

Lemon Tree will set up 3 hotels in city

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Lemon Tree Hotels, a mid-price brand hotel group, is setting up three hotels in Chennai. The first 110-room hotel is coming up opposite the Raj Bhavan here. The Rs 40-crore hotel will be operational by December 2007. "We are looking for a plot for another 150-room hotel for Lemon Tree on the Old Mahabalipuram road. We are also planning another hotel in the same locality for our economy brand. Red Fox hotels," said Ms Sharanita Keswani, director of Lemon Tree.

The company is planning to invest Rs 130-150 crores in Chennai to develop these two hotels. The company, presently operating two hotels in Gurgaon, is planning to invest Rs 1,000 crores over the next three years in nine hotel projects, which are under different stages of development across the country. This will take the group strength to 1,400 rooms.

Mr Keswani said there is a huge gap in the market for hotels in the mid-price and economy segments. "The hotel market in India is at an immature stage of development. It continues to remain inadequately represented in most segments and is heavily skewed to the 5-star segment," she added. To address the huge demand in the price range of Rs 800-Rs 2,000, the company is developing a Red Fox brand. "We have three Red Fox hotels in the economy segment under developing in Mumbai, Jaipur and Hyderabad with an investment of Rs 120 crores."

These hotels would have 420 crores in total and would be operational by the end of 2008.

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