



28<sup>th</sup>  
*Edition*

2025 INDIAN HOSPITALITY

# TRENDS & OPPORTUNITIES

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ELEVATION THROUGH INNOVATION

# Hospitality in the Fast Lane



*“Race strategy is a balance between pushing hard and knowing when to hold back. Patience often wins more races than aggression”*

*Lewis Hamilton*



The Indian Hospitality Industry is charging down the track at full throttle. This pace of growth and acceleration over the past two years is not very different from witnessing a Grand Prix — precision engineering, high-speed manoeuvres, and the constant balance between risk and reward. **The hotel industry has three key metrics: how current markets are performing, what the supply pipeline ahead looks like, and how the demand–supply balance is playing out across city tiers, segments, and brands.** For 28 years, the Hotelivate Trends & Opportunities report has been the sector’s remote monitoring framework that helps hotel owners & operators analyse performance, identify overtaking opportunities, and anticipate where warning flags may appear. Having completed the third year of its post-pandemic upcycle, the industry has delivered yet another record-breaking season. But just as Max Verstappen’s blistering run from 2021 to 2024, and Lewis Hamilton’s seven-title dominance before that have shown, no winning streak lasts forever; and in hospitality, upcycles too are not permanent. Are we edging closer to the end of this upcycle, and does that mean a downcycle is on the horizon? Alternatively, is it just that the standard deviation between crests and troughs is diminishing, thereby altering how we witness cycles altogether?

Despite turbulence across the global markets — economic slowdowns, geopolitical headwinds, and investor caution — India has kept its pace strong. Domestic demand has been powering the industry forward, even when international arrivals remained inconsistent. Most leisure-heavy markets found a rhythm, posting records in performance. But just as Kimi Raikkonen notes: “You don’t win a championship by being fastest once.” This applies directly to markets like Goa, which is showing signs of fatigue — proof that strategy, not just pace, defines long-term winners. Mumbai secured pole position yet again, leading the country in Room Revenue per key and ranking on the podium in all other key metrics. Bengaluru and New Delhi complete the top three by inventory, with Bengaluru

bringing Lando Norris like energy and raw horsepower in its expanding inventory, while Delhi shows Ayrton Senna like maturity and consistency.

The gap, however, between the frontrunners and the midfield is widening: the four lead urban markets (Mumbai, Delhi, Bengaluru & Hyderabad) delivered a strong performance this season, with ADR up about 8% and RevPAR up over 12% year-on-year. The rest of the field, by contrast, posted only modest gains of about 3.2% in ADR and 3.4% in RevPAR. **It would therefore be a folly to simply assume that the blended nationwide RevPAR jump of 5.7% is reflective of a continually strong upcycle.**

The proposed supply pipeline, additionally, reflects a bold strategy introducing branded hotels into 177 new markets. This is powered by infrastructure development unlocking new opportunities across the country, and developers moving beyond the classic circuits into emerging markets. **For the first time in over a decade, India’s proposed supply has crossed the 1,00,000-room mark — a 58% surge in the next five years.** It’s an aggressive push for growth, but experience reminds us that boldness without patience can quickly become unsustainable; and that timing and execution are just as critical as ambition. Leisure markets are showing strong performance at the luxury end of the spectrum. However, the influx of lower-positioned hotels has diluted overall averages and, in some cases, even triggered RevPAR decline. Similarly, smaller industrial towns reflect ambitious supply additions that can outpace current demand realities. Unless supply is carefully matched to prevailing market conditions, the risk of underperformance increases meaningfully.

In addition to the traditional top 20 markets, this year’s Trends & Opportunities report identifies key markets to watch — sectors where precision in strategy will define the outcome. It also highlights trends and potential opportunities: leveraging India’s infrastructure boom, localising global models, and adapting to evolving traveller expectations.

Right now, the industry feels like a Grand Prix in full flow — engines screaming, strategies diverging, and the pressure to deliver mounting. Brands, owners, and operators are all racing, each hoping to outpace rivals. However, as mentioned in the very beginning, **it’s not just speed. It’s about racecraft: knowing when to attack, when to defend, and when to press the brakes.**

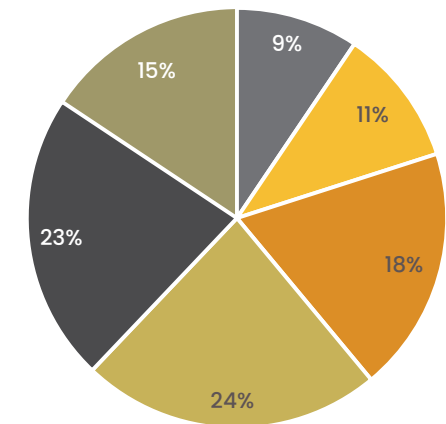
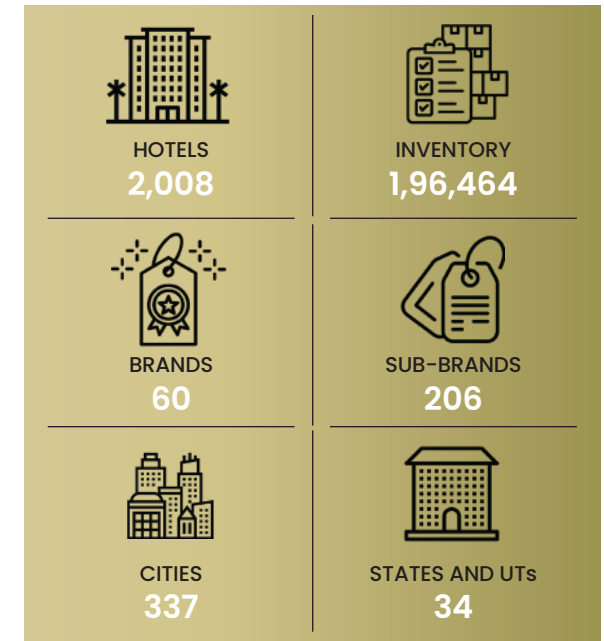
# About the Report

Hotelivate, a multifaceted hospitality consulting firm offering specialised services to clients across Asia Pacific and the Middle East, is proud to present the 2025 Indian Hospitality Trends & Opportunities report, our 28<sup>th</sup> edition. The current participation base of 2,008 hotels with a total inventory of 1,96,464 rooms offers thorough coverage of India’s branded hospitality landscape enabling more incisive and detailed insights on national trends, performance of major hotel markets, and demand and supply forecasts compared to any other report of a similar nature.

The results of our survey and analyses have been presented at an All-India level, specified by star category, by administrative zones, by city tiers and with a focus on the 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 the macro and micro levels to facilitate a better understanding of the growth in the number of branded rooms in the country across positioning. We have also offered additional 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 an overview of the Indian economy and the tourism sector with a focus on details with a direct impact on the health of the Indian Hotel Industry.

Figure 1: Sample Set of the Survey



Legend: Luxury (Dark Grey), Upscale (Orange), Midmarket (Dark Blue), Upper Upscale (Yellow), Upper Midmarket (Light Green), Budget/Economy (Light Grey)

# Indian Economy & Tourism: An Overview

The global landscape in 2024 was marked by heightened geopolitical tensions, widespread electoral activity, and evolving economic conditions. More than half the world's population participated in major elections, even as conflicts such as Russia-Ukraine and Israel-Hamas intensified regional instability, disrupted energy and food security, and triggered market volatility.

In 2024/25, the Indian economy surpassed Japan to become the fourth largest in the world, with a GDP of approximately US\$4.1 trillion, growing at 6.5%, according to the National Statistics Office. The International Monetary Fund expects this momentum to continue, projecting growth of 6.4% in 2025/26. India remains the fastest-growing major economy in the world, and is well positioned to sustain strong growth in the coming years. This expansion of the economy is likely to be powered by domestic private consumption which has demonstrated resilience, growing by 7.3% in 2024/25 and contributing over 61% to GDP – the highest share in two decades. The World Travel and Tourism Council (WTTC) outlined a positive outlook for India's Tourism sector. It estimated that the direct economic contribution of the Travel & Tourism sector stood at US\$256 billion in 2024. The sector generated 46 million jobs in the same year, reflecting a 6.8% increase over the previous year. This number is projected to rise to 64 million over the next decade.

The Ministry of Tourism launched the Swadesh Darshan Scheme to develop theme-based tourist circuits, which has since evolved into Swadesh Darshan 2.0. Under this upgraded version, 57 destinations have been selected for development. The government also launched the 'Dekho Apna Desh' campaign to encourage citizens to explore Indian destinations and support local economies. Specialised segments such as medical and spiritual tourism are being actively promoted through initiatives like the Medical Visa, 'Heal in India', and the PRASHAD Scheme (Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive).

The Union Budget 2025/26 reflects the government's continued commitment, allocating ₹2,541 crore to tourism infrastructure and skill development. However, despite the ambitions of Vision 2047 to position India as a global tourism hub, and

attract 100 million International Tourist Arrivals by 2047, less than 1% of the total tourism budget has been allocated to international promotional campaigns.

Efforts by the Ministry of Civil Aviation have helped India become the third-largest aviation market in the world in terms of passenger volume. The Ministry's 'Vision 2040', lays out a roadmap for the sector's growth. As seen in Figure 5, Airports Authority of India reported that 411.6 million passengers were served in 2024/25, up from 344.6 million in 2018/19 – a 19% increase. The road infrastructure has also undergone massive development, expanding at a CAGR of 17.0% in the last decade. This expansion supports the development of tourist circuits and destinations, especially those around major metropolitan areas.

Domestic tourism has remained robust over the past five years, with domestic travel spending accounting for 83.3% of direct Travel & Tourism expenditure in 2024. As shown in Figure 3, a significant proportion of domestic tourist activity continues to focus on pilgrimage destinations, particularly in Uttar Pradesh.

Amidst the ongoing tourism and hospitality boom, several hospitality and tourism players have entered the listed space in recent years. The NIFTY Tourism Index, launched in mid-2024, tracks sixteen listed companies in the tourism, aviation, and hospitality sector. The companies within this index recorded a growth of 9.1% in the fiscal year 2024/25 as seen in Figure 2. Within the branded hospitality space, multiple owners and operators have listed in the past decade, including institutional players such as Chalet Hotels, Juniper Hotels, SAMHI Hotels, and Ventive Hospitality, as well as major operators like EIH Hotels, IHCL, ITC Hotels, Lemon Tree Hotels, Park Hotels, Royal Orchid Hotels, and Schloss Bengaluru. The entry of multiple hotel owners and operators into the listed space marks a significant shift in the sector's maturity and reflects sustained investor confidence.

India's tourism and economic trajectory continues to reflect resilience, powered by strong domestic demand, even amid global uncertainties. In the coming years, challenges may arise from rising travel costs, unfavourable international trade policies, and escalating geopolitical conflicts, which could impact the Indian tourism sector in the short-to-medium term.

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*In 2024/25, the Indian economy overtook Japan to become the fourth largest in the world with a GDP of approximately US\$4.1 trillion with a growth of 6.5%.*

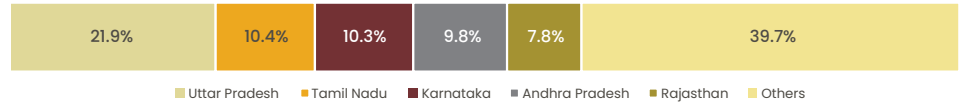
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Figure 2: NIFTY Tourism Index (2024/25)



Source: NIFTY; Hotelivate Research

Figure 3: Highest Share of Domestic Tourist Visits by State 2024



Source: Ministry of Tourism, India Tourism Data Compendium 2025

Figure 4: Key Economic Indicators

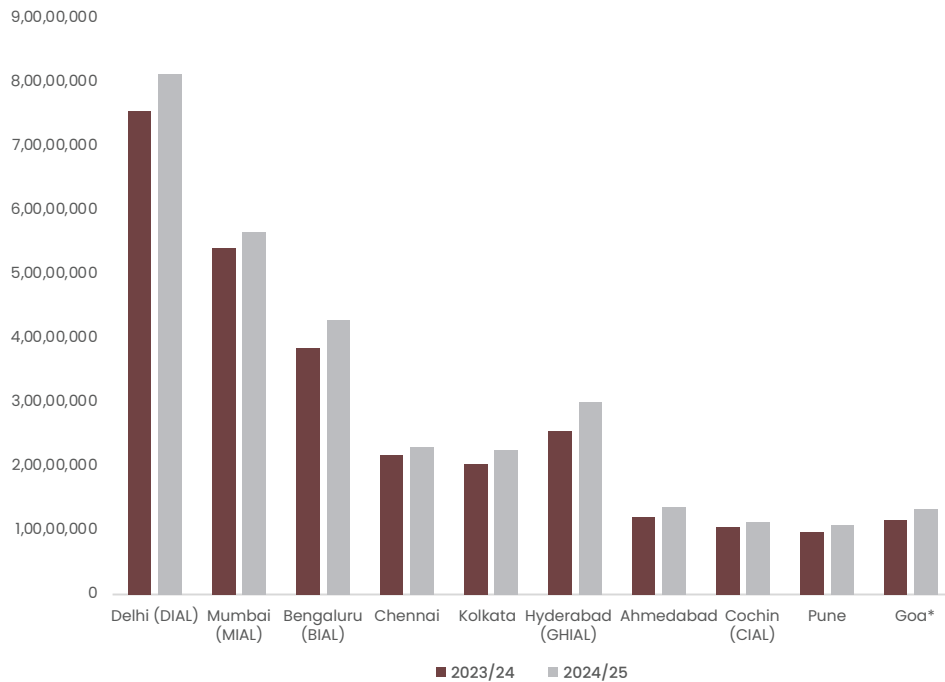
Key Economic Indicators	Unit	2022/23	2023/24	2024/25
GDP (at 2011/12 prices)	₹ Crore	16,071,000	17,651,000	18,797,000
Growth Rate	%		9.83%	6.49%
Tourism Contribution to GDP	₹ Crore	1,913,000	2,090,000	2,250,000
Growth Rate	%		9.25%	7.66%
Per Capita GNI (2011/12 prices)	₹ Crore	115,261	124,764	131,556
CPI	%	6.7%	5.4%	4.6%
Exchange Rate (US Dollar)	₹	80.4	82.8	84.6

Source: Hotelivate Research

\*GDP: Gross Domestic Product  
\*\*GNI: Gross National Income



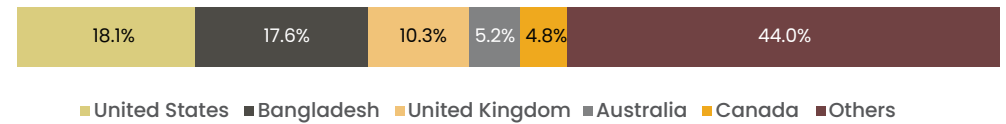
**Figure 5: Top 10 Busiest Airports in India by Passenger Traffic (2023/24 – 2024/25)**



Airport	2023/24	2024/25	12-Month Change
Delhi (DIAL)	7,37,00,000	7,93,00,000	7.6%
Mumbai (MIAL)	5,30,00,000	5,53,00,000	4.3%
Bengaluru (BIAL)	3,75,00,000	4,19,00,000	11.7%
Chennai	2,12,00,000	2,24,00,000	5.7%
Kolkata	1,98,00,000	2,18,00,000	10.1%
Hyderabad (GHIAL)	2,50,00,000	2,92,00,000	16.8%
Ahmedabad	1,17,00,000	1,34,00,000	14.5%
Cochin (CIAL)	1,04,00,000	1,11,00,000	6.7%
Pune	95,00,000	1,05,00,000	10.5%
Goa	1,13,00,000	1,19,00,000	5.3%
<b>Total Ten Airports</b>	<b>27,31,00,000</b>	<b>29,68,00,000</b>	<b>8.7%</b>
<b>India</b>	<b>37,64,00,000</b>	<b>41,16,00,000</b>	<b>9.4%</b>

Source: Airports Authority of India  
\*Includes Dabolim International Airport and Manohar International Airport

**Figure 6: Foreign Tourist Arrivals by Source Country (2024)**



Source: Ministry of Tourism, India Tourism Data Compendium 2025

**Figure 7: Foreign Tourist Arrivals and Domestic Visitation Trends (2014–2024, Lakh)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024*
Foreign Tourist Arrivals	76.8	80.3	88.0	101.8	105.6	109.3	27.4	15.2	61.9	92.4	99.5
% Change	10.2%	4.5%	9.7%	15.6%	3.7%	3.5%	-74.9%	-44.5%	307.2%	49.3%	7.7%
Domestic Tourist Visits	12,828	14,320	16,136	16,525	18,000	23,220	6,102	6,776	17,310	25,096	29,482
% Change	12.3%	11.6%	12.7%	2.4%	8.9%	29.0%	-73.7%	11.0%	155.5%	45.0%	17.5%

