CUSHMAN & WAKEFIELD

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THE NEXT INVESTMENT FRONTIER:

KOCHI'S EVOLVING REAL ESTATE LANDSCAPE

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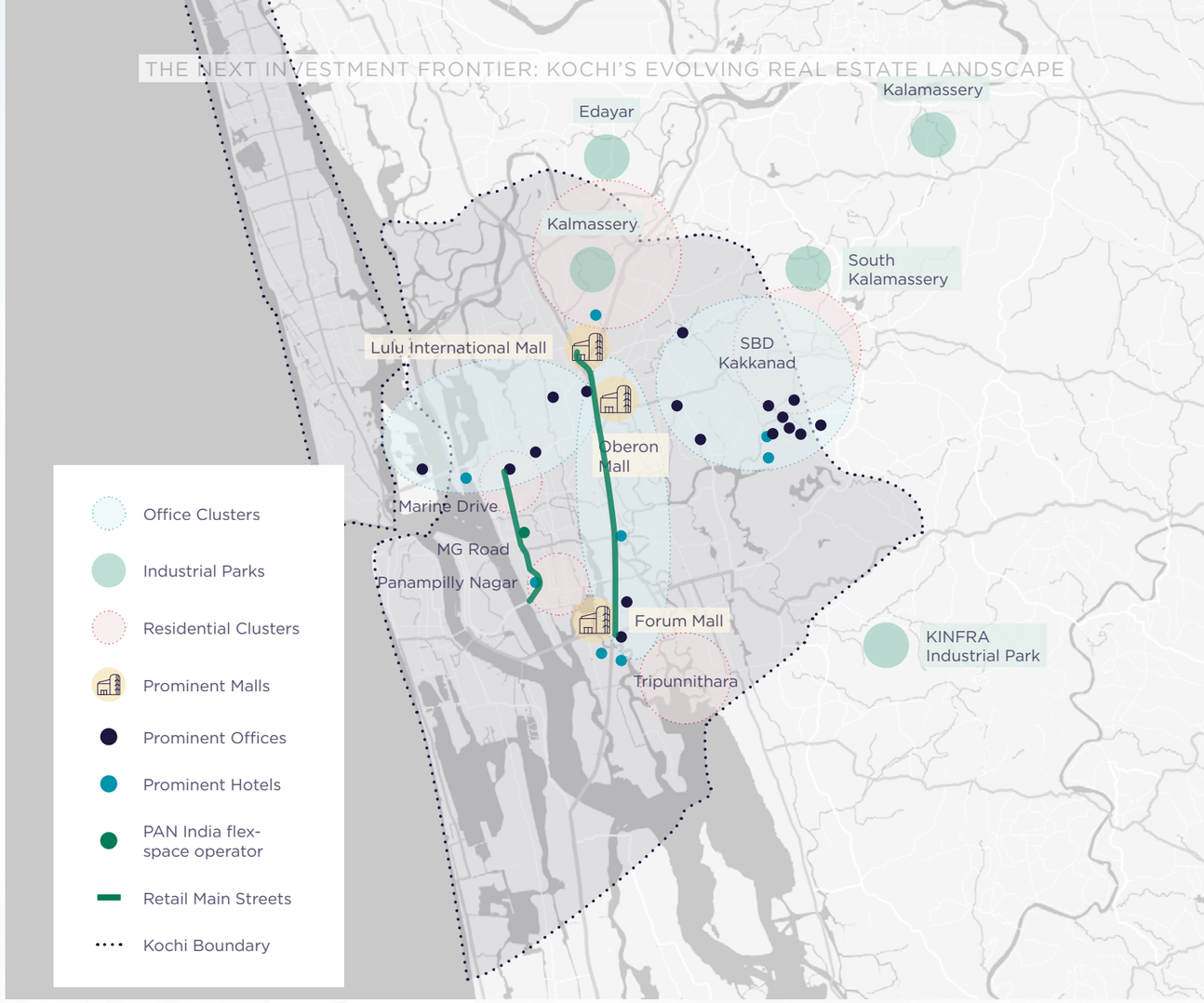
01 INTRODUCTION



Kochi has emerged as one of South India's leading real estate markets, supported by its strategic coastal location, robust infrastructure, diversified economy, and growing prominence as an IT/ITeS and logistics hub. Historically known for its natural harbor and maritime trade, the city has evolved into a multi-sector economic center driven by the expansion of information technology, logistics, tourism, retail, and healthcare. As India's Tier I cities continue to mature, Kochi has gained recognition as one of the country's most promising Tier II markets, offering a favorable business environment, skilled talent pool, competitive operating costs, and improving urban infrastructure.

