

Publication	The Hindu Business Line
Date	15 October 2024

Chennai suburbs drive high-rise residential unit growth

TE Raja Simhan
Chennai

Chennai's suburbs are propelling the surge in the high-rise residential buildings. Locations such as Kelambakkam, Kundrathur and Mangadu are key residential hotspots fuelled by growing urbanisation spurred by industries like IT, automobiles and electronics.

The city's residential market saw a healthy launch of around 6,000 residential units, a 19 per cent quarter-on-quarter growth and a 33 per cent year-on-year increase. Locations such as Katupakkam, Paranur and Madambakkam witnessed strong unit launches, according to a report by Cushman & Wakefield Research.

STRONG MOMENTUM
Industry sources said that the suburbs will maintain



URBAN EXPANSION. Industry sources said that the suburbs will maintain strong momentum for new launches. KARUNAKARAN

strong momentum for new launches.

M Murali, Chairman and Managing Director, Shriram Properties Ltd, says that Chennai is witnessing good growth in residential and commercial real estate demand. The State Government is providing a strong push for industrial growth in the State, resulting in demand the residential units.

Echoing Murali, Bharat M Jain, Director of the Chen-

nai-based Arihant Foundations & Housing, says that Chennai's residential market continues to expand, driven by improved infrastructure and rising urban population.

The 33 per cent year-on-year increase in new launches, particularly in suburbs like Pallavaram and Kelambakkam, underscores the shift toward affordable, well-connected locations.

Saligramam has also seen strong traction, and with

Arihant launching Melange, a premium project, last quarter, the need for quality living in this key area is being met. With demand growing in areas like Manapakkam and Mangadu, the outlook for further expansion in mid-segment and premium housing remains promising, he said.

Rohan Gigi George, Business Development Manager, Tofl Infrastructure Ltd, said developers remain cautious about launching ultra-luxury projects. Mid-end projects priced in the ₹40 Lakh to ₹80 Lakh bracket dominated the new supply in the last few quarters, accounting for almost 70 per cent of the share in H1 2024, compared to nearly 40 per cent in 2019.

RISING PRICES

Increasing input costs coupled with the improved demand, led to higher ticket prices across the segments.

On the other hand, the share of affordable housing dropped sharply from 39 per cent in 2019 to just 1 per cent in H1 2024. The share of properties priced between ₹1.5 crore to ₹2.5 crore also increased to 9 per cent from 5 per cent during the same period mentioned above.

Developers focused on launching new projects, particularly in emerging suburban areas of Southern Chennai, addressing the increasing urbanisation and demand for modern housing solutions.

Compared to 2023, absorption in West Chennai has increased to 28 per cent from 19 per cent, while in North Chennai from 6 per cent to 10 per cent. South Chennai saw demand marginally reducing to 60 per cent from 74 per cent, he said.

After a long hiatus, the Vandalur to Oragadam road

that leads to the automobile cluster is regaining traction, a lot of supply is projected in that corridor including Padappai, Varadharajapuram and Thirumudivakkam in the coming year, he said.

The metro line to Poonamallee and the Fintech City development are giving good prospects to areas like Manapakkam beyond the organic demand from IT parks in Porur, he said.