




Ayodhya temple inauguration boosts key signings: JLL

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Ram temple inauguration in Ayodhya boosts hotel development in Uttar Pradesh, driving growth in hospitality sector, reports JLL

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Inauguration of the Ram temple in Ayodhya has played a pivotal role in transforming Uttar Pradesh into a hotspot for hotel development, said a report released by hospitality consultancy firm JLL.

Leading hotel chains, including Indian Hotels Company Limited (IHCL), Marriott International, Sarovar Hotels & Resorts, and Wyndham Hotels & Resorts, have capitalized on the emerging opportunities by signing hotel deals in the temple town.

Jaideep Dang, Managing Director of Hotels and Hospitality Group, India, at JLL, commented on the industry’s outlook, stating, “As 2023 ends on a high note, the hotel industry is at the precipice of a fundamental shift in its growth trajectory.” He highlighted key trends such as pilgrimage tourism, airport and complementary developments, and infrastructural upgrades, which have attracted increased interest from developers and investors.

In the fourth quarter of 2023, a total of 82 hotels, comprising 8,741 keys, were signed, with 15 of them being conversions of existing properties, constituting 14 per cent of the total inventory for the quarter.

The Indian hospitality sector continued its year-on-year growth in Q4 2023, primarily driven by a substantial increase in the Average Daily Rate (ADR) at 14.6 per cent compared to Q4 2022, resulting in a 15.8 per cent growth in Revenue Per Available Room (RevPAR). Factors contributing to consistent ADR growth included weddings, corporate and social MICE events, leisure travel, and year-end festivities.

According to JLL’s Hotel Momentum India (HMI) Q4 2023 report, the sector experienced a remarkable 31 per cent growth in RevPAR in Q4 2023, compared to the previous quarter.

Despite stable occupancy levels, six major markets demonstrated strong ADR performance, with Hyderabad leading at 24.7 per cent, followed by Delhi and Mumbai at 20.3 per cent and 16 per cent, respectively.

The positive momentum from the last quarter is expected to carry into 2024, fueled by the wedding industry, corporate and social MICE demand, and the growing significance of niche tourism, particularly religious tourism. Anticipated rebound in business travel by the end of the first quarter of 2024, coupled with strong domestic demand and targeted government initiatives, is expected to keep the industry robust and thriving.

In terms of RevPAR growth in Q4 2023, Bengaluru emerged as the leader with a substantial 31.9 per cent growth compared to Q4 2022, followed closely by Delhi and Hyderabad with year-on-year growth rates of 26.3 per cent and 23.5 per cent, respectively.