

Real Estate & Infrastructure Driving Growth in **Tamil Nadu**



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Anuj Puri
Chairman & Founder
Anarock Group

Tamil Nadu's growth trajectory reflects a rare combination of economic discipline, institutional stability, and a consistent commitment to long-term value creation. Over the years, the state has built an economic framework that is not only diverse in its sectoral strengths but also resilient in its capacity to adapt to global shifts. This steadiness, supported by strong governance and a skilled workforce, has positioned Tamil Nadu as one of India's most reliable engines of growth.

As the second largest state economies in the country, Tamil Nadu has built its strength on a wide and resilient base. Manufacturing continues to be a defining pillar of the state, supported by strong clusters in automobiles, auto components, electronics, textiles, pharmaceuticals, and leather. At the same time, the services sector, led by IT-ITeS, Global Capability Centres (GCCs), fintech and modern research-based industries, is adding new layers of opportunity and global competitiveness. This balanced growth pattern has created abundant employment opportunities, improved incomes, and drawn steady investment from companies across the world.

Along with industrialization, Infrastructure has played a major role in reinforcing this economic momentum. The development of airports, seaports, industrial corridors, logistics parks, expressways, and metro rail projects is creating robust connectivity within and beyond the state. Upcoming initiatives such as the Parandur greenfield airport, the Chennai Metro Phase II network, and major highway expansions are set to

elevate Tamil Nadu's position as a key economic gateway in India. These initiatives do not just ease mobility and trade; they reshape the economic geography of the state, opening new corridors for businesses and bringing remote regions closer to major growth centres.

The real estate landscape of Chennai has also evolved in line with this broader economic momentum of the state. The residential market continues to be steadied by end-user demand and rising aspirations. Between 2021 and 9M 2025, over 83,100 new residential units were launched and 85,200 units were sold. This near alignment of supply and absorption highlights a balanced market where new inventory is being comfortably absorbed, reflecting both developer confidence and strong end-user participation. On the other hand, Chennai's commercial office and industrial & warehousing sectors continue to display healthy activity, backed by strong fundamentals and sustained office demand from technology firms, global capability centres and new-age enterprises.

As Tamil Nadu advances toward its aspiration of becoming a trillion-dollar economy by 2030, its consistent focus on industrial diversification, infrastructure expansion, and human capital development will remain central. Interestingly, key Tier-II cities such as Coimbatore, Madurai, Tiruchirappalli, and Salem have also started to witness rising interest. Their evolution into meaningful economic centres reflects the increasingly distributed nature of growth across the districts of Tamil Nadu beyond Chennai.

The report aims to provide a holistic perspective on these changes, combining economic data, policy updates, sector insights, and market trends. It also underscores the state's commitment to long term growth story. I trust the findings of the report will serve as a valuable resource to comprehensive information.



Dr. GSK Velu

Chairman, FICCI Tamil Nadu State Council
CMD, Trivitron Healthcare /
Neuberg Diagnostics Group of Companies

It gives me great pleasure to welcome all delegates, partners and industry leaders to the 5th Edition of the Real Estate & Infrastructure Summit (REIS) 2025. This annual platform has emerged as one of the most influential industry gatherings in Tamil Nadu, bringing together key stakeholders from government, industry, finance, technology, and regulatory bodies to discuss trends, opportunities and future directions shaping the sector.

We are delighted to share the report for this year's summit - "Real Estate & Infrastructure Driving Growth in Tamil Nadu", that comes at a pivotal moment as the state works steadily toward its ambitious target of becoming a USD 1 trillion economy.

This summit brought together a wide-ranging discussion on how infrastructure and real estate collectively shape economic growth. This aims to reflect our shared commitment to accelerate the State's growth vision through sustainable development, innovation-led real estate solutions, and world-class infrastructure.

This report also brings together the key insights shared during the summit, focusing on Chennai's real estate market that has been progressing steadily, showing clearer signs of maturity and stability. This shift reflects Chennai's ability to adapt to changing needs, supported by better infrastructure, expanding industries, and a more diverse economic base.

The rise of data centers, port upgrades, new manufacturing facilities, and the jobs created through these developments have all contributed to a healthier real estate landscape.

My sincere appreciation goes out to all contributors, speakers, and participants. Your insights and involvement have enriched this report and continue to play a vital role in supporting Tamil Nadu's development journey, ensuring both infrastructure and real estate evolve in step with the state's broader economic ambitions.



Bhupesh Nagarajan

Co-Chairman, FICCI Tamil Nadu State Council
CMD, Indira Group of Companies

It gives us great pleasure to introduce the report for the 2025 edition of the Real Estate Infrastructure Summit & Awards (REISA). This year, we continue to build on the momentum created in previous editions, with a renewed focus on how infrastructure is shaping Tamil Nadu's economic direction and strengthening its real estate landscape.

Tamil Nadu is experiencing strong economic momentum driven by industrial expansion, infrastructure development, advanced logistics, innovation, and growing demand across residential and commercial sectors. With a forward-looking governance framework and increasing investor confidence, the State is poised for significant advancement over the next decade.

REIS 2025 creates a meaningful space for conversations that link infrastructure progress with the evolving needs of the real estate sector. The discussions captured in this report trace the new ideas, policy directions, and market shifts that are influencing development across the state. With contributions from industry leaders, policymakers, and experts, the summit brought clarity on how infrastructure continues to anchor economic growth and enable real estate expansion as we collectively envision Tamil Nadu 2030.

I thank all partners, delegates, and participants for being part of this important conversation and wish everyone a productive and inspiring summit experience.

» 01

TAMIL NADU: AN OVERVIEW



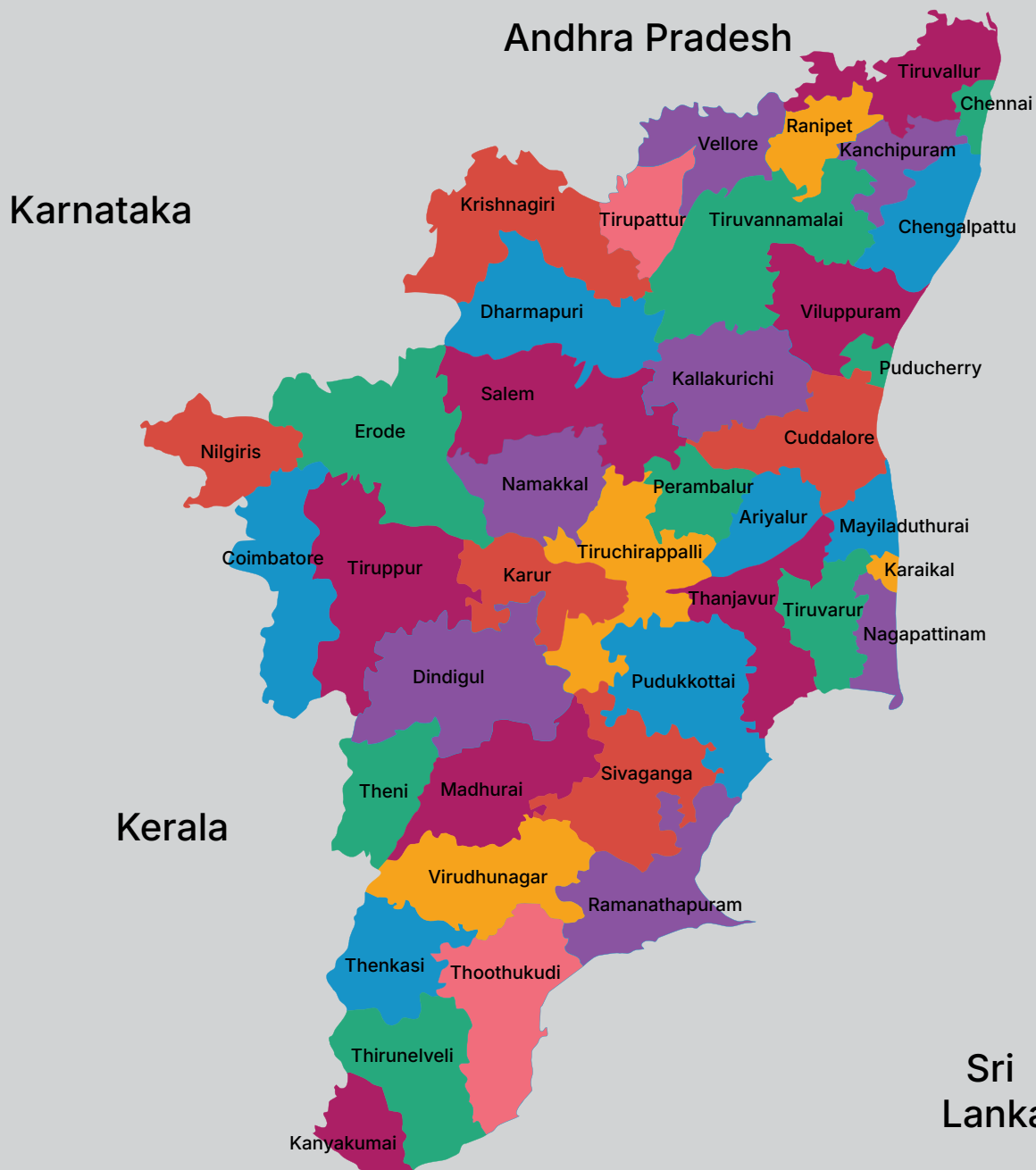
Tamil Nadu, located along India's south-eastern coastline, has steadily evolved into the country's second-largest economy, supported by decades of strong and broad-based growth. The state's economic strength comes from a well-balanced mix of primary, secondary, and tertiary sectors, each contributing meaningfully to its overall performance.

Rapid industrialisation, a vibrant MSME base, strong export capabilities, and sustained investor interest have all played a central role in shaping its growth trajectory. At the same time, Tamil Nadu has continued to invest in healthcare, education, and large-scale infrastructure, helping create an environment that is both business-friendly and socially progressive.

The state leads the country in the number of factories and size of its industrial workforce, reflecting its deep

manufacturing presence across automobiles, auto components, engineering, textiles, pharmaceuticals, leather, chemicals, plastics, and more. Its well-developed physical infrastructure—including ports, airports, highways, and industrial corridors—supports efficient domestic and global trade, ensuring seamless business operations.

Even as its economy expands, Tamil Nadu remains committed to sustainable development and inclusive growth, placing social equity and regional balance at the centre of its long-term strategy. With rising urbanisation, improving connectivity, and a strong economic outlook, the state's real estate sector continues to offer significant potential for developers, investors, and homebuyers, shaped by shifting demographics, migration trends, and emerging employment hubs.



Class A Districts (4 districts)

Tamil Nadu: Key Districts

Tamil Nadu is administratively structured into 38 districts, with Chengalpattu, Ranipet, Kallakurichi, and Mayiladuthurai among the latest additions. Of these, four districts—including the capital, Chennai—fall under Class A, while 12 are classified as Class B and the remaining 22 as Class C.

CHENNAI



AREA
178.2 sq km
POPULATION
46,46,732

LITERACY RATE
90.18%

KANCHIPURAM



AREA
1655.94 sq km
POPULATION
11,66,401

LITERACY RATE
84.49%

CHENGALPATTU



AREA
1944.96 sq km
POPULATION
25,56,244

LITERACY RATE
91.88%

TIRUVALLUR



AREA
3422.43 sq km
POPULATION
37,28,104

LITERACY RATE
84.03%

Source: Guidance Tamil Nadu, Compiled by Anarock Research



Class B Districts (12 districts)

COIMBATORE



AREA
4723.00 sq km

POPULATION
34,58,045

LITERACY RATE
83.94%

ERODE



AREA
8161.91 sq km

POPULATION
22,51,744

LITERACY RATE
72.58%

KARUR



AREA
2895.57 sq km

POPULATION
10,64,493

LITERACY RATE
75.60%

KRISHNAGIRI



AREA
5143.00 sq km

POPULATION
18,83,731

LITERACY RATE
71.46%

NAMAKKAL



AREA
3368.21 sq km

POPULATION
17,26,601

LITERACY RATE
74.63%

NILGIRIS



AREA
2452.50 sq km

POPULATION
7,35,394

LITERACY RATE
85.20%

RANIPET



AREA
2234.32 sq km

POPULATION
12,10,277

LITERACY RATE
86.08%

SALEM



AREA
5205.00 sq km

POPULATION
34,82,056

LITERACY RATE
72.86%

TIRUCHIRAPPALLI



AREA
4407.00 sq km

POPULATION
27,22,290

LITERACY RATE
83.23%

TIRUPATTUR



AREA
1792.92 sq km

POPULATION
11,11,812

LITERACY RATE
82.17%

TIRUPPUR



AREA
5186.34 sq km

POPULATION
24,79,052

LITERACY RATE
78.68%

VELLORE



AREA
2080.11 sq km

POPULATION
16,14,242

LITERACY RATE
79.17%

Tamil Nadu at a Glance



2nd Largest State Economy in India

GSDP* - INR 27.22 Lakh Cr in FY24
FY25 (P) – INR 35.67 Lakh Cr



The Highest Number of Factories

~45,000 (FY26(E));
16% of India



INR 2.77 Lakh

Per Capita*;
Higher compared
to the national average
of INR 1.7 Lakh



3rd Largest Exporting State in India

~USD 52 Bn in
FY25



A Trillion Dollar Economy

Target by 2030



USD 3.68 bn

FDI Equity Inflows in FY25

Sociological Profile



7.2 Cr

Population (2011);
6% of India



80% Literacy rate;

higher compared
to the national
average of 73%



INR 55,261 Cr

Allocated for education,
sports, arts, and culture
under the Budget
2025-26



3rd Rank

Among the state
with the lowest poverty
in India, as per
the Multidimensional
Poverty Index by
NITI Aayog



INR 21,906 Cr

Allocated to the Health and
Family Welfare Department
under the Budget 2025-26

Geographical Profile



**4% of India's
total area**

10th in terms of area



1,069 KM

Long coastline;
2nd longest after Gujarat



**Good
Monsoon**

Suitable for
agri-businesses



**Strategic
Location**

Feasible for
export-import
businesses
and data center
industry



**Fertile
Land**

Rice is the
primary cultivation



Natural Beauty

Chennai, Ooty, Kodaikanal,
Kanyakumari and
Rameswaram are
the top tourist destinations

Infrastructure Initiatives Driving Economic Development

Tamil Nadu's strong infrastructure framework forms the backbone of its economic progress and social development. The state is well-connected through an expansive network of roads, railways, and airports, enabling smooth movement of people and goods while also improving everyday convenience for residents. Every district in the state falls within an industrial corridor, reflecting a well-planned and inclusive development strategy that supports industrial expansion across regions.



4 International Airports

At Chennai, Coimbatore,
Madurai, & Tiruchirappalli
(Trichy)



2.7 Lakh KM

Road length;
~ 5% of India



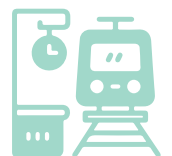
3 major & 14 minor ports

Out of 12 major and
213 minor operational
ports across India



54 KM

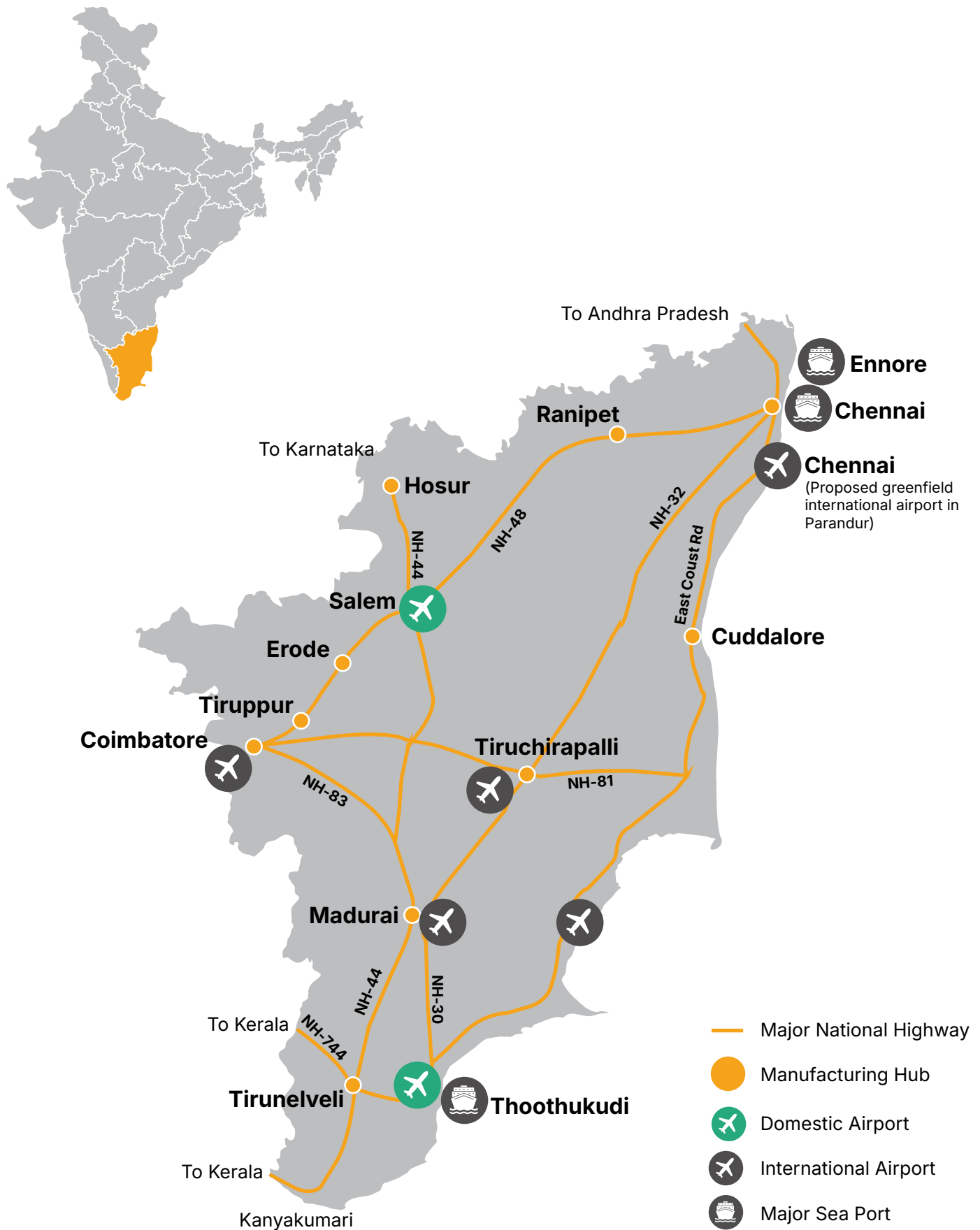
Metro Rail Network
is operational in
Chennai



