

25<sup>th</sup>  
*Edition*

2022 Indian Hospitality

# Trends & Opportunities

**Achin Khanna, MRICS**  
Managing Partner, Strategic Advisory

**Mihir Chalishazar**  
Associate, Strategic Advisory



Six Senses Fort Barwara



# The Great Indian Hospitality Reset



*"Yes, there were times I'm sure you knew  
When I bit off more than I could chew  
But through it all, when there was doubt  
I ate it up and spit it out  
I faced it all and I stood tall and did it my way*

*For what is a man, what has he got?  
If not himself then he has naught  
To say the things he truly feels  
And not the words of one who kneels  
The record shows I took the blows and did it my way"*

Frank Sinatra



Some have labelled the past two years as appalling and destructive; others found this period to be unfortunate and sobering. Enough and more has been said about the consequences of the pandemic, both to societies and economies. However, the discourse has largely focused on the erosion caused. In truth, there was also something rather extraordinary that has emerged as a precipitate of this period. As it pertains to the silver lining of this cloud, there is perhaps just as compelling a story to be told.

Tweaks, alterations, and improvements are a natural occurrence in life and in business. How often does one play witness to a comprehensive overhaul? The fact is that we have all seen varying degrees of this in recent months. Organisations have paused, reflected, and acted on significant changes to their 'business as usual' approaches. Several of these modifications are likely permanent. Proficiency in operations; defining what is vital versus what serves no real purpose; introspecting on the very tenet of what the business was built to achieve – every facet has been examined. The same has been true for individuals. People have paid heed to what really matters to them in life. Rare are occasions where a 'thorough reset' is achieved, and it has happened as a direct outcome of COVID-19. Resultantly, many a person (and enterprise) have redefined their journeys and have charted out a path that is analogous to doing things 'their way'. Sinatra's words really do ring true today.

India recently crossed the 200 Crore vaccines threshold. As the pandemic transitions into endemicity and the mask mandates remain relaxed, travel not just to leisure markets but also to business destinations has begun showing promise. Our businesses have navigated one of the most challenging periods in history by introducing a slew of changes not limited

to the optimisation of operations and streamlining service delivery; integration of technology and digital services; diversifying revenue streams; expanding into workcation, staycation and bleisure segments; and clustering of roles and multi-skilling of line staff. These transformations have not only allowed the industry to sustain themselves but rather allowed them to push towards a rapid recovery, creating long-term benefits for the business. Undoubtedly, domestic tourism has spearheaded the revival of the hospitality industry in India. Not only have popular domestic destinations seen an increase in footfall, but tourists have also started exploring lesser-known locations in the country. Even after the return of international flights, domestic travel remains the preferred choice for the Indian tourist. This has allowed the industry to cross the 50% mark in terms of nationwide occupancy in 2021/22, with the national average room rate being just shy of ₹5,000. Even though the average rates are improving at a slower pace, these are encouraging signs for the sector. The organised supply played witness to a strong RevPAR growth of 55% (albeit on an eroded base) during 2021/22. The Indian hospitality sector achieved yet another milestone as the branded hotel room supply has crossed the 1.5 lakh mark in this year. Although supply did outpace demand for the most part for the last two financial years, they ended with a visibly steady uptick in demand.

Going forth, our outlook is cautiously optimistic, although the sector's performance in the first quarter of 2022/23 has already shattered a few records and one may even be tempted to be bullish now. We share our thoughts on the likely performance of the financial years 2022/23, 2023/24 and 2024/25 later in this report.

Optimism stated, one must remain cognizant of the challenges that need to be overcome for sustained, long-term growth. Hotels have recently witnessed an increase in operational expenses due to high inflationary pressure, supply chain disruptions and the rising exchange rate. Under-construction projects are also facing escalating input and construction costs due to high inflation across the global economy. The industry is suffering from a serious manpower crunch and talent deficit as it tries with all its fervor to bring its truncated workforce back to pre-COVID levels. Additionally, the next wave of the pandemic might be just looming round the corner. However, the resurgence in demand is likely to supersede the detrimental effect of short-term uncertainty due to economic volatility, the potential next wave and manpower crisis.



**In 2021/22, the nationwide occupancy crossed the 50% mark with the average room rate being just shy of ₹5,000.**

This is the 25<sup>th</sup> edition of the Trends & Opportunities Report. We take cognizance of the fact that the wealth of data and perspective that our readers (both institutional & private equity investors as well as traditional hotel owners & operators) have come to expect from this report must be met with an equally feverish dedication in our endeavors to constantly enhance our delivery. We therefore celebrate this Silver Jubilee by keeping the theme of overhauling and resetting in mind and are excited to present a brand-new, more detailed version of the report this year. Data points have been studied and analysed across a large metric of variables, in a fashion that has never been done before. We have also expanded our offering of data by markets with an eye to give credit to the growth of many a hotel markets in India that have emerged as established destinations in recent years.

Hotelivate, a comprehensive hospitality consulting firm offering specialised service to clients across Asia Pacific and the Middle East regions, is proud to present the 2022 Indian Hospitality Trends & Opportunities report. The current participation base of 1,364 hotels with a total inventory of 1,52,945 rooms offers a more comprehensive coverage of India's branded hospitality landscape enabling better and more incisive analyses of national trends, performance of major hotel markets, and demand and supply forecasts than any other survey of a similar nature.

The results of our survey and analyses have been presented at an All-India level, by star category, by administrative zones, by city tiers and with a focus on 20 major hotel markets, indicating the best and the worst performers and identifying reasons for the same. Furthermore, a detailed review of the existing and future supply has been conducted at both a macro and micro level to facilitate a better understanding of the growth in the number of branded rooms in the country, across positioning. We have also offered additional perspective and insights within various sub-sections of this report for those seeking a deeper analysis of the demand supply dynamics as well as future trends and opportunities in a rapidly evolving marketplace.

Preceding the results of the survey, we have provided a brief review of the Indian economy and an overview of the tourism sector. We have focused on details which have a direct bearing on the health of the Indian Hotel Industry.



HOTELS

1,364



INVENTORY

1,52,945



COMPANIES

53



BRANDS

174



CITIES

238



STATES AND UTs

32



# The Indian Economy: **An Overview**

Towards the end of 2021, things were looking up for the Indian economy. With the pandemic showing signs of abatement, recovery of economic growth seemed inevitable. The rise of the Omicron variant of COVID, followed by the Russian invasion of Ukraine diminished the optimistic growth forecast. The effect of sanctions and breakdown of world trade order owing to the Russia-Ukraine war have impacted the global economy. Rising inflation and supply chain disruptions are likely to continue at least in the short-term. However, the resurgence in domestic demand and the desire for international companies to look for resilient and cost-effective investment and export destinations would allow India to deal with the global economic slowdown. Additionally, owing to large foreign exchange reserves, continued foreign direct investments, and expanding export revenues, India is likely to cushion itself against recessionary forces and a withdrawal in global liquidity.

Currently, India is the sixth largest economy in the world in terms of Gross Domestic Product (GDP). After the economic slowdown witnessed during 2020/21, wherein Indian GDP contracted by 7.3%, we witnessed strong economic recovery with an expansion of 9.2% in 2021/22. According to the International Monetary Fund's (IMF) projections, India's GDP will grow at 7.4% in 2022/23 and 7.1% in 2023/24, making it the fastest growing major economy.

The Indian economy has greatly benefited from political stability with the current government expected to serve its full term till 2024/25. With the pandemic seemingly in the rear-view mirror, the government will prioritise economic growth by focusing the supply-side policy reforms through liberalisation and privatisation as well as capital investments. Additionally, infrastructure development is another key priority for the government. The Union Budget 2022/23 has allocated ₹10 lakh crores for infrastructure development (a 35% increase over the previous year).

During 2021/22, the Indian rupee saw some degree of volatility and declined by 3.5% against the United States Dollar, a notable contrast to the 3.4% gain in the previous year. Even though the country saw record high foreign exchange reserves, the volatility and decline were on account of interest rate hike by the US Federal Reserve; the rising crude oil prices due to the war between Ukraine and Russia; high inflation rate and the on-going current account deficit.

Led by investments in the manufacturing sector, the Foreign Direct Investment (FDI) inflow in India rose to a record high of US\$83.57 billion in 2021/22 compared to US\$81.97 billion in 2020/21. Karnataka saw the largest FDI inflow, followed by the National Capital Region (NCR) and Maharashtra.

Inflationary pressure, disruption of supply chain and economic volatility have led to an **increase in the operational expenses** for hotels.

Additionally, high levels of inflation have led to an **escalation of construction costs** affecting hotel development.



After sustained periods of stable and low inflation, the last two years have seen volatility and an increase in the Consumer Price Index (CPI), the measure of common inflation in the country. Inflation has ranged between 4.0% and 6.0% with a median inflation of about 5.3% in 2021/22. The inflationary pressure, disruption of supply chain and economic volatility have led to an increase in the operational expenses for hotels. Additionally, high levels of inflation have led to an escalation of construction costs affecting hotel development. Input costs for construction have risen by about 10% over the previous fiscal year and are expected to rise further during 2022/23.





# Travel & Tourism: Facts and Figures

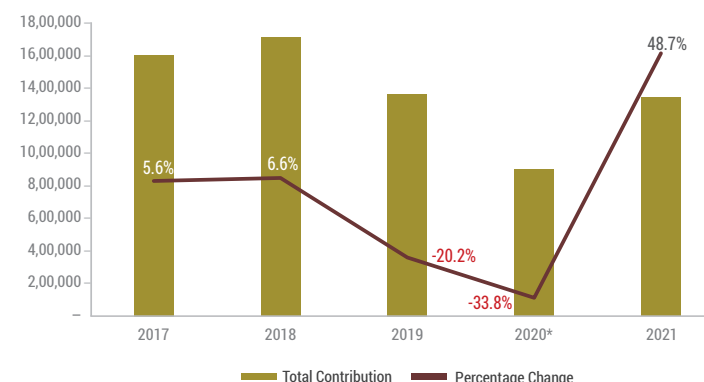
The travel and tourism industry in India has been one of the foremost victims of the nationwide lockdown and international travel restrictions caused by the pandemic. The industry's total contribution to GDP fell from 7.0% (US\$212.8 billion) in 2019/20 to only 4.3% (US\$121.9 billion). India is recovering rapidly from the damage caused during this trying period. The tourism industry has witnessed a US\$50 billion growth in the total contribution to GDP which has increased to 5.8% (US\$178 billion) in 2021/22. Rapid vaccination of the population, stringent restrictions, rising domestic tourism and economic growth have been the key drivers of this recovery. Additionally, the sector employed roughly 32.1 million people (direct as well as indirect) which was an increase (10% year-on-year) over the previous year (29.1 million jobs). However, this is still about 8 million jobs fewer than 2019/20 (40.1 million jobs). According to the World Economic Forum's Travel and Tourism Index, India continues to rank on top in South Asia and is 54<sup>th</sup> globally. The forecast in the latest Economic Impact Report (EIR) by the World Travel and Tourism Council (WTTC) outlines a positive outlook for India. The travel and tourism industry is expected to grow at an average of 7.8% annually and another 24 million jobs are expected to be created in the coming decade.

Domestic tourism grew despite the downturn after the second and third waves of the pandemic. It was a critical factor responsible for the recovery of the tourism industry. Domestic travel spending generated 94% of the direct Travel & Tourism GDP in 2021. Owing to international travel restrictions and the aftermath of the second and the third waves, the foreign tourist arrivals to India reduced further by 43% from 2.4 million during 2020/21 to 1.4 million during 2021/22 which led to a decline in the overall contribution to the direct Travel and Tourism GDP from 11% during 2020 to 6% during 2021.

Due to limited corporate travel, business spending accounted for a mere 4% (US\$8.8 billion) of India's direct Travel and Tourism GDP. Leisure spending grew and continued to dominate the business with 96% (US\$151.1 billion) contribution to direct Travel & Tourism GDP.

The government has envisaged a new tourism policy which is designed to drive growth and make India one of the top five tourism destinations in the world by 2030. The policy focuses on five keys aspects – hospitality skill development, digital tourism, destination management, the development of tourism micro, small and medium enterprises (MSMEs), and green tourism and sustainability. In order to boost sustainability initiatives, the government is signing a Memorandum of Understanding (MoU) with the United Nations Environment Program (UNEP) and the Responsible Tourism Society of India (RTSOI). Additionally, the Union Budget 2022/23 has earmarked an additional US\$316.3 million for the travel and tourism industry. A large part of this budget has been channelised for the development of destinations, tourism circuits and mega projects as well as medical tourism, coastal tourism, cruise tourism, and rural tourism infrastructure projects.

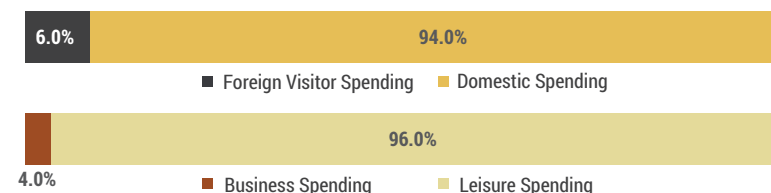
FIGURE 1: TRAVEL & TOURISM CONTRIBUTION TO INDIA'S GDP (2017 – 2021, ₹ CRORE)



\*Estimated

Source: WTTC Annual Research 2022

FIGURE 2: SPENDING PATTERNS – CONTRIBUTION TO INDIA'S DIRECT TRAVEL & TOURISM GDP (2021)



Source: WTTC Annual Research 2022

The travel and tourism industry is expected to grow at an **average of 7.8% annually** with another **24 million jobs** to be created **in the coming decade.**



FIGURE 3: TOP 10 BUSIEST AIRPORTS IN INDIA BY PASSENGER TRAFFIC (2019/20 – 2021/22)

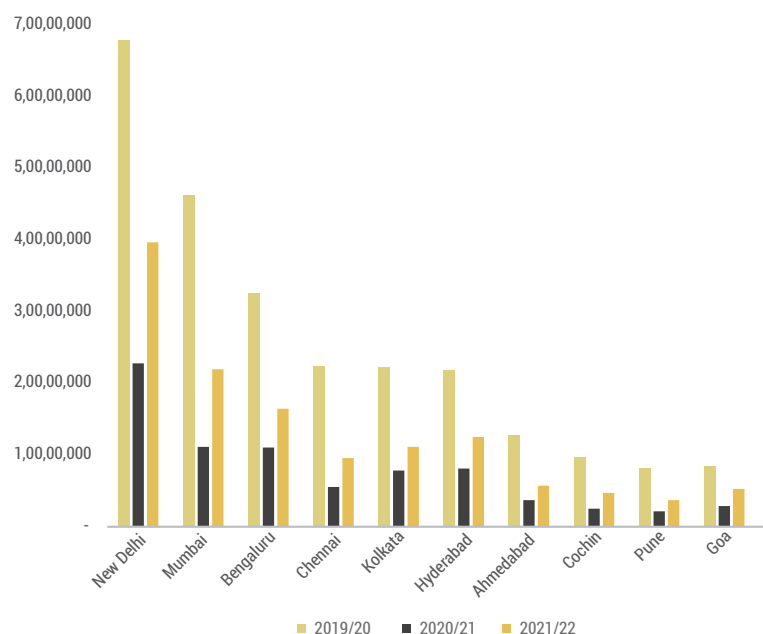
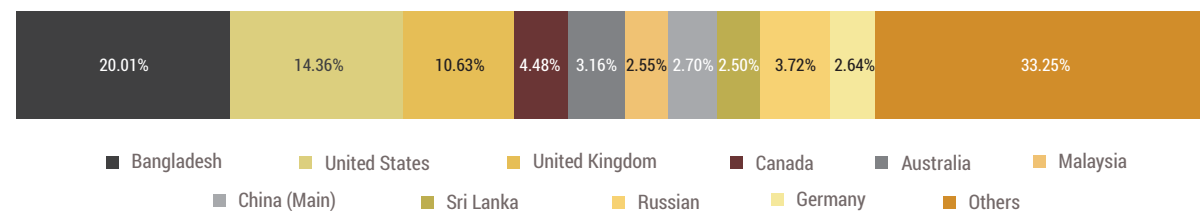


FIGURE 4: FOREIGN TOURIST ARRIVALS BY SOURCE COUNTRY (2020)



Source: Ministry of Tourism, India Tourism Statistics at a Glance – 2021

FIGURE 5: FOREIGN TOURIST ARRIVALS AND DOMESTIC VISITATION TRENDS (2011 – 2021, LAKH)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*
<b>Foreign Tourist Arrivals</b>	<b>63.1</b>	<b>65.8</b>	<b>69.7</b>	<b>76.8</b>	<b>80.3</b>	<b>88.0</b>	<b>101.8</b>	<b>105.6</b>	<b>109.3</b>	<b>26.8</b>	<b>14.1</b>
% Change	9.2%	4.3%	5.9%	10.2%	4.5%	9.7%	15.6%	3.7%	3.5%	-75.5%	-43.0%
<b>Domestic Tourist Visits</b>	<b>8,645</b>	<b>10,450</b>	<b>11,425</b>	<b>12,828</b>	<b>14,320</b>	<b>16,136</b>	<b>16,525</b>	<b>18,000</b>	<b>23,220</b>	<b>610</b>	<b>N/A</b>
% Change	15.6%	20.9%	9.3%	12.3%	11.6%	12.7%	2.4%	8.9%	29.0%	-97.4%	N/A

\*Estimates

Source: Ministry of Tourism, Government of India, Annual Report 2021/22

Airport	2019/20	2020/21	2021/22
New Delhi (DIAL)	6,73,01,016	2,25,83,736	3,93,39,998
Mumbai (MIAL)	4,58,73,329	1,10,54,811	2,17,47,892
Bengaluru (BIAL)	3,23,61,666	1,09,14,194	1,62,87,097
Chennai	2,22,66,722	54,95,707	95,33,301
Kolkata	2,20,15,392	77,28,906	1,10,36,108
Hyderabad (GHIAL)	2,16,51,878	80,48,248	1,24,29,796
Ahmedabad	1,14,32,996	36,42,413	56,70,896
Cochin (CIAL)	96,24,334	24,58,458	47,17,777
Pune	80,85,605	21,37,859	37,13,491
Goa	83,56,240	28,90,545	52,38,051
<b>Total</b>	<b>24,89,69,178</b>	<b>7,69,54,877</b>	<b>12,97,14,407</b>

Source: Airports Authority of India



# Nationwide Demand, Supply and Performance Levels (1996/97-2021/22)

Figure 6 provides an overview of the room nights available and occupied during the past 25 years. Both supply and demand have seen a healthy growth during 2021/22 over the previous year, primarily due to the smaller base of occupied rooms in 2020/21. Additionally, Figure 7 shows the historical performance levels over the past 25 years.

