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Here's how working professionals are driving rental trends in Chennai

A look into Chennai's residential rental market shows how workforce migration is influencing rental rates

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Chennai being one of the top metro cities in the country tends to attract several working professionals and students who pursue career opportunities there. The city is known for its vast commercial and educational institutes that drive the rental housing demand of the city. "The thriving IT industry in the city attracts professionals from across India and beyond, leading to increased demand for rental properties. Steady economic growth has resulted in more job opportunities and higher disposable incomes, encouraging independent living arrangements. With rapid urbanisation, Chennai, just like other cities, has expanded even at the peripherials, with the need for rental accommodations growing near workplaces. Additionally, Chennai's student population, attracted by prestigious educational institutions, is another factor responsible for increased rental housing demand," shares Murali Malayappan, chairman and managing director of a developer firm.

Malayappan further goes on to add, "Additionally, the fact that people are migrating for better opportunities contributes to the dynamics of the city's rental market. Limited housing stock, especially affordable options, combined with the perception of rental properties as lucrative investments, further impact rental prices. Furthermore, different rental market segments, including luxury, student, and budget rentals, have their own unique influencing factors, such as high-end amenities, proximity to employment hubs,



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and affordability for low-income earners and migrant workers."

The commercial sector in Chennai has been witnessing rapid growth that has also fueled some rental influx by residents looking for better job opportunities. Srinivas Anikpatti, senior director of Tamil Nadu and Kerala, Knight Frank India shares a few areas across Chennai that are commercially well-developed:

• **Central Chennai** - Anna Nagar, Anna Salai, T Nagar;

• **West Chennai** - Porur, Ambattur, Sriperumbudur;
• **South Chennai** - Chrompet, Sholinganallur, Guduvancheri, Kelambakkam, locations along the Old Mahabalipuram Road (OMR) and Grand Southern Trunk (GST)

While this is the case for the commercial real estate sector in Chennai, Malayappan sheds light on the rental prices of different areas. He says, "In Chennai's real estate market, different neighbourhoods offer a variety of rental choices for one-BHK apartments. For instance, in Porur, the rental rates range from Rs 8,000 to Rs 20,000, depending on factors like location, size, and amenities. In Sholinganallur (along the Old Mahabalipuram Road), one-BHK rentals fluctuate significantly, spanning Rs 10,000 to Rs 25,000. Tambaram is a more affordable option, with one-BHK rentals ranging from Rs 6,000 to Rs 15,000, influenced by amenities and proxim-

ity to the Chennai Suburban Railway Network and the upcoming Metro rail. Valasaravakkam offers a moderate rental range, typically between Rs 8,000 and Rs 18,000, based on size and location. Pallavaram, known for affordability provides one-BHK apartments ranging from Rs 5,000 to Rs 12,000, influenced by factors such as size and amenities." Adding further to the commercial aspect in terms of investment, Manju Yagnik, senior vice president of NAREDCO - Maharashtra adds, "The connectivity is becoming excellent; the amenities are modern, and the vibrant vibe makes them ideal spots for expanding businesses. Moreover, emerging areas like OMR and Porur are catching everyone's eye, fueled by rapid urbanisation and infrastructure upgrades. These spots are ripe for investment, promising handsome returns in both commercial ventures and real estate projects."