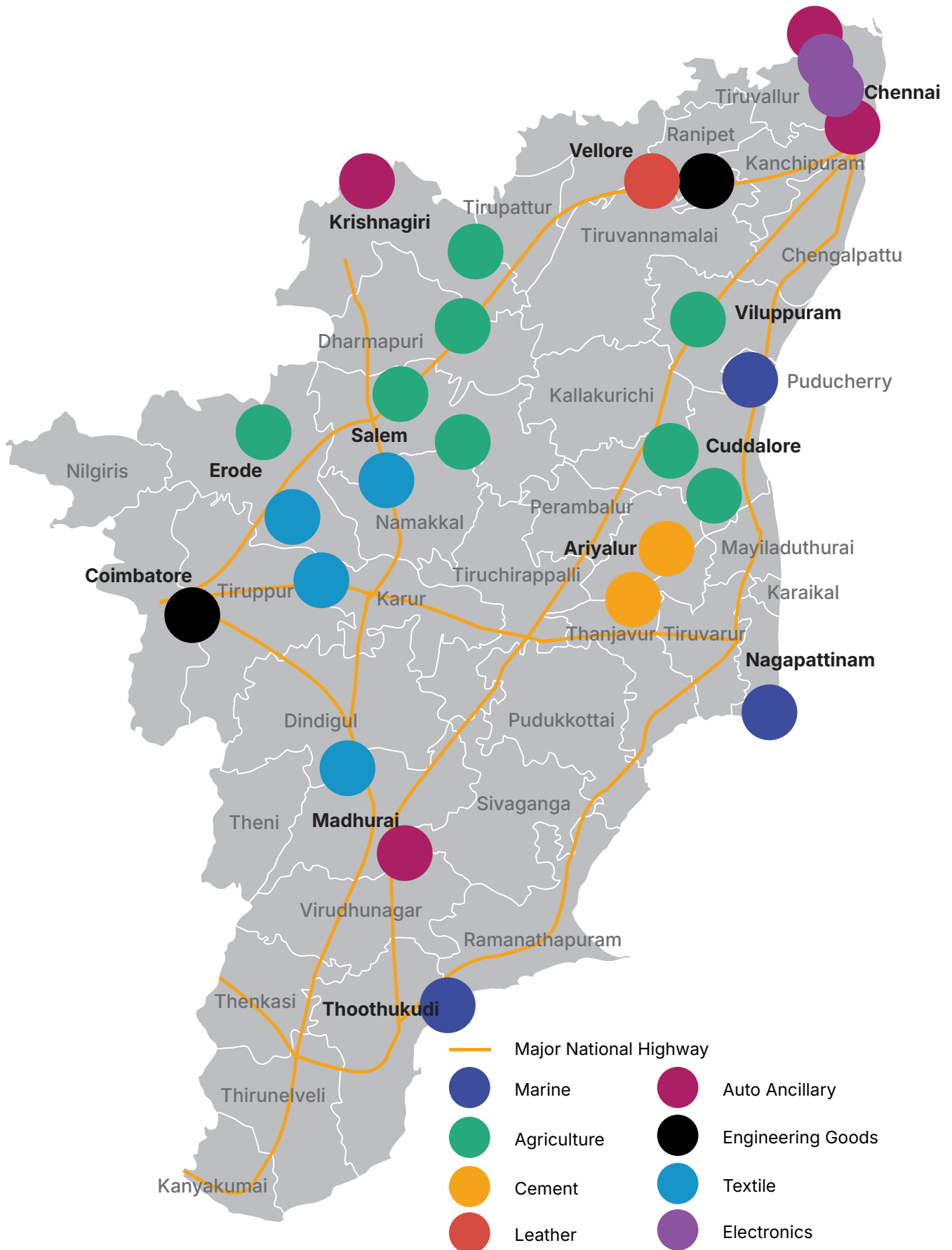
5,952 KM

Length of railway
route as of 2023;
532 railway stations

Infrastructure Map of Tamil Nadu



Existing Industrial Clusters



Planned Infrastructure

Large infrastructure projects are planned to unlock the future potential



Airport

- Chennai's 2nd airport is planned at Parandur at a tentative cost of INR 33,000 Cr. Once completed, the project may have an annual capacity of 10 Cr passengers.
- Tamil Nadu Chief Minister MK Stalin announced plans to establish an international airport in Hosur, which will span over 2,000 acres and have a capacity to handle 30 million passengers annually. This new airport will create a twin-city dynamic with Bengaluru, promoting growth in both Tamil Nadu and Karnataka.
- A new terminal at the Thoothukudi Airport with a capacity to handle two million passengers annually



Roads

- 42 National Highway projects in 731 km length costing ₹ 31,982 Crore are under construction in the State of Tamil Nadu, out of which 408 km length is constructed.
- Bengaluru-Chennai Expressway to reduce the travel time between two cities by 3 hours. The project is estimated to cost INR 14,870 Cr. The project comes under the PM Gati Shakti National Master Plan.
- 4-laned elevated expressway connecting Chennai Port and Maduravoyal (along 20 km) in West Chennai.
- 4-laning of Mahabalipuram - Puducherry section (62 km).
- 4 -laning of Thirumangalam - Therkuvengannallur (Rajapalyam) (71 km)
- Planned Chennai-Bengaluru, Chennai-Kanyakumari, and Tamil Nadu Defence Industrial Corridors to propel the economic activities across the state.



Ports

- V.O. Chidambaranar Port is likely to be developed as a transshipment hub by expanding its container handling capacity to 4 Mn TEUs per annum. The project is estimated to cost INR 7,200 Cr.
- The development of a Greenfield port at Cuddalore, spanning over 1,000 acres of coastal land, aims to achieve an estimated capacity of 13 million tonnes per annum.



Metro Rail

- The 119-km long second phase of the Chennai Metro is expected to be completed by 2028; includes Corridor-3 from Madhavaram to SIPCOT (45.8 Km), Corridor-4 from Lighthouse to Poonamalle Bypass (26.1 Km), Corridor-5 from Madhavaram to Sholingnallur (47.0 Km).



MMLP

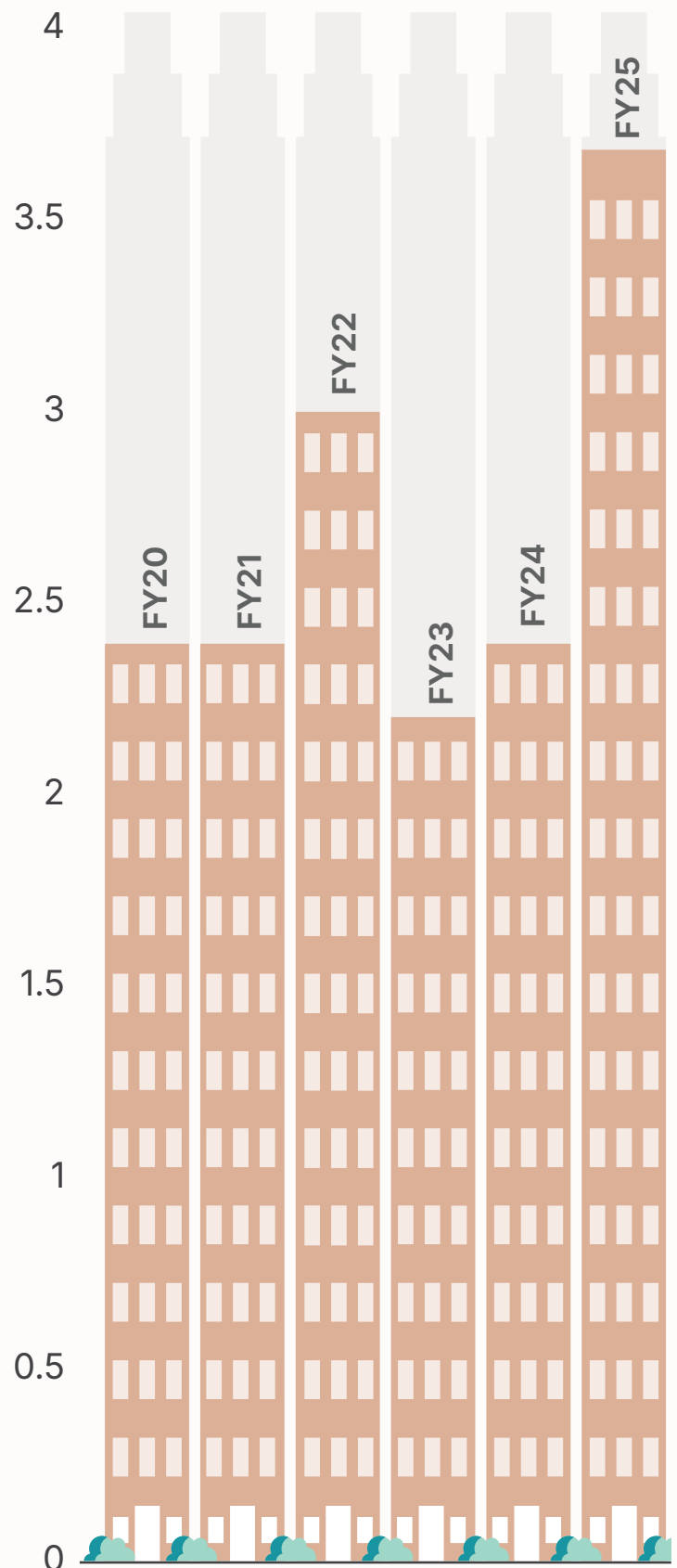
- 1st Multi-Modal Logistics Park (MMLP) of Tamil Nadu, spanning over 184 acres, is being developed at Mappedu in Chennai. The project has been awarded to Reliance Industries and is estimated to cost around INR 14.24 Bn. The project comes under the PM Gati Shakti National Master Plan.

Robust Investment Activity Underpinning Tamil Nadu's Development

As the fifth largest recipient, Tamil Nadu demonstrated a positive trend in attracting FDI. The state attracted a cumulative FDI inflow of USD 17.29 Bn during October 2019 - June 2025. Among the major states, Tamil Nadu consistently ranks among the top three in the Credit-Deposit Ratio (CDR), reflecting its high economic activity

In September 2025, the Tamil Nadu government announced that its recent investment outreach to Germany and the UK brought in commitments worth INR 155.16 billion. This resulted in 33 MoUs and the prospect of about 17,600 new jobs. Of these agreements, 10 new companies have pledged to invest in the state, while six others are exploring joint ventures in the MSME and higher-education space.

FDI (USD Billion) Tamil Nadu



» 02

TAMIL NADU: INDUSTRIES DRIVING ECONOMIC GROWTH



AUTOMOBILE

With Its Position in the Global Top Ten, Tamil Nadu has Firmly Established Itself as the Automobile Capital of India

Highlights

- Leads the country in automobile exports, accounting for more than 30% of India's total exports.
- India's top tyre manufacturing hub, contributing nearly 40% of national production.
- Produces close to 35% of the country's auto components.
- Recognized as the "EV Capital of India," with 70% of India's electric two-wheelers made here.
- Hosts more than 1,500 auto and auto-component manufacturing units.
- Home to Mahindra Research Valley, the largest R&D facility of its kind in Asia.
- Houses a strong talent pipeline with over 200

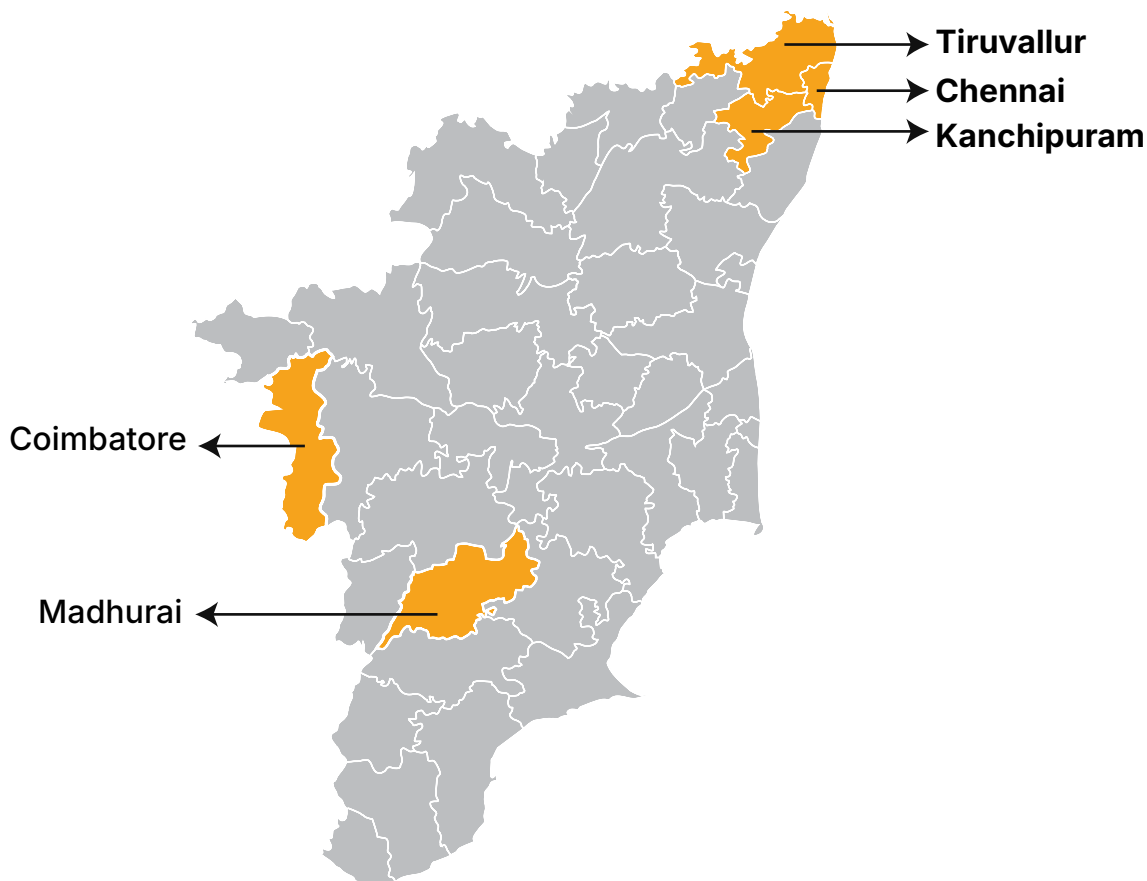
Key Latest Policies

- Tamil Nadu Semiconductor and Advanced Electronics Policy 2024
- Tamil Nadu Electric Vehicles Policy 2023
- Tamil Nadu Industrial Policy 2021

automobile engineering colleges and 800 electronics engineering colleges.

- The sector supports around 13 million people through direct and indirect employment.

Automobile Clusters in Tamil Nadu



Textiles & Apparels

India's Leader in Operational Textile Park, Tamil Nadu Known as the 'Yarn Bowl of India'

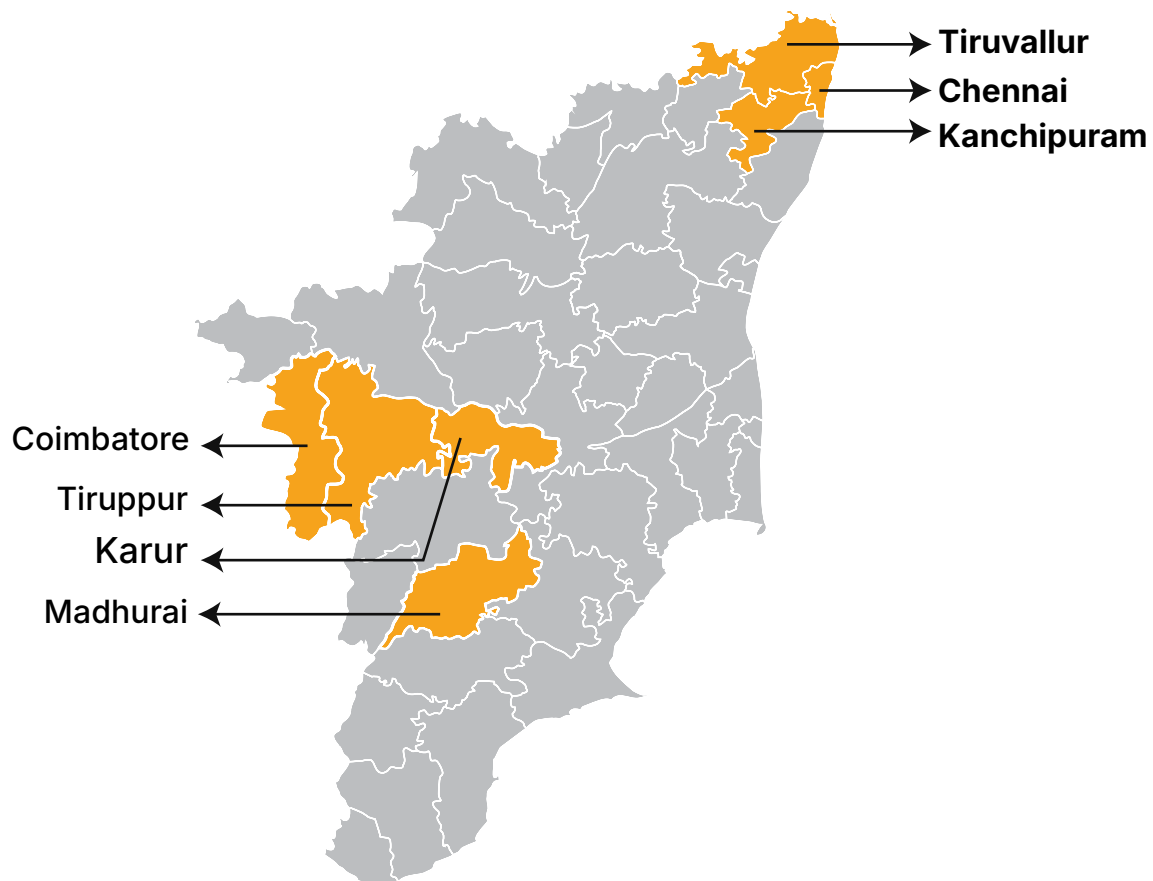
Highlights

- Leads the country in cotton yarn production.
- Ranks first in India for textile exports.
- Top exporter of readymade garments, contributing 32% of the nation's total exports in this category.
- Second-largest textile producer in the country.
- Home to 54 handloom clusters—the highest among all states.
- Hosts 893 of India's 2,049 large and medium textile mills.
- Accounts for 28% of the sector's total employment at the national level.
- The PM MITRA Park in Virudhunagar, with plug-and-play infrastructure, is expected to create more than 2 lakh jobs.

