

Indian hospitality industry on an upward curve

The Indian hospitality sector maintained its growth trajectory in Q3 2024 (July–September), with a notable year-on-year (YoY) RevPAR (Revenue Per Available Room) increase of **10.8%**, driven primarily by rising Average Daily Rates (ADR). On a quarterly basis, RevPAR also grew by **2%** compared to Q2 2024, reflecting the seasonality of corporate travel, which typically picks up during the third quarter, according to JLL’s Hotel Momentum India (HMI) Q3 2024 report.

Market Performance Highlights

Most major markets—**Bengaluru, Chennai, Hyderabad, Mumbai, and Delhi**—recorded growth in ADR and RevPAR, with **Hyderabad leading the charge**. The city posted an impressive **23.6% YoY RevPAR growth**, followed by Chennai at **17.7%** and Mumbai at **16.8%**. Occupancy rates across markets remained steady compared to Q3 2023, but improved ADR levels drove overall revenue growth.

A slight decline in ADR was noted in **Delhi and Goa**, but it did not significantly impact the sector’s overall positive momentum.

Strong Outlook for Q4 2024

The upcoming quarter is expected to benefit from sustained corporate travel, festive celebrations, and a resurgence in MICE (Meetings, Incentives, Conferences, and Exhibitions) activities. The continued demand for corporate and social events, coupled with the festival season, promises a robust performance for the sector.

Hotel Openings and Development Trends

In Q3 2024, the industry saw **96 branded hotel signings**, adding **10,686 rooms** to the pipeline. Of these, **12 properties** were conversions, accounting for **11% of the inventory signed**. The quarter also witnessed **30 branded hotel openings** with a total of **1,988 keys**, of which **80%** were in Tier II and Tier III

cities, including **Tirupati, Udaipur, Ranchi, and Mussoorie**, highlighting the growing focus on emerging markets.

Investor Confidence and Sector Resilience

Commenting on the sector's performance, Jaideep Dang, Managing Director, Hotels and Hospitality Group, India, JLL, noted:

“The strong performance of hotels across India continues to attract investors, with significant interest in both greenfield developments and operating assets across business and leisure markets. Despite a dip in corporate room night demand during the summer months, ADR growth has driven YoY RevPAR improvements in Q3 2024. Looking ahead, the festival season, rising domestic corporate travel, and an increase in MICE events, weddings, and social gatherings are expected to bolster performance in the coming quarter.”

As the industry gears up for a busy Q4, the sustained demand for both business and leisure travel signals a promising outlook for the sector, with strong momentum continuing across key and emerging markets alike.