FIGURE 6: ROOM NIGHT DEMAND VS AVAILABLE ROOM NIGHTS (1996/97 – 2021/22)

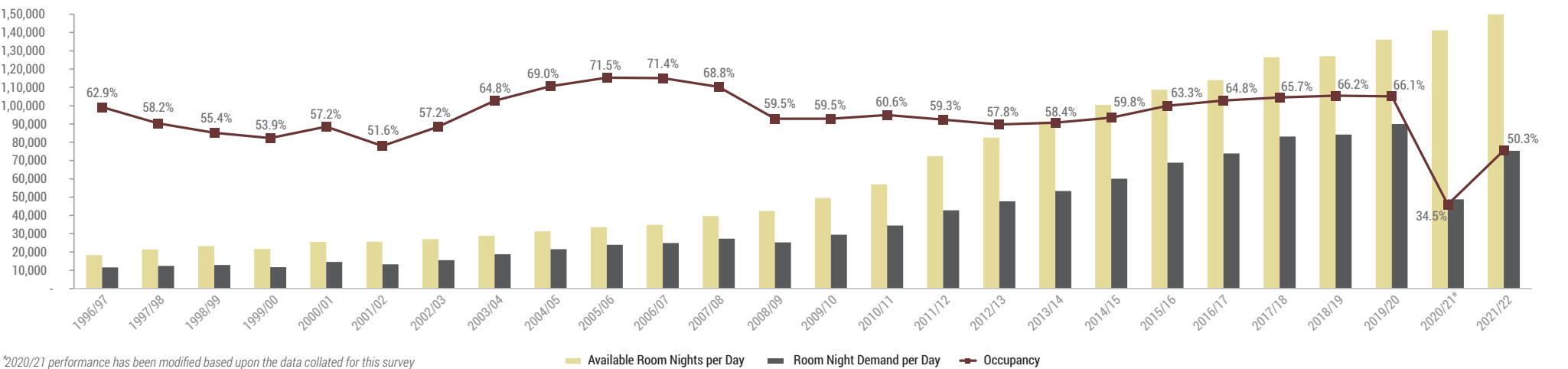
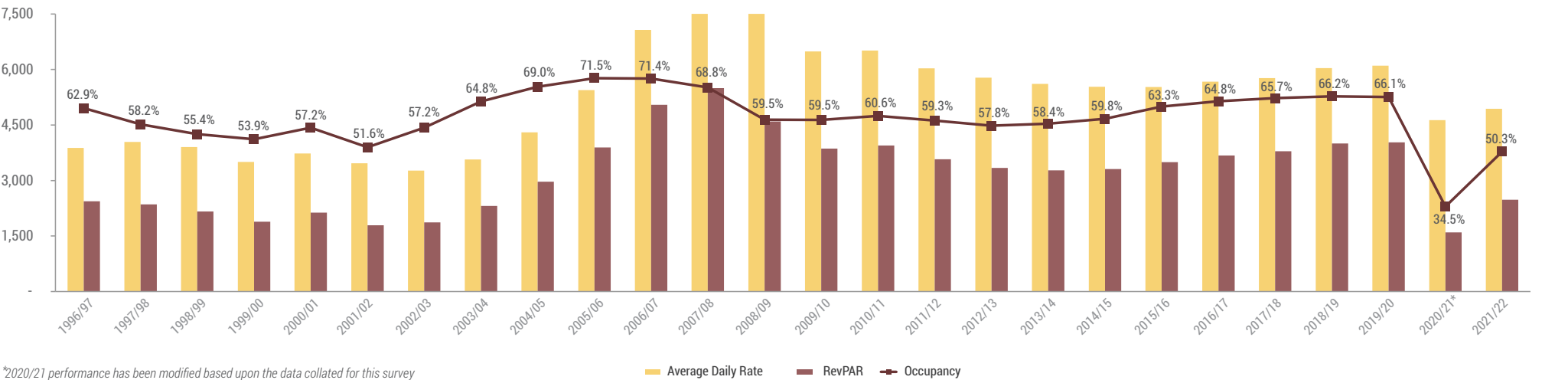


FIGURE 7: NATIONWIDE PERFORMANCE (1996/97 – 2021/22)

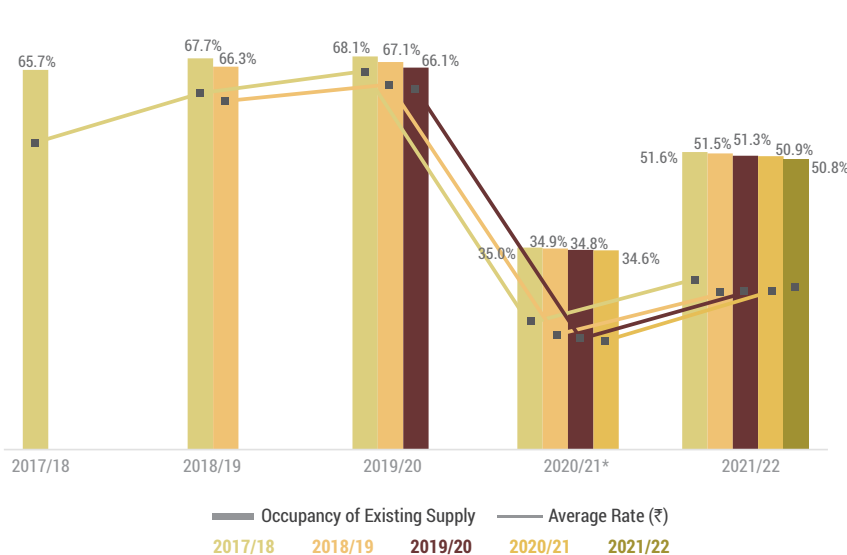


# Performance of Existing and New Hotels (2017/18–2021/22)

However, looking at the nationwide numbers as a blended outcome does not provide a picture of the true nature of the market. Therefore, over the past few years we have been additionally studying the trailing five-year performance of hotels in a more granular fashion.

Figure 8 provides a view on how hotels that have existed since 2017/18 fared compared to the nationwide averages in 2021/22. While India's occupancy during 2021/22 was 50.3%, hotels which have existed from 2017/18 or earlier had an occupancy of 51.5%. Similarly, hotels which have operated since before 2017/18 had an average daily rate (ADR) of ₹4,963 compared to the nationwide average of ₹4,938. This chart indicates the impact of the new hotel openings on the marketwide averages; upon exclusion of recent hotel openings, we can see that the growth was marginally stronger. However, the impact of new hotels opening on the overall performance has been muted during the pandemic as compared to previous years due to the limited demand during this period. As demand returns, it is likely that we will start seeing the delta due to the opening of new hotels on nationwide performance.

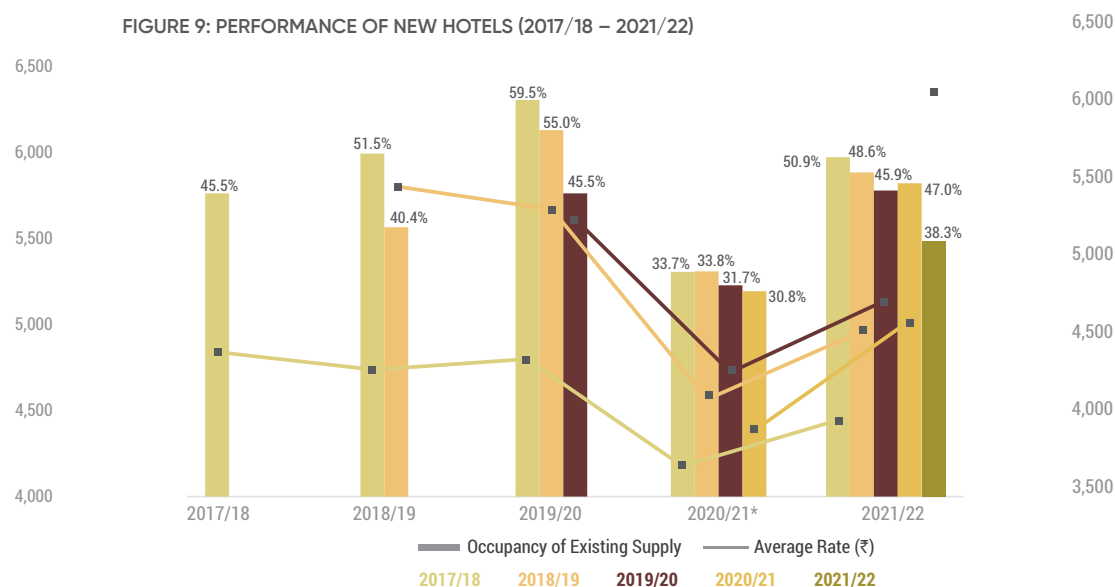
FIGURE 8: PERFORMANCE OF EXISTING HOTELS (2017/18 – 2021/22)



\*2020/21 performance has been modified based upon the data collated for this survey  
Source: Hotelivate Research

Figure 9 focuses on the performance of only new hotels since the first year of operations and their subsequent ramp-up over a two-year, three-year or a four-year period depending on the dataset of interest. The first-year occupancy of hotels opening in 2017/18 was 45.5% which dropped to 40.4% for hotels opening in 2018/19 and rose back up to 45.5% for hotels opening in 2019/20. This number saw a significant drop during the first year of the pandemic to 30.8% for hotels opening in 2020/21. This has risen back up to 38.1% for hotels which have opened in 2021/22. Additionally, the hotels which opened during 2020/21 have already seen an increase in their occupancy (30.8% in 2020/21 to 47% in 2021/22); this indicates that the pandemic has not had a significant impact on the ramp-up period for these hotels. Interestingly, we can see that newer hotels have achieved higher rates compared to older hotels during 2021/22. This is mainly due to a larger number of new hotels opening in leisure locations which were able to command higher rates compared to urban locations.

FIGURE 9: PERFORMANCE OF NEW HOTELS (2017/18 – 2021/22)



\*2020/21 performance has been modified based upon the data collated for this survey  
Source: Hotelivate Research

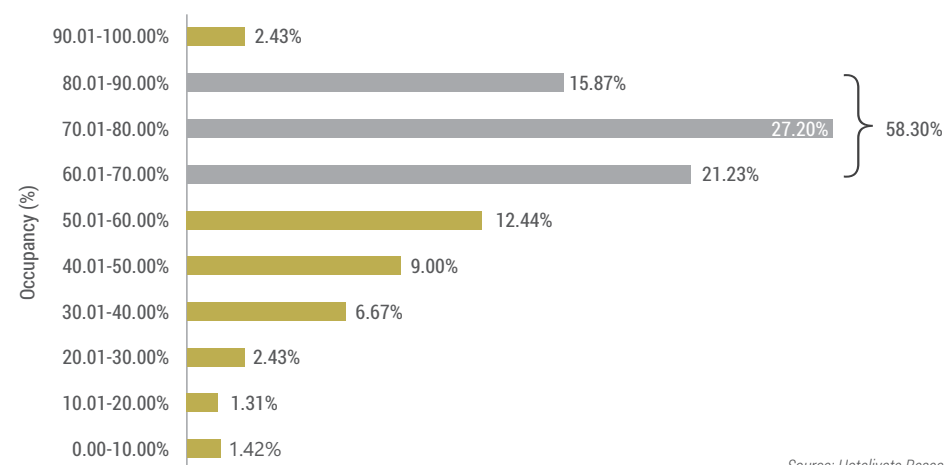


# Occupancy Bins

Figures 10, 11 and 12 present the occupancies achieved by the sample set of branded and organised hotels in India during 2018/19, 2020/21 and 2021/22, respectively. During 2018/19, a majority of the hotels (~65%) operated between 60% and 90%. The onset of the pandemic affected business greatly as the nationwide metrics fell to a historical low. During 2020/21, this changed drastically with ~70% of the hotels clocking occupancy levels between 20% and 50%. The previous fiscal (2021/22) has seen considerable recovery in the overall occupancy attained by the hotels in India, with most hotels (~62%) of the sample set attaining an occupancy between 40% and 70%.

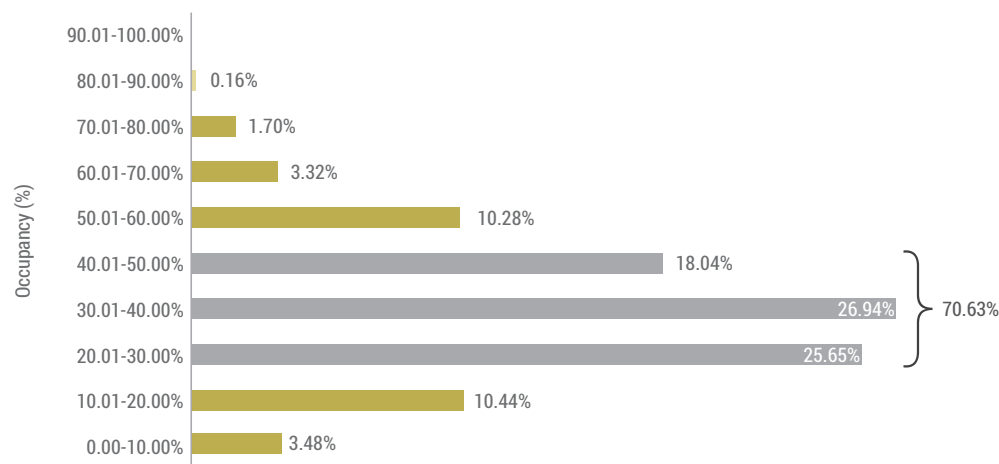
However, we are still away from the performance levels which were last seen during 2018/19. 181 hotels (~16% of the nationwide inventory in 2018/19) in the sample set had an occupancy of more than 80% in 2018/19; this number dropped to just 2 hotels during 2020/21. Hotels have seen a revival in business but only 29 out of 1,300 plus hotels during 2021/22 managed an occupancy of more than 80%.

FIGURE 10: NATIONWIDE OCCUPANCY BREAKDOWN BY HOTELS (2018/19)



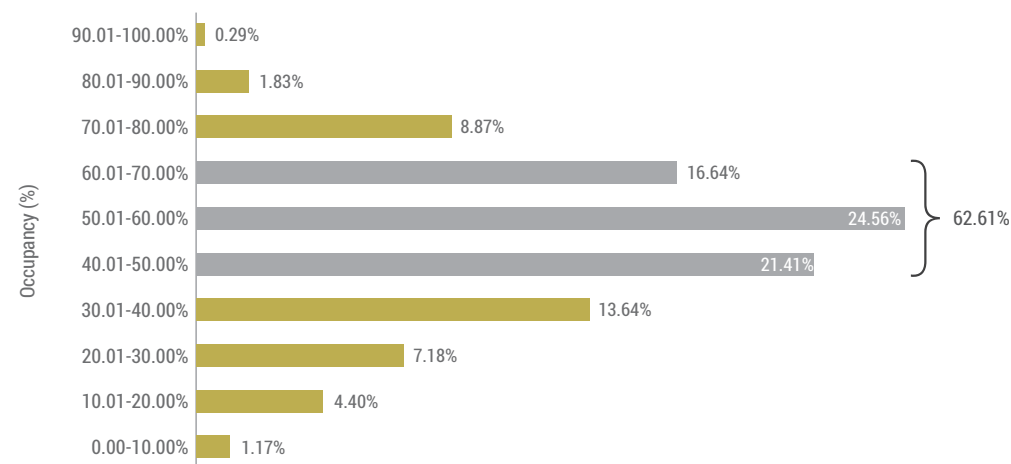
Source: Hotelivate Research

FIGURE 11: NATIONWIDE OCCUPANCY BREAKDOWN BY HOTELS (2020/21)



Source: Hotelivate Research

FIGURE 12: NATIONWIDE OCCUPANCY BREAKDOWN BY HOTELS (2021/22)



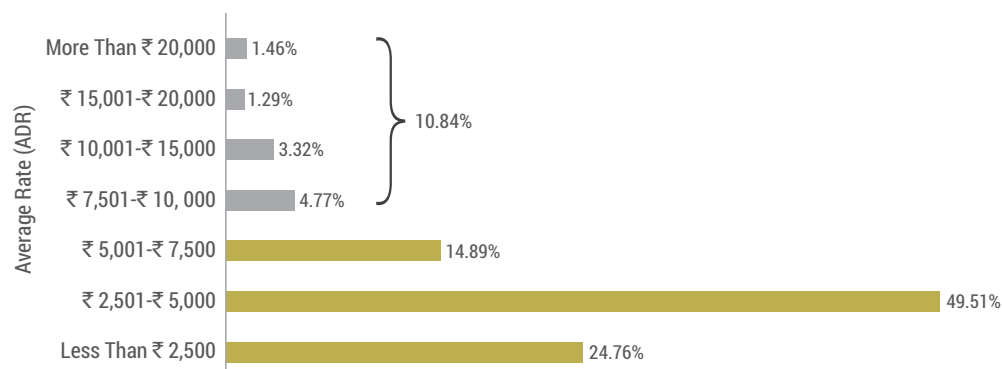
Source: Hotelivate Research

# Average Daily Rate (ADR) Bins

Figures 13, 14 and 15 look at the average daily rate (ADR) achieved by the sample set of branded and organised hotels in India during 2018/19, 2020/21 and 2021/22, respectively. Majority of the hotels (60-70% of the entire sample set) have operated with average rates of less than ₹7,500. This trend has remained true both before and after the pandemic. However, post the onset of the pandemic, a greater number of hotels have been charging rates of less than ₹5,000. We envision that the proper return of international and corporate demand would likely push the rates back towards historical trendlines.

Urban locations have seen a reduction in the ADR compared to leisure locations which have seen a considerable growth in their rates; Indian-origin brands have seen a stronger rate recovery compared to their international counterparts. Remarkably, hotels charging a rate of ₹15,000 or more have seen an increase during this period. 33 hotels had an ADR of ₹15,000 or more during 2018/19, which went up marginally to 34 hotels in 2020/21. However, the previous fiscal saw 58 hotels offer an ADR of more than ₹15,000. Both Indian-origin and international brands saw an increase in the number of hotels offering these rates. This increase has been on account of the presence of many of these hotels in leisure locations as well as their upper-upscale and luxury positioning— key factors that drew in guests to these hotels in good measure during 2021/22.

FIGURE 14: NATIONWIDE AVERAGE RATE (ADR) BREAKDOWN BY HOTELS (2020/21)

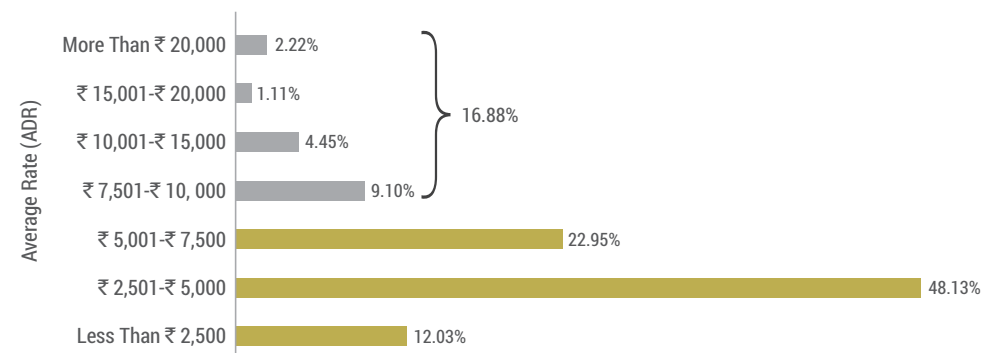


Source: Hotelivate Research

Majority of the hotels have operated with an **average rate of less than ₹7,500**. This trend has remained true **both before and after the pandemic**.

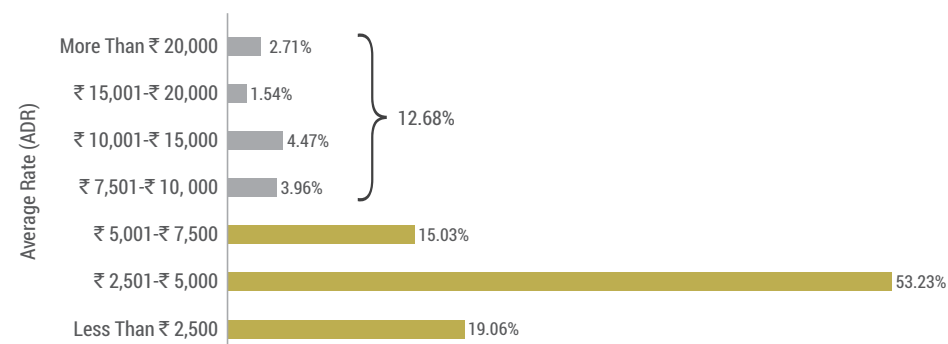


FIGURE 13: NATIONWIDE AVERAGE RATE (ADR) BREAKDOWN BY HOTELS (2018/19)



Source: Hotelivate Research

FIGURE 15: NATIONWIDE AVERAGE RATE (ADR) BREAKDOWN BY HOTELS (2021/22)



Source: Hotelivate Research

## Reality Check

During the pandemic, we had crafted a report titled 'The Stats and Pulse Report 2020/21', with an aim to look at the quarter-on-quarter impact on the Indian Hotel Industry. We had also attempted to forecast the recovery that the sector would witness through 2021/22 and 2022/23. Our estimates for 2021/22 were that at a nationwide level the occupancy would be 52.7% at an ADR of ₹5,016. Now that actual closing for the fiscal has been accumulated, we can state that the nationwide occupancy was in fact 50.3% with an ADR of ₹4,938.