Key Latest Policies

- Special Scheme for Technical Textiles, MMF Yarn from Recycled Products, MMF Fabric & Apparel Manufacturing 2023
- Tamil Nadu Industrial Policy 2021

Textile & Apparel Clusters in Tamil Nadu



IT-ITeS

A Prominent Hub for the IT and SaaS (Software as a Service) Industries in India

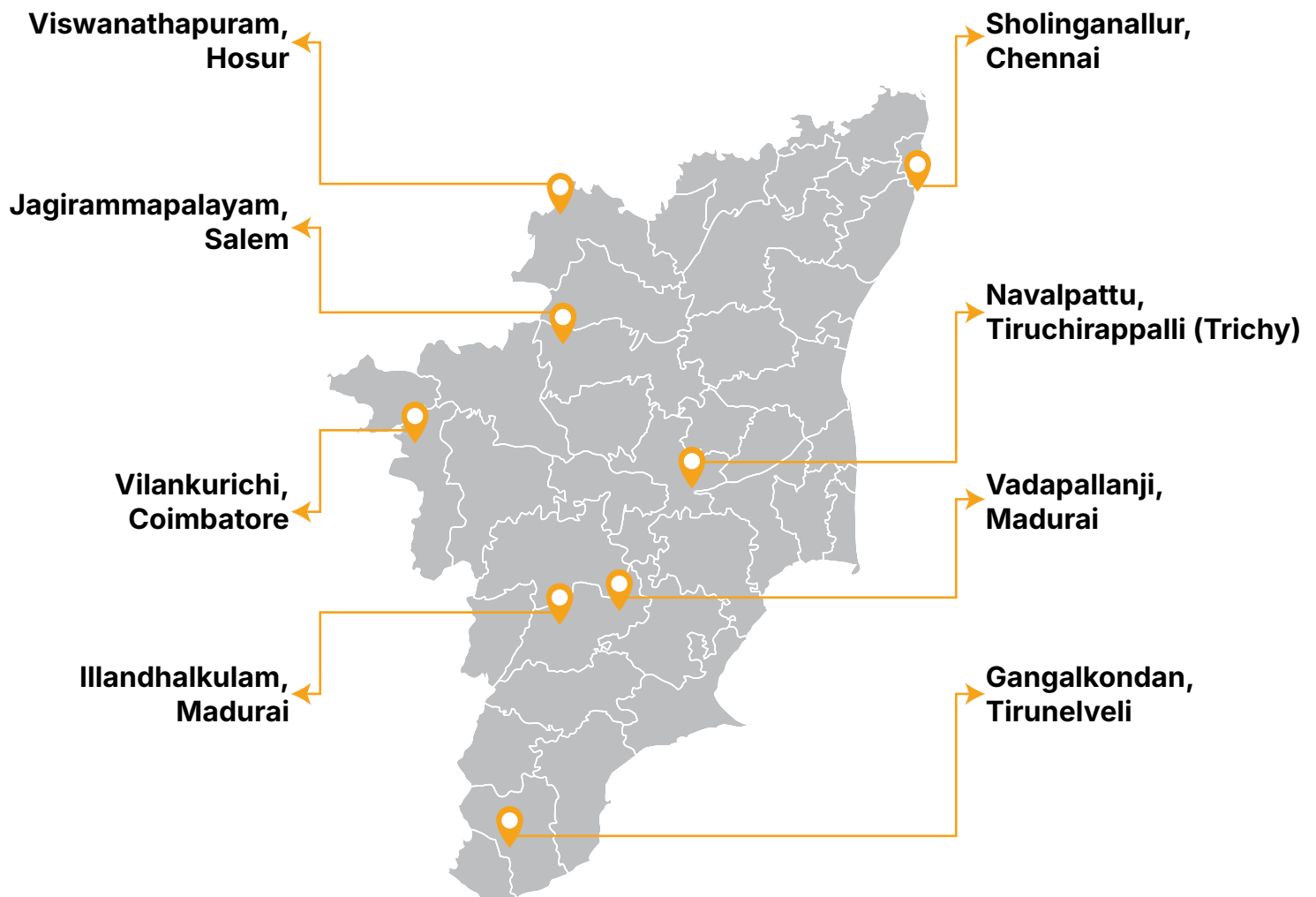
Highlights

- Holds an 11% share of India's total IT investments.
- 3rd largest Software Exporter in the Country
- Chennai accounts for 15% of India's entire IT workforce.
- Hosts more than 250 Global Capability Centres.

Key Latest Policies

- Tamil Nadu R&D Policy 2022
- Tamil Nadu FinTech Policy 2021
- Tamil Nadu Data Centre Policy 2022
- Tamil Nadu Industrial Policy 2021

IT-ITeS Clusters in Tamil Nadu



Electronics & Hardware

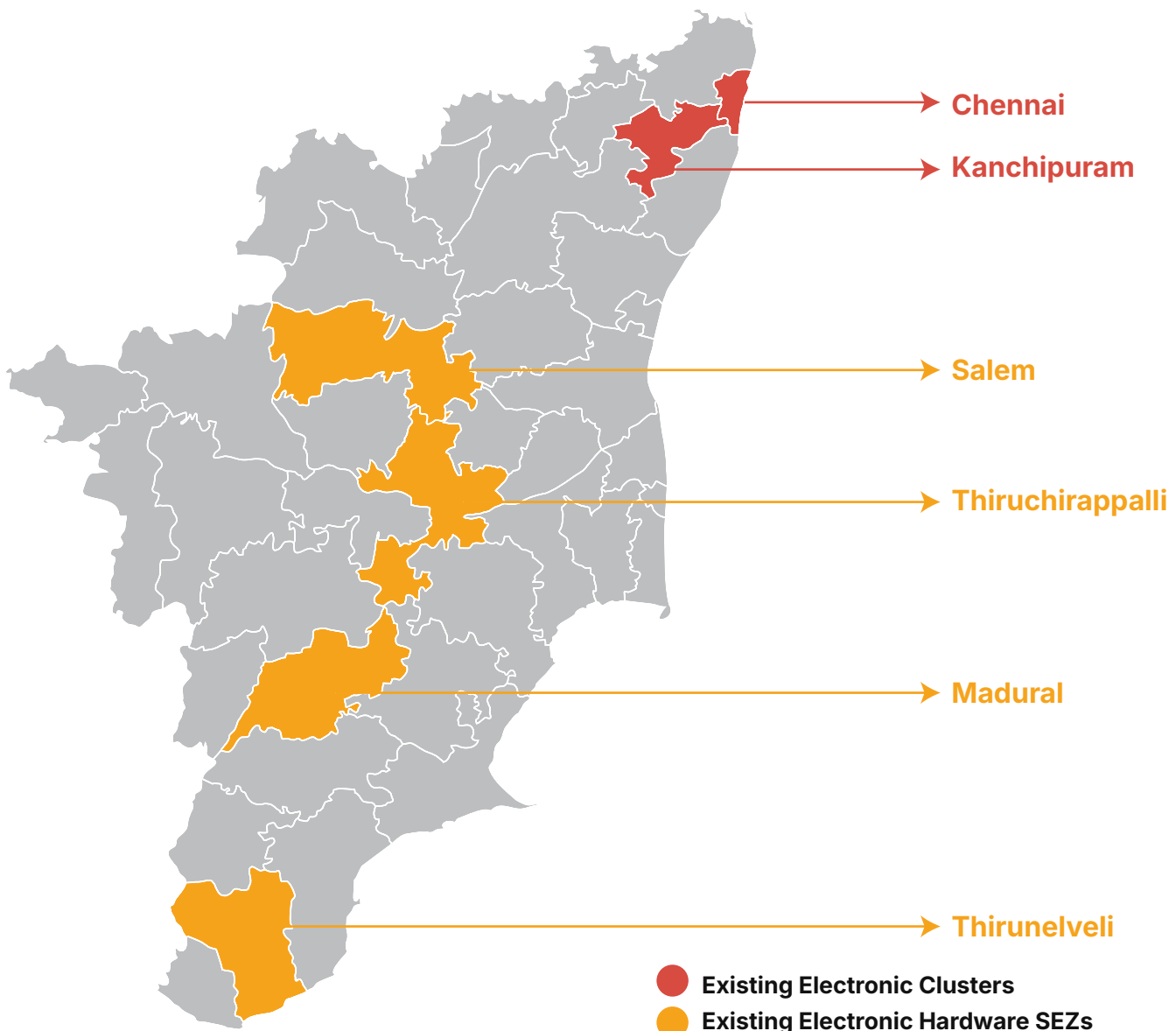
Highlights

- Contributes one-fifth of India's total electronics production.
- Leads the country in electronics exports.
- Accounts for 30% of India's overall electronics export share.
- Responsible for 40% of the nation's smartphone exports.
- Hosts 8 of the world's top 10 EMS companies.
- Produces 21% of India's white goods.
- Includes a 150-acre formulation park in Tindivanam
- Hosts TICEL Biotech Parks in both Chennai and Coimbatore

Key Latest Policies

- Tamil Nadu Semiconductor and Advanced Electronics Policy 2024
- Tamil Nadu Electric Vehicle Policy 2023
- Tamil Nadu Industrial Policy 2021

Electronics Manufacturing Clusters in Tamil Nadu



Aerospace & Defence Ecosystem

A Preferred Destination for Both Defence PSUs and Private Industries

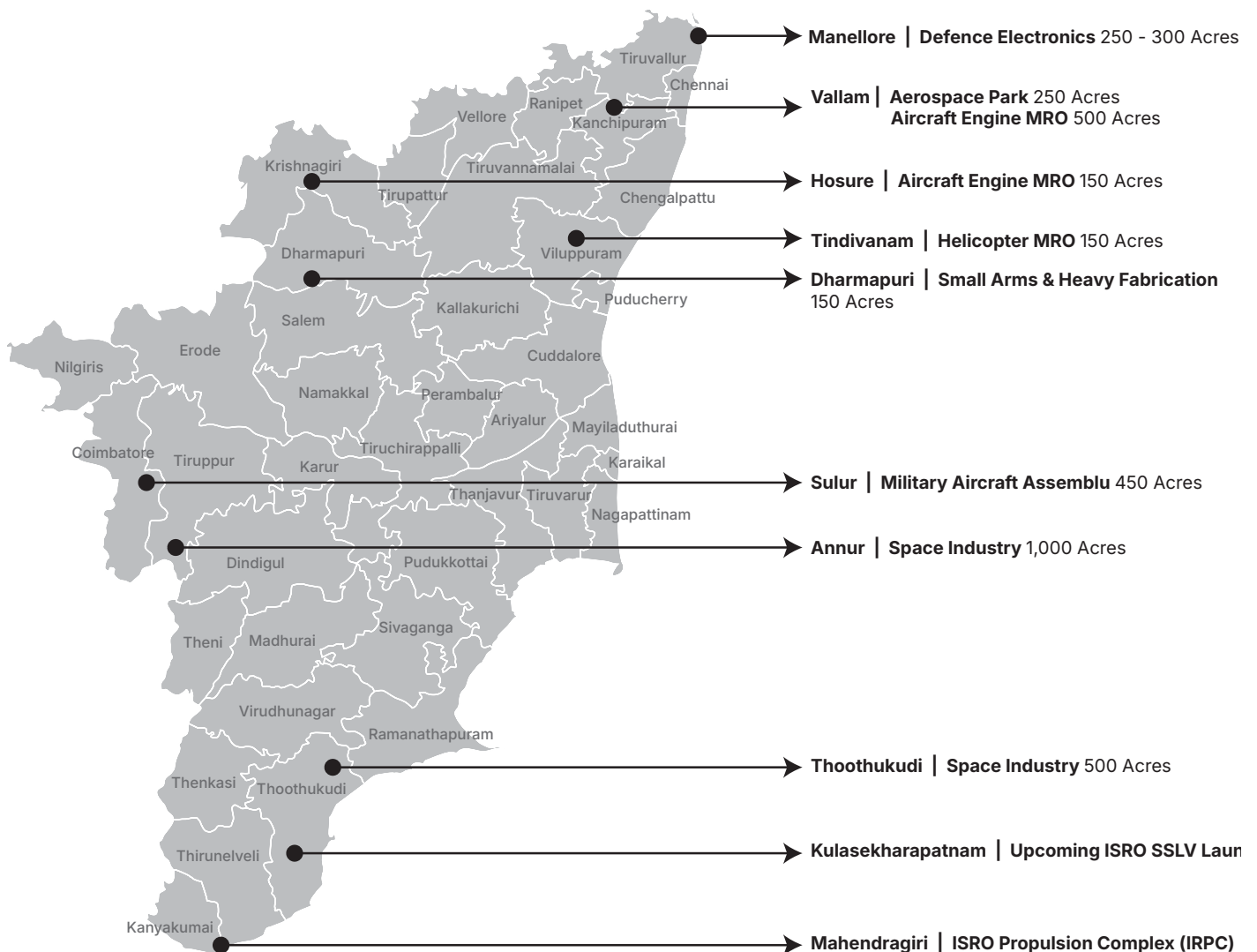
Highlights

- 250 acres of established aerospace parks
- Upcoming - India's second satellite launch centre in Kulasekarapattinam
- Presence of four incubation centres recognized by the Defence Innovation Organization
- 700+ Defence PSU suppliers already operating
- Home to a dedicated industrial park for Aerospace and Defence sector companies

Aerospace & Defence industrial zones and ISRO locations

Key Latest Policies

- Tamil Nadu Space Industrial Policy 2025
- Tamil Nadu Aerospace & Defence Industrial Policy 2022
- Tamil Nadu Startup and Innovation Policy 2018-2023
- Tamil Nadu Industrial Policy 2021



Note: Map not to scale, for representation purposes only
Source: Government of Tamil Nadu; Compiled by Anarock Research

Pharma & Bio-Tech

3rd Largest Number of Medical Colleges in the Country, Chennai is a Leading Center for Medical Education and Expertise

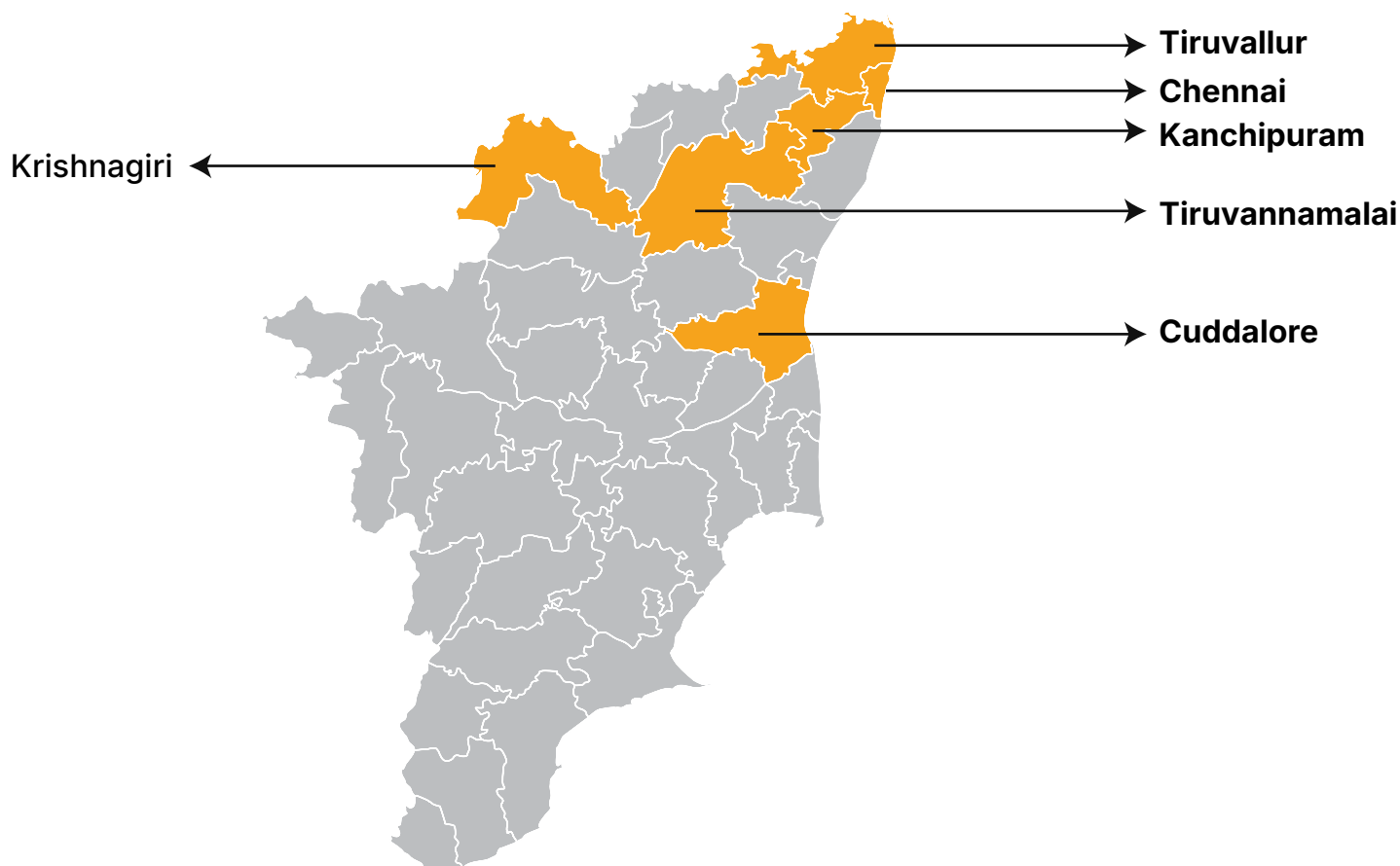
Highlights

- Ranks as the 5th largest pharmaceutical manufacturing state in India
- Stands 4th in the country for medical device production
- Home to 400+ companies across pharmaceuticals, MedTech, biotech, and related sectors
- Features four major life sciences clusters located in Chennai, Cuddalore, Krishnagiri, and Coimbatore
- Houses a 350-acre medical devices park in Oragadam
- Includes a 150-acre formulation park in Tindivanam
- Hosts TICEL Biotech Parks in both Chennai and Coimbatore

