Horwath HTL

India
Hotel Market Review
2024

February 2025

Foreword

This year-end report is an analysis of the Indian Hotel market performance for 2024 by Horwath HTL based on data sourced from CoStar.

Horwath HTL are leading global hospitality consultants and have performed work in more than 165 markets in India. Supporting the market facts, Horwath HTL have added supply data, contributed the market insights and analysed the market opportunities and challenges for owners, investors, developers and operators.

We help clients take realistic Bold Steps Forward.

Introduction

2024 was a sumptuous feast, even if the Xacuti seemed to be under par. Q1-24 kicked off with excellent starters and cocktails. The summer and Q3-24 forced lots of salad (wish there were more mangoes) and soup. But then the last quarter was a generous repast.

2024 reports all India Occupancy at 63.9%; ADR agonizingly short of 8k (Rs. 7,951 to be precise), and RevPAR comfortably over Rs. 5k. 10.7% RevPAR growth is very satisfying in a year when a quarter was lost in elections, the next quarter was somewhat soft with a slowing economy, there was neither G20 nor a major cricket world cup; and the sail winds slowed for Goa.

Positives

2024 had several positives –

a. Chain affiliated supply has made it past 200,000 rooms, adding 14.4k rooms in 2024. The pipeline of 113k rooms includes 105k rooms slated to open by 2029.

b. Rooms demand per day ("RPD") at 123k is almost 30% over 2019, well absorbing 32% supply growth in this period.

c. Two hotel portfolios and a long-standing owner-operator hotel company were listed. 3 other hotel companies listed on the SME exchange.

d. Market capitalization of an Indian hotel company achieved the threshold of Rs. One trillion.

e. Significantly reduced debt levels among major ownership groups reflects lesser risk and greater investment and acquisition capacity

f. Airline passenger traffic crossed 400 million.

g. Ayodhya is on travel map with 16.4 mn pilgrims visiting in 2024; the permanency of this destination is absolute.

Some other notable aspects of 2024 performance

- Seven markets had 70%+ Occ, with Chennai, Kolkata, Lucknow, & Coimbatore joining Mumbai, Delhi and Indore. Agra, Pune & Kochi were a wee bit short of 70%.
- Only one among 24 markets with 153k rooms had negative RevPAR. One prays that the A of Ahmedabad isn't a precursor to similar impact on other cities.
- Udaipur with ADR of Rs. 15,946 had a royal lead over Mumbai (Rs. 11.5k), Goa (Rs. 10.9k) and Delhi (Rs. 10.3k). All other markets had 4-digit ADRs.
- Seven of the Top 10 markets, had Lux-UpperUp ADR at Rs. 10k+; an eighth is moving closer.
- Indore with 73.5% Occ ranked 2nd, behind Mumbai.
- Bengaluru (BLR) is moving positively; Kochi had a record year.
- Goa slowed, but did not decline. Its 2.4% RevPAR growth is still on the positive side, even if very modest compared to the high growth rates of the previous two years – and therein lies a messaging challenge for the sector. Undoubtedly, Goa has serious issues that need urgent addressal – but its red wine hasn't soured.
- Udaipur Lux-UpperUp ADR crossed Rs. 24k; and Agra Occ almost touched 70% reflecting two big gains for the leisure sector.
- Mumbai with Rs. 8.9k RevPAR pipped Udaipur on this count. Only Delhi and Goa had RevPAR in the Rs. 7k level, Delhi NCR had 6.4k; all other markets were in the 5ks or lower.

Challenges and Cautions

a. The dire need to balance visitor numbers and destination carrying capacity at our leisure markets. Visitor attitude cultivation is essential so that the destinations gain (and not suffer) from tourism.

b. The need to counter the targeted marketing and incentive pricing that lures quality Indian demand to international destinations (6.1 mn Indian tourists to just 6 countries in south-east Asia and Australia). Varied options, pricing and customer experience, are key ingredients.

c. Steps to correct the vast negative balance of visitor movement across Indian borders – we must implement concerted plans to target and secure inbound leisure in the same way as international markets are drawing demand from India. Meaningful, real, positive action.

d. Timeliness, quality and financial sustainability of hotels emerging from a rapidly growing pipeline that comprises a multitude of small hotels, first time owners, unusual market concentrations, and product positionings that may be inconsistent with the developer capacity, outlook and destination potential.

e. Bothersome lack of scale – a flurry of hotel openings but modest real additions; 231 hotels opened (305 openings minus 74 de-flagged) with only 13.7k rooms and an average size of 59 rooms.

Just as India needs to create jobs for a growing populace, we need to develop attractive new destinations to cater to a rapidly growing travel urge. We need good high-end and experiential leisure to retain travel interest within the country and draw inbound visitors. We need more focus on the leisure sector, than the weddings bandwagon.

The hotel industry has a key responsibility. While other players need to act in unison, the industry needs to strategise and take the lead – for the sake of its own long-term benefit. The alternate accommodation market also has a major responsibility; its impact in leisure markets is neither effectively measured, nor controlled.

Demand – a key parameter

Occupancy is typically the parameter to reflect the demand-supply relationship. This parameter gets impacted by supply growth which takes time to be more fully absorbed. The resultant reduction in Occ is then largely misconstrued as a market decline when, in fact, the market may have strengthened with more capacity and rising demand.

Take BLR as an example – its 64.8% Occ is the lowest among Top 10 business cities. But then BLR has added 3.8k rooms supply and 2.2k RPD since 2019 (RPD growth effectively in the last 2 years). In comparison, Delhi reports a laudable 72.9% Occ but has added only 410 rooms supply and 200 RPD since 2019. Yet, BLR wrongly draws some opprobrium for its lower Occ. Goa's Occ and ADR growth was slower; but recognise that in just the last 2 years, Goa has added 2k rooms supply and 1.4k RPD !!

Accordingly, our report also presents rooms demand as a parameter – we believe this will be appropriate for the next 3-5 years, as major supply is introduced.

Data segmentation by market size / purpose

Supply growth across the country, and significantly in the upscale and lower priced segments impacts reported market-wide ADRs. The resultant dilution in ADR is again susceptible to misinterpretation.

We have therefore presented results separately for different segments of the market, based on market size and / or purpose - the Top 10 Markets, Leisure markets and all other markets. Further, we have separately presented the Lux-UpperUp segment as it contributes 56% to all-India Rooms Revenue.

We believe that recognition of different characteristics and capability of market-sets will enable better decisions.

Market capitalisation of the sector has increased almost 12 times from Rs. 207 billion as of March 2015 to Rs. 2.5 trillion as at end January 2025. IHCL contributes 40% of this market cap. All listed companies have underlying real assets; none of the listed companies is only a management company. Further hotel company listings in 2025 will add industry valuations.

Debt

Overall debt levels in the industry appear to have dropped materially. Data from various hotel companies representing ownership of over 53,000 rooms, shows Loan to Value at about 12.5% reflecting lower risk levels at date; besides, several companies have a healthy cash balance that could be strategically deployed.

A different degree of risk may attach to debt taken for implementing the large pipeline inventory – not simply market risk but risk related to quality and timing of project completion and underlying financial structuring.

Supply

In 2024, supply increased by 14.4k rooms. New Build hotels added 11.7k rooms, conversions (net) added 2k rooms, another 0.7k from expansions or hotel completions. The supply of 200k rooms also includes 3k rooms from newer chains considered by us since the 2023 report. The average size of new build hotels was 69 rooms; of conversions 46 rooms.

The supply pipeline has grown rapidly to 105k rooms to be opened by 2029. Slippages are inevitable; at the same time, newer signings and conversions do partly make up for delays in projects. The pipeline has a healthier average size at 104 rooms.

67 % of supply addition in 2024 and 65% of pipeline supply are in markets outside the Top 10 markets, widening the spread of operations and demand. Importantly, 43% of pipeline supply is in leisure destinations; this includes 12% growth in religious destinations comprised within the leisure markets.

M&M

Maharashtra and Mumbai are critical to the strength of hotel sector operations.

Maharashtra has 15.7% inventory share and yields 19.8% of all-India rooms revenue. Karnataka at 10.9% is the only other state with double digit inventory share and contributes 10.5% of all-India rooms revenue. Delhi state has 6.9% inventory share and is the only other state with double-digit revenue share (10.4%).

Mumbai (with only 8.6% supply share) generated over 15% of all India room revenue and over 19% of all India Lux-UpperUp rooms revenue. Together with Delhi and BLR, these 3 major metro cities generate over 35% of all-India rooms revenue, with less than 25% inventory share.

Leisure and Religious Tourism

The Leisure segment continues to expand and contribute positively. Experiential leisure is sought (notwithstanding the conceptual mismatch with varied crowds in Goa). Leisure supply expanded from 12.5k rooms in 2008 to 28k rooms in 2015, and rapidly to 61k rooms by 2024. 31% current supply share is healthy. The pipeline is also strong; if fully implemented, this segment would have 106k rooms by 2029, with 35% supply share.

The Leisure segment will benefit from investment interest among bigger developers; presently, ownership is very scattered, outside IHCL and Oberoi group. Lux-UpperUp leisure inventory is only 17.6k rooms; it's pipeline only 15.5k rooms. Larger segmental supply would help attract the domestic demand which is travelling overseas.

