


1,578 UNIT LAUNCHES (Q3 2020)

43% SHARE OF SUBURBAN SOUTH II
IN NEW LAUNCHES (Q3 2020)

66% SHARE OF MID SEGMENT IN NEW
LAUNCHES (Q3 2020)

MARKET INDICATORS OVERALL Q3 2020

Y-O-Y
Change

12-Months
Forecast

New Launches



Units Sold


Average Capital
Values (INR/sf)

Launches coming back, construction activity resuming

Chennai's residential market witnessed new launches coming back in the third quarter, with over 1500 units launched in Q3, a 3X rise compared to the last quarter. Most of the new launches were observed in locations such as Manapakkam, Perumbakkam and Siruseri in the Suburban South I and II submarkets. The mid segment continued to dominate new launches with a share of 66% followed by affordable and high-end segments with 15% and 12% share, respectively. Major developers who launched new projects during the quarter included Casagrand, Arun Excelllo, Sristi Builders and Saradeuz Infrastructures. Developers focused on compact 1-2 BHK residential units, which fall in the affordable and mid-segment categories. This also had a favourable impact on pricing of these apartments, thereby leading to greater enquiries from potential homebuyers. The luxury segment accounted for only 6% of total launches during the quarter. Construction activity has resumed across most projects and developers are focusing on projects / towers which are nearing completion in the short term.

Sales and enquiries gaining pace, infrastructure developments adding strength

Enquiries and sales have gained momentum over the last 2 months as lockdown restrictions have started to ease. In particular, ready possession homes were the most sought after across major residential catchments such as Manapakkam, Perumbakkam and Siruseri which are in close proximity to the office corridors. In addition, progress on the infrastructure projects such as road widening and multi-deck elevated transport corridor, which includes four lane elevated highway at the first level and proposed phase II metro rail corridor at the second level along OMR is also attracting buyers to explore projects within localities such as Perungudi, Sholinganallur, Siruseri, Thalambur in Suburban South I submarket etc.

Minor dip in capital values and rentals, offers / schemes / concessions to continue in the short term

The number of vacant homes across the city have quickly risen over the last two quarters as several employees, students and households have returned to their hometowns during the pandemic. Vacancy has significantly increased in the IT corridor along OMR where rentals have dropped by 4-6% during the quarter. Other prominent catchments such as ECR, Perungalathur, Guduvanchery, Singaperumal kovil, etc. have also witnessed rental correction in the range of 3-5% over the last 2-3 months. Capital values of high end segment have largely remained stable across all submarkets during Q3, though downward pressure remains and price concessions are on offer for serious buyers. In the mid segment, a dip of 0.5-1% on headline prices was witnessed in Off Central II, Suburban South I & II and Suburban North. Again, higher price concessions are being offered on serious enquiries and actual transactions. The current low interest rate on home loans is also driving buying decision in an environment where developers are more flexible. Developers have continued with various offers / schemes announced in Q2 and are expected to continue them all through the festive season and Q4 as well to drive sales. Developers are also announcing newer offers to attract buyers. For instance, Akshaya homes has partnered with IKEA for its Kelambakkam project and is offering free IKEA furnishings worth INR 4-5 lakhs for its 2 and 3 BHK apartments.

SIGNIFICANT PROJECTS LAUNCHED IN Q3 2020

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	RATE*(INR/SF)
Casagrand Utopia	Manapakkam	Casagrand Builder Pvt. Ltd.	673	5,299 - 5,499
Sindhuraa	Siruseri	Arun Excelllo	240	4,500



RENTAL VALUES AS OF Q3 2020

SUBMARKET	AVERAGE QUOTED RENT (INR/MONTH)	QoQ CHANGE (%)	YoY (%)	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	90,000-2,48,000	-3%	-3%	■
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	21,000-31,000	-4%	-4%	■
Suburban South - II	14,000-24,500	-4%	-4%	■

SIGNIFICANT CONSTRUCTION COMPLETIONS IN Q3 2020

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	UNIT SIZE(SF)
Woodside	Manapakkam	Casagrand Builder Pvt. Ltd.	216	681-1465
RWD Lemongraz	Ambattur	Ramky Wavoo Developers	129	1047-1498

SIGNIFICANT PROJECTS UNDER CONSTRUCTION – TO BE COMPLETED IN NEXT 12 MONTHS

BUILDING	LOCATION	DEVELOPER	UNITS LAUNCHED	EXPECTED COMPLETION
Ashraya	Mangadu	Altis Properties	578	Q4 2020
The Plutus Residence	Adyar	Baashyaam Constructions	152	Q3 2021

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

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

** Quoted capital value on carpet area based on agreement values which includes, Base Rate, Car Parking Charges, Internal Development Charges, etc.

The above values for high-end segment are for units typically of 1,500-2,000 sq

The above values for mid segment are for units typically of 1,000-1,400 sq

Affordable housing has been defined as units with a carpet area of 60 sq.mt in metros / 90 sq.mt in non-metros and value up to INR 45 lakhs

KEY TO SUBMARKETS

High-end Segment

Central: Boat Club, Poes Garden, Nungambakkam
Off Central-I: R.A. Puram, Abhiramapuram, Alwarpet and Teynampet

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

Mid Segment

Central: Boat Club, Poes Garden, Nungambakkam
Off Central-I: R.A. Puram, Abhiramapuram, Alwarpet and Teynampet
Off Central -II: T.Nagar, Mylapore, Annanagar, Kilpauk, Thiruvannmiyur, Adyar, Kotturpuram, Besant Nagar, K.K.Nagar, Velachery, Vadapalani

Suburban North - Madhavaram, Perambur, Thondiarpet

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

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

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

CAPITAL VALUES AS OF Q3 2020

SUBMARKET	AVERAGE QUOTED RATE (INR/SF)	QoQ CHANGE (%)	YoY (%)	SHORT TERM OUTLOOK
High-end segment				
Central	23,000-27,000	0%	0%	■
Off Central - I	18,000-23,000	0%	0%	■
Off Central - II	12,000-17,500	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	8,400-10,000	-1%	-1%	■
Suburban South - I	5,000-7,400	-1%	-1%	■
Suburban South - II	4,000-7,400	-1%	-1%	■
Suburban North	4,200-6,950	-0.4%	-0.4%	■
Suburban West	4,400-8,000	0%	0%	■
East Coast Road	4,500-6,500	0%	0%	■

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