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**MARRIOTT, HYATT, AMONG OPERATORS SETTING UP PROPERTIES**

# Big Hotel Brands See Room for Growth in Manufacturing Hubs

Move seen to be driven by growing needs of business travellers for quality accommodation

**Lijee Philip**

**Mumbai:** A number of mid- and upscale hotels are coming up in India's manufacturing hubs, driven by the growing needs of business travellers for quality accommodation. Hotel brands such as Marriott, Hyatt, Orchid, Regenta, Vivanta and Ginger are setting up properties in industrial belts such as Vithalapur, Talegaon, Chakan, Bhiwandi, Pithampur, Kalinganagar, Sanand and Hosur. While visiting executives used to stay in hotels in cities close to these industrial areas in the past, increasing manufacturing activities and traffic woes are making them seek accommodation close to their factories.

At Vithalapur, a five-star property, the Courtyard by Marriott and Hyatt Place, is expected to become operational within the next 12 months, underscoring the demand for premium hospitality options in this fast-evolving industrial hub over a two-hour drive from the Ahmedabad city. In the automotive town of Talegaon on the outskirts of Pune, the recently opened 100-room Fern Residency has gained traction among business travellers. Pithampur in Madhya Pradesh has seen mid-market offerings like Click Hotel and Sayaji, riding on robust corporate demand from the manufacturing sector. Chakan in Pune district and Bhiwandi near Mumbai are also attracting attention, with Ginger Hotel developing 200-room properties in both locations.

These developments reflect the

## Checking It out



**WHERE:** Manufacturing hubs like Vithalapur, Talegaon, Chakan, Bhiwandi, Pithampur, Kalinganagar, Sanand, Hosur

**WHO:** Marriott, Hyatt, Royal Orchid, Regenta, Vivanta and Ginger

**WHY:** Demand for branded hotel stays growing in sync with expanding manufacturing and industrial operations

broader trend of hospitality players expanding to locations with significant manufacturing activity.

"Manufacturing clusters represent opportunities for the hospitality sector as there is a critical need for quality accommodation to cater to business travellers," said Nandivardhan Jain, chief executive of Noesis, a hotel investment and advisory firm. "Investors and hotel brands are increasingly recognising the untapped potential of these markets, especially with multinational corporations and SMEs establishing operations in these hubs."

As India's manufacturing and industrial sectors continue to flourish, "we are seizing the opportunity to bring world-class hospitality to these thriving hubs," said Kadmbini Mittal, regional vice-president, commercial, India and Southwest Asia at Hyatt. The US-based hotel operator has a pipeline of eight new properties and over 1,200 keys slated to open by the end of 2025 in India.

Demand for branded hotel stay is growing in sync with India's expanding manufacturing and industrial base. These micro markets are typically located in proximity to industrial corridors along national highways and large transport nodes like ports.

"Development of hotels to cater to this demand is primarily in the midscale and upscale segments like Ginger hotels at Sanand, Kalinganagar and Jamshedpur, with upcoming hotels in Chakan and Bhiwandi as well as a multi-brand Vivanta and Ginger at Hosur," said Suma Venkatesh, executive vice-president, real estate and development, at Tata Group-owned Indian Hotels Company.

Construction of hotels is facilitated through demarcation of land parcels, capital subsidy, tax benefits and utility cost structure, as hotels form a part of the infrastructure for these zones, said Venkatesh.

Ongoing feasibility studies and projects in markets like Ranjangaon, Manesar and Pithampur are likely to result in further hospitality investments, as companies recognise the value of having quality hotels near manufacturing facilities. Hotel companies following the asset light routes are looking for strategic tie-ups in industrial hubs.

"With companies wanting quality hotels near production facilities we are also looking at management and lease agreements in these locations," said Chander Baljee, chairman and managing director of Royal Orchid and Regenta, which has upcoming hotels in automotive, steel and heavy engineering hubs in Jamshedpur and Maharashtra.

Lemon Tree is considering an asset-light strategy for properties in manufacturing hubs. "As we ramp up our business, we see demand which is sustainable in these markets," said CMD Patu Keswani.