

VALUATION STUDY REPORT FOR

Marriott Executive Apartments, Hi-Tec City

Viceroy Hotels

Subject: Opinion on Price for Marriott Executive Apartments
Client Name: Viceroy Hotels

Purpose

The report was conducted in accordance with USALI standards for our client viz Jai Mahal Hotels Pvt. Ltd., to assess the Market Value of its movable and immovable assets located in the jurisdiction of the Republic of India and may be used for the purposes of Viceroy Hotels.

The objective of the Study is to evaluate the Opinion on Price for Marriott Executive Apartments, Hi-tec City.

All financial data are expressed in Indian Rupees (₹).

All projections are expressed in inflated Indian Rupees (₹).

Use

This Opinion on Price Study has been prepared for **Marriott Executive Apartments, Hi-Tec City**. The information presented in this report should not be disseminated to the public or third parties without the express written consent of HVS.

Underlying Assumptions

Information on the Hotel Financial performance including information on major revenue and expense heads have been originally provided by the Client.

Statutory Assumptions

We assume that the Subject Resort has been constructed in accordance with local planning restrictions, building codes and other applicable regulations. We assume that the Subject Asset possesses a suitable alcohol license for service of liquor.

We further assume that the Subject Property has a valid fire certificate, complies with environmental health legislation and holds all other necessary licenses for the purposes of its operation.

Declaration

We hereby certify that we have no undisclosed interest in the property, and our employment and compensation are not contingent upon our findings. This study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.

India - Economy & Tourism

The macroeconomic climate in which a hotel operates is an important consideration in forecasting hotel demand and income potential. Economic and demographic trends that reflect the amount of visitation provide a basis from which the demand for hotel accommodation can be projected. These trends are then correlated based on their propensity to reflect variations in hotel demand with the objective of forecasting the amount of growth or decline in transient visitation by individual market segment. Additionally, the macroeconomic climate helps determine hotel investment opportunities as related to a healthy economy.

Following the pandemic, the Indian economy began to rebound in FY22 and by the end of the next fiscal year, India had become the world's 5th largest economy. The IMF is of the view that the country will become the fourth largest in 2025, after US, China and Germany, growing at a rate of 6.5%.

According to the 'Indian Economy – A Review' report by the Department of Economic Affairs, India is expected to become the third-largest economy in the world, with a GDP of USD 5 trillion, in the next three years.

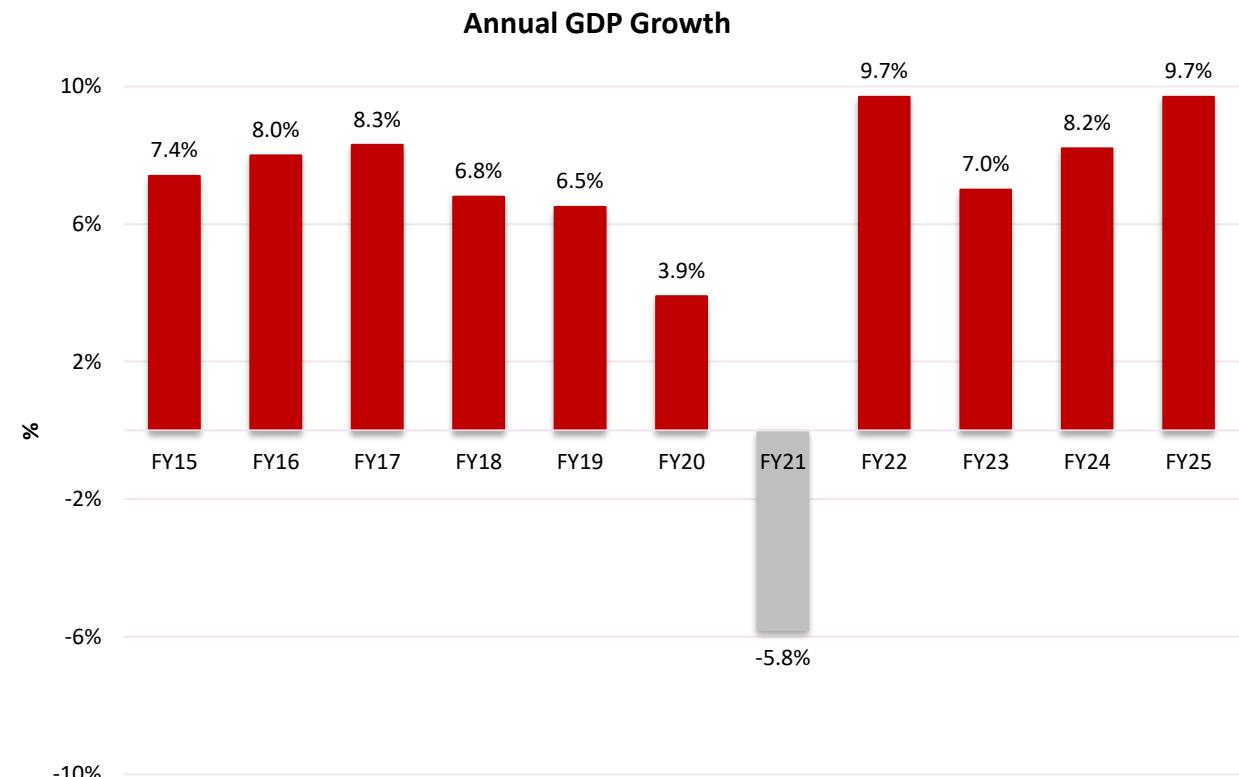
4th **GDP Ranking**
(Nominal) 2025 est.

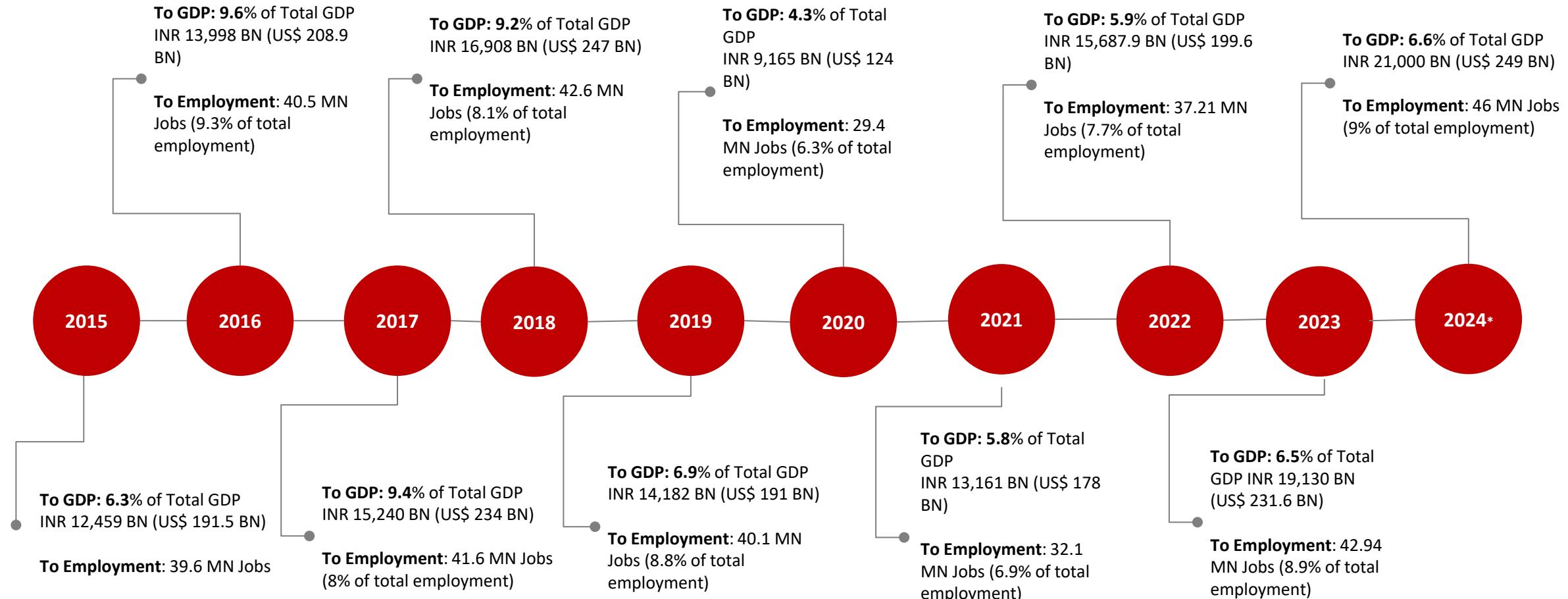
3rd **GDP Ranking**
(PPP) 2025 est.

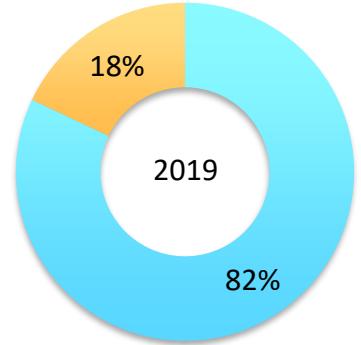
81 Bn **FDI Inflows**
(in US\$) FY2025

701 Bn **Foreign Exchange Reserves**
(in US\$) as of October 2024

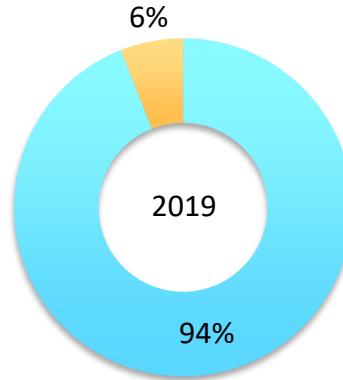
63rd **Ease of Doing Business Ranking**
(EoDB) in 2019



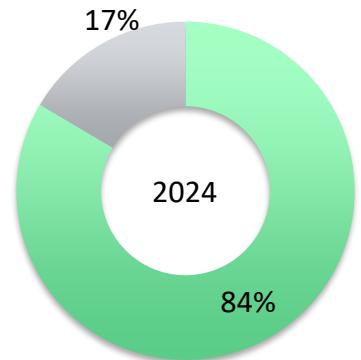




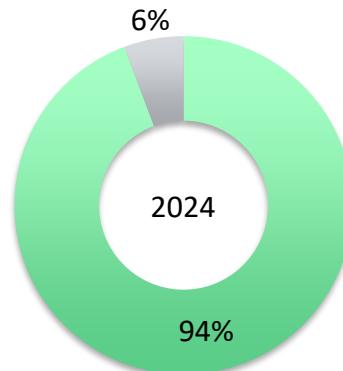
- International Spending US\$ 34.3 BN (18%)
- Domestic Spending US\$ 155.8 BN (82%)



- Business Spending US\$ 11.5 BN (6%)
- Leisure Spending US\$ 178.6 BN (94%)