An important feature of the Leisure segment is the sizeable overlap between religious tourism and leisure. Several destinations serve both aspects – Varanasi, Dharamsala, Rishikesh, and Madurai are examples where the prompt for the travel may be leisure or religious / culture, but largely both aspects get addressed. Amritsar, has an overlap between religious visits, leisure and business travel. Recognising, such duality, we do have 12k chain affiliated rooms in destinations that have a strong religious tourism base. This has grown three times in the last 10 years and is slated to more than double in the next 5 years. A growing upper tier segment in several such markets is a big positive and will attract and serve upper tier domestic demand. Horwath HTL estimates the overall ADR for the hotels covering various religious destinations at about Rs. 6k, with 55-58% Occ.

Foreign Tourist Arrivals (FTA) for H1-24 were 4.8 mn (+9.1% over 2023). The slowdown of travel from Bangladesh has impacted H2-24. As a result, aggregate arrivals from January to October 2024 are 7.68 mn (+2.8% over 2023), but behind 2019. This reiterates the need to focus on this segment and to widen the source markets materially. Complacency, combined with lack of real (not verbal) appetite is revealed.

Increased revenues have enabled improved **EBITDA margins for hotels**. Data for listed companies, covering about 44k rooms, reflect average EBITDA margins of 36% for FY24 (+1 pt from FY23) and 32% for half year April 24 to September 24 (similar to the corresponding previous year period). Revenues have been substantially supported by F&B growth.

Looking Forward to 2025

- A significant concern of the effect on discretionary spending and travel, if the stock markets were to continue declining heavily.
- An attitudinal shift among Operators towards a higher Occ base for the major business cities. Target 80's.
- Scale – think bigger, not just easy. Besides, the benefits of scale, the lack of managerial skill should deter smaller scale.
- Greater acquisitiveness, with bigger players having more cash and capacity (and even need) to deploy their surpluses.
- Targeted widening of inbound leisure and creating new destinations.
- Strong, big and effective focus on climate change, trumping our global partners.
- Responsible tourism – from all players, including the demand side and tour operators.
- Mumbai gaining from Navi Mumbai airport; eastern Delhi NCR from Jewar airport.
- Further growth from BLR and Delhi; Gurugram and Hyderabad; Ahmedabad perking up.
- Re-alignment of Goa towards a stronger future; even if the immediate term hurts a little.
- Demand from the new convention centres adding further heft to Mumbai, Delhi and Jaipur.
- Continued growth of sports related demand, across multiple sports.
- Dealing with DPDP.
- Deeper risk governance which recognises the difference between tides and Yuletide.

Coverage and Classification

In this report we examine Occupancy (Occ), Average Daily Rate (ADR) and Revenue per Available Room (RevPAR) trends nationally and for several Key markets. Hotels are classified as Luxury & Upper Upscale (Lux-UpperUp), Upscale & Upper Midscale (Upscale-UpMid) or Midscale & Economy (M-E), consistent with CoStar classifications.

Our analysis is based on supply, demand and revenue data represented as Occ, ADR and RevPAR reported by hotels to CoStar and generated per CoStar guidelines. Inventory and pipeline related data referenced is based on Horwath HTL research. All values are in Indian Rupees. Previous year numbers may have undergone changes as newer participants in CoStar data contribute current and past data. The data includes aggregator owned hotels and hotels operated on aggregator platforms. Operating data for de-flagged hotels is included to the extent the hotels have continued participation with CoStar. The analysis does not cover inventory under time share operators.

All-India performance is summarised below:

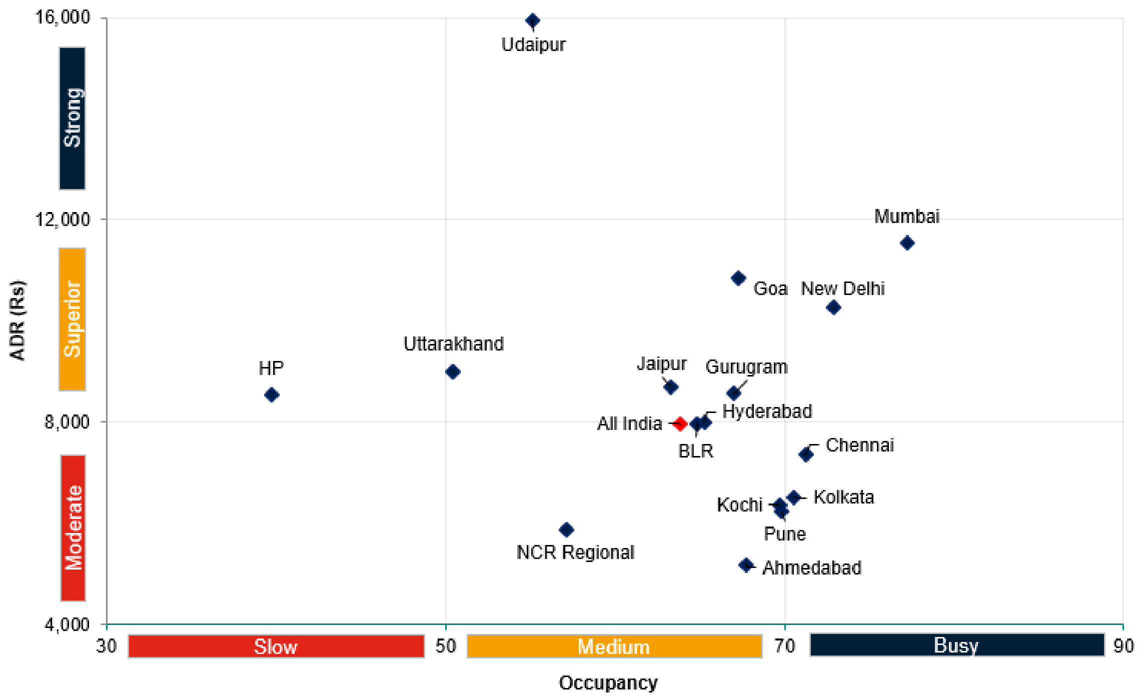
Year	Occ %	ADR	RevPAR
2024	63.9%	7,951	5,078
2023	62.1%	7,391	4,586
2022	58.6%	6,053	3,548
2019	64.5%	5,684	3,664

Source: CoStar

The Performance Matrix reflects the Occ and ADR performance for several markets.

Overview of Performance

- Occ yet behind 2019 doesn't make good first reading. The real story is that demand increased by 29k rooms per day, since 2019; and room revenue per day in 2024 was 82% higher than for 2019. Combined with supply increase by 50k, the positive message is that the market is growing in capacity and size.
- All-India ADR crossed Rs. 6k in 2022 and Rs. 7k ADR in 2023. For 2024, it was just 49 short of Rs. 8k. RevPAR did cross the Rs. 5k mark. Demand crossed 123k RPD.
- The quantum of year-on-year ADR gain has slowed - this was inevitable given the heavy upward correction and material gain that accrued in 2023. The fact that the upward rate reset of 2022 and 2023 has continued to see healthy accretion is very satisfying. While larger rate gains would be welcome, the rate push needs to be balanced against incentive rates offered overseas for the Indian leisure, weddings and MICE customer.
- Besides, ADRs are affected by changing supply composition, segmental performance and resultant demand mix. For example, Udaipur market-wide ADR grew only Rs. 109; however, its Lux-UpperUp ADR increased by Rs. 1.4k. The supply share of Lux-UpperUp segment declined by -2.1 pts while that of the M-E segment increased by +4.9 pts.
- Udaipur tops the rate chart. Mumbai continued to move right and further up, gaining Occ and ADR.
- New Delhi, Chennai, Hyderabad & Kochi too shifted up and right in material measure. Gurugram, Kolkata and Pune with also gained, but more modestly.



Source: CoStar

- Uttarakhand (UTK) moved more to the right than upwards. Himachal Pradesh (HP) too moved right, but dropped vertically.
- The past clutter in the middle has started to break up, which is good. However, the markets that are moving left and / or down should correct course.
- Wouldn't it be fantastic if the upper spaces of the chart were utilised to a greater extent?

Additional Parameters

Supply concentration, different performance levels and even the need for different performance targets merits the results to be presented with varied segmentation.

We have therefore presented results separately for (a) the Top 10 Markets which comprise 58% of total supply; (b) Leisure markets (including Goa and Jaipur from the Top 10 markets) in order to establish a different comparison basis for the leisure segment; (c) all other markets which in aggregate have a larger share of mid-priced and economy hotel supply; and (d) segmental results (all India including leisure) for the Lux-UpperUp segment. We believe that these data elements will provide more a meaningful view of the sector.

Markets	Occ	ADR	RPD (k)	Supply Share	Room Rev Share
Top 10	68.9%	8,792	78	57.6%	69.8%
Others	60.4%	6,016	32	27.8%	19.5%
Key Leisure	58.3%	9,163	26	23.8%	24.5%
All India Lux-UpperUp	68.9%	12,377	45	34.1%	57.2%

Source: CoStar and Horwath HTL

Note: Top 10 Markets comprise Mumbai, Delhi NCR, Bengaluru, Chennai, Hyderabad, Kolkata, Ahmedabad, Pune, Goa and Jaipur

Key Leisure Markets comprise Rajasthan, Kerala, Goa, HP, Uttarakhand, Agra and Amritsar.

The data says it all. The Top 10 should be aiming to add ten points to Occ – what an immense difference that would make.

The convergence of Top 10 and Lux-UpperUp occupancy is coincidental.

Please recognise that there is an overlap between Top 10 and Key Leisure, with Goa and Jaipur being common to both.

