

MARKETBEATS

73%

SHARE OF UNITS LAUNCHED
IN MID SEGMENT

8%

GROWTH IN CAPITAL VALUES IN
THORAIPAKKAM (YOY)

9%

DECLINE IN AVERAGE
UNIT SIZE (QOQ)WHAT'S
NEXT

HIGHLIGHTS

Decline in unit launches, increased FSI yet to impact

A total of 2,000 units were launched during the quarter, a 22% quarterly decline as developers remained cautious during the general elections and were expecting favorable policy announcements in the budget. The affordable and mid segment dominated the launches, accounting for 83% of the overall share. Increasing commercial activity and infrastructure developments continue to drive the residential development in suburban and peripheral markets. Peripheral locations such as Mangadu and Perungalathur have witnessed a major share in new launches during the quarter. Going forward, we expect new launches to be limited, as developers are still preparing new project proposals as per the increased FSI limits (As per the TNCDR and Building Rules 2019) while focusing on completing ongoing projects and offloading the unsold inventory.

Continued momentum in sales

Residential sales have maintained pace, as most of sales were concentrated in the ticket size of INR 50 – 75 Lakhs. Developers launching high-end and luxury residential projects in the central areas such as Teynampet, Nungambakkam and Alwarpet have adopted right sizing and right pricing strategies. Projects with better specifications, developer profile and quality construction continues to be in sharper focus by end-users while purchasing a residential unit. Projects in north Chennai witnessed a surge in sales as the ground breaking of a new TIDEL Park near Pattabiram and outer ring road that is nearing completion have attracted both end-users and investors.

Capital values largely stable

Capital values have remained largely stable in most submarkets as compared to the last quarter. Rentals have witnessed a drop of 3-5% in the Central and Off-central areas of the city – owing to acute water shortage. The ongoing water crisis is likely to impact under construction projects as well. We expect both capital and rental values to remain stable in the short term across most markets. Locations such as Thoraipakkam, Perungudi, Guindy and Manapakkam could be an exception as a strong end-user driven demand could push up property prices by 3-4% over the next 3-6 months.

RENTAL VALUES AS OF Q2 2019

Submarket	Average quoted rent (INR/month)	QoQ change (%)	YoY change (%)	Short term outlook
High-end segment				
Central	100,000 – 250,000	0%	0%	—
Off Central-I	90,000 – 150,000	0%	0%	—
Off Central-II	50,000 – 130,000	0%	0%	—
East Coast Road	100,000 – 250,000	0%	0%	—
Mid segment				
Central	50,000 – 75,000	0%	0%	—
Off Central-I	45,000 – 80,000	0%	0%	—
Off Central-II	25,000 – 50,000	0%	0%	—
Suburban South-I	22,000 – 32,000	0%	0%	—
Suburban South-II	15,000 – 25,000	0%	0%	—

CAPITAL VALUES AS OF Q2 2019

Submarket	Average quoted rent (INR/month)	QoQ change (%)	YoY change (%)	Short term outlook
High-end segment				
Central	23,000 – 27,000	-3%	-9%	—
Off Central-I	18,000 – 22,000	0%	0%	—
Off Central-II	12,000 – 17,000	0%	0%	—
East Coast Road	6,000 – 9,500	0%	0%	—
Mid segment				
Central	14,000 – 18,000	0%	0%	—
Off Central-I	15,000 – 18,000	0%	0%	—
Off Central-II	9,000 – 15,000	0%	0%	—
Suburban South-I	5,000 – 7,500	0%	4%	—
Suburban South-II	4,000 – 7,000	0%	0%	—
Suburban North	4,200 – 7,000	0%	0%	—
Suburban West	4,400 – 7,000	0%	5%	▲
East Coast Road	4,500 – 6,500	0%	5%	—

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SIGNIFICANT PROJECTS LAUNCHED IN Q2 2019

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	RATE**(INR/SF)
Shriram Park 63	Perungalathur	Shriram Properties	468	5000
Ashraya	Mangadu	Altis Properties	578	4900
Grand Corridor	Velappanchavadi	Ramky Wavoo Developers	356	5100

SIGNIFICANT PROJECTS UNDER CONSTRUCTION IN Q2 2019

BUILDING	LOCATION	DEVELOPER	ESTD. NO. OF UNITS	EXPECTED COMPLETION
Orlando	Kelambakkam	Akshaya Homes	522	Q3 2020
Primera	Mugalivakkam	Casa Grand	188	Q4 2019
Courtyards	Sholinganallur	Prestige Group	150	Q1 2021

SIGNIFICANT CONSTRUCTION COMPLETIONS IN Q2 2019

BUILDING	LOCATION	DEVELOPER	ESTD. NO. OF UNITS	EXPECTED COMPLETION
Aqua lily	Singaperumal Koil	Mahindra LifeSpaces	691	Q2 2019

Data collated from primary and secondary resources. Estimations are subject to change

* Rental and capital values have been depicted only for key submarkets

** Quoted base capital value and does not include other charges such as Preferential Location Charges, External Development Charges, Internal Development Charges, etc.

The above values for high-end segment are for units typically of 2,000-4,000 sf

The above values for mid segment are for units typically of 1,600-2,000 sf

KEY TO SUBMARKETS

Central: Boat Club, Poes Garden, Nungambakkam

Off Central-I: R.A. Puram, Abhiramapuram, Alwarpet and Teynampet

Off Central -II: T.Nagar, Mylapore, Annanagar, Kilpauk, Thiruvanniyur, Adyar, Kotturpuram, Besant Nagar, K.K.Nagar, Velachery, Vadapalani

Suburban North - Madhavaram, Perambur, Thondiarpet

Suburban West: Mogappair, Nolumbur, Ambattur, Poonamallee High Road

Suburban South-I: Rajiv Gandhi Salai (Thiruvanniyur to Kelambakkam)

Suburban South-II: GST Road (Alandur to Tambaram, Porur)

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