MARKETBEAT CHENNAI

RESIDENTIAL Q3 2024

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
~6,000 New unit launches	▲	▲
20-25K Prime CBD Capital Value (INR/SF)	▲	▲
130 NHB Residex (June 2024)	▲	▲

Source: NHB

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
6.70% GDP Growth (Q1FY24-25)	▼	▲
3.65% CPI Inflation	▼	▲
9.15% External Benchmark Lending Rate	—	▼

Source: MOSPI, RBI, SBI

SUBURBAN SOUTH SUBMARKETS DROVE HEALTHY UNIT LAUNCHES

Chennai's residential market saw a healthy launch of ~6,000 residential units, a q-o-q growth of 19% and a y-o-y increase of 33%. As of YTD 2023, the city has recorded ~16,600 unit launches, a decline of 18% compared to the same period last year. During the quarter, Suburban South II dominated unit launches with a share of 42%, followed by Suburban South I with 26% share. Key residential hotspots in the suburbs, such as Pallavaram, Kelambakkam, Manapakkam, Kundrathur and Mangadu showed strong traction in new launches. Villa projects continued to gain momentum, mainly in the peripheral areas along the ECR and OMR corridors in the Suburban South I submarket.

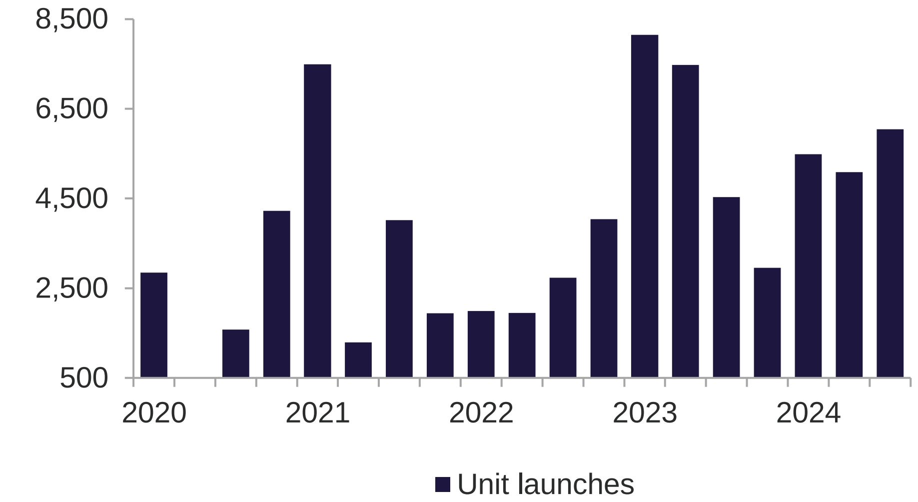
HIGH-END AND AFFORDABLE LAUNCHES SAW BIGGEST GROWTH, THOUGH MID-SEGMENT REMAINED DOMINANT IN Q3

In Q3, mid-segment continued to dominate with a share of 52% in the quarterly unit launches. Locations such as Kattupakkam, Paranur and Madambakkam in the Suburban South II submarket witnessed healthy unit launches in the mid-segment. High-end and luxury segments collectively made up 32% of quarterly unit launches, recording a significant q-o-q growth of 71%. Affordable segment accounted for 16% of the unit launches in Q3, nearly double the volume recorded in Q2. Interest has gradually shifted from 2BHK to 3BHK units, with 3BHK configurations accounting for ~50% of the market supply in YTD 2024, up from 42% in YTD 2023.