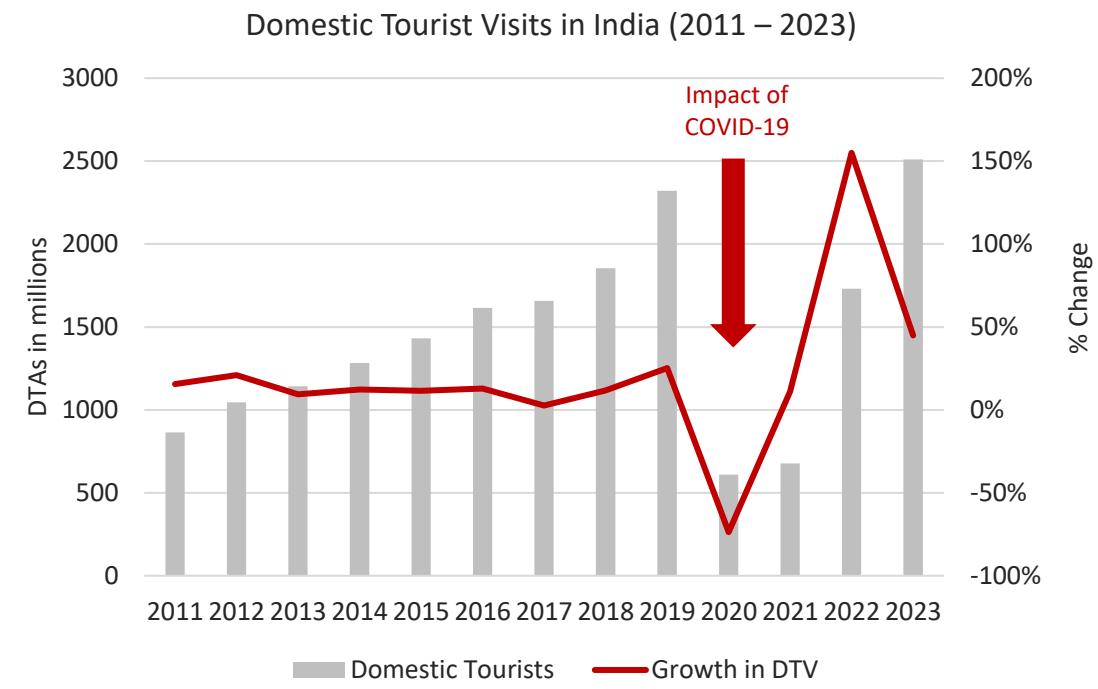
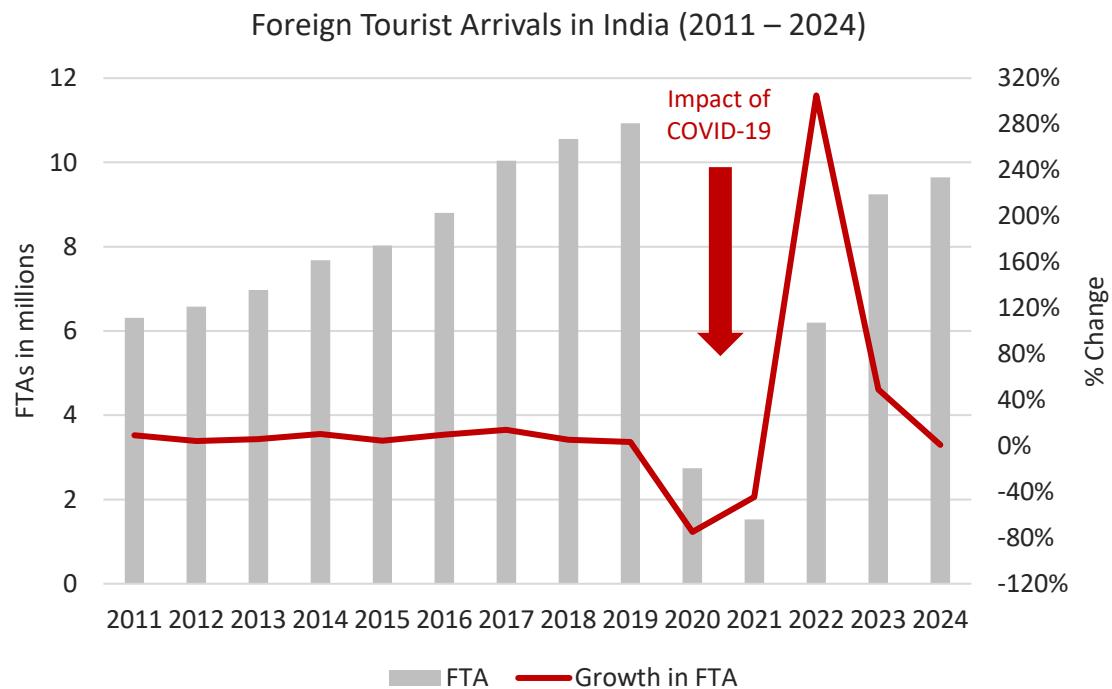
- International Spending US\$ 37 BN (17%)
- Domestic Spending US\$ 186 BN (84%)



- Business Spending US\$ 13 BN (6%)
- Leisure Spending US\$ 210 BN (94%)

The Indian tourism landscape, even before the pandemic, was dominated by domestic tourists due to their sheer volume. In the past few years, India has also become a preferred tourism destination globally, with 10.9 mn Foreign Tourists Arrivals (FTAs) in 2019.

The tourism sector was undoubtedly one of the biggest casualties of the COVID-19 outbreak. Flight operations were halted in March 2020 due to the pandemic-induced lockdown. Although domestic flights restarted in May 2020, international commercial remained suspended till March 2022, except for the travel bubble agreements with a few countries.



In 2024, the global travel and tourism industry made a near-complete comeback, with international tourist arrivals (ITA) reaching approximately 1.4 billion, just 1% below the pre-pandemic levels recorded in 2019. The industry grew by 11% over 2023, sustaining the momentum built in recent years and showcasing its resilience amid a challenging global backdrop that included widespread elections and heightened geopolitical tensions. This resurgence was fueled by strong travel demand, enhanced air connectivity, and the recovery of Asian markets. Notably, Europe surpassed its pre-pandemic levels by 1% and got back into the spotlight. The Middle East (32%) and Africa (7%) also exceeded their 2019 ITA numbers. On the other hand, the Americas and Asia-Pacific showed notable progress, with varying degrees of recovery.

Global International Tourist Arrivals

2024	2023	2022
1,445 mn	1,305 mn	975 mn
11% ▲ -1% ▼	34% ▲ -11% ▼	112% ▲ -33% ▼
over 2023	over 2022	over 2019
2021	2020	2019
460 mn	406 mn	1,465 mn
13% ▲ -69% ▼	-72% ▼	4% ▲ over 2018
over 2020	over 2019	

International Tourist Arrivals by Region 2024



Export Revenue from International Tourism (in US\$)

2024(E)	2023	2022
1,900 bn	1,810 bn	1,359 bn
5% ▲ 9% ▲ over 2023 over 2019	33% ▲ 4% ▲ over 2022 over 2019	80% ▲ -22% ▼ over 2021 over 2019
2021	2020	2019
753 bn	660 bn	1,743 bn
14% ▲ -57% ▼ over 2020 over 2019	-62% ▼ over 2019	2% ▲ over 2018

Domestic Tourism Leading the Recovery in India

HVS | ANAROCK

India continued its remarkable rise on the global stage in 2024, steadily progressing toward becoming the world's third-largest economy with a projected GDP growth rate of around 6.5%, driven by favorable demographics, robust domestic demand, and increased investments, while maintaining its position as the most populous nation with over 1.4 billion people.

The country also achieved a 39th rank among 119 nations on the World Economic Forum's Travel and Tourism Development Index (TTDI). Despite global challenges such as the ongoing wars, geopolitical conflicts, recessionary threats, and the general elections in the country, India's economic resilience remained intact, fueling a steady rise in travel demand.

Key Highlights 2024



Total Air Traffic
400.8 mn
8%▲ 15%▲
over 2023 over 2019



International Air Traffic
75.5 mn
13%▲ 8%▲
over 2023 over 2019



Domestic Air Traffic
325.3 mn
7%▲ 16%▲
over 2023 over 2019



Foreign Tourist Arrivals
9.65 mn
1%▲ -12%▼
over 2023 over 2019

Source: Airports Authority of India; 'India Tourism Compendium Report,' Ministry of Tourism; HVS ANAROCK Research



India Hotels Sector

H1 2025 India Hotel Market Performance Review

In 2025, demand patterns in the Indian hotel sector exhibited signs of growth following the significant stabilization experienced during 2022–2024. The leisure segment continued to demonstrate robust demand, while the Meetings, Incentives, Conferences, and Exhibitions (MICE) and corporate travel segments steadily progressed on their path to recovery. Consequently, the sector recorded a nationwide occupancy rate of 63%–65% during the six months ending June 2025 (YTD June 2025), reflecting a slight improvement compared to the same period in 2024.

India's average hotel rates experienced a notable increase of 9%–11% in YTD June 2025 compared to YTD June 2024. This consistent upward trend in average rates contributed to the nationwide Revenue Per Available Room (RevPAR) reaching INR 5,400–5,600, representing a growth of 12%–14% compared to YTD June 2024..



India KPIs YTD June 2025

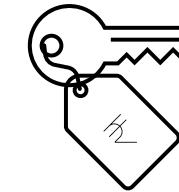


Occupancy

63-65%



1-3pp YTD June 2024

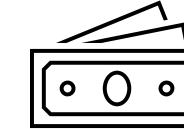


ARR

₹8,400-8,600



9-11% YTD June 2024



RevPAR

₹5,400-5,600



12-14% YTD June 2024

India Performance – The last 4 quarters

Q2 FY25

In Q3 2024, occupancy improved to 61–63%, 1–3 pp higher than Q3 2023 but still below pre-pandemic levels. ARR increased 31% from Q3 2019 to ₹7,100–₹7,300, and RevPAR rose 28% from Q3 2019 to ₹4,400–₹4,600, reflecting a 7% YoY increase. The rise in ARR shows strong demand and pricing power despite lower occupancy.

Q3 FY25

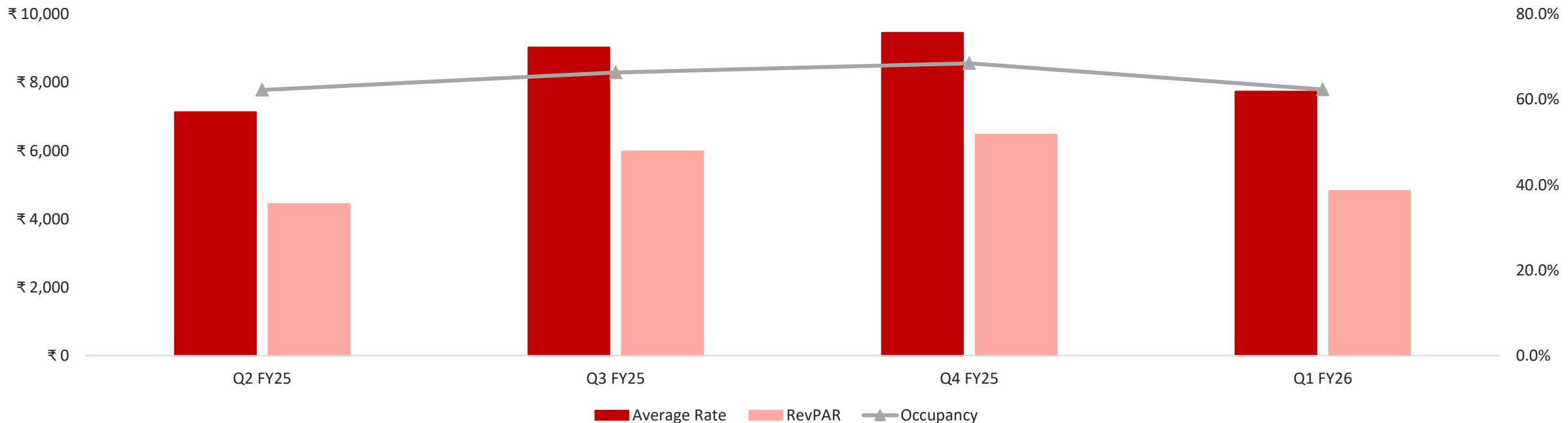
In Q3 FY25, occupancy rates improved to 65–67%, up 3–5 pp compared to Q3 FY24, but still slightly below pre-pandemic levels. ARR surged by 48% from Q3 FY20, reaching ₹8,900–₹9,100, reflecting continued strong demand and pricing power. RevPAR also saw a notable increase of 15% YoY, rising to ₹5,900–₹6,100, driven by higher average rates and stable demand despite moderate occupancy.