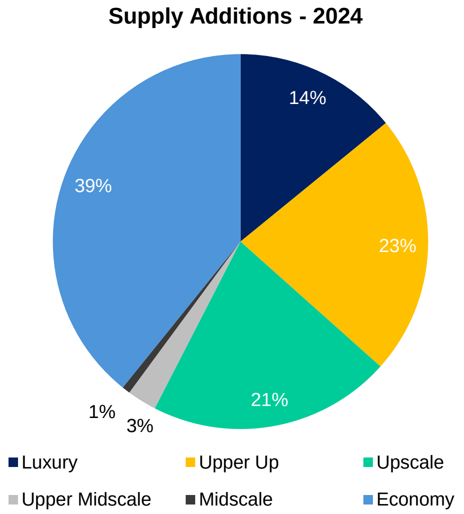
Hyatt Centric Hebbal, Bengaluru

Supply

Addition of 14.4k rooms has taken the year-end inventory above 200,000 rooms. Some key features of this supply creation are:

- 67% of inventory growth was outside the Top 10 markets; 24% in the key leisure markets (excluding double count of Goa and Jaipur). Only 1.9k rooms (3k opened; 1.1k de-flagged) were added in the top 3 metro markets of Mumbai, Delhi NCR and Bengaluru. The Other metros had sizeable de-flags so that net addition disappears in the rounding off.
- For the first time in several years, the net effect of conversions (adjusted for de-flagged hotels) was a positive, adding 2k rooms to overall supply.
- Among 169 new-build hotels – (a) only 3 hotels with 200-225 rooms; nothing larger (b) 73 hotels with less than 50 rooms; (c) 37 hotels with 50-75 rooms.
- Among 136 conversions, 88 hotels had less than 50 rooms; of these, 63 hotels had 35 or lesser rooms.
- Anantara opened its first hotel in India (in Jaipur), Raffles its second, IHCL its first Taj (Taj Puri) in Odisha, ITC its first large Storii (131 rooms in Jaisalmer); Marriott its first Moxy.

2024 supply addition segmentally comprised as



Source: Horwath HTL

Supply – broader overview

The leisure sector has about 61k rooms (30% of total supply); this has grown five times in size since 2008. The pipeline is also strong with 45k rooms expected to be added by end 2029.

Among leisure destinations are also destinations for spiritual tourism – several that are primarily focused on the religious aspect and some others that have a mix of religious and leisure purpose to their travel. Such inventory is about 12k rooms and now has 667 rooms in the luxury segment (largely from IHCL) and another 1k rooms in the UpperUp segment. We see this growing, at least in absolute numbers, as the upper tier society does want to travel to these destinations and needs commensurate hotels. These destinations have a fundamental permanency of attraction and demand which is, in itself, a big positive.

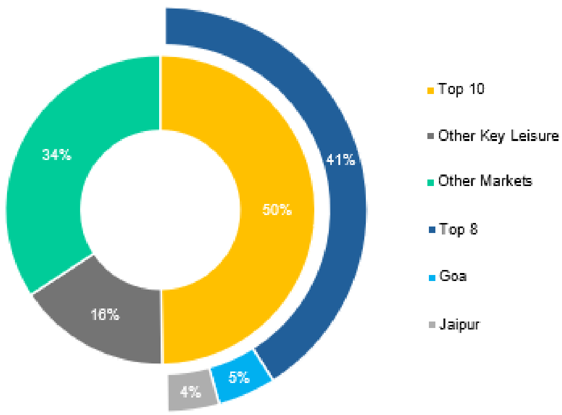
Record signings by several chains means that the pipeline has shot up to 105k rooms by 2029; and at least 8k rooms beyond. Implementation pace is typically slower so that it is likely that the inventory accretion could be spread over a longer period. Some projects may even be dropped and we see that more likely among the 8k rooms beyond 2029. At the same time, shorter implementation conversions will occur over the next few years so that the aggregate deliverable pipeline remains robust.

Timeliness and project certainty are a responsibility because announced projects that don't move or get materially delayed occupy viability space and decision-making for other more genuine projects - chains too have a responsibility in this matter. Several projects in the rapidly growing pipeline are small hotels and also higher scale hotels, with first time owners possibly drawn by branding. It will be interesting to watch the outcome, given financial and attitudinal capacity, outlook to quality and the destination potential.

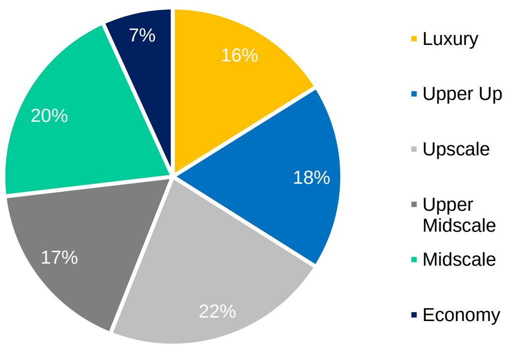
The pipeline has an average size of 104 rooms. Just 5 hotels have 400+ rooms; 17 hotels have 300-400 rooms.

Supply composition from a market and market segmentation viewpoint could reflect as under:

Supply Composition by Market - 2029



Supply Composition by Positioning - 2029

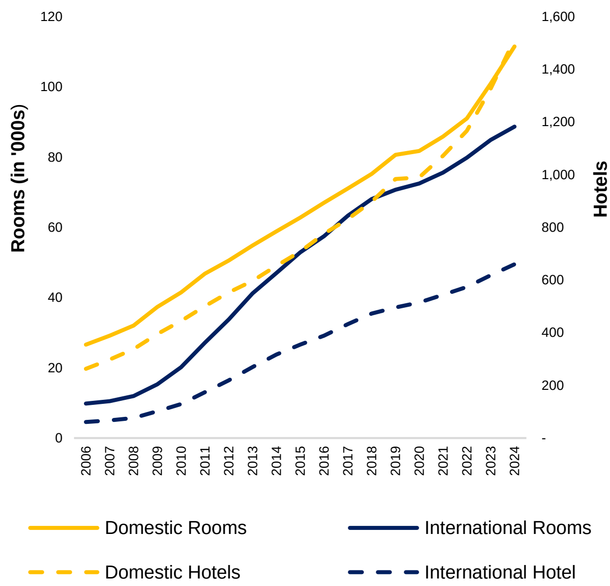


Source: Horwath HTL


Taj Puri Resort & Spa, Odisha

From a brand affiliation viewpoint, it is interesting to see the divergence on brand share when inventory is assessed by hotels and by rooms.

Dom and Intl Supply Share - Hotels & Rooms

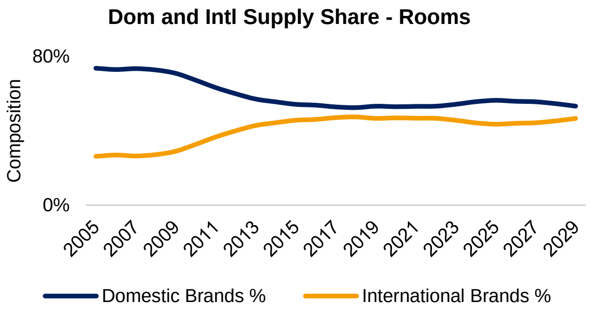


Source: Horwath HTL

Domestic brands have a larger share of hotels, with numerous smaller hotels and expansion to newer destinations. On the other hand, the international chains secured larger hotels. Greater convergence on the rooms inventory around 2018-2018 has given way to a widening space but will again narrow by 2029.

Domestic chains must guard against too many small hotels, including on franchise - the risks of brand and brain damage (management time dealing with the challenges, even with tech support) is heavy.

The domestic brands have maintained their overall rooms supply share at 53-54% in the last nine years.

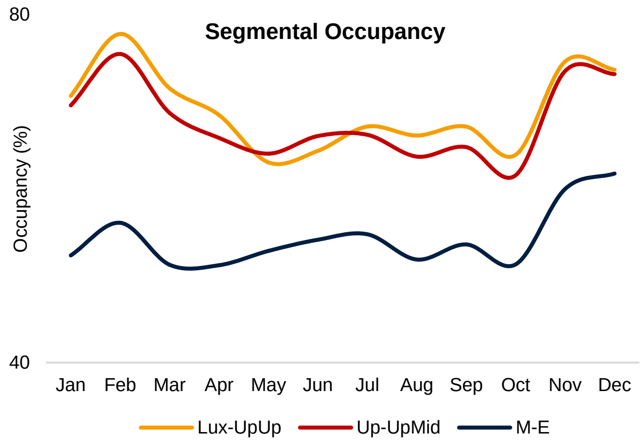


Source: Horwath HTL

Franchising is gaining slow traction. Slower than international markets, but advisably so. Several chains are now more open to franchising but should go in with their eyes open. Separately, the franchise costs are not gainful except for owner-operators.

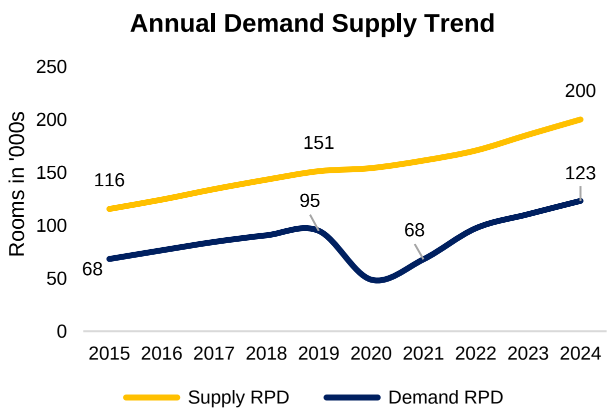
Segmental Performance

We present below the segmental Occ trend by month for 2024. It reflects the extended duration of salad courses.



Source: CoStar

It is equally relevant to understand the supply and demand trend.



