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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

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Sunil Kumar V
Founder & Managing Director
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UAE GOVERNMENT TO HELP KERALA SET UP TOURISM TOWNSHIP IN HILLS



THIRUVANANTHAPURAM: The state government has mooted, and is moving ahead with, a proposal for developing a tourism township in either Vagamon or Munnar that will be facilitated by the UAE government.

It is unclear at this point if there will be direct involvement of the UAE government or whether the UAE government is only a facilitator for participation by private companies. There are worries that a tourism township in Idukki district's environmentally fragile areas could lead to further ecological devastation. The Gadgil and Kasturirangan reports explicitly discourage such tourism and construction initiatives in the Western Ghats and adjoining areas.

The tourism township proposal was initiated by the state government on November 9, 2023, following which a communication was sent by the tourism department to the revenue department on December 13. According to a communiqué by the principal secretary (revenue) to the land revenue commissioner (accessed by TOI), the government directed the land revenue commissioner to find suitable land in Vagamon or Munnar for the project.

A high-level meeting was convened by the chief secretary on December 18, in which senior officials of tourism and revenue departments participated. "A meeting will be convened presided over by the chief secretary on December 18 in his committee room, to discuss developing tourism township in the hill stations in the state under the aegis of the UAE government," the communiqué sent by principal secretary (revenue) said. "A report has to be furnished to the government, at the earliest, after examining whether suitable land is available in Vagamon or in Munnar, in Idukki, suitable for the tourism township project proposed by the UAE government," the communique added.

Since the matter is yet to be placed by the government in the public domain, the UAE govt's exact role is unclear. "The proposal was made when the UAE ambassador met the chief minister. When the government gets a proposal for a major investment, why deny it? The government is looking forward to an eco-friendly project since these two places that have been shortlisted are ecologically fragile areas," a senior government official told TOI on condition of anonymity.

In case of direct involvement of the UAE government, the Centre's decision will be decisive as a sovereign government acquiring property in India can be routed only through diplomatic channels. In case, the project is a private initiative, parallels will be drawn to Kochi SmartCity which was presented initially by the then UDF government as an information technology initiative that later turned out to become a UAE-based private company's integrated township in Kakkanad.

Real estate development of this magnitude in the name of tourism envisaged in Munnar and Vagamon goes against the recommendations of Western Ghats Ecology Expert Panel (Gadgil Committee) and the Kasturirangan Report. The government had recently framed detailed guidelines for constituting a Munnar Hill Area Authority with an aim to ensure sustainable development with uniformity, take appropriate decisions on encroachments and to protect the environmental uniqueness of the Munnar area. With regard to Vagamon, even basic land records are unavailable - these include basic tax register (BTR) and field measurement book (FMB) that will have concrete information on land holdings and exact extent and location of government land and porambores in Vagamon village.

SOUTHERN REAL ESTATE GAINS MOMENTUM, GROWTH POTENTIAL IN KERALA AND BEYOND: CRISIL



Crisil, a global leader in analytics and insights, hosted its Real Estate Conclave (CREC) in Kochi to an enthusiastic response from developers and industry stakeholders. The event shed light on the buoyant sentiment surrounding the southern real estate markets, particularly in Kerala, amid changing market dynamics.

Key findings from a sentiment survey conducted before the conclave highlighted developers' optimism for sustained growth in the southern states, which collectively account for ~34 per cent of India's total ~1.35 lakh RERA-registered projects. Among them, Kerala holds 3 per cent of the share, with developers expecting the state's real estate market to achieve double-digit growth in the coming years.

The Southern Advantage

The southern states—Tamil Nadu, Andhra Pradesh, Kerala, Karnataka, and Telangana—continue to play a pivotal role in India's real estate ecosystem, thanks to urbanization, infrastructure development, and industrialization. Emerging cities like Mysuru, Mangalore, Nellore, Vellore, and Amaravati are gaining traction alongside established hubs such as Kochi and Trivandrum.

“Homebuyers’ optimistic outlook and trusted developers’ steady stream of quality projects are key drivers of growth,” said Ashish Vora, President and Business Head, Crisil Market Intelligence and Analytics. “Tier-2 and Tier-3 cities in Kerala are witnessing rapid urbanization and affordability, positioning them as growth hotspots.”

Sustainability and New Models Drive Growth

The conclave revealed a growing appetite for sustainable and green buildings. Around 60 per cent of developers foresee a significant increase in demand for environmentally conscious properties, with 80 per cent planning to integrate sustainability as a cornerstone of future luxury projects.

New housing models, such as senior living communities and built-to-rent properties, are gaining traction. Additionally, 75 per cent of developers anticipate moderate expansion

in demand for commercial properties, spurred by Kerala's infrastructure development and economic activities.

NRI Market Dynamics

Kerala's once-NRI-dominated market has witnessed a shift, with domestic buyers now comprising 60 per cent of the clientele. Over the past three years, there has been a 25 per cent decline in NRI customers, as second-generation NRIs increasingly prefer locations with better social infrastructure and growth opportunities outside Kerala. Developers are now prioritizing local markets, with only 21 per cent looking beyond Kerala for projects.

Emerging Micro-Markets and Potential Hubs

Thrissur, Pallakkad, and Kollam are seen as high-growth areas, while micro-markets in Kochi and Trivandrum, such as Edappally, Pallikkara, Kalamassery, Kowdiar, and Kazhakoottam, also show promise. Developers highlighted these regions as ripe for expansion, supported by economic activity and favorable demographics.

Industry Challenges and Strategic Shifts

While the southern real estate market holds immense promise, industry experts emphasized the need for strategic shifts.

“Developers can unlock growth by catering to local market needs, prioritizing affordable housing, and adopting eco-friendly solutions,” said Binaifer Jehani, Business Head - Assessments, Crisil Market Intelligence and Analytics. “Leveraging digital advancements, exploring retirement communities, and fostering global collaborations will further strengthen the industry.”

Looking Ahead

As government policies and economic growth continue to fuel the real estate sector, southern markets, especially Kerala, are poised for transformative growth. Developers are optimistic about the region's potential, focusing on sustainability, affordability, and innovative housing models to cater to evolving customer preferences and build a resilient future for the industry.

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>



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