The city's transformation has been underpinned by key infrastructure and economic developments, including the establishment of Infopark, the development of SmartCity Kochi, which has strengthened its position as a major IT destination.

M.G. Road, the Edappally–Vytilla Bypass corridor and Panampilly Nagar continue to serve as the city's established high-street retail destinations, while the development of LuLu Mall has transformed Edappally into Kochi's primary organised retail destination. This transformation has been supported by sustained infrastructure investment, particularly around the Edappally junction, where NH 66 intersects NH 544. A flyover, developed as part of the Kochi Metro project, became operational in 2016, connecting NH 66 near LuLu Mall with Edappally Church. This was followed by the opening of the Kochi Metro's Edappally station in 2017, integrating the junction directly into the city's urban rail network. More recently, infrastructure development has focused on the Edappally Railway Overbridge and the six-laning of NH 66 through Ernakulam district. Further connectivity improvements are envisaged through the proposed elevated corridor along the Edappally–Aroor stretch and the planned Angamaly–Kundannoor bypass, both aimed at easing congestion and diverting through-traffic away from the Edappally junction. Improved highway and metro connectivity, coupled with the arrival of a major organised retail destination, has significantly accelerated residential demand in Edappally. In parallel, Kochi's growing prominence as a tourism, medical tourism and MICE destination has supported the development of internationally branded hotels, convention centres and other hospitality infrastructure across the city. Backed by a strong multimodal transport network comprising the Kochi Metro, Water Metro, Cochin International Airport, seaport and an extensive road network, Kochi offers a well-established ecosystem spanning office, retail, hospitality, residential, industrial and logistics sectors. These factors collectively reinforce the city's position as one of South India's most attractive Tier II destinations for real estate investment.

02 KOCHI: STEPPING ON THE GROWTH ACCELERATOR

Kochi's attractiveness as a growth and investment destination is evaluated across Five key pillars. Each pillar comprises specific parameters that assess the city's workforce availability, ecosystem maturity, quality of life, accessibility, regulatory environment providing a holistic view of Kochi's overall market potential.

S.no	Evaluation Criteria	Parameters					
1	**Workforce Strength**	Workforce Availability	Academic Ecosystem	Talent Cost	Talent Migratability	Hiring	Demand Supply Gap
2	**Infrastructure & Connectivity**	Accessibility	Frequency	Travel Time			
3	**Ecosystem Maturity**	Industry Presence	Startup & Innovation Activity				
4	**Quality of Life**	Inflation	Environmental Quality	Ease of Living			
5	**Enterprise Condition**	Ease of Doing Business					

Workforce Strength	
Workforce Availability	According to the August 2025 joint report by the Kerala Development and Innovation Strategic Council and LinkedIn Learning on Kerala's talent pool[1] the state's professional talent pool has grown by 172% over the past five years. Kochi accounts for nearly 18% of Kerala's professional workforce, supported by a strong academic network and a mature IT ecosystem anchored by Infopark and SmartCity.
Academic Ecosystem	The state produces over 50,000 engineering and STEM graduates every year, supported by a network of top-tier universities, colleges, and management institutions. In Kochi leading universities and engineering colleges contribute approximately 7,000–10,000 graduates annually, ensuring a sustainable supply of skilled talent. Software engineering represents one of the city's largest talent segments.
Talent Cost	Kochi offers a significant cost advantage compared to Tier-1 cities. Industry estimates indicate operating and talent costs are approximately 20-30% lower, while maintaining access to skilled engineering, IT, finance, and analytics professionals.
Talent Migratability	Kochi benefits from a highly mobile workforce across Kerala and a substantial returning expatriate population. According to LinkedIn & Kerala-DISC (government) report, 52% of Kerala's global returnees come from the UAE, bringing experience in business operations, finance, technology, and entrepreneurship.
Hiring	Kochi remains a prominent Tier-2 talent hub across IT, BFSI, and Energy & Utilities. As per the Randstad India talent insight report, In BFSI, the city accounts for ~10% of middle-level and ~6% of junior-level hiring demand, placing it among the Top 10 Tier-2 locations. In IT, Kochi ranks #1 for middle-level hiring demand (~21%), 4 for senior-level demand (~9%), and #2 for junior-level demand. The city also ranks #2 for senior-level hiring demand in the Energy & Utilities sector (~14%), highlighting its diverse and growing talent ecosystem.
Demand-Supply Gap	Kochi currently offers a favorable demand-supply balance compared with larger technology hubs. Its lower attrition rate and growing talent pipeline helps reduce hiring pressure. The city recorded an employability score of 77% (India Skills Report 2026[2]), significantly above the national average, indicating strong availability of job-ready talent. Kochi's expanding IT/ITES ecosystem is likely to tighten the demand–supply gap for specialized digital skills, as growing technology operations. Further, demand is increasing rapidly in emerging areas such as AI, data analytics, automation, and digital engineering.

