

**MARKET FUNDAMENTALS**

	YOY Chg	12-Month Forecast
<b>3.65</b> Mall Stock (MSF)	▲	▲
<b>0.3</b> Retail Space Per Capita	▼	▲
<b>1.7%</b> Mall Vacancy	▼	▲

*Note: All data above pertains to Grade A malls*

**ECONOMIC INDICATORS**

	YOY Chg	12-Month Forecast
<b>6.70%</b> GDP Growth (Q1 FY24-25)	▼	▲
<b>3.65%</b> CPI Inflation	▼	▲
<b>7.40%</b> Consumer Spending Growth (Q1 FY24-25)	▲	▲

*Source: MOSPI, RBI*

**MAINSTREET LEASING SURGES WITH 57% Y-O-Y GROWTH**

In Q3, mainstreets saw healthy activity recording a leasing volume of 0.13msf, a q-o-q growth of 28% and a significant y-o-y increase of 57%. YTD leasing in mainstreets reached 0.4 msf, a 6% rise compared to the same period last year. Leasing activity was largely concentrated in the key mainstreets such as Adyar and ECR in the Suburban South submarket which accounted for 51% of the quarterly mainstreet leasing. Anna nagar in the North west submarket, was the second-largest contributor, accounting for 16% of the quarterly leasing volume. Fashion was the key driver of demand, contributing 39% of the total leasing volume during the quarter, followed by CDIT at 18%.

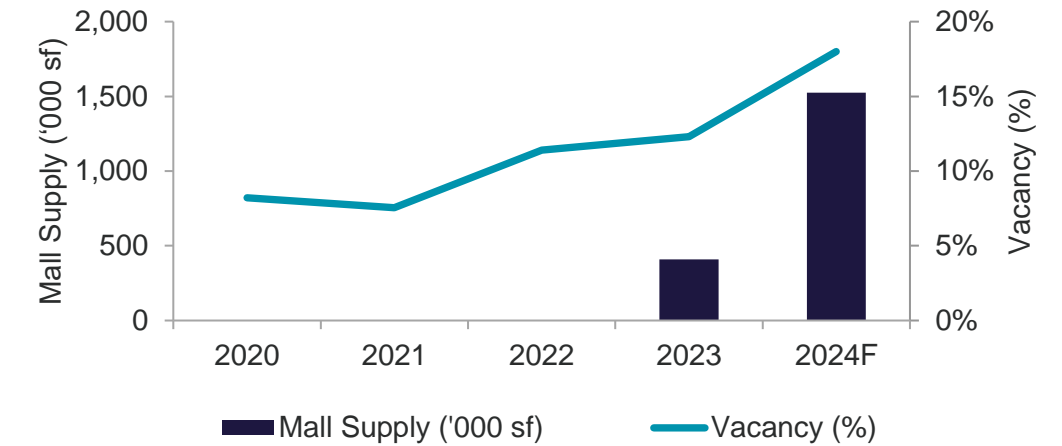
**MALLS EXPERIENCE LIMITED ACTIVITY AMID SPACE CRUNCH**

Malls in Chennai saw minimal leasing activity (-0.02msf) in Q3, following a muted second quarter. Limited space availability of quality mall space may have contributed to the reduced demand. The city has not witnessed grade A mall supply in the last four years but with 1.2 msf of grade A space expected to enter the market next year, the situation is anticipated to improve. Prominent malls in the CBD, Suburban South and Peripheral South accounted for ~96% of the total quarterly mall leasing. Minimal leasing activity resulted in a minor 25 bps decline in the city-level mall vacancy, bringing it to 14.41%. Superior malls continued to enjoy tight vacancies in the range of 1-3%. Mall leasing in Q3 was driven primarily by retailers in the Fashion and Accessories & Lifestyle segments.

