

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
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REAL ESTATE TRENDS IN KERALA – 2026



Kerala, known for its scenic landscapes, high literacy rate, and strong human development indicators, continues to attract attention in the real estate sector in 2026. The state's property market is shaped by a unique mix of urban expansion, NRI investment, lifestyle-driven housing demand, and infrastructure development. From urban homebuyers in Kochi to retirees seeking peaceful living environments and investors exploring tourism-linked properties, Kerala's real estate market remains dynamic and diverse.

1. Stable Yet Promising Market Growth

After a period of cautious recovery following the pandemic and global inflationary pressures, Kerala's real estate sector is demonstrating steady and sustainable growth in 2026. Unlike many metropolitan markets that experience sharp volatility, Kerala has seen moderate, consistent price appreciation, making it an attractive and relatively stable investment destination.

Residential property prices in major cities such as Kochi and Thiruvananthapuram have recorded annual growth of around 5–8 percent, reflecting healthy demand and disciplined supply. Meanwhile, Tier-2 towns like Kannur, Palakkad, and Kollam are emerging as new growth centres, with reputed developers entering these markets and expanding quality housing options. Investor confidence remains strong, particularly for projects delivered by established, trusted developers.

2. Kochi Continues to Lead the Market

Kochi remains the most active real estate market in Kerala, driven by infrastructure development, commercial growth, and improved connectivity. The expansion of Kochi Metro Phase II, the growth of IT corridors in Kakkanad, and developments around SmartCity and Infopark continue to attract both residential buyers and commercial investors.

Localities such as Kakkanad, Edappally, and Aluva are witnessing sustained demand for apartments and villas from professionals, NRIs, and upper-middle-class families. Premium waterfront properties in areas such as Marine Drive and Thevara remain among the most sought-after addresses in the state.

Kochi is also witnessing increasing interest in commercial real estate, particularly co-working spaces, clinics, diagnostic centres, and small office units, supported by the city's growing role as a healthcare, IT, and logistics hub.

3. NRI Investment Rebounds Strongly

Non-Resident Indians, especially those based in the Gulf region, continue to be a major driver of demand for real estate in Kerala. Many NRIs are purchasing apartments and villas in cities like Kochi and Thiruvananthapuram for family use, retirement planning, or long-term investment. At the same time, holiday homes in destinations such as Munnar, Wayanad, Varkala, and Kumarakom are attracting investors who see potential in tourism-linked property appreciation.

The widespread adoption of digital property platforms, virtual walkthroughs, and online documentation processes has made it significantly easier for overseas buyers to evaluate and finalize property investments remotely.

4. Rising Preference for Gated Communities and Integrated Living

Lifestyle expectations among homebuyers are evolving rapidly. Increasingly, families are seeking secure, well-planned communities with integrated amenities rather than standalone residences.

This has led to the growing popularity of gated communities, lifestyle apartments, and integrated township developments, particularly in urban centres like Kochi and Thiruvananthapuram. These developments offer amenities such as landscaped open spaces, clubhouses, fitness centres, and community facilities that cater to modern urban living.

For many buyers, especially working professionals and returning NRIs, such developments provide a balance between convenience, security, and quality of life.



5. Digitization and Legal Transparency Supporting Buyers

Kerala has made significant progress in improving transparency and efficiency in land administration. Government initiatives focused on digitizing land records and introducing e-governance platforms are making property transactions more transparent and secure.

Systems such as the ReLIS (Revenue Land Information System) allow buyers to verify land ownership and property records online before making purchase decisions. These measures are particularly valuable for NRIs and absentee buyers, who depend on reliable digital access to information.

Infrastructure development initiatives under the Rebuild Kerala Initiative (RKI) have also improved resilience and planning in flood-prone regions, further strengthening investor confidence.

6. Rental Demand Strengthening in Urban Centres

Kerala's growing service economy is contributing to stronger rental demand in cities and emerging urban centres. The presence of IT parks, medical institutions, universities, and manufacturing hubs is attracting students, young professionals, and healthcare workers.

Cities such as Kochi, Thiruvananthapuram, and Kozhikode are witnessing sustained demand for compact apartments, studio units, and fully furnished rental homes. Properties located near IT parks, hospitals, and major transport corridors often deliver rental yields of 4–6 percent, making them attractive investment assets.

Many property owners are increasingly leveraging professional property management services and digital rental platforms to manage multiple units efficiently.

7. Real Estate Continues to Be Viewed as a Safe Asset

In an environment marked by stock market volatility and uncertain global economic conditions, real estate in Kerala remains perceived as a relatively safe and tangible long-term investment.

Land investments in suburban areas and highland regions remain popular due to limited availability and rising land costs. For many families, property ownership is viewed not only as a financial asset but also as a legacy investment for future generations.

8. Challenges Facing the Sector

Despite its positive outlook, Kerala's real estate sector faces certain structural challenges. Regulatory approvals and environmental clearances for large projects can sometimes be time-consuming, affecting project timelines. In addition, infrastructure development in certain non-urban regions still needs strengthening to support large-scale real estate growth.

Addressing these challenges through streamlined approvals, improved infrastructure planning, and sustainable development practices will be important for the sector's continued progress.

Outlook

Kerala's real estate market in 2026 presents a unique combination of stability, lifestyle appeal, and long-term potential. With expanding urban infrastructure, increasing NRI participation, greater digital transparency, and evolving lifestyle preferences among homebuyers, the state continues to offer promising opportunities for both end-users and investors.

As Kerala balances development with its natural and cultural heritage, the real estate sector is likely to remain an important pillar supporting the state's economic and social growth in the years ahead.

<https://realty.economictimes.indiatimes.com/news/infrastructure/kerala-completes-tender-process-for-palakkad-smart-city-infrastructure-development/124104000>



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