\*Estimates  
Source: Ministry of Tourism, India Tourism Data Compendium, 2025

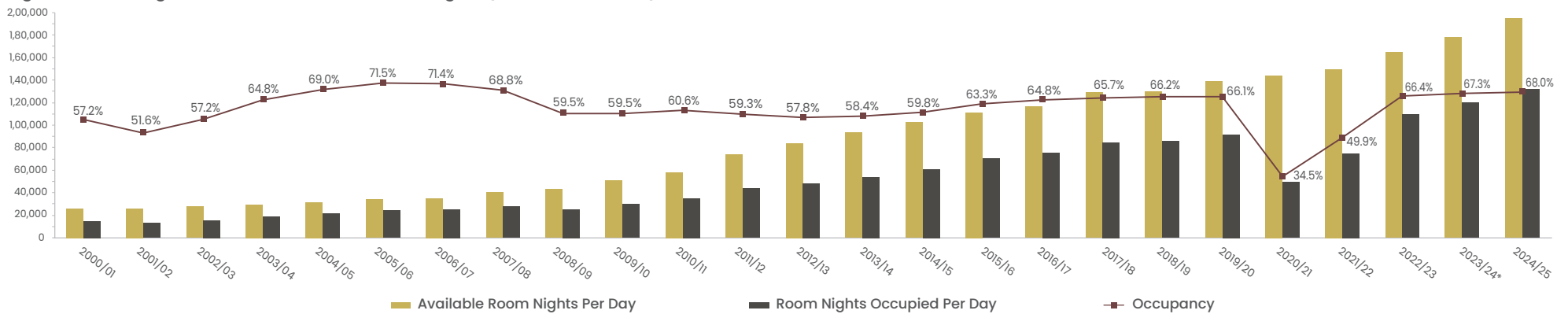


# Nationwide Demand, Supply & Performance (2000/01 – 2024/25)

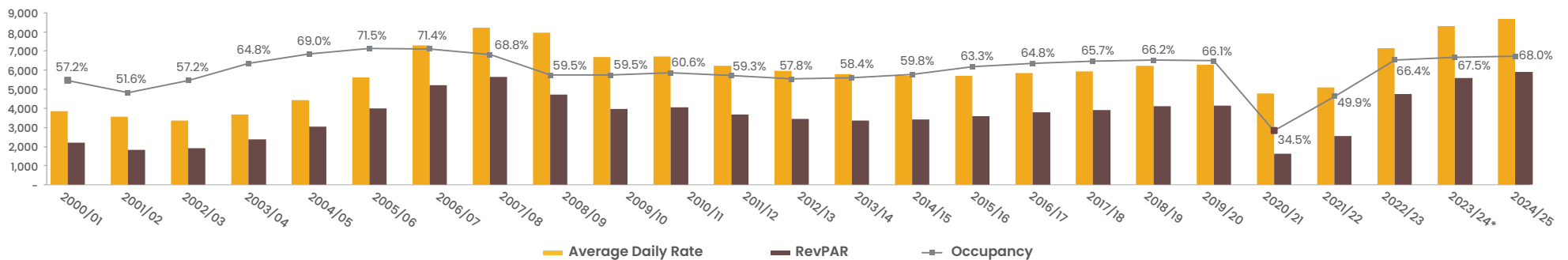
In half a decade since the impact of the COVID-19 pandemic, the Indian hospitality industry has demonstrated remarkable resilience and strong growth. The sharp recovery in occupancy has continued, even with supply growth in the past five years. This suggests that the demand-supply equation remains favourable in 2024/25. **Occupancy for the year stood at 68.0%, the highest in recent memory and comfortably above the pre-pandemic levels. Average Daily Rate (ADR) and Revenue Per Available Room (RevPAR) also saw meaningful year-on-year growth of 4.7% and 5.7%, respectively.** Figure 8 depicts the growth in available room nights and occupied room nights over the last 25 years whereas Figure 9 reflects the Nationwide Occupancy, ADR and RevPAR for the same period. This

performance was largely driven by the country's top four urban markets: Mumbai, New Delhi, Bengaluru, and Hyderabad. **These cities, which account for 28% of the nationwide supply, recorded ADR growth of 8.3% and RevPAR growth of 12.1%.** This performance is bolstered by demand growth outpacing supply growth in these markets - the four markets saw only a 2.7% increase in supply, while occupied room nights grew by 6.4%. **In contrast, the remainder of the country saw modest gains of 3.1% in ADR and 3.2% in RevPAR.** This is largely impacted by the supply-demand dynamics - supply increased by 12.2% over the past year, nearly matched by a 12.3% rise in occupied room nights, making the growth in both metrics neck-and-neck, prohibiting higher ADR or RevPAR growths.

**Figure 8: Room Night Demand vs Available Room Nights (2000/01 – 2024/25)**



**Figure 9: Nationwide Performance (2000/01 – 2024/25)**

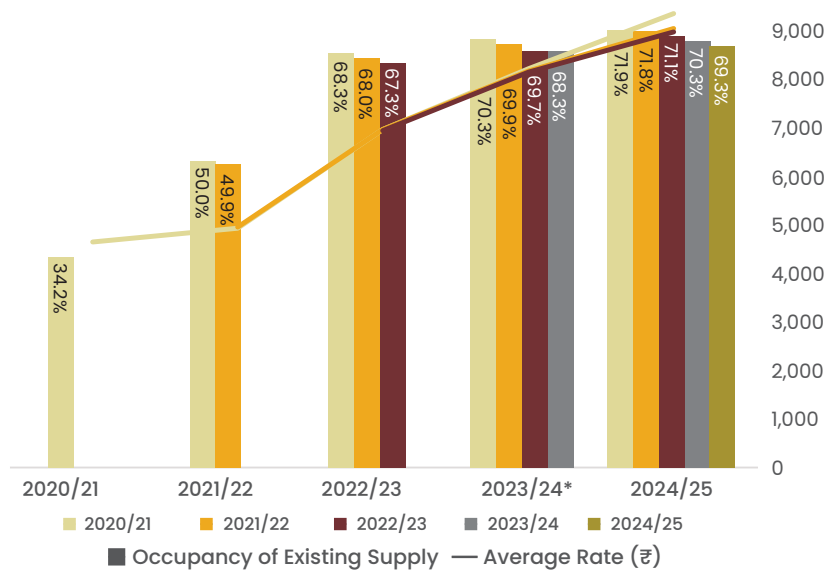


\*The 2023/24 performance data has been modified based on the updated data collated for this survey  
Source: Hotelivate Research

# Performance of Existing and New Hotels (2020/21 – 2024/25)

Looking at nationwide performance through a blended average doesn't always reflect the underlying realities of the hotel market. Stable, established assets often outperform on both occupancy and rate, but their strength tends to get diluted when averaged with newer supply. To get a clearer picture annually, Hotelivate conducts a more detailed analysis of hotel performance over the past five years, comparing existing properties with the national averages. Figure 10 highlights this comparison by isolating hotels that have been operational since before 2020/21. These hotels have delivered stronger results, achieving a 9.2% RevPAR premium over the nationwide average. Their occupancy stood at 71.9% versus the overall average of 68.0%, while their recorded ADR was ₹8,701 compared to the nationwide ADR of ₹8,432. The data clearly shows that stabilised hotels are better positioned to benefit from the ongoing industry upcycle over the last three years and are typically more resilient through market fluctuations.

Figure 10: Performance of Existing Hotels (2020/21 – 2024/25)

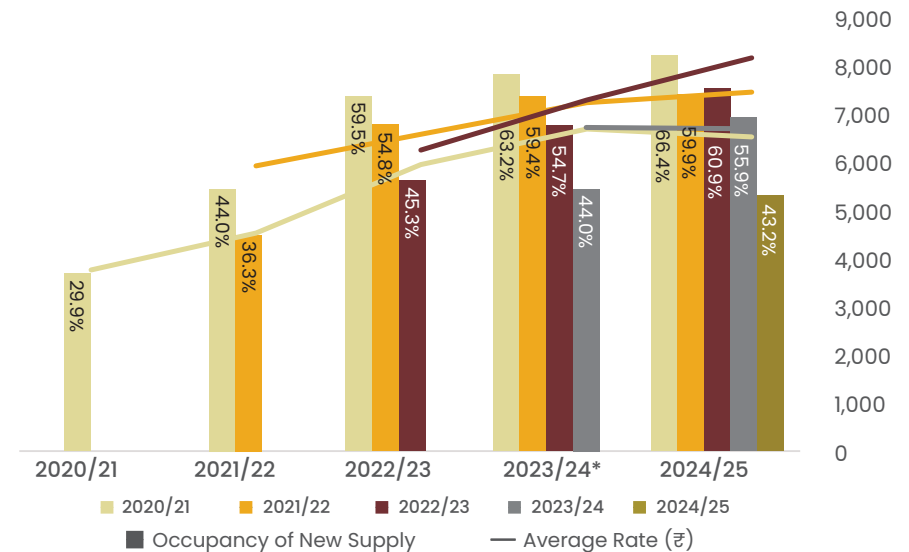


\*2023/24 performance has been modified based on the data collated for this survey  
Source: Hotelivate Research

Figure 11 also tracks the performance of hotels opened after 2020/21. Each subsequent year of new openings adds to the blended average, which helps to illustrate the ramp-up phase new hotels typically experience. First-year occupancies for these new assets have ranged from 40% to 45%, a notable improvement from pre-pandemic benchmarks. However, this figure has seen a marginal decline for two years in a row. The drop can be linked to the growing supply in Tier 2 and Tier 3 cities, which typically have longer stabilisation periods compared to Tier 1.

Average rates for newly opened properties are also shaped by the evolving mix of hotel types and locations. Hotels launched in 2024/25 have seen a higher share of midscale and upper midscale assets, with a more noticeable presence in Tier 2 and Tier 3 markets compared to those launched pre 2020/21. As a result, their first-year ADRs have trended lower compared to hotels that opened in 2023/24.

Figure 11: Performance of New Hotels (2020/21 – 2024/25)



\*2023/24 performance has been modified based on the data collated for this survey  
Source: Hotelivate Research

# Occupancy Bins

Figure 12 captures the occupancy segmentation of existing hotels across the country. With nationwide occupancy growing by only around 70 basis points, the overall trend appears to have settled into a relatively stable pattern. That said, performance continues to show nuanced shifts, shaped by the pace of new hotel openings and the differing trajectories of Tier 1, 2, and 3 cities. A closer look at the data shows that in 2024/25, approximately 25% of hotels reported occupancies of 50% or lower, broadly in line with the previous year. Within this 25%, there exists a subtle shift within the lower occupancy bands.

At the same time, hotels that opened in 2022/23 and 2023/24 have moved further along their stabilisation curves. **Their improving performance has helped expand the share of properties falling into the 50% to 70% occupancy buckets.** This upward movement is most evident in Tier 1 cities, where over 60% of hotel supply now lies in the 70% to 90% occupancy range. The strength of these markets continues to reinforce their status as anchors of performance.

In contrast, Tier 2 and Tier 3 cities still have the majority of their supply concentrated in the 40% to 60% range. The volume of proposed supply in the lower tier cities

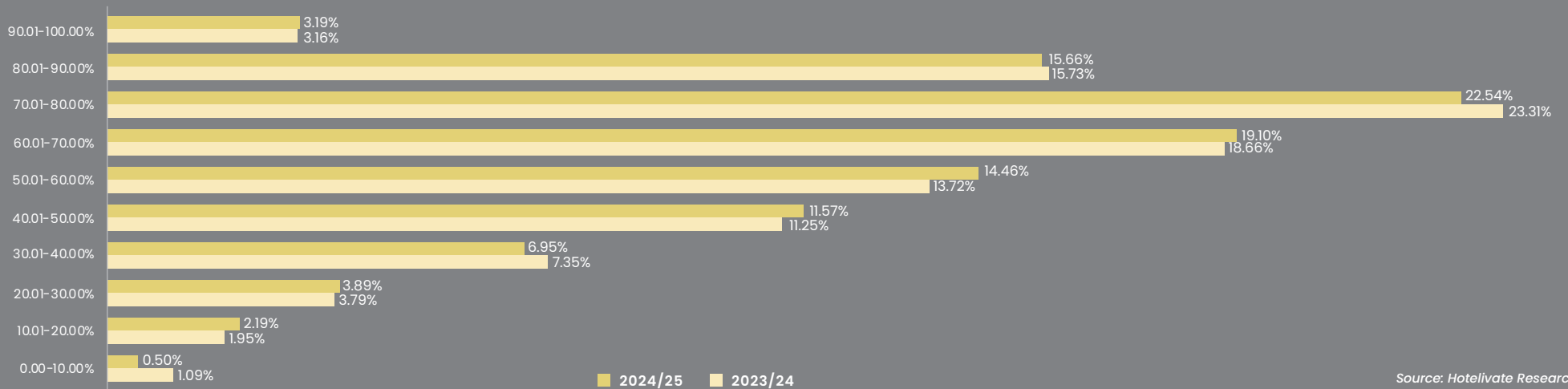
suggests that even as performance improves, the overall blend is unlikely to shift significantly in the short to medium term due to lower first year performance and longer ramp up periods.

**Over 66% of upscale, large format hotels achieve occupancies higher than 60%. This can be attributed to these cities being located largely in the Tier 1 markets while demand is boosted due to the support of the M.I.C.E. segment.**

With the exception of midmarket hotels, nearly 63% of hotels in all segments achieved occupancies higher than 60%. The lower occupancies in midmarket hotels can be attributed to the multitude of new hotel openings in recent years.

“*The upward movement in occupancy is most evident in Tier 1 cities, where over 60% of hotel supply now lies in the 70% to 90% occupancy range. In contrast, Tier 2 and Tier 3 cities still have the majority of their supply concentrated in the 40% to 60% range.*”

Figure 12: Nationwide Occupancy Breakdown by Hotels (2024/25)



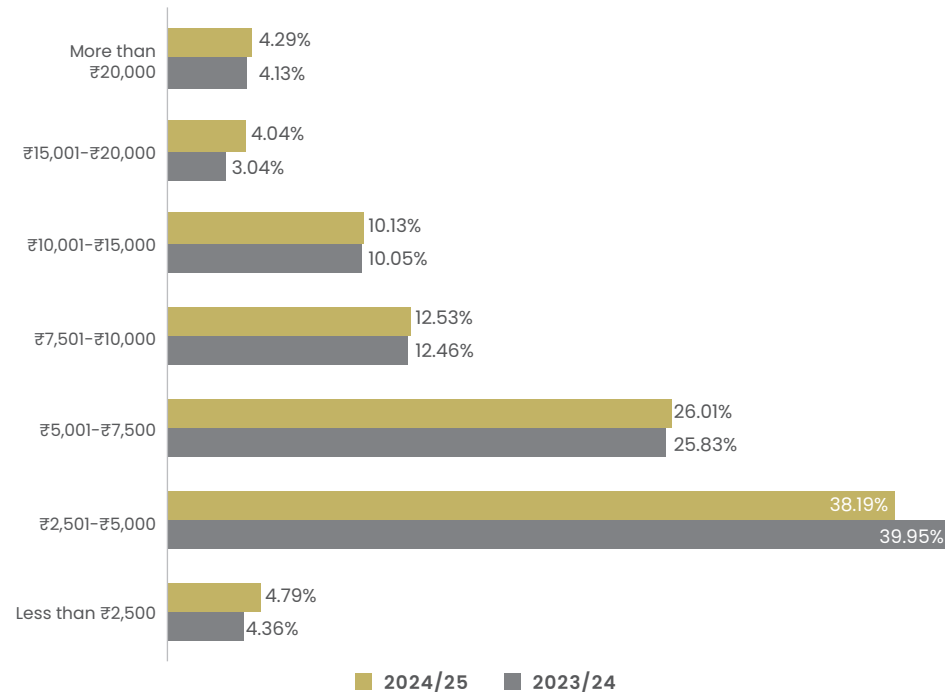
Source: Hotelivate Research

# Average Rate Bins

Figure 13 presents the ADRs achieved by branded hotels in 2023/24 and 2024/25. While overall rate growth has begun to moderate, partly due to a larger base of newly operating hotels, the industry’s performance continues to be largely rate-led. The distribution of supply across ADR bands has remained broadly similar to last year, though there has been a slight uptick in the lower ADR segments. This shift is primarily driven by higher supply growth in lower-tier markets.

