

Hotel room rates to revive after a decade as occupancy rises

As occupancy levels across hotels in the country stabilize between 65% and 68%, the Indian hospitality industry is hoping for a revival in room rates that have largely remained subdued since past many years. The sector, according to industry experts, has witnessed tough times between 2009 and 2015, and things have finally started to look up now. According to H1 2017 preview report by hospitality consulting firm Howarth HTL India, the revenue per available room (RevPAR) growth across 15 markets ranged from 1.3% (in the case of Delhi NCR) to 36.6% (in the case of Ahmedabad). RevPAR is a performance metric calculated by multiplying a hotel's average daily room rate (ADR) by its occupancy levels. While six out of the top 15 markets suffered year-on-year ADR decline, only six markets achieved double-digit RevPAR growth, mainly based on occupancy and partially supported by rate growth in some business cities, the consulting firm noted in its report.

And with the industry nearing the end of the traditional tourist season starting October 2017 and ending in April 2018, the hospitality, travel and tourism trade is hoping to continue the growth momentum, witnessed during the first five months of the season, in March as well.