

5 FAST FACTS

CHENNAI | Q1 2024



The Need-to-Know for Chennai's Commercial Real Estate

1 HEALTHY LEASING AND ABSORPTION LEVELS IN Q2

In Q2, Chennai office market recorded a gross leasing volume of **1.74 MSF**, a **5% increase q-o-q**. Prime submarkets of south-west and suburban south collectively accounted for **67%** of the quarterly leasing volume. Net absorption for the quarter was **0.52 MSF**, primarily driven by fresh space take-up.



2 OFFICE MARKET SAW DECLINE IN CITY-LEVEL VACANCY

Healthy absorption levels led to a q-o-q decrease of **78 basis points** in the city-level grade A vacancy rate, which stood at **16.65%**. South-west, peripheral south-west and peripheral south submarkets saw vacancy drop ranging between **1% to 3%**.



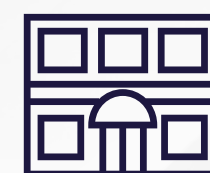
3 RESIDENTIAL LAUNCHES LED BY MID-SEGMENT

Nearly **5,000+ residential units** were launched, recording a minor q-o-q decrease of **7%**. Mid-segment continued to dominate, accounting for **70%** of the quarterly unit launches, driven mainly by the suburban south submarkets. In **Q2-24**, high-end and luxury segments accounted for **16%** of the quarterly launches.



4 INCREASE IN CITY-LEVEL MALL VACANCY

The city-level mall vacancy rate stood at **14.66%** in **Q2-24**, rising from **11.14%** in **Q1-24**. Mainstreets witnessed a minor slowdown in leasing, with a **14% decline q-o-q**.



5 LOGISTICS/3PL SECTORS DROVE THE DEMAND FOR WAREHOUSING IN H1-24

Warehousing sector recorded a leasing volume of **2.14 MSF in H1-24**, a minor decline of **1% compared to H1-23**. Logistics/3PL sectors accounted for **41%** of the half-yearly lease volume, followed by the Automobile sector with a **23% share**.



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