

5 FAST FACTS

CHENNAI | Q1 2025



The Need-to-Know for Chennai's Commercial Real Estate

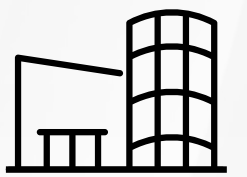
1 FRESH SPACE TAKE-UP DROVE OFFICE LEASING ACTIVITY

The Chennai office market recorded a **gross lease volume of 1.97 MSF in Q1**, driven by **fresh space take-up accounting for 74% of the GLV**. The submarkets of Suburban South and Peripheral South-west together **accounted for 72%** of this total. With muted supply and healthy absorption, the overall Grade A vacancy rate declined by 90bps to 15.91%.



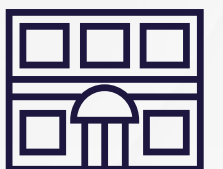
2 GLOBAL CAPABILITY CENTERS REMAINED KEY DRIVERS OF OFFICE DEMAND

GCCs contributed 47% to the total leasing volume in Q1, with **a 23% y-o-y growth**. Demand was largely driven by multinational companies across the IT-BPM and Engineering & Manufacturing sectors.



3 HEALTHY RESIDENTIAL UNIT LAUNCHES WERE DRIVEN BY SUBURBAN SOUTH SUBMARKETS

The city witnessed the launch of **~6,200 residential units** during the quarter, with a **53% increase on a quarterly basis**. Suburban South I and II submarkets together contributed **67% of the total unit launches**. High-end and luxury segments accounted for ~30% of the launches - more than double the unit launches recorded in the previous quarter.



4 FASHION LED MAINSTREET LEASING, MALL VACANCY SAW A MARGINAL DECREASE

Mainstreet retail leasing **reached 0.16 MSF in Q1, a 31% y-o-y increase**. Fashion segment was a key driver, **contributing 37%** of leasing - nearly four times higher than Q1-24 levels. Meanwhile, mall vacancy declined marginally by 14 bps q-o-q to 14.13%.



5 LOGISTICS SECTOR DROVE WAREHOUSING DEMAND

City witnessed **healthy demand for industrial and warehousing spaces**, mainly from the **logistics and manufacturing sectors**, with activity largely concentrated in the northern and western industrial corridors.



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