

# 5 FAST FACTS

CHENNAI | Q4 2023



The Need-to-know for Chennai's commercial real estate

## 1 HEALTHY OFFICE GROSS LEASING DRIVEN BY FRESH SPACE TAKE-UP



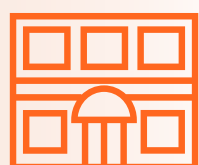
In Q4, Chennai recorded a healthy gross leasing volume of **3.6 msf**, nearly a **2x** growth over Q3. Fresh leasing drove the demand, contributing to a **94%** share in the quarterly GLV. Captives/ GCCs within the BFSI and E&M dominated the quarterly leasing with a **42%** share in total.

## 2 NEW OFFICE SUPPLY IN Q4 LED TO MARGINAL RISE IN CITY VACANCY



Q4 saw influx of new office supply, totalling **1.9 msf**, concentrated in the Suburban South submarkets. This supply infusion resulted in a marginal uptick in the overall city-level vacancy, taking it to **17.7%**.

## 3 HEALTHY ANNUAL RESIDENTIAL LAUNCHES DESPITE A DROP IN Q4 SUPPLY



Annual launches reached ~23,100 residential units, nearly a **2x** increase compared to the previous year. This surge was mainly attributed to the healthy supply witnessed in the first three quarters of 2023, with residential neighbourhoods along the under-construction metro corridors observing a significant increase in unit launches throughout the year.

## 4 MARGINAL DROP IN MALL VACANCY WITH THE ENTERTAINMENT SECTOR DRIVING LEASING



City level mall vacancy stood at **12.3%**, with a minor drop of 5 basis points on a q-o-q basis. Leasing in malls was largely driven by the Entertainment sector, commanding a share of **48%** in Q4.

## 5 STRONG LEASING OF WAREHOUSE SPACES DRIVEN BY THE LOGISTICS/3PL SECTOR; ROBUST DEMAND FOR INDUSTRIAL SHED IN H2

Chennai saw healthy warehouse leasing activity in H2, recording gross leasing of **4.81 msf**, a 2.2x growth compared to H1-23. Logistics/3PL sector dominated half-yearly warehouse leasing, contributing a 64% share. In H2, leasing activity for industrial sheds surged to **2.6 msf**, marking a significant twofold growth compared to H1-23.



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