Source: Horwath HTL

Supply has increased by 85k rooms between 2015 and 2024; in this period, demand has increased by 55k rooms. Demand did rise to 95k for 2019 but naturally plummeted with Covid-19 pandemic. It recovered to 2015 levels by 2021 and has since added 55k rooms. The last 2 years itself (2023 & 2024) have seen demand rise by 26k rooms.

56% of national room revenue is from the Lux-UpperUp segment, 35% from the Up-UpMid segment and 10% from the M-E segment. A limited rise for the Lux-UpperUp segment, at the cost of the Up-UpMid segment.

All three segments have recorded occupancy, ADR and RevPAR gains over 2023. However, the ADR gain for Up-UpMid segment was only Rs. 365 and for the M-E segment an almost matching Rs. 352. The wider gap of Rs. 5.8k between Lux-UpperUp and Up-UpMid ADR, compared to Rs. 5.4k for 2023, should give space for Up-UpMid hotels to push up rates.

Luxury - Upper Up

The Lux-UpperUp segment has 34% supply share, 37% demand share and 34% pipeline share. It earned 56% of all-India room revenue. About 80% of its inventory is in business cities with about 20% of segmental inventory is in key Leisure markets.

68.9% all India Occ is the highest ever for this segment, as is the ADR of Rs. 12,377. The segment crossed the 10k mark only in 2023 and has grown further by 6.4%. We see record numbers in almost every market - only Goa declined ADR by Rs. 76.

Seven of the Top 10 markets have segmental ADR of Rs. 10k and higher; Chennai joined this list for the first time. Udaipur crossed Rs. 24k and stands one-third higher than Rajasthan state (including Udaipur) and nearly 50% higher than HP and Goa.

Raffles Jaipur

The Occ story is only for the business cities, and Goa. Mumbai leads at 77.7%, Delhi follows at 76.6%. Among leisure markets, only Goa crossed 70%.

The big brands and big owners are at play. Events demand is an important play; but hotels must make the effort to seek wider, to get more value - our hotels and markets are worth even more than the much improved rates currently earned.

Upscale - Upper Mid

Largely reporting gains. In Occ and ADR.

The Up-UpMid segment has 38% supply share, 41% demand share and 40% pipeline share. But it earned only 34% of total rooms revenue.

67.6% Occ (+0.9pts over 2023), with ADR at Rs. 6,550 (+5.9%). Demand is +9.2% over 2023; +30.4% over 2019.

However, the 'plus' sign gives mistaken comfort and overlooks the under-delivery. Given its positioning and the domestic demographic, this segment must target 70% Occ and Rs. 8-8.5k ADR (essentially $100). It is possible, if we set out mind and goals to it. As this is achieved, owners of Upper-Up hotels will push their operators to create space between the Upper-Up and Upscale segments, so that there will be further overall gain. It is time for a big push up.

The argument against this is that supply composition is changing with 28% of current supply and 47% of pipeline supply being outside the Top 10 markets and key leisure destination. But then, the reason for this segment being preferred outside the Top 10 markets is its appropriateness for those markets. And hotels in the Top 10 markets must think 80-85% Occ (at the minimum); at date its about 74.3% Occ as an average.

Mumbai dropped 1 pt to 79.7%; Delhi gained 1.4 pts to match Mumbai's 80.7% of 2023. Hyderabad, Kolkata and Indore were also at 79%; Gurugram Lucknow, Chennai, Chandigarh, Vizag and Pune in the mid to upper-mid 70s. Agra was a pleasant surprise at 75.4% (saying "Wah Taj" may be misconstrued by the industry).

Cloud9 Sarovar Premier, Goa

The ADR story is less stellar – only Mumbai and Delhi in the mid 8ks. Hyderabad, Goa, BLR and Gurugram at low to mid 7ks, only Vizag in the 6k and then a lot of 5ks and some even lesser. It seems we get satiated too easily.

Among leisure markets, Agra and Goa were positive. Uttarakhand did well with 48% Occ at Rs. 8.5k (ahead of Goa by Rs. 1.2k), but HP disappointed with 38% Occ even if at Rs. 7.2k ADR.

Midscale – Economy

The M-E segment has 27% supply share, 23% demand share and 26% pipeline share. Its rooms revenue contribution is only 10%. The percentage is one matter – the absolute paucity, particularly stemming from low occupancy is a key concern.

The Fern- An Ecotel Hotel, Kochi

This segment has remained relatively soft, belying the expectation that it will be very popular given the Indian demographics. Independent hotels and several aggregator hotels are materially serving this space; a larger section of travellers likely look for better quality when travelling (experiential travel, in its own manner at that level). Possibly the 'economy' word is considered hurtful – is 'budget' an easier term for the chains?

The segment did grow RevPAR by 14.3%, mainly based on ADR improvement to Rs. 3,712. Yet 54.2% Occ can at best be murmured. Additional chain participation in 2024 has caused an adjustment to past data, but the trend reflects much softness.

The Midscale segment, within the M-E data, has done much better and is pulled down materially by the economy hotels. 65% Occ at Rs. 4.3k makes relatively much better reading for the Midscale hotels, while economy hotels secured 42% Occ. But even at 65%, the result is sub-par for a segment that should be Occ driven by nature.

For the overall segment, Mumbai with 3.5k rooms was the only market with over 73% Occ; and an ADR of Rs. 5.5k. Pune, Coimbatore and Indore were each at 68% Occ. A handful of other markets were in the low to mid 60's. Delhi and Gurugram as business cities and Goa, HP and UK as leisure markets were the only markets with ADR above Rs. 4k.

Analysis by States

Seven states - Maharashtra, Karnataka, Rajasthan, Gujarat, Delhi, Tamil Nadu and Goa have 61.6% of total chain affiliated inventory, and contribute over 67% of national room revenue. Maharashtra has 15.7% inventory share; The other 5 states named above have between 5.1% (Goa) and 8.2% (Rajasthan) inventory share. Maharashtra leads supply across segment and has 20% share of the Lux-UpperUp segment. Gujarat has only 3.3% share at the Lux-UpperUp level but ranks third in the Up-UpMid segment and 2nd in M-E segment.

Given the supply composition, Maharashtra yields over 19% of national room revenue, with Karnataka and Delhi at 10.5% and 10.4% respectively. Maharashtra also about 21% of Lux-UpperUp room revenue, with Delhi, Karnataka and Rajasthan 8-10 pts behind, but yet in double digits.

Key Markets

Mumbai

For starters, Mumbai contributes over 15% of all-India rooms revenue; 19% of all-India Lux-Upper Up rooms revenue.

Mumbai has seen 3k new rooms added in the last 3 years, including 439 rooms in 2024. The additional inventory has been positively absorbed with Occ continuing to rise to 77.2% (+0.7 pts over 2023). Simultaneously, ADR rose by nearly Rs. 1k, giving Mumbai the highest ADR of Rs. 11.5k among business cities.

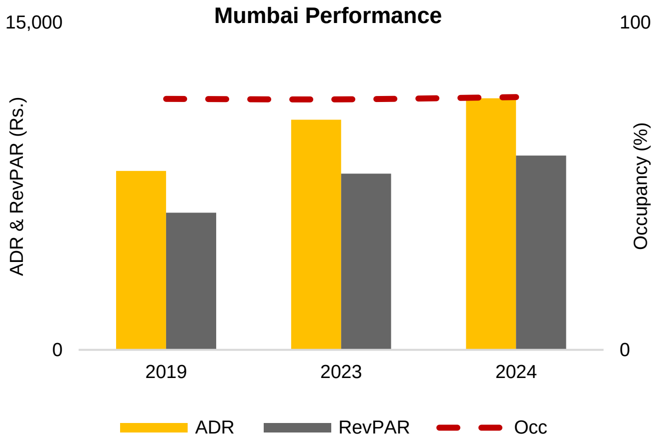
The Lux-Upper Up segment had almost stagnant Occ at 77.7%, with ADR climbing to Rs. 14.5k (the only business city with Lux-UpperUp ADR in excess of Rs. 14k). This in spite of inventory reclassification of about 800 rooms into this segment. Together with the Ambani group's convention and event centre, the Lux-UpperUp segment will drive major room and non-room revenues.

The Up-UpMid segment dropped Occ to below 80%, with 79.7% Occ (-1 pt to 2023) while raising the ADR to Rs. 8.6k.

The M-E segment saw Occ rise by 5.7 pts to 73% with ADR at Rs. 5.5k. The Ginger and Ibis hotels are performing with vigour.

The resurgence of business demand in south and central Mumbai micro-market (gaining from the coastal road) has and will be a major factor of Mumbai's market performance. The Lux-UpperUp hotels in this micro-market scored 81.1% Occ with ADR of Rs. 19.1k in 2024, achieving 15.8% RevPAR growth.

The Mumbai East micro market saw a drop in Lux-UpperUp and Up-UpMid Occ, likely working through the large inventory addition from Aurika, Taj Trees and Novotel. However rate improvements enabled 9.7% RevPAR growth for the micro-market.