Tier 2 and Tier 3 cities recorded a supply increase of 14.8%, compared to 3.4% in Tier 1 cities. Given that Tier 1 cities generally command significantly higher ADRs, this imbalance in supply growth has contributed to a slight drag on overall rate averages. Moreover, the bulk of new supply in Tier 2 and Tier 3 markets continues to sit within the budget to midmarket range, naturally pulling the blended ADR down.

**Figure 13: Nationwide Average Daily Rate (ADR) Breakdown by Hotels (2024/25)**



That said, Tier 1 cities remain the key driver of ADR growth, particularly in the ₹10,000 and above bands. The share of hotels nationwide in this pricing segment rose from 17.2% (300 hotels) in 2023/24 to 18.5% (371 hotels) in 2024/25, reflecting both sustained demand and pricing power in premium urban locations. While Tier 2 and Tier 3 cities have also experienced rate increases, the pace of growth has not been as pronounced as in Tier 1 markets, given the differences in the positioning mix.

The consistency in ADR distribution overall suggests a maturing rate structure, with most movement coming from the bottom and top ends of the spectrum. As Tier 1 markets consolidate gains in the higher-rate bands, and as newer supply in secondary and tertiary markets begins to ramp up, we can expect this balance to experience continued volatility over the next few years.



# The Survey Results

This section presents the findings of the 2025 Indian Hospitality Trends & Opportunities survey, offering a detailed analysis of industry performance across star categories, city tiers, administrative zones, and 20 major hotel markets. Both existing and upcoming supply have been closely examined to project market changes over the next five years. The rise in survey participation over the past two years reflects not only Hotelivate’s growing market presence but also the overall expansion of the hospitality sector.

## INDUSTRY PERFORMANCE BY STAR CATEGORY

In 2024/25, the hospitality industry continued to show RevPAR growth across all star categories, though with some variation. As displayed in Figure 14, **Five-star Deluxe hotels surpassed the 70% occupancy threshold, while Five-star hotels reached 68.9%. In contrast, the Four-star category and Three-star categories experienced marginal decline.** This is largely due to inventory growth in these two categories, 12.2% for Four-star and 13.6% for Three-star, the highest among all segments.

The average rate for Five-star Deluxe hotels surged to ₹16,797, marking an 7.7% increase over the past year. Other star categories saw moderate ADR growth in the 4-6% range, except for Two-star hotels, which followed historical trends with a marginal 3.9% increase, capitalising on occupancy instead. Overall, RevPAR saw

Additionally, fresh data collected over the last two years, combined with our careful and intentional removal of irrelevant supply, has led to minor corrections in the 2023/24 figures across all parameters. While the survey covers 1,96,464 rooms, the number of room nights has been weighted to reflect new supply that was operational for only part of the fiscal year. This adjustment results in a weighted room count of 1,91,342 for the 2024/25 survey base, ensuring more accurate calculations of occupancy and average rates.

a healthy rise of 5.7%, driven primarily by the Five-star Deluxe, Five-star and two star segments. The standout performer remains the Five-star Deluxe segment, which recorded an impressive 37.4% RevPAR increase over the last 24 months, the highest among all categories. Figure 14 illustrates hotel occupancy across star categories in India from 2005/06 to 2024/25. Figures 15 and 16 display ADR and RevPAR for each category in Indian rupees, while Figures 17 and 18 display the same metrics in US dollars.



*In 2024/25, for the first time in over a decade, India's Branded Hotels ADR crossed the threshold of US\$100.*



MEMENTOS BY ITC HOTELS  
JAIPUR



ANANTARA JEWEL  
BAGH JAIPUR HOTEL



**Figure 14: Key Operating Statistics by Hotel Classification – Occupancy**

	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	2022/23	2023/24*	2024/25	12-Month Change	24-Month Change
<b>Overall Average</b>	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%	49.9%	66.4%	67.3%	68.0%	1.0%	2.4%
Five-star Deluxe	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%	49.1%	67.3%	69.1%	71.7%	3.8%	6.5%
Five-star	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%	67.0%	67.9%	68.9%	1.5%	2.8%
Four-star	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%	67.4%	67.8%	67.1%	-1.0%	-0.4%
Three-star	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%	47.9%	65.1%	66.1%	66.0%	-0.2%	1.4%
Two-star							64.8%	59.0%	61.0%	57.7%	60.4%	62.7%	59.1%	61.5%	60.4%	38.6%	44.5%	61.3%	61.6%	64.7%	5.0%	5.5%

**Figure 15: Key Operating Statistics by Hotel Classification – Average Rate (₹)**

	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	2022/23	2023/24*	2024/25	12-Month Change	24-Month Change
<b>Overall Average</b>	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	4,951	6,931	8,052	8,432	4.7%	21.7%
Five-star Deluxe	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	8,914	13,026	15,597	16,797	7.7%	28.9%
Five-star	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	5,169	7,308	8,761	9,320	6.4%	27.5%
Four-star	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	4,037	5,548	6,256	6,527	4.3%	17.6%
Three-star	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	2,920	4,026	4,391	4,580	4.3%	13.8%
Two-star							1,714	1,849	2,063	2,063	2,122	2,049	2,245	2,524	2,589	2,080	2,358	3,149	3,404	3,536	3.9%	12.3%

**Figure 16: Key Operating Statistics by Hotel Classification – RevPAR (₹)**

	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	2022/23	2023/24*	2024/25	12-Month Change	24-Month Change
<b>Overall Average</b>	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	2,471	4,604	5,420	5,730	5.7%	24.5%
Five-star Deluxe	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	4,377	8,762	10,772	12,041	11.8%	37.4%
Five-star	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	2,590	4,899	5,952	6,422	7.9%	31.1%
Four-star	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	2,127	3,741	4,240	4,380	3.3%	17.1%
Three-star	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	1,399	2,619	2,902	3,021	4.1%	15.3%
Two-star							1,110	1,091	1,258	1,190	1,281	1,285	1,327	1,553	1,563	803	1,049	1,929	2,097	2,287	9.1%	18.6%

**Figure 17: Key Operating Statistics by Hotel Classification – Average Rate (US\$)**

	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	2022/23	2023/24*	2024/25	12-Month Change	24-Month Change
<b>Overall Average</b>	122	162	199	168	136	143	126	106	92	90	85	85	89	90	87	63	66	86	97	100	2.5%	15.6%
Five-star Deluxe	161	224	278	242	194	205	192	165	144	144	137	151	159	159	151	113	120	162	189	199	5.4%	22.5%
Five-star	112	149	190	158	134	140	128	108	94	91	84	90	94	93	92	71	69	91	106	110	4.1%	21.2%
Four-star	86	117	142	125	97	108	102	86	74	71	68	67	72	70	68	50	54	69	76	77	2.1%	11.8%
Three-star	50	69	87	77	68	73	70	60	51	50	49	45	50	50	49	37	39	50	53	54	2.1%	8.1%
Two-star							36	34	34	34	33	31	35	38	37	28	32	39	41	42	1.7%	6.7%
Exchange Rate	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	80.4	82.8	84.6	2.2%	5.2%

**Figure 18: Key Operating Statistics by Hotel Classification – RevPAR (US\$)**

	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	2022/23	2023/24*	2024/25	12-Month Change	24-Month Change
<b>Overall Average</b>	87	116	137	100	81	87	75	61	54	54	54	55	59	60	57	22	33	57	66	68	3.5%	18.3%
Five-star Deluxe	119	164	200	151	120	125	114	99	87	89	88	98	106	106	101	36	59	109	131	142	9.4%	30.5%
Five-star	79	105	128	93	79	87	76	60	53	52	52	58	62	61	61	23	35	61	72	76	5.7%	24.6%
Four-star	63	84	98	73	59	65	61	50	43	44	44	44	48	47	46	19	29	47	51	52	1.1%	11.3%
Three-star	33	48	56	43	38	43	40	34	29	30	31	29	32	34	32	13	20	33	35	36	1.9%	9.5%
Two-star							23	20	21	19	20	19	21	23	22	11	14	24	26	27	6.8%	12.6%
Exchange Rate	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	80.4	82.8	84.6	2.2%	5.2%

\*2023/24 performance has been modified based on the data collated for this survey  
Source: Hotelivate Research

## INDUSTRY PERFORMANCE BY ADMINISTRATIVE ZONE

Figures 19 and 20 highlight industry performance by administrative zones for 2023/24 and 2024/25, respectively. **While West and South India led the pack in Occupancy, with 69.50%, the North Admin Zone posted the highest ADRs with ₹9,049.** The major commercial hubs in these three zones have allowed for consistent year-on-year improvements.

The South Zone recorded the highest ADR growth, with a 7.9% increase over the previous year. This growth was led by major commercial hubs, Bengaluru and Hyderabad, which were the primary drivers of performance in the region. Other hubs such as Chennai, Kochi, and Visakhapatnam also played an important role in supporting this upward trend. In the North Zone, strong performance came from key markets including New Delhi, Jaipur and other major leisure destinations. In the West Zone, RevPAR growth was driven solely by Mumbai. **Excluding Mumbai,**

**the West Zone's RevPAR remained stable.** However, Mumbai's strong 8.2% RevPAR growth resulted in an overall blended increase of 2.9% for the zone. Mumbai's performance also received a boost from a series of high-profile cultural events, including music festivals and concerts by international artists which attracted hundreds of thousands of visitors to the city, adding further momentum to an already strong market. Additionally, the Jio World Convention Centre entered its third year of operations and ramped up activity, contributing to increased convention-related demand in the city.

The East Zone, however, faced a decline in occupancy, leading to a marginal decline in RevPAR. This can be attributed to a supply growth of 10.6%, as well as demand volatility. Given the reliance of major markets in the East Zone on Bangladesh as a significant international source market, this performance dip is likely tied to ongoing geopolitical tensions within India's immediate neighbour.

Figure 19: Key Operating Statistics by Administrative Zones (2023/24)

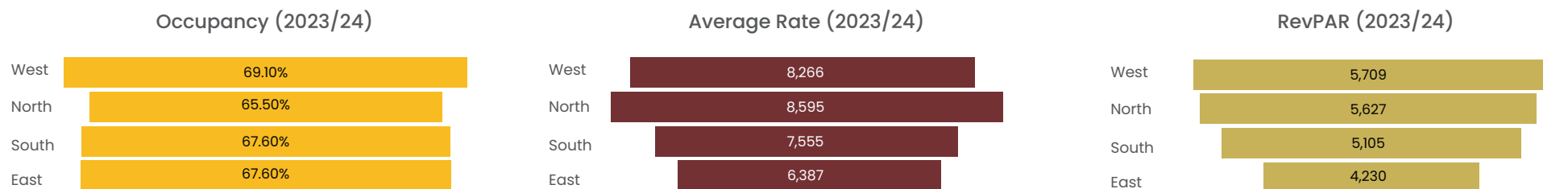
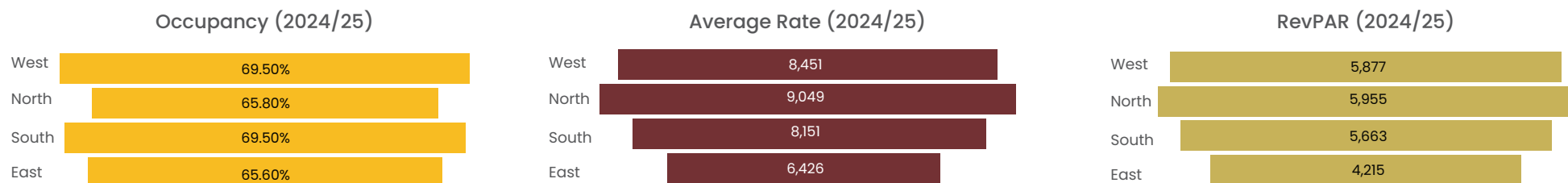


Figure 20: Key Operating Statistics by Administrative Zones (2024/25)



\*North includes Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Ladakh, Punjab, Rajasthan, Uttar Pradesh & Uttarakhand  
 West includes Dadra and Nagar Haveli, Daman and Diu, Goa, Gujarat, Madhya Pradesh & Maharashtra  
 South includes Andaman and Nicobar Islands, Andhra Pradesh, Karnataka, Kerala, Puducherry, Tamil Nadu & Telangana  
 East includes Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Jharkhand, Manipur, Meghalaya, Nagaland, Odisha, Sikkim, Tripura & West Bengal

## INDUSTRY PERFORMANCE BY CITY TIER

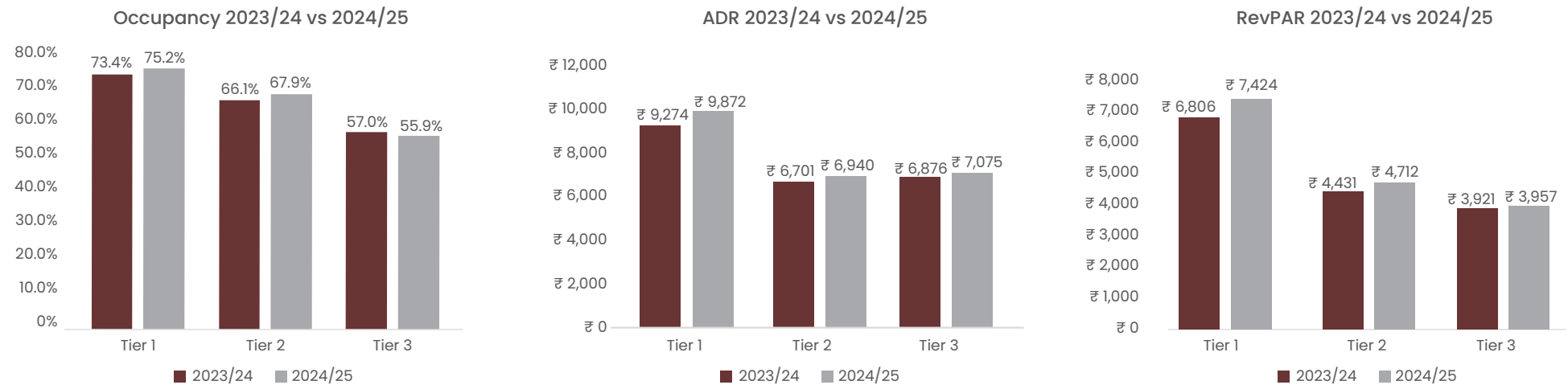
Figure 21 showcases industry performance by city tiers for 2023/24 and 2024/25. Tier 1 cities have continued to outperform Tier 2 and Tier 3 markets, maintaining their lead across key performance metrics. Interestingly, ADRs rose across all city tiers, even with the introduction of new midmarket and upper midmarket supply. **Tier 3 cities, in particular, continued to report higher ADRs than Tier 2 cities which is a trend driven by a growing domestic travel base and the presence of resort-led destinations that typically feature upscale to luxury hotels.**

Despite relatively stable occupancy levels, both ADR and RevPAR increased across the board. In Tier 1 cities, this can be attributed to stronger pricing power stemming from sustained demand from business and premium leisure travellers. High-demand markets like Mumbai and New Delhi, which face supply constraints, are able to push rate growth without relying on occupancy gains. Tier 2 cities, on the other hand, reflect signs of market maturity. Destinations such as Udaipur, Shimla,

and Jaipur are benefitting from increased tourist traffic during the winter months. This is driven by social M.I.C.E. demand and regional tourism which has allowed operators to grow rates even in the absence of significant occupancy gains. In Tier 3 cities like Rishikesh, Ranthambore, and Coorg, rising rates despite relatively lower occupancy levels suggest potential for emerging markets. This is being supported by improved access and infrastructure development, particularly road connectivity, which is opening up these locations to wider domestic audiences.

While city tiers are traditionally defined by population size, this classification has been adapted to better reflect the dynamics of the hospitality sector. In this analysis, the tiering is based not only on population but also on economic activity, tourism footprint, level of urbanisation, and the presence of demand generators and attractions. As such, large metropolitan and tourism hubs are categorised as Tier 1, economically emerging cities and smaller metropolitans as Tier 2, and remote or underdeveloped destinations as Tier 3.

