

MARKET FUNDAMENTALS

	YOY Chg	Outlook*
3.65 Mall Stock (MSF)	▲	▲
0.3 Retail Space Per Capita	▼	▲
1.0% Mall Vacancy	▼	▲

Note: All data above pertains to Grade A malls

ECONOMIC INDICATORS

	YOY Chg	Outlook*
7.80% GDP Growth (Q1 FY25-26)	▲	▼
2.07% CPI Inflation	▼	▲
7.00% Consumer Spending Growth (Q1 FY25-26)	▼	▲

Source: MOSPI, RBI

RETAIL LEASING DRIVEN BY MAINSTREETS IN Q3

Chennai's retail market maintained healthy momentum in Q3, recording a leasing volume of 0.16 msf, an 8% Y-O-Y growth. On a YTD basis, the retail leasing volume stood at 0.5 msf, recording a 16% growth compared to the same period last year. In Q3, mainstreets dominated leasing activity with an 88% share, recording 0.14 msf of leasing - up 29% over the previous quarter. Off-CBD submarket led the leasing activity with a 29% share, followed by Suburban South at 25%. Key mainstreets such as T. Nagar, Anna Nagar, ECR and Purasaiwalkam together contributed nearly half of the mainstreet demand. Sector-wise, the F&B segment led with 24% share, followed by Accessories & Lifestyle at 22%. Domestic brands continued to dominate leasing activity in Q3 with a 74% share, while international brands strengthened their presence, capturing 26% - double their share compared to Q3-24. Looking ahead, the upcoming festive season is expected to keep demand strong, primarily led by domestic brands.

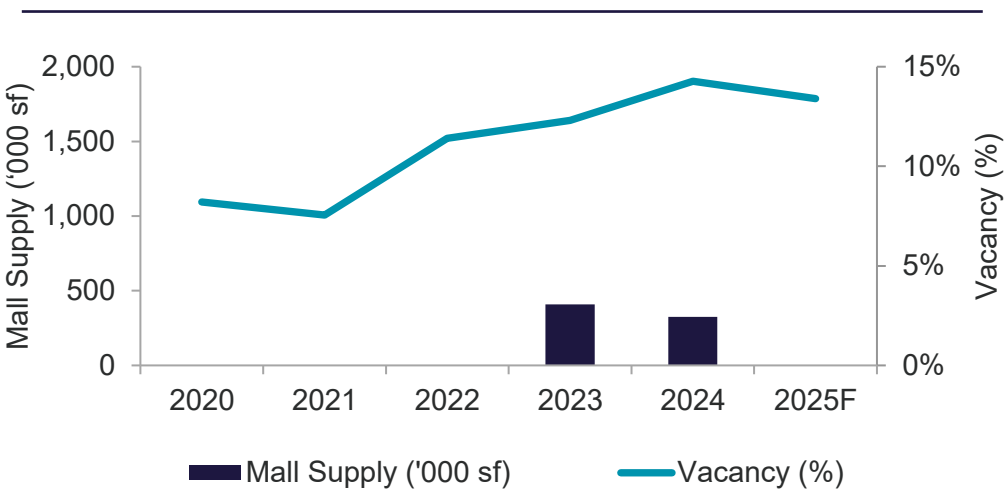
MARGINAL DECLINE IN MALL VACANCY

Malls recorded a leasing volume of 0.02 msf in Q3, with the North-west submarket accounting for 58% of the activity, followed by South-west at 23%. Demand was led by F&B, Fashion and CDIT brands in Q3. Overall mall vacancy declined marginally by 20 bps to 13.36% during the quarter. Superior grade malls continued to record high occupancy levels, with vacancy remaining tight at around 1-2%. On a YTD basis, malls saw leasing of 0.08 msf, with the North-west submarket contributing nearly 75% of the total.

