

GLOBAL SPOTLIGHT

Chennai, India



Chennai, the third largest commercial and industrial center in India, has emerged as a multifaceted metropolis.

- Chennai's economic growth is fueled by the automobile, software development & business process outsourcing industries, traditional industrial houses of TamilNadu and Telecom. Other key industries include hardware manufacturing, financial services, banking, petrol-chemicals and textiles.
- Approximately 50% of the total projected Commercial /IT space supply has either been pre-leased or already absorbed, indicating the robust demand in the city. Due to increasing corporate interest in Chennai, the city is expected to see total supply increase to 9.1 million SF in 2007.
- Residential costs are stabilizing in Chennai. However, the outskirts are witnessing a decrease in sales due to the increase in cost over the last two years. The average cost for premium space in the residential market is approximately Rs.12,000 – 18,000/ per SF. Average costs in the outskirts range from Rs.3,000 – Rs.4,500 per SF.
- The industrial sector is on the rise due to an investment boom created by the auto, retail, telecom and manufacturing industries in and around Chennai.
- Demand for retail space in Chennai is high. Currently, 3.4 million SF of retail space is under construction and expected to be completed by the end of 2008. Due to the lack of supply, rental values in the retail market will continue to increase.

Chennai At A Glance

City Population	4.35 Million (2006)
Metro Population	7.46 Million (2006)
Location	Capital of the state of Tamil Nadu, South India
GDP	\$4.156 Trillion (2006)
Inflation	4%
Interest	0.1% ICICI Bank
Unemployment	7.8% (2006)
Exchange Rate:	1 INR = \$.0249 (2007)

Property Office Space	Rent/SF/Month Low	High	Vacancy Rate
Central Business District	45	55-75	3-5%
Secondary Business District	30	55	5%
Peripheral Business District/IT Corridor	25-30	30-45	3-5%

NAI Hemdev's International Realty Services offers local market expertise in Chennai and Tamil Nadu.

About NAI Global:

NAI Global is one of the world's leading providers of commercial real estate services. We bring together people and resources wherever needed to deliver outstanding results for our clients.

At A Glance

350	Offices
45	Countries
5,000	Professionals
\$40 billion	Annual Transaction Volume
200	MSF of Property Management

For more information about NAI Global please visit www.naiglobal.com or call 1.609.945.4000



Commercial Real Estate Services, Worldwide.

August 2007

Build on the power of our network.™