Q4 FY25

In Q4 FY25, occupancy rates improved to 68–70%, up 1–3 pp compared to Q3 FY25, and nearing pre-pandemic levels. ARR rose 5% QoQ to ₹9,400–₹9,600, reflecting robust pricing power supported by sustained demand. RevPAR also saw a strong 8.3% QoQ growth, reaching ₹6,392–₹6,720, driven by higher average rates and continued recovery in demand momentum.

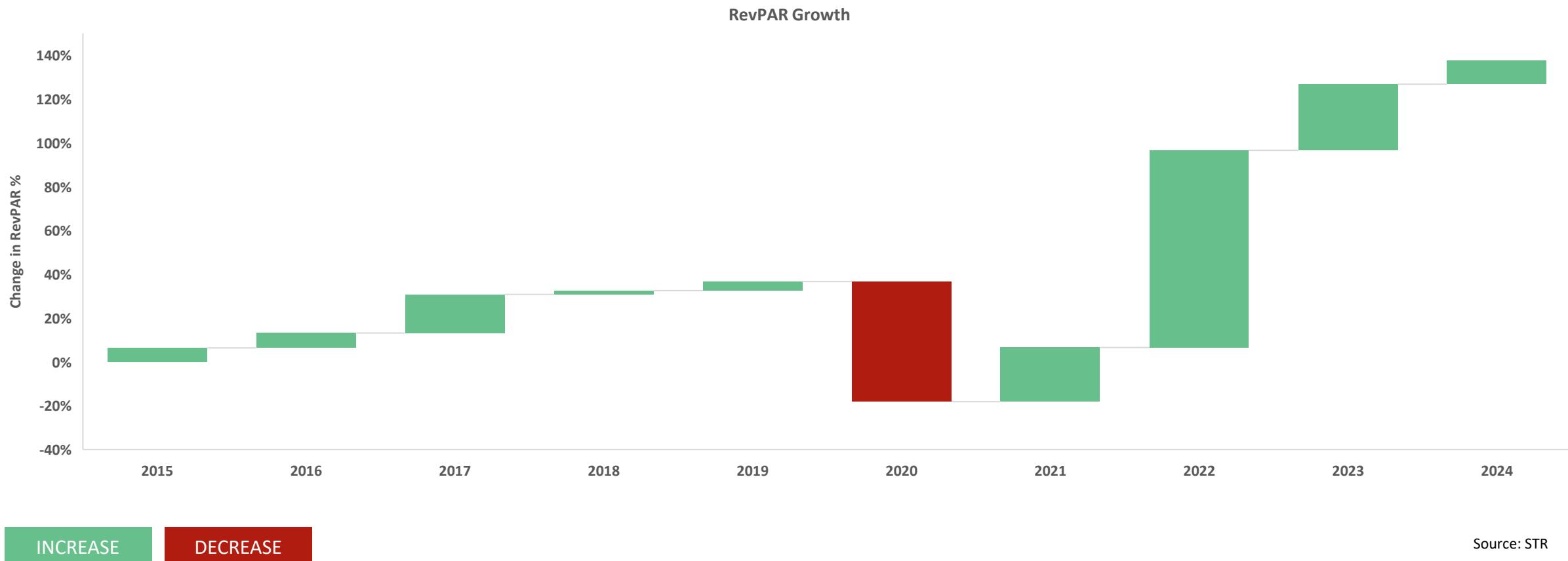
Q1 FY26

In Q1 FY26, occupancy dropped to 61–63%, marking a decline of 5–7 percentage points from Q4 FY25. Average room rates (ARR) softened by 18% quarter-on-quarter to ₹7,600–₹7,800, while RevPAR registered a sharper 25% QoQ contraction, settling at ₹4,636–₹4,914, primarily influenced by rate corrections and moderating demand.



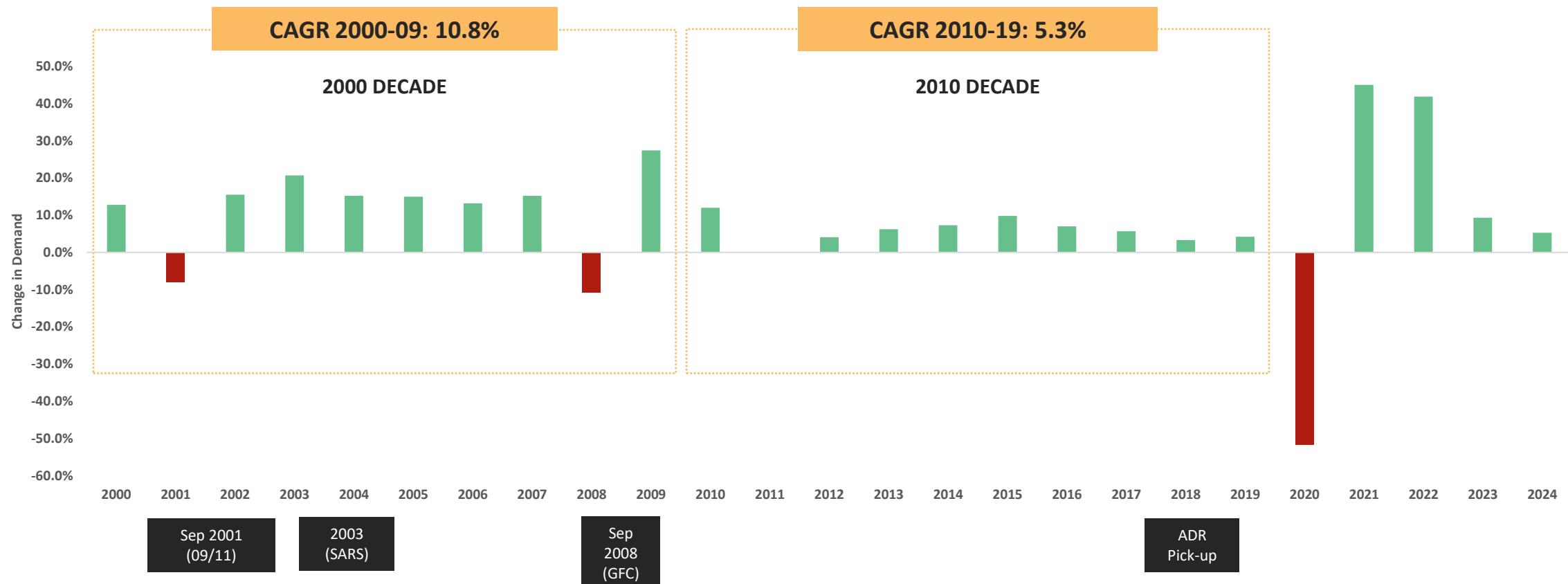
The hotel growth cycle has resurged post the pandemic, registering strong RevPAR growth

After a successful 2019, the year 2020 was expected to finally set the pace for a consistent upward performance trajectory for the sector, with the markets on track to reclaim the ground lost due to previous disruptive events and supply overhang. However, COVID-19, with the accompanying travel restrictions and nationwide lockdown, had an unprecedented impact on the sector. The sector since has recovered strongly with demand and ADRs outpacing the best months in 2019, setting the stage for record performance for the sector.



Prior cycles did not witness severe erosion in demand from disruptive events

Immediately post 2001 and 2008 crises, demand grew at strong rates following short term impacts. Demand in the 2010 decade grew at 5.3% CAGR as against 10.8% CAGR in the 2000 decade. Demand has been improving consistently post the second wave, due to fewer restrictions across states and higher vaccination rate in the country. Demand in 2024 increased by 5.3%.



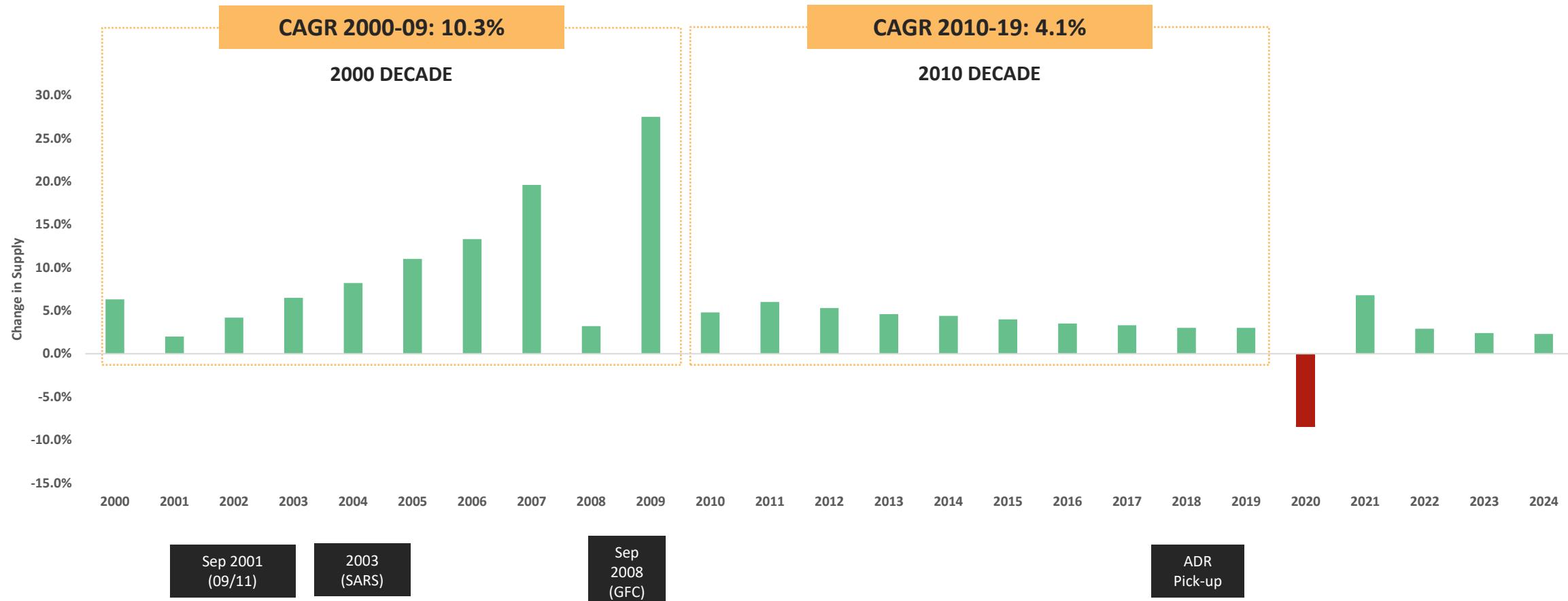
Source: HVS Research & STR

INCREASE

DECREASE

Prior cycles supply growth has varied with a significant slowdown in the current decade

Supply growth rate over the past decade and half have remained stable, allowing the hotel market to steadily absorb the new supply without impacting hotel performance significantly. The sector is also benefiting from base effect, exhibiting more mature trends than before.