[1] "Talent pool" in Kerala is defined as professionals actively working in the respective industry within the state.

[2] The India Skills Report 2026 is based on the ETS Global Employability Test (G.E.T) and the India Hiring Intent Survey – Early Career Edition 2026. The test and survey were conducted during Sep – Nov 2025. state.

Infrastructure & Connectivity	
Accessibility	MG Road, Kochi's established Central Business District (CBD), is conveniently accessible to the city's key hubs, including Infopark, SmartCity, Edappally, Kochi Port, and Cochin International Airport, all located within approximately 7–15 km.
Frequency	Kochi is supported by a well-developed multimodal transport network comprising the Kochi Metro, Water Metro, SWTD ferry services, KSRTC bus network, National Highways (NH 66 & NH 544), an International Airport, and one of India's major Seaports.
Travel Time	Despite moderate traffic congestion, average travel time is approximately 30 minutes for 10 km, ensuring efficient connectivity across the city.

Ecosystem Maturity	
Industry Presence	Kochi hosts a diverse mix of global companies across IT Services and Business Services, including IBM, Cognizant, Amazon, EY, KPMG, Sutherland, Accenture, and Baker Hughes and Indian companies such as TCS, Infosys, Wipro, HCLTech, Tech Mahindra, UST and IBS Software.
Startup & Innovation Activity	As per Startup Blink and Kerala State Planning Board – Economic Review, Kochi is a rapidly growing startup hub, ranking 13th in India and 208th globally among startup ecosystems. With approximately 330 startups and a density of 16 startups per 100,000 residents, the city contributes nearly 2% of India's startup base. Its innovation ecosystem is further supported by Kerala Startup Mission (KSUM), which has enabled the growth of more than 8,000 registered startups across Kerala.

Quality of Life	
Inflation	Kerala's CPI Inflation Index is at 4.01%, lowest among the five southern states (Tamil Nadu-5.44%, Karnataka-4.89%, Andhra Pradesh-5.72%, Telangana-6.32%). [KA5.1] (As per the MOSPI yearly Inflation Index July 2025-July 2026 dated 12-08-2026).
Ease Of Living	In the Ease of Living Index 2020 as per Ministry of Housing & Urban Affairs Kochi Ranked 39 /62 (Under 1 mn pop category). Kochi's overall Ease of Living rank is more modest, but it stands out specifically on the Economic Ability[3] pillar ranking 3rd nationally among "Less than Million" cities, trailing only Tiruppur and Gurugram, and outperforming every other small city in South India, including Thiruvananthapuram and Mangalore.

Enterprise Condition	
Ease of Doing Business	The Government of Kerala has introduced a range of policy measures to strengthen the state's ease of doing business and attract investments across technology and knowledge-based sectors. Under the Kerala Information Technology Policy 2026, the state aims to position Kerala as a global knowledge economy hub by leveraging its strong human development indicators, robust digital infrastructure, and growing startup ecosystem. The policy offers a comprehensive incentive framework, including phased or deferred payment of upfront land lease premiums for co-developed parks linked to investment and employment milestones, capital subsidies of up to 5% of eligible fixed assets for IT/ITeS/BPO units, reimbursement of up to 50% of property taxes, customized incentive packages for ultra-mega projects, SGST reimbursement of up to INR 25 crore, exemptions from stamp duty and registration charges, waiver of land conversion charges and other fiscal incentives to encourage large-scale investments and employment generation.

Kochi is transitioning from a cost-driven outsourcing location to a genuine knowledge-economy hub. The convergence of a maturing academic pipeline, a returning diaspora with global exposure, and active state policy support suggests the city is building the foundations for higher-value, more specialized work not just volume-driven hiring.

[3] It measures a city's economic dynamism and residents' access to livelihood opportunities — specifically through industrial/cluster development (Level of Economic Development) and access to credit, skills, and incubation support (Economic Opportunities).

