

## OVERVIEW

- **Chennai**, (formerly Madras) located on the northeastern tip of the southern Indian state of Tamil Nadu.
- India's fourth largest city and the capital of Tamil Nadu. It is often referred to as the 'Gateway to the South'.
- The city is located on the Coromandel Coast, with the Bay of Bengal along its shoreline, was formerly a cluster of villages which grew around the British settlement of Fort Saint George.



## HISTORY

- Madras, acquired its name from Madraspattinam which is a fishing village situated to the north of Fort St. George
- During 16th and 18th century, Madras was ruled by Portuguese and Frenchmen.
- Madras was the only Indian city which was attacked during the World War I.
- After India gained independence in 1947, Chennai became the capital of Madras State. In 1969 Madras state was renamed as state of Tamil Nadu.
- In 1995 when Bombay was renamed to Mumbai, the ruling political party renamed Madras to Chennai.



## GEOGRAPHY

### **Location**

- The geographical coordinates of Chennai is 13°04'N latitude and 80°17'E longitude. It is located at an altitude of 8 meters approximately from the sea level.

### **Climate**

- Chennai city has a tropical climate and is hot and humid throughout the year.

### **Temperatures:**

- Winter- 18-32 degrees Celsius.
- Summer- 21-40 degrees Celsius

### **Four Divisions:**

- **North**- North Chennai is primarily an industrial area.
- **Central**-Central Chennai is the commercial heart of the city and includes an important business district.
- **South and West** -South Chennai and West Chennai used to be residential areas. Though, now they are becoming commercial regions with many information technology firms, financial companies and call centre's.



## ECONOMY

- Chennai's economy is based on the automobile sector, software services, hardware manufacturing, healthcare and financial services
- Chennai is the India's second largest exporter of Information Technology (IT) and business process outsourcing(BPO) services.
- The revenue and the employment sectors of the city are very advanced.
- Chennai is seat of prominent financial institutions, including the World Bank, HSBC, Citi Bank.



## INFRASTRUCTURE DEVELOPMENT



### Chennai Outer Ring Road:

- Chennai's Outer Ring Road (ORR) is a 62.3km project being constructed around the Chennai Metropolitan Area (CMA) in Tamil Nadu, India.
- The project will connect the GST Road starting at Vandalur to the TPP Road, ending at Minjur.
- ORR connects NH-45 at Vandalur, NH-4 at Nazarethpet, NH-205 at Nemilichery, NH-5 at Nallur and TPP road at Minjur, running across a length of 62.0 km.
- The alignment comprises of a road and rail corridor within a width of 72 metres. The estimated project cost is about INR 1,081.40 crore.
- The first phase of land acquisition from NH-45 to NH-205 for a length of 29.2 km, covering 29 villages has been completed and possession taken by CMDA.
- The second phase of acquisition from NH- 205 to TPP Road ,covering 27 villages is under progress.
- This project is expected to be completed by december 2012



Source: [www.roadtrafficechnology.com](http://www.roadtrafficechnology.com)

## CHENNAI METRO RAIL

- Chennai Metro rail system was mooted for the city of Chennai by S.Shreedharan the DMRC(Delhi Metro Rail Corporation Limited) to the Tamil Nadu CM Jay Lalitha
- About 55% of the corridors in phase 1 is underground and remaining elevated
- The entire project is scheduled to be completed by the financial year 2014-2015
- The DPR(Delhi metro rail project) envisages the creation of 2 initial corridors under the proposed phase-1 of the Chennai Metro Rail Project as shown below:

<b>CORRIDOR</b>	<b>LENGTH</b>
Washermenpet to Airport	23.1kms
Chennai Central to St. Thomas Mount	22.0kms
<b>TOTAL</b>	<b>45.1KMS</b>

### CORRIDOR 1:

Washermenpet – Broadway (Prakasam Road) – Chennai Central Station – Rippon Building – along Cooum River – Government Estate – Tarapore Towers – Spencers – Gemini – Anna Salai – Saidapet – Guindy – Chennai Airport.

