

12.31% MALL VACANCY (Q4 2023)

32% SHARE OF FASHION IN
MAINSTREET LEASING (Q4 2023)4% Q-O-Q GROWTH IN USMAN ROAD-
NORTH MAIN STREET RENTS

ECONOMIC INDICATORS Q4 2023

	2022	2023	2024 Forecast
GDP Growth	7.2%	6.1%	7.0%
CPI Growth	6.7%	5.3%	5.0%
Consumer Spending	7.6%	7.0%	6.7%
Govt. Final Expenditure Growth	9.7%	8.1%	7.4%

Source: Oxford Economics, IMF, RBI

Among mainstreets, Suburban South and CBD drove demand in Q4

In the fourth quarter, main streets recorded leasing activity of 0.09 msf, a growth of 5% q-o-q. Suburban South held the major share of 43%, followed by CBD with a 26% share. Prominent main streets in Suburban South and CBD submarkets, such as Velachery 100Ft Road, ECR, and Nungambakkam High Road, witnessed strong demand during Q4. Fashion brands were primary drivers of demand in Q4, accounting for 32% of leasing activity, followed by Accessories & Lifestyle and Department stores, contributing 23% each.

For the full year 2023, mainstreet leasing activity totalled 0.4 msf, a good 40% growth compared to 2022. North West submarket witnessed healthy demand, holding a share of 24%, with prominent main streets in locations such as Anna Nagar and Perambur garnering good demand. Suburban South submarket followed closely with a 21% share in annual mainstreet leasing, with significant demand for locations along the ECR and Adyar. In terms of retail category, departmental stores took lead with a 27% share in annual mainstreet leasing, followed by Fashion brands with a 25% share.

New supply helps gain traction in mall leasing; national brands dominate mall leasing

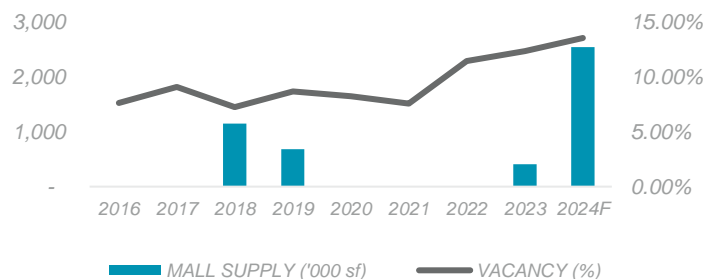
In Q4, malls recorded leasing of 0.07msf, ~40% increase on a y-o-y basis. South West submarket dominated quarterly mall leasing, holding a share of 55%, followed by Peripheral South with 44%. The entertainment sector played a significant role, accounting for 48% of mall leasing in Q4, followed by Department stores with a 21% share. City-wide mall vacancy witnessed a minor drop of 5 basis points and stood at 12.3%. Vacancy levels in the superior grade malls remained fairly tight in the range of 2-3%.

On an annual basis, mall leasing amounted to 0.3 msf, a significant 3X increase compared to 2022. The entertainment sector constituted 38% of the leasing, followed by fashion brands with a 20% share. National brands continued to dominate mall leasing in Chennai as their space take-up increased threefold compared to 2022. The city witnessed a new mall supply of 0.4msf in 2023 and foresees a healthy supply of 2.5msf in the coming year.

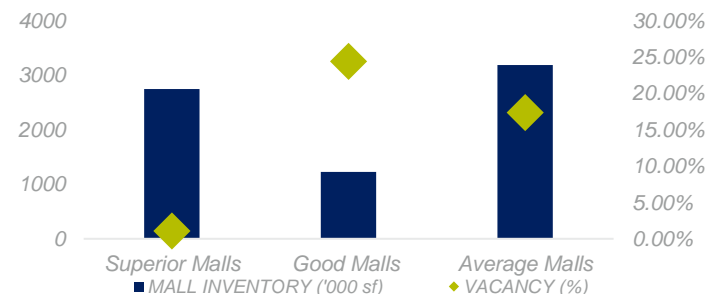
Prominent mainstreets witness marginal rental growth

In Q4, marginal rental growth between 3-4% q-o-q was observed across key mainstreets such as Nungambakkam High Road, Usman Road - North, Chromepet, and Adyar Main Road. Marginal rental appreciation is expected in locations such as Usman Road-North, Adyar Main Road, Chromepet, and Velachery due to steady demand from the national brands. While mall rentals remained largely unchanged in the quarter, there is an anticipation of marginal rental growth in the near term, particularly in superior malls, owing to tight vacancy and good demand in these malls.

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	135	18	19	3.8%	5.5%
Khadar Nawaz Khan Road	135	18	20	0.0%	2.3%
Cathedral Road - R.K. Salai	120	16	18	0.0%	4.3%
Usman Road - South	110	15	16	0.0%	4.8%
Usman Road - North	120	16	17	4.3%	9.1%
Adyar Main Road	155	21	22	3.3%	6.9%
Anna Nagar 2 nd Avenue	155	21	23	0.0%	3.3%
Purasawalkam High Road	115	16	17	0.0%	0.0%
Pondy Bazaar	165	23	24	0.0%	6.5%
Velachery	115	16	17	0.0%	9.5%
Ambattur (MTH Road)	100	14	15	0.0%	0.0%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted
US\$ = 83.3 INR AND € = 89.6 INR

SIGNIFICANT LEASING TRANSACTIONS Q4 2023

PROPERTY	LOCATION	TENANT	SF
Mainstreet	Nungambakkam	Go Colors	21,000
Mainstreet	Kolathur	Girias	8,800
Mainstreet	Tondiarpet	Tanishq	8,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	LOCATION	SF	COMPLETION DATE
Market of India	Perambur	2,210,023	Q2 2024 (Phase I)

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