a strong growth story.

OFFICE

Flexible workspaces and co-working sectors, with IT/ITeS and BFSI as the mainstays, have significantly boosted the city's office space demand as a result of the growing popularity of a hybrid work style.

FY 2022-23 has witnessed gross leasing of nearly 8 msf, recording a y-o-y growth of 34%. During the last financial year, Chennai's vacancy rate stood at 13.9%, which is comparable to its southern counterparts of Bengaluru and Hyderabad.

Demand and supply dynamics, however, are expected to continue with the trend, ensuring that the vacancy levels remain rangebound.

RETAIL

Gross leasing during the first quarter of 2023 stood at 0.12 msf, registering a growth of 33% over the same period in the last financial year whereas the vacancy level remained rangebound, without registering any significant change.

Also, there are no new mall completions lined up for this year, we foresee the renewal activity to remain active.

Despite the restricted mall supply and the current low vacancy rates, mall rentals were steady throughout the quarter, although we expect a marginal rise in rentals in the near future.

CHENNAI
Synopsis Q1 2023

Source: Reliant Surveyors Research

RESIDENTIAL SNAPSHOT



~13,090 Units
New Supply in FY23

~15,050 units
Sales in FY23

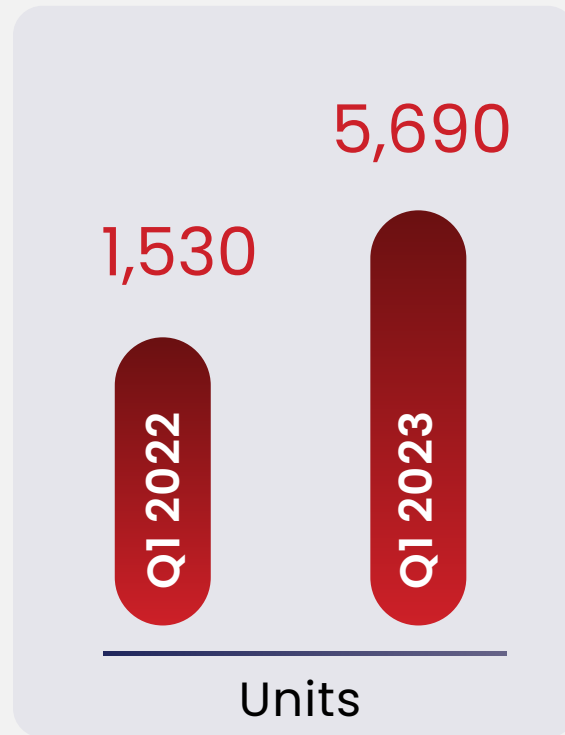
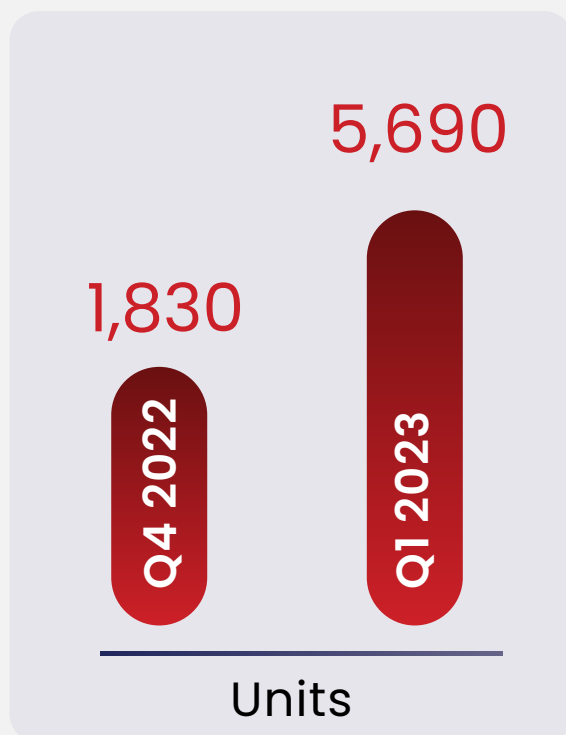
~32,520 units
Unsold Inventory in FY23