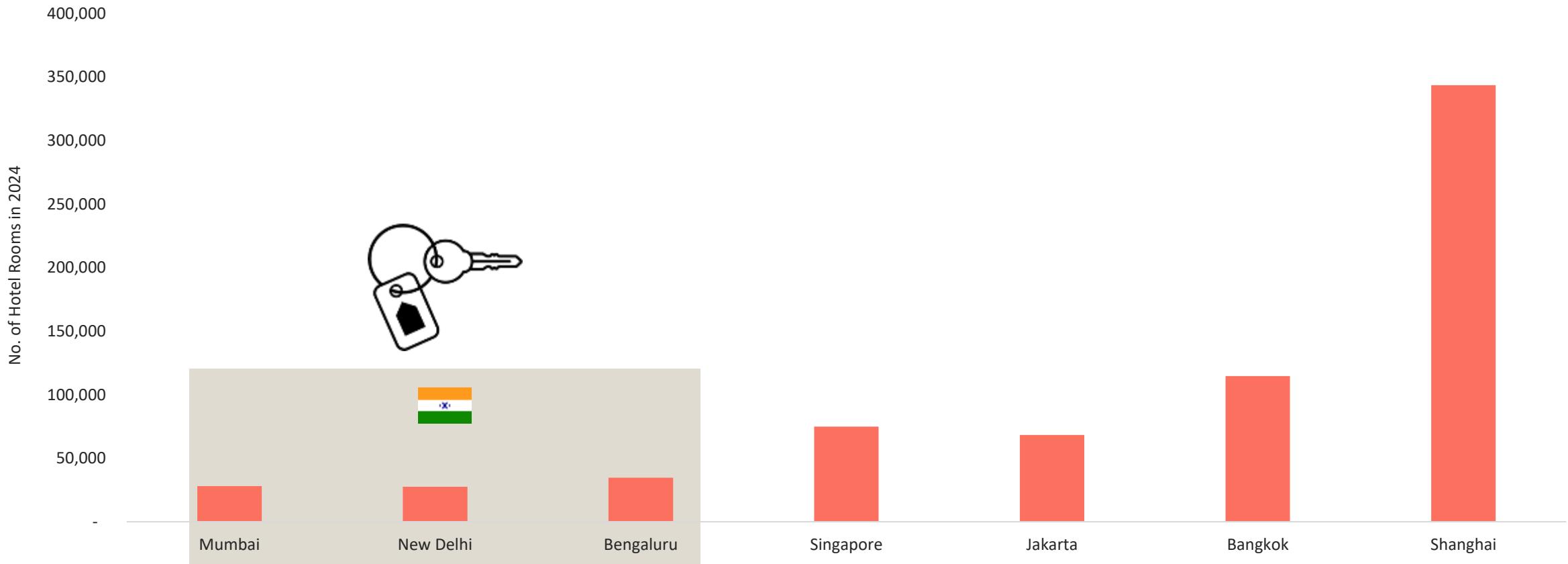
Source: HVS Research & STR

INCREASE

DECREASE

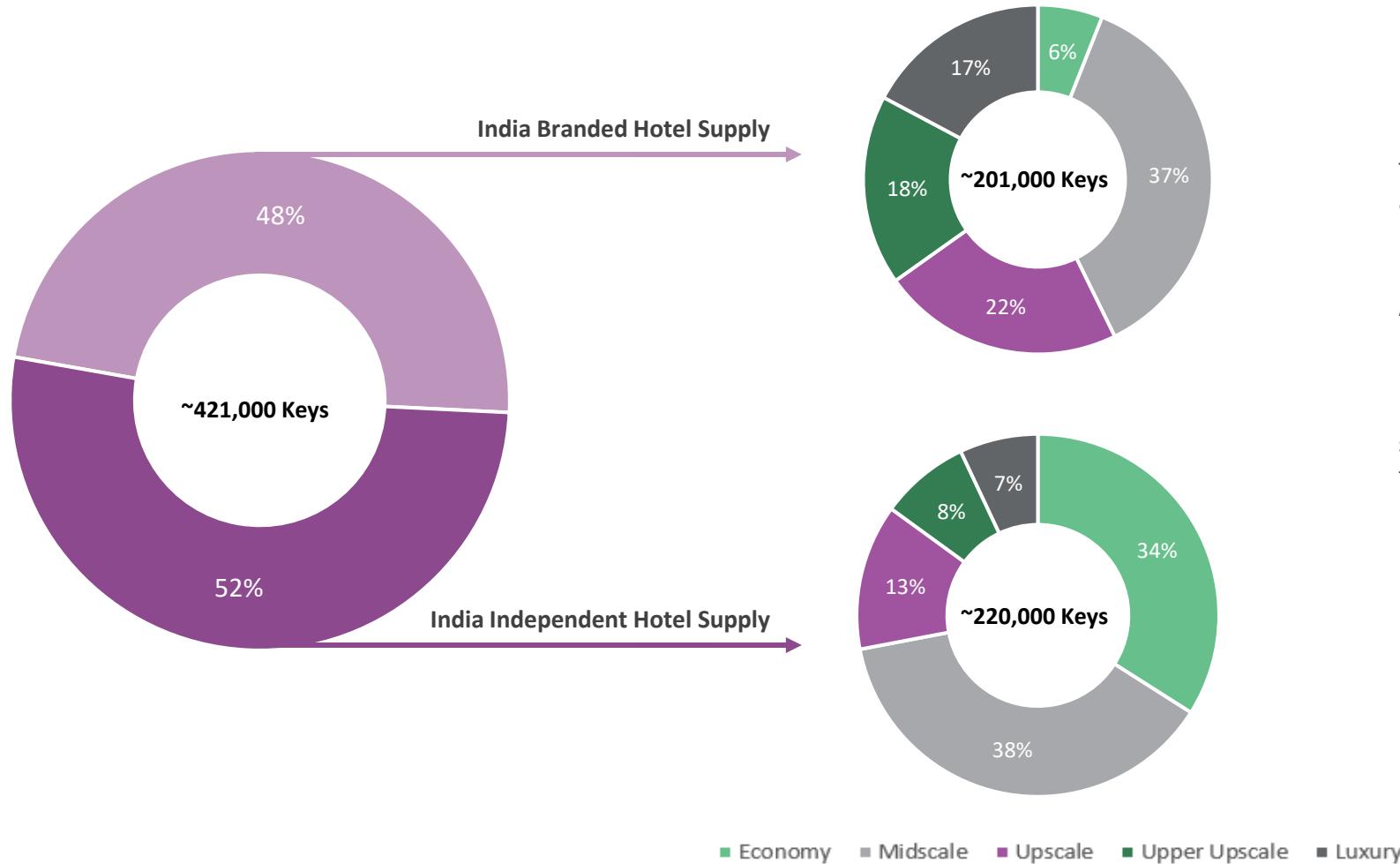
Supply profile of major Asian markets

As of 2024, total quality supply in India accounted for less than 6% of the total hotel supply across the Asia Pacific region. The country continues to have the lowest proportion of branded hotel rooms compared with major Asian hotel markets. **Shanghai is nearly 10 times the size of our major hotel markets.**



Source: HVS Research & STR

Segmentation of Supply –
H1 FY2026



The India Hotel Market currently has a total inventory of approximately 421,000 quality keys.

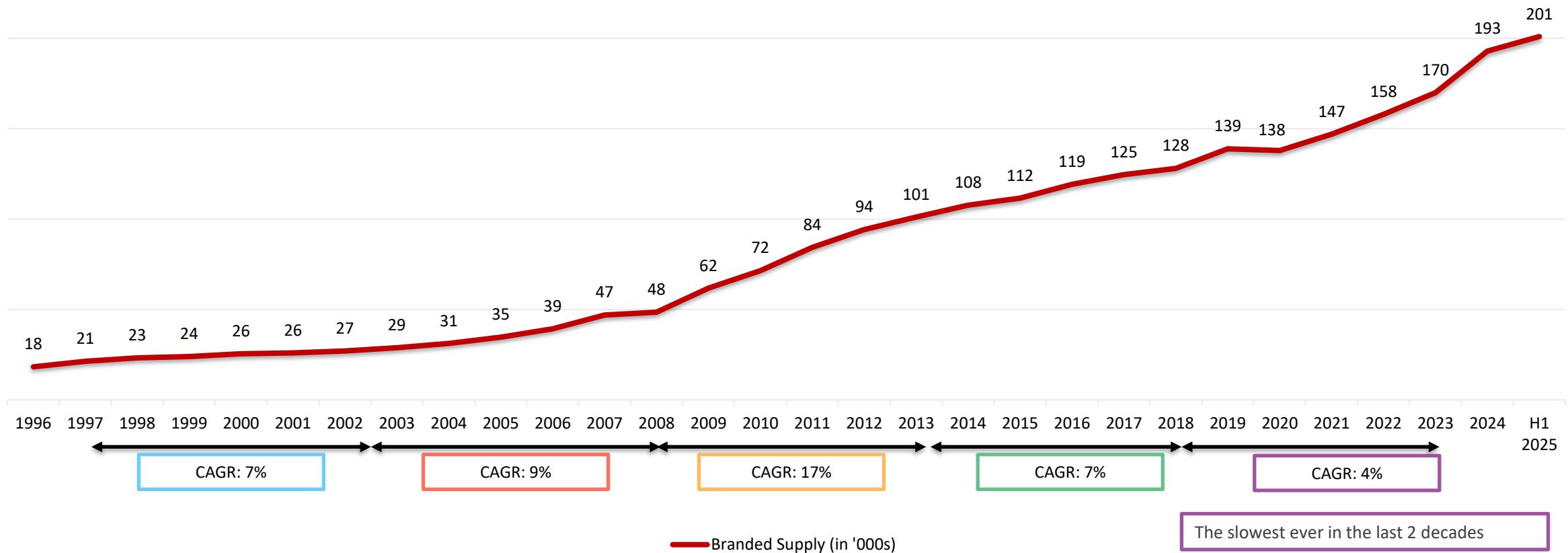
Branded Supply accounts for 48% of the total supply followed by Independently operated hotels.

Almost 60% of the country's quality supply lies between the Economy to Midscale Market Segments.

India also has a strong supply of new-age hotel aggregators such as Oyo, Treebo, and FabHotels, which compensates for the lack of quality supply of hotels in certain markets.