Additionally, two years ago, we had projected 2022/23 occupancy of 64.9% at an ADR of ₹5,618. This resurgence of demand in Q1 2022/23 has been exceptional. Our conversations with the India heads of multiple brands have confirmed that the Q1 2022/23 performance levels have been higher when compared to Q1 2019/20. In fact, not only has Q1 2022/23 been one of the strongest first quarters in the past many years, but also July & August 2022 have clocked their best performances ever for several markets. Additionally, business on books is robust across markets. Leisure locations continue to outperform urban markets; however, city hotels have also seen an upswing in demand. Return of international travel will help further benefit the industry in months ahead. We are willing to therefore stick our neck out and forecast that 2022/23 will achieve 68% plus occupancy (revised from our original estimate of 64.9%); however, nationwide ADR may be closer to ₹5,700. Furthermore, having studied the demand drivers alongside the proposed supply pipeline, we are projecting 2023/24 occupancy to reach close to 70% at an ADR of approximately ₹6,000.

We are willing to therefore stick our neck out and forecast that **2022/23 will achieve 68% plus occupancy at a nationwide ADR of ₹5,700 and 2023/24 occupancy will reach close to 70% at an ADR of approximately ₹6,000.**



## The Survey Results

This section presents the results of the 2022 Indian Hospitality Trends & Opportunities survey, analysing the industry performance by star category, city tiers and administrative zones. Traditionally, we have looked at 13 major hotel markets in India; owing to the growth of the industry, we have decided to expand this base to highlight 20 major markets in the country. The existing and future supply has also been reviewed in depth to estimate the changes in these markets over the next five years. The increase in survey participation over the last two years reflects a growth in both Hotelivate's penetration in the market as well as the market size. Furthermore, a larger sample set, re-looking at fresh data gathered for two historical years and the deliberate removal of irrelevant supply by us, have led to the 2020/21 figures undergoing a minor change across all parameters. While the number of rooms represented in this survey is 1,52,945, we have weighted the number of room nights to account for the new supply that was operational only for a partial fiscal to compute the overall occupancy and average rate. The weighted room count for the survey base for 2021/22 is 1,49,854.

## Industry Performance by Star Category

The recovery of the industry was fuelled by the revival in demand, particularly domestic in nature, which was reflected by the significant increase in overall occupancy. The average rates have shown minor growth when compared to 2020/21. The hotels represented in this survey reached a weighted occupancy of 50.3% (34.5% in 2020/21; +48% Year-on-Year) with a weighted average rate of ₹4,938 (₹4,630 in 2020/21; +6.6% Year-on-Year). After recording the lowest RevPAR in 22 years during 2020/21, the industry clocked a RevPAR of ₹2,484 which represents an increase of 55.5% over the previous year. Independently, all-star categories have witnessed a year-on-year appreciation in their RevPAR, mimicking the nationwide performance. Five-star Deluxe hotels have seen the strongest growth in RevPAR while two-star hotels have witnessed the lowest. It is pertinent to note that two-star hotels have recovered strongly and are the closest to their 2019/20 performance compared to the other star categories. As mentioned earlier, the revival of occupancy has been mainly on the back of domestic travel. However, due to the price sensitive nature of the Indian consumer, hotels have not been able to pull up rates aggressively. The steady return of corporate travel and international travel would allow the hotels to enhance their overall performance.

Figure 16 illustrates the hotel occupancy across star categories in India between 2002/03 and 2021/22. Figures 17 and 18 represent the ADR and RevPAR for each star category expressed in Indian rupees, followed by Figures 19 and 20 which present the corresponding data in United States (US) dollars.



FIGURE 16: KEY OPERATING STATISTICS BY HOTEL CLASSIFICATION – OCCUPANCY

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*	2021/22	12-Month Change	24-Month Change
Overall Average	57.2%	64.8%	69.0%	71.5%	71.4%	68.8%	59.5%	59.5%	60.6%	59.3%	57.8%	58.4%	59.8%	63.3%	64.8%	65.7%	66.2%	66.1%	34.5%	50.3%	45.8%	-23.9%
Five-star Deluxe	59.3%	65.0%	71.4%	73.8%	73.0%	71.7%	62.5%	61.6%	60.9%	59.8%	60.1%	59.9%	61.7%	64.3%	65.0%	66.5%	66.8%	66.5%	31.9%	49.2%	54.2%	-26.0%
Five-star	57.0%	66.8%	71.1%	70.4%	70.2%	67.2%	58.5%	58.6%	61.9%	59.1%	55.4%	55.7%	57.2%	61.2%	64.1%	65.9%	65.8%	67.2%	32.5%	50.1%	54.2%	-25.4%
Four-star	56.4%	68.7%	71.8%	72.7%	71.7%	68.9%	58.5%	60.3%	60.7%	60.0%	57.9%	59.1%	61.2%	64.2%	66.0%	66.9%	66.9%	66.8%	37.7%	52.7%	39.8%	-21.1%
Three-star	53.6%	59.6%	56.7%	65.9%	68.9%	64.7%	56.2%	55.5%	58.5%	56.9%	56.8%	57.9%	59.8%	64.8%	65.2%	65.1%	67.3%	64.6%	34.7%	50.0%	44.1%	-22.6%
Two-star										64.8%	59.0%	61.0%	57.7%	60.4%	62.7%	59.1%	61.5%	60.4%	38.6%	45.2%	17.1%	-25.1%

FIGURE 17: KEY OPERATING STATISTICS BY HOTEL CLASSIFICATION – AVERAGE RATE (₹)

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*	2021/22	12-Month Change	24-Month Change
Overall Average	3,269	3,569	4,299	5,444	7,071	7,989	7,722	6,489	6,513	6,032	5,779	5,611	5,532	5,527	5,671	5,768	6,038	6,104	4,630	4,938	6.7%	-19.1%
Five-star Deluxe	4,335	4,686	5,606	7,168	9,778	11,200	11,096	9,277	9,350	9,189	8,982	8,727	8,815	8,881	10,099	10,260	10,660	10,679	8,293	8,890	7.2%	-16.8%
Five-star	3,114	3,372	3,897	4,985	6,506	7,652	7,268	6,410	6,380	6,135	5,881	5,720	5,559	5,484	6,051	6,088	6,280	6,451	5,166	5,151	-0.3%	-20.2%
Four-star	2,246	2,580	3,088	3,847	5,111	5,722	5,745	4,638	4,905	4,905	4,691	4,474	4,361	4,424	4,505	4,635	4,713	4,827	3,694	4,085	10.6%	-15.4%
Three-star	1,669	1,670	1,830	2,212	3,012	3,488	3,530	3,255	3,348	3,354	3,252	3,083	3,039	3,155	3,016	3,200	3,371	3,474	2,703	2,944	8.9%	-15.3%
Two-star										1,714	1,849	2,063	2,063	2,122	2,049	2,245	2,524	2,589	2,080	2,451	17.8%	-5.3%

FIGURE 18: KEY OPERATING STATISTICS BY HOTEL CLASSIFICATION – RevPAR (₹)

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*	2021/22	12-Month Change	24-Month Change
Overall Average	1,870	2,313	2,966	3,892	5,049	5,496	4,598	3,861	3,947	3,575	3,343	3,275	3,310	3,499	3,677	3,791	4,000	4,033	1,597	2,484	55.5%	-38.4%
Five-star Deluxe	2,571	3,046	4,003	5,290	7,138	8,030	6,933	5,715	5,694	5,491	5,398	5,231	5,438	5,715	6,560	6,825	7,125	7,103	2,645	4,374	65.3%	-38.4%
Five-star	1,775	2,252	2,771	3,509	4,567	5,142	4,250	3,756	3,949	3,626	3,257	3,185	3,178	3,355	3,876	4,015	4,132	4,334	1,679	2,581	53.7%	-40.5%
Four-star	1,267	1,772	2,217	2,797	3,665	3,942	3,362	2,797	2,977	2,942	2,718	2,643	2,669	2,840	2,975	3,099	3,151	3,223	1,393	2,153	54.6%	-33.2%
Three-star	895	995	1,038	1,458	2,075	2,257	1,985	1,806	1,959	1,909	1,848	1,786	1,817	2,044	1,965	2,083	2,268	2,245	938	1,472	56.9%	-34.4%
Two-star										1,110	1,091	1,258	1,190	1,281	1,285	1,327	1,553	1,563	803	1,108	38.0%	-29.1%

FIGURE 19: KEY OPERATING STATISTICS BY HOTEL CLASSIFICATION – AVERAGE RATE (US\$)

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*	2021/22	12-Month Change	24-Month Change
Overall Average	68	78	96	122	162	199	168	136	143	126	106	92	90	85	85	89	90	87	63	66	4.7%	-23.5%
Five-star Deluxe	90	102	125	161	224	278	242	194	205	192	165	144	144	137	151	159	159	151	113	119	5.3%	-21.3%
Five-star	65	73	87	112	149	190	158	134	140	128	108	94	91	84	90	94	93	92	71	69	-2.1%	-24.5%
Four-star	47	56	69	86	117	142	125	97	108	102	86	74	71	68	67	72	70	68	50	55	8.6%	-20.0%
Three-star	35	36	41	50	69	87	77	68	73	70	60	51	50	49	45	50	50	49	37	39	7.0%	-19.9%
Two-star										36	34	34	34	33	31	35	38	37	28	33	15.7%	-10.5%
Exchange Rate	48.2	46.0	44.9	44.5	43.6	40.2	45.9	47.7	45.6	48.0	54.5	60.7	61.2	65.0	67.1	64.5	67.2	70.5	73.2	74.5		

FIGURE 20: KEY OPERATING STATISTICS BY HOTEL CLASSIFICATION – RevPAR (US\$)

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*	2021/22	12-Month Change	24-Month Change
Overall Average	39	50	66	87	116	137	100	81	87	75	61	54	54	54	55	59	60	57	22	33	52.7%	-41.8%
Five-star Deluxe	53	66	89	119	164	200	151	120	125	114	99	87	89	88	98	106	106	101	36	59	62.4%	-41.8%
Five-star	37	49	62	79	105	128	93	79	87	76	60	53	52	52	58	62	61	61	23	35	51.0%	-43.7%
Four-star	26	39	49	63	84	98	73	59	65	61	50	43	44	44	44	48	47	46	19	29	51.8%	-36.8%
Three-star	19	22	23	33	48	56	43	38	43	40	34	29	30	31	29	32	34	32	13	20	54.1%	-38.0%
Two-star										23	20	21	19	20	19	21	23	22	11	15	35.5%	-33.0%
Exchange Rate	48.2	46.0	44.9	44.5	43.6	40.2	45.9	47.7	45.6	48.0	54.5	60.7	61.2	65.0	67.1	64.5	67.2	70.5	73.2	74.5		

\*2020/21 performance has been modified based upon the data collated for this survey

Source: Hotelivate Research

# Industry Performance by Administrative Zone

Historically, West India had the highest occupancy and ADR while East India had the lowest occupancy and ADR. Figure 21 highlights the industry performance by Administrative Zones in 2018/19. The recovery across zones has largely been similar to the nationwide recovery. Figure 22 focuses on the industry performance by Administrative Zones in 2021/22. In comparison to the rest of the country, North India has shown the strongest recovery, primarily due to less stringent restrictions post the first wave as well as the growth in demand for the leisure markets in states such as Rajasthan, Himachal Pradesh, Uttarakhand, and the Union Territory of Jammu and Kashmir. The slower recovery in West and South India can be attributed to the impact of the three waves of the pandemic that brought about health-related restrictions for a longer period.

**North India has shown the strongest recovery** compared to other zones, primarily due to less stringent restrictions post the first wave as well as the growth in demand for the leisure markets.



FIGURE 21: KEY OPERATING STATISTICS BY ADMINISTRATIVE ZONES (2018/19)\*

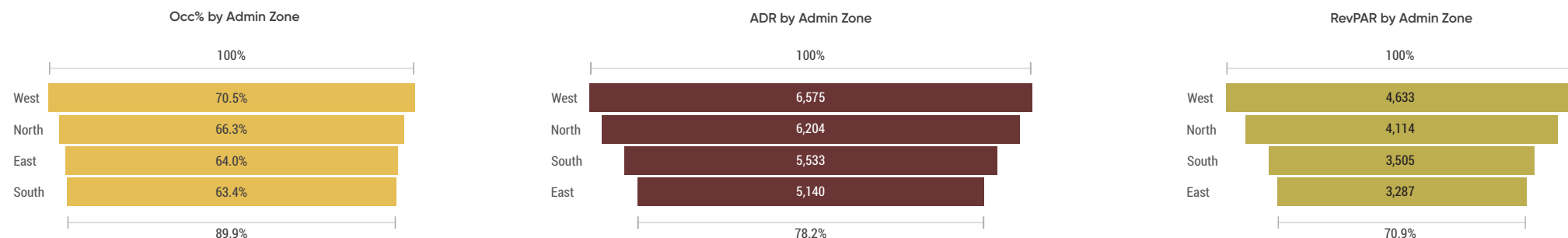
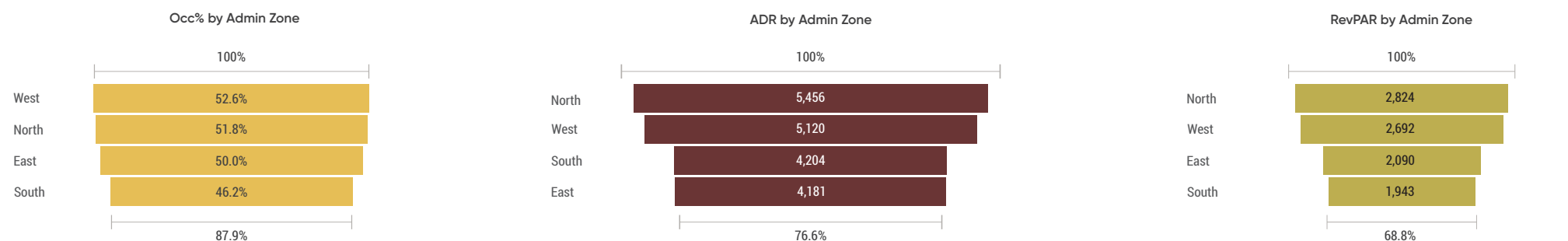


FIGURE 22: KEY OPERATING STATISTICS BY ADMINISTRATIVE ZONES (2021/22)\*



\*North includes Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Ladakh, Punjab, Rajasthan, Uttar Pradesh & Uttarakhand

West includes Daman and Diu, Goa, Gujarat, Madhya Pradesh & Maharashtra

Source: Hotelivate Research

South includes Andaman and Nicobar Islands, Andhra Pradesh, Karnataka, Kerala, Puducherry, Tamil Nadu & Telangana

East includes Assam, Bihar, Chhattisgarh, Jharkhand, Manipur, Nagaland, Odisha, Sikkim, Tripura & West Bengal

# Industry Performance by City Tiers

Historically, Tier 1 cities used to clock the highest performance followed by Tier 2 and Tier 3 cities as seen in Figure 23, which shows industry performance by City Tiers for 2018/19. The global pandemic has modified the inherent demand dynamics in the country and Figure 24 looks at the industry performance by City Tiers for 2021/22. Tier 3 cities have seen the strongest recovery in their performance. These cities cater mainly to leisure demand which has been on the rise since the onset of the pandemic. This has allowed them to command average rates higher than what they originally achieved prior to the pandemic. Additionally, there has been an increase in higher positioned hotels in these cities, further providing a fillip to ADRs. Unlike the robust recovery seen in Tier 3 cities, Tier 1 & Tier 2 cities have also seen a recovery in performance which is in line with the recovery across the country.

It is important to note that the City Tier classification has been made based on the level of economic development in these cities. Large metropolitan markets and commercial hubs have been classified as Tier 1. Economically emerging destinations have been classified as Tier 2. The other markets have been tagged as Tier 3. Multiple getaway and leisure locations such as Alibaug, Corbett, Darjeeling, Lonavala, Mahabaleshwar, Ranthambore and Rishikesh have been marked as Tier 3. These destinations have benefited due to the COVID induced demand which has created such a stark contrast between historical and recent performance levels. We believe that these changes are temporary and would revert to the historical trendlines in the following years.

**Tier 3 cities have seen the strongest recovery** as they include multiple getaway and leisure locations. This has allowed them to command **average rates higher than what they originally achieved prior to the pandemic.**

FIGURE 23: KEY OPERATING STATISTICS BY CITY TIERS (2018/19)\*

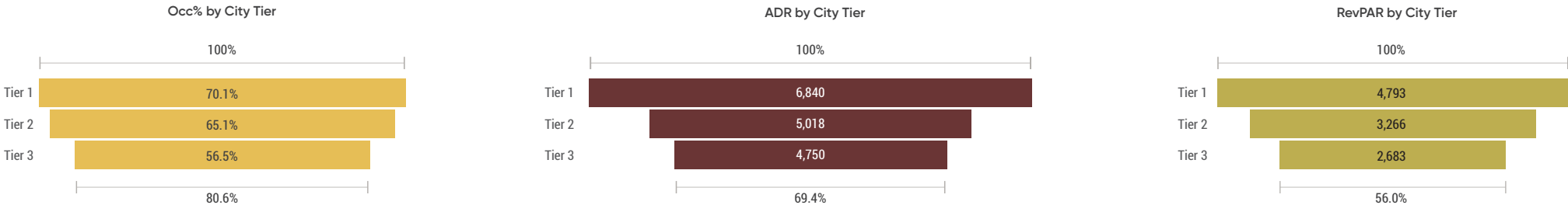
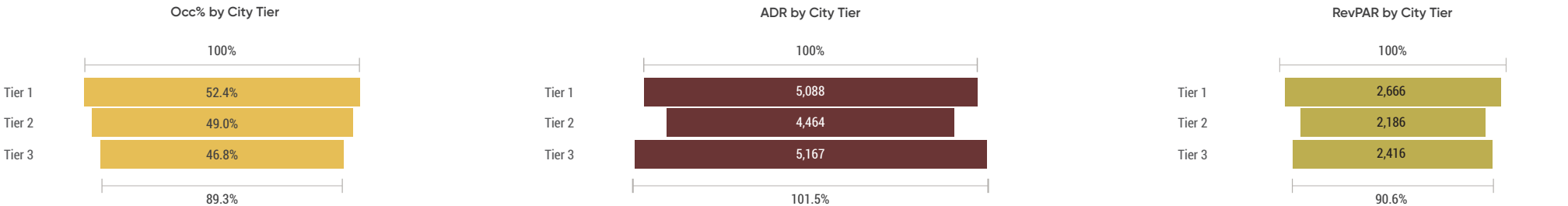


FIGURE 24: KEY OPERATING STATISTICS BY CITY TIERS (2021/22)\*



\*City Tiers have been defined based on level of economic development across various cities.

