MARKET IN MINUTES
Savills Research

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Chennai Market Snapshot Q1 2023

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OFFICE MARKET STATISTICS Q1 2023

Stock	New Supply			Gross Absorption			Rental Range	Vacancy
83.0 mn sq. ft.	1.3 mn sq. ft.	52% YOY decrease	2x QOQ	2.0 mn sq. ft.	5% YOY decrease	11% QOQ increase	35-110 INR/sq.ft./month	15.1%

ABSORPTION

(mn sq. ft.)

2023F

6.0

YOY decrease

18%

Gross absorption represents fresh leases and occupier sale, excludes renewals and pre-commitments

Top Leasing Markets

Q1 2023

PTR **31%**

MPR **23%**

Post Toll- OMR **21%**

Drivers of Absorption Q1 2023

- **43%** Energy & Chemicals
- **26%** Flexible Workspace
- **17%** IT-BPM

Size of Deals Dominating Q1 2023

- **Large** *(100,000 sq. ft. or more)* **72%**
- **Mid** *(25,000-99,999 sq. ft.)* **17%**
- **Small** *(<25,000 sq. ft.)* **11%**



SUPPLY

(mn sq. ft.)

2023F

10.3

YOY increase

2x

Category of Supply

2023F

88% IT-Non SEZ

8% IT-SEZ

4% Non-IT

IT-SEZ: IT buildings in SEZs
IT-Non SEZ/IT: IT buildings outside SEZs
Non-IT: Commercial buildings

MICROMARKET STATISTICS Q1 2023

Micromarket	Stock (mn sq. ft.)	Vacancy	Rental Range (INR/ sq. ft./month)	Rental Outlook 2023F
Central Business District (CBD)	13.5	9.5%	65-110	⟷
Guindy (SBD)	6.7	4.0%	65-85	⟷
MPR (SBD)	11.2	21.3%	65-82	↑
Pre Toll OMR (SBD)	22.4	13.1%	70-105	↑
Post Toll OMR (PBD)	11.5	17.7%	35-65	↑
Ambattur (PBD)	4.7	7.5%	35-50	⟷
PTR (PBD)	6.3	15.8%	58-78	↑
GST Road (PBD)	4.7	45.5%	45-55	⟷
SBD Others	2.0	7.2%	55-60	⟷
Overall	**83.0**	**15.1%**	**35-110**	↑

OUTLOOK INDICATORS

↑ Growth
↓ Under pressure
⟷ Stable

CHENNAI MICROMARKETS

CBD - Anna Salai, Nungambakkam, R K Salai, Egmore, T Nagar, Gream Road
SBD-Guindy & MPR - Guindy Estate, Little Mount, Ekatuthangal, Mount Poonamalle Road, Manapakkam
SBD-Pre Toll OMR - Tharamani, Perungudi, MGR Salai
SBD Others - Velachery, Arcot Road, Arumbakkam, Anna Nagar
PBD-Post Toll OMR - Thoraipakkam, Shollinganallur, Navalur, Siruseri
PTR-PBD - Pallavaram Link Road
GST Road – PBD-Perungalathur, Maraimalai Nagar
Ambattur – PBD-Ambattur

KEY TRANSACTIONS

Q1 2023

Shell
PTR
Commerzone Pallikaranai
600,000

Dow Chemicals
MPR
RMZ One Paramount
233,000

Cactus
Post Toll - OMR
Tecci Park
230,000

ABB
MPR
KRC Commerzone
220,000

Tenant
Micromarket
Building
Transacted Area* (sq. ft.)

Approximate and indicative areas only | All statistics for Grade A

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