

Lemon Tree Hotels and Warburg Pincus Enter into a JV to Form a Co-Living Platform

Lemon Tree Hotels, India's largest hotel chain in the mid-priced sector has formed a Joint Venture (JV) with an affiliate of Warburg Pincus, a leading global private equity firm focused on growth investing, to create a co-living platform. The JV marks Lemon Tree Hotel's entry into an



adjacent but new business segment focusing on the development of institutional-grade rental housing accommodation serving both students and young working professionals across major educational clusters and key office markets in India. Following Warburg Pincus' successful partnerships in China and Hong Kong, with entities such as Mofang, Nova, Ziroom and Weave, this investment represents the first co-living platform which the firm has backed in India. An affiliate of Warburg Pincus and Lemon Tree Hotels Limited will hold 68% and 30% stake, respectively in the JV, with the balance 2% to be held by Mr Patanjali Keswani.

The JV partners will initially invest Rs. 1,500 Crore in equity over a period of time followed by an additional infusion of Rs. 1,500 Crore in equity at the option of the partners, to develop rental housing projects through a combination of greenfield purpose-built properties, refurbishment of existing under-managed/stressed commercial and residential assets taken on lease/acquisition basis as well as management of existing for-rent accommodation projects. The platform aims to provide affordable and conveniently located co-living spaces for students and young professionals, who are increasingly looking to be part of a vibrant community with like-minded individuals. The JV's projects will also include shared spaces like the living room, gym and well-equipped cafeterias in order to provide its residents with a high-quality and full-service co-living accommodation.

The JV has developed a pan-India strategy and is building a dedicated team to execute its plan, making it one of the very few players with a combined focus across student housing and young professional co-living segments, while undertaking customized developments to meet the evolving needs of the millennial population in India.