



ASSET

Responsibly Yours

REalVIEW

Dear Readers,

REalVIEW is a monthly news digest bringing to our clients and well-wishers news updates on major developments in the realty industry. The periodical will keep the readers updated on the significant changes and trends affecting real estate development within the country as well as globally, thus helping them in taking informed and calculated investment decisions

Responsibly yours,

Sunil Kumar V
Founder & Managing Director
Asset Homes

DEMAND FOR COMMERCIAL PROPERTIES LIKELY TO RISE IN KERALA, SAYS CRISIL SURVEY...



Kochi: If the takeaways from the Real Estate Conclave recently held in Kochi by leading global analytics company CRISIL are any indication, real estate developers are broadly optimistic of continued growth in southern markets, particularly Kerala. The deliberations at the conclave underlined many of the findings of a sentiment survey conducted in the lead-up to the event. Around two-thirds of the respondents in the survey are optimistic about the market in Kerala, which constitutes 3 per cent of the total project registrations in southern states. Around half expect growth in Kerala to touch double digits in years to come. Close to 75 per cent of respondents envision a moderate expansion in demand for commercial properties in the Kerala real estate market in the next 2-3 years due to an anticipated increase in economic activities and infrastructure development. RERA statistics indicate that of the 1.35 lakh project registrations in India, southern states - Tamil Nadu, Andhra Pradesh, Kerala, Karnataka and Telangana - collectively hold 34 per cent share. Maharashtra leads with 35 per cent, followed by Tamil Nadu (16 per cent) and Gujarat (11 per cent).

"The sentiments are driven by an optimistic outlook among homebuyers, supported by a steady stream of quality projects from trusted developers.

Most developers anticipate continued growth in the southern region's residential and commercial real estate segments. Additionally, Tier 2 and 3 cities in these states, particularly Kerala, are poised for growth, fuelled by rapid urbanisation and affordability," Ashish Vora, president and business head, CRISIL Market Intelligence and Analytics, said. As per the survey, 60 per cent of the developers see appetite for sustainable and green building properties growing, moving the industry towards a more environment-conscious approach. An overwhelming 80% of the developers plan to have sustainability as a cornerstone of their future luxury projects, paving the way for a greener future.

Senior citizen living communities and built-to-rent (rental housing) are two models gaining traction.

One in two developers (50 per cent) believes there has been a 25 per cent decline in non-resident Indian (NRI) customers for the past three years.

The mix in Kerala has changed over the years to 40 per cent NRI and 60 per cent domestic from 65 per cent NRI and 35 per cent domestic, with second-generation NRIs increasingly opting for destinations other than Kerala because of better social infrastructure and growth opportunities there. The decline has prompted developers to shift focus to domestic customers.

However, only 21 per cent of developers are looking beyond Kerala for their projects given the growth prospects. Around 60 per cent believe Thrissur has substantial growth potential, as do Palakkad and Kollam. While Kochi and Thiruvananthapuram are experiencing steady growth, several of the micro markets have potential - Edappally, Pallikkara, Kalamassery, Vazhakkala and Vyttila in Kochi, Kowdiar and Kazhakoottam in Thiruvananthapuram, and Kuriachira and Punkunnam in Thrissur, to name some.

According to CRISIL, the real estate industry needs to shift its stance on several counts to overcome current challenges.

"Developers can drive growth by prioritising local market needs. Increasing the supply of affordable housing will help meet demand from local customers. Focusing on sustainable and eco-friendly housing solutions will attract environment-conscious buyers. Leveraging digital advancements will help improve efficiency, transparency, and customer experience.

Exploring new models such as retirement and senior living communities will add revenue lines. Further, fostering partnerships and collaborations with international developers, investors and experts will bring in ideas, expertise and best practices," Binaifer Jehani, business head - Assessments, CRISIL Market Intelligence and Analytics, said.

COMMERCIAL REAL ESTATE IN KOCHI RECORDS ROBUST GROWTH, DRIVEN BY OFFICE AND RETAIL DEMAND



Kochi: CBRE South Asia Pvt. Ltd, India's leading real estate consulting firm, and CREDAI Kerala, today released a joint report titled, 'Kerala's Ascent: The Pulse of India's Progress', at the CREDAI Kerala Statecon 2025. The report comprehensively analyses Kerala's dynamic real estate landscape, highlighting Kochi's growing prominence as a promising destination. According to the report's findings, Kochi boasts a vibrant commercial real estate market, with the office and retail sectors demonstrating a notable upward trend over the past few years. The city's total office space stock grew by ~28% in the last three years and stood at 17 mn. sq. ft as of December 2024; the total retail space stock in Kochi grew at a CAGR of ~9% since 2020 and stood at 3.4 mn. sq. ft as of December 2024. This is a testament to the city's strengthening footprint in the commercial real estate space, reiterating its upward momentum.