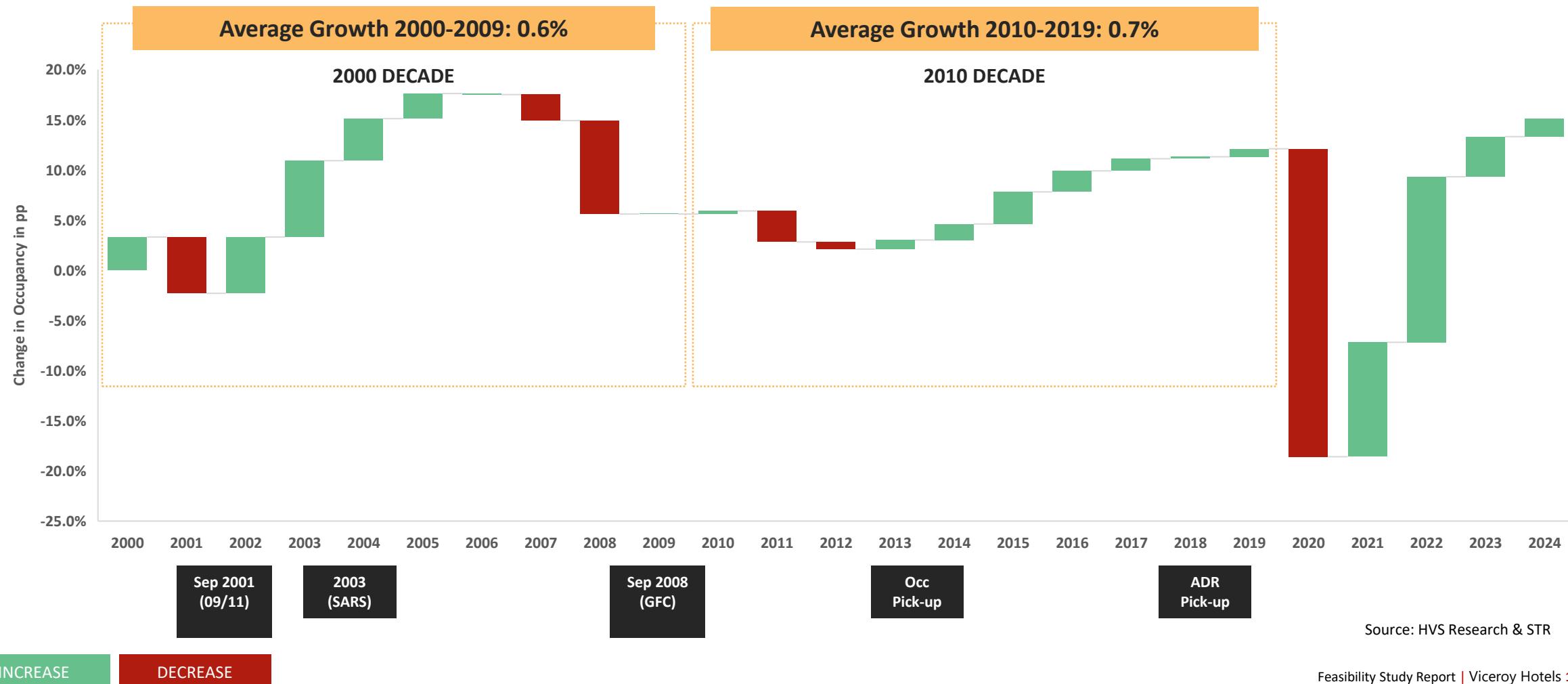
India Branded Supply Evolution

India has observed massive growth in branded supply growing at a CAGR of 9% over the last two decades. As of June 2025, branded supply in the country is more than 11 times the available branded supply in 1996.



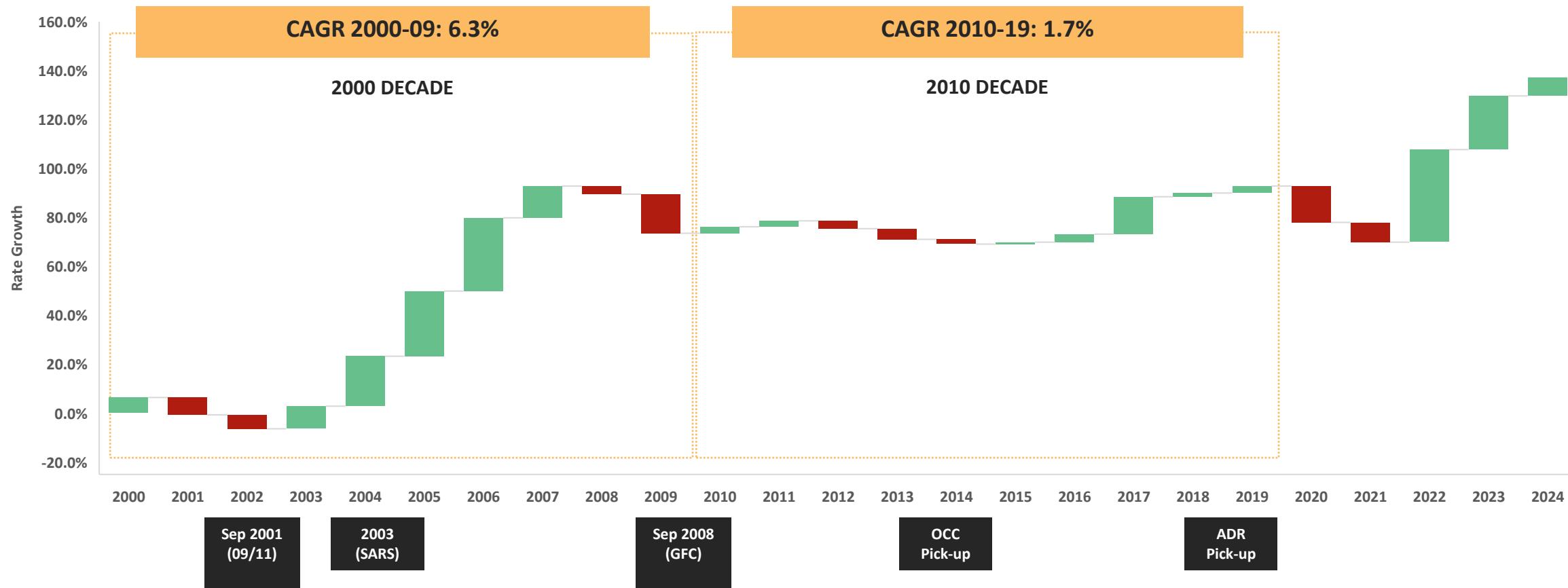
Prior cycles Occupancy change

Occupancy growth rates in the 2010 decade has been lower than the 2000 decade on account of supply absorption. Since 2013, occupancy growth has recovered much of the lost ground until it was hit by the COVID-19 impact. Occupancy has improved significantly since then, due to the pent-up demand in the market.



Prior cycles Average Rate change

The sector witnessed its largest rate of growth in the 2000 decade with a CAGR of 6.3% as the country's economy opened post-liberalization and demand outstripped supply by a significant margin. Apart from 2017, the average rate growth post the GFC crisis has been modest, growing at a CAGR of 1.7% during the 2010 decade. Average rates since the last wave in early 2022, have risen steeply.