Pharma & BioTech Clusters in Tamil Nadu

Key Latest Policies

- Tamil Nadu Lifesciences Promotion Policy 2022
- Tamil Nadu R&D Policy 2022
- Tamil Nadu Industrial Policy 2021



Logistics, Warehousing, and Industrial Parks

A Central Hub for Industrial Expansion and Infrastructure Development

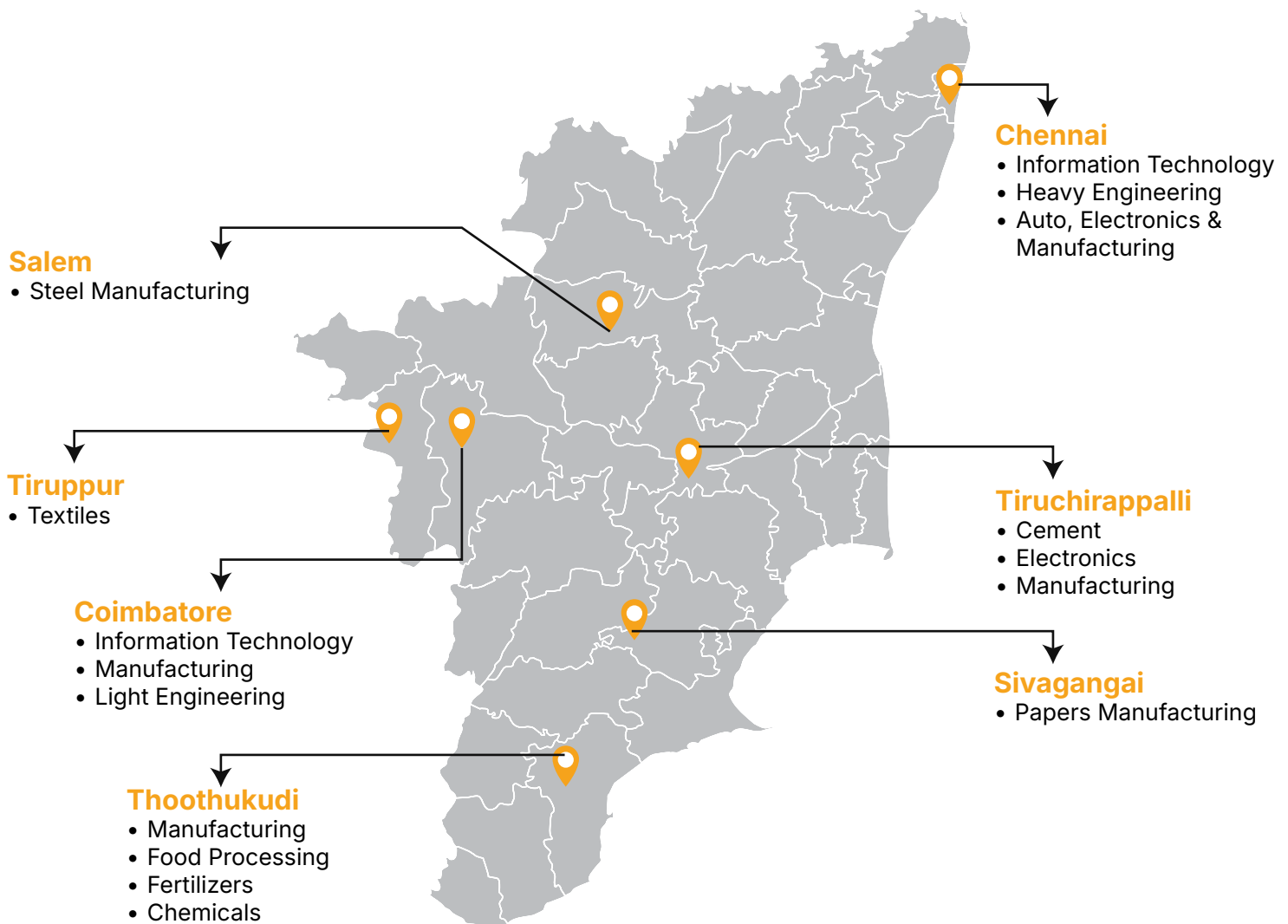
Highlights

- Equipped with 5 seaports and 65 dry ports
- Supported by 3 international air cargo terminals
- Home to around 30 SIPCOT industrial parks
- Hosts 54 operational SEZs — the highest in the country
- Strengthened by three major industrial corridors: Chennai–Bengaluru, Chennai–Kanyakumari, and Kochi–Coimbatore–Bengaluru

Key Latest Policies

- Tamil Nadu Space Industrial Policy 2025
- Tamil Nadu Industrial Policy 2021

Logistics, warehousing and Industrial Parks Clusters in Tamil Nadu



Leather & Footwear Industry

Leader in Finished Leather Production Nationwide

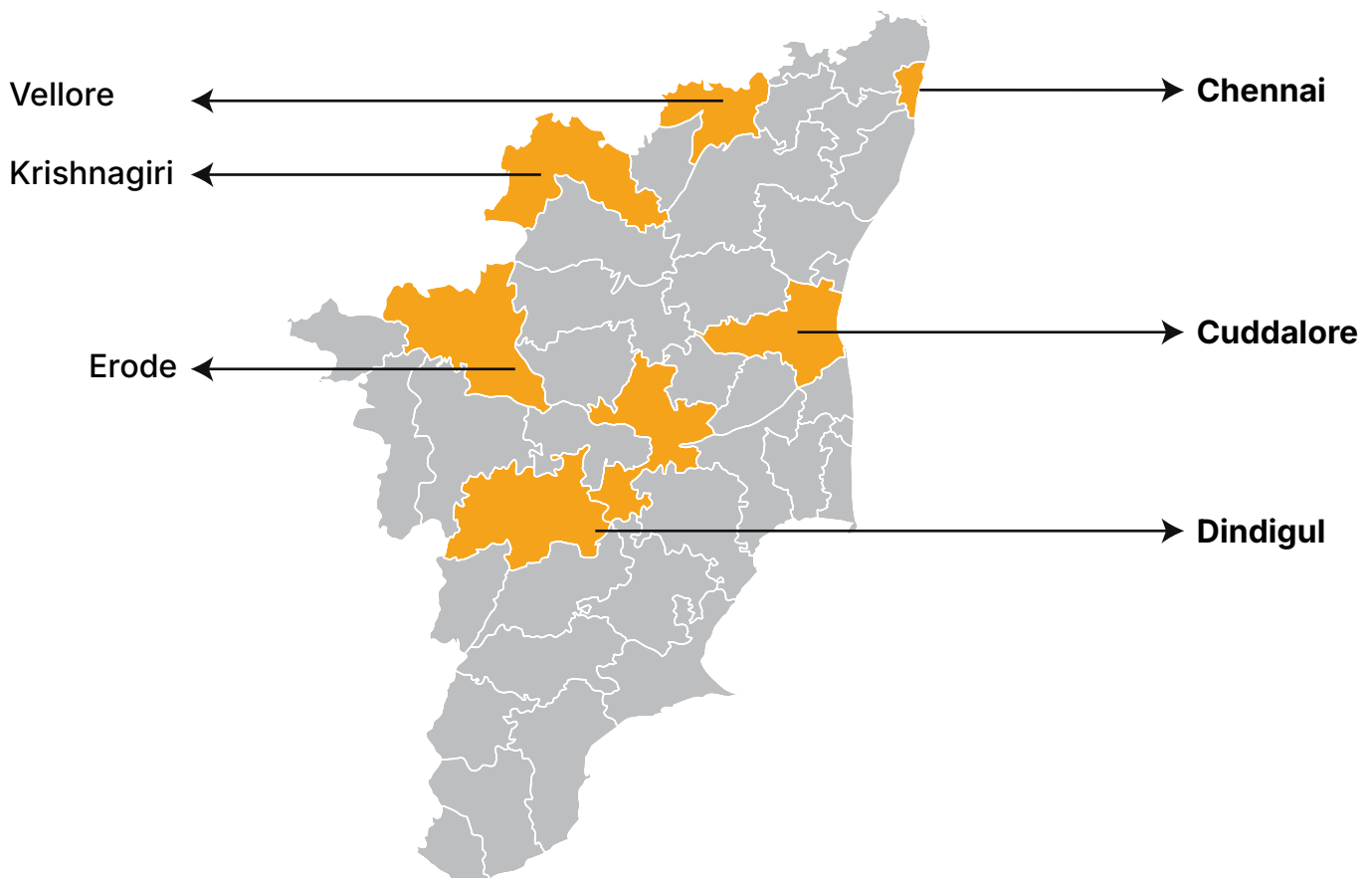
Highlights

- Accounts for 29% of India's total footwear manufacturing output
- Contributes 48% to the country's leather and non-leather footwear exports
- Houses 27% of India's footwear manufacturing units
- Women constitute 72% of Tamil Nadu's footwear manufacturing workforce
- Hosts nearly 600 tanneries alongside a mix of established and emerging companies
- Represents 60% of the nation's leather tanning capacity and produces 38% of India's leather footwear, garments, and components
- Chosen as a manufacturing hub by leading global fashion brands such as Louis Vuitton, Gucci, Prada, and Zara
- Hosts TICEL Biotech Parks in both Chennai and Coimbatore

Key Latest Policies

- Tamil Nadu Footwear & Leather Product Policy 2022
- Tamil Nadu Industrial Policy 2021

Leather Clusters in Tamil Nadu





Data center & GCCs

Tamil Nadu – A GCC magnet.

Highlights

- 250+ GCCs present in Tamil Nadu
- 10% of India's GCCs in Chennai
- 2nd most competitive location for Electronic R&D activities globally
- 750+ R&D institutes in the state
- Coimbatore is ranked among the top tier II cities for setting up Global Capability Centers in India
- Coimbatore & Madurai as upcoming data centre hubs
- MMR & Chennai continue to be hotspots for data centre operators; together they contribute to 70% of the total DC stock in India



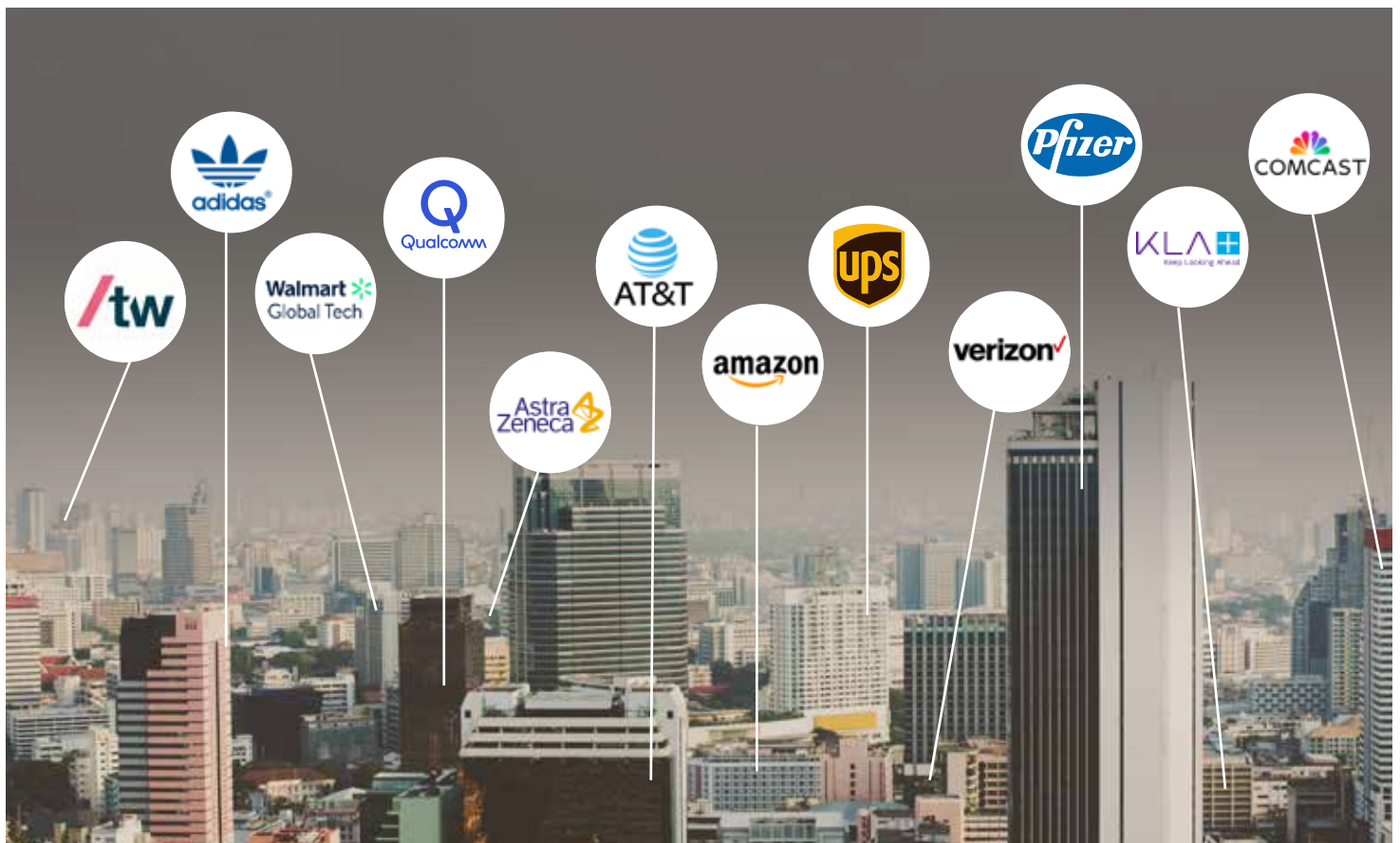
Key Investments:

- A 2000 acre Global City near Chennai with IT Parks, Fintech Zones and research centres
- ebm-papst is investing INR 340 crore to set up a new Chennai plant, slated for 2026 and projected to create 700+ jobs.
- Walmart is opening its second Chennai GCC across 4.65 lakh sq ft, adding about 4,500 tech roles with a focus on AI, cloud, and cybersecurity.
- Korcomptenz is investing INR 20 crore in an AI-focused R&D centre to strengthen global delivery and expand its local team.
- Workday is setting up its Chennai GCC with an INR 220 crore investment, supporting next-gen AI development and employing around 1,000 people.
- Lennox India is expanding its Chennai hub with an investment of over INR 50 crore, increasing its space to 1.5 lakh sq ft and workforce to nearly 1,500.

Key Data Centre Players



Key GCC Players



» 03

CHENNAI: DRIVING THE REAL ESTATE MOMENTUM IN TAMIL NADU



Chennai



Chennai Residential Real Estate Overview

Chennai, positioned at the heart of Tamil Nadu's real estate activity, continues to evolve into one of the state's most dynamic and resilient housing markets. Its growth is strongly anchored in a diverse economic base that spans manufacturing, automobiles, engineering, logistics and a rapidly expanding IT and ITeS sector. This broad spectrum of industries has helped create a steady flow of employment opportunities, drawing professionals from across the country and supporting a deep and consistent demand for housing.

Between 2021 and 9M 2025, the city witnessed more than 83,100 new residential units launched, while sales reached close to 85,200 units. This near alignment of supply and absorption highlights a balanced market where new inventory is being comfortably absorbed, reflecting both developer confidence and strong end-user participation.

The residential market in the first nine months of 2025 demonstrated not just stability but an ability to respond effectively to shifting consumer preferences. New launches grew by 15% year-on-year, rising to 19,675 units from 17,090 units in 9M 2024. Much of this activity was concentrated in Southern Chennai, where rapid urbanisation, improving connectivity and demand for modern, amenity-rich homes have encouraged developers to bring forward new projects in emerging suburban pockets.

Sales momentum also remained healthy, increasing by about 5% compared to the same period last year, with total absorption during 9M 2025 standing at 15,720 units. Price trends continued on an upward trajectory, supported by consistent end-user demand as well as interest from investors looking for long-term value in a stable market.