Source: Hotelivate Research

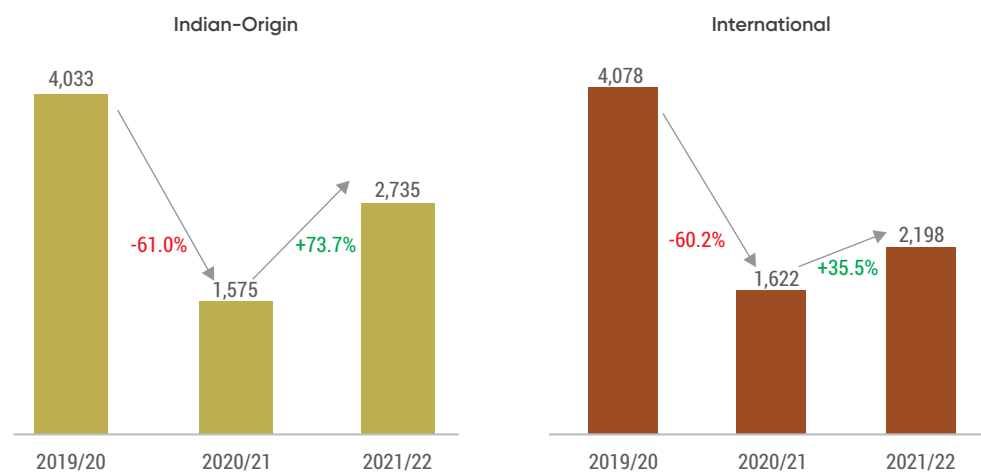


## Industry Performance by Origin of the Brands

Historically, both the Indian-origin brands and international brands have had a relatively similar RevPAR. Even after the onset of the pandemic, they faced a similar downturn in their overall performance. Indian-origin brands saw a 61.0% drop in their RevPAR compared to a 60.2% drop in the RevPAR of international brands.

The rate at which the two have recovered has been uneven to say the least. Indian-origin brands have witnessed a 73.7% increase in their RevPAR compared to the 35.5% increase in the RevPAR of international brands as seen in Figure 25. This difference has arisen mainly because Indian-origin brands have more hotels in leisure locations and a larger number of hotels operating in the luxury space; Indian-origin brands tend to utilise a larger number of locally negotiated contracts compared to international brands; and because they have strong local outreach and connections which allow them to distribute more effectively to the domestic audience. The return of corporate and foreign travel is likely to speed up the recovery for international brands with its performance reverting back to the historical trendlines.

FIGURE 25: REVPAR BY ORIGIN OF BRANDS



Source: Hotelivate Research

The rate at which Indian-origin and International brands have recovered is uneven to say the least. **Indian-origin brands have witnessed a 73.7% increase in their RevPAR** compared to the **35.5% increase in the RevPAR of international brands**.



FIGURE 26: EXISTING SUPPLY ACROSS MAJOR CITIES (2012/13 – 2021/22)

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*	2021/22	12-Month Change
Agra	1,299	1,293	1,755	2,036	2,092	2,256	1,864	2,289	2,210	2,209	0.0%
Ahmedabad	2,477	2,777	2,944	3,054	3,117	3,393	3,004	3,326	3,547	3,586	1.1%
Amritsar	476	770	766	873	1,108	1,322	1,319	1,566	1,692	1,736	2.6%
Bengaluru	8,536	10,162	11,117	11,539	11,995	12,594	13,366	13,691	13,647	14,022	2.7%
Chandigarh <sup>a</sup>	717	765	866	1,275	1,909	1,873	2,116	2,161	2,231	2,676	19.9%
Chennai	6,330	7,105	7,444	7,585	8,332	9,061	9,099	9,657	9,625	9,763	1.4%
Dehradun			114	114	182	234	325	380	464	624	34.5%
Goa	4,406	4,703	5,298	5,574	6,400	6,386	5,979	6,772	7,488	8,244	10.1%
Gurugram	4,559	5,190	5,323	5,117	5,263	5,890	5,538	5,589	5,873	6,151	4.7%
Hyderabad	5,411	5,734	5,954	5,992	6,254	6,846	6,672	7,393	7,381	7,450	0.9%
Jaipur	4,129	4,523	4,822	4,931	5,058	5,352	5,285	5,553	5,471	5,478	0.1%
Kochi	889	1,190	1,524	1,690	1,686	1,807	2,466	2,521	2,520	2,585	2.6%
Kolkata	2,163	2,243	2,701	2,701	3,199	3,652	3,712	4,579	4,841	4,878	0.8%
Lucknow	339	318	3291	483	725	1,495	1,499	1,772	1,820	1,884	3.5%
Mumbai	11,878	12,093	1,997	12,127	12,565	12,595	12,639	13,070	13,245	13,217	-0.2%
Navi Mumbai	929	929	868	927	929	929	929	1,000	1,000	1,395	39.5%
New Delhi <sup>b</sup>	11,338	12,370	13,193	14,142	14,296	14,450	14,952	15,027	15,024	15,082	0.4%
NOIDA <sup>c</sup>	841	1,239	1,322	1,322	1,422	1,515	1,378	1,378	1,423	1,569	10.3%
Pune	5,317	6,159	6,137	6,108	6,445	6,353	6,212	6,712	6,615	6,689	1.1%
Udaipur	886	886	1,029	1,096	1,157	1,157	1,317	1,605	1,742	1,953	12.1%
Other Cities <sup>d</sup>	21,335	20,728	22,192	22,914	25,085	27,405	29,730	33,365	36,596	41,754	14.1%
<b>Total</b>	<b>94,255</b>	<b>1,01,177</b>	<b>1,07,695</b>	<b>1,11,600</b>	<b>1,19,219</b>	<b>1,26,565</b>	<b>1,29,401</b>	<b>1,39,406</b>	<b>1,44,455</b>	<b>1,52,945</b>	<b>5.9%</b>

\*The 2020/21 inventory has been modified based on the updated data collated for this survey.

<sup>a</sup>Chandigarh (includes Panchkula and Zirakpur)

Source: Hotelivate Research

<sup>b</sup>New Delhi (excludes Gurugram, NOIDA and Greater NOIDA) data

<sup>c</sup>NOIDA (includes Greater NOIDA)

<sup>d</sup>Other Cities includes all other hotel markets across India

## Existing Supply

The existing supply of hotel rooms grew by 5.9% in 2021/22 over the previous fiscal year, increasing the total number of branded rooms in the country to 1,52,945. Another feather in the cap for the Indian hospitality industry was the fact that branded room supply surpassed the 1.5 lakh figure mark. This growth is in line with the 10-year CAGR of rooms supply growth at 6.1%, another indication that the market has shown some degree of recovery. It is important to note that the change in the total existing inventory for 2020/21 is attributed to a deliberate filtration by us to display only relevant branded supply.

New Delhi continues to have the largest branded room inventory in India (15,082 rooms); however, it grew by only 0.4% over the previous fiscal. Bengaluru and Mumbai rank second and third with 14,022 rooms and 13,217 rooms, respectively. These rankings are likely to

change in the short to medium term horizon. Bengaluru is on track to become the largest hotel market in India followed by Mumbai. That being said, only 64% of the proposed supply in Bengaluru is under active development compared to 85% of the proposed supply in Mumbai. The active development in Mumbai has grown significantly over the previous fiscal (48%) due to the increasing demand, recovery of the market and the local economy. Unlike Mumbai, Bengaluru is dependent on the Information Technology (IT/ITeS) sector for a large amount of their business. The recent correction in the Indian IT industry can explain why there has been a slight slowdown of certain projects in the city.

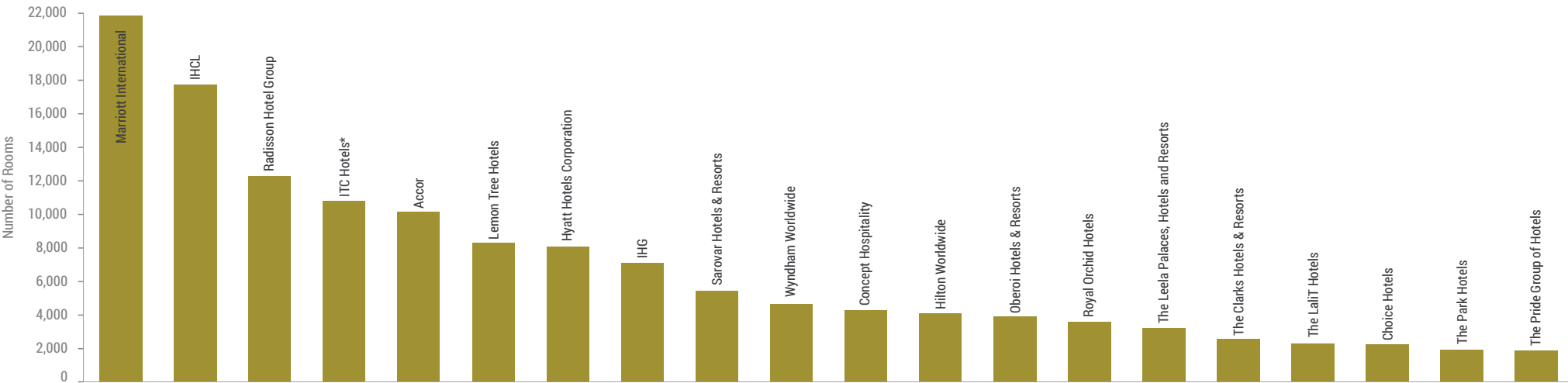
The largest growth in the existing supply during 2021/22 has been in Navi Mumbai (39.5%; 395 rooms) followed by Dehradun (34.5%; 160 rooms); however, this growth has been on a

relatively small base of rooms. In absolute terms, Goa has seen the maximum growth in existing supply (10.1%) by adding 756 rooms to the market. The state has been one of the key leisure markets in the country and has shown a robust performance, with ADRs higher than pre-pandemic levels. Moreover, the seasonality of demand has minimised during this period which has been the basis for investors' confidence in the market to sustain additional hotels. In the short to medium term, Hotelivate believes that the supply will keep pace with the demand in Goa.

Urban markets such as Chandigarh (including Panchkula and Zirakpur), Gurugram and Navi Mumbai have seen a moderate increase in their supply. These markets are upcoming commercial hubs and are likely to witness an increase in the number of offices and businesses operating out of them. This has been the reason behind the optimism and investors' confidence in these markets.

Figure 26 shows the existing supply for the 20 major cities from 2012/13 to 2021/22. Please note that Mumbai and Navi Mumbai supply has been split and updated historically.

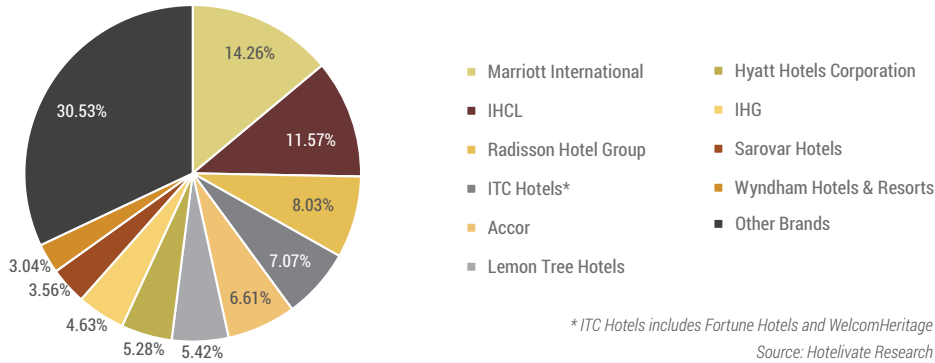
FIGURE 27: TOP 20 HOTEL BRANDS BY EXISTING INVENTORY (JULY 2022)



\* ITC Hotels includes Fortune Hotels and WelcomHeritage  
Source: Hotelivate Research

Figure 27 presents the total operating inventory of the 20 largest hotel companies in the country as of July 2022. Marriott International continues to be the number one rank for the largest inventory in the country. IHCL, despite having the highest number of hotel properties in the country, ranks second due to their lower rooms per hotel ratio compared to Marriott. Radisson Hotel Group, ITC Hotels and Accor have held third, fourth and fifth position, respectively. Lemon Tree Hotels have continued to expand aggressively retaining the sixth position followed by Hyatt Hotels, IHG, Sarovar and Wyndham. Interestingly, as seen in Figure 28, the top 10 brands in the country by room inventory comprise ~70% of the total existing branded supply.

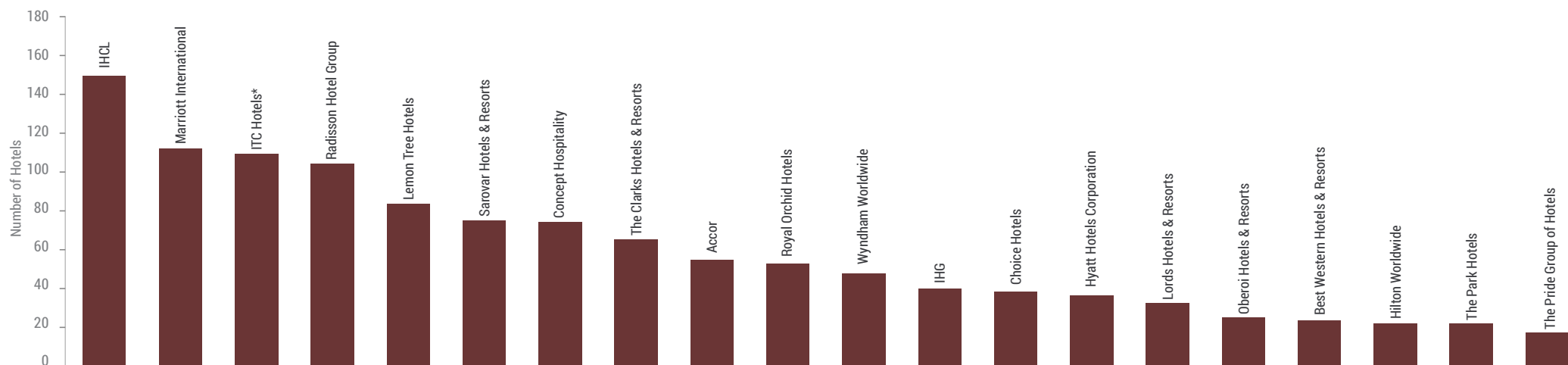
FIGURE 28: TOP 10 HOTELS BRANDS BY PERCENTAGE SHARE OF EXISTING INVENTORY IN INDIA (JULY 2022)



\* ITC Hotels includes Fortune Hotels and WelcomHeritage  
Source: Hotelivate Research



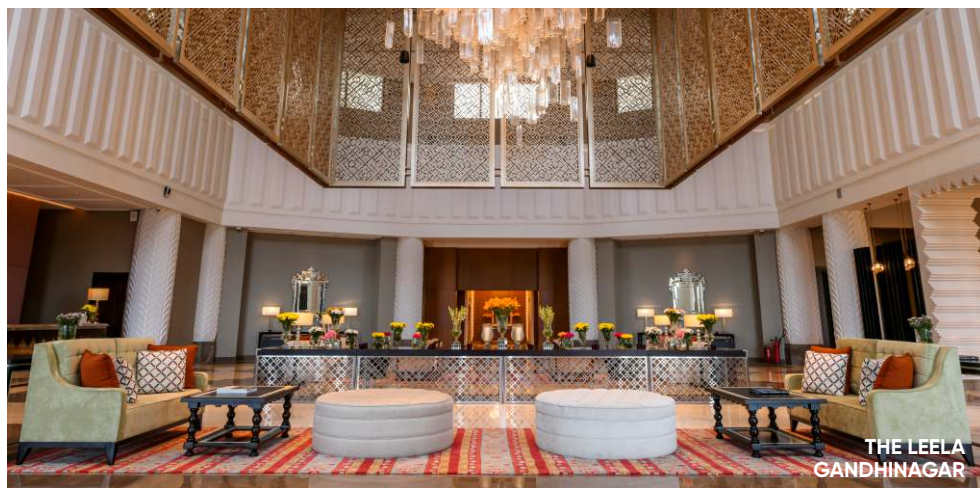
FIGURE 29: TOP 20 HOTEL BRANDS BY NUMBER OF HOTELS (JULY 2022)



\* ITC Hotels includes Fortune Hotels and WelcomHeritage

Source: Hotelivate Research

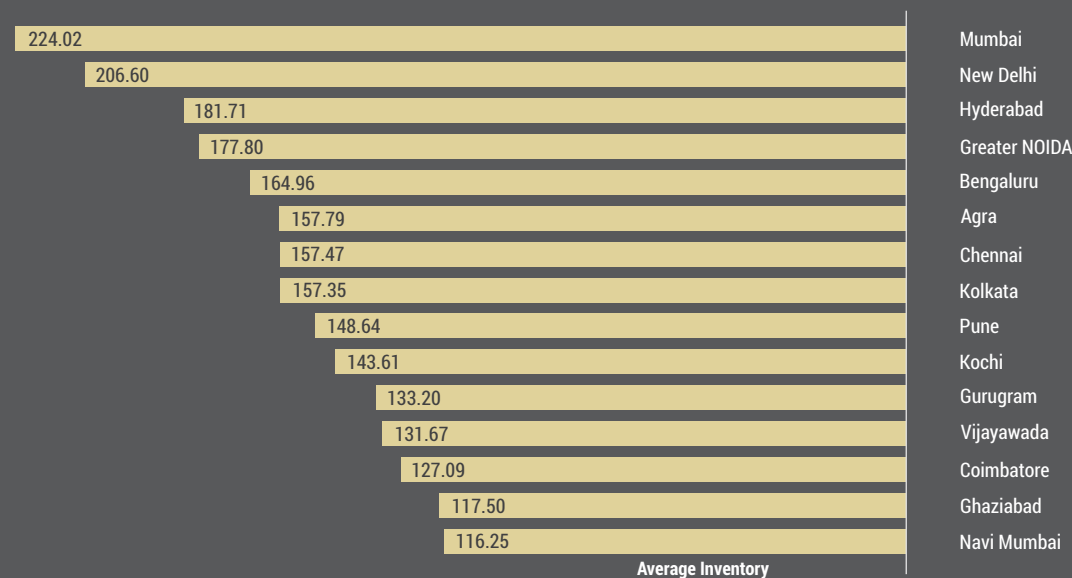
Figure 29 presents the total number of operating assets of the 20 largest hotel companies in the country as of July 2022. As mentioned earlier, IHCL continues to be the number one rank for the number of hotels in the country. Marriott, despite having the largest inventory in the country, ranks second due to their larger rooms per hotel ratio compared to IHCL. Interestingly, we can see that Indian-origin brands have a larger number of assets in the country when compared to their international counterparts; this is mainly because of their smaller rooms per hotel ratio.



## Top 15 Cities by Average Hotel Size

Figure 30 highlights the top 15 cities by average hotel size. The average hotel size is a function of the demand footprint in these locations. All the cities in the list are metropolitan cities and commercial hubs which represent key Tier 1 and Tier 2 markets of the country; some of these cities represent gateway destinations as well which have a relatively higher footfall. In particular, the top five cities, which are Mumbai, New Delhi, Hyderabad, Greater Noida and Bengaluru, cater to large M.I.C.E (Meetings, Incentives, Conventions and Expositions) as well as commercial demand which require larger inventory 'big-box' hotels. Additionally, the average hotel size in these cities is also a reflection of the economic activity that each city has witnessed in the past; it is no surprise therefore to see Mumbai, New Delhi and Hyderabad topping the list.

