



# Guduvancheri, Chennai

The Emerging Suburb of South Chennai

Micro Market Overview Report

February 2018





# About Micro Market



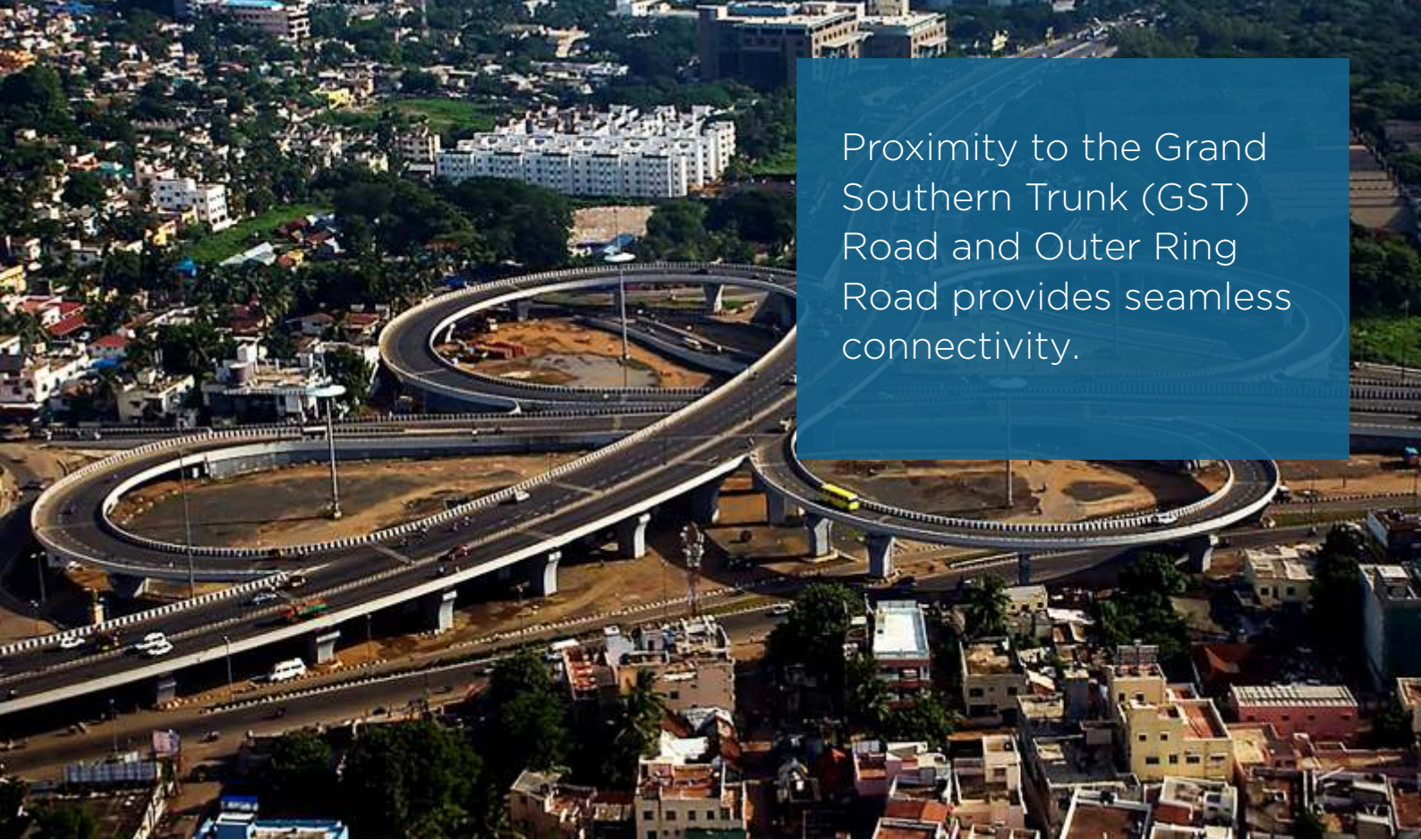
Located in the peripheral areas of south-western quadrant of Chennai, Guduvancheri is emerging as one of the prominent real estate hotspots. The micro market is located alongside National Highway-45 (NH-45), which is also known as the Grand Southern Trunk Road (GST Road). Surrounded by lakes, Guduvancheri is located between Urapakkam and Potheri. Guduvancheri's calm and serene environment has attracted several developers to build residential complexes in this region. The micro market is surrounded by busy areas such as Maraimalai Nagar and Adhanur. Guduvancheri lies in proximity to a multitude of IT Parks/SEZs such as Shriram The Gateway and Mahindra World City SEZ. In addition, SIPCOT Industrial Park located on OMR

Road is easily accessible from the micro market via Kelambakkam - Vandalur Road.