Source: CoStar

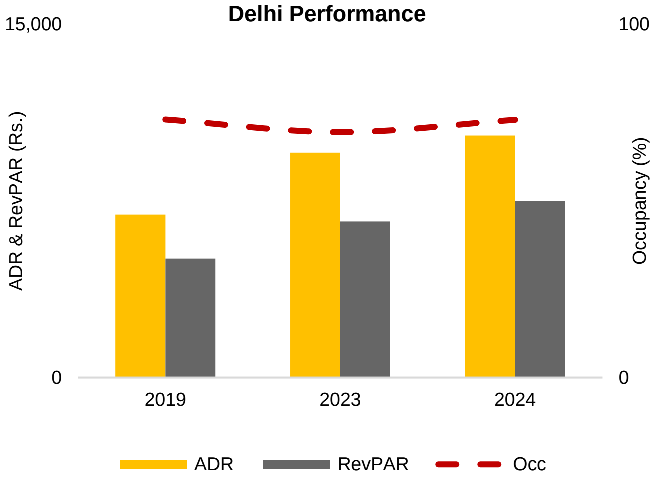
The city has a sizeable pipeline with the opening of Fairmont delayed to early 2025 and the Hyatt Regency expected to open in late 2025, as the main prospective additions for 2025. The airport at Navi Mumbai will open in the next several weeks, the first full stretch of Coastal Road has been fully completed on the western seaboard and the metro lines are operating in various parts of the city with more to follow. Demand and performance are expected to remain robust for the foreseeable future.

The Taj Mahal Palace, Mumbai

Delhi

Delhi did a long jump in 2023, but was somewhat relaxed in 2024. Its second spot on Occ (among Top 10 markets) was because it wasn't pushed hard enough by the others. While demand has grown by 1.4k RPD in the last 2 years, the actual growth since 2019 is only 200 rooms. Which doesn't even absorb the 400 rooms added in this period.

Growth has accrued materially in room rate - market wide ADR is up from Rs. 6.9k for 2019 to Rs. 10,273 for 2024. Room revenue from Delhi hotels has risen 52% in this period.



Source: CoStar

Lux-UpperUp Occ rose to 76.6% (+3.5 pts) but rate growth was only 6.5% to Rs. 13,225 - shallow, given the Occ levels.

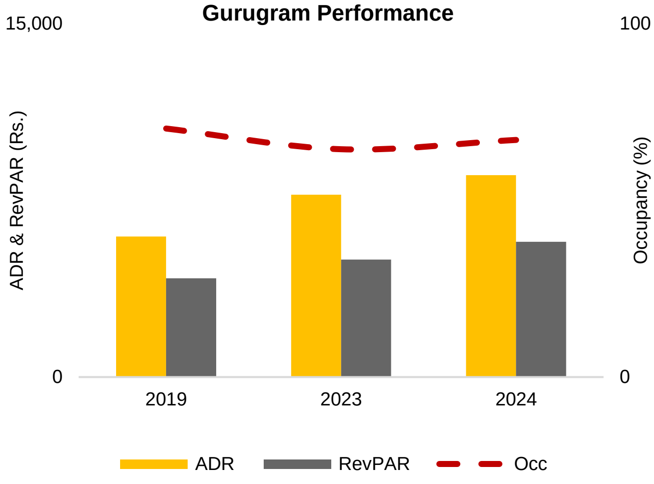
The Up-UpMid segment did better, taking the lead with 80.7% Occ and growing the ADR to Rs. 8.4k. The M-E segment had 23.6% RevPAR growth - great, but Occ is 53% and ADR Rs. 4.6k (trailing Mumbai by 20 pts on Occ and 15% on ADR).

The elections would have had its impact no doubt, but the catch up could have been greater. Pricing confidence needs to be sustained, and sentiment challenged for change than becoming an excuse.

The pipeline is limited and 2 modern convention centres add capability. Delhi airport keeps growing with 77.8 mn passengers in 2024 (+7.8% over 2023). The opportunity is immense and Delhi hotels need to think 80-85% Occ on a consistent basis.

Gurugram

Healthy, but nothing spectacular.



Source: CoStar

Most markets would take 15.2% RevPAR growth with pleasure. All segments enjoyed growth as the market moved ADR by +10.7% to Rs. 8,561. Occ too increased to 67% (+2.6 pts) but therein lies the catch. RPD is ahead of 2019 by less than 50 rooms, while the supply side added 528 rooms; Occ growth over 2023 is because demand grew by nearly 700 RPD in the last 2 years - but where is the real growth?

Hilton Hotel, Gurugram

Lux-Upper Up Occ at 69.6% with Rs. 13k ADR feels underdone for this market.

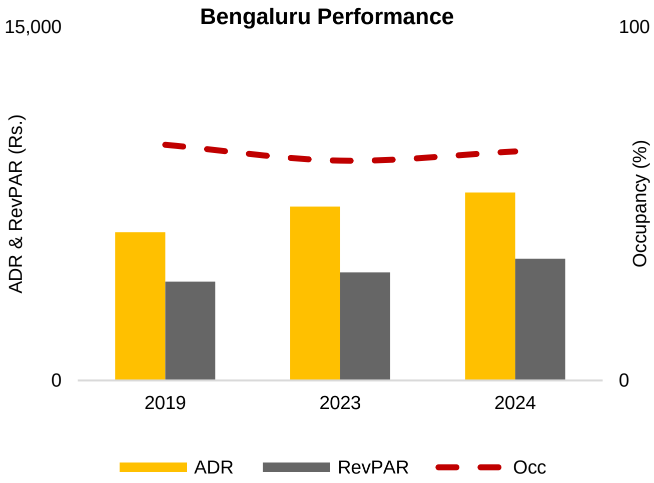
Up-UpMid Occ at 77.2% was earned with ADR crossing the 7k mark. The M-E segment struggled at 53.6% Occ though ADR crossed Rs. 4k. The heft is lacking, considering that Gurugram has more than just IT / ITeS (which also increasingly resumed WFO) and the push for more manufacturing on the city's outskirts.

With roadworks causing heavy traffic disruptions, the immediate future seems to have an amber light.

Bengaluru

64.8% Occ at Rs. 7,976 ADR do not tell the real picture. The city has the largest hotel inventory among Indian cities, over 18k rooms which is ahead of Mumbai and Delhi by 1k and 4.4k rooms respectively.

Moreover, the city has added 3.8k rooms inventory since 2019, including 1.6k rooms in 2023 and 2024; its RPD grew by 2.1k rooms in this period, almost entirely in the last 2 years. Much extended WFH policy in the IT sector materially slowed the city's recovery from Covid; the graded recall to office work is reflecting in demand growth.

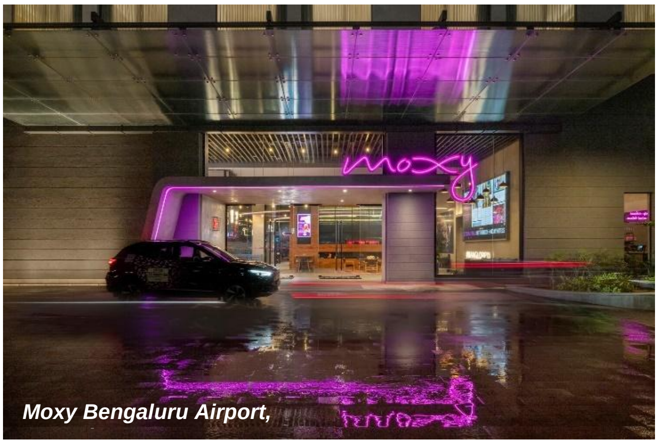


Source: CoStar

Besides, its supply composition is more balanced, with only 41% supply share from the Lux-UpperUp segment compared to 58% and 50% for Mumbai and Delhi; even Chennai and Hyderabad have higher supply share of Lux-UpperUp hotels. Further, 27% of BLR supply is in the M-E segment; the closest are Ahmedabad at 25%, Pune at 23%, Chennai, Mumbai and Gurugram at 20-21%. This supply composition impacts city-wide ADR.

Undoubtedly, there is need and space to grow and that is a positive, particularly as the pipeline is more graduated.

Lux-UpperUp Occ grew by 4.5 pts to 68.8%, with ADR of Rs. 12.3k and 13.9% RevPAR growth. The city centre micro-market achieved 76.5% Occ at Rs. 14.3k ADR and almost Rs. 11k RevPAR.

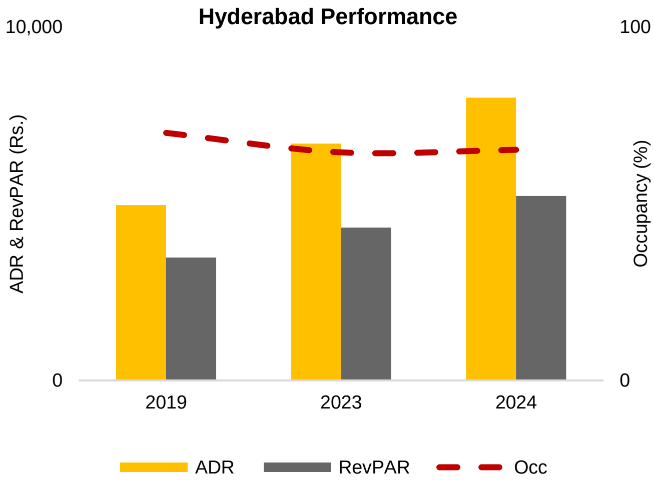


Moxy Bengaluru Airport,

Up-UpMid Occ at 68.2% (+1.3 pts) and ADR up at Rs. 7.2k enabled 8% RevPAR gain; segmental ADR crossed 7k for the first time. The M-E segment at 57.6% Occ (+1.3 pts) also increased ADR to Rs. 3,340. The RevPAR of Rs. 1.9k, needs a big push, inspite of 11% gain.

The Sarjapur-Whitefield micro-market achieved 16% RevPAR growth, while BLR North market grew RevPAR by 13.8%.

Hyderabad



Source: CoStar

The city has grown, with its workhorse attitude and good infrastructure. It's performance on ADR was better than Occ, on market-wide basis for 2024. Segmentally, Lux Upper Up Occ was +3.9 pts while M-E Occ was -3.0 pts. This partially explains the rate gain.

