

**MARKET FUNDAMENTALS**

	y-o-y Chg	12-Month Forecast
<b>4.69</b> Mall Stock* (MSF)	▲	▲
<b>0.3</b> Retail Space Per Capita	▼	▲
<b>6.2%</b> Mall Vacancy*	▼	▲

**ECONOMIC INDICATORS**

	y-o-y Chg	12-Month Forecast
<b>7.80%</b> GDP Growth (Q3 FY25-26)	▲	▼
<b>3.21%</b> CPI Inflation	▼	▲
<b>8.70%</b> Consumer Spending Growth (Q3 FY25-26)	▲	▲

Source: MOSPI, RBI

**MAINSTREET LEASING IN Q1 LED BY FASHION**

Chennai's retail market recorded leasing of 0.14 msf in Q1 2026, with mainstreets continuing to dominate demand, accounting for 89% (0.12 msf) of total retail leasing. At the micro-market level, Peripheral South accounted for the highest share of mainstreet leasing at 37%, followed by North-West (29%) and Suburban South (18%). Key corridors such as Anna Nagar, T. Nagar, Adyar, and OMR continued to witness sustained traction.

On a sectoral basis, Fashion accounted for the largest share of mainstreet leasing at 40%, followed by Department stores and F&B, each contributing 17%. Domestic brands continued to anchor retail leasing activity. Looking ahead, leasing activity is expected to be supported by domestic retailer expansions, although the pace of occupier decision-making may turn more measured amid evolving consumer spending trends and geopolitical uncertainties.

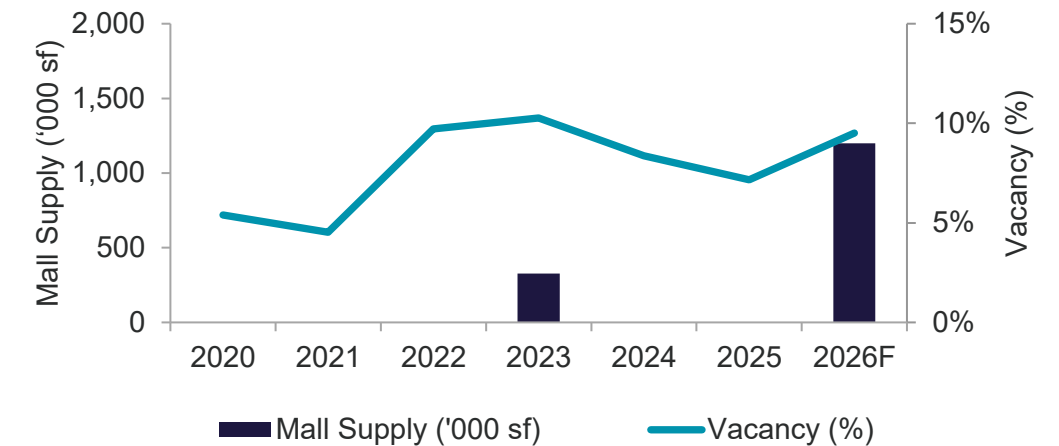
**MINOR UPTICK IN MALL LEASING; GRADE A+ ASSETS REMAIN TIGHT**

During the quarter, mall leasing stood at 0.02 msf, rising 3% q-o-q and 18% y-o-y. Leasing activity was primarily concentrated in the North-west submarket, which accounted for a 61% share, followed by Peripheral South at 32%. On a sectoral basis, Accessories & Lifestyle led leasing with a 40% share, followed by CDIT at 37% and F&B at 17%. Overall mall vacancy declined marginally by ~10 bps q-o-q to 9.5%. Grade A+ malls continued to operate at near-full occupancy with 1-2% vacancy, indicating strong demand for premium mall spaces.