Source: HVS Research & STR

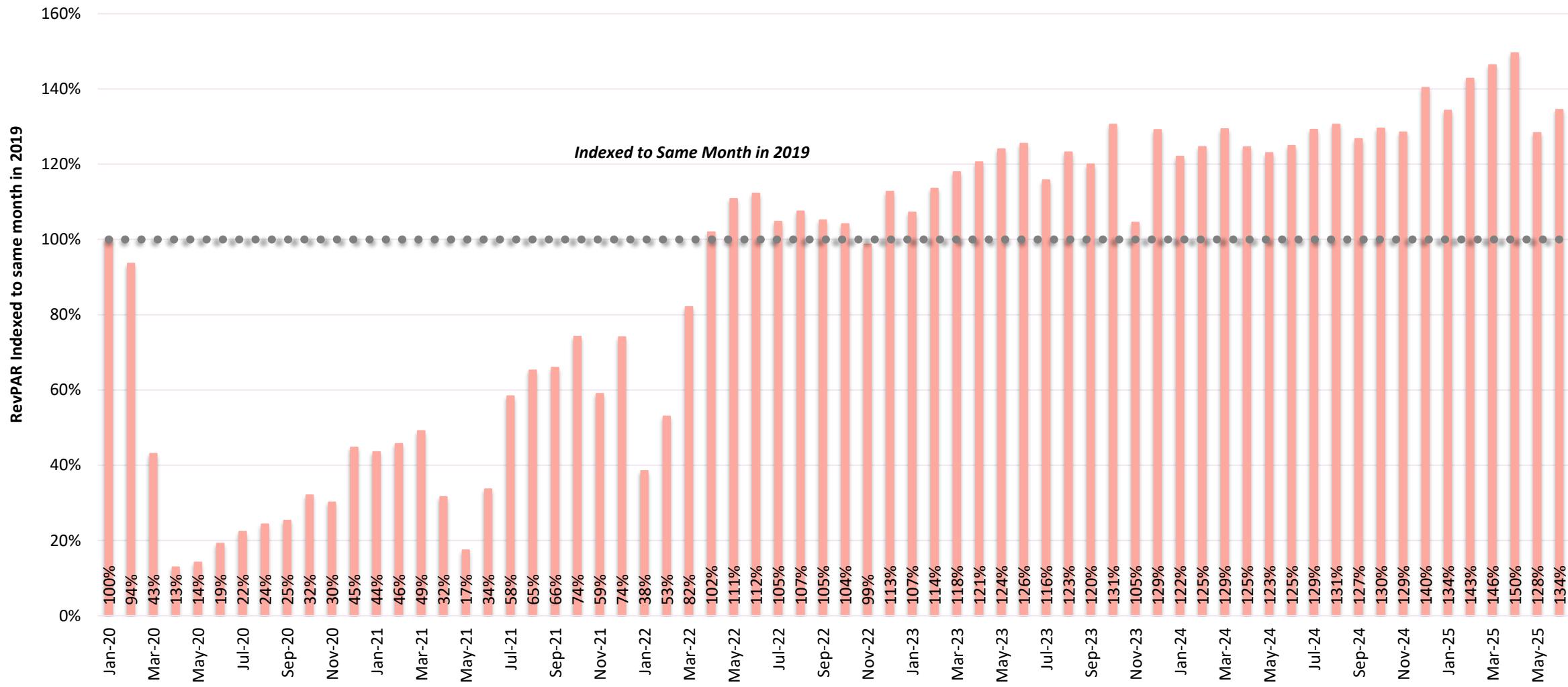
INCREASE

DECREASE

India: Month-on-Month RevPAR Recovery through the Pandemic

HVS

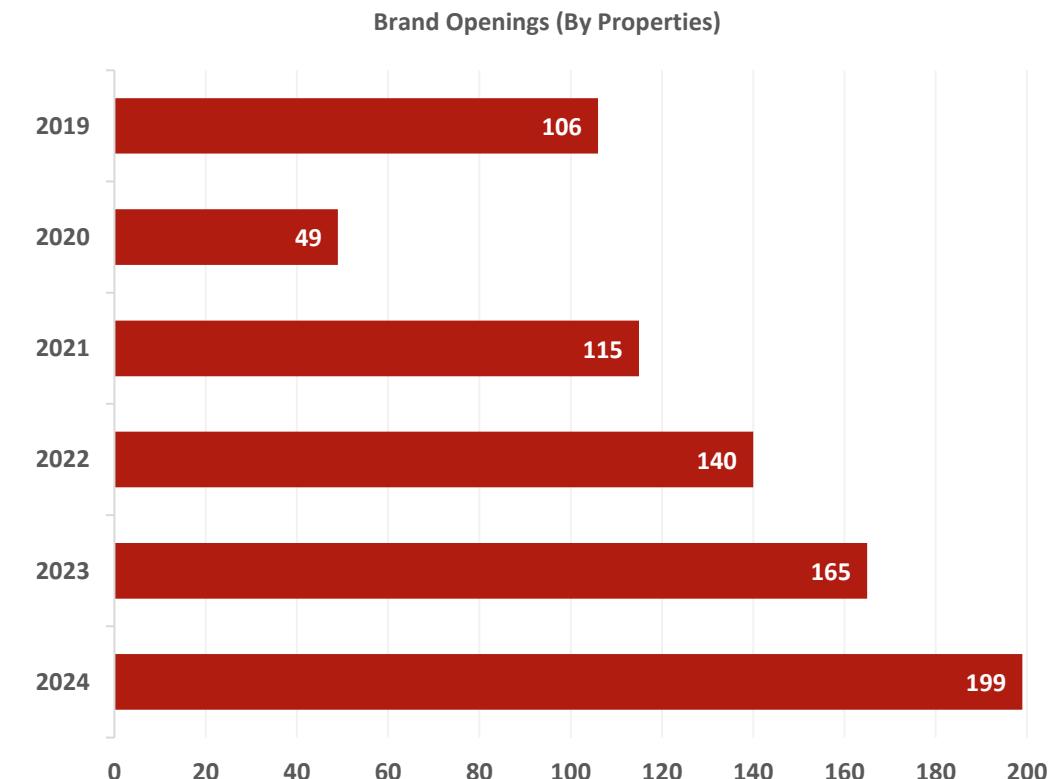
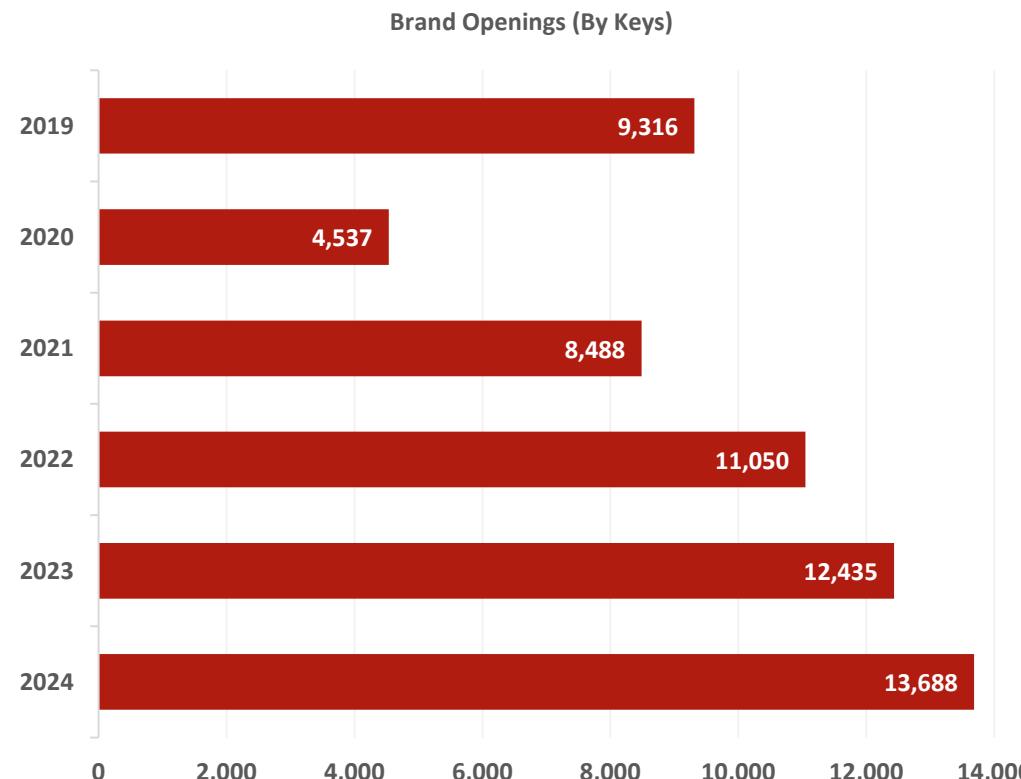
ANAROCK



Source: STR

India's hotel industry has witnessed steady growth in new openings, reflecting the sector's growing supply base and the rising demand for quality accommodation. Between 2019 and 2024, approximately 774 new brand affiliated hotels were added, accounting for approximately 59,513 keys. This is driven by growing domestic tourism, increased business travel, MICE and weddings, and the government's focus on improving infrastructure and connectivity.

The pipeline for future openings remains robust, with a shift in geographical concentration of keys from Tier 1 cities to Tier 2,3 and 4 markets. This highlights the sector's continued growth by penetrating new markets and attracting a wider demand base.

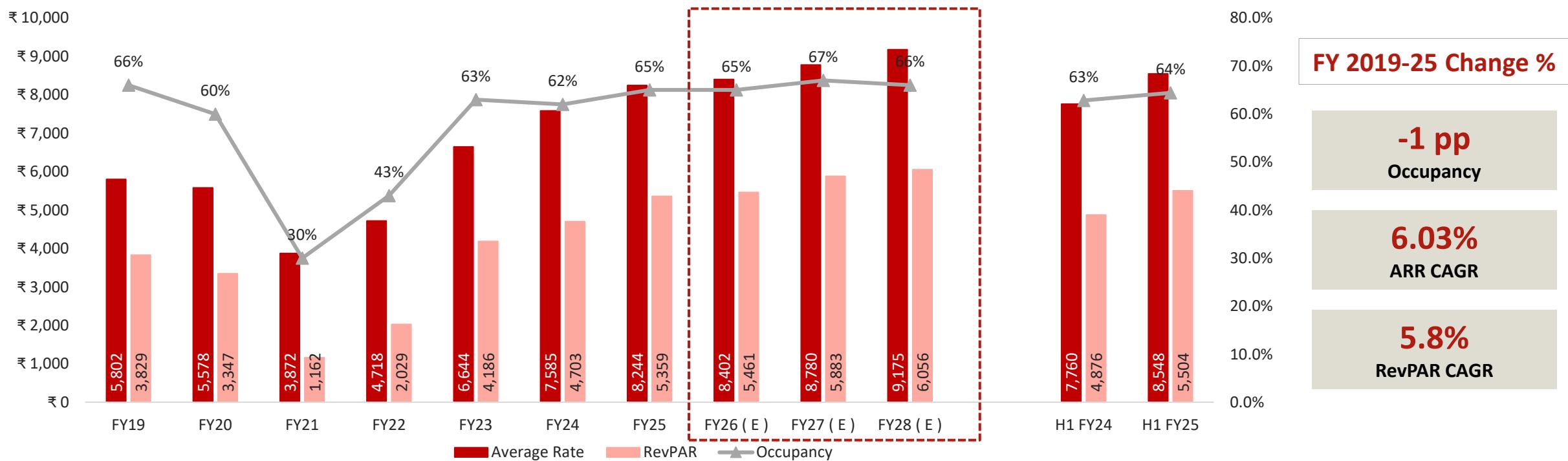


Data for Calendar Year

India Hotel Sector Performance

The Indian hotel sector has shown remarkable recovery and growth over the past few years. From FY19 to FY25, ARR has grown at a CAGR of 6.03%, climbing from ₹5,802 to ₹8,244, while RevPAR has surged at an impressive CAGR of 5.8%, rising from ₹3,829 to ₹5,359. Despite occupancy stabilizing at 65% in FY25, below pre-pandemic levels, the sector's strong RevPAR growth is driven by strong ARR growth and sustained demand across key markets.

Looking ahead, we expect a further growth in ARR and demand to grow in tandem with the increase in supply.



Source: HVS Research; Outlook as of June 2025

pp = percentage points

Data for Fiscal Year

Final thoughts

1

The Indian hospitality industry's performance outlook remains positive despite the looming threat of a recession in the US and Europe and growing global geopolitical issues.

2

Domestic demand will continue to be strong mainly driven by leisure travel, especially niche tourism segments, including religious and spiritual tourism, cruise tourism, adventure and wellness tourism. Corporate travel, MICE and weddings are the other segments that will continue to drive hotel demand in the near term. Inbound travel is gradually picking up and is expected to increase further in the near term.

3

Bleisure travel, also known as blended travel, is becoming popular in India. As international business travelers and high-profile MICE events return to India, bleisure travel is expected to receive further boost in the country.

4

State-of-the-art convention centers such as Bharat Mandapam, Jio World Convention Centre, and Yashobhoomi Convention Center are expected to enhance India's standing in the global MICE tourism market.

5

The relaxation of international travel restrictions and the falling rupee is expected to increase medical tourism in India in the mid-term.

6

The government's renewed emphasis on tourism industry as well as the continued focus on infrastructure development which is helping improve last-mile connectivity to destinations will help in the sector's long-term growth.

7

Granting the sector's long-standing request for industry and infrastructure lending status, regardless of project cost, will help boost investment and incentivize hotel development, particularly in several off-beat leisure destinations and Tier 2 and 3 cities across the country.

8

Additionally, enhancing the ease of doing business in the sector through online single window clearances and lowering the GST rate on hotel tariffs are the much-awaited announcements that will aid the sector's growth momentum.

Hyderabad, India

The surroundings of a hotel often have an impact on its status, image, class, style of operation, and sometimes its ability to attract and properly serve a particular market segment. This section of the report investigates the Subject Hotel's neighborhood and evaluates pertinent factors that could affect its occupancy, average rate, and overall profitability. The following sub-sections give an overview of the state of the Hyderabad, followed by its key characteristics and its key demand generators for hotel accommodation.

Hyderabad is Telangana's largest and most populous city and is the major urban centre for all of south-central interior India. Hyderabad is located on the Musi River in the heart of the Telangana Plateau, a major upland region of the Deccan (peninsular India). Hyderabad is also known as the City of Pearls, as it had once flourished as a global centre for trade of rare diamonds, emeralds as well as natural pearls.¹

Hyderabad has become a hub of trade and commerce and an international centre for information technology (IT). Pharmaceuticals, cigarettes, and textiles are among the items manufactured there. Service activities have expanded dramatically, especially those associated with IT, so that they have come to constitute the lion's share of the city's economy. Tourism has grown in significance. The city has long been associated with the production of Telugu-language films, which gave rise to its nickname Tollywood.



