



# REaVIEW

Dear Readers,

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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## SUSTAINABILITY AND AFFORDABILITY: THE TWO FORCES SHAPING INDIA'S REAL ESTATE FUTURE



India's real estate sector is undergoing a structural shift. Beyond growth and investment cycles, two deeper forces are now shaping the direction of the industry in 2026: the push for genuine sustainability and the growing importance of affordable housing.

Together, these forces are redefining how developers build, how buyers evaluate homes, and how cities expand.

### 1. SUSTAINABILITY IS NO LONGER OPTIONAL BUT EXECUTION IS THE REAL CHALLENGE

Sustainability has become a central theme in real estate across India. Green buildings are no longer niche; they are increasingly expected. However, industry experts are now raising an important concern: Are green projects truly delivering on their promise?

There is a growing recognition that sustainability cannot remain at the level of design intent or certification. It must translate into measurable performance over time.

Green buildings are designed to reduce energy use, conserve water, and improve occupant well-being compared to conventional structures. But without strong monitoring mechanisms, the actual performance of these projects can vary significantly.

The next phase of sustainable real estate will therefore depend on:

- Continuous monitoring of energy and water usage
- Lifecycle accountability, not just design-stage compliance
- Integration of technology to track performance in real time
- Greater transparency for buyers and investors

This marks a shift from "green by design" to "green by performance."

For Kerala, a state highly sensitive to environmental conditions and climate risks, this transition is especially critical. Sustainable construction here is not just a trend, it is a necessity.

## 2. AFFORDABLE HOUSING EMERGES AS THE CORE GROWTH ENGINE



While luxury housing often captures attention, industry leaders are clear about where the real demand lies: affordable and mid-segment housing.

The bulk of housing demand in India continues to come from the middle-income, white-collar segment, which forms the foundation of the housing pyramid. This segment is driven by end-use rather than speculation, making it more stable and scalable.

Key factors driving affordable housing demand include:

- Rapid urbanization and migration to cities
- Expansion of infrastructure and connectivity
- Growth of Tier-2 and Tier-3 cities

Aspirational home ownership among young professionals

At the same time, experts caution that the luxury segment, while performing well, has a limited buyer base, and oversupply remains a risk in certain markets.

This creates a clear strategic direction for developers: Build where the real demand exists.

## 3. THE RISE OF TIER-2 AND EMERGING CITIES

One of the most important shifts in Indian real estate is the growing relevance of Tier-2 and Tier-3 cities.

Improved connectivity through highways, rail networks, and infrastructure investments is unlocking new markets. These cities offer:

- Lower entry prices
- Better quality of life
- Increasing employment opportunities

For Kerala, this trend is already visible. While Kochi remains the primary hub, cities like Kozhikode, Kannur, Kollam, and Thrissur are witnessing rising interest from both end-users and investors.

This decentralization of demand is likely to continue, creating a more balanced and distributed real estate landscape.



## 4. CONVERGENCE OF SUSTAINABILITY AND AFFORDABILITY

The most interesting development in 2026 is not sustainability or affordability in isolation, but their convergence.

Historically, green buildings were perceived as expensive. Today, that perception is changing. Efficient design, better materials, and improved technology are making it possible to deliver sustainable homes at accessible price points.

This convergence creates a new category of housing:

- Affordable, yet high-quality
- Sustainable, yet practical
- Designed for long-term efficiency, not just upfront cost

For buyers, this translates into lower operating costs, better living conditions, and future-ready homes.

## 5. WHAT THIS MEANS FOR KERALA



Kerala is uniquely positioned at the intersection of these trends.

A strong NRI base ensures steady demand

High environmental awareness supports sustainable development

Growing urban clusters create demand for mid-segment housing

Lifestyle preferences favour community living and quality design

The opportunity lies in delivering projects that are:

- Thoughtfully designed for Kerala's climate
- Efficient in resource usage
- Priced for real end-users
- Backed by credible execution

### OUTLOOK

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India's real estate sector is moving into a more mature phase. The focus is shifting from scale to quality, from speculation to end-use, and from promises to performance.

Sustainability and affordability are no longer parallel conversations. They are becoming the core pillars of future-ready real estate.

For developers, this is a strategic inflection point.

For buyers, it is a moment of better choices.

For markets like Kerala, it is an opportunity to lead with responsible, intelligent growth.



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