

Chennai chooses stability in real estate

Chennai's housing market last year was defined by intent, not speculation, as buyers favoured connectivity, liveability, and trusted developments

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Chennai's residential real estate market in 2025 stood out for its steady, end-user-driven growth. Backed by improving infrastructure and relatively stable pricing, the city continued to attract both first-time homebuyers and long-term investors. Buyer preferences increasingly leaned toward well-connected neighbourhoods, gated communities, and homes offering better liveability, making 2025 a year that conclusively reinforced Chennai's reputation as a resilient housing market.

"Prices appreciated in the mid-single digits across most micro-markets, reflecting a balance between demand and supply rather than speculative overheating," shares Manju Yagnik, vice chairman, Nahar Group. Experts in the field state that healthy sales momentum and calibrated price appreciation has ensured that the city's real estate market witnesses steady and simultaneously strong growth. Vimaleshwar Singh, chief business officer (residential) at Mahindra Lifescapes, adds, "Homebuyers showed a clear preference for projects that offer strong connectivity, quality construction, especially in well-planned developments and integrated townships that provide a holistic living experience rather than just housing."

→ Which segments performed the best in 2025?

Experts believe that mid-income and premium housing segments emerged as the strongest performers in 2025. "Homes in the Rs 80 lakh to Rs two crore segment dominated sales, buoyed by strong end-user absorption and employment growth in IT/ITES and global capability centres.

Luxury homes also saw surging interest," mentions Sathish CG, deputy managing director, Casagrande.

The demand is also driven by HNIs, NRIs, and senior professionals seeking larger homes, gated communities, and amenity-rich developments. The mid-income segment benefited from upgraded lifestyle aspirations and improved access to home loans.

→ Strong performing micro-markets

OMR and GST Road emerged as clear leaders, supported by proximity to employment hubs, improving Metro and road infrastructure, and a steady supply of mid-segment and premium housing. "These corridors attracted both first-time buyers and long-term end-users, sustaining healthy absorption. West Chen-

na locations such as Porur and Pallavaram also gained momentum, driven by expanding Metro connectivity, solid infrastructure, and organised residential development. Meanwhile, select pockets of North Chennai are beginning to see renewed interest, driven by redevelopment and infrastructure upgrades. Micro-markets such as Porur, Kelambakkam, and Ambattur also saw strong sales momentum, supported by proximity to IT and manufacturing hubs, including Ananthapuram, Meenambalam, Sholinganallur, and CEO, India, South-East Asia, Middle East and Africa at CBRE.

Overall, demand is consolidating around liveable, infrastructure-led micro-markets, setting the stage for sustained residential growth in Chennai through 2026.

"In 2025, Chennai's southern suburbs clearly emerged as the strongest-performing residential corridor, followed by the Thiruvallikkeni Radial Road and the Thiruvallikkeni corridor led activity supported by proximity to the IT corridor, improving infrastructure, and steady capital value growth. The Medavakkam-Sholinganallur stretch also recorded healthy momentum, driven by rising rental demand and balanced participation from end users and investors. West Chen-

na, core central markets continued to perform well due to limited land availability and high demand for premium housing. Suburban South I and Suburban South II together accounted for nearly half of quarterly residential launches in 2025, highlighting sustained buyer preference for Chennai's southern corridors. In 2026, growth is expected to be driven by key micro-markets, including OMR, Porur, the Grand Southern Trunk Road belt around Chengalpattu, and the Pallavaram-Thoraipakkam Radial Road, all of which benefit from proximity to major up-zones and proximity to major employment hubs," adds Singh.

South Chennai continued to dominate residential momentum in 2025, led by OMR and GST Road corridors anchored by IT hubs, Metro Phase II connectivity, and social infrastructure depth. Sathish CG, adds, "Micro markets such as Siruseri and Sholinganallur benefited from office absorption and strong rental demand, while Kandukkurai and Pallavaram emerged as strong growth corridors. In North Chennai, Perambur gained renewed interest due to connectivity upgrades and redevelopment. Central locations like Adyar and Anna Nagar remained premium strongholds, driven by scarcity and lifestyle appeal.

"Moreover, redevelopment in established neighbourhoods improved housing quality while

preserving urban character," exclaims Sathish CG.

→ Key challenges

In 2025, homebuyers were primarily faced with challenges like rising prices and tighter availability of well-planned projects in core locations.

"Buyers are increasingly unwilling

to compromise on location, build quality, or long-term value, even as prices rise. This is shaping a more mature market where demand is consolidating around trusted developers, larger homes, and thoughtfully designed communities, while buyers show greater patience for under-construction projects that

offer better product, amenities, and future appreciation," informs Singh.

→ Future expectations

Market experts state that South and West Chennai are expected to continue as the primary residential growth corridors in 2026.

"The new Kuthambakkam bus terminus and Chennai Metro Corridor 4 have already led to heightened residential interest in western suburbs. Redevelopment-led growth in Central and North Chennai can gain further momentum with improved clarity from the Goods Ownership Act, which is expected to attract more homebuyers and accelerate redevelopment projects.

Aligning registration and stamp duty charges for PMAY-U 2.0 dwelling units below 60 sq m with national guidelines can further boost affordable housing. Recognising compact and studio housing designs as habitable dwelling units, particularly for single-parent households and working women, will further expand access to homeownership," RBD reports.

GST rationalisation on construction materials, and supportive policy measures are expected to further enhance affordability and strengthen buyer sentiment, particularly in the affordable housing segment in 2026," concludes Mohamed Ali, president, CREDAI Chennai.

A QUIETLY STRONG YEAR



- Chennai recorded steady residential growth in 2025
- The market remained end-user driven
- Infrastructure upgrades and stable prices kept demand resilient

BUYER SENTIMENT



- First-time buyers stayed active
- Long-term investors remained confident
- Liveability mattered more than speculation
- Connectivity shaped purchase decisions

PRICE MOVEMENT



- Prices rose in mid-single digits
- Growth stayed balanced and controlled

WHAT BUYERS PREFERRED



- Well-connected neighbourhoods
- Gated communities with amenities
- Quality construction and planned layouts

BEST PERFORMING SEGMENTS



- Mid-income housing led demand
- Premium housing followed closely
- Homes priced between Rs 80 lakh and Rs two crore dominated sales
- Luxury homes saw interest in established city locations