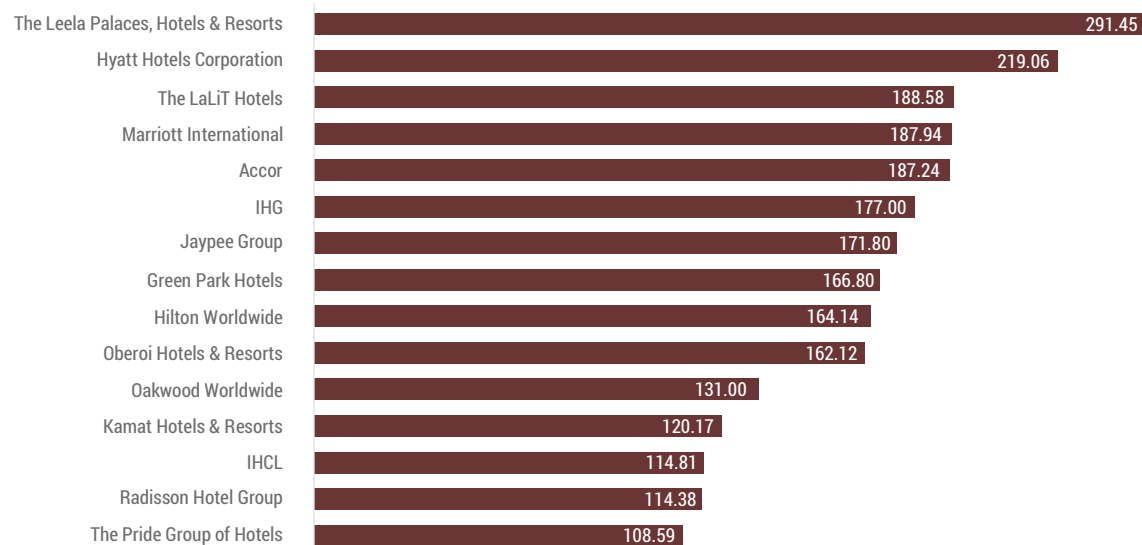
FIGURE 30: TOP 15 CITIES BY AVERAGE HOTEL SIZE\*



\*Only cities with more than five hotels have been considered for this analysis.

Source: Hotelivate Research

FIGURE 31: TOP 15 BRANDS BY AVERAGE HOTEL SIZE\*



\*Only brands with more than five hotels have been considered for this analysis.

Source: Hotelivate Research

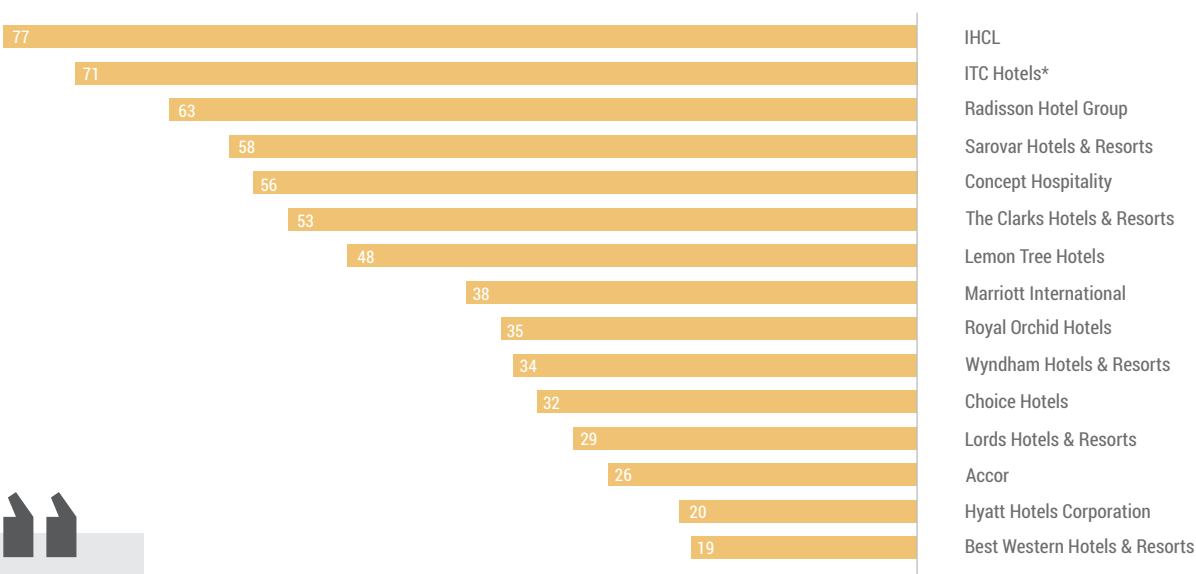
## Top 15 Brands by Average Hotel Size

Another interesting analysis to look at is the average hotel size by brand as seen in Figure 31. Brands which operate across a wide variety of markets tend to have a lower average inventory. This is mainly on the account of operating assets in leisure and upcoming hotel markets which tend to accommodate smaller inventory hotels. This includes brands such as IHCL and Radisson Hotel Group. On the other hand, certain brands have focused key markets that tend to clamour for larger inventory hotels. Since majority of the portfolio is in these markets, they tend to have a relatively higher average. Brands such as The Leela Palaces, Hotels & Resorts, Hyatt, Marriott International and Accor operate some of the larger inventory hotels.

# Top 15 Brands by City Presence

Figure 32 shows the top 15 brands based on their city presence. Looking at the hotel brands based on the number of cities in which they operate hotels, IHCL tops the list with hotels in 77 different cities. In particular, Indian-origin brands have explored and expanded their presence into a larger number of cities when compared to their international counterparts. International brands have focused on operating hotels in established and key markets in India which have a strong demand footprint. Radisson Hotel Group is the only exception to this trend as they rank third in the list with presence in 63 different cities. Interestingly, even though Marriott International has the largest hotel inventory in the country, they operate these hotels in just 38 cities.

FIGURE 32: TOP 15 BRANDS BY CITY PRESENCE



\* ITC Hotels includes Fortune Hotels and WelcomHeritage

Source: Hotelivate Research

As of March 2022, branded hotels **operate in 279 different cities. Only 22 cities have an inventory of more than 1,000 rooms.**





## Future Supply

Like every year, we present a detailed review and analysis of the proposed supply across the nation. Based on the responses to our survey, supplemented with the information gathered by our consultants through the course of the year, a master list of new supply is prepared. Thereafter, each project is unbiasedly reviewed for confirmed operator tie-up, status of development, planned number of rooms and the anticipated date of opening to arrive at the future supply data presented herein.

Figures 33 and 34 highlight the existing and proposed supply in each of the 20 major hotel markets and 'Other Cities' tracked in this report. The pipeline for proposed supply totalled to 93,355 back in 2011/12. With a significant growth in the existing supply in the following years, the proposed supply was down to 50,170 at the close of 2018/19. However, the onset of the global pandemic led to slow down and delay of certain projects, due to which the proposed pipeline saw an increase to 60,273 rooms during 2019/20-2020/21. In 2021/22, the proposed pipeline saw a minor reduction of 1.5% to 59,238 rooms. This

indicates that there is still some apprehension from hotel investors and developers which is likely to improve with the recovery of the business.

We have also indicated an Active Development Ratio for each market based on the number of rooms that have recently opened, are currently under construction or likely to enter the market within the next five years. Inactive supply as well as recently announced supply which is still in the planning phase has been removed from the five-year horizon. Thereafter, using this ratio, we have estimated the supply of branded rooms in 2026/27 as depicted in Figure 36.

The overall Active Development Ratio in 2021/22 was 72% (as compared to 61% in 2019/20-2020/21). This ratio was 72% in 2018/19 as well. Even though there is a certain apprehension in the market, the rise in this ratio is indicative of the measured return of the investor confidence. Notably, this ratio includes recently opened hotels which constitute ~5% of the total proposed pipeline.

FIGURE 33: PROPOSED BRANDED HOTEL ROOMS ACROSS MAJOR CITIES (2021/22 – 2026/27)

	Existing Supply 2021/22	Proposed Supply*	Increase in Future Supply	Active Development of Supply	Luxury	Upscale	Upper Midmarket	Midmarket	Budget
Agra	2,209	495	22%	85%	0.0%	34.3%	0.0%	35.2%	30.5%
Ahmedabad	3,586	1,380	38%	93%	21.2%	25.0%	0.0%	13.8%	40.0%
Amritsar	1,736	1,165	67%	82%	0.0%	22.6%	26.6%	21.4%	29.4%
Bengaluru	14,022	6,802	49%	67%	5.4%	30.2%	24.2%	27.3%	13.0%
Chandigarh <sup>a</sup>	2,676	316	12%	100%	0.0%	0.0%	46.2%	0.0%	53.8%
Chennai	9,763	841	9%	29%	0.0%	57.8%	12.2%	5.4%	24.6%
Dehradun	624	1,016	163%	78%	0.0%	45.6%	31.6%	0.0%	22.8%
Goa	8,244	2,810	34%	79%	7.8%	10.5%	36.3%	29.5%	15.8%
Gurugram	6,151	2,323	38%	80%	0.0%	39.9%	22.6%	31.0%	6.5%
Hyderabad	7,450	2,979	40%	11%	5.3%	5.6%	24.3%	64.7%	0.0%
Jaipur	5,478	3,268	60%	62%	14.4%	58.5%	12.2%	9.0%	5.8%
Kochi	2,585	302	12%	67%	0.0%	43.7%	0.0%	0.0%	56.3%
Kolkata	4,878	853	17%	65%	0.0%	42.4%	1.3%	32.4%	23.9%
Lucknow	1,884	1,300	69%	100%	0.0%	34.2%	21.5%	23.2%	21.1%
Mumbai	13,217	5,409	41%	87%	27.5%	16.2%	21.3%	11.3%	23.7%
Navi Mumbai	1,395	642	46%	78%	0.0%	64.8%	0.0%	35.2%	0.0%
New Delhi <sup>b</sup>	15,082	1,852	12%	86%	10.2%	54.5%	19.1%	6.6%	9.7%
NOIDA <sup>c</sup>	1,569	1,268	81%	66%	0.0%	20.6%	25.2%	22.7%	31.5%
Pune	6,689	506	8%	60%	1.0%	99.0%	0.0%	0.0%	0.0%
Udaipur	1,953	1,065	55%	94%	12.2%	36.7%	18.3%	14.5%	18.3%
Other Cities <sup>d</sup>	41,754	22,646	55%	73%	2.0%	21.3%	30.0%	33.5%	13.2%
<b>Total</b>	<b>1,52,945</b>	<b>59,238</b>	<b>39%</b>	<b>72%</b>	<b>6.4%</b>	<b>27.5%</b>	<b>24.1%</b>	<b>26.8%</b>	<b>15.2%</b>

\*Proposed Supply includes 3,260 rooms that have been open for less than six months, and therefore not included in the existing supply.

<sup>a</sup>Chandigarh (includes Panchkula and Zirakpur) data

<sup>b</sup>New Delhi (excludes Gurugram, NOIDA and Greater NOIDA) data

<sup>c</sup>NOIDA (includes Greater NOIDA) data

<sup>d</sup>Other Cities includes all other hotel markets across India

Source: Hotelivate Research



FIGURE 34: DISTRIBUTION OF EXISTING AND PROPOSED BRANDED HOTEL ROOMS ACROSS MAJOR CITIES (2012/13 – 2021/22)

	Existing Supply										Proposed Supply									Active Development of Supply									
	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21*	21/22	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20-20/21	21/22	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20-20/21	21/22	
Agra	1,299	1,293	1,755	2,036	2,092	2,256	1,864	2,289	2,210	2,209	866	990	503	622	754	428	582	734	495	76%	82%	43%	28%	34%	72%	46%	31%	85%	
Ahmedabad	2,477	2,777	2,944	3,054	3,117	3,393	3,004	3,326	3,547	3,586	1,857	1,372	1,026	1,238	1,345	1,343	2,006	997	1,380	66%	86%	64%	71%	47%	71%	76%	94%	93%	
Amritsar	476	770	766	873	1,108	1,322	1,319	1,566	1,692	1,736									1,165								82%		
Bengaluru	8,536	10,162	11,117	11,539	11,995	12,594	13,366	13,691	13,647	14,022	10,731	6,911	5,317	5,209	4,418	5,698	4,620	6,266	6,802	75%	66%	52%	67%	72%	78%	65%	64%	67%	
Chandigarh <sup>a</sup>	717	765	866	1,275	1,909	1,873	2,116	2,161	2,231	2,676									316								100%		
Chennai	6,330	7,105	7,444	7,585	8,332	9,061	9,099	9,657	9,625	9,763	5,331	3,885	3,311	2,312	1,767	978	393	547	841	65%	80%	83%	100%	94%	89%	43%	57%	29%	
Dehradun		-	114	114	182	234	325	380	464	624									1,016								78%		
Goa	4,406	4,703	5,298	5,574	6,400	6,386	5,979	6,772	7,488	8,244	2,622	2,291	1,743	2,062	2,870	3,028	2,068	3,223	2,810	62%	68%	50%	90%	48%	57%	80%	63%	79%	
Gurugram	4,559	5,190	5,323	5,117	5,263	5,890	5,538	5,589	5,873	6,151	5,033	3,268	2,084	1,959	1,743	1,727	1,808	2,343	2,323	53%	54%	10%	70%	23%	84%	80%	85%	80%	
Hyderabad	5,411	5,734	5,954	5,992	6,254	6,846	6,672	7,393	7,381	7,450	3,433	2,893	2,474	2,464	1,475	1,149	728	827	2,979	87%	78%	61%	32%	89%	77%	68%	49%	11%	
Jaipur	4,129	4,523	4,822	4,931	5,058	5,352	5,285	5,553	5,471	5,478	2,859	1,706	1,119	960	1,713	1,086	2,601	3,047	3,268	56%	82%	92%	89%	51%	82%	63%	52%	62%	
Kochi	889	1,190	1,524	1,690	1,686	1,807	2,466	2,521	2,520	2,585									302								67%		
Kolkata	2,163	2,243	2,701	2,701	3,199	3,652	3,712	4,579	4,841	4,878	3,511	2,584	2,870	3,209	2,194	1,768	1,724	929	853	64%	72%	70%	64%	64%	77%	81%	55%	65%	
Lucknow	339	318	329	483	725	1,495	1,499	1,772	1,820	1,884									1,300								100%		
Mumbai	11,878	12,093	11,997	12,127	12,565	12,595	12,639	13,070	13,245	13,217	9,802	7,896	5,561	4,166	3,680	4,039	4,816	6,771	5,409	42%	49%	33%	39%	37%	54%	69%	46%	87%	
Navi Mumbai	929	929	868	927	929	929	929	1,000	1,000	1,395									642								78%		
New Delhi <sup>b</sup>	11,338	12,370	13,193	14,142	14,296	14,450	14,952	15,027	15,024	15,082	6,144	5,355	2,502	2,792	1,715	1,492	805	836	1,852	84%	71%	87%	92%	62%	87%	93%	85%	86%	
NOIDA <sup>c</sup>	841	1,239	1,322	1,322	1,422	1,515	1,378	1,378	1,423	1,569	5,615	2,406	1,873	2,561	1,043	1,174	981	1,889	1,268	28%	70%	13%	9%	18%	41%	43%	60%	66%	
Pune	5,317	6,159	6,137	6,108	6,445	6,353	6,212	6,712	6,615	6,689	3,705	2,620	2,005	1,965	1,308	894	796	875	506	67%	72%	64%	73%	47%	89%	80%	30%	60%	
Udaipur	886	886	1,029	1,096	1,157	1,157	1,317	1,605	1,742	1,953									1,065								94%		
Other Cities <sup>d</sup>	21,335	20,728	22,192	22,914	25,085	27,405	29,730	33,365	35,898	41,754	23,141	23,873	23,882	25,393	21,042	24,576	26,242	30,989	22,646	55%	71%	70%	71%	75%	73%	77%	62%	73%	
Total	94,255	1,01,177	1,07,695	1,11,600	1,19,219	1,26,565	1,29,401	1,39,406	1,43,757	1,52,945	84,650	68,050	56,270	56,912	47,067	49,380	50,170	60,273	59,238	60%	69%	61%	66%	64%	72%	74%	61%	72%	

\*The 2020/21 inventory has been modified based on the updated data collated for this survey.

<sup>a</sup>Chandigarh (includes Panchkula and Zirakpur)

<sup>b</sup>New Delhi (excludes Gurugram, NOIDA and Greater NOIDA) data

<sup>c</sup>NOIDA (includes Greater NOIDA)

<sup>d</sup>Other Cities includes all other hotel markets across India  
Source: Hotelivate Research

By 2026/27, we anticipate addition of about 42,624 branded rooms (under active development), taking the total supply to 1,95,569, growing the existing supply by ~28%. (Figure 35).

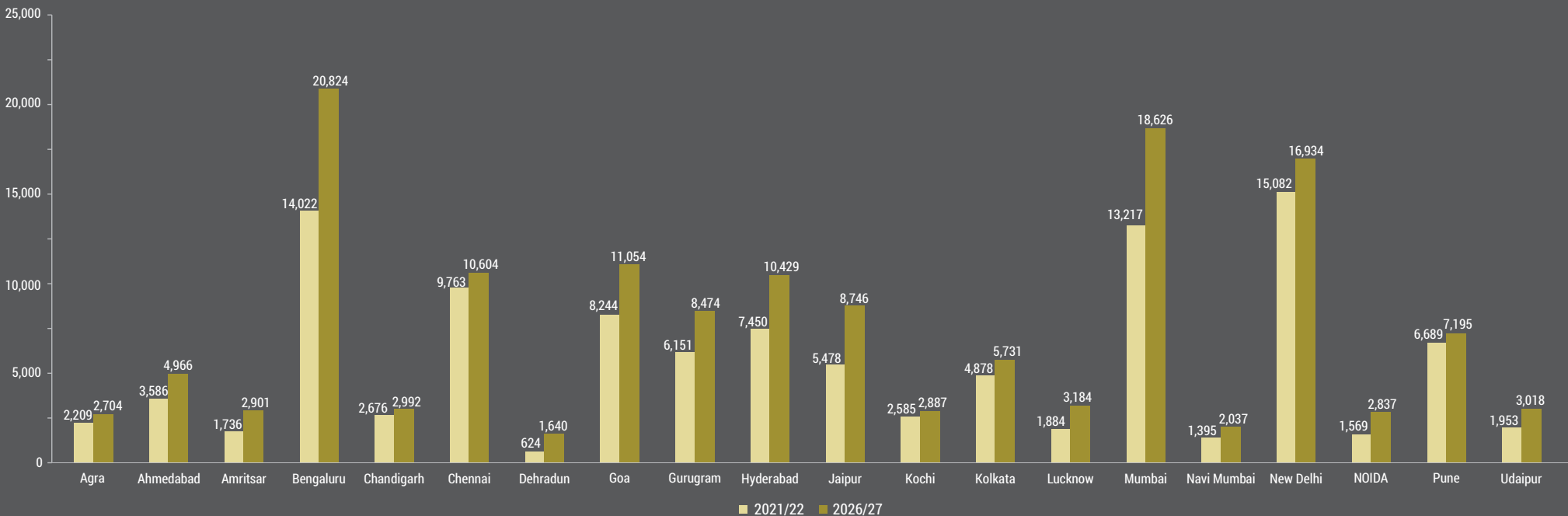
Figure 37 provides additional slice and dice of the proposed supply. The proposed inventory has been divided by positioning, comprising of Luxury, Upscale, Upper Midmarket, Midmarket, and Budget segments. The Upscale (27.5% of the proposed supply), Upper Midmarket (24.1% of the proposed supply) and Midmarket (26.8% of the proposed supply) segments have been favoured by hotel investors and developers. Incidentally, ~63% of the future supply has operator tie-ups with international brands; this indicates plans for an aggressive growth in India by these international players. Even though Tier 1 cities (~40% of the proposed supply) remain favoured destinations for hotel development, an increasing number of the hotel developers and operators are exploring opportunities in the Tier 3 markets (~35% of the proposed supply), identifying the unaccommodated demand in these cities. Additionally, North and West India continue to be the preferred locations for hotel development with about 70% of the proposed supply.

