

# Residential Market Viewpoints Chennai 2020

**ANAROCK**  
VALUES OVER VALUE



## City Snapshot



Launches  
9,170 Units  
-29% 2020 vs 2019



Sales  
6,740 Units  
-43% 2020 vs 2019



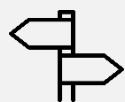
Unsold Inventory  
34,450 Units  
8% 2020 vs 2019



Avg. Quoted  
Basic Selling Price  
INR 4,935/sf

Note: Basic selling price on BUA

# A Bird's Eye View



## Rental Values

## Capital Values

Key Micro Markets	Avg. Quoted Rent (INR/month)	2020 vs 2019 (%)	Avg. Quoted Rate (INR/sf)	2020 vs 2019 (%)	Short-term Outlook
Oragadam	9,000 - 12,000	Nil	3,785	Nil	Stable
Perumbakkam	12,000 - 18,000	Nil	4,390	Nil	Stable
Guduvanchery	10,000 - 18,000	Nil	3,950	1%	Stable
Avadi	6,000 - 12,000	Nil	3,890	Nil	Stable
Perambur	14,000 - 20,000	Nil	6,250	Nil	Stable



Notes:  
Avg. quoted rent for 2 BHK apartment measuring 1,000 sf  
Avg. quoted rate (base price) on built-up area

### New launches registered a decline of 29%

Nearly 9,170 units launched during 2020 compared to 13,000 a year ago, recording a decline of 29%. This was the lowest decline amongst top 7 cities during the current year. However, new launches increased significantly by 153% in Q4 2020 compared to Q3 2020.

Nearly 62% of the overall launches during the current year were in South Chennai, which is the IT-ITeS hub of the city. West Chennai accounted for 35% of the overall launches.

Mid-end segment dominated the launches with 50% of the supply during 2020. The share of high-end segment increased significantly to 26% in 2020 compared to 14% in 2019. Affordable segment accounted for nearly 14% of the overall supply in 2020.

### Key Project Launches (Q4 2020)

Project Name	Developer Name	Micro Market	No. of Units	Avg. Basic Selling Price (INR/sf)
Casagrاند First City	Casagrاند Builder	Sholinagnallur - OMR	1,693	3,999
Casagrاند Athens	Casagrاند Builder	Mogappair	953	4,499
Brigade Xanadu Cluster IV Destino	Brigade Group	Mogappair	366	6,190

Note: Above prices are on built-up area

Budget segmentation: Affordable: < INR 40 Lakh; Mid-end: INR 40 Lakh - INR 80 Lakh; High-end: INR 80 Lakh - INR 1.5 Cr; Luxury: INR 1.5 Cr - INR 2.5 Cr; Ultra-luxury: > INR 2.5 Cr

Source: ANAROCK Research

### Chennai accounted for the lowest sales among top 7 cities

The city reported a sale of 6,740 units during 2020; declined by 43% compared to previous year. Last quarter of 2020 performed remarkably well compared to Q3 2020 when Q-o-Q sales increased by 54%.

South Chennai accounted for 70% of the overall sales in the city followed by West Chennai at 24%.

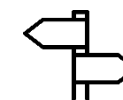
However, South Chennai witnessed a 36% decline in sales during 2020 compared to previous year.

### The lowest unsold inventory amongst top 7 cities

Chennai has the lowest unsold inventory amongst top 7 cities of India despite an increase of 8% during the current year. Currently, the city has an unsold inventory of 34,450 units.

The city has an inventory overhang of more than 5 years as of 2020 which has increased from 33 months a year earlier, primarily due to low sales velocity.

Majority of the unsold inventory, around 43%, belongs to the mid-end segment owing to higher launches in this segment. High-end and affordable segments accounted for 23% and 22%, respectively.



### Zonal Classification

#### Central

T Nagar | Ashok Nagar | Egmore  
KK Nagar | Nungambakkam  
Royapettah

#### North

Perambur | Puzhal | Tondiarpet  
Ponneri | Madhavaram  
Purasaiwakkam

#### South

OMR Road | East Coast Road  
Guduvanchery | Perumbakkam  
Chromepet | Tambaram  
GST Road

#### West

Anna Nagar | Avadi | Poonamalle  
Oragadam | Mogappair  
Ambattur | Porur



## Outlook

Chennai has the lowest unsold inventory across the top 7 cities, and launches are likely to increase in the first half of 2021 leading to an upward trend in sales. Areas in south Chennai, near to the commercial hubs are likely to recover faster compared to other parts of the city.

Prices are likely to increase marginally in a short-term on the back of low unsold inventory.

### About ANAROCK

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The Company has diversified interests across the real estate lifecycle and deploys its proprietary technology platform to accelerate marketing and sales. ANAROCK's services include Residential Broking & Technology, Retail (in partnership with Vindico), Commercial, Investment Banking, Hospitality (via HVS ANAROCK), Land Services, Industrial and Logistics (in partnership with Binswanger), Investment Management, Research, Strategic Advisory & Valuations and Project Management Services (in partnership with Mace). The Company has a unique business model, which is an amalgamation of traditional product sales supported by a modern technology platform with automated analytical and reporting tools. This offers timely solutions to its clients, while delivering financially favourable and efficient results.

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