

Sarovar Hotels Accelerates Expansion with Focus on Highway and Resort Properties

Sarovar Hotels, a part of the French Louvre Hotels Group, is repositioning its strategy to focus on the growing potential of highway hotels and resort-style properties near major cities. This shift aligns with India's rapidly expanding road infrastructure, which is fueling demand for accessible and convenient accommodation options catering to both business and leisure travelers.

Ajay K Bakaya, Chairman of Sarovar Hotels, emphasized the opportunities arising from the country's transformative road connectivity projects. "Highway hotels and resort properties within a three-to-four-hour drive from major cities are emerging as high-growth segments, thanks to the unprecedented development of India's road network," he remarked.

With nearly 10,000 kilometers of national highways being constructed annually, Bakaya noted that improved connectivity is unlocking new markets for the hospitality industry. "These developments are not just linking destinations but also driving demand for highway hotels and resorts close to urban hubs," he added.

Sarovar currently manages 135 hotels across 85 locations, offering 9,000 keys, with the majority operating under management contracts. While only a small share of its portfolio comprises highway and resort properties, the group plans to expand to 150 hotels and 12,000 keys by 2025. This growth is supported by 80 projects in the pipeline, including 15–20 new hotels annually, though only a portion will focus on the highway and resort segments.

At present, 70% of Sarovar's revenue is driven by corporate travelers, but Bakaya expects this share to decrease to around 65% as highway hotels and resorts gain traction. The company has been achieving a compound annual growth rate (CAGR) of 15%, with 9% stemming from existing properties and 6% from new additions.

Despite intensifying competition in urban markets, Sarovar remains optimistic. "Demand continues to outpace supply, and we anticipate sustained robust growth in the years ahead," Bakaya stated.

He also stressed the importance of granting the hospitality sector **infrastructure status** in the upcoming budget, which would enable hotels to access long-term credit lines of up to 15 years, compared to the current 10-year terms. Such a move could drive significant investments in emerging segments like highway hotels and resorts.

To complement its expansion strategy, Bakaya advocated for efforts to boost international tourism to India. He believes that attracting global travelers will support Sarovar's growth across both urban and leisure markets, further strengthening its market presence.