

Pandemic Impact Severe on Mumbai's Hotel Industry

The second wave of the pandemic caused by the variant of the COVID-19 virus, which was first identified in the United Kingdom has been the most severe in India. As a result, travel and tourism have been halted across the country, and the impact on the hotel industry is immense, especially in major cities such as Mumbai. There are approximately 300 hotels in various classes across Mumbai. The majority of the hotels (22.3%) are luxury, followed by upper-midscale at 20.25%, according to the data from STR, CoStar's hospitality analytics firm. Renaissance Mumbai Convention Centre Hotel is the largest hotel in Mumbai with 600 rooms, followed by JW Marriott Mumbai Sahar with 585 rooms.

Prior to the pandemic, hotels in Mumbai posted an average of 77% occupancy in 2019, which was the highest full-year level on record back to 2013. There was a steady 1% to 2% increase in full-year occupancy each of the past five years. However, Mumbai hotels lost business share in 2020 and 2021. As a result of the pandemic, Mumbai hotel occupancy reached a low of 14.5% in April 2020. Occupancy has ticked up since then, and reached its highest level of the pandemic so far in February 2021, at 56.8%. It dipped again since February, to 37.2% in April.

Revenue per available room, a key performance index, also reached the lowest level on record for full-year 2020, at 2,617.91 Indian rupees (\$35.69), according to STR data.

Due to the disruption caused by the pandemic, it will take some time for the country to get back to normalcy, but there is a glimpse of hope as vaccinations become more accessible.