~26 months
Inventory Overhang in FY23

NEW SUPPLY Q1 2023

VS Q4 2022

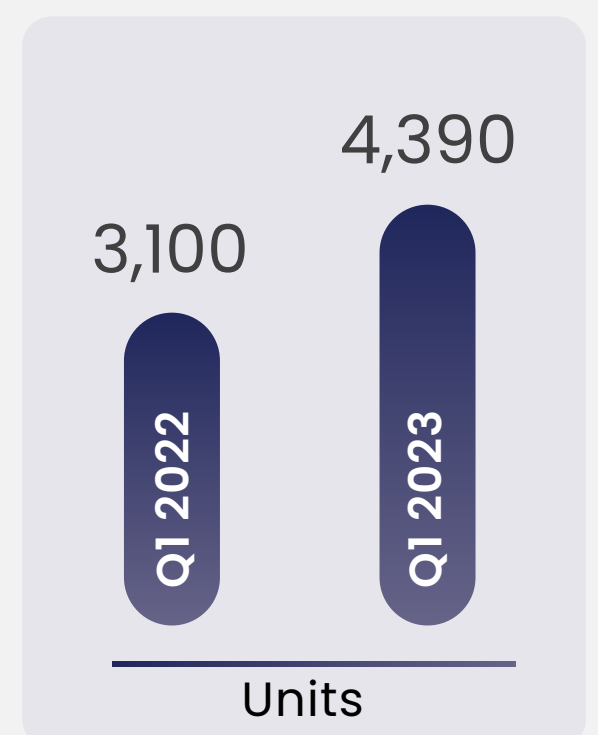
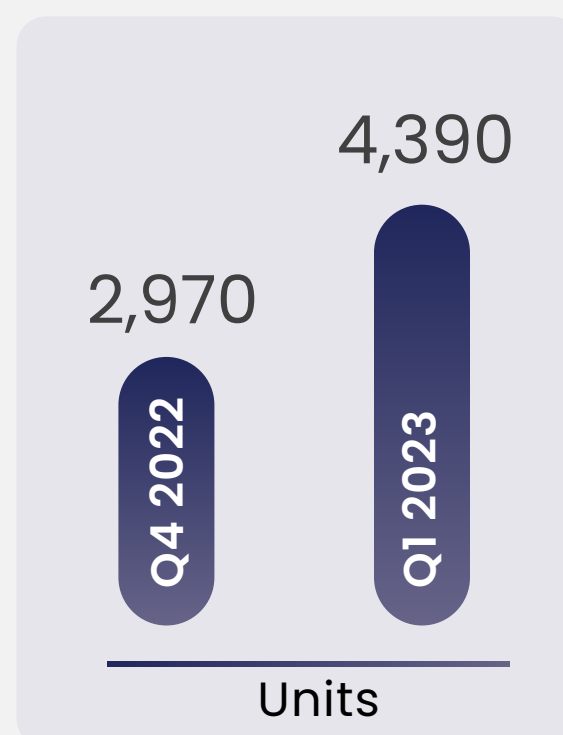
VS Q1 2022