PER CAPITA INCOME²

Telangana (FY24)
₹ 3.56 Lakhs

India (FY24)
₹ 1.84 Lakhs



AREA³

Hyderabad District
217 km²

Altitude
536 m

Climate
Tropical Wet and Dry



POPULATION³

Hyderabad District
3.9 mn



KEY INDUSTRIES

- IT / ITeS
- Pharmaceuticals
- Biotechnology
- E-commerce Logistics
- Food Processing
- Education
- Jewelry, Paper, Metals
- Machine Manufacturing



TOURIST ATTRACTIONS³

- Char Minar
- Golconda Fort
- Qutbshahi Tomb
- Mecca Masjid
- Mrugavani National Park
- Salarjung Museum
- Ramoji Film City
- Hussain Sagar Lake

Hyderabad has good intercity transport facilities. There are rail and air services to Delhi, Kolkata, Mumbai, Chennai, and Bengaluru. The Hyderabad Deccan Railway Station (Nampally) and the Secunderabad Railway Junction (also the headquarters of South-Central Railways), connect the state to key cities and regions of India, along with numerous other stations. Important national highways crisscross the length and breadth of Hyderabad linking the Telangana state with other neighboring states



RAJIV GANDHI INTERNATIONAL AIRPORT, HYDERABAD (HYD)

Capacity: 34 MPPA (Million Passengers Per Annum)

Expansion Plans: Ultimate capacity to 80 MPPA



RAILWAY STATION

Main Railway Station: Secunderabad Railway Station

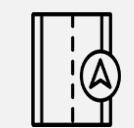
Other Railway Stations: Begumpet Railway Station, Kacheguda Railway Station, Hyderabad Deccan Station



METRO

Total Length: 69.2 kms currently operational across 3 Lines

Expansion Plans: Phase II (76.4 kms) across 5 corridors



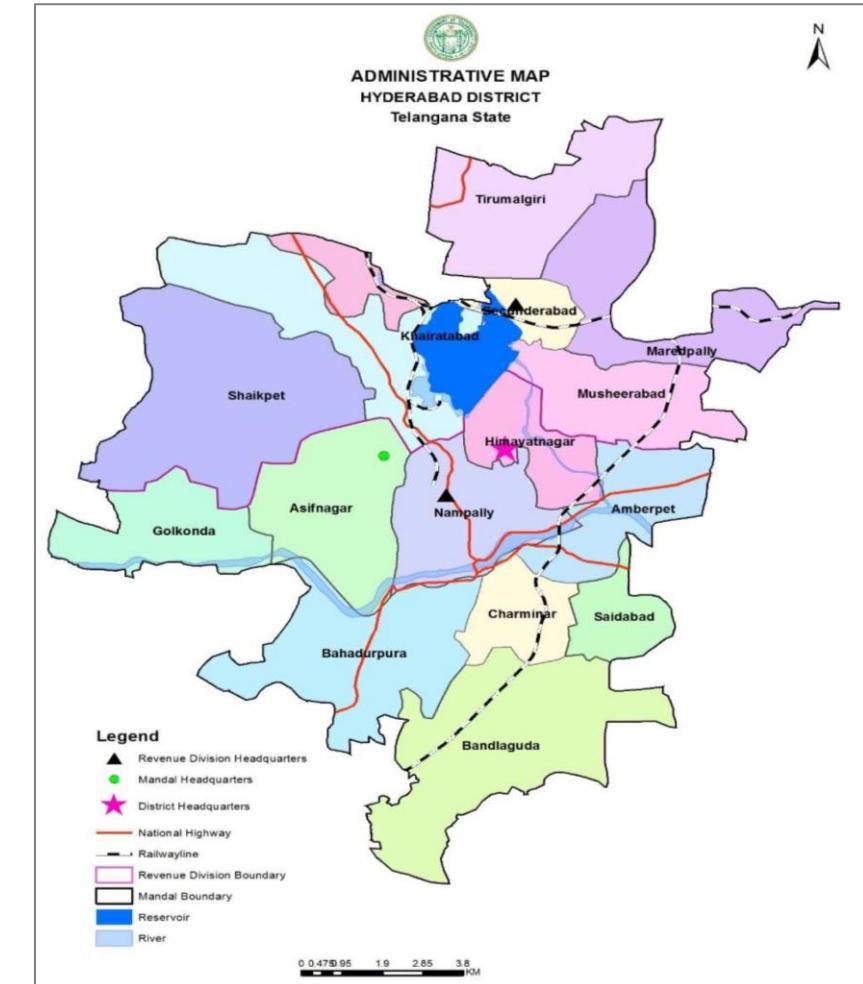
NATIONAL HIGHWAYS

NH-44: Srinagar – Jammu – Kathua (Jammu and Kashmir) to Kanyakumari (southernmost point of India);

NH-65: Pune – Solapur – Hyderabad – Vijaywada – Machilipatnam;

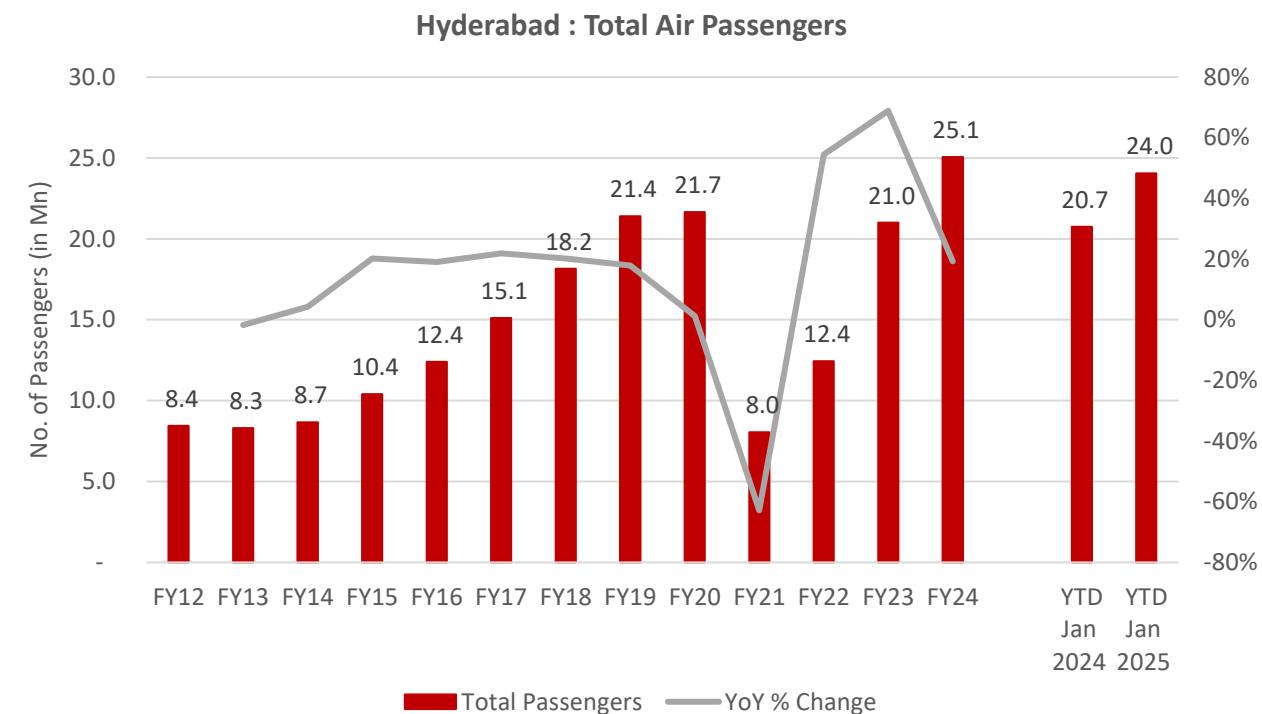
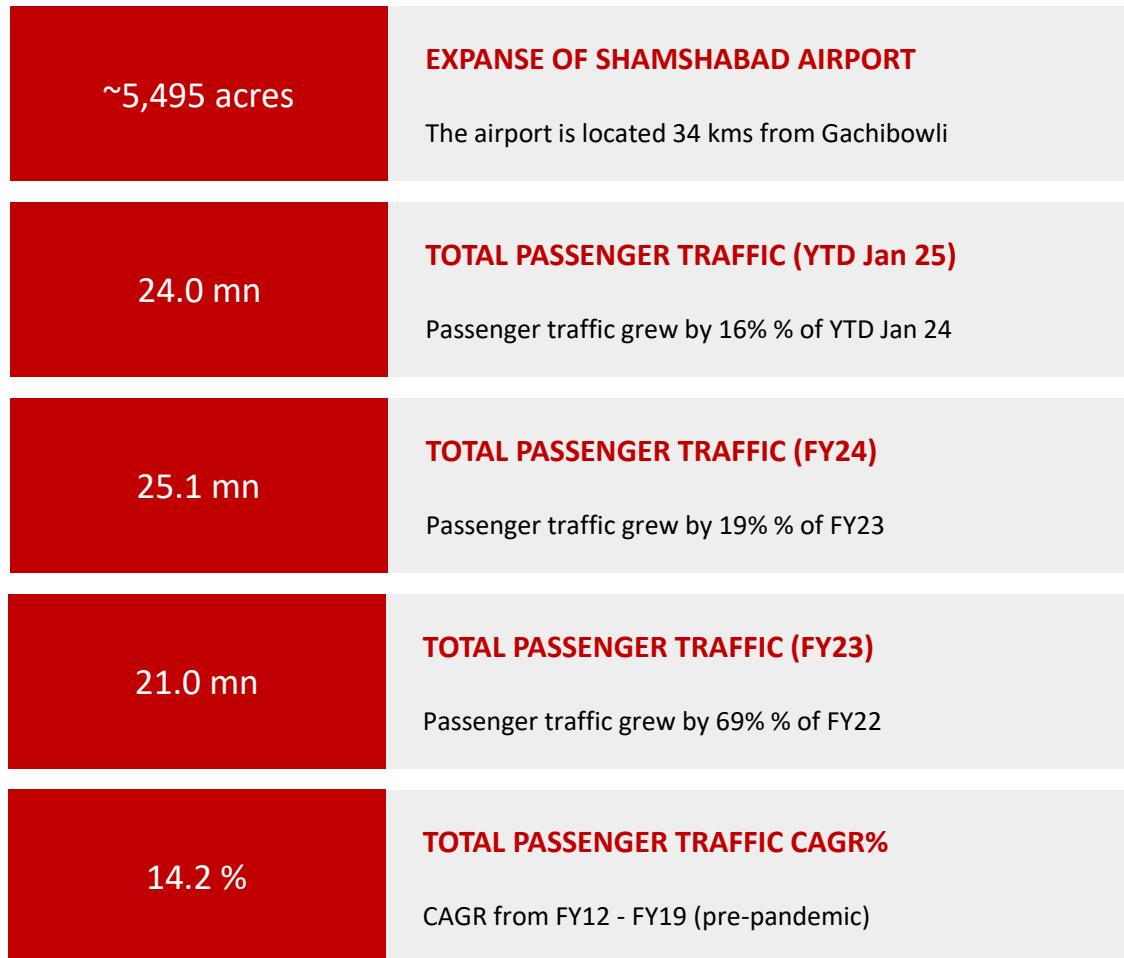
NH-163: Kodangal (Ravulapally, TG) – Bhopalpatnam (Chhattisgarh) via Kazipet – Hanamkonda – Warangal;

NH-765: Hyderabad – Amangal – Kalwakurthy – Achampeta.



