

MARKET FUNDAMENTALS

	YOY Chg	Outlook
3.65 Mall Stock (MSF)	▲	▲
0.3 Retail Space Per Capita	▼	▲
1.7% Mall Vacancy	▼	▲

Note: All data above pertains to Grade A malls

ECONOMIC INDICATORS

	YOY Chg	Outlook
5.40% GDP Growth (Q2 FY24-25)	▼	▲
5.48% CPI Inflation	▼	▼
6.00% Consumer Spending Growth (Q2 FY24-25)	▲	▲

Source: MOSPI, RBI

PROMINENT MAIN STREETS DOMINATE RETAIL LEASING IN 2024

Chennai witnessed healthy retail leasing in Q4 with main streets recording leasing volume of 0.2 msf, a 37% q-o-q increase and a significant 2x growth y-o-y. Leasing activity was largely driven by the Off-CBD and Peripheral South submarkets, each contributing 30% to the overall main street leasing. Prominent locations such as OMR, PTR and Alwarpet witnessed significant traction, fueled mainly by demand from the Fashion sector that accounted for 29% share, followed by F&B with 18% share.

For the full year, main streets absorbed over 80% of Chennai's retail leasing volume at 0.54 msf, a 26% growth y-o-y. Fashion emerged as the key contributor, driven by strong leasing in the Off-CBD and North-west submarkets.

MALL ACTIVITY SUBDUED OWING TO LIMITED SUPPLY

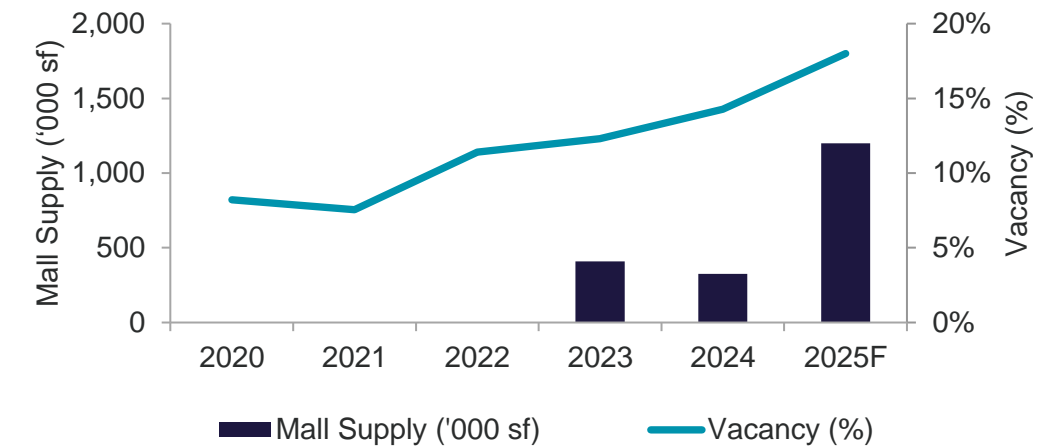
Mall leasing in Q4 stood at 0.02 msf, marking a 13% q-o-q growth. Peripheral South and CBD submarkets collectively accounted for 77% of the quarterly mall leasing. Fashion and F&B sectors were primary drivers of demand. For 2024, annual mall leasing reached 0.12 msf, with the North-west and Peripheral South submarkets contributing a significant 74% share.

With limited supply, the overall city's mall vacancy saw a slight decline of 14 basis points and stood at 14.27%. Superior malls maintained very tight vacancy rates of 1-2%, indicating strong demand for quality spaces. Looking ahead, nearly 1.2 msf of new mall supply is expected over next few quarters.

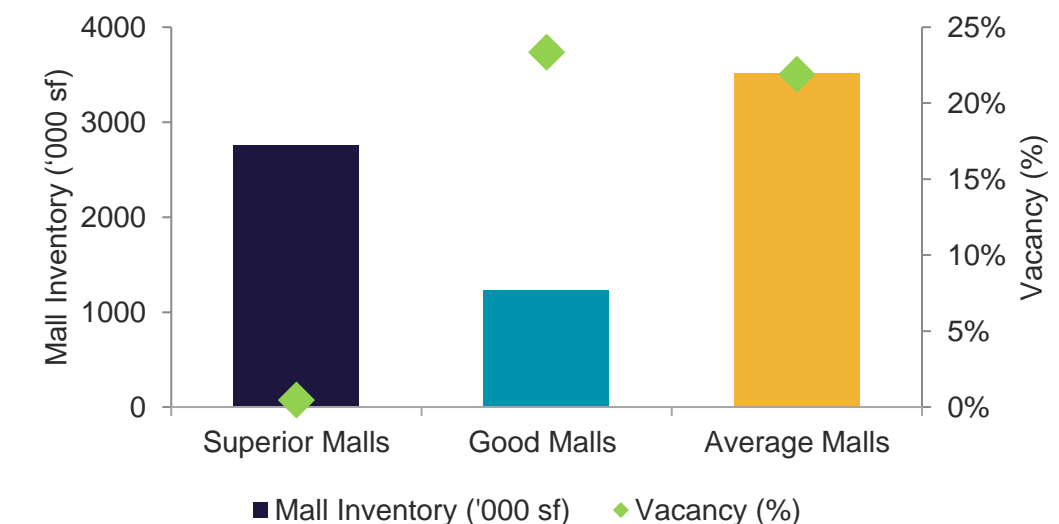
RENTAL GROWTH RECORDED IN PROMINENT MAINSTREETS

Limited availability of prime retail space drove rental growth in both main streets and malls. Main streets such as Cathedral Road, Usman Road-North and Anna Nagar 2nd Avenue recorded a 2-4% q-o-q rental growth. With sustained demand from regional brands, marginal rental appreciation is anticipated in the upcoming quarters.

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%	0.0%
Khader Nawaz Khan Road	140	19	20	0.0%	3.7%
Cathedral Road - RK Salai	130	17	18	4.0%	8.3%
Usman Road - South	115	15	16	0.0%	4.5%
Usman Road - North	140	19	20	3.7%	16.7%
Adyar Main Road	155	21	22	0.0%	0.0%
Anna Nagar 2nd Avenue	180	24	26	2.9%	16.1%
Purasaiwalkam High Road	120	16	17	0.0%	4.3%
Pondy Bazaar	180	24	26	0.0%	9.1%
Velachery	120	16	17	0.0%	4.3%
Ambattur (MTH Road)	100	13	14	0.0%	0.0%
OMR	125	17	18	0.0%	0.0%
Chromepet	160	21	23	0.0%	3.2%
ECR	120	16	17	0.0%	0.0%

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

US\$ = 84.4INR AND € = 90.1 INR

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	LOCATION	TENANT	SF
Phoenix Market City	Velachery	New Balance	1,700
Mainstreet	Sholinganallur	Westside	30,000
Mainstreet	Pallavaram Thoraipakkam Road	Kia Motors	20,000
Vivira Mall	Navalur	StyleUp	8,000
Express Avenue Mall	Royapettah	Noci Adante	6,000
Mainstreet	Ramapuram	StyleUp	11,000

KEY PROJECTS COMPLETED IN LAST 12 MONTHS

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

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