The micro market has a well-developed social infrastructure with the presence of several educational institutes such as the SRM School of Hotel Management, Bharathiyar Matriculation Higher Secondary School, Saint Mary's Matriculation School and Guduvancheri Boys Higher Secondary School. In addition, the micro market houses several healthcare centers such as Christudas Hospital, Sri Venkateswara Clinic, Vasantham Clinic, K. R. Nursing Home and Sumana Goodwill Home. Guduvancheri also has good retail options with presence of shopping complexes such as S.S. Shopping Mall, Pattammal Complex and Devarajan Complex.

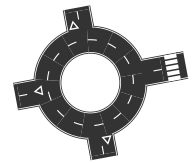


One of the fastest growing residential micro market located between Urapakkam and Potheri.



Proximity to the Grand Southern Trunk (GST) Road and Outer Ring Road provides seamless connectivity.

# Connectivity



Guduvancheri is well-connected to various parts of Chennai through a grid of roads and an established rail network.



**Road**

**NH-45/GST Road** - Guduvancheri lies in proximity to NH-45/GST Road, which works as a key connector to Chennai from other cities in South India. Also, this road connects Guduvancheri to other parts of Chennai.

**Kelambakkam - Vandalur Road** - Guduvancheri enjoys hassle-free connectivity to commercial establishments of Old Mahabalipuram Road (OMR) via Kelambakkam - Vandalur Road.

**Outer Ring Road (ORR)** - Guduvancheri lies in proximity to Outer Ring Road (ORR), which further connects it to the western and northern quadrants of

the city. Also, the micro market enjoys seamless connectivity to other prominent suburbs of Chennai via Nellikuppam Road and Madambakkam Main Road.



**Rail**

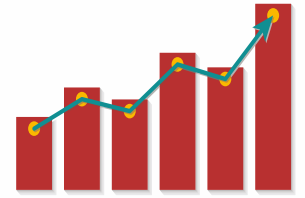
**Guduvancheri Railway Station** - Guduvancheri railway station of Chennai suburban rail network eases rapid inter-city rail transportation.



**Airport**

**Chennai International Airport** - Chennai International Airport is located at a distance of 26 km from Guduvancheri and easily accessible via GST Road.

# Major Growth Drivers



- The GST Road, with the presence of SEZs, integrated developments and excellent connectivity to various parts of the city, is evolving into a buzzing realty market. As a result, micro markets adjoining this bustling road, including Guduvancheri, and possessing an adequate infrastructure coupled with availability of ample land surely possess strong future growth prospects.
- The micro market shares seamless connectivity to two prominent SEZs of Chennai, namely Mahindra World City and Madras Export Processing Zone (MEPZ) via GST Road. In addition, commercial establishments of OMR are also easily accessible from Guduvancheri, which is an added advantage for the residents of this micro market.



Perfect concoction of commercial and residential spaces contribute to the micro market's growth.

# Location



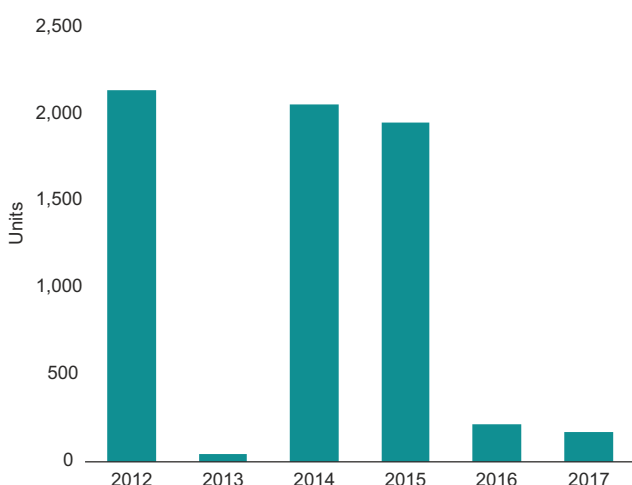


65% of the inventory to hit the residential market in less than 1 year.

