

REaVIEW

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REaVIEW 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
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PALAKKAD SMART CITY: KERALA COMPLETES TENDER PROCEDURES



THIRUVANANTHAPURAM: Kerala has completed the tender process for infrastructure development at the Palakkad Smart City, the first node of the Kochi-Bengaluru Industrial Corridor

The construction contract is awarded to a joint venture between **Dilip Buildcon Limited (DBL)** and **PSP Projects Limited**, a CMO statement said here.

With this, Kerala has become the first state to complete the procedures for infrastructure development among the 12 industrial corridor-smart city projects sanctioned in the country last year, it said.

The contract, valued at Rs 1,316.13 crore (including GST), was signed after a competitive national tender process in which four companies participated, a KINFRA (Kerala Industrial Infrastructure Development Corporation) statement said.

The EPC (Engineering, Procurement, and Construction) bid was originally invited at Rs 1,324 crore. The project must be completed within 42 months from the date of signing, it said.

Bhopal-headquartered Dilip Buildcon is a leading infrastructure company engaged in the construction of airports, tunnels, metro rails, bridges, and highways across India. The company has also been awarded the Wayanad Tunnel Road project.

Ahmedabad-based PSP Projects is an established firm executing infrastructure projects in both government and private sectors across the country, it added.

The Palakkad Smart City project, with a total estimated investment of around Rs 3,600 crore, marks a significant milestone in Kerala's industrial growth journey.

Earlier, the state government had spent Rs 1,489 crore through the Kerala Infrastructure Investment Fund Board (KIIFB) for land acquisition, securing 1,450 acres for the project.

The acquired land, currently held by KINFRA, is being transferred in phases to the Kerala Industrial Corridor Development Corporation Limited (KICDC).

In December last year, 110 acres were transferred, followed by another 220 acres in March this year. The central government subsequently released Rs 313.5 crore in two phases.

The Kochi-Bengaluru Industrial Corridor was conceived in August 2019 as an extension of the Chennai-Bengaluru Industrial Corridor.

Kerala began implementing the project in September 2020 with equal partnership from the central and state governments. By July 2022, Kerala had completed 85 per cent of land acquisition, with 1,152 acres acquired in just 14 months, it said.

Industries Minister P Rajeev highlighted that in June last year, he had met Union Minister for Commerce and Industry Piyush Goyal to secure final approvals for the project and to present the state's progress in completing preliminary procedures.

The Palakkad Smart City project is being coordinated by Kerala Industrial Corridor Development Corporation Limited (KICDC), a special purpose vehicle jointly promoted by KINFRA (under the Government of Kerala) and the National Industrial Corridor Development and Implementation Trust (NICDIT) under the Government of India.

The EPC contract covers the design, construction, and maintenance of key infrastructure, including roads, bridges, drainage networks, water supply systems, and firefighting infrastructure.

It also covers water recycling facilities, sewerage lines, power distribution systems, sewage treatment plants, industrial effluent collection and treatment systems, among others, the statement added.

RBI HOLDS REPO RATE AT 5.5%, REAL ESTATE SECTOR SEES STABILITY AND FESTIVE BOOST



The Reserve Bank of India's Monetary Policy Committee (MPC) on October 1 left the repo rate unchanged at 5.5 percent, a move widely seen as balancing growth imperatives with inflation management while reinforcing confidence in the economy during the festival season.

The decision, coming after a cumulative 100 basis points cut earlier this year, would support consumer sentiment, give predictability to developers and ensure housing demand sustains momentum, market observers said.

"Along with the recent GST cuts and range-bound inflation, the announcement is likely to lift consumer sentiment and may encourage greater demand across key sectors in the coming weeks. In real estate, it signals a steady growth outlook and reinforces market confidence, offering long-term predictability to developers and homebuyers," said Anshuman Magazine, chairman & CEO - India, South-East Asia, Middle East & Africa, CBRE.

The policy pause effectively creates a supportive ecosystem for housing—GST cuts are cushioning affordability, festive sentiment is nudging fence sitters to buy and steady interest rates are ensuring predictable EMIs.

The decision sends a clear signal of stability to consumers and developers alike. The decision to hold the repo rate at 5.5 percent reflects a measured approach during festival season and amid volatile global macroeconomic and policy conditions, Magazine said. He expects consumption to improve and market momentum to accelerate further.

The RBI's decision to hold repo rate along with GST cuts will provide impetus to the consumption and help shield India's growth from tariffs, said Ankur Jalan, CEO, Golden Growth Fund (GGF), a category II Real Estate focused Alternative Investment Fund (AIF).

Festive boost meets affordability

Anuj Puri, chairman, Anarock Group, said RBI's decision means existing borrowers will not see any immediate EMI changes, while new borrowers will find loan interest rates steady.

According to latest Anarock data, Q3 2025 residential sales in India's top 7 cities dropped 9 percent year-on-year to 97,080 units, yet overall sales value jumped 14 percent to Rs 1.52 lakh crore, indicating demand shifted towards premium and mid-segment homes.