### CORRIDOR 2:

Chennai Central – along EVR Periyar Salai – Vepery – Kilpauk Medical College – Aminjikarai – Shenoy Nagar – Annanagar East – Anna Nagar 2nd Avenue – Tirumangalam – Koyambedu – CMBT – along Inner Ring Road – Vadapalani – Ashok Nagar – SIDCO – Alandur – St. Thomas Mount.

## UPCOMING PROJECTS:

### ELEVATED FOUR LANE LINK ROAD FROM CHENNAI PORT TO MADURAVOYAL:

- The Chennai Port-Maduravoyal Expressway is a proposed 19 km elevated expressway.
- The corridor begins at War Memorial Gate at Chennai Port and travels along the bank of the Cooum River till it reaches Koyambedu and along the median of NH-4 thereon till it reaches Maduravoyal.
- The project is aimed at improving connectivity between Chennai city and the port, to aid easy transit of shipments.
- The estimated cost of the project is INR 1,655-crore.
- This corridor is implemented under Phase-VII of National Highways Development Project by NHA and would operate on a Build-Operate-Transfer (BOT) basis. The project is likely to be completed in 2013.

### CHENNAI-ENNORE PORT ROAD CONNECTIVITY PROJECT:

- The INR 600-crore project is vital for the future development of Chennai Port, as it will upgrade the city roads, connecting the Port to the hinterland and thereby improve the efficiency of cargo evacuation.
- The project is likely to be completed by 2013.





## CHENNAI REAL ESTATE



- The real estate market in Chennai has been a `conservative' and promising destination for investments relative to other real estate markets in South India.
- The city is emerging as an IT and manufacturing hub. The slowdown in industrial output and restricted hiring witnessed in these sectors has impacted the real estate scenario in the city.
- IT/ITES is predominantly driving the demand along the Old Mahabalipuram Road (OMR) and also the Great Southern Trunk Road (GST Road) to a certain extent.
- Builders encouraging the long term investment in real estate market

- The following table shows the difference in long term and short term investment

Type	Period	Difference
Short Term	10-12 months	Stagnation/Stability in capital value
Long Term	50-60 months	7-9% Year over year appreciation in capital value with an upward bias on a conservative note

- We have classified the real estate space in Chennai into four distinct zones: North Chennai, South Chennai, West Chennai and Central Business District / Off Central Business District, on the basis of location and real estate activity

## NORTH CHENNAI

### MAJOR LOCATIONS:

Aminjikkarai, Villivakkam, Ayanavaram, Kolathur, Perambur, Vyasarpadi, Tondiarpet, Madhavaram, Manali, Tiruvottiyur.

### GROWTH STIMULATORS:

- The development of port infrastructure at Ennore and improved road connectivity to North Chennai is expected to drive employment opportunities and provide the necessary push for growth of real estate in this belt.
- In the long run, the automobile industry and locomotive workshops dotting Perambur and the surrounding regions will help drive demand for residential real estate in North Chennai.
- The micromarkets of Vyasarpadi, Thondiarpet, Madhavaram, Manali, Thiruvottiyur have smaller builder projects with basic amenities catering to the surrounding catchments

**Property rates slightly drops**



## SOUTH CHENNAI

### MAJOR LOCATIONS:

**Old Mahabalipuram Road (OMR):** Perungudi, Thoraiyakkam, Sholinganallur, Semmenchery, Siruseri, Navallur, Padur, Kelambakkam, Thiruporur.

**Grand Southern Trunk Road (GST):** Pallavaram, Chrompet, Tambaram, Perungalathur, Vandalur, Urupakkam, Guduvanchery, Singaperumal Koil.

**Others:** East Coast Road, Vandalur-Kelambakkam Road, Velachery-Tambaram Road, Perumbakkam, Madipakkam, Medavakkam, Pallikarnai.