Kochi's office sector

In CY 2024, technology firms led the city's office leasing activity with a 44% share in the overall space take-up. In addition to technology firms, research, consulting and analytics (RCA) firms accounted for ~25% of the leasing share in Kochi's office market, followed by flex space operators at 12%, the aviation sector at 11%, banking, finance and insurance (BFSI) companies at 4%, engineering and manufacturing (E&M) at 3%, and other sectors contributing 1%.

The report further indicates that domestic companies were the leading contributors to office space leasing in 2024, accounting for 57% of the overall leasing activity, followed by American-origin companies at 29%, EMEA firms at 11%, and APAC companies at 3%. Additionally, small-sized transactions (less than 50,000 sq. ft) dominated the office absorption, accounting for 78% of total space take-up in CY 2024.

The report highlighted key factors to Kochi's office real estate growth story and highlighted the state government-led initiatives positioning the city as a cost-effective destination for Indian & global technology companies. The report points out the establishment of the Kochi Infopark Special Economic Zone (SEZ), which further strengthened Kochi's position as a growing office market. Notwithstanding competition from other established centres in South India, Kochi is progressively solidifying its position as a future IT hub. Supportive government policies, transforming infrastructure, and a growing pool of skilled professionals underpin the city's attractiveness to IT firms. With a strategic commitment to sustainable development and technological innovation, Kochi is well-positioned to become a prominent player in the Indian IT landscape.

Kochi's evolving retail landscape

Kochi's retail landscape is supported by a growing consumer base with high disposable incomes, fuelling demand for premium products and lifestyle services. The city's organised retail sector features several large-format malls offering a diverse selection of domestic and international brands.

As of December 2024, Kochi's retail stock stood at 3.4 mn. sq. ft., reflecting a notable growth of ~42% since 2020. The retail leasing in the city in CY 2024 was primarily driven by the fashion and apparel segment, which accounted for a 55% share in total retail leasing. This was followed by homeware and department stores, contributing 27%, while supermarkets constituted an 8% share. The luxury segment and health and personal care held a 3% and 2% share, respectively. This diverse retail composition highlights the evolving consumer preferences and the city's expanding retail landscape.

Kochi's Residential Growth Story

Total residential unit stock in Kochi stood at over 17,000 units by the end of 2024, driven by its status as a key port city and commercial hub. As a major port city and the commercial nucleus of Kerala, Kochi attracts a significant influx of professionals employed in the IT, shipping, and trade industries, thereby generating substantial demand for residential properties. Moreover, the city's robust social infrastructure and comprehensive transportation network, comprising highways, a metro system, and an international airport, play a crucial role in maintaining the vitality of its residential real estate sector. Residential development in Kochi initially took root in the Central Zone, with organised projects emerging in areas such as Panampilly Nagar and Kadavanthra. The premium and luxury segment, particularly waterfront developments, gained prominence at Marine Drive. Over time, leading developers entered this market with high-end projects, leveraging the strategic advantages of the location. This growth gradually extended to the East and North Zones, including Tripunithura, Kakkanad, and Edappally, which have since evolved into

key commercial hubs. Currently, the majority of organised residential developments are concentrated in the East Zone, fuelled by the presence of IT / ITes hubs, including the InfoPark.

Shri. Pinarayi Vijayan, Honourable Chief Minister of Kerala, said "The Kerala government is ready to implement the changes in building regulations. We are committed in ensuring that development remains sustainable. It is essential to consider the carbon footprint, its impact on future generations, and ways to mitigate such effects. We expect the construction sector to contribute to the Nava Kerala Nirmanam (New Kerala Development). The state is undergoing unparalleled development, achieved through collective efforts. Instead of traditional expansion, we should explore vertical habitats, like vertical gardens, to accommodate the growing population."

Anshuman Magazine, Chairman & CEO, India, Southeast Asia, Middle East & Africa, CBRE, said, "Kochi's commercial real estate and residential sector is witnessing sustained momentum, driven by the presence of technology firms. The city's evolving business ecosystem, supported by robust infrastructure and a growing pool of skilled talent, makes it an attractive destination for both domestic and international enterprises. As we move forward, continued investments in office spaces and the expansion of Global Capability Centres (GCCs) will further strengthen Kochi's position as a key commercial hub in South India."