03 CITY'S REAL ESTATE MARKET SNAPSHOT

Office Market

Kochi office real estate market could be segmented into Central Business District (CBD), Off CBD and Suburban submarkets. Majority of the superior grade office supply is concentrated in the suburban market in locations like Info Park I &II and Smart City Kochi near Kakkanad. This market has increasingly attracted GCCs, IT/ITeS companies and technology-enabled businesses, making it the primary destination for institutional-grade office development in Kochi.

CBD and Off-CBD market are largely non-IT supply. CBD has supply scattered along MG Road while Off CBD is spread largely along NH-66 primarily in Edappally. The tenant mix of CBD submarkets largely includes professional and logistics services, while the off-CBD location has companies from telecom & media sectors along with some professional services firms. The total office inventory stands at 9.73 msf, with approximately 0.11 msf of office space leased in Q1 CY 2026[4]. There is close to 1.5 msf of additional supply that is in various stages of construction and is to be delivered in 2028. The recent completion of large-format developments such as Maratt Techpark and LuLu Twin Towers, with a combined leasable area of 2.83 msf, initially lifted vacancy levels in the suburban market. At the same time, the added supply of quality space allows occupiers to access or expand more easily as demand grows. Improved occupier demand and absorption have since supported leasing activity, with overall vacancy easing from approximately 30% to 21%[5], reflecting positive leasing momentum.

Kochi office market summary

Submarket	Locations	Inventory (msf)*	Quoted Rental (INR psf pm)**	Average Vacancy
Suburban	Maradu, Kalamassery, Kakkanad, Smart City	8.61	50-60	~30%
CBD	MG Road	0.16	70-75	~0%
Off CBD	Edappally, Padivattom, Palarivattom, Nettoor, Vallarpadam	0.96	70-75	~16%

**Inventory includes Grade A & B+ stock only.*
*** Average asking rental rates for spaces that provide core facilities, high-side air conditioning and 100% power back up.*

[4] Gross Leasing during Q1 CY 2026.
[5] As of Q3 2026

Retail

The retail landscape of the city started with MG Road, which has evolved into a prominent high-street retail destination hosting national and international brands, which now has further expanded to the off CBD markets (Edappally, Padivattom, Palarivattom, Nettoor, Vallarpadam). Edappally has also evolved as established large-format retail destination, led by LuLu Mall Kochi, Oberon Mall and The Grand Mall.

The Edappally corridor features a mix of big box retailers and branded showrooms across fashion, jewelry, furniture, electronics and automobiles. Strong connectivity and accessibility have further reinforced Edappally's position as a destination-oriented retail market, particularly benefiting from weekend and leisure-driven footfall.

Kochi retail market summary

Category	Inventory (msf)	Quoted Rental (INR psf pm)*	Average Vacancy
Malls	2.1	200-350	4-7%

Source: C&W India Research Q1 2026
**Quoted rent on carpet area of ground floor Vanilla stores.*

Prominent malls in Kochi typically have a tenant mix weighted towards large-format anchor retailers, including department stores, hypermarkets, fashion and lifestyle brands, electronics, home furnishing, multiplexes and entertainment operators.

The table below describes the high streets of Kochi:

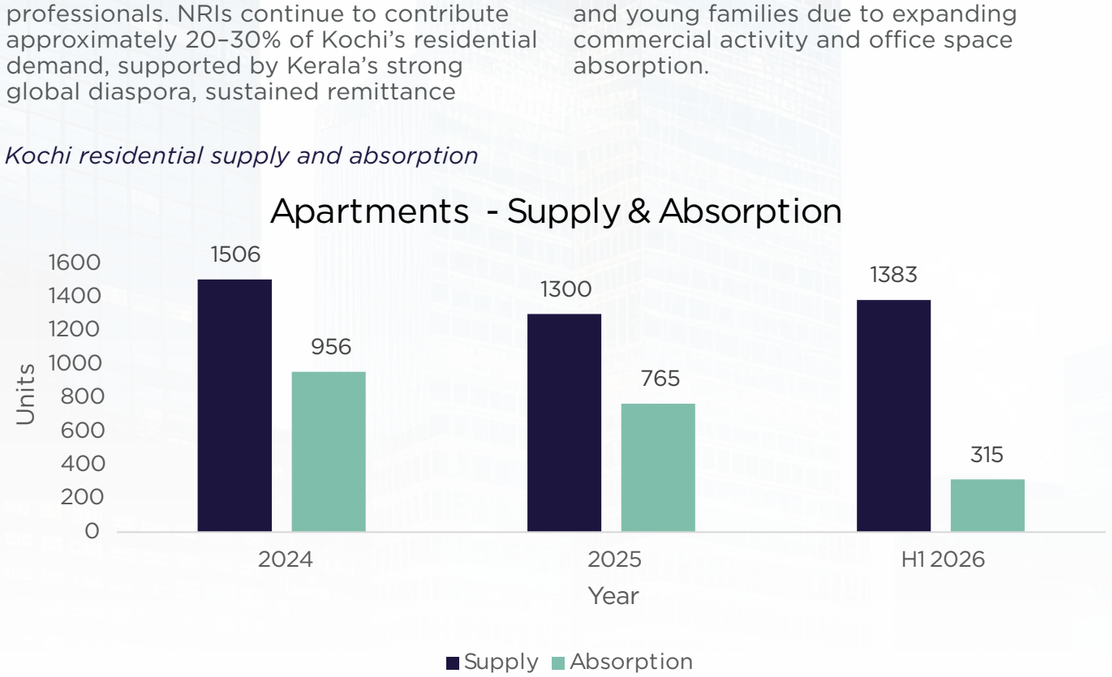
Highstreet	Description	Quoted Rental (INR psf pm)*
MG road	Lifestyle oriented high street featuring shopping complexes, restaurants, cafés, boutique stores, wellness centers, and convenience retail	130
Vytilla- Edapally bypass	Large-format retail stores, auto showrooms, furniture and home décor stores, consumer durables, quick service restaurants and family dining	125
Panampally Nagar	Extension of MG Road, featuring non-branded apparel and boutique stores, restaurants and cafes	110
Kakkanad	IT-hub-driven high-street anchored by Infopark and SmartCity; growing mix of cafés, quick-service restaurants, pharmacies, convenience stores, and service retail catering to the tech workforce and residential population	90

Source: C&W India Research Q1 2026

Residential

Kochi's residential market is segmented into CBD, Off-CBD, and Suburban. CBD and Off-CBD markets skew luxury and upper-mid, attracting HNIs, Gulf-based/ Middle east NRIs, business owners, and senior professionals. NRIs continue to contribute approximately 20–30% of Kochi's residential demand, supported by Kerala's strong global diaspora, sustained remittance flows and preference for home-market investments. Suburban areas lead supply (~90% of the H1 2026 inventory), driven by affordable and mid-market housing aimed at salaried employees, first-time buyers, and young families due to expanding commercial activity and office space absorption.

Kochi residential supply and absorption



Source: CWI Research H1 2026

Residential absorption stood at 65% in 2024 and 60% units in 2025, reflecting sustained buyer activity. During H1 2026, 25% of units were absorbed, indicating continued market traction, with further sales activity expected in the second half of the year.

Kochi residential price range for submarkets



Source: CWI Research H1 2026

Submarkets
CBD: MG Road, Marine Drive, Panampilly Nagar
Off-CBD: Edappally, Padivattom, Palarivattom, Nettoor, Vallarpadam
Suburban: Maradu, Kalamassery, Kakkanad, Smart City, Cheranallor

Capital values have exhibited steady appreciation across all segments, with the CBD recording the highest growth of ~12%, followed by the Off-CBD and Suburban markets, each registering ~11% growth year on year. The areas of Kakkanad and Vazhakkala are emerging residential corridors, supported by infrastructure development and the expansion of IT/ITeS employment hubs.
The Suburban market accounts for the majority of Kochi's residential supply, with significate concentrations in Kakkanad and Vazhakkala. The availability of larger development parcels, relatively competitive capital values and proximity to expanding IT/ITeS employment hubs have supported continued residential development in these locations. The Off-CBD micro-market has witnessed a significant concentration of new residential launches in Edappally, which has emerged as a key residential and retail node in Kochi.
The CBD micro-market contributes a limited share of residential supply, with activity largely limited to boutique developments. However, select pockets along Marine Drive have offered larger land parcels, enabling the development of notable waterfront residential apartments in recent years.