City Occ was 65.3% (+0.8 pts); Up-UpMid Occ grew by the same quantum to reach 79.8%. Demand grew by 215 RPD, mainly from the Lux-UpperUp segment.

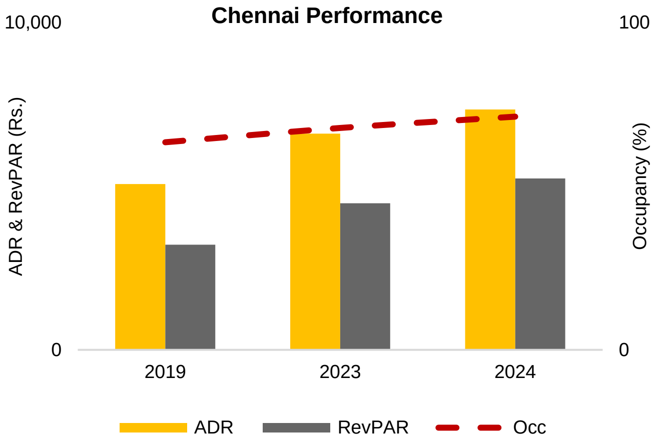
City ADR clocked precisely Rs. 8k (+19.4%), with RevPAR rising over the Rs. 5k level to end at Rs. 5.2k. Lux-UpperUp ADR increased sharply to Rs. 11.6k; this reflects ADR growth of Rs. 4.2k over 2022 and Rs. 1.6k over 2023. The upper tier hotels in Hyderabad have gained from a strong market and a fully pre-booked status for the new Westin hotel which opened in 2023.

Up-UpMid segment ADR at Rs. 7.5k (+Rs. 0.9k) was the third highest segmental ADR among the six metro markets.

Chennai

The city's IPL legend's 7 shirt number finally shows in its hotel sector. 71.3% Occ at Rs. 7,347 ADR. Occ has crossed 70% for the first time since 2007; ADR crossed 7k, after 2008. Demand grew by 739 RPD since 2019.

Chennai has worked through the challenges of concentrated supply creation (2/3rds of its inventory was added between 2011 & 2017). For 2024, it ranked 3rd in Occ among the Top 10 markets. Its ADR levels have a way to go to compare positively, but the growth trend is very good for a city that has been rate-shy.



Source: CoStar

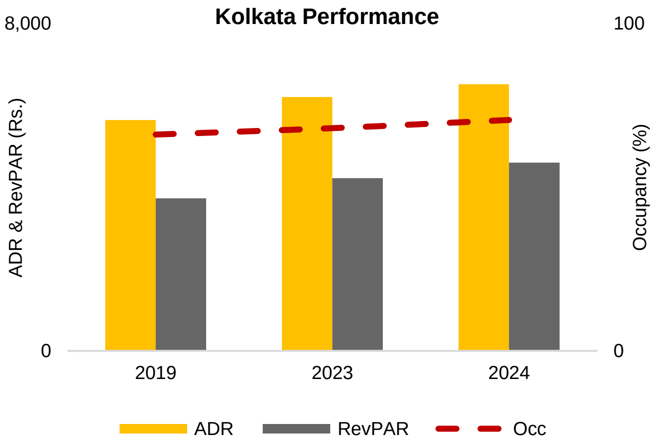
Every segment has played its part, with 16.1%, 12.5% and 22.8% RevPAR growth by the three segments. Lux-Upper Up Occ also joined the 7's with 73.7% at an ADR which went beyond Rs. 10k by just a six.

Up-UpMid segment grew Occ by 1 pt and took its ADR to just shy of Rs. 6k. M-E Occ crossed to 60.5% with ADR of Rs. 3,769. A good showing by both these segments is critical to the revival of the market as over 60% of the concentrated inventory addition (2011-2017) occurred in these segments.

The ECR micro-market has done well and will be tested as much new supply occurs there. Given the lack of beach resorts in India, particularly close to major cities, this would likely be gainful. The city must sort its traffic and airport though (both in the works) to support more tourist traffic.

Kolkata

Seemingly a good year, with Occ at 70.6% (+2.5 pts over 2023), and ADR up by 5.1%. RevPAR at Rs. 4.6k grew by 8.9%; yet, Kolkata is the only metro city with RevPAR in the 4k level (Kochi and Pune for company).



Source: CoStar

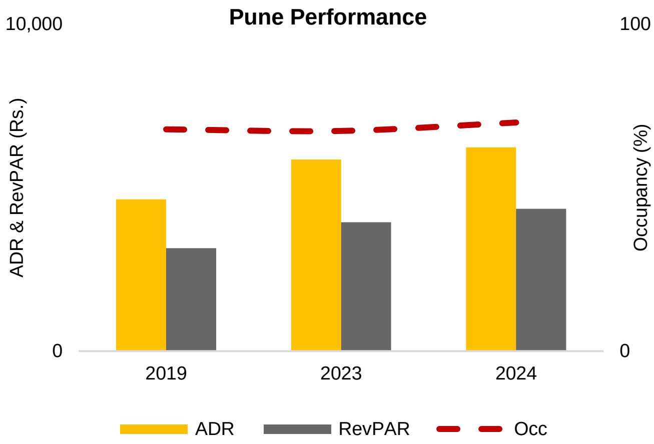
Lux-UpperUp Occ at 73.7% was the highest since 2007. However, ADR increased by only 1.6%, taking RevPAR to Rs. 6,313. Segmental ADR remains in the mid Rs. 8k level and is materially lower than other Top 10 markets. Importantly, this segment contributed 63% to demand growth in the city. Occ was helped, but demand not necessarily so, by the closure of Oberoi Grand for extensive renovation from mid-August 24. Decline in travel from Bangladesh also impacted the sector, across segments.

Occ for the Up-UpMid segment increased to a record 79.2%; with ADR rising to Rs. 5.6k, RevPAR for this segment gained by 8.9%.

The M-E segment was soft with low 50% Occ. RevPAR at Rs. 1.4k was materially lower than the Top 10 markets - lower even than several other markets, including Vadodara and Vizag.

Pune

Pune hotels crossed several landmark levels, even if 69.86% Occ (+2.6 pts over 2023)missed a landmark by a whisker. ADR crossed Rs. 6k, while RevPAR crossed Rs. 4k to reach Rs. 4,350. Even demand crossed 5k, adding 300 rooms to reach 5.2k RPD. Gains from weddings and MICE demand continue to be significant.



Source: CoStar

The Lux-UpperUp segment performed very positively with Occ rising to 66.8% (+8.1 pts gain in 2 years). ADR grew 3.5% to Rs. 9.4k and RPD grew by 110 rooms.

The Up-UpMid segment had modest Occ increase to 73.8% while ADR increased to Rs. 5.9k enabling 7.9% RevPAR growth. The city took its RevPAR to Rs. 4.3k, up 31% and Rs. 1k over 2022.

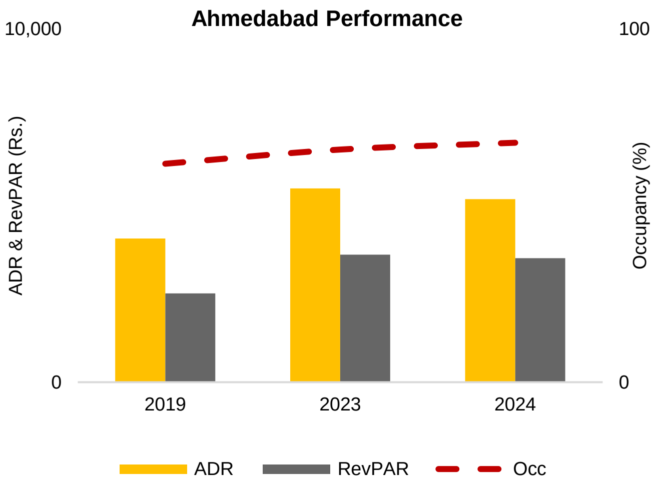
The M-E segment has achieved 15% RevPAR growth but could gain from greater scale and higher pricing by the Up-UpMid segment. It also needs higher Occ than the current 67.7%, for hotels in this segment to deliver commensurate margins.

The city boundaries are widening, with commercial establishments and residential areas spreading in different directions. Hinjawadi - the IT hub - has followed the BLR precedent to become a dense traffic zone which means almost captive demand for local hotels (from businesses in Hinjawadi) but then not much else for these hotels, outside the business demand. A new ring road will add depth in the future; the expanded airport too.

Expect a steady performance from this market; nothing spectacular – much as the culture of the city.

Ahmedabad

The city carries the moniker of being the only Top 10 market to decline in ADR in 2024, by -5.5%.



Source: CoStar

Yet we need to appreciate that the city has added 2.5k rooms in the last 5 years, one-third of these in 2023 and 2024. It has also added 1.7k RPD in the last 5 years, including about 700 RPD in 2023 and 2024. Its demand is a combination of multiple elements, though without a solid core. It is dry and not MICE friendly. It has secured luxury hotels only after Covid, then adding 4 hotels with 1k rooms (including in Gandhinagar).