SALES Q1 2023

VS Q4 2022

VS Q1 2022



RESIDENTIAL SNAPSHOT



TOP LOCALITIES BY SALES

Mogappair

Manapakkam

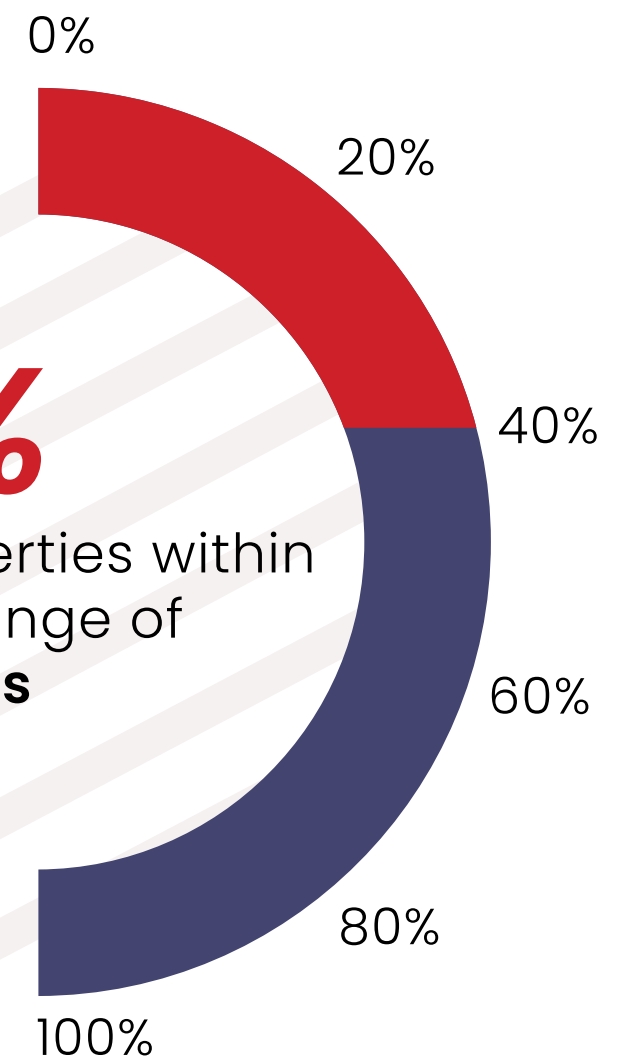
Medavakkam

Perumbakkam

Sholinganallur

40%

Prefer Properties within a Budget range of **40-80 Lakhs**



9%

4 BHK

13%

1 BHK

30%

3 BHK

48%

2 BHK

RESIDENTIAL SNAPSHOT



The city's residential market recorded the launch of nearly 5,700 residential units, three times of the new supply added in the previous quarter and the launches of the same period in the last year.

Sales, on the other hand also re-

mained healthy, increased by 48% over the previous quarter and 42% over the previous year, stood at 4,390 units as compared to 2,970 units in Q4 2022.

Mid-segment continues to dominate the new supply and sales during the quarter.



OFFICE SNAPSHOT



~3.4_{MSF}

New Supply in FY23

~7.6_{MSF}

Gross Leasing in FY23

~2.6_{MSF}

Net Absorption in FY23

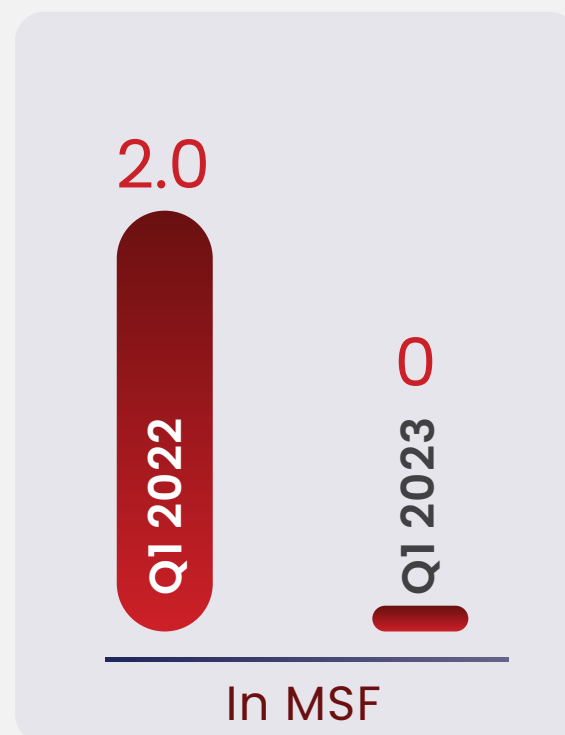
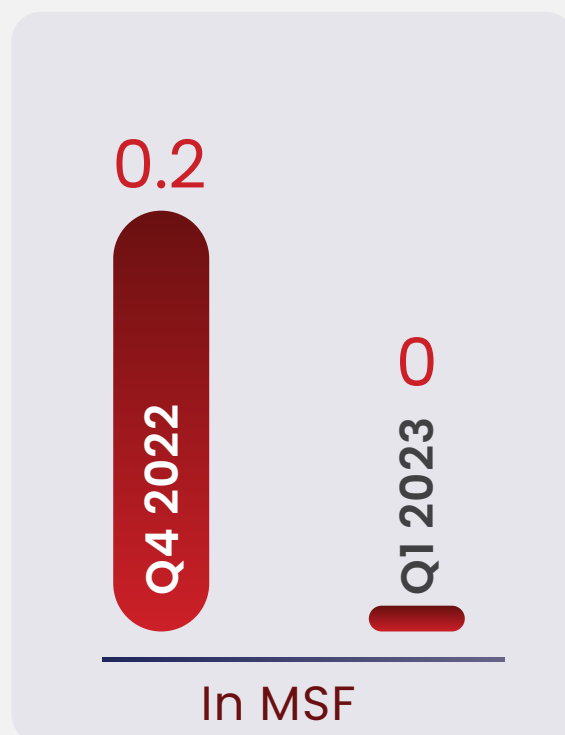
~13.9%

