

Investors See Room for Boom, Quietly Check into Hospitality

Operational or ready-to-operate properties in focus

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Mumbai: India's hospitality industry is witnessing an inflow of investment that comes with a long-term view, but without much hype.

A mix of institutional investors, hotel companies, family offices and wealthy individuals quietly invested in recent months or is in the process of investing about \$2 billion (more than ₹18,300 crore) in hotel properties across the country, according to industry executives and bankers.

The focus of investment is firmly on assets that are operational or where the property is ready to start operations, as investors prioritise early cash flows and lower execution risk

in an environment marked by high construction costs, elevated interest rates and long development timelines. Development of new, or greenfield, projects, while not off the table, is being pursued selectively and only where valuation gaps clearly compensate for risk.

"With demand expected to strengthen over the next two-to-three years, deal negotiations for quality assets are increasingly tilting in favour of sellers," said a senior investment banker. More than half of the capital raised has already been deployed through transactions closed over the past six-to-eight months.

Recent acquisitions span a wide range of geographies and formats, from airport corridors and industrial towns to pilgrimage centres, leisure destinations and metro cities. Asset sizes have varied from hotels with fewer than 100 to more than 200 rooms.

Aggressive Expansion ▶▶ 7

Hot on Hotels

WHY BROWNFIELD ASSETS ARE LEADING UPCYCLE

Immediate or near-term cash flows | **Faster exposure** to demand upcycle

Clear levers for value creation through

brand upgrades, refurbishment & repositioning



WHO IS DEPLOYING CAPITAL

Large national hotel operating cos expanding portfolios ahead of demand

Institutional investors seeking yield-backed, inflation-resilient assets



FAMILY OFFICES WITH LONG-TERM, PATIENT CAPITAL

Wealthy individuals shifting from trophy ownership to portfolio strategies