### GROWTH STIMULATORS:

- The IT/ITES corridor of OMR is developing into a self-sustaining hub with the presence of good schools, colleges, hospitals and organised retail. Further the infusion of mall space in the coming months, will lend greater push to real estate activity in the region.
- It has also been observed that IT companies are consolidating their operations from various parts of the city, into a single premise located along OMR. Such a development would help create a greater end-user segment for real estate activity in this belt.
- The GST proves to be a vital connecting link between Chennai and the city of Trichy. The region is dotted with SEZs, IT Parks, educational institutions, premium hotels and also serves as a gateway to the industrial hubs of Oragadam and Sriperumbudur.
- The south of Chennai, primarily houses end-users employed in the IT/ITES and manufacturing segment.

**Property rates seems to be neutral**



## WEST CHENNAI

### MAJOR LOCATIONS:

Oragadam, Sriperumbudur, Poonamallee, Chennai-Bangalore Highway (NH-4), Chennai Bypass Porur, Valasaravakkam, Ramapuram, Moggapair, Ambattur, Nolumbur, Ayanambakkam

### GROWTH STIMULATORS:

- Sriperumbudur is strategically located along the Chennai-Bangalore Highway and is approximately 40 km from Chennai City.
- The availability of quality manpower, improved infrastructure and the presence of major manufacturing industries will continue to drive real estate prospects.
- The proposed Bangalore-Chennai expressway, the multi-modal logistics hub and the Greenfield Airport at Sriperumbudur will change the real estate dynamics of this region in the years ahead.
- Oragadam is being developed as an industrial corridor with automobile majors foraying into this region. The improved infrastructure, presence of quality living spaces and connectivity to the city, would help this region evolve into a self-sustaining micromarket in the years ahead.

**Property rates are slightly higher**



## CENTRAL BUSINESS DISTRICT(CBD)/OFF CENTRAL BUSINESS DISTRICT

### MAJOR LOCATIONS:

Boat Club, Poes Garden, Nungambakkam, Adyar, Alwarpet, R. A. Puram, Besant nagar, Mylapore, Santhome, T.Nagar, K.K. Nagar, Ashoknagar, Thiruvanmayur, Velachery, Vadapalani, Saligramam, Triplicane, Nelson Manickam Road, Koyambedu, Kilpauk, Purusuwakkam.

### GROWTH STIMULATORS:

- The presence of reputed financial institutions, corporate workspaces, good social infrastructure and excellent connectivity to the various parts of the city will drive growth in the region.
- The Off CBD areas of Annanagar, K.K. Nagar, Ashok Nagar and Vadapalani are witnessing the redevelopment of projects.
- Velachery has developed into a prime residential destination. Presence of social infrastructure, connectivity to the key arterial roads and proximity to the CBD has made it an attractive residential location

**Shows higher rates in Residential property**



## BUY VS RENT ANALYSIS OF CHENNAI

The index for the city of Chennai has increased from 21 to 22 from Oct-Dec'11 to Jan-March'12 period respectively. The city is in the neutral range, property seekers in Chennai are advised to take the final decision based on their financial situation.

Makkan.com Buy Vs Rent Index(MBRI)					
City	MBRI(October-December 2011)	MBRI(January-March 2012)	Variance		Recommendation
Chennai All	21	22	Δ	1	Neutral
Chennai South	18	23	Δ	5	Neutral
Chennai North	25	21	▽	-4	Neutral

### SUPPLEMENTS:

How to interpret MBRI(Makkan.com Buy Vs Rent Index)?

**MBRI of 1 to 20:** This denotes that it is much less expensive to buy a house (flat) than to stay on rental, in these cities / sub-cities. Property seekers looking at investing here are advised to buy a property than staying on rentals.

**MBRI of 21 to 25:** This denotes that it is relatively more expensive to buy a house than to stay on rental, in these cities / sub-cities. This is a neutral range and property seekers looking at investing here are advised to take the final decision based on their financial situation.

**MBRI of 25 plus :** This denotes that it is much more expensive to buy a house than to stay on rental, in these cities / sub-cities. Property seekers looking at investing here are advised to rent a property rather than buying.