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Hoteliers eye growth in H2, too

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was ₹8,000-8,200, a 30-32% increase from the same period in 2019. Occupancy rates were 58-60%.

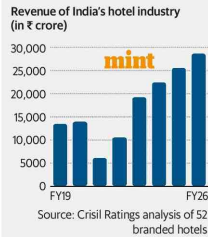
"Historically, Q4 tends to be the strongest quarter due to high demand from weddings and holiday season," said Jaidheep Dang, managing director, hotels and hospitality group, India at JLL, a property consultant. "Also, this year, we have seen a huge spurt in music concerts, entertainment shows and large-scale exhibitions, which have further fuelled demand towards the end of this year. As a result, we believe this financial year is expected to set new records for performance of the hotel industry," Dang added.

Ahmedabad recorded a significant increase in occupancy, driven by the Navratri festive season. However, the city also saw a notable correction in ARR, with rates dropping more than 30% compared with October 2023, when the city experienced a surge due to the ICC Cricket World Cup.

"On a same-store basis, we have seen a growth of about 11% year-on-year till the last

Growth path

Gross revenue of the hospitality sector is expected to grow to ₹28,800 crore in FY26.



quarter. It has been very consistent for us, and we expect to maintain an early double-digit growth in our Ebitda throughout the year. The third quarter has been good so far as well, and we have no reason to believe this growth will slow down next year. For all of FY26, we do expect an early double-digit growth," said Ashish Jakhanwala, chairman, managing director and CEO of Samhi Hotels which owns about 35 properties.

Even with lower occupancies, high wedding season demand will hoteliers, experts said.

"The hotel business is now being largely powered by strong and consistent ARRs," said Rattan Keswani, a hospitality veteran with leadership experience at Lemon Tree and EIH. "Though occupancies have slipped a little, rates remain strong across the board," Keswani added, highlighting that most listed companies continue to benefit from strong demand during peak wedding seasons.

Meanwhile, approximately 120 new hotels opened across India in the first 10 months of 2024, adding around 8,100 rooms. The majority of them were in tier-III and tier-IV cities, reflecting the ongoing trend of rising capacity in smaller cities.

"Demand for hotels seems very strong. This year, we are seeing strong growth in the wedding business. If we were to exclude G20 from the same period last year, then the event-based growth is still very strong, especially in the second half of this year," said Chalet's managing director and chief executive Sanjay Sethi.

For an extended version of this story, go to [livemint.com](https://www.livemint.com).

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Events, weddings to help hoteliers do better in H2

Varuni Khosla
varuni.k@livemint.com
NEW DELHI

Hoteliers that benefited from a revenue surge in the first half of the fiscal year are looking for an encore in the second, fuelled by robust room rates and wedding season demand.

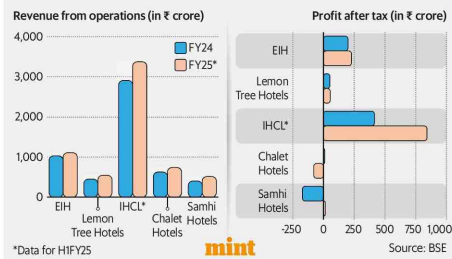
Top names such as East India Hotels (EIH), which operates Oberoi hotels and resorts, Indian Hotels Co. Ltd, which operates Taj hotels and resorts, Lemon Tree Hotels, Chalet Hotels, and Samhi Hotels increased their revenues by 8% to 26% in the first half of FY25. Even though occupancies declined marginally, hopes are high for the quarters ahead.

Upcoming highways and airports indicate greater travel and room demand in future, Lemon Tree Hotels chairperson and managing director Patanjali G. Keswani said.

“There will be a gradual

Revenue rises

Top firms in the hotel industry increased their revenue by 8–6% in the first half of FY25.



growth in people’s aspirations to move towards more branded hotel rooms. This will lead to a long-term structural shift in demand for hotels, which will be cyclical. In the coming years, many hotels will get repriced (or increase their average room rate per night). By and large, business hotels, especially those in big cities, will do better than leisure hotels,” he said.

Hotel occupancies in October fell countrywide both annually and sequentially, a recent report from hospitality consultancy HVS showed. This seasonal dip is typical of the holiday period across the country. However, average room rates (ARRs) rose 6% year-on-year, reflecting pricing strength. Nationwide, ARR

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