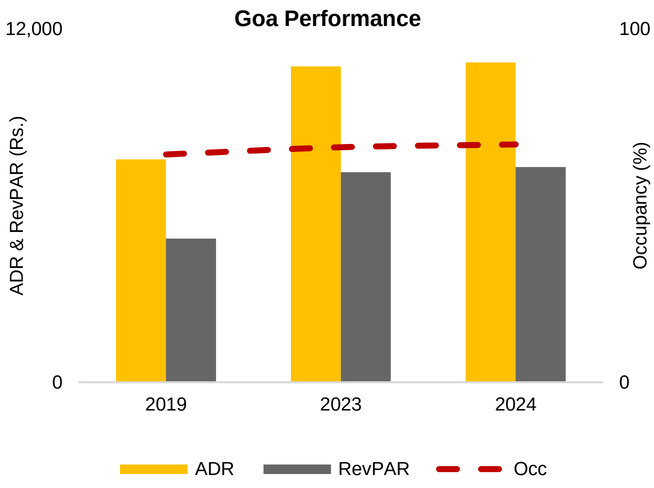
The dynamics therefore need to be understood and allowed time to work through.

The concern is that its core supply base of Up-UpMid and M-E hotels (together 68.1% of supply) have struggled and come in with negative RevPAR of -4.1% and -1.4% respectively. The one-time gains from the cricket and other events of 2023 have not been replaced.

There is material supply creation interest in this market; it will be wise and well foretold if the bigger sports events are successfully attracted; else the wisdom of growth (or at least growth pace) would be queried. Time will tell.

Goa

Goa is the best, and main beach destination in India, by a long way. Everyone wanting to see the sea and beaches goes to Goa. Unfortunately, the vast majority are not sea-swimmers and use the beaches in an improper manner. In some ways therefore, Goa is a victim of its own success. Its casual and easy-going lifestyle has been misinterpreted as a license to be improper and disrespectful in behaviour, showing all the negative effects of over-tourism.



Source: CoStar

Hotel supply has risen rapidly with 3.3k rooms added in just the last 5 years, including 2k rooms in 2023 and 2024. Further visitor supply comes from multiple home stays and villas; real estate projects attracting investment from outside the state (mainly north and western India) have led to a different type of crowding and cultural dilution to the point where Goa ceases to resemble what Goa is popular for. It is critical that visitors and investors cannot be allowed to damage the soul of the destination.

The failure is on many counts, with greed being the lead common thread, laxity the other. Customer experience is lost. Corrections must be made, for the long-term good – even if attitudinally and commercially harsh for the short term.

Novotel Panjim, Goa

Goa has 10.3k rooms spread about 40% each for the Lux-UpperUp and Up-UpMid segments and about 20% for the M-E segment.

The Lux-UpperUp resorts got to 70.5% Occ (the highest in last 10 years), Rs. 16.3k ADR and Rs. 11.5k RevPAR (highest ever for Goa).

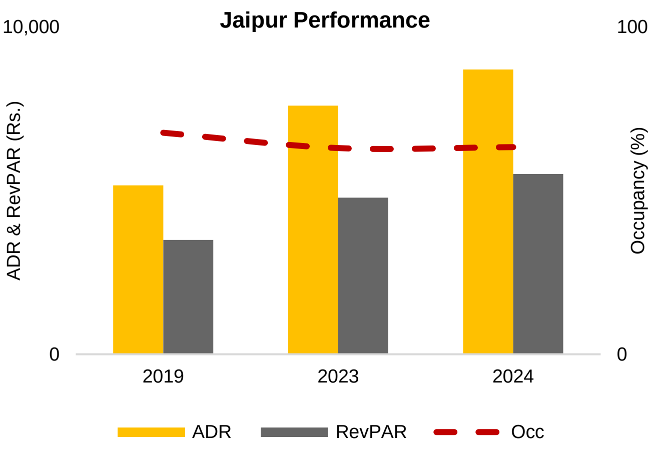
The Up-UpMid segment dropped Occ to 69.5% (-0.6 pts only) while ADR of Rs. 7.4k led to RevPAR increase by just 1.4%. The M-E segment saw 0.9 pts Occ gain and ADR increase to Rs. 4.2k, enabling 5.6% RevPAR gain. These rates are low for the destination and the cause of low-value over-tourism.

We need to be careful that God-made Goa is not killed by crowding, carelessness and casual behaviour.

Jaipur

Consistent with its heritage, Jaipur has the Lux-UpperUp segment - and then the others.

The Lux-UpperUp segment has 41% of supply and 66% of rooms revenue. While Occ declined marginally to 60.8%, RPD rose 11.6%. Lux-UpperUp hotels added over 800 RPD rooms in the last 3 years, absorbing 1.1k new supply in that period.



Source: CoStar

The gain is mainly at the luxury segment, although the upper upscale segment has finally pushed better rates, reportedly led on this path by the Hyatt Regency which opened in 2022.

Mementos by ITC, Jaipur

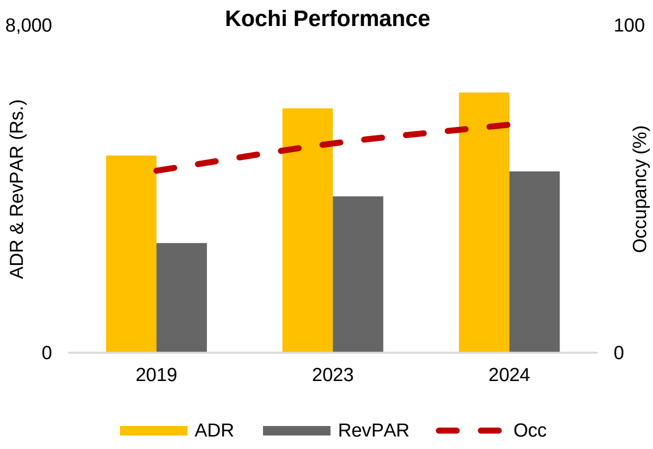
The Up-UpMid segment is also working through the addition of over 800 rooms in the last 3 years; Occ increased to 68.3% and ADR to Rs. 5.5k. The M-E segment gained 13.6% RevPAR with stagnant Occ and ADR just crossing Rs. 3k. Both segments need greater hunger for revenue.

Barring the Raffles and previously the Sawai Man Mahal, all new supply in the Luxury segment comprises big-boxes. And Kukas is the Big-box zone, with major supply (at least 1.6k rooms by 2029) to come around that broad zone. Yes, it's closer to Delhi (though the expressway now lands elsewhere in Jaipur) - but do big-box weddings hotels and the luxury brands attached to some of these truly sync up?

And the dilutive impact on genuine leisure demand is there to see.

Kochi

A refreshingly positive story from Kochi, after many years. Record Occ and ADR at 69.7% and Rs. 6,365. Demand growth of 628 RPD since 2019 (+36%) while supply grew by 183 rooms (+6%); even among the supply, the Taj Kochi (90 rooms) opened only mid- December 2024.



Source: CoStar

67.5% Lux-UpperUp Occ is just one point above last year; segmental ADR has increased to Rs. 8.2k. This segment has the potential and space for significant growth.

The M-E segment enjoyed a good year, adding 12 pts Occ to go to 62.3% at Rs. 3.9k ADR which is higher than segmental ADR for all business cities (other than Mumbai and Delhi NCR) among the Top 10 markets.

Wishing Godspeed to the commercial capital of God's Own Country.

Ramada By Wyndham Kochi

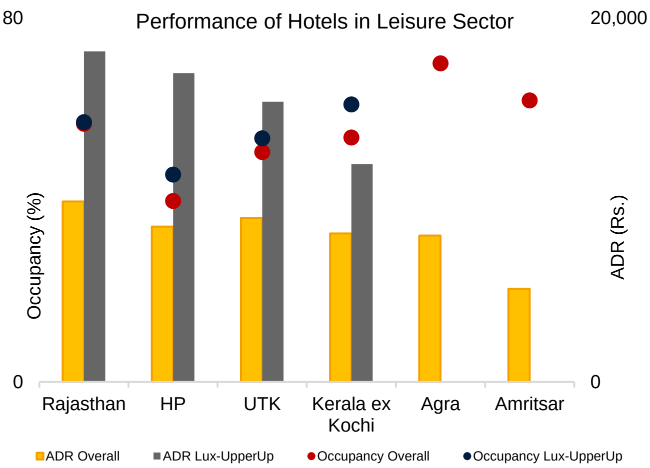
Leisure Sector

The leisure sector has about 61k rooms (30% of total supply), with 119% inventory increase over 2015. The pipeline is also strong with 45k rooms. The sector is growing, demand is heavy – but we need to manage our destinations much better. Carrying capacity of destinations is an essential aspect of tourism – we need to recognise and address the difference between over-tourism and over-crowding.

Freedom of travel cannot mean freedom to damage the ecology of a destination and the life and surrounds of persons living there. The destination and the sector players must put a value to it, and visitors must be forced to abide by certain rules of etiquette and behaviour – else they have no place in the destination. Destination capacity is being over-whelmed.

5 markets – Goa, Jaipur, Udaipur, Uttarakhand and HP increased their rooms revenue share from 16.9% for 2023 to 17.4%.

The roaring demand for destination weddings is partly a bane, even if largely a boon. As a consequence, the focus of leisure destinations is on weddings and MICE, and not on leisure. Enhancing the core (comprised as leisure demand) is good and welcome; virtually replacing it has unhealthy long-term consequences. A stent or two help a struggling heart; multiple by-passes provide short-term succour. And it's not that the core of leisure attraction was damaged – it is simply that the effort to make it shine was not endeavoured because destination weddings was the easy solution. Operators and Owners are responsible for this. And the result is declining inbound leisure. Take Kukas as an example (current + luxury pipeline) – this "shaadi taluka" could well have its own registrar of marriages. Udaipur would be the same, but for the leisure travel from Gujarat, seeking to quench its thirst, and weddings related restraints by some luxury hotels.