Chennai also benefits from efficient inventory management. With around 32,380 unsold units at the end of 9M 2025, the city holds the second-lowest inventory share (6%) among the top seven Indian cities. This, along with a strong economic foundation and expanding infrastructure, positions Chennai as a compelling destination for future residential investment and development.

Supply
9m 2025

19,675 units

Sales
9m 2025

15,720 units

Unsold inventory
As of 9m 2025

32,380 units

Inventory overhang
As of 9m 2025

20 Months

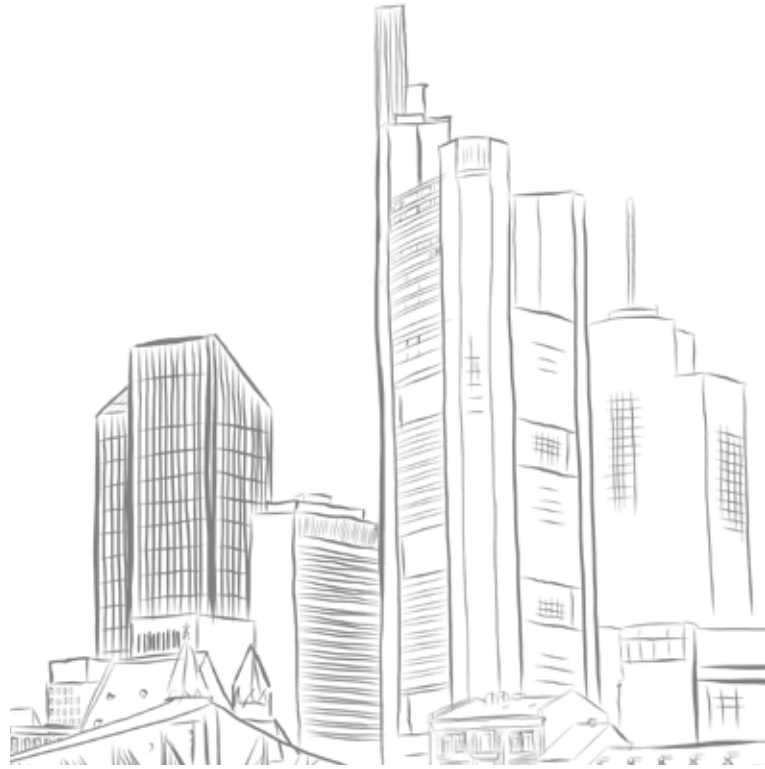
Average property price
As of 9m 2025

INR 7,010/sq ft

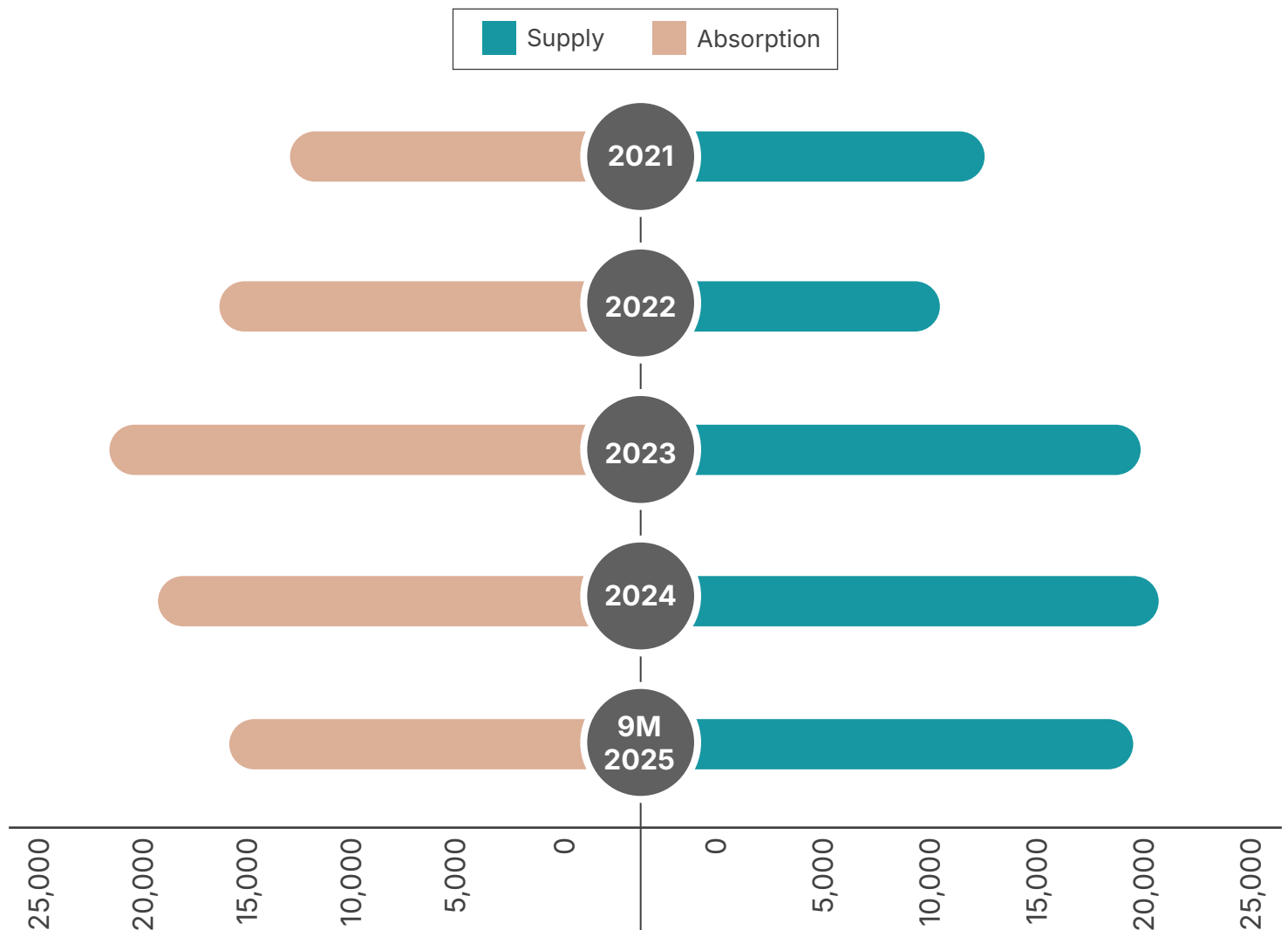
Demand-Supply Dynamics

Demand is moving in sync with supply, set to surpass the previous year's level

- In the first nine months of 2025, the market added close to 19,700 new units, while about 15,700 units were sold.
- Overall, the residential market activity remained upbeat with launches crossing 94% and sales reaching around 82% of the total launches and sales of 2024.
- From 2021 to 9M 2025, the city saw more than 83,800 units launched and nearly 85,200 units absorbed. The market has achieved equilibrium as the absorption-to-supply ratio is greater than one.
- The strong activity seen in 9M 2025 also hints that the full-year numbers may surpass the previous year. We expect the demand momentum to continue in the next couple of quarters on the back of the upcoming supply.



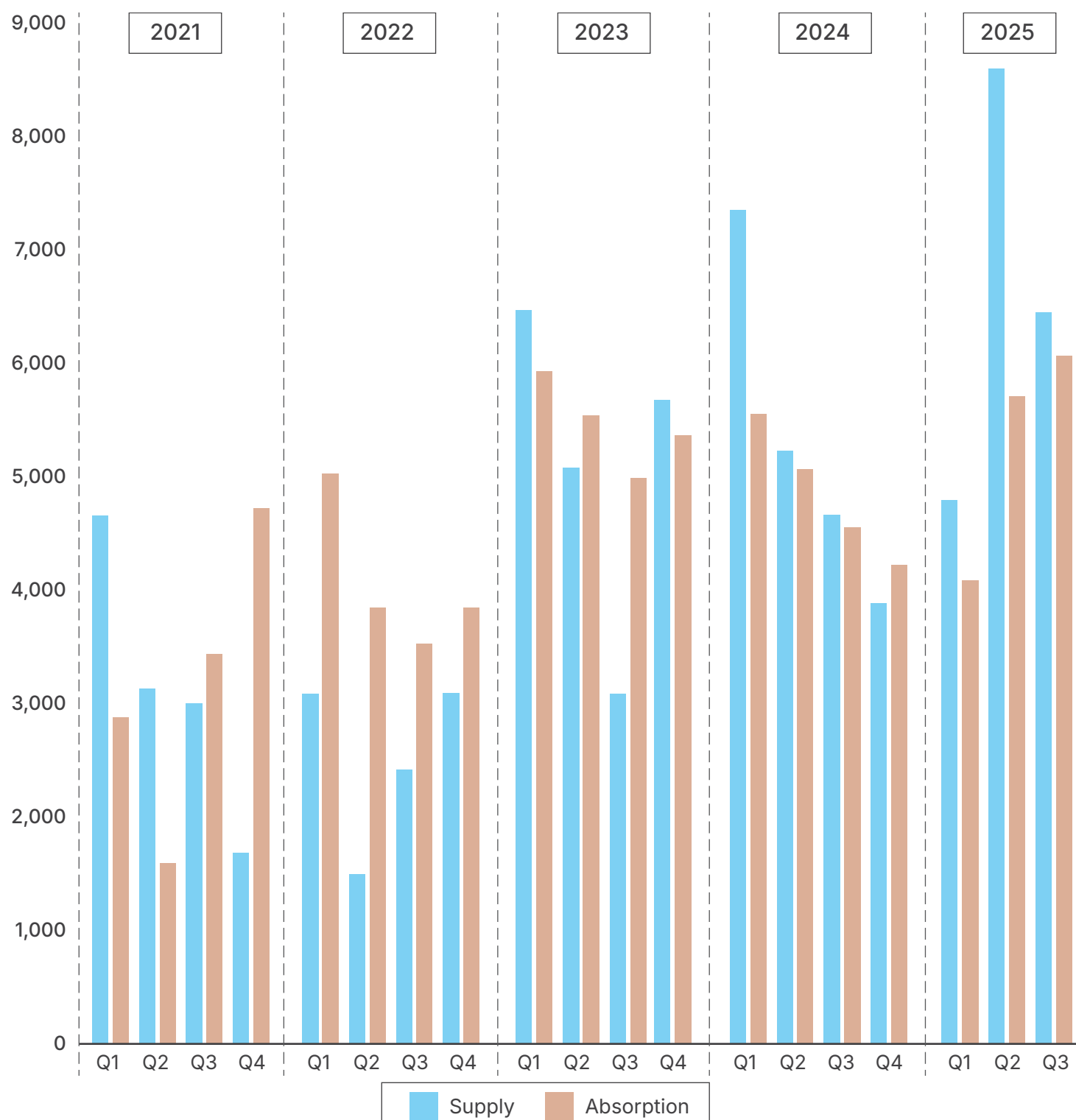
Annual Demand-Supply Dynamics



Source: Anarock Research

- Q2 2025 recorded the highest quarterly supply in a decade, with over 8,500 units launched.
- Launch volumes dipped slightly in Q3 2025, settling at around 6,400 units as the market adjusted after the sharp spike seen in the previous quarter.
- With Q3 2025 clocking over 6,000 units sold, the highest quarterly sales since Q3 2015, demand remained firm, albeit growing at a gentler pace.
- On average, the city has witnessed an average quarterly sale of nearly 5,250 units during the 9 months of 2025, outpacing the average quarterly sale of 2024 and more than double the sales seen before the pandemic.

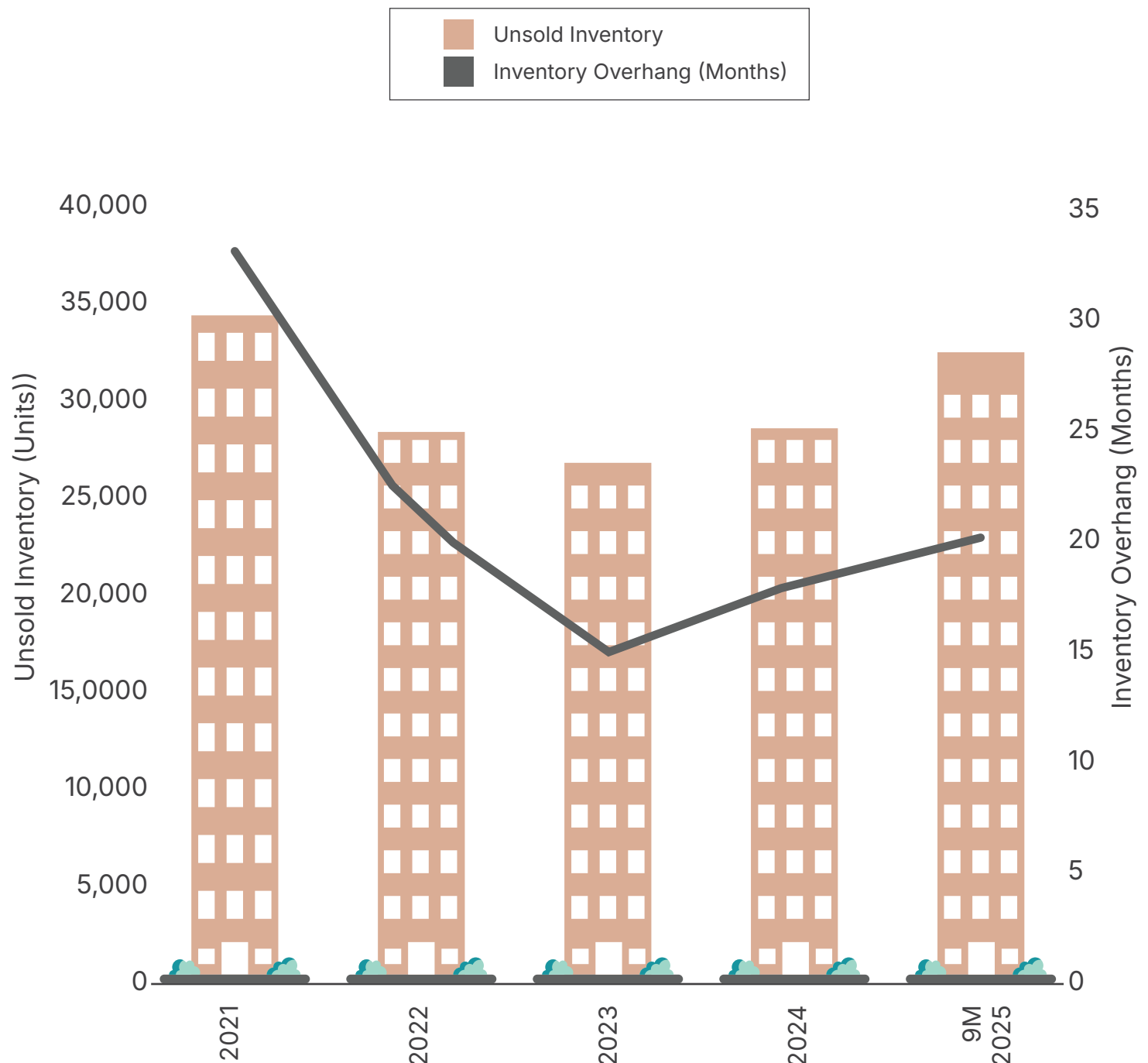
Quarterly Demand-Supply Dynamics



Unsold Inventory & Inventory Overhang

- The city accounts for just about 6% of the total unsold stock across the top seven cities, the second-lowest share after Kolkata.
- As of 9M 2025, the unsold inventory of the city stood at 32,380 units, a 14% increase from the end of 2024. The rise in unsold stock is primarily due to the sharp increase in new launches and relatively stable sales.
- South Chennai held the maximum unsold inventory of over 20,700 units, accounting for 64% share of the total inventory of the city.
- Although unsold inventory increased significantly in the last 2 years, Inventory overhang increased marginally to 20 months as of 9M 2025, but declined considerably from 33 months as of 2021.
- Overall, the market continues to operate within a comfortable inventory range, supported by steady demand and manageable overhang levels that remain far better than pre-2022 conditions.