FIGURE 35: GROWTH OF ROOM SUPPLY – INDIA (2000/01 – 2026/27)



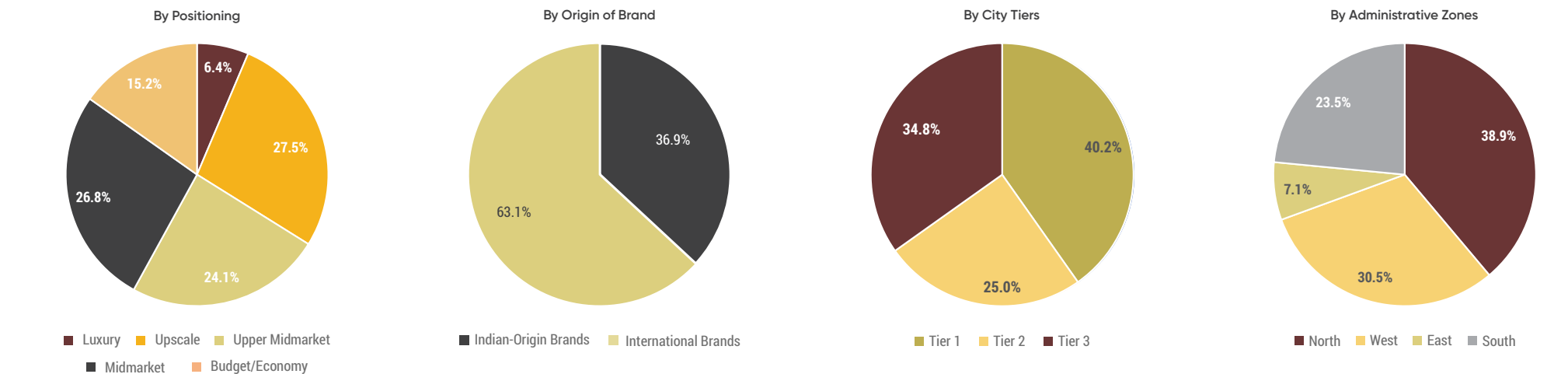
Source: Hotelivate Research

FIGURE 36: GROWTH OF SUPPLY ACROSS MAJOR CITIES (2021/22 – 2026/27\*)



Source: Hotelivate Research

FIGURE 37: PROPOSED BRANDED HOTEL ROOMS ACROSS VARIOUS PARAMETERS (2021/22 – 2026/27)



Source: Hotelivate Research

# Industry Performance by Major City

Our key takeaways from the survey results pertaining to the industry performance by major cities and subsequent analyses are as follows:

All major markets witnessed an increase in RevPAR in 2021/22. Amritsar recorded the highest year-on-year growth (94.6%) followed by Udaipur (80.2%), Goa (79.3%) and Jaipur (73.6%), primarily due to the increase in leisure travel across the country. In case of the urban markets, Kolkata (71.4%) and Chandigarh (62.8%) have seen the highest increase in RevPAR. For Kolkata, this increase was due to leisure demand emanating from the city and the surrounding region, whereas for Chandigarh, it was due to improved business sentiment.

Mumbai topped the charts in terms of occupancy (59.8%). Even though Mumbai was one of the hardest hit cities during the three waves of the pandemic, business travel has recovered strongly in the market. Udaipur clocked the highest ADR of ₹12,143, predominantly on account of the large number of luxury-positioned hotels existing in the market and the opening of Raffles Udaipur. In contrast, Ahmedabad registered the lowest ADR of ₹3,048,

due to government restrictions for an extended period, as well as supply outpacing the demand in the market. However, Ahmedabad is likely to witness a limited growth in supply in the following years; therefore, it would witness an upward correction in the performance metrics.

Furthermore, all hotel markets witnessed an increase in occupancy. Markets with a stronger leisure footprint have seen a greater increase in their occupancy levels. As for the average rate, the markets have seen a mixed performance. Apart from Chandigarh, most urban markets saw a decrease in ADR, whereas all leisure markets witnessed the opposite on account of a spike in demand.

Figure 38 illustrates the marketwide occupancy of the 20 major cities between 2002/03 and 2021/22. Figures 39 and 40 highlight the ADR and RevPAR for each of these hotel markets expressed in Indian Rupees, respectively, followed by Figures 41 and 42 which illustrate the corresponding data in United States (US) Dollars.

FIGURE 38: KEY OPERATING STATISTICS BY MAJOR CITY – OCCUPANCY

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*	2021/22	12-Month Change
Agra	30.7%	50.0%	57.1%	56.0%	58.9%	58.3%	52.4%	55.9%	60.2%	57.1%	58.9%	60.4%	61.5%	57.7%	59.6%	66.2%	68.3%	66.7%	35.0%	51.3%	46.6%
Ahmedabad	53.8%	63.2%	68.3%	69.1%	67.9%	73.3%	61.2%	58.2%	54.3%	59.9%	53.7%	52.7%	53.9%	55.6%	61.1%	63.8%	63.3%	64.8%	33.1%	57.7%	74.3%
Amritsar								34.5%	42.0%	31.7%	42.3%	42.4%	53.1%	58.0%	61.9%	63.0%	65.4%	64.6%	26.0%	50.2%	93.1%
Bengaluru	72.0%	78.5%	81.4%	76.7%	72.5%	65.3%	54.6%	53.2%	58.4%	56.6%	55.6%	57.7%	58.1%	65.7%	65.9%	68.3%	65.1%	67.5%	27.5%	41.2%	49.8%
Chandigarh <sup>a</sup>						75.0%	69.0%	67.0%	66.8%	59.4%	48.5%	56.3%	56.2%	54.3%	55.1%	64.4%	69.4%	71.8%	38.4%	55.5%	44.5%
Chennai	58.3%	66.6%	72.9%	78.2%	74.7%	72.8%	63.1%	62.1%	67.2%	65.7%	60.0%	55.4%	58.9%	62.7%	64.8%	63.0%	64.6%	64.5%	36.1%	51.0%	41.3%
Dehradun													55.9%	76.0%	66.0%	67.1%	69.1%	72.6%	39.0%	53.8%	37.9%
Goa	60.5%	59.3%	62.5%	67.8%	72.8%	72.2%	61.1%	65.1%	67.7%	68.5%	68.9%	68.7%	69.7%	70.2%	71.3%	70.0%	71.0%	67.7%	37.0%	55.9%	51.1%
Gurugram								66.0%	66.5%	62.0%	58.0%	58.8%	61.1%	63.7%	66.3%	67.9%	68.4%	70.2%	31.5%	48.2%	53.0%
Hyderabad	68.9%	75.9%	78.7%	82.0%	72.1%	65.7%	55.8%	53.3%	57.1%	54.0%	49.3%	51.7%	57.1%	59.3%	63.7%	66.3%	69.9%	70.3%	33.7%	52.5%	55.8%
Jaipur	44.9%	58.8%	67.2%	65.7%	65.5%	64.7%	54.1%	57.3%	57.7%	55.2%	54.7%	54.3%	54.5%	60.8%	64.4%	67.6%	68.3%	66.2%	33.9%	49.9%	47.2%
Kochi						65.0%	61.4%	50.3%	56.9%	51.3%	53.0%	52.5%	53.0%	53.6%	63.4%	64.1%	53.3%	56.3%	31.1%	38.0%	22.2%
Kolkata	65.4%	62.8%	69.0%	76.4%	75.5%	73.9%	69.5%	67.5%	68.3%	70.0%	71.5%	70.2%	67.8%	69.3%	70.9%	70.2%	69.8%	66.7%	30.2%	50.9%	68.5%
Lucknow						59.6%	58.0%	72.9%	73.9%	76.4%	70.5%	71.4%	67.7%	68.5%	58.5%	51.4%	59.6%	64.6%	41.4%	56.9%	37.4%
Mumbai <sup>b</sup>	63.4%	69.7%	72.0%	76.2%	77.9%	74.6%	60.6%	62.5%	62.4%	61.2%	63.7%	67.2%	71.8%	73.0%	74.1%	75.3%	77.0%	76.6%	42.9%	59.8%	39.4%
Navi Mumbai										67.6%	60.7%	59.4%	73.9%	81.7%	77.6%	79.1%	79.3%	72.7%	43.0%	52.3%	21.6%
New Delhi <sup>c</sup>	60.4%	73.1%	79.1%	80.8%	76.9%	73.9%	67.3%	68.3%	68.7%	63.8%	61.7%	60.9%	61.7%	66.7%	69.4%	70.5%	72.0%	73.2%	40.8%	57.3%	40.4%
NOIDA <sup>d</sup>								74.0%	80.7%	56.2%	44.4%	53.5%	48.0%	51.0%	56.2%	54.9%	60.0%	64.5%	33.1%	54.4%	64.2%
Pune	71.0%	68.9%	86.4%	83.1%	83.4%	69.5%	62.2%	50.9%	46.7%	51.3%	58.2%	57.4%	61.3%	65.6%	64.1%	68.2%	69.3%	66.7%	27.9%	41.1%	47.3%
Udaipur										41.7%	47.7%	53.9%	57.5%	64.3%	68.8%	67.9%	72.0%	62.1%	37.2%	52.8%	41.9%

FIGURE 39: KEY OPERATING STATISTICS BY MAJOR CITY – AVERAGE RATE (₹)

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*	2021/22	12-Month Change
Agra	1,954	2,431	3,012	3,622	4,715	5,262	5,322	5,773	6,243	5,958	6,126	6,338	6,488	6,083	5,508	5,316	5,800	6,204	4,112	4,220	2.6%
Ahmedabad	2,164	2,410	2,787	3,111	3,526	4,351	4,754	4,540	4,285	3,917	3,904	3,734	3,753	3,884	3,897	4,158	4,625	4,273	3,399	3,048	-10.3%
Amritsar								4,374	4,686	3,166	3,933	3,630	3,491	3,251	3,345	3,946	4,054	4,053	3,452	3,479	0.8%
Bengaluru	3,752	4,832	7,470	8,762	10,406	9,827	9,495	6,597	6,776	6,293	5,960	5,379	5,368	5,392	5,598	5,823	6,434	6,707	4,704	4,101	-12.8%
Chandigarh <sup>a</sup>						6,385	6,979	6,696	5,135	5,180	4,906	4,433	4,539	4,323	4,281	4,412	4,509	4,636	4,579	5,157	12.6%
Chennai	3,224	3,323	3,714	4,357	5,378	6,340	6,677	5,710	5,632	5,524	5,440	5,050	4,825	4,767	4,761	4,863	5,174	5,148	3,597	3,919	9.0%
Dehradun													4,357	4,565	4,567	4,680	4,418	4,421	3,717	4,032	8.5%
Goa	2,754	3,086	3,985	4,804	5,801	6,255	6,271	5,613	6,056	6,162	6,513	6,692	6,819	7,020	7,538	7,920	8,207	8,260	7,379	8,756	18.7%
Gurugram								8,247	7,554	7,639	6,831	6,569	6,241	6,253	6,382	6,113	6,455	6,592	5,372	4,709	-12.3%
Hyderabad	2,541	2,774	3,772	4,870	5,962	6,271	6,297	5,146	5,173	5,026	4,854	4,556	4,535	4,741	4,880	4,924	5,377	5,654	3,979	4,102	3.1%
Jaipur	2,728	2,980	3,461	4,407	5,285	5,664	5,982	4,539	4,718	4,727	4,843	4,743	4,743	4,721	4,787	5,051	5,347	5,500	4,277	5,043	17.9%
Kochi						4,690	5,149	4,946	4,985	4,859	4,821	4,847	4,099	4,415	4,401	4,335	4,814	4,881	3,724	3,573	-4.1%
Kolkata	2,917	3,021	3,240	3,887	5,288	6,575	6,686	6,087	6,408	6,049	6,093	5,739	5,734	5,607	5,814	5,904	5,830	5,934	4,258	4,330	1.7%
Lucknow						3,641	4,065	4,314	4,498	4,223	4,463	4,733	4,760	4,834	5,062	4,274	4,069	4,129	4,626	3,654	-21.0%
Mumbai <sup>b</sup>	4,184	4,356	4,822	6,041	8,738	10,932	10,679	8,428	8,194	8,210	7,820	7,355	7,473	7,611	7,942	8,066	8,376	8,487	5,270	5,153	-2.2%
Navi Mumbai										4,800	4,474	4,180	3,856	3,960	4,118	4,318	4,671	4,748	3,381	3,192	-5.6%
New Delhi <sup>c</sup>	4,089	4,269	5,103	6,909	9,192	10,429	9,811	8,834	8,634	8,174	7,387	6,941	6,568	6,211	6,292	6,649	7,063	7,186	4,764	5,228	9.7%
NOIDA <sup>d</sup>								7,496	7,752	7,416	6,724	5,964	5,429	5,281	5,652	5,323	6,109	6,375	4,454	3,830	-14.0%
Pune	2,603	2,805	3,521	4,915	6,523	7,946	7,493	5,810	4,949	4,163	3,861	3,908	3,846	3,922	4,195	4,484	4,943	5,070	4,179	3,846	-8.0%
Udaipur										10,590	10,163	10,270	10,712	10,432	10,511	10,064	10,896	11,298	9,562	12,143	27.0%

FIGURE 40: KEY OPERATING STATISTICS BY MAJOR CITY – RevPAR (₹)

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*	2021/22	12-Month Change
Agra	600	1,216	1,720	2,028	2,777	3,068	2,790	3,227	3,758	3,400	3,605	3,827	3,988	3,510	3,281	3,517	3,960	4,139	1,439	2,165	50.4%
Ahmedabad	1,164	1,523	1,904	2,150	2,394	3,189	2,908	2,642	2,327	2,347	2,098	1,967	2,024	2,159	2,379	2,652	2,926	2,767	1,125	1,759	56.3%
Amritsar								1,509	1,968	1,004	1,664	1,539	1,854	1,886	2,071	2,486	2,651	2,618	898	1,746	94.6%
Bengaluru	2,701	3,793	6,081	6,720	7,544	6,417	5,181	3,509	3,957	3,562	3,314	3,104	3,117	3,540	3,688	3,979	4,190	4,527	1,294	1,690	30.6%
Chandigarh <sup>a</sup>						4,789	4,816	4,486	3,430	3,077	2,379	2,496	2,551	2,347	2,359	2,841	3,129	3,329	1,758	2,862	62.8%
Chennai	1,880	2,213	2,708	3,407	4,017	4,616	4,210	3,546	3,785	3,629	3,263	2,795	2,844	2,990	3,085	3,066	3,343	3,318	1,299	1,999	53.9%
Dehradun													2,436	3,469	3,014	3,140	3,053	3,210	1,450	2,169	49.6%
Goa	1,666	1,830	2,491	3,257	4,223	4,516	3,829	3,654	4,100	4,220	4,488	4,601	4,752	4,928	5,378	5,544	5,823	5,588	2,730	4,895	79.3%
Gurugram								5,443	5,023	4,736	3,958	3,861	3,815	3,986	4,230	4,152	4,414	4,627	1,692	2,270	34.1%
Hyderabad	1,751	2,105	2,969	3,993	4,299	4,120	3,515	2,743	2,954	2,714	2,394	2,354	2,589	2,812	3,107	3,264	3,760	3,972	1,341	2,154	60.6%
Jaipur	1,225	1,752	2,326	2,895	3,462	3,665	3,234	2,601	2,722	2,609	2,649	2,575	2,586	2,872	3,082	3,414	3,650	3,641	1,450	2,516	73.6%
Kochi						3,049	3,161	2,488	2,836	2,493	2,555	2,545	2,172	2,366	2,790	2,779	2,566	2,748	1,158	1,358	17.2%
Kolkata	1,908	1,897	2,236	2,970	3,992	4,859	4,648	4,108	4,377	4,232	4,356	4,031	3,889	3,885	4,121	4,143	4,067	3,957	1,286	2,204	71.4%
Lucknow						2,170	2,358	3,145	3,324	3,226	3,146	3,379	3,223	3,311	2,961	2,197	2,425	2,667	1,915	2,079	8.6%
Mumbai <sup>b</sup>	2,653	3,036	3,472	4,603	6,807	8,155	6,473	5,268	5,113	5,025	4,981	4,943	5,366	5,556	5,885	6,074	6,450	6,501	2,261	3,081	36.3%
Navi Mumbai										3,245	2,716	2,483	2,850	3,235	3,196	3,416	3,704	3,452	1,454	1,669	14.8%
New Delhi <sup>c</sup>	2,470	3,121	4,036	5,582	7,069	7,707	6,600	6,034	5,932	5,212	4,561	4,225	4,052	4,140	4,367	4,691	5,089	5,259	1,944	2,996	54.1%
NOIDA <sup>d</sup>								5,547	6,256	4,164	2,985	3,193	2,604	2,692	3,175	2,921	3,668	4,114	1,475	2,084	41.2%
Pune	1,848	1,933	3,042	4,084	5,440	5,522	4,661	2,957	2,311	2,135	2,248	2,243	2,359	2,573	2,690	3,057	3,426	3,381	1,166	1,581	35.6%
Udaipur										4,416	4,848	5,536	6,159	6,708	7,232	6,833	7,845	7,016	3,557	6,412	80.2%

\*The 2020/21 performance has been modified based on the updated data collated for this survey.

<sup>a</sup>Chandigarh (includes Panchkula and Zirakpur) data<sup>b</sup>New Delhi (excludes Gurugram, NOIDA and Greater NOIDA) data<sup>c</sup>NOIDA (includes Greater NOIDA)<sup>d</sup>Other Cities includes all other hotel markets across India

Source: Hotelivate Research



FIGURE 41: KEY OPERATING STATISTICS BY MAJOR CITY – AVERAGE RATE (US\$)

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*	2021/22	12-Month Change
Agra	41	53	67	81	108	131	116	121	137	124	112	104	106	94	82	82	86	88	56	57	2.6%
Ahmedabad	45	52	62	70	81	108	104	95	94	82	72	62	61	60	58	65	69	61	46	41	-10.3%
Amritsar								92	103	66	72	60	57	50	50	61	60	57	47	47	0.8%
Bengaluru	78	105	166	197	239	244	207	138	149	131	109	89	88	83	83	90	96	95	64	55	-12.8%
Chandigarh <sup>a</sup>						159	152	140	113	108	90	73	74	66	64	68	67	66	63	69	12.6%
Chennai	67	72	83	98	123	158	145	120	124	115	100	83	79	73	71	75	77	73	49	53	9.0%
Dehradun													71	70	68	73	66	63	51	54	8.5%
Goa	57	67	89	108	133	156	137	118	133	128	120	110	112	108	112	123	122	117	101	117	18.7%
Gurugram									166	159	125	108	102	96	95	95	96	94	73	63	-12.3%
Hyderabad	53	60	84	109	137	156	137	108	114	105	89	75	74	73	73	76	80	80	54	55	3.1%
Jaipur	57	65	77	99	121	141	130	95	104	99	89	78	78	73	71	78	80	78	58	68	17.9%
Kochi						117	112	104	109	101	89	80	67	68	66	67	72	69	51	48	-4.1%
Kolkata	61	66	72	87	121	164	146	128	141	126	112	95	94	86	87	92	87	84	58	58	1.7%
Lucknow						91	89	90	99	88	82	78	78	74	75	66	61	59	63	49	-21.0%
Mumbai <sup>b</sup>	87	95	107	136	200	272	233	177	180	171	144	121	122	117	118	125	125	120	72	69	-2.2%
Navi Mumbai										100	82	69	63	61	61	67	69	67	46	43	-5.6%
New Delhi <sup>c</sup>	85	93	114	155	211	259	214	185	189	170	136	114	107	96	94	103	105	102	65	70	9.7%
NOIDA <sup>d</sup>									170	155	123	98	89	81	84	83	91	90	61	51	-14.0%
Pune	54	61	78	110	150	198	163	122	109	87	71	64	63	60	63	70	74	72	57	52	-8.0%
Udaipur										221	187	169	175	160	157	156	162	160	131	163	27.0%
Exchange Rate	48.2	46.0	44.9	44.5	43.6	40.2	45.9	47.7	45.6	48.0	54.5	60.7	61.2	65.0	67.1	64.5	67.2	70.5	73.2	74.5	

FIGURE 42: KEY OPERATING STATISTICS BY MAJOR CITY – RevPAR (US\$)

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*	2021/22	12-Month Change
Agra	12	26	38	46	64	76	61	68	82	71	66	63	65	54	49	55	59	59	20	29	50.4%
Ahmedabad	24	33	42	48	55	79	63	55	51	49	39	32	33	33	35	41	44	39	15	24	56.3%
Amritsar								32	43	21	31	25	30	29	31	39	39	37	12	23	94.6%
Bengaluru	56	82	135	151	173	160	113	74	87	74	61	51	51	54	55	62	62	64	18	23	30.6%
Chandigarh <sup>a</sup>						119	105	94	75	64	44	41	42	36	35	44	47	47	24	38	62.8%
Chennai	39	48	60	77	92	115	92	74	83	76	60	46	47	46	46	48	50	47	18	27	53.9%
Dehradun													40	53	45	49	45	46	20	29	49.6%
Goa	35	40	55	73	97	112	83	77	90	88	82	76	78	76	80	86	87	79	37	66	79.3%
Gurugram								114	110	99	73	64	62	61	63	64	66	66	23	30	34.1%
Hyderabad	36	46	66	90	99	102	77	58	65	57	44	39	42	43	46	51	56	56	18	29	60.6%
Jaipur	25	38	52	65	79	91	70	55	60	54	49	42	42	44	46	53	54	52	20	34	73.6%
Kochi						76	69	52	62	52	47	42	36	36	42	43	38	39	16	18	17.2%
Kolkata	40	41	50	67	92	121	101	86	96	88	80	66	64	60	61	64	61	56	18	30	71.4%
Lucknow						54	51	66	73	67	58	56	53	51	44	34	36	38	26	28	8.6%
Mumbai <sup>b</sup>	55	66	77	103	156	203	141	110	112	105	91	81	88	85	88	94	96	92	31	41	36.3%
Navi Mumbai										68	50	41	47	50	48	53	55	49	20	22	14.8%
New Delhi <sup>c</sup>	51	68	90	125	162	192	144	126	130	109	84	70	66	64	65	73	76	75	27	40	54.1%
NOIDA <sup>d</sup>								116	137	87	55	53	43	41	47	45	55	58	20	28	41.2%
Pune	38	42	68	92	125	137	102	62	51	45	41	37	39	40	40	47	51	48	16	21	35.6%
Udaipur										92	89	91	101	103	108	106	117	100	49	86	80.2%
Exchange Rate	48.2	46.0	44.9	44.5	43.6	40.2	45.9	47.7	45.6	48.0	54.5	60.7	61.2	65.0	67.1	64.5	67.2	70.5	73.2	74.5	

\*The 2020/21 performance has been modified based on the updated data collated for this survey.