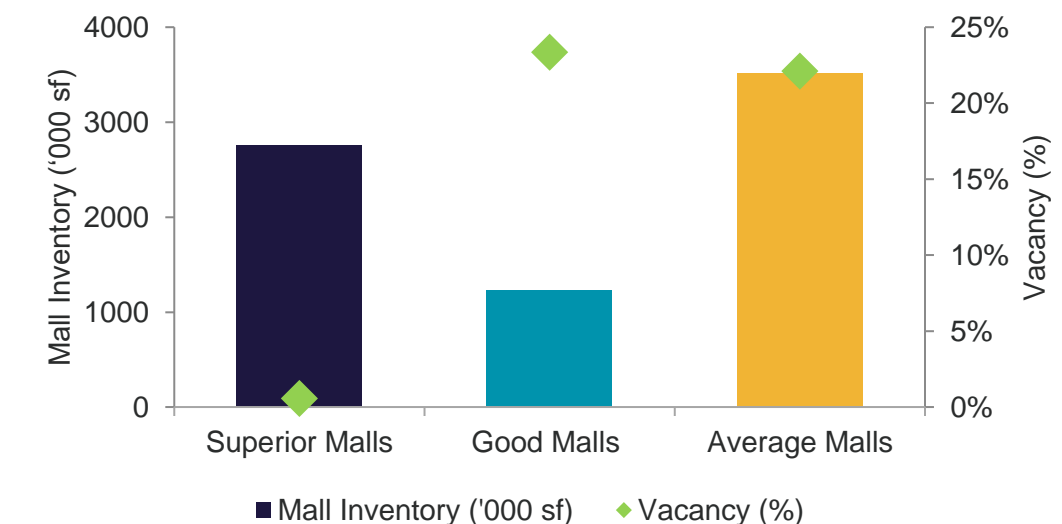
**DEMAND DROVE RENTAL GROWTH IN PROMINENT MAINSTREETS**

Grade A mall rentals saw a minor uptick in the quoted rentals due to limited space availability. Main street rentals in Anna Nagar 2nd Avenue, Pondy Bazaar and Usman Road - North saw a q-o-q rise of 8-12%. Rentals on main streets like Nungambakkam High Road, Cathedral Road, Chromepet, OMR and ECR witnessed rentals ranging from 4-6% on a y-o-y basis. Ongoing demand from national brands is expected to drive rental growth in select prominent main streets.

**MALL SUPPLY / VACANCY RATE**



**CATEGORY-WISE STOCK / VACANCY**



MARKET STATISTICS

PRIME RETAIL RENTS – HIGH STREETS	INR SF/MTH	EURO SF/YR	US\$ SF/YR	Q-O-Q CHANGE	Y-O-Y CHANGE
Nungambakkam High Road	135	18	19	0.0%	3.8%
Khader Nawaz Khan Road	140	18	20	3.7%	3.7%
Cathedral Road - RK Salai	125	16	18	4.2%	4.2%
Usman Road - South	115	15	16	4.5%	4.5%
Usman Road - North	135	18	19	8.0%	17.4%
Adyar Main Road	155	20	22	0.0%	3.3%
Anna Nagar 2nd Avenue	175	23	25	12.9%	12.9%
Purasaiwalkam High Road	120	16	17	4.3%	4.3%
Pondy Bazaar	180	23	26	9.1%	9.1%
Velachery	120	16	17	4.3%	4.3%
Ambattur (MTH Road)	100	13	14	0.0%	0.0%
OMR	125	16	18	0.0%	4.2%
Chromepet	160	21	23	3.2%	6.7%
ECR	120	16	17	0.0%	4.3%

Note: Asking rent (INR/sf/month) on carpet area of ground floor Vanilla stores is quoted

US\$ = 83.7INR AND € = 92.1 INR

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	LOCATION	TENANT	SF
Mainstreet	Kottivakkam	West Side	10,000
Mainstreet	Anna Nagar	Livspace	6,000
Mainstreet	Adyar	Zudio	13,000
Phoenix Market City	Velachery	Koskii	2,000
Palladium Mall	Velachery	Solitario	1,500

KEY PROJECTS COMPLETED IN LAST 12 MONTHS

PROPERTY	LOCATION	SF	COMPLETION TIMELINE
No mall supply in last 12 months			

**A.M.LAKSHMI**

Assistant Manager, Research

Tel: +91 44 42995555

[am.lakshmi@cushwake.com](mailto:am.lakshmi@cushwake.com)

**SUVISHESH VALSAN**

Senior Director, Research

Tel: +91 22 6771555

[suvishesh.valsan@cushwake.com](mailto:suvishesh.valsan@cushwake.com)

**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com).

©2024 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield (“CWK”). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK’s securities.

You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.