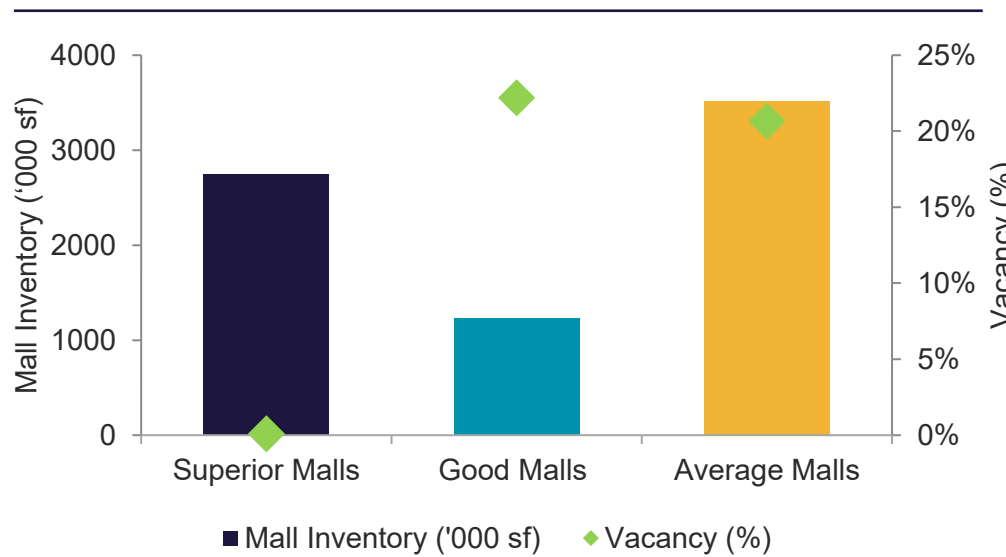
MODERATE RENTAL APPRECIATION IN KEY MAINSTREETS

Grade A malls recorded a modest rental increase during Q3, driven by limited space availability and steady demand. Among mainstreets, locations such as Anna Nagar 2nd Avenue, Pondy Bazaar, Usman Road (South), Velachery and Ambattur (MTH Road) recorded quarterly rental growth in the range of 3-10%. Further rental appreciation is expected in key mainstreets over the coming quarters, driven by sustained demand from domestic brands.

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	140	17	19	0.0%	3.7%
Khader Nawaz Khan Road	150	18	21	0.0%	7.1%
Cathedral Road - RK Salai	130	15	18	0.0%	4.0%
Usman Road - South	125	15	17	4.2%	8.7%
Usman Road - North	145	17	20	0.0%	7.4%
Adyar Main Road	160	19	22	0.0%	3.2%
Anna Nagar 2nd Avenue	185	22	26	2.8%	5.7%
Purasaiwalkam High Road	125	15	17	0.0%	4.2%
Pondy Bazaar	190	22	26	2.7%	5.6%
Velachery	135	16	19	3.8%	12.5%
Ambattur (MTH Road)	110	13	15	10.0%	10.0%
OMR	125	15	17	0.0%	0.0%
Chromepet	170	20	23	0.0%	6.3%
ECR	125	15	17	0.0%	4.2%

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

US\$ = 87.0 INR AND € = 101.6 INR

Data for the third quarter are based on market information collected until 12th September 2025

Outlook*: The Outlook represents our forward-looking view of key market indicators over the next 12 months, based on current market trends, economic conditions, policy developments, and available data. Projections are indicative and may be adjusted as market dynamics evolve.

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	LOCATION	TENANT	SF
VR Mall	Anna Nagar	Azorte	2,000
Mainstreet	T.Nagar	Decathlon	20,000
Mainstreet	Nandanam	Jaypore	2,200
VR Mall	Anna Nagar	Samsung Smart Cafe	1,912
Mainstreet	Basant Nagar	Sashwatha Cafe	10,000
Mainstreet	ECR	StyleUp	12,000

KEY PROJECTS COMPLETED IN LAST 12 MONTHS

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

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