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RISING DEMAND.

1 **Upbeat on luxury** segment, hoteliers explore less-charted places such as the Andamans, Lakshadweep and N-E **p12**

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With luxury now in vogue, hotel chains line up a slew of launches

Anees Phadnis
Mumbai

From frequent travellers to holidaymakers and for even family vacations, a check-in into a high-end hotel is the new flavour of the season. Driven by the rising demand from high-income households, hotel chains are up-beat on the luxury segment.

While Lemon Tree Hotels is expanding its portfolio, international chains including Hilton and Radisson are introducing their luxury brands in the country.

"We will launch luxury hotels in Kasauli and Rishikesh. We are also signing development agreements for two more properties in South India. These four properties will collectively have around 400-500 rooms and open over next three to five years," said Patanjali Keswani, chairman of Lemon Tree Hotels.

Lemon Tree Hotels, which is now focusing on an asset light model, opened the 669 key luxury hotel Aurika Mumbai Skycity on October 5. This is the largest hotel in the country by number of rooms and is the third Aurika property after Coorg and Udaipur.

MAXIMUM OCCUPANCY

At present, only half of 669 rooms are open but the hotel will be fully operational by Diwali, Keswani promised. "The response has been fantastic," he added. Keswani's confidence in midscale and luxury segments is driven by growing consumption among India's affluent sections.

Recent passenger and property sales data points to the trend. Sales of high-end homes priced above Rs 1 crore overtook the demand in affordable category for the first time in July-September period, a Knight Frank report said. Similarly sales of sports utility vehicles (SUVs) has doubled in five



TRENDING. After a boom in high-end car sales, hotels too are witnessing a huge demand from luxury seekers in India

FOR REPRESENTATIONAL PURPOSE

years and these accounted for half of all passenger vehicle sales in September.

"The luxury hotel segment, which currently accounts for 10-11 per cent of India's total quality hotel supply, has regained developer interest in recent years due to its immense potential coupled with limited supply," said Mandeep S. Lamba, South Asia president of consultancy HVS Anarock.

BIG BRAND FOOTPRINT

While Radisson is debuting its Collection luxury hotel in the country, Hilton is bringing its iconic Waldorf Astoria brand to Jaipur.

"Waldorf Astoria's foray into India market signals Hilton's commitment to expanding our luxury portfolio to the world's most sought-after destinations. We are confident that with the right set of partnerships which we have, we will be able to expand our footprint and distribution in India in the next few years," said Manish Tolani, Hilton's vice president & commercial director in India. Waldorf Astoria in Jaipur is set to open in 2027.

"In April, we signed an agreement for 300 room Collection Hotel in Hyderabad. The hotel will open in 2026. We will soon be announcing our second Collection hotel in

Hoteliers are now foraying into less-charted places such as Andamans, Lakshadweep, and northeastern India, for luxury hotel development

the country. We are looking at entering with our luxury brand Radisson Collection in various gateway markets in India. We are also considering various markets such as Delhi NCR, Mumbai, Bengaluru, Goa among others for the Collection brand," said Zubin Saxena, managing director and South Asia senior vice president, Radisson Hotel Group.

LOOK-INDIA FOCUS

Along with luxury, Radisson is also looking to widen its India footprint. "Fifty per cent of our portfolio is in tier II-IV markets. At present we operate in 70 markets and we envision it will grow to 130-140 markets in next five to ten years. 85 per cent of demand in our hotels is domestically driven. This was not the case twenty years ago when majority of demand came from foreign tourists," Saxena added.

"The Indian luxury segment has significant untapped potential as most of the development so far has been focused on popular destinations such as Goa and Rajasthan. Hoteliers are now exploring less-charted territories, including the Andamans, Lakshadweep, and northeastern India, for luxury hotel development, aiming to replicate the success of destinations like the Maldives and Bali. As a result, luxury properties contributed 14 per cent of the overall brand signings by keys in 2022, compared to 9 per cent in 2018," Lamba added.