

Hotel industry sees growth as daily room rates, occupancies over 2019 level

As tourism has started in full swing in the nation, Indian hotels are on a growth path as Mumbai continue to be the market leader, a new report said. Mumbai hotels recorded an occupancy rate of 80 per cent in May 2022, which was followed by Pune and Bengaluru, consulting firm HVS Anarock said in its 'Hotels & Hospitality Overview' report.

In May, the average daily rate of hotels ranged at Rs 5,750-5,950, which was 6-8 per cent higher than the corresponding month in 2019, the report said. It added that the average occupancy was 63-65 per cent, which is 1-3 percentage points over 2019.

The report stated that revenue per available room ranged between Rs 3,622-3,867, which is 10-12 per cent higher than in May 2019. The revenue metric is used to measure a hotel's performance.

While hotel industry has seen an upsurge in recent months even as the rise in travel costs has yet not impacted the demand, HVS Anarock said that the sector's growth may be hampered due to ongoing economic and global headwinds. In May, domestic air traffic increased by over 11 per cent against April, almost touching the May 2019 level.

Hotels in Goa and Kolkata witnessed an increase of 8-12 per cent in May 2022 over against the 2019 levels, the report said, adding that Mumbai, New Delhi, Kochi and Bengaluru grew at 4-8 per cent.

Hotel industry can breach 70 per cent occupancy mark by 2024, which would be the highest in the last 20 years as it see's signs of business travel recovery and almost full robust business travel again by the last quarter of this calendar year.