

Lemon Tree Plans Hotel in Mumbai Airport Dist

The 600-room hotel to be built at ₹700 cr likely to be ready in three years: CEO

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New Delhi: Mid-market hotel chain Lemon Tree will develop a two-and-half acre plot at the hospitality district coming up near the Mumbai airport to construct a 600-room hotel for an investment of around ₹700 crore.

Lemon Tree took the plot on a 52-year lease from the Mumbai International Airport (MIAL) through its asset subsidiary APG Asset Management. The hotel should be up and ready nearly three years after all permissions are in order, said Patu Keswani, CEO at Lemon Tree.

MIAL had invited bids for four plots (totalling 8-10 acres)

for construction of hotels and offices in Sahar. Expected to be spread across approximately 6 km radius, the Mumbai airport hospitality district will be different from the one near Delhi airport where hotels are built in a cluster.

The hospitality industry in India is going through a tough period with room occupancy rate staying below 60%, mostly be-



cause of a rapid rise in room inventory. While improving business and consumer sentiment is expected to improve

room occupancy by about 10% across major cities this year, it would not be significant enough for hotels to increase room rates and push profitability.

Keswani said Lemon Tree's investment timing for MIAL hotel district is right. "By 2017, the hospitality industry will bounce back, room rates will pick up and revenues will begin to grow," he said.