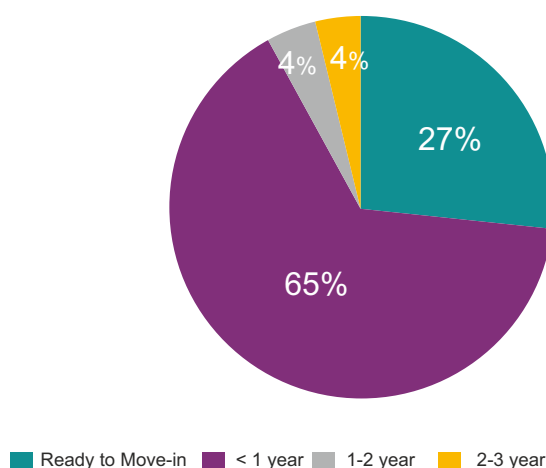
# Residential Market Assessment



## New Launch Supply



## Age of Inventory (Launches between 2012 to 2017)



- Due to its strategic location and excellent connectivity to key suburbs of South Chennai, Guduvancheri added around 6,600 units in the last 5 years.
- However, post Chennai floods of Q4-2015, the new launch supply recorded a whopping decline. Around 89% decline was recorded in 2016 as compared to the previous year. Also, 2017 remained subdued in terms of new launch supply mainly due to political turmoil in the state and implications of demonetization, RERA and GST.
- Of the overall supply, nearly 26% is still available in the primary market.

- Of the overall supply in Guduvancheri, nearly 27% is complete. Interestingly, 65% of inventory is likely to complete in the next 1 year, which connotes a further rise in absorption, as projects nearing completion generally witness better traction.
- Only 8% of the overall supply in Guduvancheri is likely to complete post 1 year. Developers with under construction projects are presently focusing on speeding up the construction activities, so as to avoid RERA penalties on execution delays.

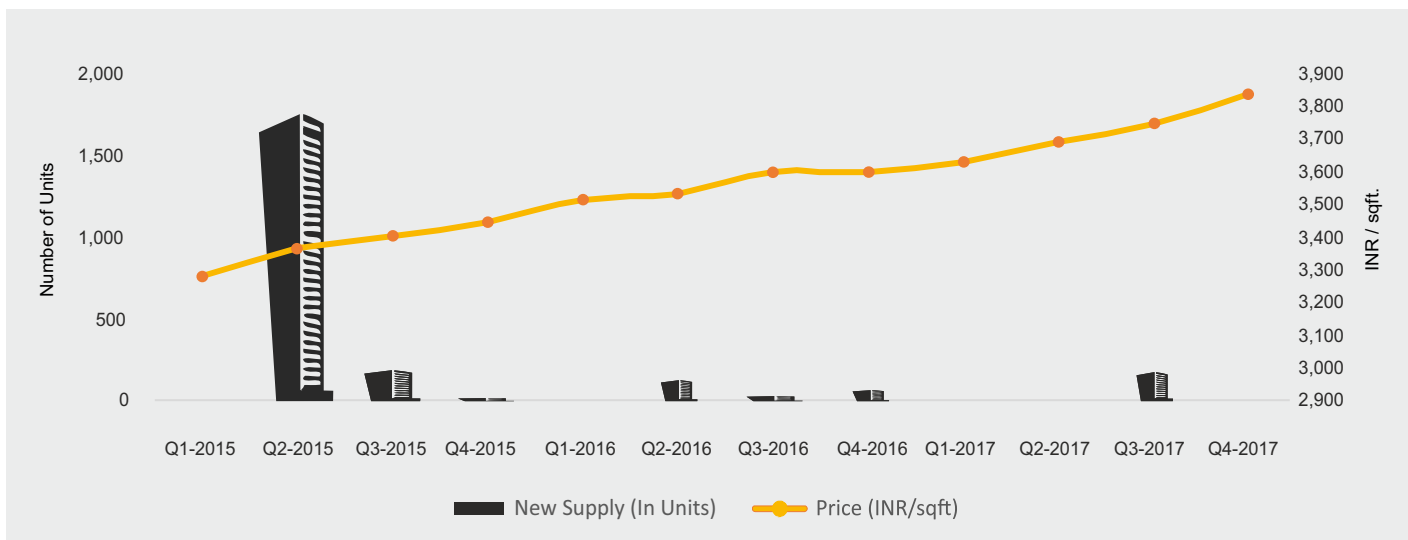


Guduvancheri's average price as of Q4 2017 is around INR 3,800/sft.

# Residential Market Assessment



## Micro Market Price Movement wrt Supply



- Guduvancheri's average price as of Q4-2017 is around INR 3,800/sqft. The ascending price trend delineates the rising housing demand in the precinct.
- Irrespective of subdued launches during the last 2 years, the micro market has recorded a 9% surge in capital values in Q4-2017 as compared to Q1-2016, which is mainly due to an improvement in sales.

