

News monitored for: Lemon Tree Hotels

Lemon Tree, Hamstede to unveil co-living prototype by March

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Mumbai: Lemon Tree Hotels will soon be introducing its co-living prototype in the country as early as March 2019. Hamstede Living, its joint venture with global private equity major Warburg Pincus, will also launch a co-living brand that will tap into the sharing/renting trend that's fast catching up with the millennial population in India.

Speaking to **DNA Money**, **Patanjali Keswani**, managing director, Lemon Tree Hotels, said co-living is gaining popularity globally and millennials are adopting it aggressively for the benefits offered. "It's a huge opportunity in India and growing very fast. There are a few million students and millions of young urban professionals/entrepreneurs who need accommodation.

"We are moving into that space leveraging on the core-competency, that is devel-

NEW VENTURE

- A co-living space is mid-way between a hostel and a hotel, for those looking for a long-stay option closer to work
- Lemon Tree will explore developing, leasing, acquiring asset for the venture

opment that's embedded in Lemon Tree. It's an adjacent business as these students and young professionals/entrepreneurs who travel a lot are our future customers. We want to provide them with a high-quality value-for-money proposition that's exciting and a great place to hang out and, convert them into our customers," said Keswani.

A co-living space is basically a facility that's mid-way between a hostel and a hotel, s a i d

Keswani, adding that it's very appropriate for student community and urban professionals/entrepreneurs looking for a long-stay option closer to work or business set up.

"It's a smaller space, but the facilities are high on technology, meet the users' social needs, fully maintained by the service provider so no headache of calling up a plumber, electrician, carpenter, etc. All the user needs to do is walk in with her/his bag of clothes," said Keswani.

A standalone business investment, the new foray through Hamstede Living is also being viewed as a strategy employed by the company to expand the customer base.

While there are city-focused players already in the market offering co-living spaces in a fragmented manner, Lemon Tree sees itself making a large play across the country. The company plans to roll out the first few co-living facilities in the coming months. **Turn to p2**



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On cities being looked at for the co-living foray, Keswani said it will be all over India for student housing and for co-living it will be the top 10 cities.

“Hopefully we would have quite a few co-living spaces operational by the end of the current financial year. We have a very refined/ robust business model in place. We will set this up very fast by leasing a few buildings at the earliest and try the whole model. We will tweak the issues that will come up in the initial phase and very rapidly ramp up. A brand name has been finalised already for the co-living offering and it will feature a tag that reads “name” co-living or student housing by

Lemon Tree Hotels. So we will develop, operate and manage it,” said Keswani, adding that plans are to build the new company over the next 5-7 years and take it public.

Lemon Tree will explore a combination of developing own assets, leasing, acquiring assets to make sure the model is right before ramping it up very rapidly. On the possibilities of acquiring existing players, Keswani said, the company is open to inorganic opportunity provided it makes sense. “But it has to make sense from our brand perspective and will not buy into something that doesn’t conform with our quality terms or doesn’t match with what we want,” he said.