

5 FAST FACTS

CHENNAI | Q4 2025



The Need-to-Know for Chennai's Commercial Real Estate

1 OFFICE MARKET WITNESSED RECORD NET ABSORPTION

The city **added 2.19 MSF of Grade A office supply** in Q4, taking total 2025 completions to 4.75 MSF. Despite the high supply influx, **full-year net absorption surged to a historic 7.02 MSF**, supported by strong pre-commitments and sustained fresh space take-up. Consequently, vacancy declined by **over 400 bps Y-O-Y to 12.44%** in Q4.



2 GCCS ANCHORED ROBUST OFFICE LEASING ACTIVITY

Chennai's office market recorded **gross leasing of 2.02 MSF** in Q4. For full-year 2025, leasing reached 8.99 MSF, **recording a strong 23% Y-O-Y growth**. GCCs drove demand, **contributing 51% of Q4 leasing and 41% of annual leasing**, the highest share recorded for the city.



3 MAINSTREETS CONTINUED TO DOMINATE RETAIL LEASING

Retail leasing in Chennai stood at **0.19 MSF in Q4**, while full-year leasing **reached 0.68 MSF**. Mainstreets accounted for **92% of quarterly demand**, led by Peripheral South and Suburban South. Department stores, fashion and F&B brands, primarily domestic players, remained the key demand drivers.



4 RESIDENTIAL SUPPLY REMAINED CONCENTRATED IN SOUTHERN SUBURBS

Chennai recorded **~3,700 residential unit launches in Q4**. On an annual basis, launches **rose 13% Y-O-Y to nearly 23,300 units**, with Suburban South I and II together contributing about **81% of total supply**, highlighting continued focus on southern micro-markets.



5 WAREHOUSING AND INDUSTRIAL LEASING WAS DRIVEN BY LOGISTICS AND MANUFACTURING TIGHTENED marginally

Chennai's warehousing market recorded **3.1 MSF of leasing in H2-25 and 5.2 MSF for full-year 2025**, led by 3PL occupiers and concentrated in western and northern corridors. Industrial leasing **reached 4.5 MSF in 2025**, a **32% Y-O-Y increase**, with Automobile and Engineering sectors accounting for the bulk of manufacturing demand.



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