Overall Vacancy in FY23

NEW SUPPLY Q1 2023

VS Q4 2022

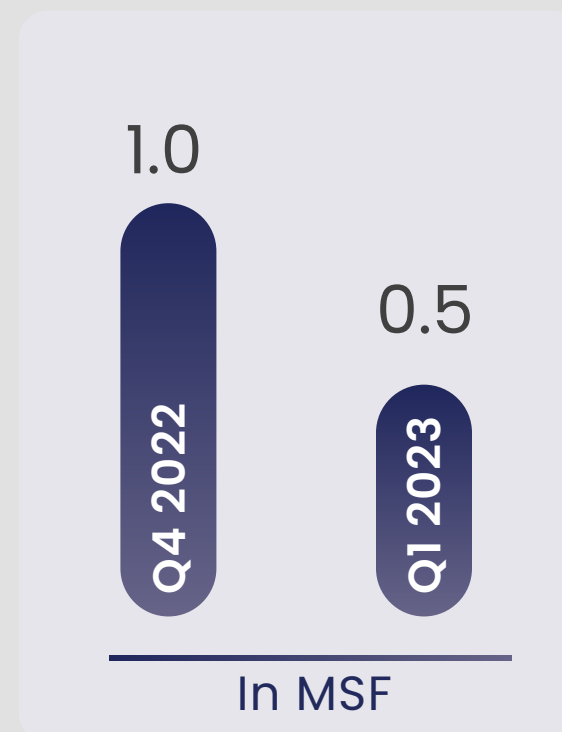
VS Q1 2022



NET ABSORPTION Q1 2023

VS Q4 2022

VS Q1 2022

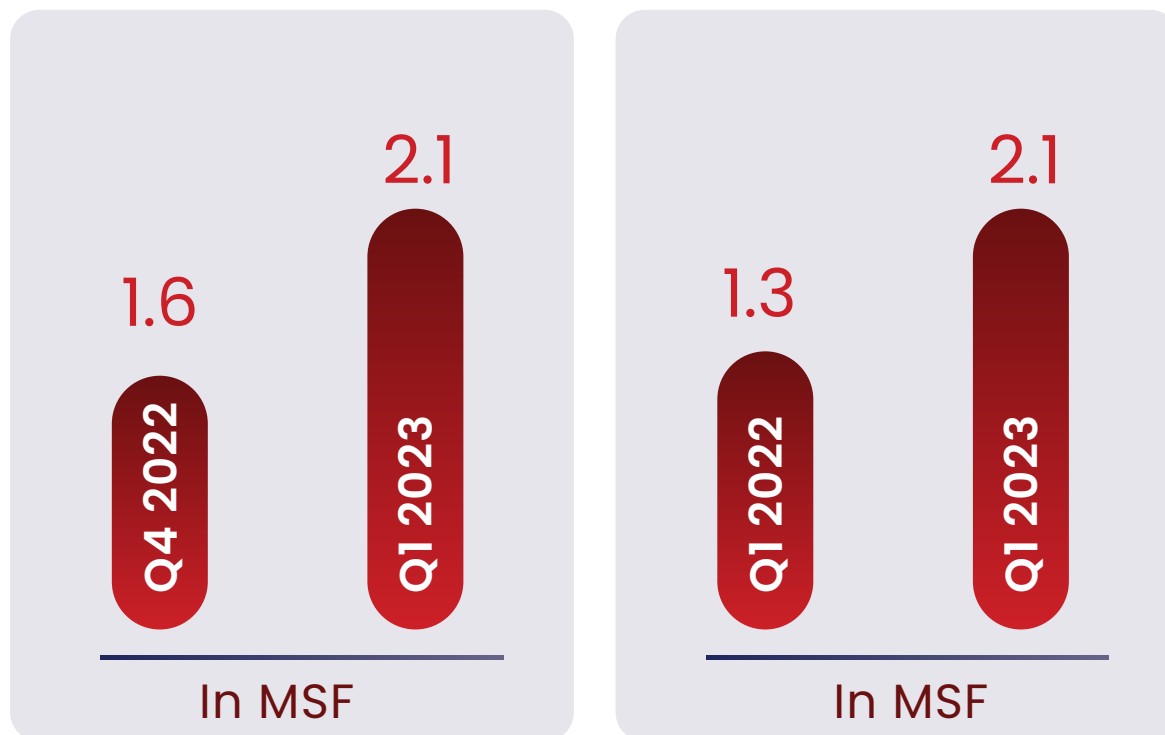


OFFICE SNAPSHOT

GROSS LEASING

VS Q4 2022

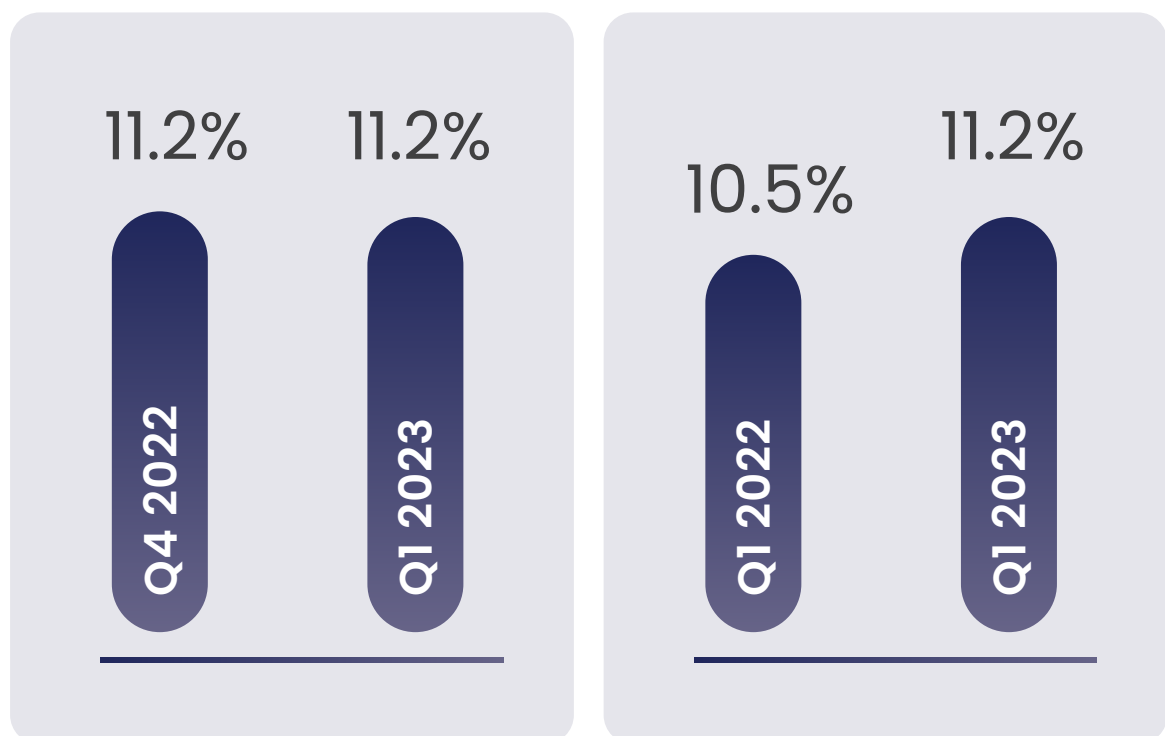
VS Q1 2022



OVERALL VACANCY

VS Q4 2022

VS Q1 2022



With gross leasing of approximately 2 msf during the first quarter, recording an annual appreciation of 46%, the year got off to a strong start. Majority of the traction was witnessed in the prominent localities of South west and suburban south markets.

There was no new supply added during the quarter, however, going forward over 6 msf of the new office space are under the pipelines and is likely to be completed by the end of this financial year.