But luxury-housing sales jumped 85 percent YoY in the first half of 2025, nearing 7,000 units across major cities, CBRE-Assocham data shows.

With GST on cement cut from 28 percent to 18 percent, construction costs are expected to fall by 3-5 percent, potentially reducing home prices by 1-1.5 percent for buyers, Puri said. This can save homebuyers Rs 1-3 lakh on purchases, particularly benefiting affordable and mid-segment housing where cost sensitivity is high. "The combination of stable interest rates and lower construction costs creates a favourable environment for housing demand, especially during the ongoing festive season," he said.

Manju Yagnik, vice chairperson of Nahar Group and senior vice president of NAREDCO- Maharashtra, said the steady stance aligns well with the natural uptick in festival housing demand. For the real estate sector, this consistency is a positive enabler during the festive season, when home-buying activity traditionally peaks.

"Predictable EMIs give buyers the confidence to act on long-awaited decisions, especially with the recent GST rationalisation already improving affordability. Developers, too, benefit from clarity in financing, enabling timely project planning and execution," she said.

A stable rate environment, combined with festive sentiment, GST relief and strong economic fundamentals, will ensure that real estate enters 2026 on a firm growth trajectory, Yagnik said.

Amit Modi, Director, NCR-based County Group, said the buyers, who were on the fences, will respond favourably and continue with real estate purchases this festival season. It also signals RBI's confidence in the Indian growth story, which again will ultimately benefit the real sector.

Developers eye long-term stability

Ashok Kapur, chairman, Krishna Group and Krisumi Corporation, said the decision offers much-needed predictability in planning, though a rate cut could have accelerated near-term demand.

The real estate sector continues to benefit from earlier reductions and lending rate adjustments by commercial banks, Kapur said. For developers, it provides much-needed stability, enabling planning and timely execution while building confidence in the sector's long-term prospects, he said.

THIRUVANANTHAPURAM BECOMES KERALA'S FASTEST-GROWING HOUSING MARKET IN 2025



Thiruvananthapuram has become Kerala's most active real estate market, registering the highest number of residential units under K-RERA over the past year. A total of 2,987 units were registered in the district, edging past Ernakulam's count of 2,864. This marks a significant turning point in Kerala's property landscape, where Ernakulam traditionally held the lead.

The rise in Thiruvananthapuram's numbers is being attributed to a steady inflow of NRIs, many of whom are now choosing to resettle in the state capital after years abroad. According to K-RERA officials, the city's development, quality of life, and relatively affordable pricing compared to metros are drawing families to invest in apartments and plotted developments.

Industry leaders also pointed to the city's growing economic potential. SN Raghuchandran Nair, president of the Trivandrum Chamber of Commerce and Industry (TCCI), highlighted that Thiruvananthapuram's appeal is multifaceted. The combination of smooth traffic flow, well-developed medical and educational institutions, proximity to an international airport, the strategic Vizhinjam Port, and the presence of multiple consulates make it ideal not just for living, but also for global connectivity.

While Thiruvananthapuram and Ernakulam have clearly taken the lead, districts such as Thrissur and Kozhikode also witnessed notable registration figures. However, other regions including Kollam, Alappuzha, Kannur, Malappuram, and Pathanamthitta lagged considerably behind in new project activity and registrations, indicating a more concentrated growth in specific urban centres.

Adding to Thiruvananthapuram's momentum is the Smart City redevelopment project in Rajaji Nagar, which is progressing ahead of schedule. Approximately 40% of the first phase's construction work has already been completed. The project includes a four-storey residential block constructed at a cost of INR 9 crore, which will be handed over to displaced families once the work concludes. Notably, the structure has been designed for vertical expansion, offering flexibility for future urban housing needs.

The city's tech landscape is also expanding rapidly. Technocity, a sprawling 500-acre integrated IT township on the outskirts of the city, is envisioned as the next big leap for Kerala's digital economy. Technocity is an extension of the already-established Technopark India's first and one of the largest IT parks which has been instrumental in turning Thiruvananthapuram into a magnet for tech talent.

Complementing this is the upcoming K-Space Park, a space-tech and defence industrial park that recently secured funding and is expected to begin construction shortly. Backed by ISRO's presence in the city and growing interest from aerospace players, the park is aimed at attracting both domestic and global investment.

From a connectivity standpoint, the proposed Light Metro project, several ongoing road upgrades, and the proximity to an expanding international airport are set to further strengthen the city's infrastructure framework. According to data, Thiruvananthapuram contributes over 10% of Kerala's GDP and continues to be the fastest-growing urban district in the state.

https://propnewstime.com/getdetailsStories/MTk0NDY%3D/thiruvananthapuram-becomes-kerala-s-fastest-growing-housing-market-in-2025?utm_source=chatgpt.com



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