Figure 21: Key Operating Statistics by City Tiers (2023/24 vs 2024/25)



\*Tier 1 includes Bengaluru, Chennai, Goa, Gurugram, Hyderabad, Kolkata, Mumbai and New Delhi

\*\*Tier 2 includes 30 cities

\*\*\*Tier 3 includes 299 cities

Figure 22: Existing Supply Across Major Cities (2015/16 – 2024/25)

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24*	2024/25	12-Month % Change	12-Month Change
Agra	2,036	2,092	2,256	1,864	2,289	2,210	2,213	2,063	2,477	2,429	-1.9%	-48
Ahmedabad	3,054	3,117	3,393	3,004	3,326	3,547	3,448	4,350	4,709	4,991	6.0%	282
Amritsar	873	1,108	1,322	1,319	1,566	1,692	1,688	1,791	2,107	2,478	17.6%	371
Bengaluru	11,539	11,995	12,594	13,366	13,691	13,647	13,806	15,364	16,260	16,667	2.5%	407
Chandigarh <sup>a</sup>	1,275	1,909	1,873	2,116	2,161	2,231	2,574	2,791	2,992	3,050	1.9%	58
Chennai	7,585	8,332	9,061	9,099	9,657	9,625	9,634	9,999	9,767	9,611	-1.6%	-156
Dehradun	114	182	234	325	380	464	584	738	1,268	1,541	21.5%	273
Goa	5,574	6,400	6,386	5,979	6,772	7,488	7,724	8,452	9,303	10,999	18.2%	1,696
Gurugram	5,117	5,263	5,890	5,538	5,589	5,873	6,151	6,440	6,500	6,942	6.8%	442
Hyderabad	5,992	6,254	6,846	6,672	7,393	7,381	7,450	7,370	7,379	7,785	5.5%	406
Jaipur	4,931	5,058	5,352	5,285	5,553	5,471	5,488	6,256	7,264	7,770	7.0%	506
Kochi	1,690	1,686	1,807	2,466	2,521	2,520	2,668	2,677	2,780	2,989	7.5%	209
Kolkata	2,701	3,199	3,652	3,712	4,579	4,841	4,878	4,984	5,140	5,111	-0.6%	-29
Lucknow	483	725	1,495	1,499	1,772	1,820	1,773	1,902	2,209	2,385	8.0%	176
Mumbai	12,127	12,565	12,595	12,639	13,070	13,245	12,776	13,579	15,312	15,287	-0.2%	-25
Navi Mumbai	927	929	929	929	1,000	1,000	1,395	1,222	1,456	1,539	5.7%	83
New Delhi <sup>b</sup>	14,142	14,296	14,450	14,952	15,027	15,024	14,780	14,859	15,054	15,305	1.7%	251
NOIDA <sup>c</sup>	1,322	1,422	1,515	1,378	1,378	1,423	1,649	1,688	1,792	1,873	4.5%	81
Pune	6,108	6,445	6,353	6,212	6,712	6,615	6,572	6,789	6,950	6,837	-1.6%	-113
Udaipur	1,096	1,157	1,157	1,317	1,605	1,742	1,866	2,109	2,409	3,040	26.2%	631
Other Cities <sup>d</sup>	22,914	25,085	27,405	29,730	33,365	36,596	43,828	49,749	56,582	67,835	19.9%	11,253
<b>Total</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>1,65,172</b>	<b>1,79,710</b>	<b>1,96,464</b>	<b>9.3%</b>	<b>16,754</b>

\*2023/24 performance has been modified based on the data collated for this survey  
<sup>a</sup>Chandigarh (including Panchkula, Mohali and Zirakpur)

<sup>b</sup>New Delhi (excluding Gurugram, NOIDA and Greater NOIDA)  
<sup>c</sup>NOIDA (including Greater NOIDA)  
<sup>d</sup>Other Cities includes all other hotel markets across India

## EXISTING SUPPLY

In 2024/25, India's branded hotel inventory expanded to 1,96,464 rooms, reflecting a 9.3% year-on-year increase. This growth was not limited to the major metros like Bengaluru, Mumbai, and New Delhi, but also extended to emerging markets such as Dehradun, Jaipur, and Navi Mumbai. Bengaluru continues to hold its position as the country's largest hotel market, registering a steady 4.0% supply growth over the previous year. Among the top five largest hotel markets, Goa recorded the highest supply increase, adding nearly 1,700 rooms, an 18.2% jump compared to last year.

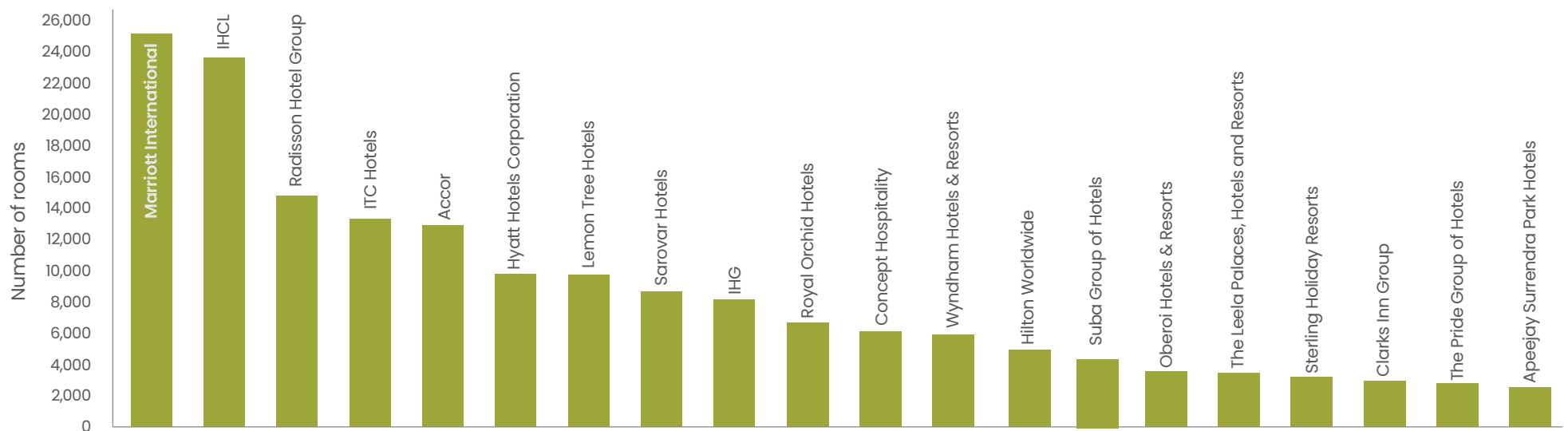
The expansion was broad-based, with both established metros and secondary markets contributing to the addition of 16,754 new rooms to the national inventory. It's important to note that the change in reported inventory for 2023/24 reflects a deliberate refinement of data, with irrelevant or deflagged supply filtered out to ensure more accurate representation.

Figure 22 illustrates the existing branded supply across 20 major cities from 2015/16 to 2024/25. This year, the top three markets maintained their lead, with Bengaluru, New Delhi, and Mumbai occupying the top spots. Mumbai and New Delhi switched

positions on the podium, reversing their positions from the previous year. While Mumbai saw minor supply degrowth, attributed to the closing or deflagging of assets, Bengaluru and New Delhi expanded their supply by 2.5% and 1.7%, respectively, solidifying their positions as the largest branded hotel markets in the country. With a strong development pipeline and continued activity, Bengaluru is expected to retain its lead in the near future. Emerging leisure destinations also witnessed remarkable growth. Udaipur added 631 rooms which indicates

a 26.2% increase, while Dehradun grew by 21.5% (273 new rooms), and Amritsar expanded by 17.6% (371 rooms). Much of this growth has been motivated by rising domestic tourism and increased demand from social M.I.C.E. The 'Other Cities' category, which aggregates smaller and fast-growing markets, posted a notable 19.9% increase in inventory, contributing 10,531 new rooms to the total count. This widespread supply growth underscores the growing investor confidence in India's broader hospitality sector and reflects rising demand across both established metros and newer destinations.

**Figure 23: Top 20 Hotel Brands by Existing Inventory**



\* ITC Hotels includes Fortune Hotels and WelcomHeritage  
 \*\* Suba Group of Hotels includes Choice Hotels  
 \*\*\*IHCL includes Tree of Life; excludes amā Stays & Trails

Source: Hotelivate Research

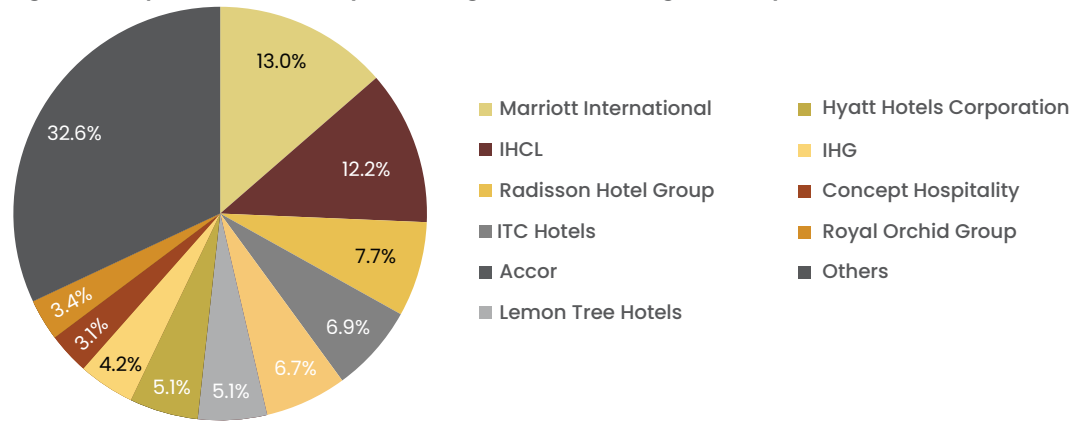
Figure 23 presents the total operating inventory of the 20 largest hotel companies in India. Marriott International continues to lead, adding 8 new hotels (916 rooms) to its portfolio this year. IHCL remains a close second, recording the most rapid growth with 28 new openings totalling 3,195 rooms. Radisson Hotel Group, ITC Hotels (including Fortune Hotels and WelcomHeritage), and Accor also expanded their portfolios, adding 1,542, 1,080, and 383 rooms, respectively.

Hyatt Hotels regained its position as the sixth-largest hotel company in India, adding 5 new hotels (772 rooms) to its portfolio and edging past Lemon Tree

Hotels, which had briefly overtaken Hyatt in 2023/24. In the midfield, Sarovar Hotels made a notable move by surpassing IHG, following the addition of 11 hotels to its portfolio and crossing the 100-hotel milestone.

Sterling Holiday Resorts also continued its upward trajectory, adding 11 hotels (534 rooms) and moving up two spots in the overall ranking. As shown in Figure 24, the top 10 hotel companies by inventory now account for approximately 65.3% of the total branded supply in the country, which is a clear indicator of market consolidation and brand dominance at the higher end of the competitive landscape.

Figure 24: Top 10 Hotel Brands by Percentage Share of Existing Inventory in India

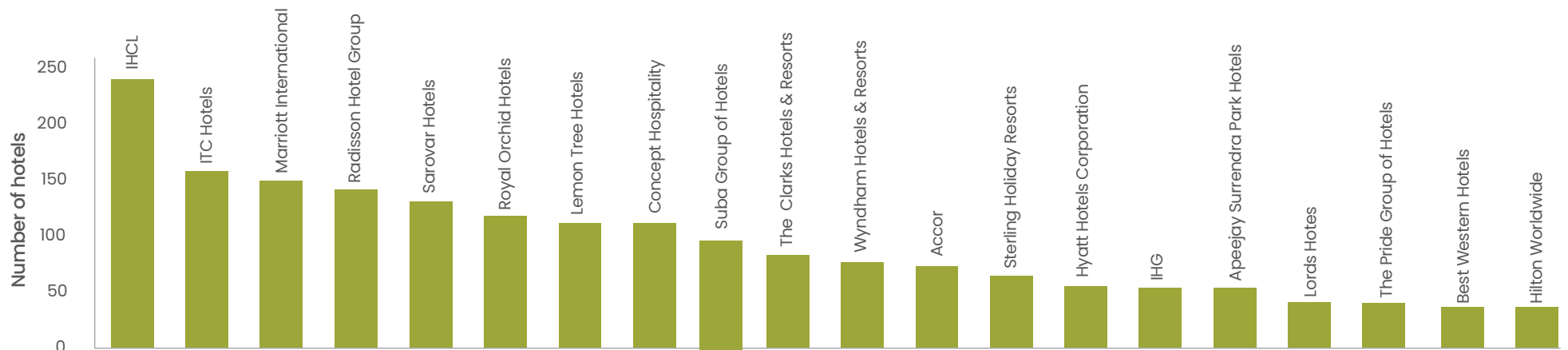


“

Multiple hotel companies are increasingly expanding into emerging markets by adopting alternative growth models in collaboration with regional players. These include strategic license agreements, majority and minority stake investments, and master franchise arrangements.

”

Figure 25: Top 20 Hotel Brands by Number of Hotels



\* ITC Hotels includes Fortune Hotels and WelcomHeritage  
 \*\* Suba Group of Hotels includes Choice Hotels  
 \*\*\*IHCL Includes Tree of Life; excludes amā Stays & Trails

Source: Hotelivate Research

As seen in Figure 25, IHCL continues to hold the top position in terms of number of assets, with ITC Hotels now overtaking Marriott International to claim second place on the podium. Notably, Indian-origin companies have a higher number of properties compared to their international counterparts. Nevertheless, due to their broader presence in smaller markets, which typically feature fewer rooms per asset, international brands maintain a superior position in terms of total inventory.

That said, multiple hotel companies are increasingly expanding into emerging markets by adopting alternative growth models in collaboration with regional

players. These include strategic license agreements, (Hilton with NILE Hospitality and Embassy Hospitality; and Wyndham Hotels with Cygnett Hotels and NILE Hospitality), majority and minority stake investments (IHCL with Tree of Life; and Marriott International with Concept Hospitality), and master franchise arrangements (Accor with Treebo Hotels). These alliances have allowed brands to accelerate their footprint in non-metro cities and better compete with established domestic players by leveraging local market knowledge and operational expertise.

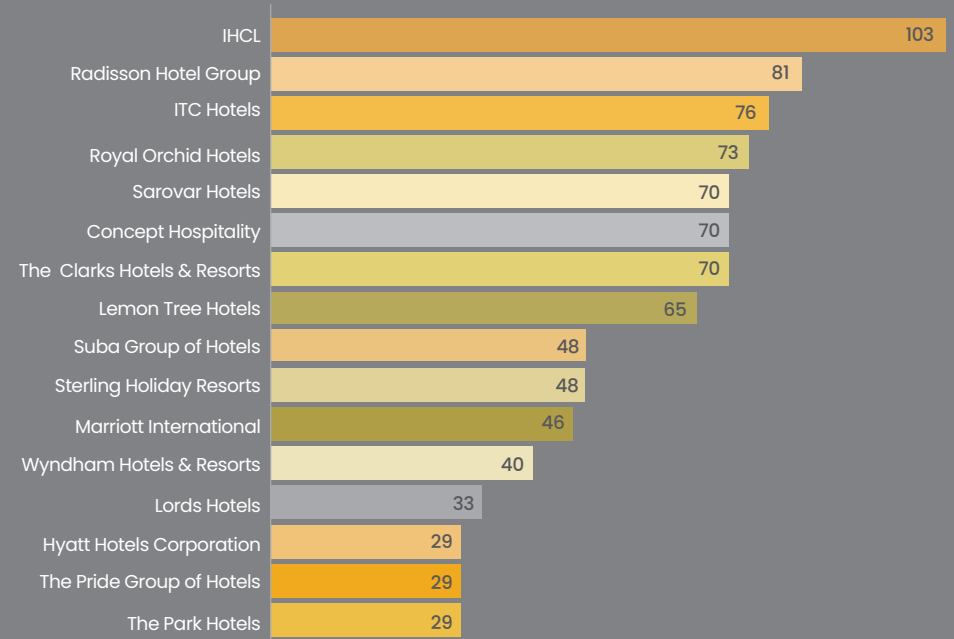
## TOP 15 BRANDS BY CITY PRESENCE

Figure 26 highlights the top 15 hotel brands in India based on their city presence. **As of 2024/25, branded hotels are operational in 334 cities across 34 states and union territories.** However, this presence remains unevenly distributed; only 18 cities have an inventory of over 2,000 rooms, and the top five markets alone account for more than one-third of the country's total branded supply.