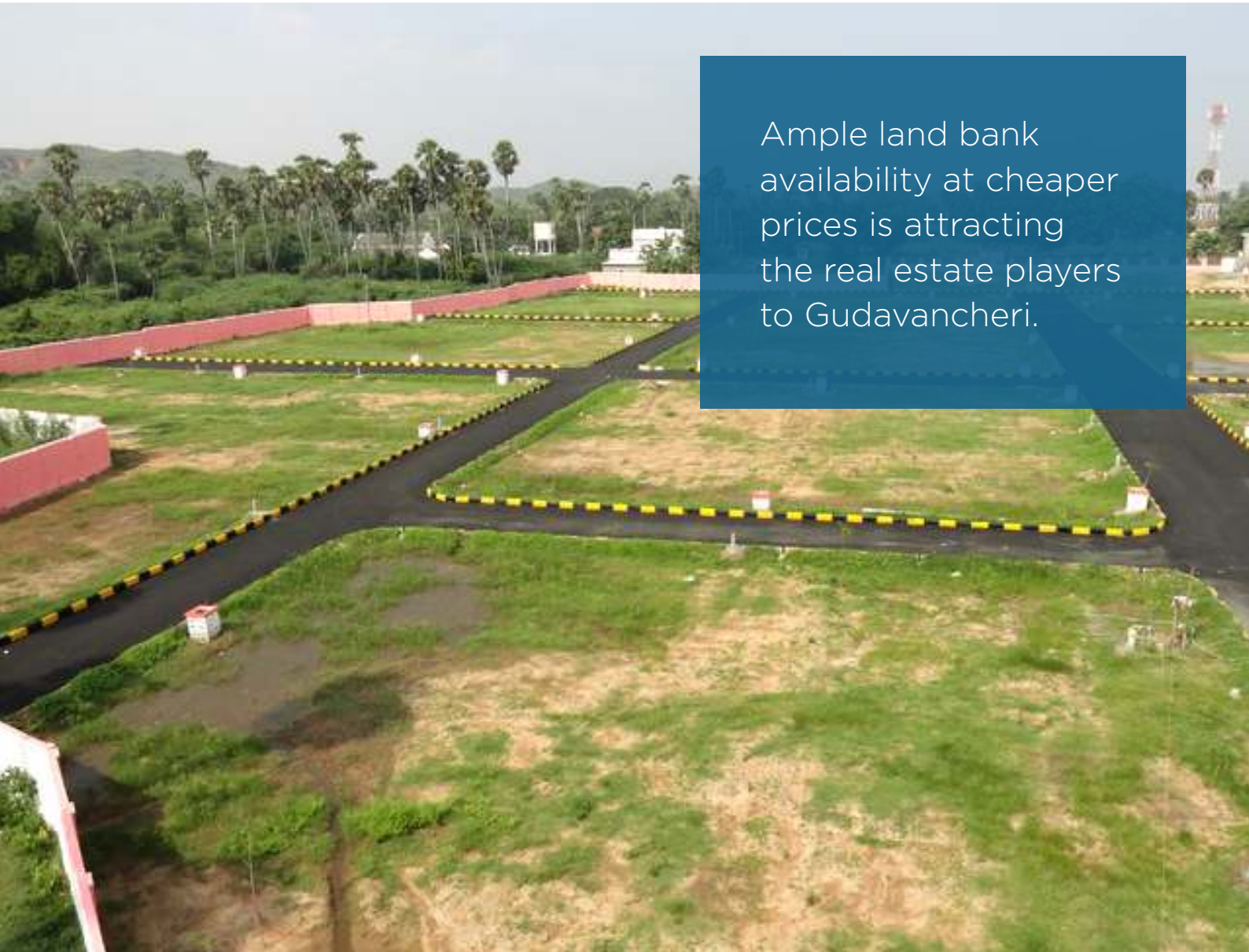


# Outlook



- Guduvancheri's strong future growth prospects will surely attract real estate players to develop this micro market similar to key suburbs of South Chennai such as Tambaram and Pallavaram, which are also located alongside the GST Road. Also, massive commercial developments along the buzzing GST Road has already attracted several property developers to expand their real estate portfolio.
- Guduvancheri's serene environment coupled with excellent connectivity and affordable property prices has already established this

micro market as one of the most sought-after suburbs of South Chennai. The micro market, easily accessible via OMR, has ample land bank availability for future developments. The property prices in Guduvancheri are relatively cheaper than the nearby micro markets and the future certainly looks promising.



Ample land bank availability at cheaper prices is attracting the real estate players to Guduvancheri.

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