Unsold Inventory & Inventory Overhang

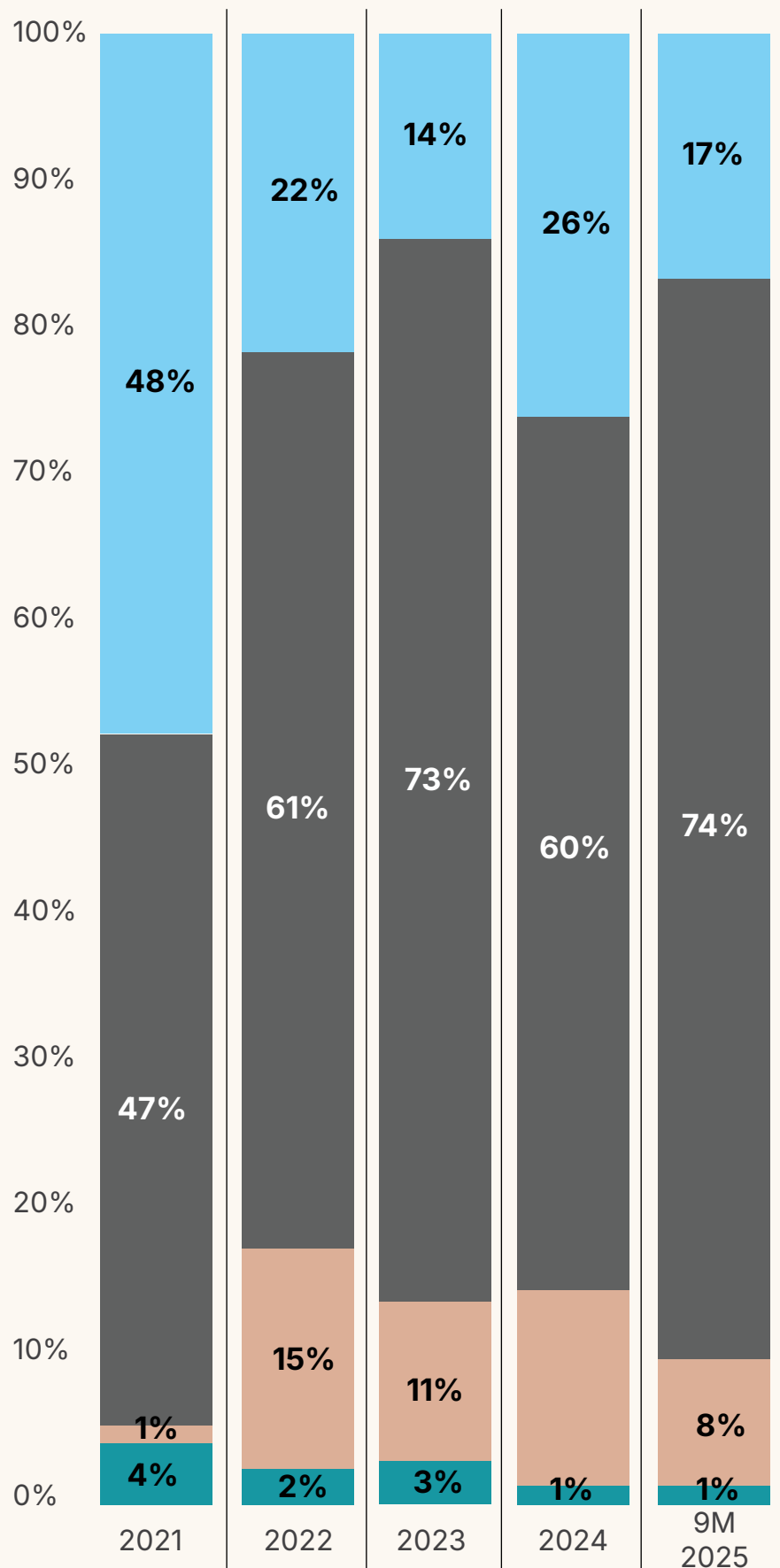


Zonal Break-up of Supply and Absorption

South Chennai leads as the city's knowledge hub, while West Chennai rises on the strength of its growing IT and education clusters

- South Chennai continues to dominate new launches of the city, accounting for 74% of the total supply during 9M of 2025, significantly expanding its share from 60% in the supply of the previous year and 47% share in 2021, reflecting sustained developer preference for this corridor.
- From 2021 to 9M 2025, South Chennai has accounted for about 64% of all new supply, while West Chennai contributed 24%. However, West Chennai's share has steadily declined from 48% in 2021 to 17% in 9M 2025.
- North & Central Chennai hold a very small share of the new launches, mainly due to limited land availability and higher redevelopment constraints.

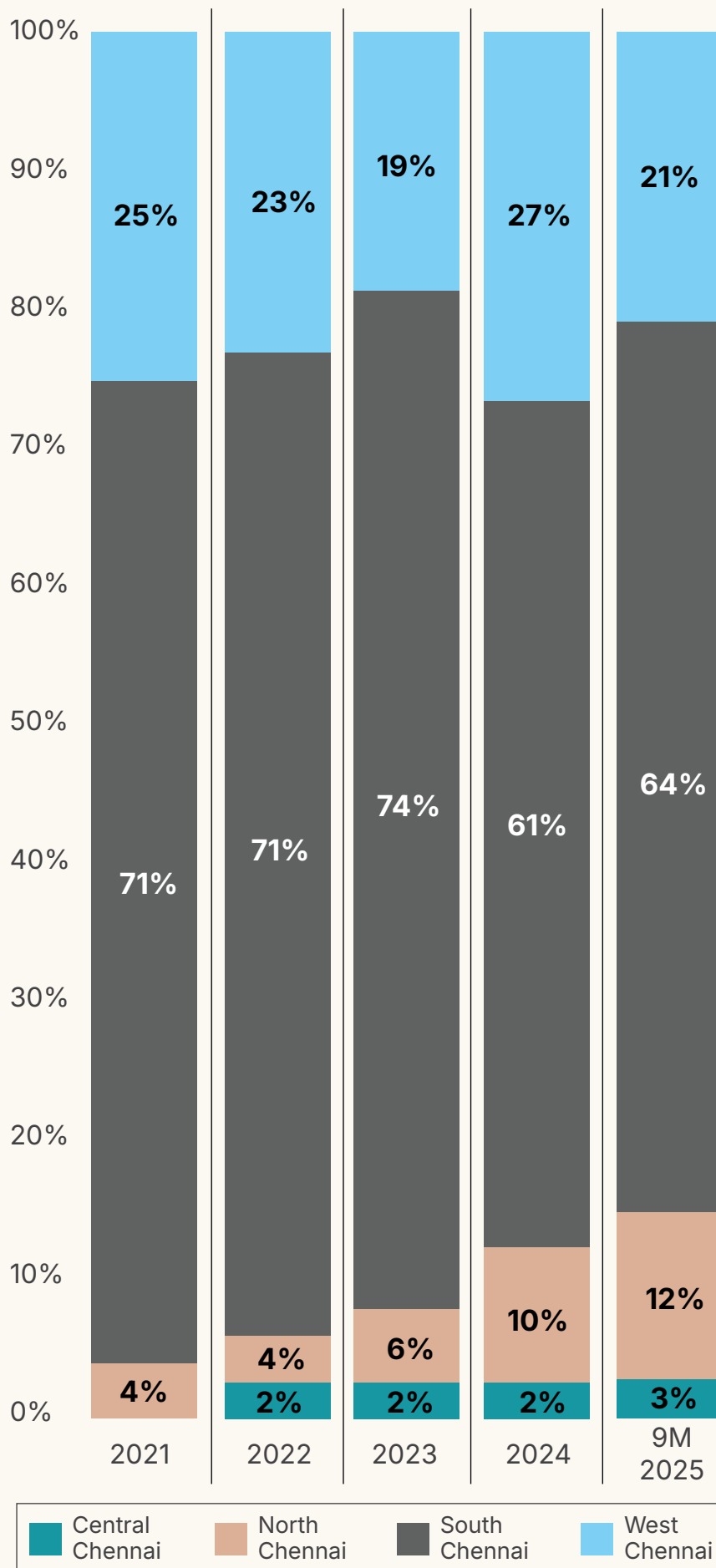
Zonal Break-up of Supply



Note: Chennai is divided into four zones - 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)

Source: Anarock Research

Zonal Break-up of Absorption



- During 9M 2025, Chennai's residential sales remained heavily focused in the Southern zone, contributing nearly 64% of the city's total sales, a marginal increase from 61% share in 2024.
- South Chennai, strengthened by its role as a major IT and knowledge hub anchored by TIDEL Park and SP Infocity, well supported by strong infrastructure, continues to attract the maximum demand.
- West Chennai, ranked next to South Chennai, accounts for a 21% share of overall sales, a decline from a 27% share in the previous year. Even with this dip, the zone is steadily evolving into an IT hub & education hub and is poised to draw stronger demand from tech professionals in the coming years.

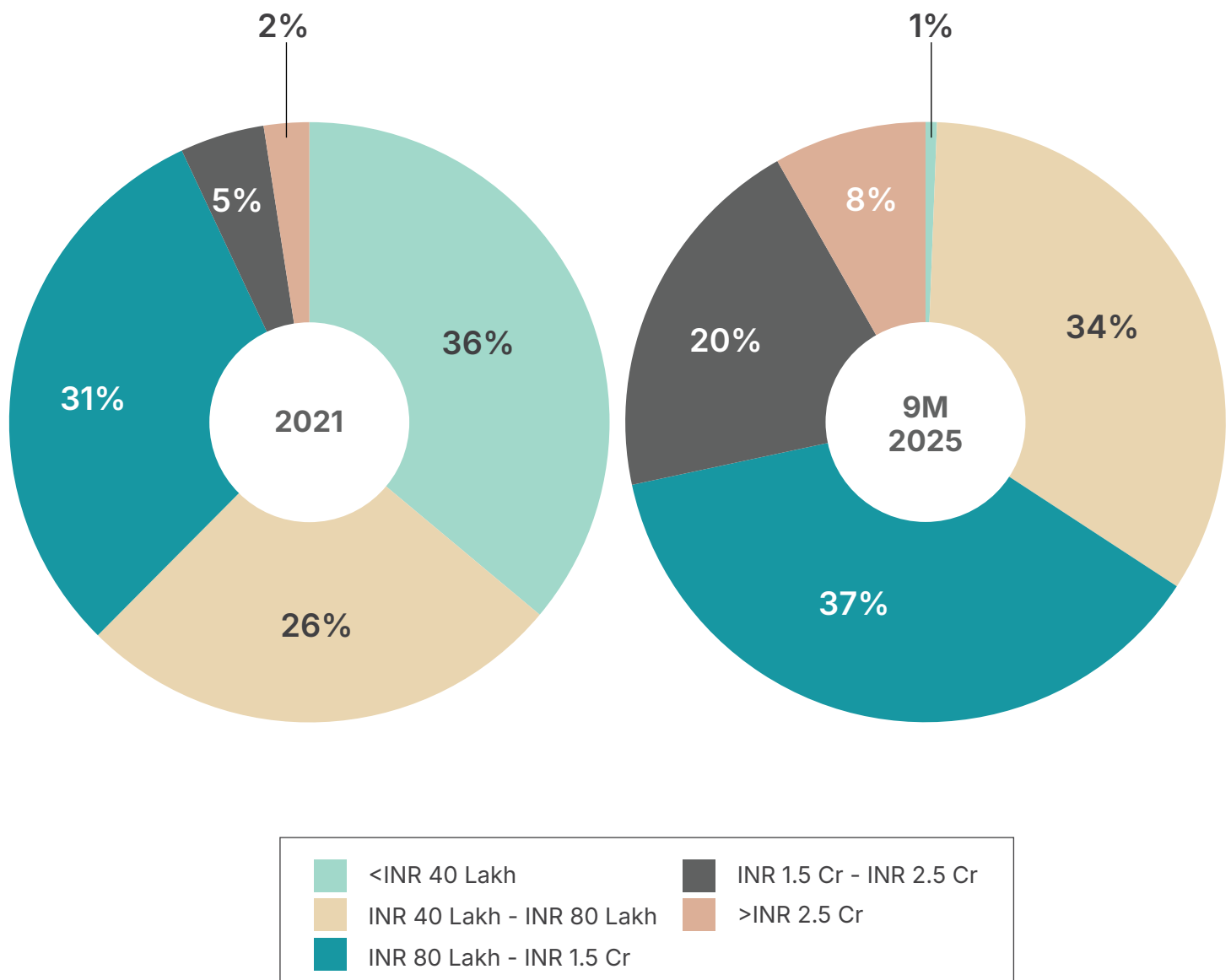
Budget-Wise Supply

Buyers' preference towards high-end products, along with cost inflation, has pushed pricing upward in most segments

- Over the years, Chennai's supply composition has gradually shifted from lower-priced homes toward mid, premium, and luxury categories, aligning with changing buyer expectations and a more affluent demand base.
- Mid-end projects priced in the INR 40 Lakh – INR 80 Lakh bracket dominated the new supply in the last few years, accounting for 43% share in the total supply of 2021 to 9M 2025. However, its share has declined to 34% in 9M 2025 as compared to 57% in 2024.

- On the other hand, the share of affordable housing (Below INR 40 Lakh) has seen a sharp and consistent drop from 36% in 2021 to just 1% in 9M 2025, indicating limited new launches in the budget segment.
- The share of properties priced above INR 1.5 Cr has increased significantly to 28% in 9M 2025 from 9% in the previous year and 7% in the year 2021. This category is gaining prominence, reflecting growing consumer preference for high-end homes with better amenities and locations.

Budget Segment-wise Supply

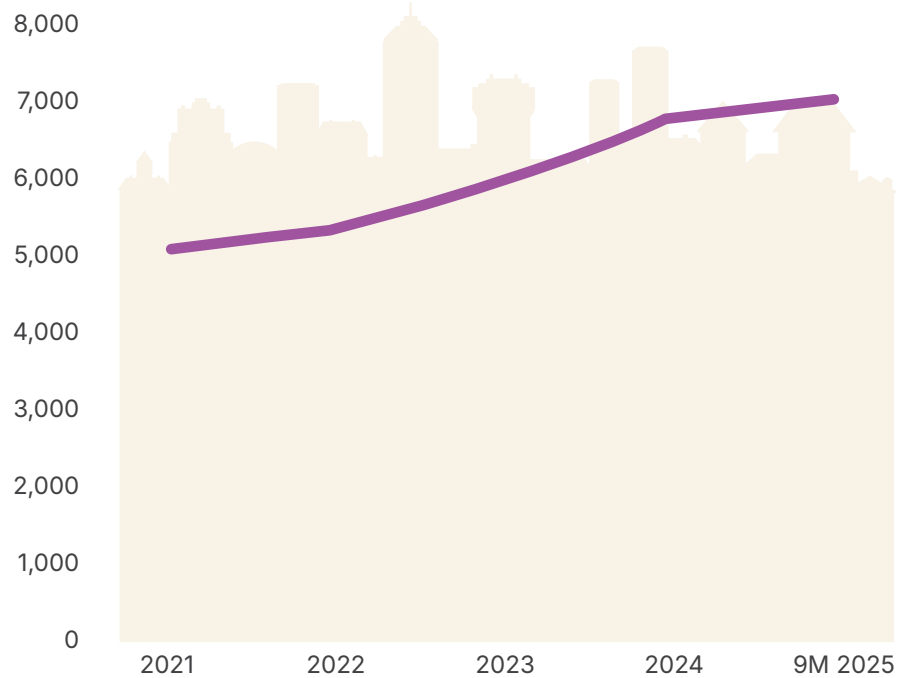


Price Trends

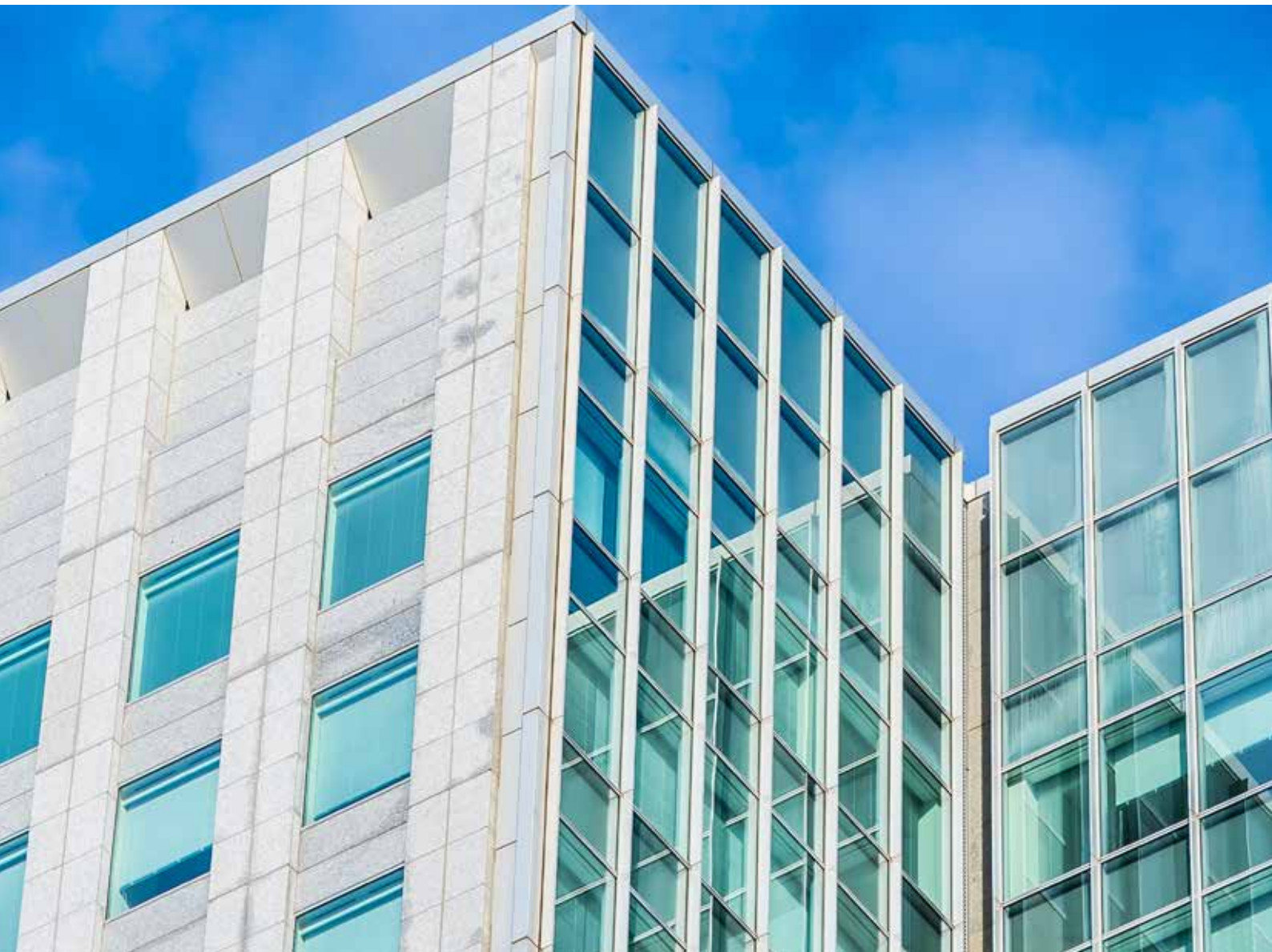
Better demand and overall market stability have kept property prices on an upward trajectory.

