

What's going on in.. CHENNAI

MID-YEAR 2019



OVERVIEW

Chennai, prominent IT hub and largest commercial - industrial center of south India. Before the IT revolution the city had embraced a slew of automobile and auto component firms to earn the title of Detroit of the South. Apart from this, Chennai has also anchored important industries like agriculture, data centers, medical tourism, warehousing, hardware manufacturing, financial services, petro-chemicals, renewable energy, textiles and apparels. Amongst the top cities in sustainable buildings. It has well connected transportation system through roads, rail, air as well as ports.

FUNDAMENTALS

Forecast

YTD net absorption	~1.64 Million Sq.ft	↑
Under construction	~11.2 Million Sq.ft (for next 24 months)	↑
Average asking rent (gross)	INR 64.09 (\$ 0.90)	↑
Concessions	Flat	→



Market Size
~50 Million Sft

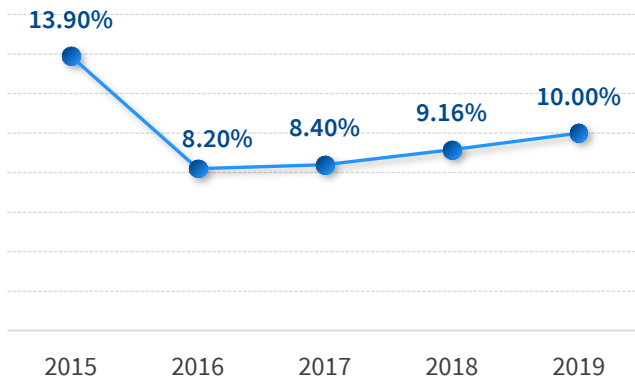
Bank of New York



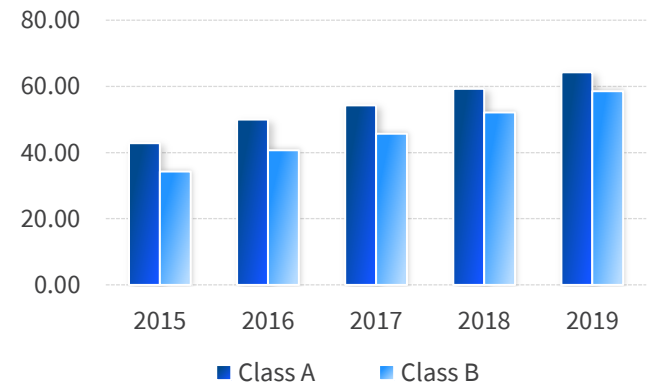
Largest Office Deal
400,000 Sft

Total Vacancy
~5.20 Million Sft

TOTAL VACANCY



AVERAGE ASKING RENTS



OUTLOOK

Leasing activity H1 2019 recorded a growth of over 20% from the H1 2018 with almost 2.5 msf of leasing. IT ITeS companies and Co-working spaces were the major drivers of this absorption. Coworking Spaces largely refurbished the older spaces in Prime locations. Cognizant, Tata Communications, CL, Bank of New York, Workafella, CoWrks were the largest space takers. SEZs witnessed an upward demand as we approach the sunset clause. Lowering vacancy rates led to an increase in average rent of 3 to 4% from Q4 2018. Managed / Co-working spaces and Tech companies were the demand drivers and would continue this momentum through H2 2019. Southwest and suburban south were the most sought after micro-markets by occupiers. Peripheral micro-markets like OMR post-toll also witnessed significant leasing activities. Even other areas like Guindy, Pallavaram, Thoraipakkam, Manapakkam, Perungudi would see better traction in H2 2019. Majority of Upcoming supply (including new investments by prominent developers) would cater to Pre-committed leases, BTS and Consolidation.

For more information, please contact:



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