Ram Chandnani, Managing Director, Advisory & Transaction Services, CBRE India, said, "Kochi's retail landscape is undergoing a significant transformation, fuelled by rising consumer demand and increasing urbanization. The expansion of organized retail, led by premium malls and global brand entries, highlights the city's evolving market dynamics. Simultaneously, the residential sector is benefiting from infrastructure growth and the city's appeal to professionals across various industries. Looking ahead, strategic developments in connectivity, sustainability, and smart urban planning will be crucial in shaping Kochi's next growth phase."

Other emerging cities in Kerala

Thiruvananthapuram: A Prominent Urban Centre Thiruvananthapuram, the capital of Kerala, is rapidly evolving into a significant urban centre, driven by a confluence of key factors. The city's IT sector is expanding, spearheaded by Technopark, one of India's largest IT parks, attracting a large pool of skilled professionals and fostering a vibrant tech ecosystem. Technopark houses numerous IT companies, driving innovation and contributing significantly to the city's economic growth. A strong foundation of education and research drives Thiruvananthapuram's development. Renowned educational institutions cultivate a highly skilled workforce, while prestigious research centres, such as the Vikram Sarabhai Space Centre, drive innovation. The city's rich cultural heritage, combined with its picturesque beaches and prominent religious and historical landmarks, contribute significantly to a thriving tourism industry. Ongoing infrastructure development projects, including road improvements and public transportation expansion, are enhancing connectivity, improving the quality of life for residents, and attracting further investment.

Thrissur: A Thriving Real Estate Market

Thrissur's central location within Kerala presents various advantages — the city benefits from robust connectivity via road, rail, and air networks, providing convenient access to major urban centres such as Kochi, Thiruvananthapuram, and Kozhikode. The presence of National Highway 544, which traverses Thrissur, further enhances its accessibility. The city's rich cultural heritage, exemplified by events such as the Thrissur Pooram, adds a distinctive dimension to its appeal. This cultural vibrancy and its educational prominence make the city an attractive destination for tourists, working professionals, and students.

Kozhikode: A Vital Hub for Investment and Growth

Kozhikode's strategic advantages, including its coastal location on the Malabar Coast, proximity to key cities such as Kochi and Bengaluru, and robust transportation network, position it as a growing investment destination. Its well-developed healthcare infrastructure, established educational institutions, and ongoing infrastructure enhancements, such as road extensions, flyovers, and the planned metro system, contribute to its growth potential.

The development of IT parks and trade centres is a key driver of job creation, reinforcing Kozhikode's attractiveness for both residents and investors.

Flat, villa enthusiasts choosing Thiruvananthapuram over Kochi; Property boom in capital city



Thiruvananthapuram is bearing the fruits of Vizhinjam International Port while the nooks and corners of the city are now filled with malls and IT hubs. This big step towards a megalopolis has resulted in a flats and villa housing boom in the capital city. Compared to the previous years, a large increase in the number of residential units has been recorded this year.

Thiruvananthapuram has overtaken Ernakulam as the first place in the residential unit registration. The figures of the Kerala Real Estate Regulatory Authority (K-RERA) indicate a 49 per cent increase in registration in 2024 compared to 2023. 2987 residential units, including flats, villas, and commercial floats, were registered in 2024, while Ernakulam registered 2864 units during this period. Earlier, Ernakulam was considered a real

estate hub due to the infrastructure growth and the tentative smart city plans. However, according to real estate experts, the overcrowding in Flats across Kochi and the high demand have forced many to pick a suitable abode in Thiruvananthapuram. Lately, the capital city has attracted many due to its serene atmosphere and better lifestyle facilities. New job opportunities including Vizhinjam port, administrative center, IT hub, excellent healthcare facilities and educational institutes are also factors in attracting people. People from neighbouring states including Tamil Nadu and professionals looking for more investment opportunities are acquiring flats and villas in Thiruvananthapuram. With the increase in demand, land prices have increased dramatically in most parts of Thiruvananthapuram city.

<https://keralakaumudi.com/en/news/news.php?id=1465655&u=flat-villa-enthusiasts-choosing-thiruvananthapuram-over-kochi-property-boom-in-capital-city-1465655>



Responsibly Yours

CORPORATE OFFICE

Asset Homes Pvt. Ltd., No. XV/246C,
Asset Centrale, NH Bypass,
Kundannoor Junction, Maradu P.O.,
Ernakulam, Kochi - 682 304,
Tel: 0484 4344 999, 4345 000

- AssetHomesOfficial
- AssetHomesKochi
- assethomes_
- AssetHomesKochi
- assethomes



(An ISO 9001:2015 Certified Company)

www.assethomes.in