**Indian-origin hotel brands continue to outpace their international counterparts in terms of geographic footprint.** Brands such as IHCL, ITC Hotels and Royal Orchid lead the market with wider coverage across city tiers, reflecting their strong local market understanding and ability to scale across diverse geographies. Among international players, Radisson Hotel Group maintains a notable presence. While Marriott International leads in the total inventory, their growth is still largely on the back of key metro locations, although all global brands are now gaining increased traction in Tier 2, Tier 3, and lower markets.

IHCL remains the market leader with operations in 103 cities, an increase of 14 cities over the previous year solidifying its lead over the competition. RHG expanded to 81 cities, followed closely by ITC Hotels at 76 and Royal Orchid at 73 cities. Other prominent domestic brands also maintained a strong footprint.

Figure 26: Top 15 Brands by City Presence



\* ITC Hotels includes Fortune Hotels and WelcomHeritage

\*\* Suba Group of Hotels includes Choice Hotels

\*\*\*IHCL includes Tree of Life; excludes amā Stays & Trails

Source: Hotelivate Research



## FUTURE SUPPLY

As in previous years, this report presents a detailed review and analysis of proposed supply within India's hospitality sector. Drawing from survey responses and ongoing intelligence gathered by our consultants throughout the year, we have compiled a comprehensive list of upcoming projects. Each entry has been objectively assessed, taking into account confirmed operator tie-ups, development statuses, room count, and anticipated launch dates. The result is the future supply dataset presented in this section.

Figures 27 and 28 illustrate both the existing and proposed supply across the 20 major hotel markets. **For the first time in over a decade, proposed supply now exceeds 1,00,000 rooms with an unfiltered 58% increase in hotel room supply.** This marks a significant inflection point for the industry.

**Key markets such as Bengaluru, Mumbai, Jaipur and Goa are leading this**

development wave, with the largest pipelines. **An active development ratio of 78%** reflects sustained investor confidence and is supported by continued growth in tourism, business travel, and broader infrastructure enhancements. The top three largest branded hotel markets in the country are poised to maintain their positions with Bengaluru in particular gaining significant development momentum over the next five years.

**As of March 2025, the total branded pipeline, regardless of construction status, stands at 1,14,151 rooms.** To provide a clearer picture of what may realistically come to fruition, we have used an Active Development Ratio for each market. This ratio is based on rooms that have recently opened, are under construction, or are expected to become operational within the next five years.

Using this framework, we forecast the growth of branded room supply through 2029/30, as detailed in Figure 27 and Figure 28.

**Figure 27: Proposed Branded Hotel Rooms Across Major Cities (2024/25-2029/30)**

	Existing Supply 2024/25	Proposed Supply*	Increase in Future Supply	Active Development of Supply	Luxury	Upscale	Upper Midmarket	Midmarket	Budget
Agra	2,429	1,028	42%	51%	29.6%	13.4%	48.6%	8.4%	0.0%
Ahmedabad	4,991	2,273	46%	66%	0.0%	12.8%	36.6%	23.0%	27.7%
Amritsar	2,478	2,367	96%	91%	0.0%	26.0%	39.1%	13.6%	21.3%
Bengaluru	16,667	8,684	52%	80%	4.7%	39.8%	34.4%	10.2%	10.8%
Chandigarh <sup>a</sup>	3,050	1,772	58%	77%	0.0%	29.6%	41.8%	28.6%	0.0%
Chennai	9,611	2,106	22%	70%	0.0%	32.8%	48.2%	9.5%	9.5%
Dehradun	1,541	1,698	110%	79%	5.1%	42.8%	24.8%	13.8%	13.6%
Goa	10,999	2,897	26%	79%	10.3%	35.9%	25.0%	16.2%	12.6%
Gurugram	6,942	2,264	33%	72%	13.3%	61.6%	6.1%	16.7%	2.3%
Hyderabad	7,785	2,692	35%	80%	18.0%	51.2%	8.2%	19.2%	3.5%
Jaipur	7,770	3,550	46%	93%	0.0%	72.2%	17.4%	9.1%	1.3%
Kochi	2,989	896	30%	100%	0.0%	37.4%	19.1%	15.5%	28.0%
Kolkata	5,111	1,704	33%	72%	0.0%	43.4%	33.7%	12.4%	10.6%
Lucknow	2,385	3,353	141%	88%	0.0%	32.9%	29.8%	20.0%	17.3%
Mumbai	15,287	4,641	30%	93%	23.0%	31.9%	12.0%	21.5%	11.5%
Navi Mumbai	1,539	1,435	93%	57%	0.0%	18.1%	67.9%	0.0%	13.9%
New Delhi <sup>b</sup>	15,305	2,006	13%	93%	16.5%	56.0%	11.2%	5.4%	10.9%
NOIDA <sup>c</sup>	1,873	1,654	88%	70%	0.0%	14.5%	35.9%	31.4%	18.3%
Pune	6,837	1,147	17%	100%	0.0%	33.1%	21.8%	23.5%	21.5%
Udaipur	3,040	2,275	75%	97%	21.1%	58.6%	15.3%	5.0%	0.0%
Other Cities <sup>d</sup>	67,835	63,709	94%	74%	2.7%	25.8%	29.6%	25.3%	16.6%
<b>Total</b>	<b>1,96,464</b>	<b>1,14,151</b>	<b>58%</b>	<b>78%</b>	<b>4.8%</b>	<b>31.8%</b>	<b>28.6%</b>	<b>20.7%</b>	<b>14.1%</b>

\*Proposed Supply includes 7,288 rooms which have been open for less than six months, and therefore, not included in the existing supply

<sup>a</sup>Chandigarh (including Panchkula, Mohali and Zirakpur)

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

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

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

**Figure 28: Distribution of existing and proposed branded hotel rooms across major cities (2015/16 – 2024/25)**

	Existing Supply										Proposed Supply										Active Development of Supply							
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	15/16	16/17	17/18	18/19	19/20-20/21	21/22	22/23	23/24	24/25	15/16	16/17	17/18	18/19	19/20-20/21	21/22	22/23	23/24	24/25
Agra	2,036	2,092	2,256	1,864	2,289	2,210	2,213	2,063	2,477	2,429	622	754	428	582	734	495	1256	875	1,028	28%	34%	72%	46%	31%	85%	85%	51%	51%
Ahmedabad	3,054	3,117	3,393	3,004	3,326	3,547	3,448	4,350	4,709	4,991	1,238	1,345	1,343	2,006	997	1380	1437	1,439	2,273	71%	47%	71%	76%	94%	93%	90%	66%	66%
Amritsar	873	1,108	1,322	1,319	1,566	1,692	1,688	1,791	2,107	2,478					1165	1987	2,892	2,367						82%	79%	91%	91%	
Bengaluru	11,539	11,995	12,594	13,366	13,691	13,647	13,806	15,364	16,260	16,667	5,209	4,418	5,698	4,620	6,266	6802	4358	5,569	8,684	67%	72%	78%	65%	64%	67%	76%	80%	80%
Chandigarh <sup>a</sup>	1,275	1,909	1,873	2,116	2,161	2,231	2,574	2,791	2,992	3,050					316	290	852	1,772						100%	72%	77%	77%	
Chennai	7,585	8,332	9,061	9,099	9,657	9,625	9,634	9,999	9,767	9,611	2,312	1,767	978	393	547	841	730	822	2,106	100%	94%	89%	43%	57%	29%	100%	70%	70%
Dehradun	114	182	234	325	380	464	584	738	1,268	1,541					1016	1064	1,212	1,698						78%	83%	79%	79%	
Goa	5,574	6,400	6,386	5,979	6,772	7,488	7,724	8,452	9,303	10,999	2,062	2,870	3,028	2,068	3,223	2810	3162	3,674	2,897	90%	48%	57%	80%	63%	79%	87%	79%	79%
Gurugram	5,117	5,263	5,890	5,538	5,589	5,873	6,151	6,440	6,500	6,942	1,959	1,743	1,727	1,808	2,343	2323	1696	2,518	2,264	70%	23%	84%	80%	85%	80%	78%	72%	72%
Hyderabad	5,992	6,254	6,846	6,672	7,393	7,381	7,450	7,370	7,379	7,785	2,464	1,475	1,149	728	827	2979	1206	1,652	2,692	32%	89%	77%	68%	49%	11%	56%	80%	80%
Jaipur	4,931	5,058	5,352	5,285	5,553	5,471	5,488	6,256	7,264	7,770	960	1,713	1,086	2,601	3,047	3268	3341	3,915	3,550	89%	51%	82%	63%	52%	62%	68%	93%	93%
Kochi	1,690	1,686	1,807	2,466	2,521	2,520	2,668	2,677	2,780	2,989					302	503	803	896						67%	58%	100%	100%	
Kolkata	2,701	3,199	3,652	3,712	4,579	4,841	4,878	4,984	5,140	5,111	3,209	2,194	1,768	1,724	929	853	1288	1,815	1,704	64%	64%	77%	81%	55%	65%	68%	72%	72%
Lucknow	483	725	1,495	1,499	1,772	1,820	1,773	1,902	2,209	2,385					1300	1624	2,129	3,353						100%	100%	88%	88%	
Mumbai	12,127	12,565	12,595	12,639	13,070	13,245	12,776	13,579	15,312	15,287	4,166	3,680	4,039	4,816	6,771	5409	4666	3,515	4,641	39%	37%	54%	69%	46%	87%	94%	93%	93%
Navi Mumbai	927	929	929	929	1,000	1,000	1,395	1,222	1,456	1,539					642	826	1,185	1,435						78%	69%	57%	57%	
New Delhi <sup>b</sup>	14,142	14,296	14,450	14,952	15,027	15,024	14,780	14,859	15,054	15,305	2,792	1,715	1,492	805	836	1852	1627	2,010	2,006	92%	62%	87%	93%	85%	86%	52%	93%	93%
NOIDA <sup>c</sup>	1,322	1,422	1,515	1,378	1,378	1,423	1,649	1,688	1,792	1,873	2,561	1,043	1,174	981	1,889	1268	1560	1,581	1,654	9%	18%	41%	43%	60%	66%	50%	70%	70%
Pune	6,108	6,445	6,353	6,212	6,712	6,615	6,572	6,789	6,950	6,837	1,965	1,308	894	796	875	506	728	735	1,147	73%	47%	89%	80%	30%	60%	88%	100%	100%
Udaipur	1,096	1,157	1,157	1,317	1,605	1,742	1,866	2,109	2,409	3,040					1065	1506	1,612	2,275						94%	67%	97%	97%	
Other Cities <sup>d</sup>	22,914	25,085	27,405	29,730	33,365	36,596	43,828	49,749	56,582	67,835	25,393	21,042	24,576	26,242	30,989	22,646	34,981	47,901	63,709	71%	75%	73%	77%	62%	73%	80%	74%	74%
<b>Total</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>1,65,172</b>	<b>1,79,710</b>	<b>1,96,464</b>	<b>56,912</b>	<b>47,067</b>	<b>49,380</b>	<b>50,170</b>	<b>60,273</b>	<b>59,238</b>	<b>69,836</b>	<b>88,706</b>	<b>1,14,151</b>	<b>66%</b>	<b>64%</b>	<b>72%</b>	<b>74%</b>	<b>61%</b>	<b>72%</b>	<b>79%</b>	<b>77%</b>	<b>78%</b>

<sup>a</sup>Proposed Supply includes 7,288 rooms which have been open for less than six months, and therefore, not included in the existing supply

<sup>b</sup>Chandigarh (including Panchkula, Mohali, and Zirakpur)  
<sup>c</sup>New Delhi (excluding Gurugram, NOIDA and Greater NOIDA)

<sup>d</sup>NOIDA (including Greater NOIDA)

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

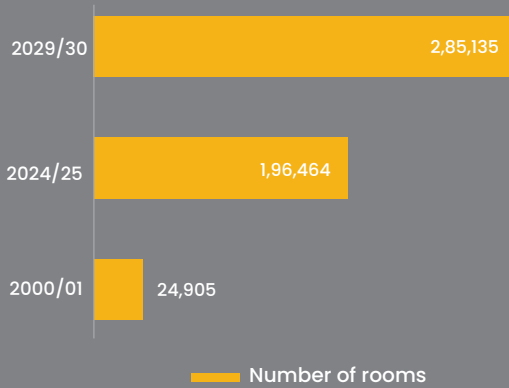
The Active Development Ratio for 2024/25 remains strong at 78%, reflecting continued confidence in the sector. This results in over 89,000 rooms in various active stages of development, scheduled to open by 2029/30.

Figure 27 provides a detailed breakdown of the proposed supply pipeline. A closer look reveals a clear strategic shift towards the midmarket to upper midmarket segments, which together account for nearly 50% of the future supply. In contrast, luxury hotels make up just 4.8%, indicating a measured approach to luxury expansion. This trend is likely driven by India’s evolving demographics and growing middle class, which are fuelling demand for high-quality hospitality offerings without necessarily leaning toward ultra-luxury.

Additionally, the aggressive growth approach in Tier 2 and Tier 3 cities lends itself to a larger inventory in the midmarket to upper midmarket hotel segments. **Notably, over 80% of this midmarket and upper midmarket inventory is planned in Tier 2 and Tier 3 cities.** This geographic skew reflects a deliberate strategy by hotel companies to tap into the growing demand for branded, affordable accommodations in emerging markets.

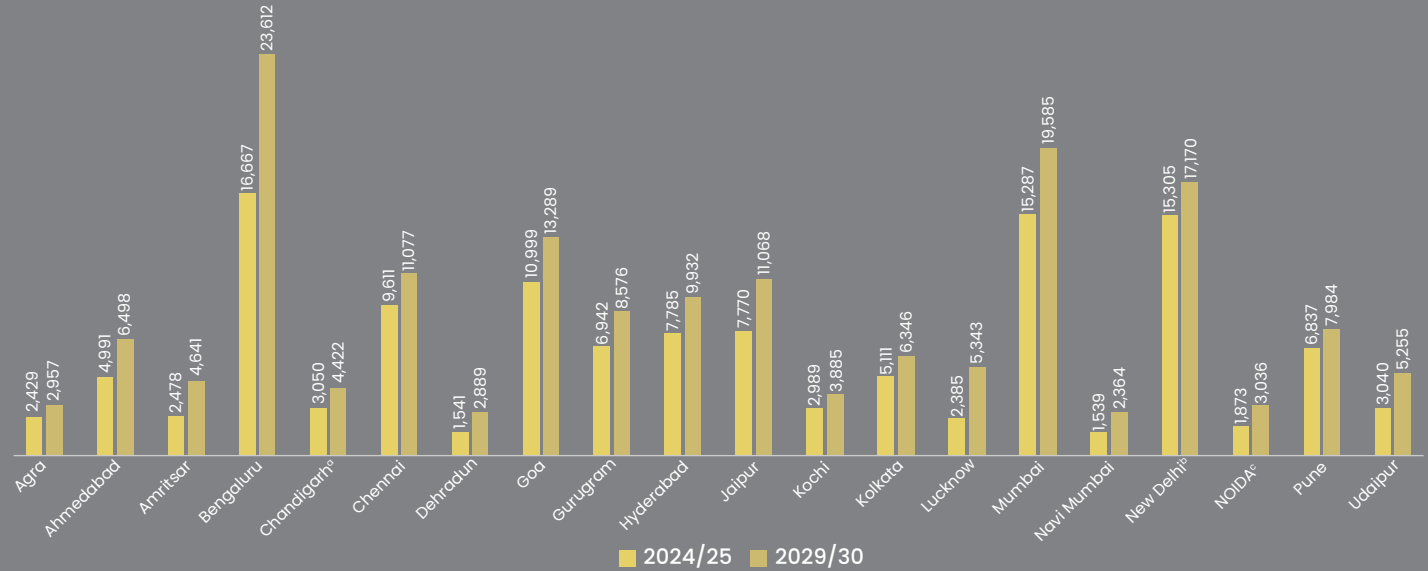
Overall, the distribution of proposed supply across segments and city tiers underscores the industry’s intent to address a broad spectrum of travellers, from aspirational leisure guests and rising middle-income families to business travellers. The focus on diversified offerings and targeted geographic expansion positions the sector well for sustained, long-term growth.

