

Realty Cos Ramp Up Hospitality Focus as Travel Biz Booms

Developers see cycles changing, look to cash in on rising demand for quality hospitality infrastructure in tier-2 and tier-3 cities too

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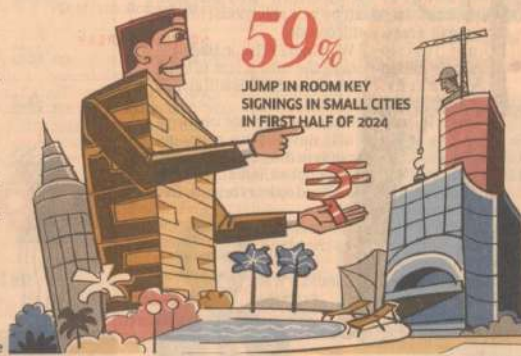
New Delhi: More Indian developers are warming up to high-capex hospitality projects across the country after domestic travellers, emerging from the aftermath of the pandemic, resume spending for quality vacation experiences.

"We didn't focus much on hospitality in the past as it's very capex heavy and returns take time. But, we see cycles are changing," said Adrija Agarwal, founder of Sattva Ventures and VP business development at **Salar puria Sattva Group**. "Average room rates are improving and discretionary spends are going up. We think some of these dis-

cretionary spends will also be directed towards travel and experiences," she added.

Agarwal is playing a key role in converting a 48-acre land parcel into an upcoming 294 key luxury Taj resort in Bengaluru. The resort is expected to come up in 2026 and the group is also considering another business hotel in Bengaluru.

As per data shared by JLL Hotels & Hospitality Group, the first half of 2024 saw the signing of 16,200 keys in tier-2 and -3 cities, a 59% hike as compared to 10,200 keys in the first half of 2023. "Developers recognize the untapped potential in these cities and aim to cater to the rising demand for quality hospitality infrastructure, presenting significant investment opportunities in the



hotel sector," said Jaideep Dang, MD, Hotels and Hospitality Group, India at JLL. Recognising the sector's promising growth, there has been an upswing in investments from real estate companies foraying into the hospitality sector, said Nikhil Sharma, MD and ASVP, South Asia, Radisson Hotel Group.

Nandivardhan Jain, founder and CEO of NOESIS Capital Advisors, said developers who once viewed hospitality as a high-capex, annuity-focused sector now see immense value, particularly in integrating hotels with branded residences. "We have observed a significant momentum in this area, with projects being signed or discussed in Mumbai, Hyderabad, Delhi-NCR and Goa." Trehan Iris is partnering with

Marriott International to launch the Courtyard by Marriott brand in Noida for the first time. "With consumer confidence rebounding, the demand for unique, high-quality experiences is on the rise, creating significant potential for growth and profitability," said Abhishek Trehan, executive director, Trehan Iris. "We have also partnered with Sarovar Hotels & Resorts and the hotel is set to open next month in Gurugram," he added.

Sudeep Bhatt, president at M3M India, said the company has recently partnered Oyo to launch India's largest SUNDAY Hotels. "This collaboration is part of a broader MoU between M3M India and Oyo to develop 1.5 million square feet with 1,000 keys across multiple locations."