- Average property prices in the city appreciated by nearly 38% over the past five years, highlighting the steady strength and resilience of Chennai's housing market.
- In the first nine months of 2025, prices inched up by around 3%, rising from INR 6,790 per sq ft at the end of 2024 to INR 7,010 per sq ft.
- With demand strengthening and the state government actively attracting new businesses and job opportunities, Chennai's residential prices are likely to see further upward movement in the coming years.

BSP on SBUA (INR/sq ft)



Source: Anarock Research



» 04

CHENNAI COMMERCIAL REAL ESTATE OVERVIEW



Key Highlights

Grade a Office Stock
as of Sep 2025

75 Mn sq ft

New Office Supply
9M 2025

2.2 Mn sq ft

Net Absorption
9M 2025

4.6 Mn sq ft

Grade A Office Vacancy
9M 2025

8.90%

Average Office Rental
9m 2025

INR 80/sq ft/Month

Upcoming Supply
By 2027

~16 Mn sq ft

Chennai: Office Market Growth Story

Chennai's commercial office market is poised for a landmark year in 2025, supported by strong leasing momentum and steady occupier interest across key sectors. The city has already achieved more than 92% of the absorption levels of the previous year and is set to exceed the highest levels recorded in seven years. This clearly reflects a structural shift in demand rather than a short-term upswing. Much of this surge has been led by Global Capability Centres and Data Centre operators, which continue to scale operations in the city thanks to its deep talent pool and cost-efficient business environment. Peripheral business districts have also emerged as active hubs, absorbing a significant share of new demand even as core markets face limited availability.

Despite tight supply conditions, Chennai has maintained its pace, with pre-commitments and expansions indicating sustained confidence among occupiers. This combination of healthy demand, rising interest from global firms, and a diversified tenant profile positions Chennai as one of the more resilient office markets in the country, capable of withstanding cyclical shifts while continuing to grow.

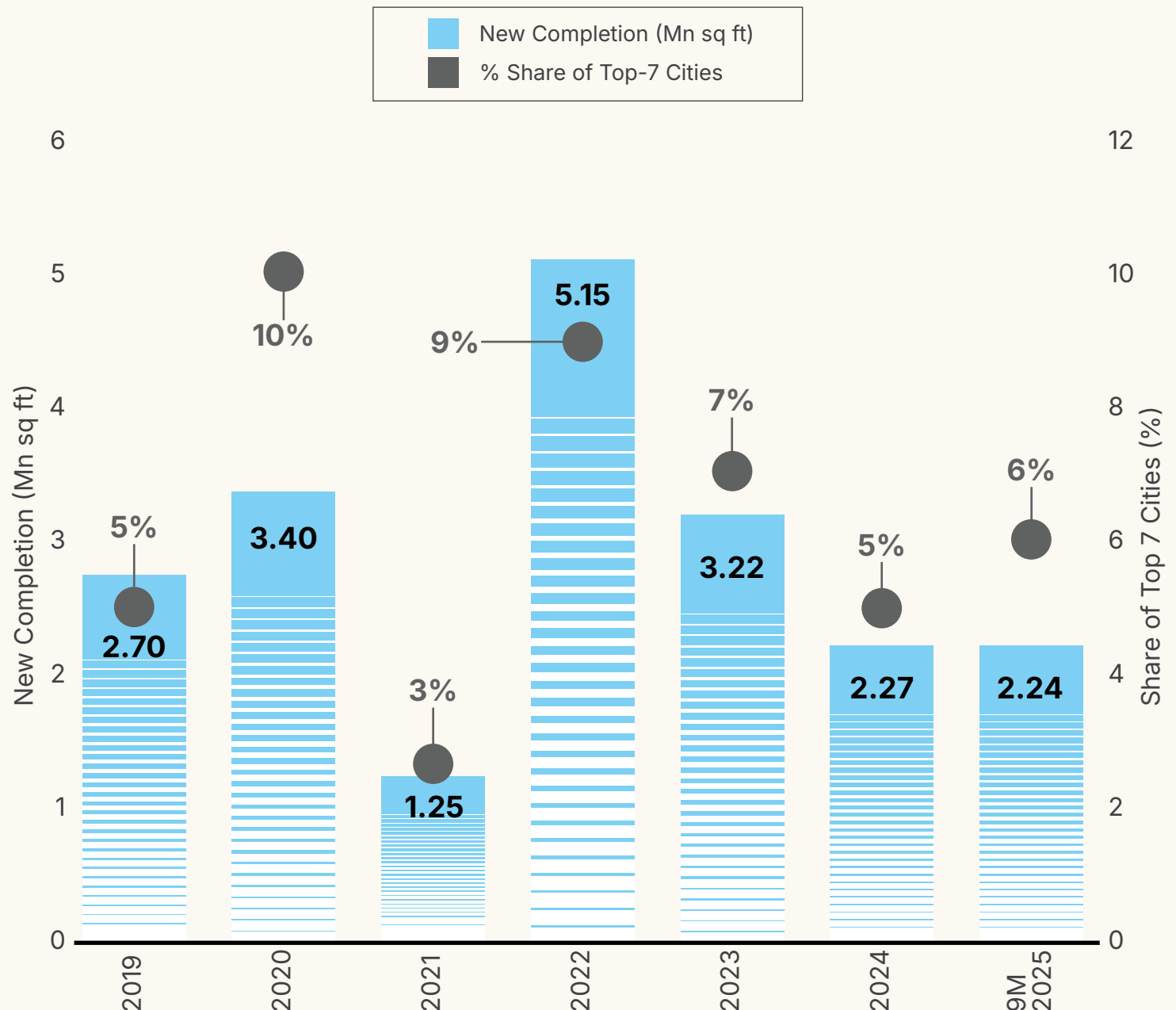
Chennai's Commercial Real Estate Dynamics

Disciplined supply addition to match the changing demand

Chennai's office supply cycle has been steady since 2021, reflecting a more stable construction environment and stronger developer confidence. Supply dipped to 1.25 Mn sq ft in 2021, a period marked by project delays and cautious expansion. This was followed by a sharp rebound in 2022, when completions rose to 5.15 Mn sq ft as many deferred projects were finally delivered. The momentum eased in subsequent years, with 3.22 Mn sq ft added in 2023 and 2.27 Mn sq ft in 2024, pointing to a more measured and demand-aligned supply strategy.

During the first nine months of 2025, the city recorded 2.24 Mn sq ft of new completions, almost matching the full-year supply of 2024. With nearly 16 Mn sq ft in the upcoming and planned pipeline, the city is on track to surpass last year's delivery levels, supported by active construction in key growth corridors and the sustained interest of developers in Grade-A office projects.

Chennai accounted for roughly 6% of the new office space delivered across the top seven cities by 9M 2025, signalling increasing interest from occupiers and investors while still offering potential for further market growth.

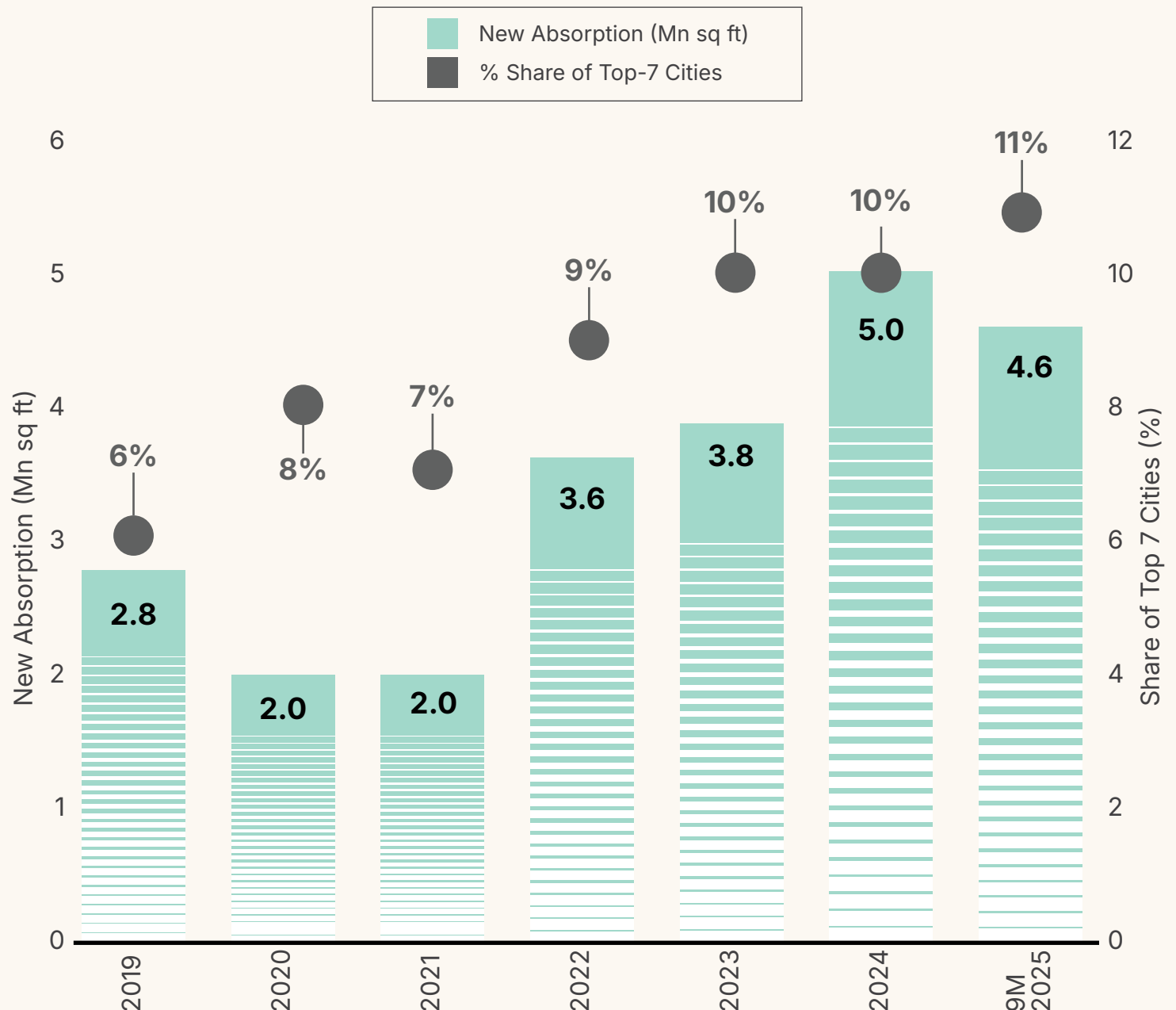


2025 set to mark the highest net absorption

Chennai's office market has shown a steady rise in absorption over the past few years, reflecting the city's growing relevance as a preferred workplace destination across southern cities. Net absorption has increased from about 2.1 Mn sq ft in 2021 to nearly 5 Mn sq ft in 2024, mainly driven by sustained occupier demand across sectors. During the first nine months of 2025, net absorption crossed 4.6 Mn sq ft, already achieving close to 92% of the full-year activity recorded in 2024.

This strong performance is driven by the expanding footprint of Global Capability Centres, the data centre operators, and co-working and managed office providers, all of whom are deepening their presence in the city. Their growing demand for high-quality, scalable office spaces has helped strengthen leasing momentum and increase market stability.

Chennai's share of total office absorption among the top seven Indian cities has also risen consistently—from around 7% in 2021 to nearly 11% by the end of 9M 2025. This shift highlights the city's improving competitiveness and its ability to attract a broader mix of domestic and global occupiers. With strong supply pipelines, improving infrastructure, and a cost-effective ecosystem, Chennai continues to position itself as a rising office market in the country.



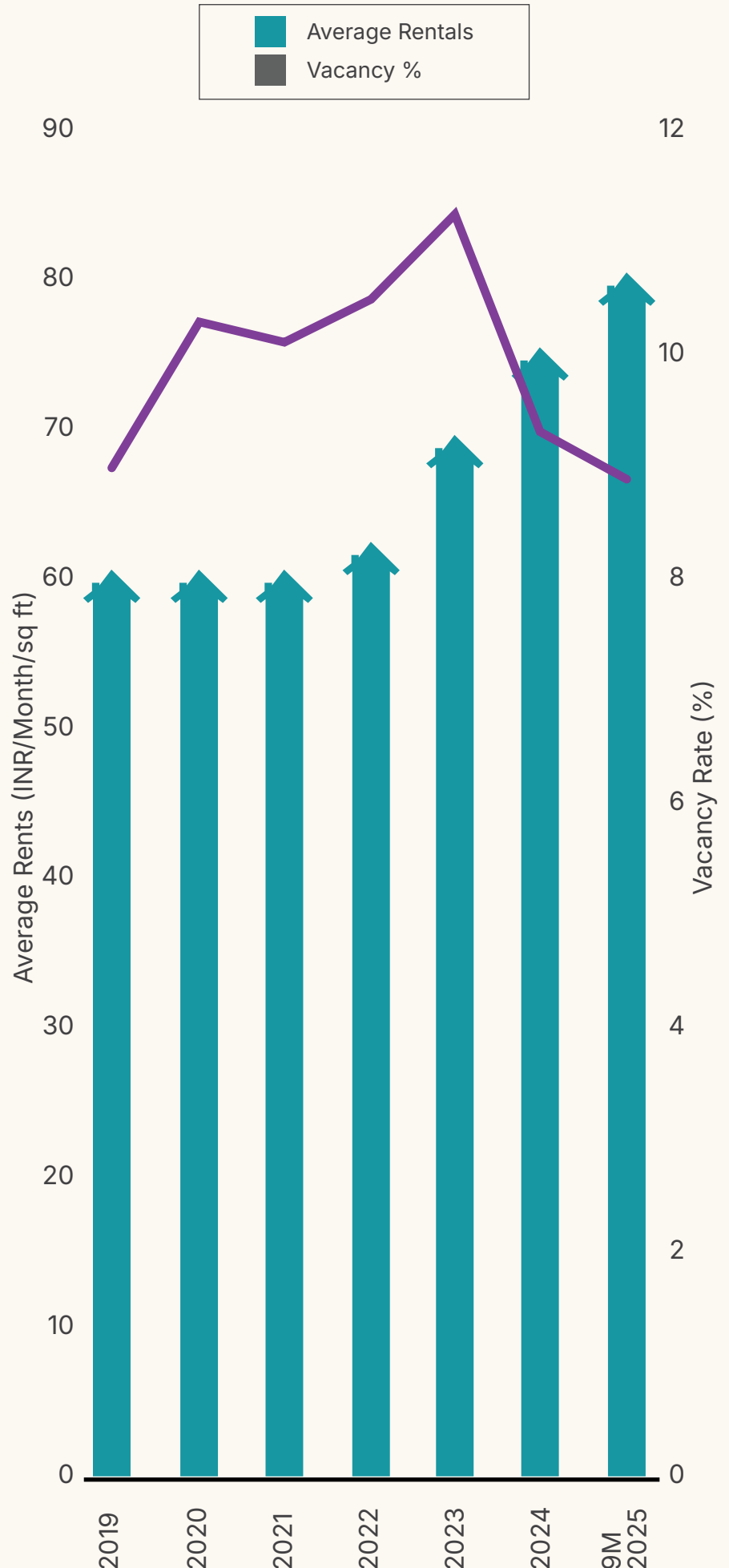
Vacancy & Rental Trends

Chennai's office rental market has been on a steady upward trajectory over the past few years, supported by firm leasing activity, improving occupier sentiment, and a consistent flow of modern developments that emphasise better specifications and sustainability features. At the end of 9M 2025, average office rentals in the city had risen to about INR 80/sq ft/month, up from INR 75/sq ft/month at the end of 2024 registering a rise of 7%. This places Chennai on par with some of the strongest rental growth trends seen in major markets like MMR. Since 2021, the city has recorded an overall rental appreciation of nearly 33%, reflecting sustained demand across key business districts.

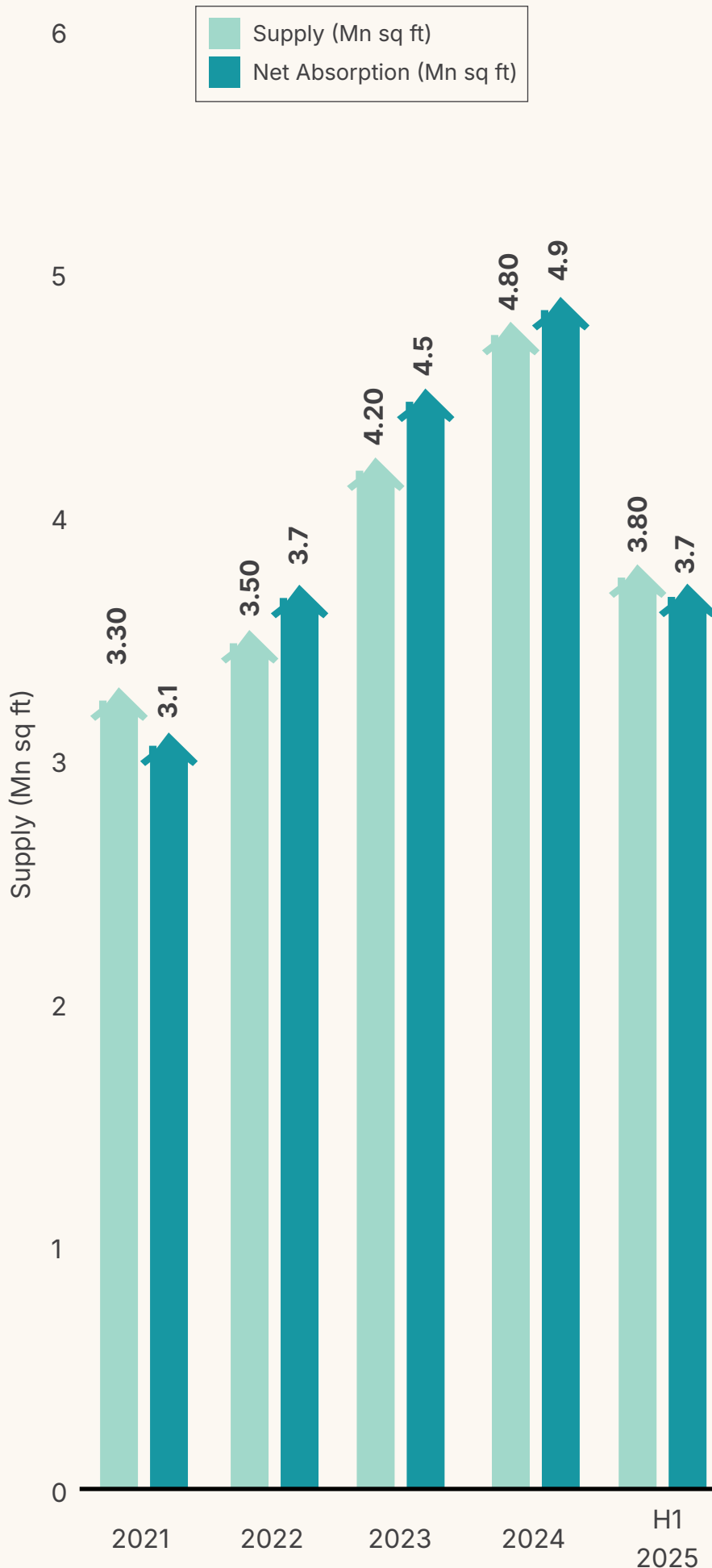
Established micro markets such as Mount Road, RK Salai, and Pre-toll OMR continue to command premium rents, typically ranging between INR 75 and 115 per sq ft per month. Meanwhile, growth corridors like Post-toll OMR offer more competitive rentals in the INR 40–70 range, supporting diverse occupier requirements and steady market absorption.