Figure 29: Growth of room supply - India (2000/01 - 2029/30)



Source: Hotelivate Research

Figure 30: Growth of Supply across Major Cities (2024/25 - 2029/30)



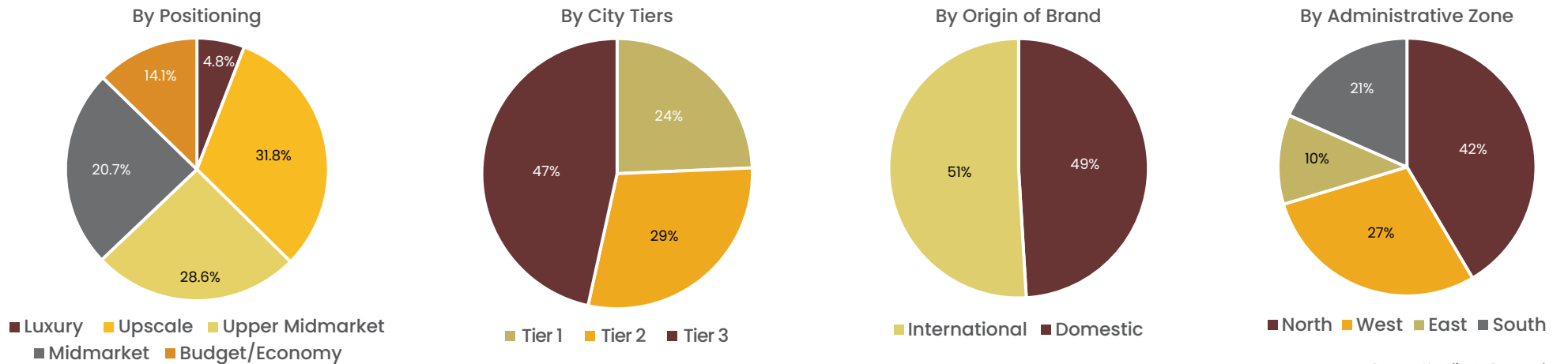
\*The supply for 2029/30 has been computed by adding active future supply to the existing base of rooms in 2024/25

<sup>a</sup>Chandigarh (including Panchkula, Mohali and Zirakpur)

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

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

Figure 31: Proposed Branded Hotel Rooms Across Various Parameters (2024/25 - 2029/30)



Source: Hotelivate Research

# INDUSTRY PERFORMANCE BY MAJOR CITIES

In 2024/25, India’s hospitality sector showcased robust growth, with major cities reporting notable improvements across key performance indicators. Occupancy rates surged, led by New Delhi at 80.4%, followed closely by Mumbai at 79.6%, and Kolkata at 76.2%. Udaipur topped the ADR rankings despite a 6.1% decline compared to the last year. This is due to the addition of new midmarket, upper midmarket, and upscale inventory, which diluted the city’s historically luxury and upper upscale supply-based ADR. Mumbai followed at ₹11,931, driven by a strong and diverse demand base. Hyderabad saw the highest increase in ADR of 13.2% due to the limited supply and robust demand in the market.

RevPAR growth was equally impressive, with Kochi seeing the highest growth of 14.9% and Hyderabad following with a 14% growth. The other key urban centres all recorded strong gains upwards of 8%. Conversely, some established leisure

destinations experienced setbacks. Goa saw declines across occupancy and ADR, resulting in a 5.5% drop in RevPAR, attributable to a recent surge in supply, rising costs of travel, and market saturation impacting demand. Similarly, Udaipur and Ahmedabad faced pressures from new supply entering the market, though established luxury hotels in Udaipur managed a 10.9% year-on-year RevPAR growth.

Emerging markets such as Navi Mumbai, Dehradun, Amritsar and Jaipur experienced occupancy declines driven primarily by new room supply outpacing demand growth, resulting in temporary setbacks despite the market strength. Figures 32, 33 and 34 provide a detailed breakdown of Occupancy, ADR and RevPAR across these markets, while Figure 35 consolidates the same metrics.

**Figure 32: Key Operating Statistics By Major City – Occupancy**

	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	2022/23	2023/24*	2024/25	12-Month Change	24-Month Change
Agra	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%	49.2%	63.2%	66.0%	70.2%	6.4%	11.1%
Ahmedabad	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%	57.9%	68.0%	68.3%	71.7%	5.0%	5.4%
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%	49.6%	67.3%	65.5%	64.0%	-2.3%	-4.9%
Bengaluru	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%	40.5%	64.8%	65.6%	70.5%	7.5%	8.8%
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%	56.6%	69.4%	69.4%	72.7%	4.8%	4.8%
Chennai	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%	51.7%	69.2%	72.7%	74.6%	2.6%	7.8%
Dehradun										55.9%	76.0%	66.0%	67.1%	69.1%	72.6%	39.0%	53.2%	63.0%	54.4%	58.2%	7.0%	-7.6%
Goa	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%	70.5%	71.4%	69.7%	-2.4%	-1.1%
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%	48.0%	66.7%	71.4%	73.6%	3.1%	10.3%
Hyderabad	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%	51.4%	73.4%	75.4%	75.9%	0.7%	3.4%
Jaipur	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%	49.5%	63.6%	66.2%	64.9%	-2.0%	2.0%
Kochi			65.0%	61.4%	50.3%	56.9%	51.3%	53.0%	52.5%	53.6%	63.4%	64.1%	53.3%	56.3%	31.1%	37.9%	37.9%	60.4%	66.9%	70.4%	5.2%	16.6%
Kolkata	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%	50.1%	70.0%	74.7%	76.2%	2.0%	8.9%
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%	56.3%	70.4%	71.1%	73.8%	3.8%	4.8%
Mumbai <sup>b</sup>	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%	60.4%	78.8%	77.8%	79.6%	2.3%	1.0%
Navi Mumbai							67.6%	60.7%	59.4%	73.9%	81.7%	77.6%	79.1%	79.3%	72.7%	43.0%	53.3%	75.9%	76.6%	72.4%	-5.5%	-4.6%
New Delhi <sup>c</sup>	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%	57.4%	75.1%	78.6%	80.4%	2.3%	7.1%
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%	52.1%	67.8%	65.2%	70.0%	7.4%	3.2%
Pune	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%	41.3%	67.6%	68.8%	72.5%	5.4%	7.2%
Udaipur							41.7%	47.7%	53.9%	57.5%	64.3%	68.8%	67.9%	72.0%	62.1%	37.2%	51.7%	58.5%	56.6%	57.7%	1.9%	-1.4%

\*The 2023/24 performances have been modified based on the updated data collated for this survey

<sup>a</sup>Chandigarh data includes Panchkula, Mohali and Zirakpur

<sup>b</sup>Mumbai data (Shaded Portion) from 2005/06 to 2010/11 includes Navi Mumbai; Mumbai (without Navi Mumbai) data from 2011/12 to 2021/22

<sup>c</sup>Delhi NCR data (Shaded Portion) from 2005/06 to 2008/09; New Delhi (without Gurugram, NOIDA and Greater NOIDA) data from 2009/10 to 2024/25

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

Figure 33: Key Operating Statistics By Major City – Average Rate (₹)

	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	2022/23	2023/24*	2024/25	12-Month Change	24-Month Change
Agra	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	6,675	8,215	8,160	-0.7%	22.2%
Ahmedabad	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	4,804	5,673	5,335	-6.0%	11.1%
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	4,725	5,164	5,309	2.8%	12.4%
Bengaluru	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	4,128	7,139	8,522	9,137	7.2%	28.0%
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	5,192	6,028	6,466	6,594	2.0%	9.4%
Chennai	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	3,966	5,736	6,842	7,430	8.6%	29.5%
Dehradun										4,357	4,565	4,567	4,680	4,418	4,421	3,717	4,042	6,170	7,690	7,873	2.4%	27.6%
Goa	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	8,507	10,207	11,201	10,841	-3.2%	6.2%
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	4,705	6,846	8,204	8,946	9.0%	30.7%
Hyderabad	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	4,111	6,564	8,223	9,306	13.2%	41.8%
Jaipur	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	4,933	6,824	7,916	8,724	10.2%	27.8%
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	3,574	5,417	6,090	6,649	9.2%	22.7%
Kolkata	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	4,300	5,735	6,609	6,811	3.1%	18.8%
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	3,713	4,338	5,057	5,273	4.3%	21.6%
Mumbai <sup>b</sup>	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	5,191	9,399	11,276	11,931	5.8%	26.9%
Navi Mumbai							4,800	4,474	4,180	3,856	3,960	4,118	4,318	4,671	4,748	3,381	3,068	5,139	6,065	6,744	11.2%	31.2%
New Delhi <sup>c</sup>	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	5,246	8,083	10,094	11,031	9.3%	36.5%
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	3,776	5,938	7,442	7,545	1.4%	27.1%
Pune	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	3,920	5,456	6,543	6,796	3.9%	24.6%
Udaipur							10,590	10,163	10,270	10,712	10,432	10,511	10,064	10,896	11,298	9,562	12,837	13,672	15,460	14,513	-6.1%	6.2%

Figure 34: Key Operating Statistics By Major City – RevPAR (₹)

	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	2022/23	2023/24*	2024/25	12-Month Change	24-Month Change
Agra	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	2,076	4,219	5,423	5,729	5.6%	35.8%
Ahmedabad	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	1,765	3,267	3,874	3,826	-1.2%	17.1%
Amritsar					1,509	1,968	1,004	1,664	1,539	1,854	1,886	2,071	2,486	2,651	2,618	898	1,726	3,180	3,381	3,395	0.4%	6.8%
Bengaluru	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	1,672	4,626	5,591	6,440	15.2%	39.2%
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	2,939	4,183	4,490	4,771	6.3%	14.0%
Chennai	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	2,050	3,969	4,971	5,537	11.4%	39.5%
Dehradun										2,436	3,469	3,014	3,140	3,053	3,210	1,450	2,150	3,887	4,182	4,595	9.9%	18.2%
Goa	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	4,755	7,196	7,995	7,552	-5.5%	4.9%
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	2,258	4,566	5,861	6,583	12.3%	44.2%
Hyderabad	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	2,113	4,818	6,198	7,065	14.0%	46.6%
Jaipur	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	2,442	4,340	5,237	5,689	8.6%	31.1%
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	1,355	3,272	4,074	4,679	14.9%	43.0%
Kolkata	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	2,154	4,015	4,937	5,193	5.2%	29.4%
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	2,090	3,054	3,594	3,894	8.3%	27.5%
Mumbai <sup>b</sup>	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	3,135	7,406	8,771	9,494	8.2%	28.2%
Navi Mumbai							3,245	2,716	2,483	2,850	3,235	3,196	3,416	3,704	3,452	1,454	1,635	3,901	4,644	4,881	5.1%	25.1%
New Delhi <sup>c</sup>	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	3,011	6,070	7,937	8,850	11.5%	45.8%
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	1,967	4,026	4,851	5,279	8.8%	31.1%
Pune	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	1,619	3,688	4,499	4,929	9.6%	33.6%
Udaipur							4,416	4,848	5,536	6,159	6,708	7,232	6,833	7,845	7,016	3,557	6,637	7,998	8,754	8,376	-4.3%	4.7%

\*The 2023/24 performances have been modified based on the updated data collated for this survey

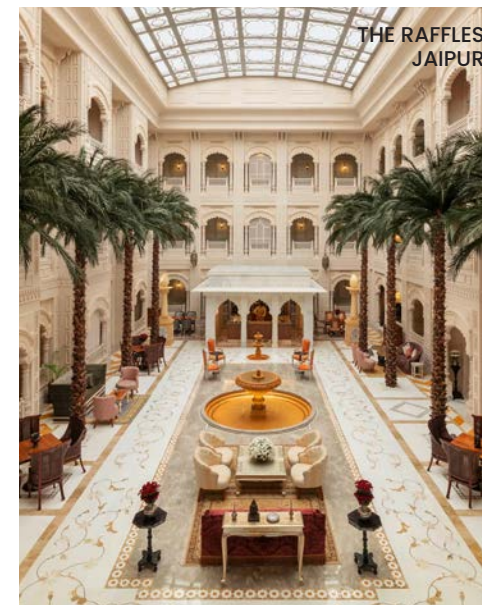
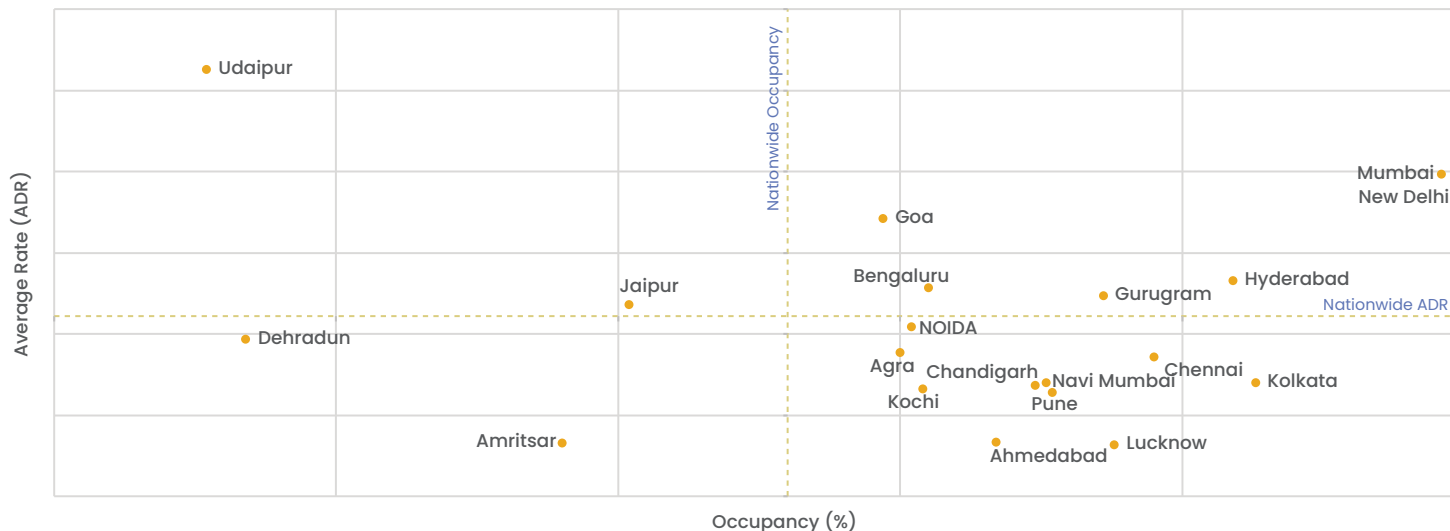
<sup>a</sup>Chandigarh data includes Panchkula, Mohali and Zirakpur

<sup>b</sup>Mumbai data (Shaded Portion) from 2005/06 to 2010/11 includes Navi Mumbai; Mumbai (without Navi Mumbai) data from 2011/12 to 2021/22

<sup>c</sup>Delhi NCR data (Shaded Portion) from 2005/06 to 2008/09; New Delhi (without Gurugram, NOIDA and Greater NOIDA) data from 2009/10 to 2024/25

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

Figure 35: Occupancy and Average Rate for the 20 Major Markets (2024/25)



## DEMAND, SUPPLY AND REVENUE GROWTH RATES BY MAJOR CITY (2015/16-2024/25)

Figure 36 illustrates the ten-year CAGR for demand, supply, and room revenue from 2015/16 to 2024/25 across 20 major markets. In all markets, demand matched or outpaced supply, highlighting strong market fundamentals. Interestingly, several Tier 2 cities such as Ahmedabad, Amritsar, Dehradun, Chandigarh, and Lucknow, have surpassed national averages across all key metrics. This is largely due to

the rapid growth over the last ten years and a more evolved hotel landscape compared to their nascent stages in 2015/16. Meanwhile, major established markets like Bengaluru, Mumbai, and New Delhi recorded growth rates below the national average, likely reflecting their already mature demand and supply bases dating back to 2015/16, which limits the potential for high CAGRs.