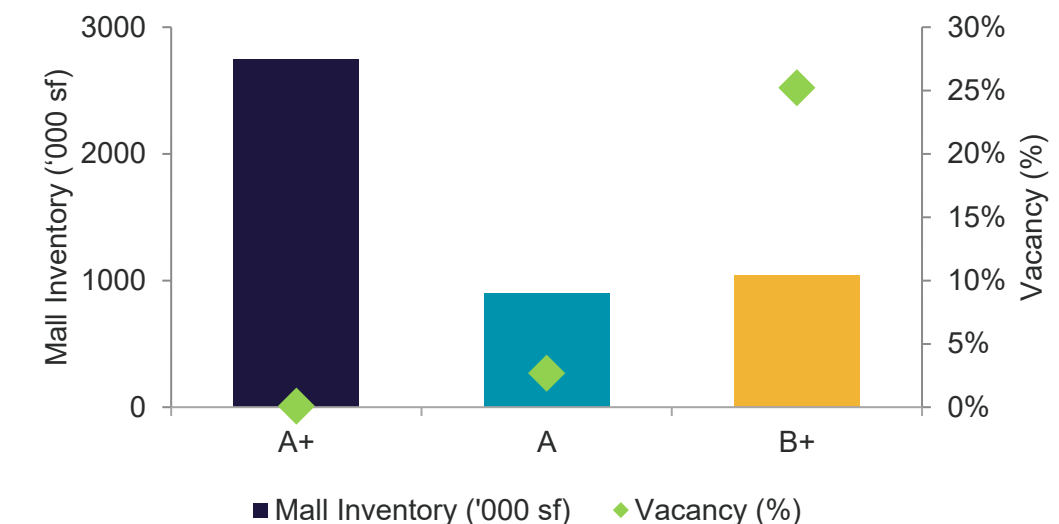
**MAINSTREET RENTALS CONTINUED UPWARD TREND**

Grade A mall rentals remained broadly unchanged in Q1. On the mainstreet front, rental values appreciated across several prominent retail corridors. Cathedral Road - RK Salai recorded the sharpest y-o-y growth at 23%, while Khader Nawaz Khan Road, Anna Nagar 2nd Avenue, Velachery, Chromepet and Ambattur (MTH Road) recorded y-o-y appreciation in the range of 11-15%. Other key high streets including Nungambakkam High Road, Usman Road - South, Adyar Main Road and Pondy Bazaar continued to witness steady annual rental growth. Looking ahead, rentals across key mainstreets are expected to remain on an upward trajectory, driven by sustained demand from domestic retailers and the limited availability of quality mall space in the city.

**OVERALL GRADE A MALL SUPPLY & VACANCY\***



**GRADE A MALL STOCK & VACANCY BY CATEGORY\***



For grade definitions, refer to page 2

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	145	16	19	0.0%	7.4%
Khader Nawaz Khan Road	155	17	20	0.0%	10.7%
Cathedral Road - RK Salai	160	18	21	6.7%	23.1%
Usman Road - South	130	15	17	0.0%	8.3%
Usman Road - North	150	17	20	0.0%	3.4%
Adyar Main Road	170	19	22	3.0%	6.3%
Anna Nagar 2nd Avenue	200	22	26	5.3%	11.1%
Purasaiwalkam High Road	130	15	17	0.0%	4.0%
Pondy Bazaar	200	22	26	5.3%	8.1%
Velachery	140	16	18	0.0%	12.0%
Ambattur (MTH Road)	115	13	15	0.0%	15.0%
OMR	130	15	17	0.0%	4.0%
Chromepet	180	20	24	2.9%	12.5%
ECR	130	15	17	0.0%	4.0%

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

US\$ = 90.9 INR AND € = 106.9 INR

Data for the first quarter are based on market information collected until 20<sup>th</sup> March 2026

**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.

**\*Grade A Mall Universe:** The Grade A mall universe comprises predominantly lease-driven retail assets characterized by relatively strong property management practices and healthy occupancy levels. Within this category, Grade A+ malls are institutionally owned, benefit from professional mall management, and maintain consistently low vacancy levels. In contrast, B+ malls, while still part of the Grade A universe, face a higher risk of functional or competitive obsolescence over the medium term.

KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	LOCATION	TENANT	SF
Mainstreet	PTR Road	Westside	21,000
Mainstreet	PTR Road	Zudio	12,000
Mainstreet	Adyar	Easybuy	10,000
Mainstreet	PTR Road	Leon's Burgers & Wings	2,000
Vivira Mall	Navalur	MR.DIY	5,000
Mainstreet	Nungambakkam	Kalki Fashion	4,000

KEY PROJECTS COMPLETED IN LAST 12 MONTHS

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

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