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# Hotels seek management contracts to grow

Varuni Khosla  
varuni.k@livemint.com

Hospitality firms are looking to open new hotels and looking at management contracts with standalone hotels, to cater to the soaring demand after the end of the third wave of the covid pandemic. Apart from favourite commercial destinations, hoteliers are also focusing on leisure destinations, as well as tourist attractions in tier 2 and 3 cities.

Hilton, Lemon Tree Hotels, Espire Hospitality and Pride Hotels have announced new projects for FY23. Earlier this week, Indian Hotels Co. Ltd said it was planning to increase its portfolio to 300 hotels by 2025. In FY23, Lemon Tree has already signed two hotels to manage in Jaipur and Mumbai, and is in discussions to close four to five such deals by the end of the second quarter, compared to just five in FY20. "We have seen an uptick in



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owners of standalone hotels, particularly in tier 2 and 3 cities, who have started to reach out to us as they now understand the importance of hotel management companies and want to capitalize on the brand recall, sales and distribution platforms, and loyalty member base that we provide. We can also attribute a part of this increase to us having ventured into the franchise and manage-

ment franchise space, where we were not present," Vikramjit Singh, president, Lemon Tree, said.

Espire Hospitality Group, which owns the Six Senses Fort Barwara and mid-market chain Country Inn Hotels and Resorts, will launch its luxury boutique resort brand ZANA this year. According to chief operating officer Akhil Arora, it will sign resorts in Goa, Maharashtra and Uttarakhand, and plans to launch them in the next 12-24 months. Pride Group of Hotels, which has 44 properties, has plans to open 100 hotels by 2030, including six by the end of FY23.

In March, The Leela Palaces, Hotels And Resorts expanded its footprint in Kerala with one property in Kovalam and another in Ashtamudi, while Marriott International announced the

signing of an agreement with Ceres Hotels Pvt. Ltd to rebrand The Leela Goa as St. Regis.

"With demand recovering faster than expected after the second wave, hotel companies put the covid blues behind them and accelerated their expansion plans in 2021," said Mandeep S. Lamba, President (South Asia), HVS Anarock, who expects the positive trend to continue into 2022. "Brand signings by keys were approximately 20% higher in the first quarter of calendar year 2022

than in the same period the previous year," Lamba said.

The first quarter of FY22 has been the best time for opening new hotel properties in the last 3-4 years, including pre-pandemic times, said Jaideep Dang, managing director, hotels and hospitality group for India at JLL.

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