Figure 36: Demand, Supply and Revenue CAGR (2015/16-2024/25)

	Demand	Supply	Revenue
India	7.96%	6.63%	12.58%
Agra	6.53%	5.20%	9.46%
Ahmedabad	9.59%	6.50%	13.53%
Amritsar	12.94%	11.12%	17.99%
Bengaluru	6.30%	4.29%	12.12%
Chandigarh	14.45%	11.22%	18.55%
Chennai	5.55%	3.09%	10.20%
Dehradun	28.60%	28.05%	41.23%
Goa	6.99%	6.95%	12.16%
Gurugram	4.85%	2.83%	8.84%
Hyderabad	6.92%	3.94%	14.74%

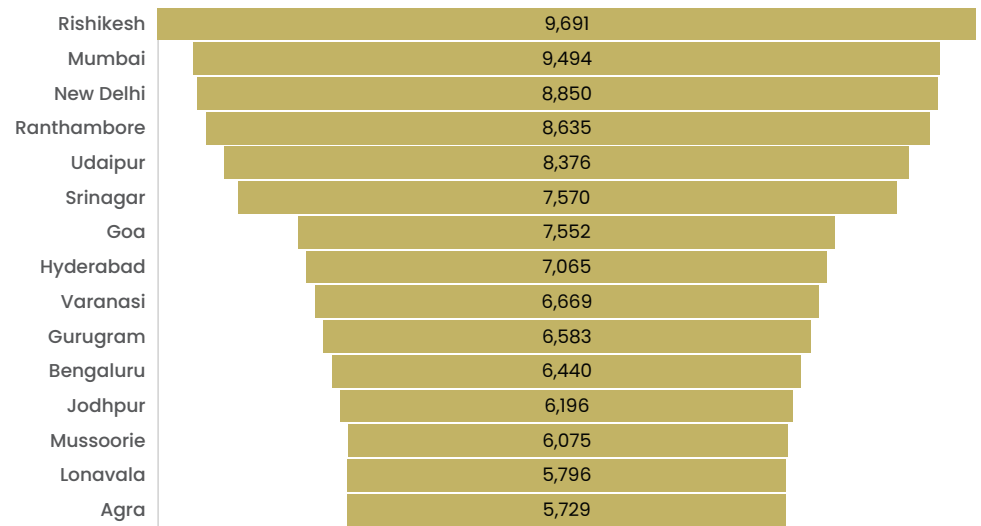
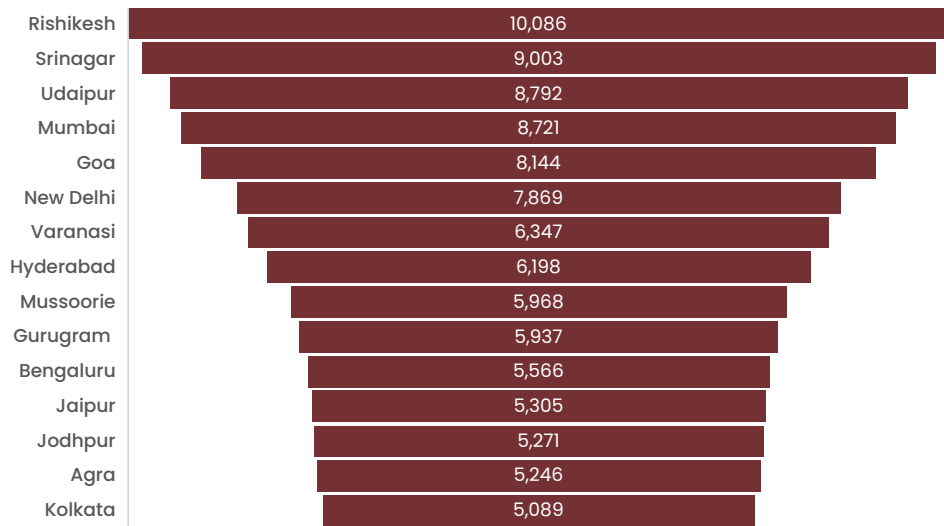
	Demand	Supply	Revenue
India	7.96%	6.63%	12.58%
Jaipur	7.14%	5.27%	13.79%
Kochi	9.72%	7.15%	14.82%
Kolkata	8.93%	8.07%	10.06%
Lucknow	22.86%	21.80%	24.12%
Mumbai	4.17%	3.11%	9.16%
Navi Mumbai	5.02%	5.15%	11.29%
New Delhi	4.72%	2.01%	10.28%
NOIDA	7.38%	3.36%	10.97%
Pune	3.66%	1.93%	9.66%
Udaipur	10.63%	10.27%	14.01%

# TOP 15 MARKETS BY REVPAR

Figure 37 showcases the top 15 markets by RevPAR. In recent years, rising demand for leisure destinations, particularly emerging ones with limited supply, has propelled these locations to the top of the country's RevPAR rankings. Rishikesh continues to lead, holding the top spot for the second consecutive year, even with a decline in marketwide RevPAR. New Delhi and Mumbai now feature in the top three, a remarkable achievement given the scale of these markets. This growth is

driven by strong demand, the addition of new demand generators, and a strategic shift from contracted corporate rates to dynamic pricing. **The broader top 15 list reflects similar trends: leisure markets like Coorg and Srinagar have dropped in rank due to the arrival of new, lower-tier hotels, whereas established urban markets such as Hyderabad, and Gurugram have posted robust RevPAR growth.**

Figure 37: Top 15 Hotel Markets by RevPAR (₹) – 2023/24 (Left) and 2024/25 (Right)\*



\*Only Markets with more than 5 hotels and over 500 rooms have been considered.



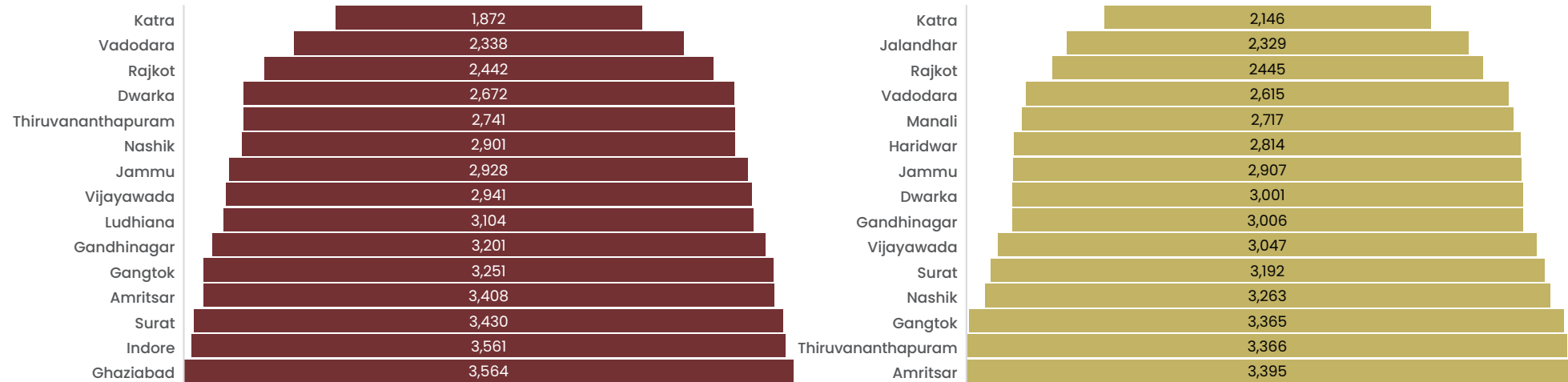
# BOTTOM 15 MARKETS BY REVPAR

As illustrated in Figure 38, the bottom 15 markets by RevPAR include several destinations once considered promising, but which have since struggled due to oversupply and limited demand growth. Markets such as Katra, Vadodra, Amritsar, Gandhinagar, and Jalandhar have consistently featured on this list over the past few years. While the lowest-ranking markets remain largely unchanged, markets such as Jalandhar, Manali and Haridwar have experienced RevPAR declines in recent years due to new, lower-positioned supply diluting the marketwide

averages. Notably, a third of these markets lie in the state of Gujarat, these cities continue to display price-sensitive behaviours with occupancies acting highly inversely proportional to ADR growth, preventing increases in RevPAR.

The charts below also highlight the risk of oversupply in cities once considered up-and-coming. In these markets, **the addition of new supply outpaced modest demand growth, resulting in lower occupancy levels and constrained RevPAR, even with marginal improvements in ADR.**

Figure 38: Bottom 15 Hotel Markets by RevPAR (₹) – 2023/24 (Left) and 2024/25 (Right)\*



\*Only Markets with more than 5 hotels and over 500 rooms have been considered.



## TOP 15 CITIES BY ROOMS REVENUE

The Indian hospitality market in 2024/25 showcased several key trends and shifts in performance dynamics. **Luxury and leisure destinations continue to be substantial contributors to overall room revenues; however, notable changes have emerged in the hierarchy of top-performing markets.**

While markets like Rishikesh, Udaipur, Goa and Srinagar remain fixtures on this list, with increased absolute room revenues compared to the previous year, the

introduction of lower-positioned supply in these cities previously dominated by luxury and upper upscale assets has diluted the room revenue per key. This has led to either stagnation or decline in this key metric, as represented in Figure 39.

In stark contrast, urban markets, such as Mumbai and New Delhi, powered by their limited supply growth and high ADRs were able to post double-digit growth in room revenue per key.

“

*Mumbai, New Delhi, and Rishikesh rank among the top three markets in terms of room revenue per key – a notable achievement for the two major metros, considering their substantial hotel supply. Both cities, along with nearby getaway destinations, recorded over 10% growth in room revenue per key.*

”

Figure 39: Top 15 Hotel Markets by RevPAR – 2023/24 (Left) and 2024/25 (Right)\*

2023/24					
City	Hotels	Inventory	RevPAR	Room Revenue	Room Revenue/Key
Rishikesh	12	604	10,086	2,22,35,05,870	36,81,301
Srinagar	12	619	9,003	2,01,87,88,508	32,61,371
Udaipur	33	2,409	8,792	7,45,25,15,530	30,93,614
Mumbai	74	15,312	8,721	46,56,11,08,783	30,40,825
Goa	90	9,303	8,144	27,01,44,44,857	29,03,842
New Delhi	72	15,054	7,869	43,12,12,91,543	28,64,441
Ranthambore	10	434	7,284	99,37,50,276	22,89,747
Hyderabad	41	7,379	6,198	16,69,22,11,941	22,62,124
Mussoorie	16	997	5,968	2,17,17,03,065	21,78,238
Gurugram	49	6,500	5,837	13,67,69,45,778	21,04,146
Varanasi	11	704	6,347	1,40,87,41,721	20,01,054
Bengaluru	104	16,260	5,566	32,52,06,39,516	20,00,039
Jaipur	65	7,264	5,305	13,62,46,98,432	18,75,647
Jodhpur	13	903	5,271	1,67,69,48,924	18,57,086
Kolkata	32	5,140	5,070	9,41,86,11,283	18,32,415

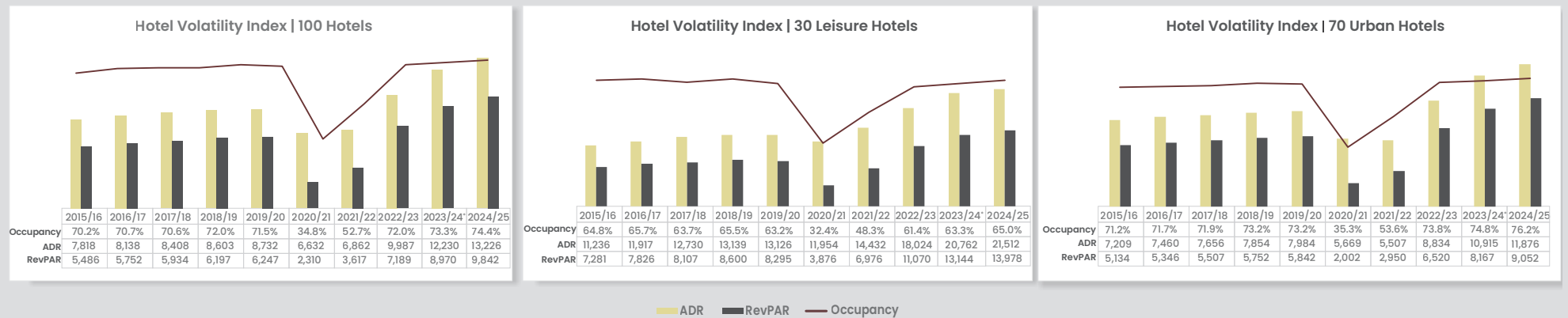
2024/25					
City	Hotels	Inventory	RevPAR	Room Revenue	Room Revenue/Key
Mumbai	74	15,287	9,494	52,73,00,29,758	34,49,338
Rishikesh	13	745	9,691	2,47,51,89,697	33,22,402
New Delhi	77	15,305	8,850	48,61,99,17,287	31,76,734
Ranthambore	12	506	8,635	1,51,89,96,132	30,01,969
Udaipur	42	3,040	8,376	8,88,88,97,505	29,23,979
Srinagar	14	904	7,570	2,42,36,80,623	26,81,063
Goa	115	10,999	7,552	28,29,94,78,723	25,72,914
Hyderabad	44	7,785	7,065	19,66,33,92,644	25,25,805
Puducherry	10	413	6,844	1,03,17,41,112	24,98,162
Bengaluru	112	16,667	6,440	39,05,07,72,825	23,43,000
Gurugram	52	6,942	6,583	16,13,50,37,864	23,24,264
Varanasi	13	765	6,669	1,77,15,41,100	23,15,740
Jodhpur	13	827	6,196	1,87,01,45,314	22,61,361
Mussoorie	20	1,147	6,075	2,47,38,06,963	21,56,763
Agra	20	2,429	5,729	5,07,95,40,498	20,91,206

# The Hotel Volatility Index | 2025

Market performance data can often be distorted by the inclusion of newly opened hotels, which typically operate below optimal levels during their initial ramp-up period. This effect is particularly pronounced in fast-growing markets like India, where a significant share of new supply is yet to stabilise, often pulling down occupancy, ADR, or both. To provide a more accurate picture of long-term performance, we curated a set of 100 hotels that have been operational since 2012 or earlier. This stable sample serves as a consistent and credible index, enabling

a more equitable year-on-year comparison of key metrics across the country. The Hotel Volatility Index (HVI) derived from this base offers a robust benchmark for evaluating the true performance of India's hotel sector, eliminating distortions caused by new, unseasoned supply. Figure 40 presents the occupancy, average rate, and RevPAR trends for these 100 hotels from 2015/16 through 2024/25, further segmented by type of location. This allows for a nuanced understanding of how long-standing assets have weathered market shifts and demand cycles across urban and leisure destinations alike.

Figure 40: Hotel Volatility Index | Urban and Leisure Locations (2015/16– 2024/25)



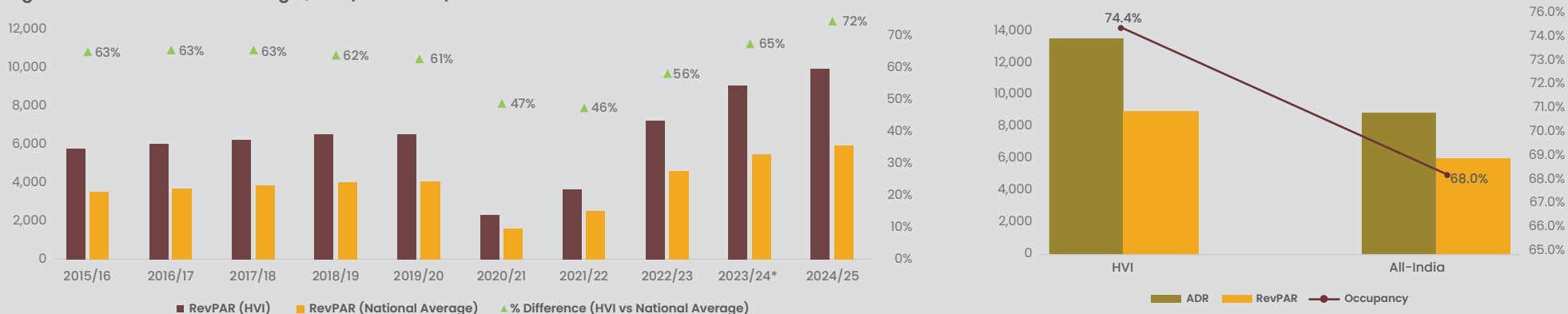
\*2023/24 performance has been modified based on the data collated for this survey

Source: Hotelivate Research

HVI hotels significantly outperformed the nationwide average in 2024/25, recording an occupancy premium of 9.4% and an ADR premium of 56.9%, which translated into a RevPAR premium of 71.2%, the highest recorded by established hotels in recent years. This strong performance is largely driven by the market positioning of HVI hotels, which are concentrated in mature, high-performing locations. In contrast, the broader hotel supply in 2024/25 includes a growing proportion of properties in developing or underpenetrated markets, creating a natural disparity in overall RevPAR performance. A closer look reveals that HVI hotels achieved an occupancy of 74.4%, compared to the nationwide average of 68.0%, and an ADR of ₹13,226 versus ₹8,432 for the overall market. This sharp

contrast underscores the premium pricing power and demand stability enjoyed by these high-value assets. Furthermore, a comparison between urban and leisure hotel performance reveals notable shifts. While urban hotels recorded a 11.2% higher occupancy rate than leisure hotels, the latter continued to maintain a RevPAR premium of 54.4%. However, this gap is narrowing from the 60% delta seen in 2023/24. The improvement is largely attributed to a 10.8% year-on-year increase in RevPAR for urban hotels, while leisure hotels posted a more moderate growth of 6.3%. These trends suggest a recovery in demand for business and city-centric travel, narrowing the historical performance gap between leisure and urban markets, and highlighting the broader resurgence of urban hotel performance.