Rental growth was reinforced by falling vacancies, which eased to 8.9% by 9M 2025 compared to 9.3% in 2024 and 11.3% in 2023, signalling stronger absorption in the market.

Even with this growth, Chennai remains cost-effective compared to other Tier-1 office markets. The relatively lower rent levels, combined with the availability of scalable office spaces, continue to offer notable economies of scale to both domestic and global occupiers, making the city an attractive base for expansion.



Source: Anarock Research

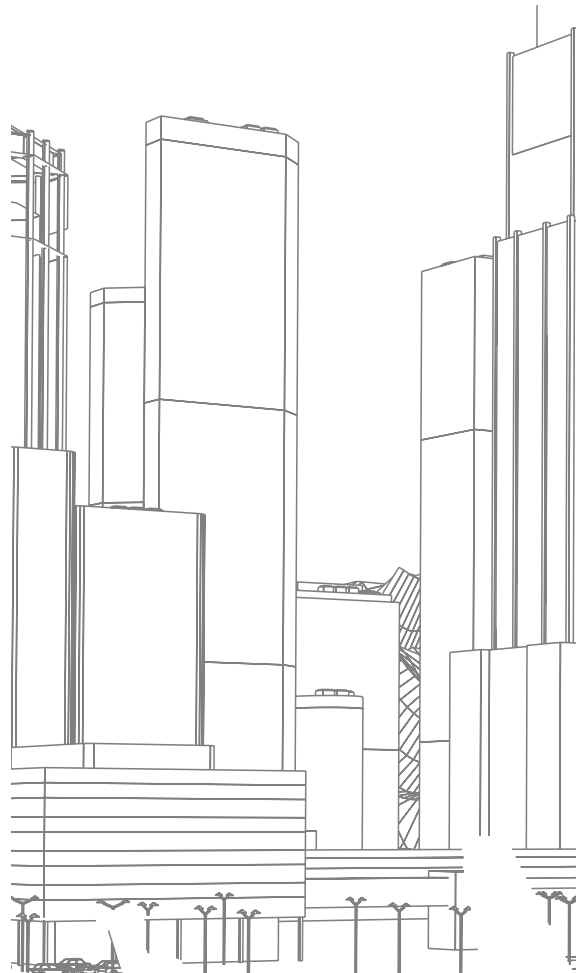


Source: Anarock Research

Chennai Industrial & Warehousing Real Estate Overview

Chennai's industrial and warehousing sector continues to build on its reputation as one of India's most dependable logistics hubs, supported by the state's proactive policy measures. Its strong industrial base, port-led connectivity and expanding ecosystem of manufacturing and 3PL players have kept market activity stable even through periods of fluctuation.

From 2021 to H1 2025, both supply and sales have moved in tandem, reflecting a market driven by real demand rather than speculative development. After a softer phase in 2022, supply picked up again in 2023 and 2024, reaching 4.8 Mn sq ft. Sales also strengthened during this period, rising from 3.1 Mn sq ft in 2021 to nearly 5 Mn sq ft in 2024. In the first half of 2025, the city added 3.8 Mn sq ft of new stock and recorded 3.7 Mn sq ft of absorption.



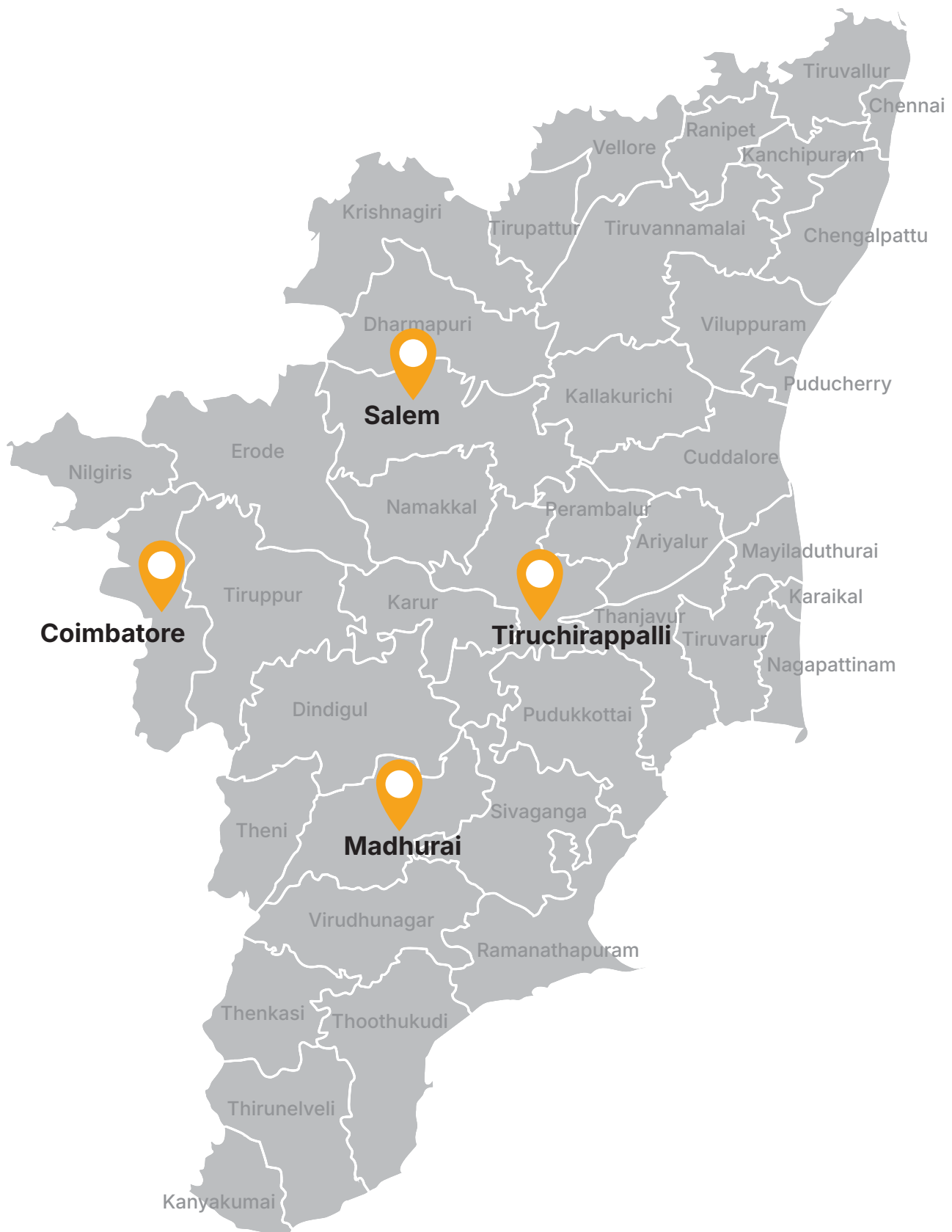
» 05

EMERGING TIER II REAL ESTATE DESTINATIONS



Tamil Nadu's growth story is gradually widening across the cities and sectors. With growth dispersing beyond Chennai, key tier-2 cities are stepping into a more prominent role in the state's real estate landscape drawing attention to cities of Coimbatore, Tiruchirappalli, Madurai and Salem. The rise of IT/ITeS and strengthening industrial ecosystems along with

improved connectivity, skilled manpower and government-led infrastructure initiatives are accelerating their development. As demand rises across residential and commercial segments, these cities are emerging as credible alternatives to the metros and are poised to play a larger role in the state's next phase of real estate growth.



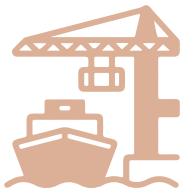
I. Coimbatore

Coimbatore, the second-largest city in Tamil Nadu, continues to strengthen its role as a key hub for industry, education and healthcare. It is also among the fastest-growing Tier-II cities in India. The boom in the industrial sector and employment in the last few years has led to the demand for commercial real estate investment in Coimbatore to increase exponentially.

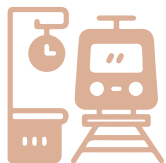
Infrastructure & Connectivity



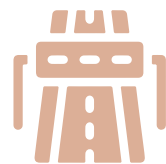
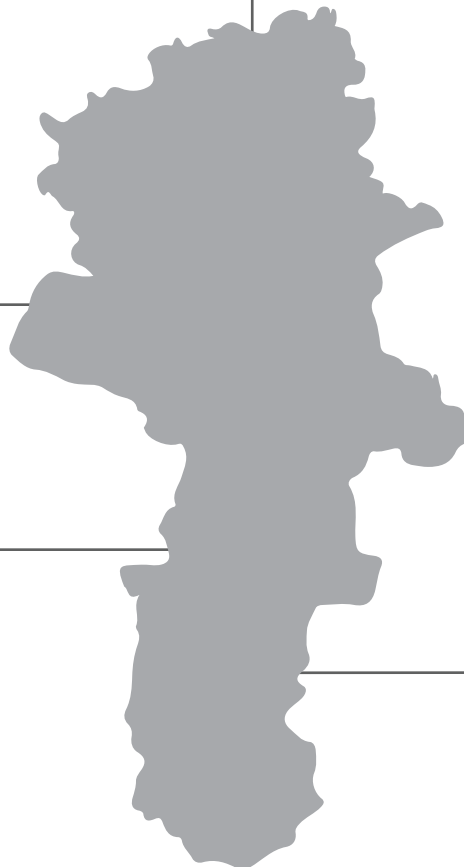
Coimbatore International Airport



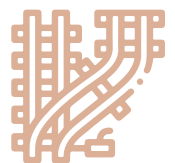
Chennai Port & Thoothukudi Port



Coimbatore Railway Station



**1428 Kms
Total Network
of State & National
Highways**



**277 Kms
Total Railway
Track Length**

At a Glance



Area

4723 sq km



Population

(Based on 2011 Census)

34,58,045



Population Density

732 per sq km



Literacy Rate

83.98%

II. Tiruchirappalli

Tiruchirappalli (Trichy) City is the fourth largest City of Tamil Nadu. The city's economic landscape is characterised by a robust engineering and fabrication sector, with notable contributions from Bharat Heavy Electricals Limited (BHEL) and other key industries, establishing it as an industrial nucleus within Tamil Nadu. Additionally, its designation as a node in the Tamil Nadu Defence Industrial Corridor (TNDIC) underscores its strategic importance in the national defence and aerospace sectors.

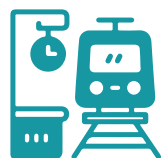
Infrastructure & Connectivity



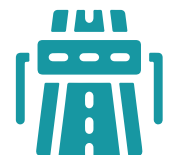
**Tiruchirappalli
International
Airport**



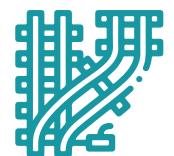
**Chennai Port
& Cuddalore
Port**



**Tiruchirappalli
Railway
Station**



**1294.27 Kms
Total Network
of State & National
Highways**



**1026.55 Kms
Total Railway
Track Length**

At a Glance



Area

4407 sq km



Population

(Based on 2011 Census)

27,22,290



Population Density

618 per sq km



Literacy Rate

83.23%

III. Madurai

Madurai, known for its rich heritage and tourism appeal, is guided by the Master Plan 2021–2041, which expands the Local Planning Area to 1,254.93 sq km. The plan focuses on sustainable growth while strengthening the city's role in tourism and education. The district is highly urbanized with strong textile, food and rubber processing industries.

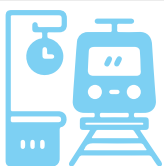
Infrastructure & Connectivity



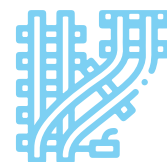
Madurai International Airport



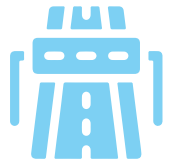
Thoothukudi Port



Madurai Railway Station



**1256 Kms
Total Railway
Track Length**



**1572.38 Kms
Total Network
of State & National
Highways**

At a Glance



Area

3740.73 sq km



Population

(Based on 2011 Census)

30,38,252



Population Density

812 per sq km



Literacy Rate

83.45%

IV. Salem

Salem, the fourth-largest city in Tamil Nadu, has an economy anchored in textiles, mining and trade, with prominent steel, textile and agro-based industries. Housing is dominated by individual homes and small apartment clusters, while gated communities and high-rises are still emerging, with demand largely driven by end users.

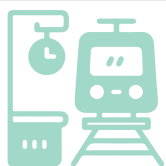
Infrastructure & Connectivity



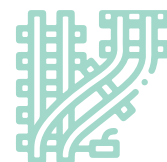
**Salem Domestic
Airport & Coimbatore
International Airport**



**Thoothukudi
Port &
Chennai Port**



**Salem
Railway
Station**



**282 Kms
Total Railway
Track Length**



**2523 Kms
Total Network
of State & National
Highways**

At a Glance



Area

5245 sq km



Population

(Based on 2011 Census)

34,82,056



Population Density

669 per sq km



Literacy Rate

72.86%

» 06 WAY FORWARD



With a focused vision toward becoming a USD 1 trillion economy by 2030, Tamil Nadu is advancing into a more ambitious phase of its growth story. The state's enduring strength lies in the balanced partnership between its industrial base and its expanding services economy. This balance continues to draw global and local investments anchored in innovation and long-term opportunity.

The state's established manufacturing clusters across automobiles, electronics, precision engineering, textiles and pharmaceuticals continue to attract significant strategic investment. These clusters provide not only a strong production base but also serve as platforms for research-driven and technology-intensive activities. This momentum has extended notably to the services sector, including IT-ITeS, GCCs, and new-age digital industries, with Chennai at the forefront and key Tier-II cities such as Coimbatore, Madurai, and Tiruchirappalli emerging as strong beneficiaries.

Also, a strong push toward infrastructure expansion is aimed at accelerating this trajectory. Major upgrades such as the proposed Parandur airport, the next phase of the Chennai Metro, new industrial corridors, logistics parks and upcoming port infrastructure, all are set to substantially improve connectivity, reduce transit inefficiencies, and distribute economic activity more evenly across regions. The development of industrial clusters and sector-specific parks is likely to create new growth nodes, each contributing to the state's broader economic vision.

Real estate dynamics mirror these economic shifts. Chennai continues to anchor residential and commercial activity, supported by strong demand from technology-led businesses and expanding social infrastructure. At the same time, tier 2 cities such as Coimbatore, Madurai, Tiruchirappalli and Salem are witnessing rising traction, driven by industrial expansion, growing employment opportunities, and improved urban infrastructure. Together, these trends signal a more widely distributed pattern of development across Tamil Nadu.

With a strong policy framework, focused investments, and a commitment to building competitive capacities, Tamil Nadu is poised to further anchor India's economic progress. The state's forward-looking approach underscores a trajectory aimed at sustained influence and resilience, positioning it to lead with confidence in a shifting global environment.









Anarock is the leading independent real estate services company with a visible presence across India, Middle East, USA and Singapore. The Company has diversified interests across the real estate lifecycle and deploys its proprietary technology platform to accelerate marketing and sales on behalf of its clients.

Over the last eight years, Anarock has expanded from being a residential-focused organization to complementary sectors including retail, commercial, hospitality, logistics & data centres, industrial and land. The firm also specialises in strategic advisory, investment banking, research & valuations and offers app based flexible workspaces and society management services. Anarock has developed proprietary technology that is adopted across all its businesses.

Anarock has a team of over 2200+ experienced real estate professionals who operate across all major markets in India, Middle East, USA and Singapore.



Established in 1927, FICCI is the largest and oldest apex business organisation in India. Its history is closely interwoven with India's struggle for independence, its industrialisation, and its emergence as one of the most rapidly growing global economies. A not-forprofit organisation, FICCI is the voice of India's business and industry. From influencing policy to encouraging debate, engaging with policy makers and civil society, FICCI articulates the views and concerns of industry. It serves its members from the Indian private and public corporate sectors and multinational companies, drawing its strength from diverse regional chambers of commerce and industry across states, reaching out to over 250,000 companies. FICCI provides a platform for networking and consensus building within and across sectors and is the first port of call for Indian industry, policy makers and the international business community.

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AMERICAS MIDDLE EAST EUROPE ASIA PACIFIC



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