



Horwath HTL

Hotel, Tourism and Leisure

MARKET REPORT

India: Hotel Market Review H1 2019

AUGUST 2019

Summary of Changes	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
	Occ			ADR			RevPAR		
India									
Mumbai									
New Delhi									
Gurugram									
Bengaluru									
Chennai									
Hyderabad									
Kolkata									
Pune									
Ahmedabad									
Goa									
Jaipur									
Chandigarh									
Kochi									

YoY Change	
	loss
	gain up to 1
	gain 1-2
	gain > 2 - 5
	gain > 5
	gain 10 +

India Hotel Market Review: H1 2019

This report analyses the performance of hotels in India for the half year Jan-June 2019. All comparisons are between H1-19 and H1-18 unless otherwise stated.

On the face it, all-India results are positive with 4.2% RevPAR growth mainly drawn from ADR crossing Rs. 6k and Occ inching up to 66.5%. As one digs deeper, there are some real bright lights, some questions and then some serious concerns.

Trading conditions were generally softer in Q2-19. The chart above reflects YoY changes in Occ, ADR and RevPAR for Q1 and Q2, and for H1-19.

Bright Lights: Bengaluru, Gurugram, Hyderabad and Chandigarh area

- Bengaluru & Gurugram achieved +13.3% and +13% RevPAR as commercial and IT demand grew significantly, enabling double digit growth across all segments
- +13.4% RevPAR for Hyderabad, with Lux-UpperUp hotels leading the way
- Chandigarh: +16% RevPAR, but on low bases; good corporate and MICE demand

Some Questions: Pune

- Occupancy declined to 68%, while ADR grew by Rs. 200. Occ and ADR slowdown from Q2-19 could be an outcome of auto sector stress. Chennai too reflected constrained Occ and ADR for Q2-19.

Serious concerns: Goa and Ahmedabad

- Goa continues to decline. Occ dropped -5.4 pts, to below 70%; while market ADR grew marginally, the M-E segment dropped ADR. RevPAR is at 38.5% premium to all-India RevPAR; down from 53.8% premium for H1-17. GST has pushed business to other destinations and towards alternate accommodations; charter volumes were lower.
- Ahmedabad: RevPAR declined 6.8% in a year of Vibrant Gujarat which normally is a big boost for the city. RevPAR for H1-19 was the lowest among all key cities
- Mumbai grew rates across all segments; Delhi was somewhat modest; Kolkata struggled with new supply and a slow Q2-19.

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