5 FAST FACTS

CHENNAI | Q3 2025

CUSHMAN & WAKEFIELD

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

1 RECORD-HIGH OFFICE LEASING ACTIVITY IN YTD 2025

Chennai's office market recorded **gross leasing volume of 2.83 MSF in Q3,** up **31% q-o-q** and **59% y-o-y.** YTD GLV reached **6.97 MSF**, **up 35%** from the same period last year, recording the **highest-ever YTD leasing volume.**

2 HISTORIC OFFICE NET ABSORPTION WITNESSED; DECLINE IN VACANCY LEVELS

The city witnessed **1.33 MSF of new Grade A supply** during the quarter. Net absorption reached a **record 2.28 MSF in Q3**, driving YTD net absorption to an **all-time high of 5.36 MSF,** the highest-ever levels recorded for both the quarter and YTD. City-wide vacancy **declined by 158 bps,** settling at **12.08% by the end of Q3.**

3 SUBURBAN SOUTH II DOMINATED THE RESIDENTIAL LAUNCHES

Unit launches of **over 6500 recorded in Q3,** an **8% y-o-y increase.** Launches in Q3 were primarily concentrated in **Suburban South II submarket** with a **54% share,** followed by **Suburban South I** at **36%.**

4 PREMIUM SEGMENTS DROVE RESIDENTIAL LAUNCH MOMENTUM

High-end and luxury projects accounted for **59% of Q3 launches,** marking a **3.4x increase** over the previous quarter. The **mid-segment** comprised the remaining **41% share.**

5 RETAIL LEASING LED BY MAIN STREETS; MALL VACANCY TIGHTENED MARGINALLY

Chennai's retail leasing activity **stood at 0.16 MSF in Q3,** a rise of **8% on y-o-y.** Main streets drove the momentum with an **88% share.** Overall mall vacancy edged **down by 20 bps to 13.36%.** Superior-grade malls continued to perform strongly, maintaining **tight vacancy levels of around 1-2%.**

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