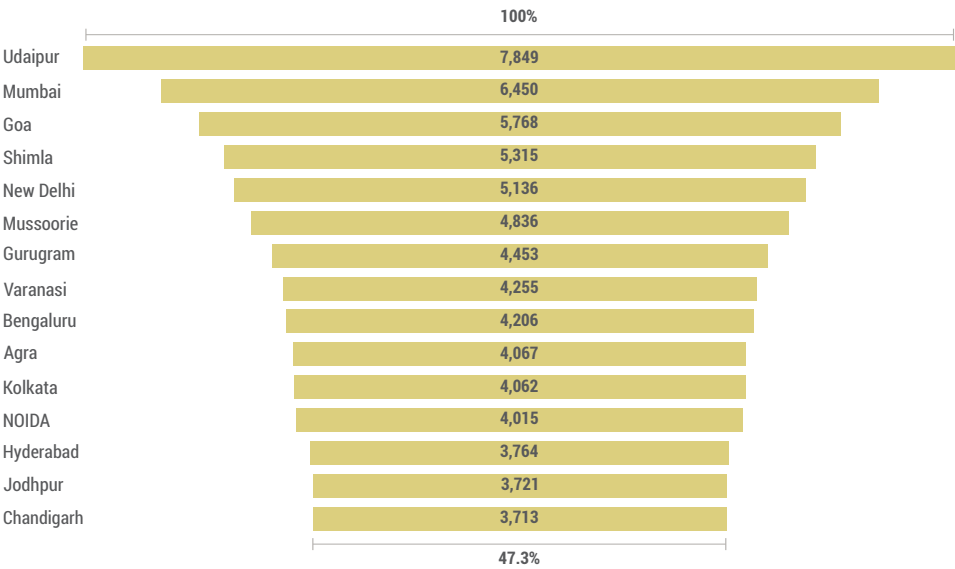
<sup>a</sup>Chandigarh (includes Panchkula and Zirakpur) data<sup>b</sup>New Delhi (excludes Gurugram, NOIDA and Greater NOIDA) data<sup>c</sup>NOIDA (includes Greater NOIDA)<sup>d</sup>Other Cities includes all other hotel markets across India

Source: Hotelivate Research

# Top 15 Markets by RevPAR

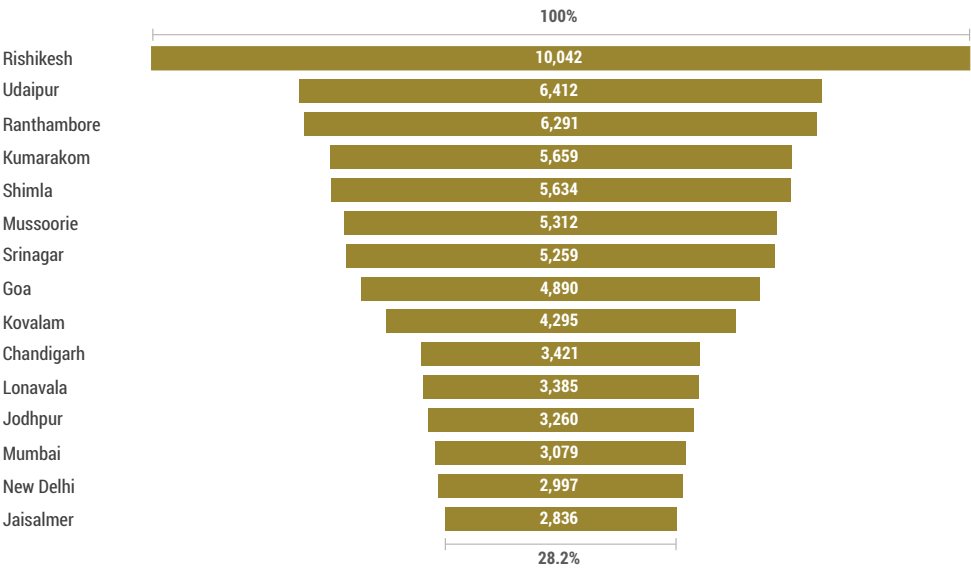
Traditionally, the top 15 markets always displayed a healthy mix of both urban and leisure segments. This can be seen in Figure 43 which focuses on the top 15 markets by RevPAR achieved during 2018/19 which is indicative of the pre-COVID performance. 2021/22 has been a stark contrast to the historical trends with majority of the top performing markets being those with a strong leisure orientation (Figure 44). The only urban markets which have made it to the list are Chandigarh, Mumbai, and New Delhi; these are gateway markets which witnessed a relatively stronger revival in demand.

FIGURE 43: TOP 15 HOTEL MARKETS BY RevPAR – 2018/19\*



\*Only cities with more than five hotels have been considered for this analysis.

FIGURE 44: TOP 15 HOTEL MARKETS BY RevPAR – 2021/22\*



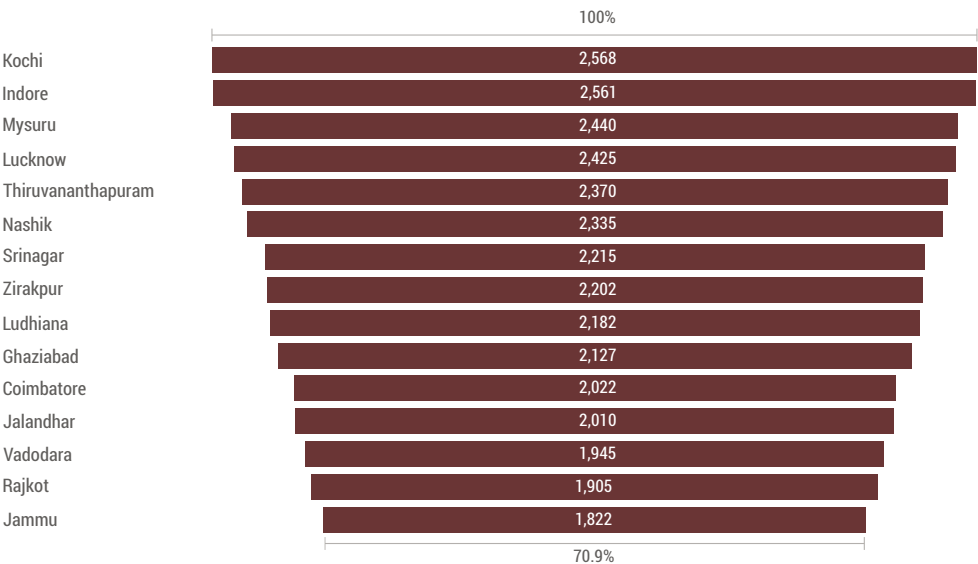
Source: Hotelivate Research



# Bottom 15 Markets by RevPAR

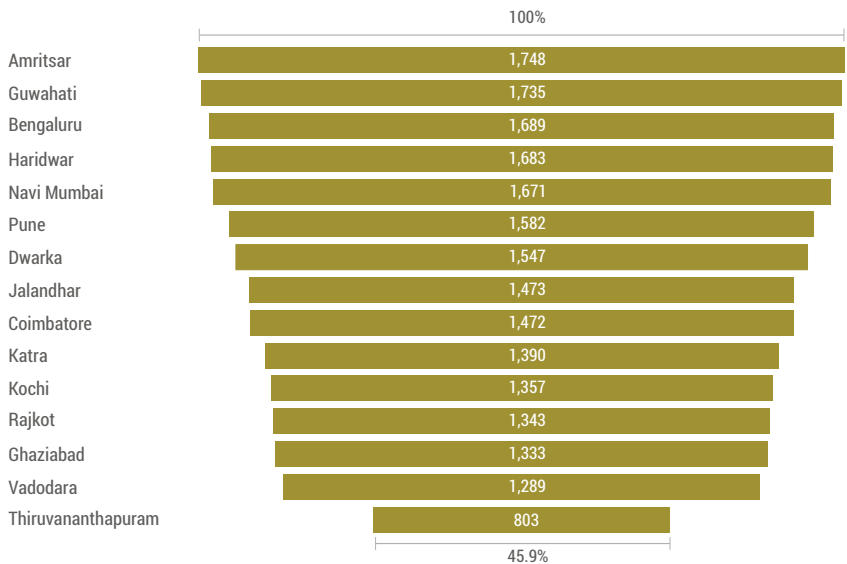
As seen in Figure 45, the bottom 15 markets in 2018/19, previously considered 'promising', had bucked the trend as their RevPAR was impacted by an oversupply in many of these markets. However, in 2021/22, the bottom 15 markets in RevPAR have primarily been urban (Figure 46). Interestingly, 3 of these 15 markets are in Gujarat, which suffered due to the price sensitive nature of the local traveller. Additionally, Pune and Bengaluru which depend greatly on the IT/ITeS sector for a large part of their demand, had been affected by the restrictions and the work-from-home paradigm.

FIGURE 45: BOTTOM 15 HOTEL MARKETS BY RevPAR – 2018/19



\*Only cities with more than five hotels have been considered for this analysis.

FIGURE 46: BOTTOM 15 HOTEL MARKETS BY RevPAR – 2021/22



Source: Hotelivate Research

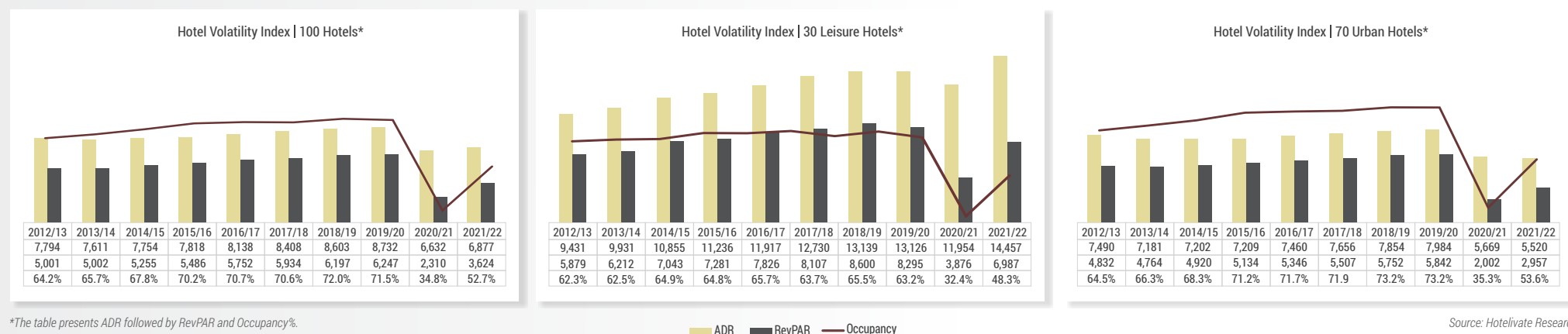


# The Hotel Volatility Index 2022

We have often noticed that the performance statistics of a market are skewed due to the opening of new hotels; hotels which are yet to stabilise pull down either the overall occupancy, the average rate or both. This is especially true for rapidly emerging hotel markets such as India. We have selected a base of well-established and stabilised hotels which have been operational since 2012 or earlier. The Hotel Volatility Index (HVI) can provide an accurate gauge of the country's hotel industry and serve as a reliable benchmark for properties across India. In this period of uncertainty, the HVI is one of the most important indicators for the hotel industry. Even though the hotel markets have seen recovery, the global pandemic has affected the key metrics of nationwide performance. Therefore, the HVI can help owners/operators develop a clear idea of the performance of stabilised assets during this period.

We had crafted HVI five years ago (in 2017). Since the hotel market in India has grown considerably in the past few years, the base of the Hotel Volatility Index has been expanded this year from 80 hotels to 100 hotels. These include 70 urban and 30 leisure properties across positioning. The historical data has been updated as per the new sample set. Together, these hotels represent nearly 20,000 rooms (~13% of the total inventory represented in the report) of 19 hotel companies across 36 different cities in India.

FIGURE 47: HOTEL VOLATILITY INDEX | URBAN AND LEISURE LOCATIONS

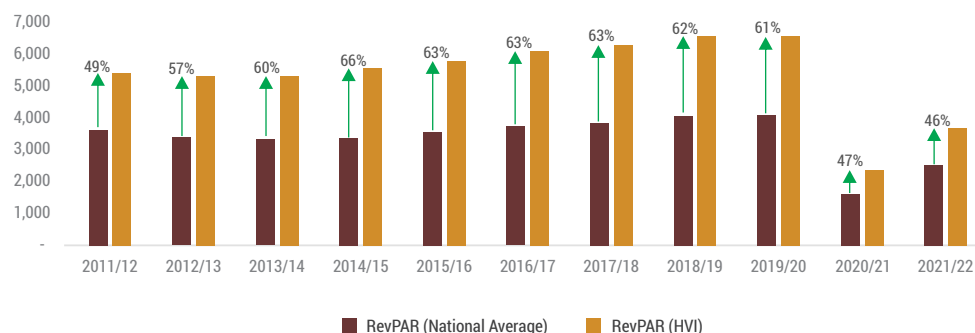


The performance of leisure hotels vis-à-vis the performance of urban hotels presented in Figure 47 must be carefully studied. Due to package deals and quarantine business, urban hotels managed to pull up their occupancy; however, they saw a reduction in their ADRs compared to previous years. Unlike their urban counterparts, leisure hotels, on the back of strong domestic and leisure travel, were able to not only increase their occupancy, but they also managed to increase their average rates to an all-time high of ₹14,457 (a 21% increase over 2020/21). Even though RevPAR has not recovered to pre-pandemic levels, leisure markets have seen a stronger revival during this period. This indicates a clear shift in the consumer behaviour of the Indian traveller. Indian tourists are looking to explore destinations within the country; they want to scout for off-beat places to visit, preferably driving distance from their home city. Even though leisure hotels will most likely see a downward rate correction to a certain degree, the room night contribution from domestic travellers is likely to stabilise at higher than pre-pandemic levels. Additionally, the return of corporate and foreign travel would catalyse an increase in the overall performance of both leisure and urban hotels.

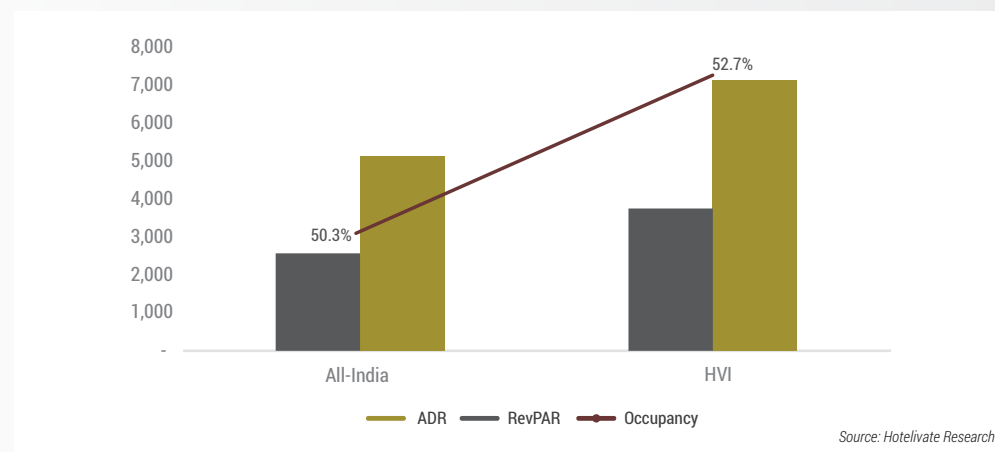
In line with the nationwide recovery, the HVI hotels recorded an occupancy of 52.7% at an ADR of ₹6,877 in 2021/22 as compared to 34.8% at an ADR of ₹6,632 in 2020/21. In comparison to the nationwide average, these hotels therefore saw a marginally stronger recovery in performance (Figure 48).



FIGURE 48: HVI vs NATIONAL AVERAGE | 2021/22



Source: Hotelivate Research



Source: Hotelivate Research

Looking at the HVI through the lenses of Administrative Zones (Figure 49) and City Tiers (Figure 50), we can see HVI hotel performance mimicking the nationwide trend. It is interesting to note, however, that hotels in South India which had seen a slower revival at a nationwide level, have recovered strongly for the HVI hotels. Similarly, Tier 2 cities, which had a relatively weaker revival at a nationwide level, have seen growth in their business which is in line with Tier 1 and Tier 3 cities. This indicates that stable-state assets are more resilient to economic volatility and are likely to provide better returns to both the owners and the operators.