RETAIL SNAPSHOT



GROSS LEASING

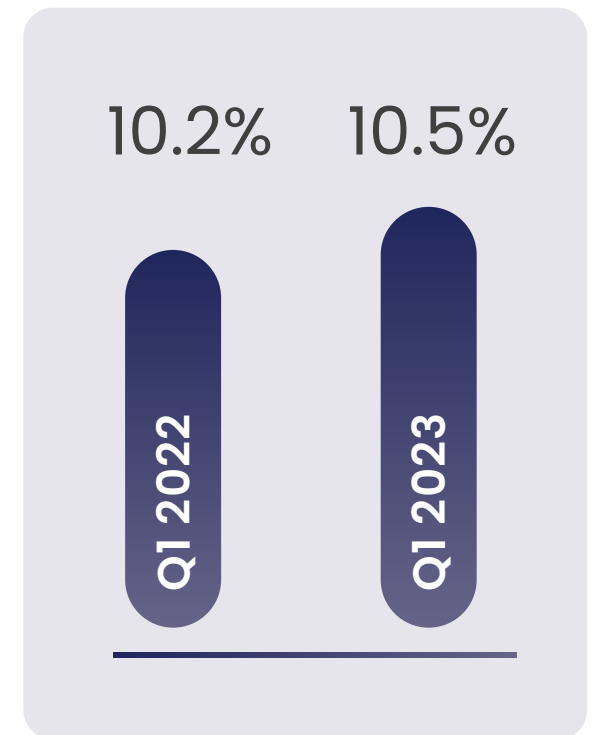
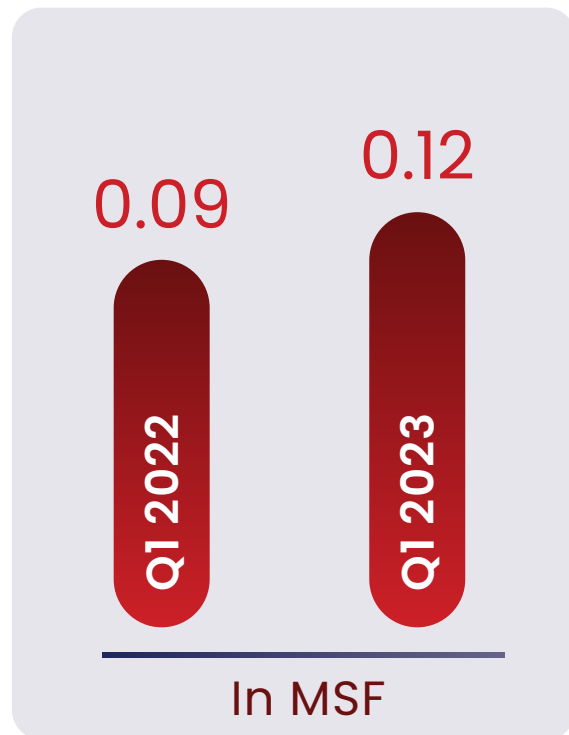
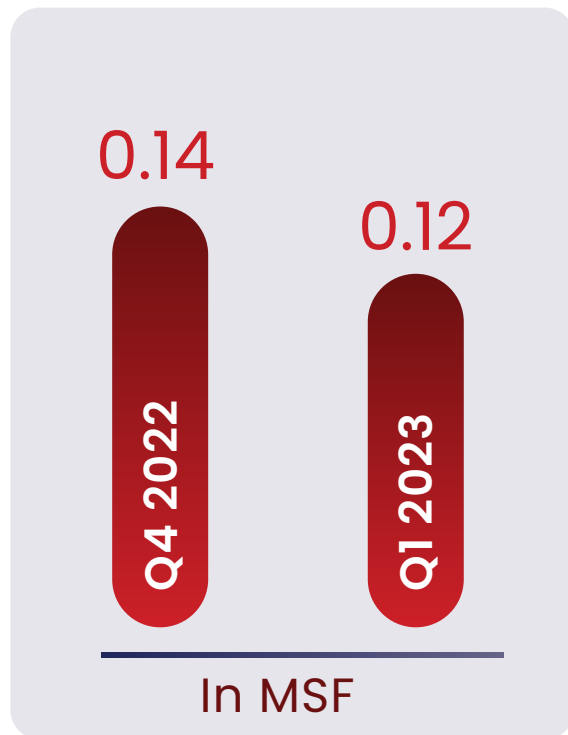
OVERALL VACANCY

VS Q4 2022

VS Q1 2022

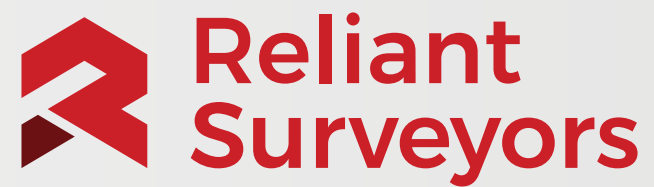
VS Q4 2022

VS Q1 2022



Fashion retail and consumer durables followed by F&B remained the key drivers of demand for main street leasing.





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