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Coming to Kerala in three years, 50 malls at Rs 6,000 crore

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The leading cities of Kerala are getting ready to witness a retail revolution with 50 shopping malls slated to come up across the state in the next three years, at an investment mark-up of Rs 6,000 crore.

This is very much on the cards as 1.5 crore sq ft of built-up space for malls is on the anvil in Thiruvananthapuram, Thrissur, Kochi, Kozhikode, Kannur and Palakkad, at Rs 4,000 per sq ft. Up for grabs will be five lakh new jobs.

And leading this retail revolution would be major players such as Lulu, RP Group, Unitech, Prestige and Sobha as also a number of home-grown names: Abad, Malabar, Hilite and Gokulam. Apart from about a dozen malls already up and running, mainly in and around Kochi, Kozhikode and Thiruvananthapuram, another 15 malls will open shutters in 2013 and bring with it about 50 lakh sq ft for retailing. Clearing many of these players have their eyes firmly riveted on the ongoing debate in Parliament on FDI in retail.

"Malls have great potential in the state as a majority of Keralites have already experienced this overseas. The state has one of the highest per capita income in the country. More Kerala-based business groups are entering this sector as part of their extended diversification. This will lead to the entry of brands like Shoppers Stop and Lifestyle to the state," said Susil S Dunganwal, founder director, Beyond Squarefeet Advisory Pvt Ltd, a Mumbai-based mall advisory company.

Shopping malls, as a business segment, have been recording a growth rate of 18-20 per cent for the last three years.

Presently, there are 350 malls in the country, with a majority of them based in the metros. But now, many developers are eyeing tier-one and tier-two cities to open malls.

Pointing out the immense opportunity in the mall business, M A Mohammed, Managing Director, Oberon Group, said MNC brands are focused on setting up outlets in malls.

"When Oberon mall was set up in 2008, it was an entirely different ground reality and we found it difficult to attract retailers. It took two years to change the mindset of retail majors. Now Kerala is definitely on their radar," Mohammed said.

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