

12.13% MALL VACANCY (Q2 2022)

31% SHARE OF ACCESSORIES & LIFESTYLE IN GROSS LEASING (Q2 2022)

7.4% Y-O-Y GROWTH IN ADYAR MAIN STREET RENTS

Accessories & Lifestyle categories drive demand in main streets

Chennai's mainstreets recorded bulk of the retail leasing volume that happened during Q2 with a volume of 0.05 msf. Besides the traditionally prominent retail hotspots of Anna Nagar, Adyar, and T. Nagar, strong leasing activity was also observed in retail hubs such as Chromepet and ECR Road. Demand for main streets leasing this quarter was driven by Accessories & Lifestyle segment followed with the Supermarket/Hyper market category with shares of 33% and 15%, respectively. National retailers remained the main demand drivers across main streets and brands in the Accessories & Lifestyle and CDIT segments expanded their footprint in Q2. Demand is expected to remain strong from large national retailers in the near to medium term. Malls witnessed a small share (~0.01 msf) in the overall retail leasing activity during the quarter.

Leasing mainly recorded in superior category malls

The limited mall transactions was largely happening in the superior grade malls such as Express Avenue, Phoenix Market City and VR malls. Categories such as fashion, accessories & lifestyle were active during the quarter. National brands were major contributors to mall leasing activity. The vacancy in superior malls remained tight due to retailer churns during the quarter. However, city-wide mall vacancy increased from 7.55% in Q1 to 12.13% in Q2, since most of the retailers have vacated spaces at the Ampa Skywalk mall which is undergoing renovation. Upgradation of this mall shall add to the quality retail space in the city, catering to the healthy demand from brands.

Robust supply in pipeline; Rental growth seen in select main streets

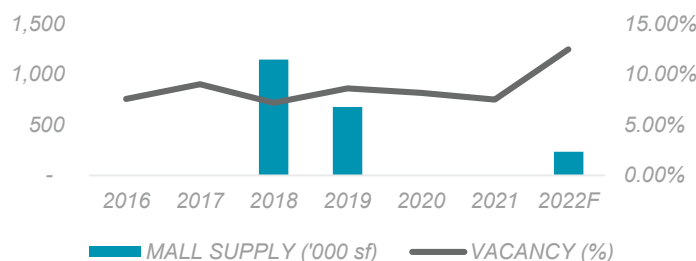
Upcoming supply of 5.6msf is expected to be added to the city's mall inventory by the end of 2023. Mall rentals remained unchanged during the quarter, however a marginal growth in superior mall rentals is anticipated in the upcoming quarters on the back of vacancies getting tighter. Main streets such as Adyar, Anna Nagar, Purasaiwakkam and Velachery have witnessed a rental growth of 3-5% on a q-o-q basis, backed by steady demand momentum and lack of available space. Owing to the increased traction and ongoing enquiries from many retailers, we anticipate rental appreciation in the main street locations of Chromepet, Velachery, Ramapuram-Porur and Urapakam-Guduvanchery corridors.

ECONOMIC INDICATORS Q2 2022

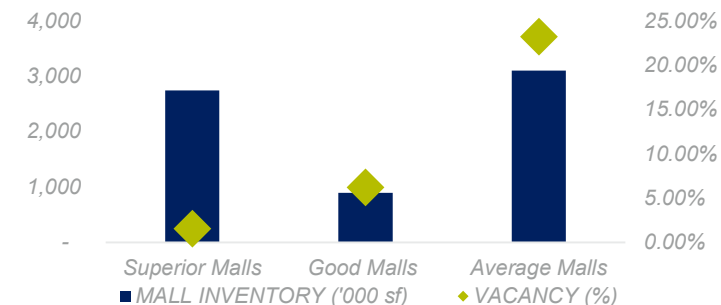
	2021	2022	2023 Forecast
GDP Growth	8.9%	7.2%	7.0%
CPI Growth	5.3%	6.7%	5.0%
Consumer Spending	6.3%	7.5%	7.8%
Govt. Final Expenditure Growth	10.8%	9.7%	8.5%

Source: Oxford Economics, IMF, RBI

MALL SUPPLY / VACANCY RATE



CATEGORY-WISE STOCK / VACANCY



MARKET STATISTICS

PRIME RETAIL RENTS – MAIN STREETS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
Nungambakkam High Road	130	19	20	0.0%	0.0%
Khadar Nawaz Khan Road	135	20	21	0.0%	0.0%
Cathedral Road - R.K. Salai	115	17	18	0.0%	0.0%
Usman Road - South	100	15	16	0.0%	0.0%
Usman Road - North	110	16	17	0.0%	0.0%
Adyar Main Road	145	21	23	3.6%	7.4%
Anna Nagar 2 nd Avenue	150	22	23	3.4%	3.4%
Purasawalkam High Road	115	17	18	4.5%	4.5%
Pondy Bazaar	150	22	23	0.0%	0.0%
Velachery	105	15	16	5.0%	5.0%
Ambattur (MTH Road)	95	14	15	0.0%	0.0%
PRIME RETAIL RENTS – MALLS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
Phoenix Market City - Velachery	285	42	44	0.0%	0.0%
The Forum Vijaya - Vadapalani	250	36	39	0.0%	0.0%
The Palladium - Velachery	240	35	37	0.0%	0.0%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
 US\$ = 77.3 INR AND € = 82.2 INR

SIGNIFICANT LEASING TRANSACTIONS Q2 2022

PROPERTY	LOCATION	TENANT	SF
Main Street	Velachery - Tambaram Main Road	Grace World	7,000
Main Street	2nd Avenue, Anna Nagar	AVR Swarna Mahal	6,000
Express Avenue Mall	Royapettah	Decathlon	3,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION DATE
Chennai Airport MLCP	Meenambakkam	238,101	Q3 2022
Market of India	Perambur	5,400,000	Q2 2023 (Phase I)

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