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SEVERAL LEASES, MGMT DEALS SIGNED IN SPACE

Airport Hotels Give Wings to Hospitality Sector's Business

Flying High
IHCL is acquiring a 192-room brownfield hotel at Kolkata Airport to reposition it under Ginger brand

Royal Orchid Hotels secured long-term operating rights for a 292-room hotel, branded as Iconiqa at Mumbai airport

Chalet Hotel is constructing a 380+room Taj Hotel at Delhi airport's T3



FAMILY OFFICES' ACQUISITIONS OF 120-ROOM & 110-ROOM PROPERTIES AT AMRITSAR AND VIZAG AIRPORTS, RESPECTIVELY

Turning fast into commercial anchor blending business, leisure & connectivity

Lijee Philip

Mumbai: India's airport hotels are no longer just pit stops for weary travellers in transit. They are fast emerging as strategic hotspots for hospitality companies, investors and developers, evolving into commercial anchors that blend business, leisure and connectivity in one high-demand package.

In recent months, multiple leases and management contracts have been signed near major airports including Mumbai, Navi Mumbai, Hyderabad, Bengaluru, Surat, Pune, Aurangabad, Jaipur, Goa and Hubli.

These range from economy to luxury projects including Indian Hotels (IHCL) acquiring a 192-room brownfield hotel at Kolkata Airport to re-position

it as Ginger, Royal Orchid's 292-room upscale property at Mumbai International Airport and Chalet Hotels constructing a 380-plus room Taj Hotel at Delhi airport's Terminal 3.

Once considered peripheral, airport hotels are now at the centre of hospitality's next wave of growth, say industry experts.

"Traditionally, airport hotels were satellite properties serving overnight layovers. Today, they're becoming core growth engines," said Nandivardhan Jain, CEO of Noesis, a hospitality consulting and investment advisory firm.

The surge in air travel is a key catalyst. In 2024-25, India handled 412 million air passengers, making it the third-largest aviation market globally, behind the US and China.

Government programmes are further expanding connectivity, linking tier-2 and -3 cities to metro gateways, increasing the demand for accommodation near airports.

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Beyond transit, airport hotels are finding purpose in MICE, corporate events and even as extensions of urban commercial hubs. Locations like Delhi Aerocity, Mumbai Airport Zone and micro-markets around Hyderabad and Bengaluru airports are emerging as new commercial districts.

“These assets are no longer just rooms. They are corporate venues, co-working zones, event spaces, full-fledged commercial precincts,” said Arjun Baljee, president of Royal Orchid Hotels. “There is a case for these commercial hubs rivaling older city centres.”

Globally, airports like Changi (Singapore), Incheon (Seoul) and Dubai International have pioneered airport-integrated hospitality ecosystems. India is now catching up.

Sanjay Sethi, MD of Chalet Hotels, notes that while airport hotels globally are primarily for transit, India’s urban sprawl has brought airports closer to the business action. “In India, airports are in the middle of the city,” he explains. Chalet is actively scouting more airport locations, while its Taj at Delhi airport’s T3 nears completion.

But Sethi emphasises that airport hotels must go beyond single-use models: “They should not be built for just one demand driver. They need multiple uses — business, events, meetings, and more.”

The investment thesis is strong. Airport hotels tap into dual demand — transit and commercial — which gives them higher occupancy stability compared to traditional city-centre assets. Institutional capital, family offices and developers are increasingly underwriting them as “defensive yet scalable” plays.

“Upfront land deposits for airport real estate are high,” said Patu Keswani, chairman of Lemon Tree Hotels. “To offset that, brands go big, more rooms, event spaces, and even rentable office space. These hotels are built to deliver not just RevPAR (revenue per available room) but also annuity income,” Keswani said. Lemon Tree has a 669-room Aurika Hotel near Mumbai International Airport.

Developers are also partnering with airport authorities who are open to sharing lease-rent upside. As airports privatise and surrounding land is developed into mixed-use zones, the hotel becomes just one of many monetisable assets, said Jain of Noesis.