

Residential Market Viewpoints

Chennai Q3 2019



City Snapshot



Launches

2,530 Units
-35% Quarterly Change



Sales

2,620 Units
-12% Quarterly Change



Unsold Inventory

31,380 Units
Nil Quarterly Change



Average Quoted Basic Selling Price

INR 4,935 / sq ft

A Bird's Eye View



Rental Values

Capital Values

Key Micro Markets	Avg. Quoted Rent (INR/month)	Quarterly Change (%)	Avg. Quoted Rate (INR/sq ft)	Quarterly Change (%)	Short-term Outlook
Perambur	14,000 - 20,000	Nil	6,230	Nil	Stable
Perumbakkam	12,000 - 18,000	Nil	4,375	1%	Stable
Guduvanchery	7,000 - 15,000	Nil	3,900	Nil	Stable
Avadi	8,000 - 13,000	Nil	3,830	1%	Stable
Oragadam	9,000 - 12,000	Nil	3,750	Nil	Stable

Notes:

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

▲ Increase

■ Stable

▼ Decrease

Source: ANAROCK Research



Launches declined significantly during the quarter

New launches decreased by 35% (on-quarter) to 2,530 units.

South Chennai, the hub of IT-ITeS companies, contributed the highest to launches in Q3 2019, accounting for 76%.

In Q3 2019, nearly 43% of the supply was in the affordable segment, followed by the mid-end which accounted for 35%.



Sales continued to decline for the second consecutive quarter

Sales recorded a 12% drop in Q3 2019 compared to the previous quarter and stood at 2,620 units.

Majority of sales were in South Chennai and West Chennai, accounting for 63% and 29%, respectively.

South Chennai witnessed a 13% quarterly drop in sales whereas West Chennai reported a 10% decline.



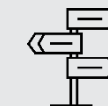
Significant unsold stock exerting pressure on prices

Unsold inventory remained stable, at 31,380 units, in Q3 2019 compared to the previous quarter owing to an equilibrium in demand and supply.

Unsold inventory in affordable and mid-segment accounted for 33% and 39%, respectively.

Inventory overhang in the city increased to 31 months in Q3 2019 from 30 months in Q2 2019.

Balanced supply and demand has kept the prices in Chennai stable at INR 4,935 per sq ft.



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

Key Project Launches

Project Name	Developer Name	Micro Market	No. of Units	Avg. Basic Selling Price (INR/sq ft)
Casagrand Zenith Phase - 1	Casagrand Builder Pvt. Ltd	Medavakkam	532	3,850
Arun Hari Priya	Arun Shelters	Moolakazhani	274	3,700
Baashyaam Plutus Residence	Baashyaam Constructions	Adyar	152	11,500

Note: Above prices are on built-up area

Budget segmentation: **Affordable:** < INR 40 Lakh

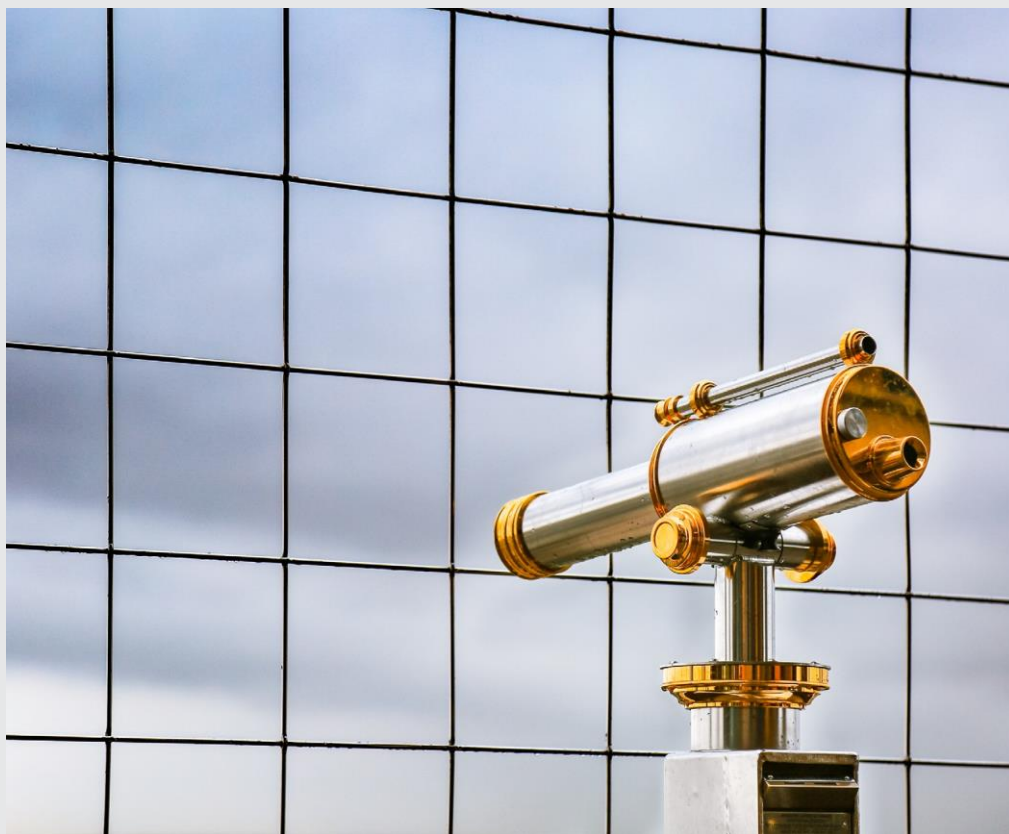
Luxury: INR 1.5 Crore - INR 2.5 Crore

Mid-end: INR 40 Lakh - INR 80 Lakh

Ultra-luxury: > INR 2.5 Crore

High-end: INR 80 Lakh - INR 1.5 Crore

Source: ANAROCK Research



Outlook

New launches are likely to remain muted and prices may remain range bound in the short term owing to high unsold inventory.

Affordable and mid-segment are expected to dominate the market in future periods as well.

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