Hospitality

Kochi is Kerala's leading hospitality hub and hosts 200+ hospitality assets and 40+ star hotels constituting about 3000 keys, supported by strong tourism, business travel, and MICE demand. It houses renowned international brands such as Marriott, Grand Hyatt, IHG Hotels, and Four Points by Sheraton, alongside prominent Indian operators including Taj, IHCL, ITC Fortune, CGH Earth, and Brunton Boatyard.
Kochi's hospitality market continued to strengthen post COVID with steady increase in occupancy reaching 70% in FY 2024-2025, while ADR and RevPAR have seen a compounded annual growth of ~5% and ~7% respectively. The stronger growth in room rates relative to occupancy reflects improving pricing power across the market.

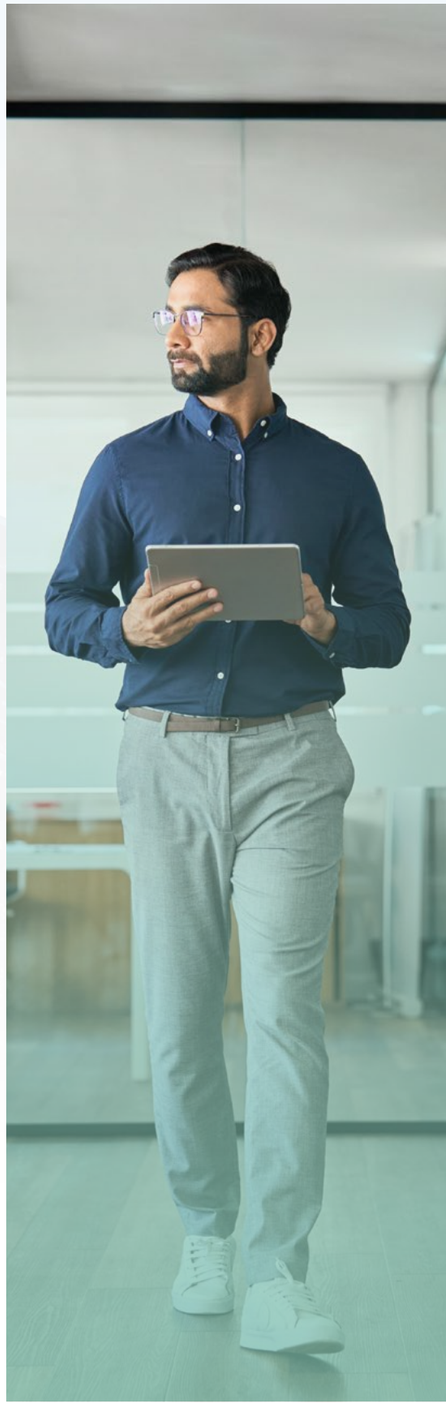


04 CONCLUSION

Kochi's emergence as a growth market is not driven by any single factor, but by the alignment of several factors such as a growing skilled talent base, favorable cost economics, a well-developed and continually strengthening infrastructure base, and a state government increasingly focused on enabling policy. Beyond the strength of its locally trained engineering and IT graduates, Kochi benefits meaningfully from Kerala's global diaspora, with a steady stream of experienced non-resident Keralite professionals returning from markets like the UAE, bringing with them international exposure in technology, finance, and business operations that few other Tier-2 cities can match.

As the city's economic base has diversified, the real estate market has matured in parallel. The entry and growing presence of reputed developers have elevated development standards across the city, supported by increasing demand for quality residential, commercial, and mixed-use assets. As a result, developers are increasingly positioning Kochi as a long-term investment destination rather than a purely cyclical residential market. This shift has attracted significant capital into Grade A office developments, hospitality projects, waterfront luxury residences, and organized retail. The continued presence and expansion of leading developers, including Prestige, Sobha, Puravankara, LuLu Group, Brigade Group, IHCL, Asset Homes, and Skyline Builders and others reflect growing confidence in the city's long-term fundamentals.

Looking ahead, Kochi appears well-positioned to strengthen its case as a preferred Tier-2 alternative for occupiers seeking to diversify beyond the traditional metro markets. Its cost advantage, employability metrics, and improving connectivity give it a credible platform to compete for higher-value mandates, not just cost-driven ones. That said, realizing this potential fully will depend on the state continuing to build on its policy momentum particularly around streamlining development and FSI norms, strengthening e-Governance at the urban local body level, and rolling out more targeted incentives for IT-ITES and GCC investment. Addressing these gaps could help translate Kochi's strong underlying fundamentals into a more transparent, investor-ready real estate ecosystem, and in turn, accelerate the city's emergence as one of India's leading next-generation business destinations.





ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In 2025, the firm reported revenue of $10.3 billion across its core service lines of services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.