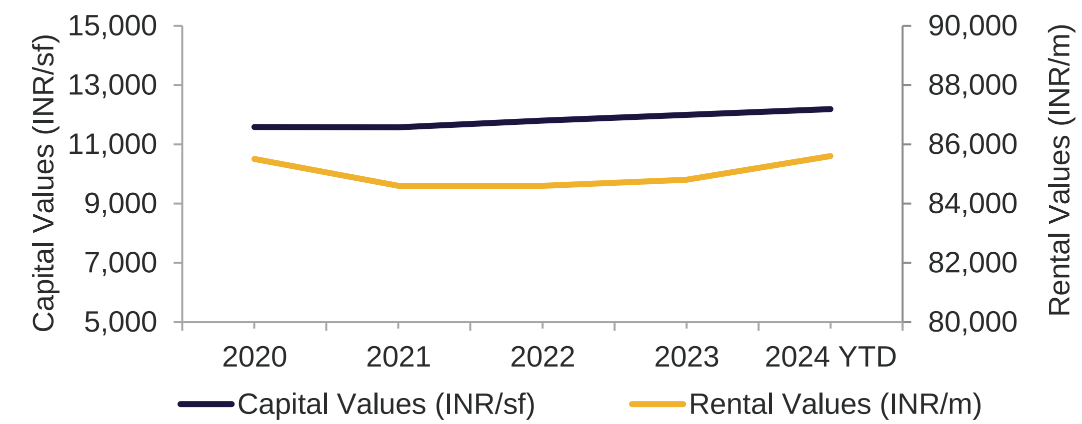
CAPITAL AND RENTAL VALUES RISE RELATIVELY FASTER ALONG THE METRO CORRIDORS

Rental values for mid-segment units in Off-central I & II and Suburban South I & II recorded 2-3% rise on a q-o-q basis. Capital values for mid-segment units in Off-central II, Suburban South I & II and Suburban North increased by 4-8% y-o-y. High-end segment units in Off-central I and ECR saw minor uptick of 1-3% on a y-o-y basis. The ongoing Chennai Metro Rail Phase II project is driving demand, leading to appreciation in both capital and rental values along these corridors.

RESIDENTIAL UNIT LAUNCHES



CAPITAL VALUES / RENTAL VALUES



CAPITAL VALUES AS OF Q3 2024

SUBMARKET	AVERAGE QUOTED CAPITAL VALUE** (INR/SF)	QoQ CHANGE (%)	YoY CHANGE (%)	SHORT TERM OUTLOOK
High-end segment				
Central	23,000-27,000	0%	0%	—
Off Central - I	18,000-23,500	1%	1%	—
Off Central - II	15,000-17,500	0%	0%	—
East Coast Road	7,500-9,500	3%	3%	—
Mid segment				
Central	14,000-18,000	0%	0%	—
Off Central- I	15,000-17,000	0%	0%	—
Off Central -II	10,000-11,800	1%	6%	↗
Suburban South - I	6,300-7,900	2%	4%	↗
Suburban South - II	5,500-7,800	4%	7%	↗
Suburban North	5,500-7,500	2%	8%	↗
Suburban West	5,700-8,000	0%	1%	—
East Coast Road	5,000-6,500	0%	0%	—

KEY PROJECTS LAUNCHED IN Q3 2024

PROPERTY	LOCATION	DEVELOPER	UNITS (Nos.)	UNIT SIZE (SF)
NCC Urban Ivy Towers	Pallavaram	NCC Urban Infrastructure Ltd.	924	1,217-1,810
Casagrand Avenue Park	Perungudi	Casagrand Builder Pvt. Ltd.	209	1,306-2,955
Casagrand Estilo	Pallavaram	Casagrand Builder Pvt. Ltd.	202	1,308-2,525

KEY CONSTRUCTION COMPLETIONS IN Q3 2024

PROPERTY	LOCATION	DEVELOPER	UNITS (Nos.)	UNIT SIZE (SF)
Prestige Windsor Park	Vanagaram	Prestige Estates Projects	637	588-1,427
Jones the Breeze	Sithalapakkam	Jones Foundations	240	1,017-1,254

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

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, Thiruvanmiyur, 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, Thiruvanmiyur, Adyar, Kotturpuram, Besant Nagar, K.K.Nagar, Velachery, Vadapalani*
Suburban North: *Madhavaram, Perambur,thondiarpet*
Suburban West: *Mogappair, Nolambur, Ambattur, Poonamallee High Road*
Suburban South-I: *Rajiv Gandhi Salai (Thiruvanmiyur To Kelambakkam)*
Suburban South-II: *GST Road (Alandur To Tambaram, Porur)*

RENTAL VALUES AS OF Q3 2024

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	55,000-130,000	3%	3%	—
East Coast Road	90,000-2,48,000	0%	0%	—
Mid segment				
Central	50,000-75,000	0%	0%	—
Off Central- I	48,000-80,000	2%	2%	—
Off Central- II	28,000-50,000	3%	4%	—
Suburban South - I	24,000-31,000	2%	4%	—
Suburban South - II	17,000-25,000	2%	5%	—

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