FIGURE 49: HVI: KEY OPERATING STATISTICS BY CITY TIERS

	Tier 1			Tier 2			Tier 3		
	Occ%	ADR	RevPAR	Occ%	ADR	RevPAR	Occ%	ADR	RevPAR
2011/12	65.8%	8,432	5,546	55.4%	6,928	3,837	54.2%	6,070	3,291
2012/13	66.5%	8,211	5,462	58.7%	6,794	3,985	57.9%	6,057	3,507
2013/14	68.3%	7,899	5,393	60.5%	6,968	4,213	56.3%	6,206	3,493
2014/15	70.0%	7,934	5,550	62.6%	7,503	4,696	61.3%	6,100	3,739
2015/16	72.1%	7,970	5,745	66.1%	7,757	5,129	63.2%	5,997	3,791
2016/17	72.8%	8,292	6,037	65.7%	8,088	5,311	65.4%	6,284	4,107
2017/18	72.6%	8,528	6,187	66.1%	8,436	5,580	64.7%	6,696	4,333
2018/19	74.0%	8,668	6,416	67.6%	8,789	5,941	65.9%	6,898	4,547
2019/20	73.7%	8,818	6,503	66.4%	8,846	5,871	65.9%	7,150	4,713
2020/21	36.5%	6,298	2,300	30.6%	7,793	2,384	31.7%	6,759	2,146
2021/22	55.2%	6,454	3,561	46.5%	8,275	3,849	47.5%	7,376	3,501

Source: Hotelivate Research

FIGURE 50: HVI: KEY OPERATING STATISTICS BY ADMINISTRATIVE ZONE

	East			North			South			West		
	Occ%	ADR	RevPAR	Occ%	ADR	RevPAR	Occ%	ADR	RevPAR	Occ%	ADR	RevPAR
2011/12	69.6%	5,777	4,021	62.8%	8,987	5,642	56.3%	7,533	4,244	64.2%	8,057	5,173
2012/13	71.6%	5,906	4,232	63.7%	8,668	5,518	57.2%	7,380	4,219	66.9%	7,791	5,216
2013/14	70.0%	5,629	3,940	66.3%	8,265	5,477	57.9%	7,219	4,178	68.6%	7,740	5,311
2014/15	71.1%	5,867	4,173	67.8%	8,433	5,719	59.2%	7,001	4,148	71.9%	7,989	5,742
2015/16	72.4%	5,752	4,166	68.8%	8,630	5,941	63.9%	6,904	4,413	74.1%	8,091	5,993
2016/17	75.3%	5,826	4,387	69.4%	8,958	6,217	64.2%	7,156	4,592	74.3%	8,523	6,330
2017/18	74.7%	6,081	4,542	69.9%	9,133	6,385	65.6%	7,425	4,872	72.9%	8,877	6,476
2018/19	75.6%	6,187	4,677	71.4%	9,360	6,687	66.4%	7,611	5,057	74.8%	9,077	6,791
2019/20	71.8%	6,131	4,400	71.5%	9,388	6,710	66.9%	7,767	5,199	74.1%	9,273	6,869
2020/21	33.7%	4,402	1,483	35.6%	7,464	2,659	31.1%	5,856	1,819	36.6%	6,823	2,496
2021/22	51.5%	4,864	2,505	54.6%	7,689	4,196	47.9%	5,746	2,754	54.2%	7,225	3,917

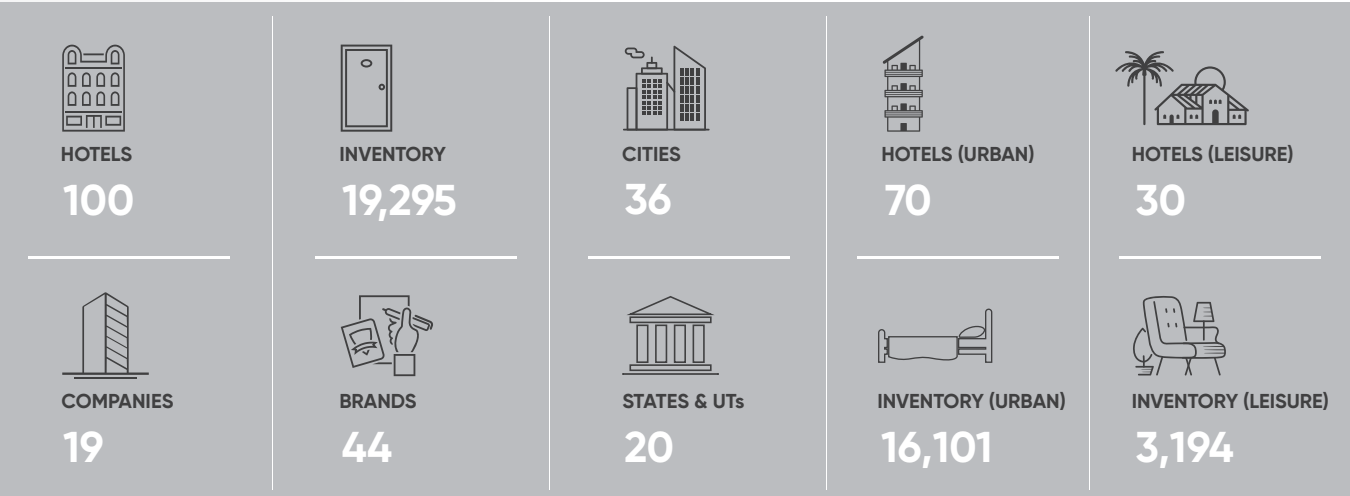
Source: Hotelivate Research

Examining the performance of Indian-origin and international brands (Figure 51) in the HVI reveal that the Indian-origin brands have seen a much stronger recovery compared to their international counterparts. As mentioned earlier, the reasons behind this difference are due to a larger leisure footprint for Indian-origin brands, coupled with locally negotiated contracts and a sizable local network which has allowed them to capture a larger chunk of domestic demand. As the corporate and international footprint grows, this difference is likely to minimise and revert to historical trends.

FIGURE 51: HVI: KEY OPERATING STATISTICS BY ORIGIN OF BRAND

	Indian-Origin			International		
	Occ%	ADR	RevPAR	Occ%	ADR	RevPAR
2011/12	65.4%	8,772	5,738	59.8%	7,109	4,250
2012/13	66.1%	8,619	5,699	62.2%	6,913	4,299
2013/14	67.1%	8,524	5,716	64.4%	6,663	4,290
2014/15	67.8%	8,879	6,018	67.8%	6,635	4,496
2015/16	70.6%	8,931	6,301	69.8%	6,702	4,677
2016/17	70.5%	9,361	6,599	70.9%	6,942	4,919
2017/18	69.9%	9,740	6,809	71.2%	7,117	5,070
2018/19	72.0%	10,024	7,219	72.0%	7,139	5,143
2019/20	69.9%	9,992	6,985	73.3%	7,462	5,466
2020/21	35.5%	7,047	2,501	34.2%	6,178	2,110
2021/22	52.6%	8,501	4,468	52.9%	5,160	2,727

Source: Hotelivate Research



In conclusion, it is safe to say that the industry has seen a steady revival. The trendlines indicate a much stronger performance for stabilised hotels during 2022/23. The optimisation and the efficiencies which were introduced during the pandemic are likely to benefit most hotels in the medium to long term. Moreover, the data and analyses clearly indicate that hotel owners need to be patient and allow their assets to ramp-up and stabilise to benefit from the economic resilience along with higher and steady returns.

**Manav Thadani, MRICS**  
Founder Chairman, Hotelivate

**Mihir Chalishazar**  
Associate, Strategic Advisory, Hotelivate



# Future Trends & Opportunities

## 01

### Changing Workforce & Talent Management

The industry is witnessing a serious talent crunch across the globe and India is no different. The employee turnover has increased significantly for both hotel and restaurant companies across the country. The unfortunate fact is that many businesses were not able to successfully retain their employees during the pandemic. This, combined with the need for better work-life balance, alternate career choices and hybrid work culture (this perhaps not necessarily possible in hospitality) has increased attrition; many employees explored opportunities outside the sector such as those offered within information technology (IT/ITeS), real estate and other sectors that needed well trained service professionals. We believe hotels and organisations need to make some dramatic changes and seriously address some of these issues.

The focus on multi-skilling and cross-training of the staff has been a step in the right direction. However, the industry needs to look at options to optimise employees' working hours and rejig the salary structure. Additionally, hospitality can look at bringing fresh perspective into the sector by hiring from outside the industry. Hospitality businesses need to focus on "hiring smarter and paying better". Moreover, the industry needs to embrace technology and reduce inefficiencies. There are many technology-enabled solutions that can reduce dependence on human resources. These solutions include a better accounting PMS or IoT based engineering monitoring system. Unfortunately, unit level heads have been so well entrenched that they often get in the way of this technological evolution. In most cases the payroll reduction pays for the technology upgrade in less than a year.

## 02

### Rise of Franchising

Franchising as an operating model allows the owners to retain control of the day-to-day operations while having a positive and successful outlook on the operational costs and profitability. For an invested owner, he can retain control of the asset while benefiting from brand recall, owner support services, established vendor relationships, and improved financing options. It has been a popular operational model internationally in mature hotel markets.

Ownership and Management Contracts are the most popular operating model for hotels companies in India. Franchising has increased in popularity over the past few years; however, they were typically offered by hotel companies in case of the select service and lower positioned hotels. As the hotel market in India matures, brands are changing their stance on franchising in India. Major international and Indian-origin brands have started to explore opportunities in franchising across positioning and brands. The availability of data, incisive analyses, savvy owners, and qualified third-party operators have been the key reasons behind the change in stance. Going forward, Hotelivate expects this trend to pick up steam and see an increase in the number of franchised assets across markets.

## 03

### Growth of Leisure Business

The leisure demand footprint has grown significantly during the past two years. Initially billed as "Revenge tourism", leisure tourism has not only sustained itself but rather grown to levels higher than before the pandemic. Tourists have gone beyond the traditional leisure destinations and have started to explore the lesser-known destinations in India. In particular, lifestyle and boutique hotels which offer consumers with authentic immersive and varied experiences have gained popularity. The return of international and corporate travel would cause a correction in segmentation and average rates to a certain degree; however, the overall domestic demand footprint in these locations would be higher than pre-pandemic numbers. Owing to these factors, there has been an increased interest from both hotel developers and operators to explore opportunities in these destinations. Additionally, operators have started utilising soft brands to expand their presence in these locations. Currently, of the total proposed supply, ~20,000 rooms (33% of the future supply) are planned in leisure locations. We envision an increased growth of hotels in this space, particularly in Tier 2 and Tier 3 locations, with both Indian-origin and international brands expanding their footprint greatly.



# 04

## Branded Residences

The first Branded Residence project was the Sherry-Netherland Hotel in New York which opened in 1927. Even though the concept is about a hundred years old, the major growth in the sector has been during the past two decades. These branded homes are traditionally co-located with hotels or affiliated with hotel brands that provide the owners with hospitality and services and these residences typically cater to a niche market of High Net Worth and Ultra High Net Worth Individuals (HNI & UHNI). Service provisions and amenities are the key motivation for purchasing these assets. There are over 400 branded residence projects across the globe with Miami, Dubai, and New York being the top three destinations. A proper understanding of micro-markets in the city is essential to assess the viability of any branded residence concept. According to research, these homes can command about a 25-35% premium over comparable non-branded homes. Recently non-hospitality luxury brands, mainly fashion houses and car manufacturers, such as Porsche, Aston Martin, Versace and Bulgari have come up with their own branded residence concepts as well.

India's growing stature as an economic powerhouse has encouraged the proliferation of the luxury housing segment. In particular, branded residences are slowly gaining popularity in this space. The combination of luxury, aesthetics, exclusivity, brand value and hotel-style services have made them a valuable offering. Brands such as Marriott, IHCL, Four Seasons, The Leela, Hyatt, Oberoi and Accor, amongst others are reimagining and developing this concept into the Indian market. Most of these projects are dual-branded projects or mixed-use projects such that these residences are in the proximity of a hotel to benefit from the synergies and efficiencies due to shared resources. Although these assets cater to a relatively small market, branded residences represent an interesting trend for the future of the hospitality industry.

### In Closing

*"No matter how long the storm lasts, the sun shines behind the clouds" – Kahlil Gibran*

After one of the toughest periods for the industry, the business has seen resurgence in its performance. Even though we are still away from the performance levels that we had seen before the pandemic, the industry outlook in 2022/23 is already quite optimistic. While we need to be mindful of the challenges standing in our way, demand resurgence, government initiatives, positive economic outlook, and infrastructure development are some of the reasons that the hospitality industry is likely to witness a strong growth over the following years.





# Knowledge Centre

Hotelivate is a new-age hospitality consulting firm offering specialized services to clients across the Asia Pacific and the Middle East region.

Hotelivate, offers a comprehensive consulting environment through a diverse team of consultants that have a combined professional experience of 250 years across varied hospitality verticals. Hotelivate assists clients from inception to divestment of their hospitality venture, by offering an entire spectrum of service that are practical and offer tangible value-adds for clients.

We have been involved in over a 1,000 feasibility studies; valuation of 1,500 plus hotels; negotiation and signing of about 80 management contracts; more than 100 different asset management assignments and 700 plus executive search assignments closed.

## PUBLICATIONS & REPORTS

### India State Ranking Survey | 6<sup>th</sup> Edition

The State Ranking Survey aims at assessing the relative competitiveness of India's 30 states, by analysing each individual state's potential for Travel & Tourism.

### The Ultimate Indian Travel & Hospitality Report 2019 | Volume 1

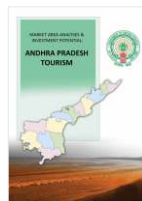
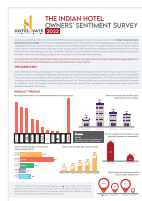
The Ultimate Indian Travel & Hospitality Report presents the size of the Indian hospitality industry, including the informal/unbranded sector. The report establishes the number of people directly employed by the industry as well as the tax revenue generated by it.

### The Indian Hotel Owners' Sentiment Survey 2022

Hotelivate is pleased to share the results of our third Indian Hotel Owners' Sentiment Survey 2022. This survey was aimed at highlighting the opinions, perceptions, and concerns of Indian Hotel Owners in a post-pandemic world. The survey represents ~30,000 rooms (~21% of the branded supply in India) having affiliations with ~22 brands.

### Market Area Analyses & Investment Potential | Andhra Pradesh Tourism

This research document determines the potential for investments in the hospitality industry in Andhra Pradesh. It is based on the macro-economic health of India and Andhra Pradesh and includes market area analyses of multiple destinations across the state, and a study of the historical, present and projected operating performance of the current organised and branded hotel market.



### 2021 Hotel Development Cost Survey | India

The 2021 Development Cost survey presents the results of an extensive review of actual development costs of nearly 400 hotels, across positioning and locations, that opened in the country between 2002 and 2020.

### Indian Hospitality – The Stats & Pulse (S&P) Report – FY 2021

The Indian Hospitality – The Stats and Pulse (S&P) Report- FY 2021 sheds light on the facts that have defined the financial year 2020/21; it compares various trendlines against pre-COVID years and it tables our estimation and objective view on the recovery path ahead.

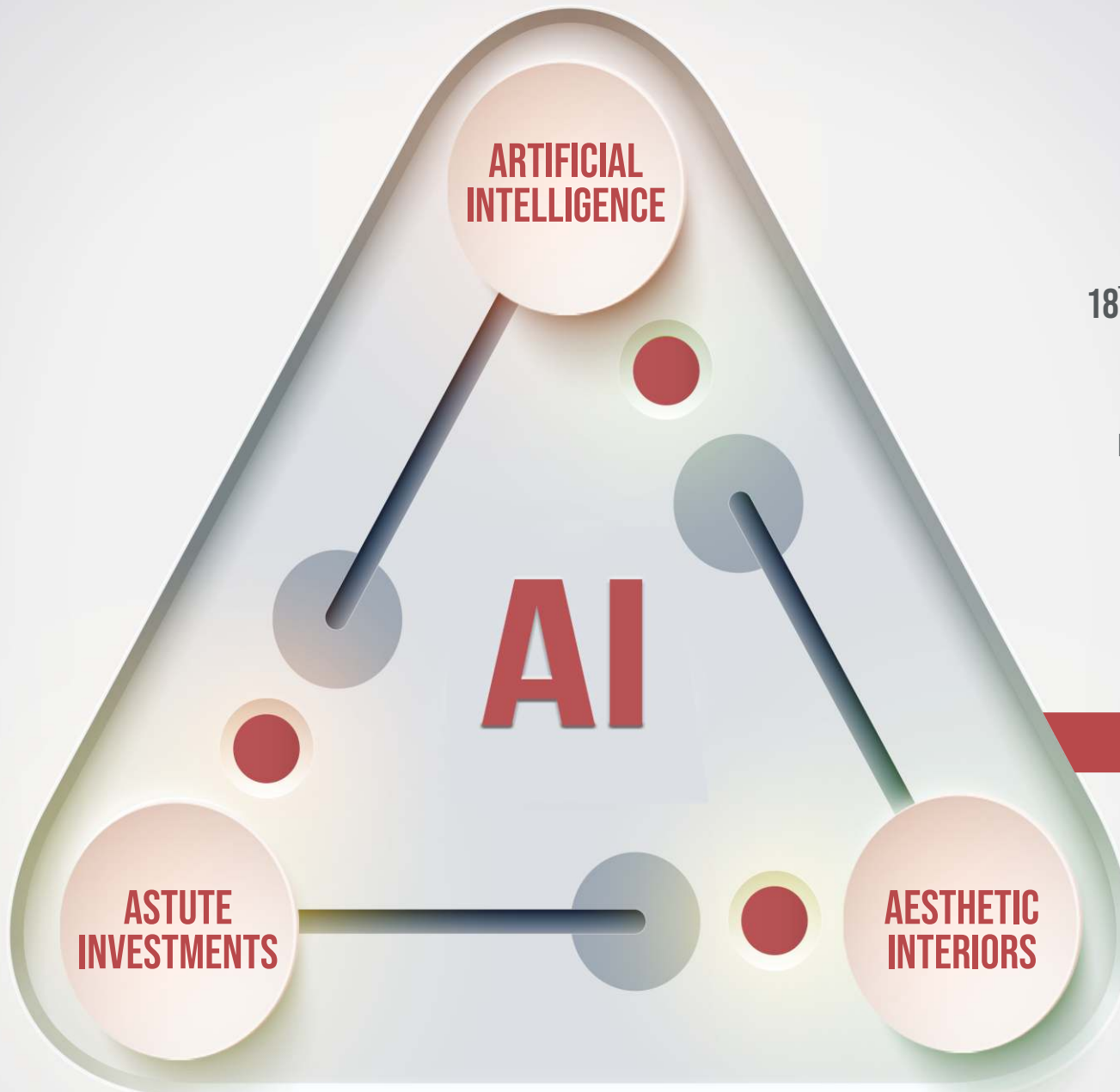
### Hotel Management Contract Survey 2020 | South Asia

The Hotel Management Contract Survey 2020 entails a comprehensive review of 85 contracts/LOIs, representing around 16,200 rooms, signed in the region over the last two decades. This substantive report highlights the key terms and clauses of hotel management agreements, provides broad definitions, and discusses trends over time.

### 2019 India Hotel Manpower Study®

The 2019 India Hotel Manpower Study® surveys 204 hotels across 68 cities and several domestic and international hotel chains, providing a detailed analysis of payroll cost, employee productivity, room to manpower ratio and annual attrition percentages across key parameters.





## 18<sup>TH</sup> HOTEL INVESTMENT CONFERENCE - SOUTH ASIA

**11<sup>th</sup> - 13<sup>th</sup> April 2023\***

Hilton and Hilton Garden Inn Bengaluru  
Embassy Manyata Business Park

## BENGALURU HERE WE COME

New City, New Hotels, New Format, New Theme

**SAVE THE DATES**



11 April 2023  
HICSA Golf Tournament

**GRAND OPENING RECEPTION AT JW MARRIOTT BENGALURU GOLFSHIRE RESORT & SPA**

\*Actual conference dates are 12-13 April 2023



## OUR SERVICES



### Strategic Advisory

*Trusted Advisors for feasibility studies, valuations, and other strategic hospitality assignments*



### Asset Management

*Unlocking the true potential of a hospitality asset*



### Executive Search

*A holistic and targeted approach to talent acquisition*



### Hotel Transactions Advisory

*Sector specialists for sale/purchase of hotel assets and companies*



### Energy Asset Management

*IoT-based energy efficiency asset management solution*



### Operator Search & Contract Negotiations

*Management and franchise agreements*

### Acknowledgments:

Notable contributions made by the **Strategic Advisory Team, Megha Tuli & Manav Thadani**

Editing support provided by **Deepika Thadani**.

Designed by **Neha Katyal**.

**25<sup>th</sup>**  
*Edition*

2022 Indian Hospitality

# Trends & Opportunities

### Our Presence:

Delhi • Mumbai • Singapore • Dubai

New York • Atlanta • Seattle • San Diego • London