

Quick fixers and demand drivers

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Rahul Pandit, president and COO, Lemon Tree Hotels

From Rahul Pandit's point of view, the most important aspect of a developer's role is the correct estimation of demand and supply and then building the product to the brand specs. He has found that training one's focus in this manner helps in delivering the targeted returns in the long run.

The decision for brand specs in turn, is a matrix based on customer expectations, brand identity and target costs, says Pandit who says that identifying a target market and analyzing its needs must also begin at the development stage. "The slowdown over the past two years showed that we need to be severe in assessing the key demand drivers," he says. Lemon Tree's new hotel all focus on energy efficiency and eco-consciousness in general. "This has to be done whether it be the incorporation of LEED standards or piping CAT 6 to rooms," he says. Technology is also key to facilities offered in Lemon Tree Hotels.

Lemon Tree has also recently launched its Lemon Tree Premier brand to further segment its product offering.

"Roadblocks in India are the high cost of real estate, high interest rates and an obdurate regulatory environment. We've had to focus on efficient sourcing of land and use development models like mixed-use and shared services to achieve the targeted returns. We are conservative on leverage and prefer to operate sub 1:1," he says.

Pandit says that Goa will remain a sure-shot in terms of leisure destinations but would like to look at Srinagar "if the political situation continues to be stable." For him and Lemon Tree NCR, Mumbai, Bangalore and Chennai continue to show the appetite to absorb supply.

The man who believes that delays are caused by "regulatory issues combines with the inconsistent discipline of the labor and vendor eco-system" says that they work with a preferred set of vendors. "We have a set of preferred partners, who have demonstrated the ability to deliver quality over the last 17 hotels," he says.

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