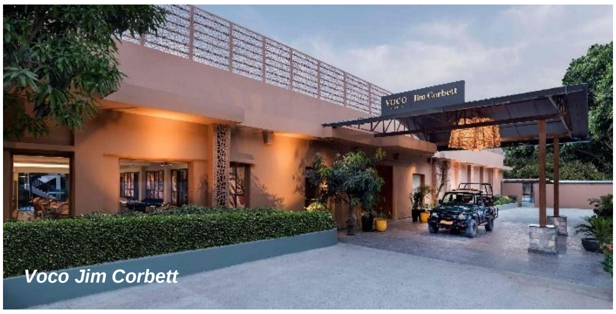


Source: CoStar

- **Udaipur** added 429 rooms and 277 RPD, yet dropped Occ ever so little to 55.1% (-0.3 pts). Its ADR grew by Rs. 109, RevPAR by Rs. 13. The Up-UpMid segment was a challenge, with supply increase of 53 rooms and RPD decline by 88 rooms; consequently, segmental Occ dropped -10.5 pts and RevPAR by -8.2% although segmental ADR grew Rs. 502. Lux-UpperUp hotels saved the day with 58.3% Occ, Rs. 24k ADR and Rs. 14k RevPAR; segmental demand grew by 116 RPD. The M-E segment drop Occ by -2 pts and RevPAR by -2.8%. Moderate quantum of leisure and heavy weddings demand is still keeping Occ around 55%. More of the same is on way, but Udaipur should look to draw more leisure demand.


Aurika, Udaipur

- **Rajasthan** markets are evolving with newer destinations getting supply and visibility. The inventory outside Jaipur and Udaipur increased to 5.4k rooms (+1k rooms over 2023), while demand increased to 2.3k RPD (+0.4k over 2023). ADR for these markets (other than Udaipur and Jaipur) is estimated at Rs. 8.5k. Jodhpur at Rs. 8.9k and newer Lux-UpperUp and Upscale supply in Jaisalmer and Ranthambore provided gains.
- **HP** is dealing with 1.8k rooms inventory surge in the last 5 years. While demand has more than doubled adding nearly 700 RPD, an Occ datapoint of 39.7% is a soft result but also a partially misleading one. ADR levels have declined in the last 2 years, from Rs. 8,828 to Rs. 8,534. The Lux-UpperUp segment has shed Rs. 1.7k in ADR in these 2 years, while growing demand by 82 rooms. The Up-UpMid segment gained +8.9% RevPAR mainly as Occ increased by 3.6 pts to 38.2%, although ADR declined. The M-E segment has fared better with ADR at Rs. 4.6k and RevPAR gap of less than Rs. 1k to the Up-UpMid segment.
- **Uttarakhand** is also dealing with supply growth of 2.4k rooms in the last 5 years, and has benefitted from a combination of leisure, business travel and religious tourism. Demand has increased by over 1.1k rooms in this period. Market wide Occ of 50.5% for 2024 was barely higher than 2019, although ADR levels have risen sharply by Rs. 3.9k.

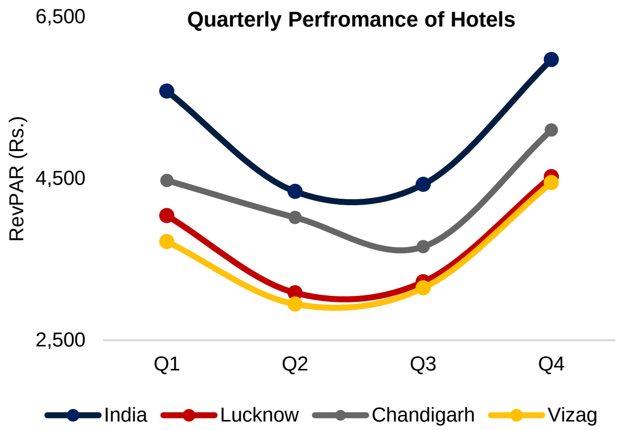

Voco Jim Corbett

Supply in the Lux-UpperUp segment has doubled to 1.1k rooms. Occ has risen to 53.5% and ADR to Rs. 15.4k. Up-UpMid RevPAR has grown only 2-3% in the last 2 years with 48.1% Occ and Rs. 8.5k ADR. The M-E segment was also quite robust with 51% Occ and Rs. 4.3k ADR (Occ could grow if the product profile was better).

The supply pipeline of 5k rooms by 2029 will take the market inventory to over 10k rooms. Some regions will benefit from enhanced road connectivity to Delhi and generally in the region, which will also promote MICE demand. However, climate led factors will lend uncertainties.

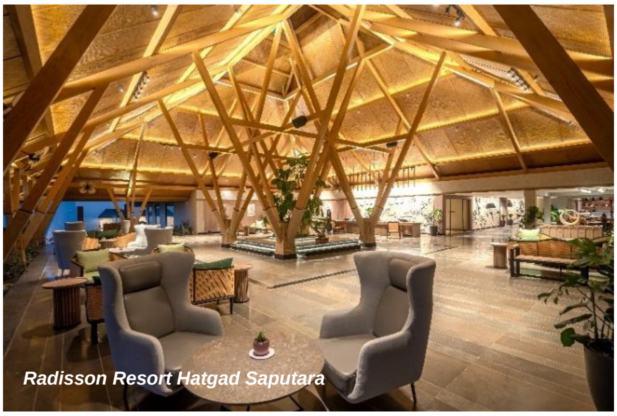
- **Agra** is again a positive story. 69.96% Occ with Rs. 8k ADR, gives this city a RevPAR edge of Rs. 1k over Jodhpur. The supply pipeline will add over 30% to current inventory. Greater connectivity to Delhi NCR, Kanpur and Lucknow, and the Jewar airport should help this market stay positive.
- **Amritsar** has 2.7k rooms and a pipeline of 2.1k rooms. Clearly, the market is seeing something which we are unable to – but one must question the capacity of this city to absorb such supply. It has added nearly 700 rooms in the last two years to its inventory, but RPD has risen by about 350 rooms. 2024 Occ declined to 61.8% (-0.3 pts); ADR did improve to Rs. 5.1k (+Rs. 163) and RevPAR by 2.8%. This is one market where material timeline slippages would be very beneficial – for the sake of this market itself. Its long-term potential is undoubted, but a harsh hit from oversupply could take even longer to recover from.

Other Markets



Source: CoStar

- **Chandigarh:** 784 rooms new supply since 2019, 490 accretion to RPD. Occ rose to 68.3% (+2.9 pts) ADR crossed over to Rs. 6.3k and RevPAR grew by 10.6%. All nice and positive. Pipeline is sizeable but manageably so, at 1.7k rooms.
- **Coimbatore** had similar Occ to 2023, but RPD increased by 94, enabled by supply growth of 113 rooms during the year, following 141 rooms new supply in 2023. ADR grew by 9.2% to Rs. 5.1k.
- **Vizag**: 65.1% Occ still trails 2019 Occ of 66.2%. Demand has increased by about 130 RPD since 2019, while 228 rooms supply was added. The city did well in ADR terms, adding nearly Rs. 400 in 2024, to go to Rs. 5.5k. In fact, ADR has increased by Rs. 1.4k since 2019. The city draws multiple demand segments providing Vizag with growth momentum as the commercial capital of Andhra Pradesh state.
- **Lucknow:** UP state's capital city has been in a positive mode. Occ increased sharply to 71.4% and ADR to Rs. 5.2k. The market since 2019 has added 0.5k rooms supply and a similar level of RPD with a good mix of business travel and MICE demand. UP state is in a strong development phase and Lucknow hotel sector is positively placed.
- **Indore**: The business capital of MP, with 2.1k rooms, 73.5% Occ for 2024 at nearly Rs. 5k. RevPAR growth is only 10.8% because 2023 Occ was also 70.8% and ADR Rs. 4.7k. Very strong current performance. Does this market have the ability to absorb 1.8k new rooms. What awaits is either a tasty chaat or some difficult chats.



Radisson Resort Hatgad Saputara

Markets of the Future

These are markets that must play a greater role in the industry, even if the aggregate impact of each individual market is limited. These will help fuel regional growth in general and generate sizeable non-room revenue. These would include cities in the North-east, Raipur, Bhubaneshwar, Amravathi, Dehradun, Rajkot, Nagpur and Hubli.

Newer leisure options need to be developed - investment in the Ajmer-Pushkar area is growing; so is Jawai but with very limited scale. North Bengal and Kerala should use the opportunity. The vast coastline of peninsular India must be developed, to reduce pressure on Goa – we need to have destinations where tourists want to go.

Navi Mumbai and Jewar-Greater Noida will gain from the new airports. Vrindavan is getting attention, and Tirupati will get more hotels (if the Lord so grants). Ayodhya has a large pipeline and operator coverage.

Contact Information
Horwath HTL India
1105 Embassy Centre
207 Nariman Point
Mumbai 400 021
India

For more information,
scan QR code below:

About Horwath HTL

At Horwath HTL, our focus is one hundred percent on hospitality, tourism and leisure consulting. Our services cover every aspect of hotel real estate, tourism and leisure development.

Our clients choose us because we have earned a reputation for impartial advice that will often mean the difference between failure and success.

Each project we help is different, so we need all of the experience we have gained over our 100-year history.

We are a global brand with 52 offices in 38 countries, who have successfully carried out over 50,000 assignments for private and public clients.

We are part of the Crowe Global network, a top 10 accounting and financial services network. We are the number one choice for companies and financial institutions looking to invest and develop in the industry.

We are Horwath HTL, the global leader in hotel, tourism and leisure consulting.

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