**Figure 41: HVI vs National Average | 2015/16 to 2024/25**



\*2023/24 performance has been modified based on the data collated for this survey

Source: Hotelivate Research

**Figure 42: HVI: Key Operating Statistics by City Tiers (2015/16- 2024/25)**

	Tier 1			Tier 2			Tier 3		
	Occ%	ADR	RevPAR	Occ%	ADR	RevPAR	Occ%	ADR	RevPAR
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%	6,436	3,551	46.5%	8,268	3,846	47.5%	7,365	3,501
2022/23	75.0%	9,958	7,473	65.3%	10,273	6,712	62.5%	9,189	5,747
2023/24*	76.0%	12,477	9,485	66.7%	12,333	8,224	64.4%	10,946	7,046
2024/25	77.3%	13,469	10,414	68.5%	12,876	8,816	65.4%	11,470	7,502

\*2023/24 performance has been modified based on the data collated for this survey

Source: Hotelivate Research

In summary, we believe the Hotel Valuation Index (HVI) offers a reliable evaluation of the hotel industry’s performance over time. Stable-state assets not only exhibit resilience but also stand to gain significantly during industry recoveries. By capitalising on the efficiencies gained during turbulent times and adapting to evolving consumer behaviour, these hotels have achieved record-breaking results. This underscores the importance for hotel owners to practice patience, allowing their assets to stabilise and leverage economic resilience for consistent,

**Figure 43: HVI: Key Operating Statistics by Administrative Zones (2015/16- 2024/25)**

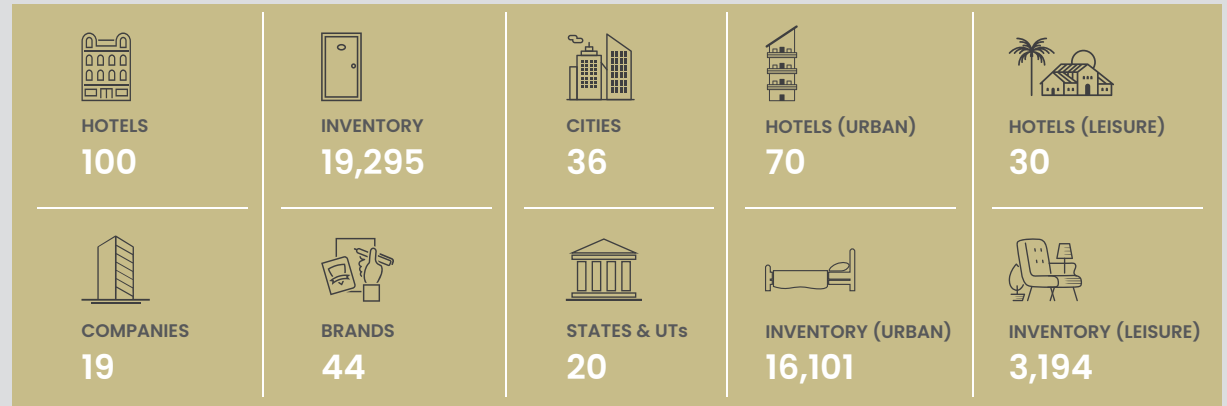
	East			North			South			West		
	Occ%	ADR	RevPAR	Occ%	ADR	RevPAR	Occ%	ADR	RevPAR	Occ%	ADR	RevPAR
2015/16	72.4%	5,752	4,166	68.8%	8,630	5,941	63.9%	6,904	4,413	74.1%	8,091	5,993
2016/17	75.3%	5,826	4,387	69.4%	8,958	6,217	64.2%	7,156	4,592	74.3%	8,523	6,330
2017/18	74.7%	6,081	4,542	69.9%	9,133	6,385	65.6%	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%	4,854	2,497	54.6%	7,674	4,190	47.9%	5,734	2,749	54.2%	7,207	3,906
2022/23	75.1%	6,301	4,731	71.3%	10,707	7,636	67.0%	8,527	5,711	74.7%	11,010	8,223
2023/24*	78.3%	6,802	5,325	73.2%	13,303	9,738	66.5%	11,161	7,427	75.3%	13,297	10,015
2024/25	80.1%	7,104	5,687	75.0%	14,153	10,613	69.7%	12,278	8,554	75.4%	14,186	10,701

higher returns. Moreover, it is essential for owners to invest in renovations and refurbishments to ensure their properties are well-maintained and continue to deliver superior returns. Hotels within the HVI sample set are likely to experience moderate rate growth while maintaining stable occupancy levels. Effective asset management, strategic sales and marketing, and talent development remain critical areas of focus to sustain performance and maximise returns during this period.

Figure 44: HVI: Key Operating Statistics by Brand Origin (2015/16– 2024/25)

	Indian-Origin			International		
	Occ%	ADR	RevPAR	Occ%	ADR	RevPAR
2015/16	70.60%	8,931	6,301	69.80%	6,702	4,677
2016/17	70.50%	9,361	6,599	70.90%	6,942	4,919
2017/18	69.90%	9,740	6,809	71.20%	7,117	5,070
2018/19	72.00%	10,024	7,219	72.00%	7,139	5,143
2019/20	69.90%	9,992	6,985	73.30%	7,462	5,466
2020/21	35.50%	7,047	2,501	34.20%	6,178	2,110
2021/22	52.60%	8,471	4,453	52.90%	5,160	2,727
2022/23	73.95%	11,907	8,805	70.02%	7,967	5,578
2023/24*	74.70%	14,184	10,596	71.30%	10,464	7,465
2024/25	76.30%	15,388	11,740	72.60%	10,982	7,968

\*2023/24 performance has been modified based on the data collated for this survey  
Source: Hotelivate Research



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





## Markets to Watch

The previous sections have showcased an industry that is accelerating rapidly. However, the Bottom 15 markets by RevPAR also act as yellow flags, highlighting the risks associated with oversupply in certain locations. Figure 45 illustrates the Top 10 markets with the highest proposed supply inventory, both as a proportion of existing inventory and as an absolute increase in inventory. While Tier 1 markets like Bengaluru, Mumbai, Hyderabad and Goa feature on this list as the markets with the largest absolute proposed inventory, commercial office space development and demand growth in these markets remains rapid, showcasing potential to absorb this supply influx.

Several clear trends emerge among these markets. Notably, many are spiritual destinations, which is especially relevant in the context of Ayodhya. Following the opening of the Ram Temple, the city has witnessed substantial footfall unaccommodated in branded hotels within the city, prompting aggressive hotel development. Another segment comprises developing industrial and IT hubs, including Ludhiana, Indore, Mohali, and Siliguri. Infrastructure projects such as the upcoming Indore Super Corridor and Halwara International Airport (serving Ludhiana) are fuelling hotel pipeline growth in these locations.

The final third consists of leisure destinations located within driving distance of major metropolitan areas, especially Delhi NCR. Examples include Kasauli, Pushkar and Jaipur. These markets are expected to benefit from enhanced highway infrastructure and improved road connectivity, making them more accessible for weekend and short-haul leisure travel.

Collectively, these cities recorded a strong 9.6% year-on-year growth in occupied room nights, with the majority of this growth driven by the commercial hubs. However, this remains significantly lower than the projected supply CAGR of 20.7% through to 2029/30, more than double the observed demand growth in the past year. This widening gap between supply and demand raises critical concerns about the future market dynamics in these cities and the ability of demand to grow and match the anticipated increase in room inventory.



Figure 45: Markets with the highest Increases in Proposed Supply: As a proportion of Existing Supply (Left) and as an increase in Room Inventory (Right)

City	Existing inventory	Proposed Inventory	% of Existing	City	Existing inventory	Proposed Inventory	% of Existing
Ayodhya	235	2,439	1038%	Bengaluru	16,667	8,684	52%
Gwalior	276	907	329%	Mumbai	15,287	4,641	30%
Mohali	230	754	328%	Jaipur	7,595	3,550	47%
Vrindavan	353	953	270%	Lucknow	2,385	3,353	141%
Pushkar	255	658	258%	Goa	10,999	2,897	26%
Kasauli	408	1,015	249%	Hyderabad	7,785	2,692	35%
Bodh Gaya	215	435	202%	Indore	2,035	2,442	120%
Ludhiana	539	1,076	200%	Ayodhya	235	2,439	1038%
Karjat	270	525	194%	Amritsar	2,478	2,367	96%
Siliguri	441	843	191%	Udaipur	3,040	2,275	75%

\*Only markets with an existing base of 5 hotels and over 200 rooms have been considered.

Source: Hotelivate Research

# Future Trends & Opportunities

## 01

### Private to Public

Businesses typically rely on private capital during their start-up and early-growth phases, turning to public markets as they mature. Over the past 18 months, several ownership platforms such as SAMHI Hotels, Juniper Hotels, Ventive Hospitality, and Brigade Hospitality; and owner-operator companies - Apeejay Surrendra Park Hotels, ITC Hotels, and The Leela Palaces, Hotels & Resorts have listed on the stock exchange. In parallel, players like Prestige Hospitality Ventures have filed their DRHP, and several others are reportedly exploring listings in 2025 and 2026. Adding to this momentum, 18<sup>th</sup> June 2024 marked the launch of the NIFTY India Tourism Index, which tracks sixteen hospitality and tourism companies within the NIFTY 500. These developments signal a clear maturation of the sector. They are driving increased visibility, broader investor interest and liquidity, greater transparency, and enabling benchmarking to better understand performance metrics. At Hotelivate, we too began publishing a quarterly report that is focused entirely on the major listed players in Indian hospitality. Labelled 'Hotelivate's Hotel Check-In', the latest version of this incisive publication can be found on our website [www.hotelivate.com](http://www.hotelivate.com).

## 02

### Redefining Retirement

Senior living is quietly but steadily emerging as one of the most promising niches within hospitality real estate. Traditionally viewed through a medical or retirement lens, the concept is now evolving into a lifestyle-oriented offering that aligns with the expectations of a new generation of aging individuals who are independent, health-conscious, and aspirational. Demographically, India is undergoing a major shift. By 2031, India's population aged 60 and above is projected to reach approximately 194 million, accounting for nearly 14% of the total population, according to estimates by the National Statistical Office. This cohort is increasingly urban, financially secure, and seeking community-driven living environments that offer convenience, safety, and well-being rather than isolation. This changing mindset is driving demand for professionally managed senior living communities, many of which now combine hospitality services with healthcare access, cultural engagement, and leisure programming. Operators and developers are beginning to recognise the value of this asset class. Brands such as Antara (by Max Group), Ashiana Housing, and Columbia Pacific are pioneering the space with models focused on premium design, concierge-style services, and wellness infrastructure. At the same time, global operators and private equity funds are closely tracking India's senior housing market. From an investment perspective, senior living developments offer long-term occupancy stability, predictable annuity-style revenue streams, and growing policy support. As India evolves from a service-driven to a care-focused economy, senior living stands out as a socially relevant and financially viable hospitality model to one that places comfort, community, and dignity at its core.

# 03

## Dining as a Differentiator

A growing trend in branded hotels across India is the outsourcing of Food & Beverage operations to renowned restaurant brands and chains. This strategic approach enhances both profitability and guest satisfaction while easing the operational burden on hotel management. By moving away from traditional in-house F&B models, which often involve high labour costs, inventory challenges, and complex overheads, hotels can transform what was often a cost centre into a revenue-generating asset. Partnering with established culinary names allows hotels to reduce financial risk and secure more predictable income through structured agreements. Beyond operational efficiency, this model significantly elevates the guest experience by bringing in high-quality, diverse dining options that appeal to both travellers and local patrons. This differentiation strengthens the hotel's brand image in a competitive market, allowing hoteliers to concentrate on their core competency of accommodation while leveraging specialised F&B management, marketing, and innovation from their partners, ultimately driving greater overall profitability and a more memorable stay.

# 04

## Beyond the Spa

A growing trend in the hospitality industry is the rise of wellness tourism that extends beyond traditional spa treatments to include comprehensive health-focused retreats, featuring specialised therapies like IV treatments and customised wellness programs. As people continue to prioritise mental and physical health, many travellers are seeking destinations that offer holistic, rejuvenating experiences designed to detoxify, energise, and reset the body and mind. Hotels and resorts are increasingly offering packages that include services such as IV infusions to boost hydration, immunity, or energy levels, alongside yoga, meditation, and fitness activities like hiking or cycling. These retreats also feature specialised treatments to target specific health concerns, while also incorporating organic, nutrient-dense meals and expert-led mindfulness workshops. Some properties even offer sleep optimisation treatments, where guests undergo tailored programs to improve sleep quality, combining environmental factors like lighting and temperature control with calming therapies. As the demand for wellness tourism grows, more destinations are creating immersive experiences that blend cutting-edge treatments with holistic health practices, offering a transformative escape for those seeking to revitalise both body and mind.

# 05

## Highway Hospitality

As of December 2024, India boasts the world's second-largest road network, with over 6 million kilometres, second only to the United States. The Union Budget for 2025/26 reflects a 24.1% increase in funding for roads, supporting a 59% expansion of the national highway network over the past nine years. By March 2025, national highways exceed 1,45,000 kilometres, with state highways surpassing 1,75,000 kilometres. However, hospitality infrastructure along these routes has not kept pace. In the US, roadside motels—affordable, convenient lodgings catering to travellers—are a significant hospitality segment, with over 25,000 assets making up nearly half of the country's hospitality properties. Indian hospitality giant OYO recently acquired G6 Hospitality, owner of Motel 6 and Studio 6, for US\$525 million, adding 1,300 assets to its portfolio and highlighting the rising importance of budget roadside accommodation. As India expands its road network and connectivity, there is a substantial opportunity for select-service hotels and motels along highways, offering growth potential for domestic tourism, commercial travel, and local economies.

# 06

## Locally Crafted Travel

In the coming years, demand for local and immersive travel experiences is expected to grow significantly within the hospitality sector. Travellers are increasingly drawn to authentic, culturally rich destinations that offer meaningful engagement with local communities, traditions, and cuisine. This shift marks a move away from standardised tourism in favour of personalised, experience-driven travel. Recognising this growing guest preference, many global hospitality brands are choosing to enter India or are launching soft brands—distinctive sub-brands designed to deliver unique experiences that move away from the conventional hotel model, allowing greater flexibility in design, service, and storytelling.

In response to this evolving demand, hotels, resorts, and tour operators are curating offerings that reflect the soul of a destination—through food, art, nature, and history—creating deeper guest connections and enhancing differentiation. Simultaneously, there is rising interest in tech-free, nature-oriented escapes as travelers seek moments of mindfulness and disconnect from daily routines. Hospitality providers are increasingly incorporating such wellness-focused offerings to meet evolving guest expectations and enhance overall value.

## Conclusion

The Indian hospitality industry has entered a period of record performance, with occupancies, ADR, and RevPAR at historic highs. Strong domestic demand, a bold pipeline of new supply, and the strength of Tier 1 markets have set the pace for continued growth. Yet, warning flags remain — from oversupply in smaller towns to slowing momentum in some destinations, and a widening gap between the leaders and the rest of the field.

With half of the fiscal year 2025/26 already behind us, the industry has faced a challenging start. Geopolitical tensions in May, followed by harsh monsoons in many North Indian leisure destinations, have weighed on performance. While the outlook for the stronger winter months appears positive, the impact of these events is yet to be seen.

Looking ahead, the front-runners will be those who combine speed with strategy: aligning development with demand, adapting to evolving traveller behaviour, and planning growth with foresight.

Formula 1 buffs will tell you that 2026 is slated to see some major changes in how cars will be racing next year, thereby contributing to uncertainty in how various teams will perform. Given the varied supply-demand dynamics across India, coupled with the geo-political and socio-economic state of affairs in the world, it won't be inaccurate to say that India's hospitality sector in 2026 (and onwards) will likely witness some degree of uncertainty as well. We are all hopeful of a sustained upcycle, of course; however, it would be a mistake to take your eye off the road.



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