Airline Passenger Traffic – Rajiv Gandhi International Airport (HYD)

The Rajiv Gandhi International Airport (RGIA) – Hyderabad (HYD), located in Shamshabad, is approximately 34 kilometers from Gachibowli. It has emerged as the 4th largest airport in India in terms of domestic passenger traffic. To meet this growth in demand, RGIA has embarked on a large-scale expansion to increase its capacity to from 34 MPPA to reach an ultimate capacity of 80 MPPA. RGIA serves as a hub for Alliance Air, Amazon Air, Blue Dart Aviation, SpiceJet, and IndiGo.



Source: Airport Authority of India

Note: Air Traffic data is for the financial year

Supply Demand Gap – Airline Growth Model

- Airline growth serves as a key indicator of hospitality demand and demonstrates a strong correlation with it. An increase in airline traffic typically signifies higher travel demand, leading to greater demand for hotels, resorts, and other hospitality services. Using the forecasted airline passenger growth in Hyderabad, we have projected hospitality demand over the next 5 years.
- Based on historic trends in airline passenger traffic in Hyderabad and available information on public domain, airline passenger growth is estimated to reach 42 million by 2030 at a CAGR of 7% between 2025 and 2030.
- Based on the historical correlation between hospitality and airline demand in Hyderabad, we have conducted an analysis to forecast the Potential Demand Growth in the market. Our findings indicate that demand will continue to outpace the Accommodated Demand Growth due to several key factors, including the steady increase in air traffic, major infrastructure developments, and seasonal fluctuations. This sustained growth trend highlights a significant opportunity for expansion within the hospitality sector to bridge the gap between potential demand and existing accommodation capacity.
- Given these projections, we anticipate that the supply-demand gap in Hyderabad's hospitality sector will continue to widen over the next 5 years. While **1,785 keys** are currently earmarked for opening within this period, our analysis indicates that the market has the capacity to absorb approximately **6,159 keys (an additional ~4,374 keys)** at projected growth rates, without adversely impacting occupancy levels. This presents a significant opportunity for further development to meet the rising demand.
- Such an imbalance is likely to provide much support to growth in ARRs over the next 5-6 years.

Year	Announced Total Supply (B)	Accommodated Rm Night Demand	Potential Rm Night Demand	Potential Supply (A)	Difference (A-B)
2025	17,718	4,305,925	4,389,082	18,060	342
2026	18,208	4,433,622	4,564,645	18,746	538
2027	18,208	4,518,059	4,701,585	18,948	740
2028	18,390	4,607,286	4,842,632	19,329	939
2029	18,970	4,777,595	4,987,911	19,805	835
2030	19,420	4,890,927	5,137,549	20,399	979



Airport Expansion

The Rajiv Gandhi International Airport has witnessed significant growth in passenger traffic in recent years. With increase in passenger traffic, the airport has progressively seen the upgradation of its handling capacity from 12MPPA to currently 34MMPA. While it is yet to achieve its full potential, high growth is forecasted for the coming years. To handle and cater to larger traffic movements, expansion to a new terminal along with addition in new runways is planned and under development. The ultimate capacity according to the RGIA master plan lies at handling 80 MPPA.



Metro Expansion

The Hyderabad metro currently spans over 69.2 Kms across 3 lines - Red Line, Blue Line and Green Line. The Phase 2 is set to enhance connectivity within the region with a total addition of 5 corridors.

- Nagole – Shamshabad | 36.8 Km
- Radidurg – Koakapet Neopolis | 11.6 Km
- MGBS – Chadyangutta | 7.7 Km
- Miyapur – Patancheru | 13.4 Km
- LB Nagar – Hayat Nagar | 7.1 Km

One pertinent corridor will be between Nagole – Shamshabad (Airport Corridor), thus directly benefitting the Proposed Hotel.



Pharma City

Located down south at ~25 Km from the airport, the Green Pharma City is planned to be the world's largest integrated cluster for pharmaceutical industries. The cluster has been recognized as National Investment and Manufacturing Zone (NIMZ) by Government of India. With limited supply of branded hotels in the vicinity, the nearest branded hotel development zone situated is Shamshabad. The proposed hotel is likely to benefit from this development and be in the position to attract significant corporate demand.

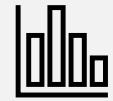
Hyderabad Hotel Market

By quantifying the room night demand by market segment and analysing the characteristics of each segment, the demand for accommodation can be projected.

Under the economic principle of supply and demand, price varies directly, but not proportionately. In the hotel industry, supply is measured by the number of guest rooms available, and demand by the number of guest rooms occupied; the net effect of supply and demand towards equilibrium results in a prevailing price, or average rate.

Hyderabad, the capital of Telangana, has rapidly transformed into one of India's most dynamic cities in terms of innovation, industry and urban growth. Known for its blend of rich cultural heritage and modern infrastructure, the city anchors multiple key sectors including IT, life-sciences, electronics and advanced manufacturing. Beyond information technology, Hyderabad is home to major institutions and manufacturing units across defense, aerospace and life sciences.

Hyderabad also benefits from robust connectivity via the Rajiv Gandhi International Airport, well-developed road and expressway networks (including the Outer Ring Road) and a growing metro rail system that is steadily enhancing urban mobility. With a business-friendly policy environment, Hyderabad is emerging as a preferred destination for Global Capability Centres (GCCs) and innovation work-flows: the city now hosts over 350 GCCs employing hundreds of thousands of professionals.



PER CAPITA INCOME¹

State (FY24)
₹ 3.56 Lakhs

India (FY24)
₹ 1.88 Lakhs



AREA

Hyderabad

217 km²



POPULATION²

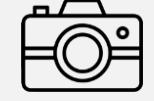
Hyderabad

3.9 mn



KEY INDUSTRIES

IT / ITeS
Pharmaceuticals
Biotechnology
E-commerce
Logistics
Education
Manufacturing



TOURIST ATTRACTIONS

Char Minar
Golconda Fort
Qutbshahi Tomb
Mecca Masjid
Mrugavani National Park
Salarjung Museum
Ramoji Film City
Hussain Sagar Lake

Infrastructure Developments impacting Hospitality

HVS

ANAROCK

Aerocity Development

The Aerocity development in Hyderabad, led by GMR, is envisioned as a large-scale mixed-use district spanning over 1,500 acres around the Rajiv Gandhi International Airport. Strategically located along the Outer Ring Road, it is designed to integrate premium hotels, Grade-A office spaces, retail, logistics, and convention facilities, creating a self-sustained ecosystem catering to business, MICE, and transit demand. With excellent connectivity to key commercial hubs such as Gachibowli and HITEC City, Hyderabad Aerocity is poised to emerge as a major economic and hospitality hub, driving investment and positioning the city as a leading aviation and business gateway in southern India.

Roadways Enhancement

Hyderabad boasts excellent road connectivity, supported by a well-developed network of national and state highways, including NH 44, NH 65, and NH 163, linking the city to major destinations such as Bengaluru, Mumbai, and Vijayawada. The 158-km Outer Ring Road (ORR) serves as a key arterial corridor, providing seamless connectivity between the city's suburban clusters, IT hubs, and Rajiv Gandhi International Airport. Complemented by the PV Narasimha Rao Expressway, the recently inaugurated third-level PJR flyover connecting Kondapur to Gachibowli and ongoing development of the Regional Ring Road (RRR), Hyderabad's road infrastructure ensures efficient intra-city and inter-city access, supporting its growing commercial, industrial, and residential expansion.

Metro Infrastructure

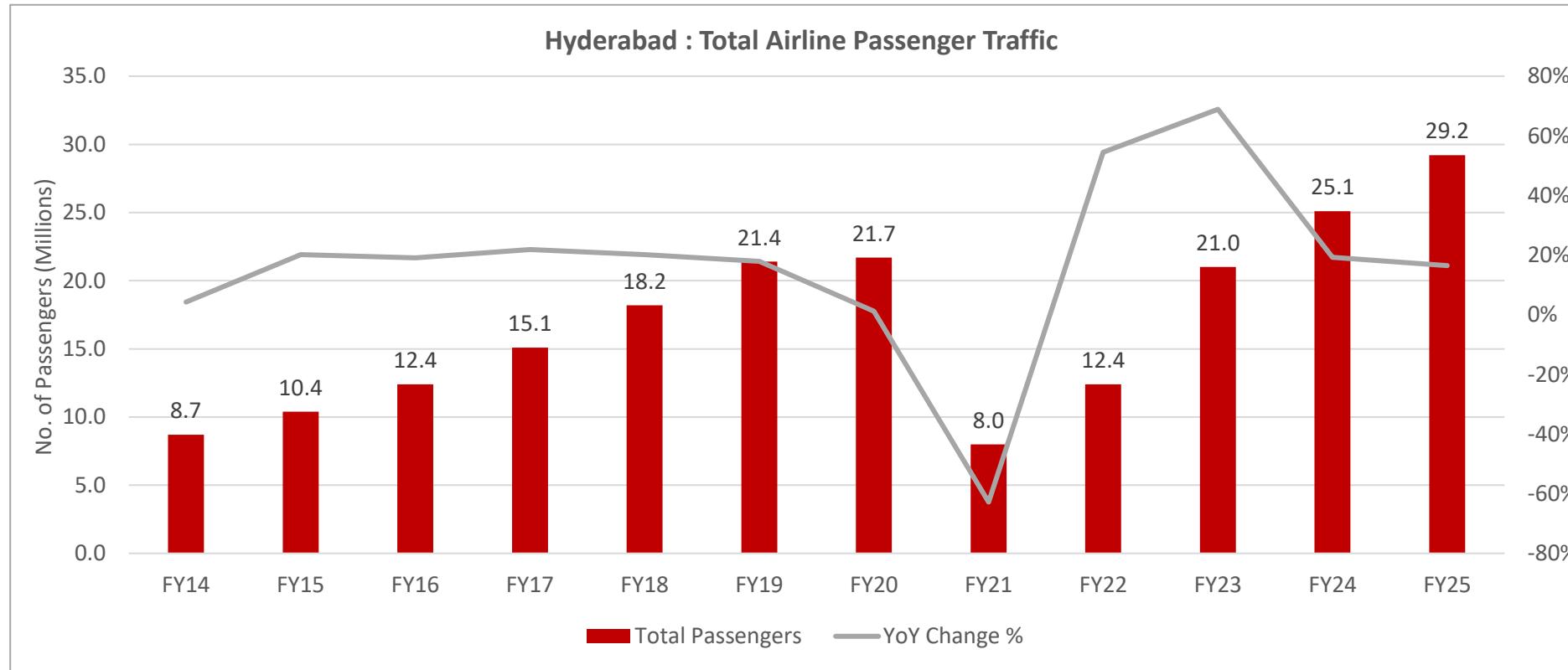
The Hyderabad metro currently spans over ~70 Kms across 3 lines. The Phase 2 is set to enhance connectivity within the region with a total addition of 5 corridors. The metro significantly enhances intra-city connectivity, linking major commercial hubs such as HITEC City, Banjara Hills, and Ameerpet. Future expansion plans, including the Airport Metro line connecting the city to Rajiv Gandhi International Airport, are expected to further strengthen last-mile connectivity and reduce travel times for both business and leisure travelers.



Airline Passenger Traffic – Rajiv Gandhi International Airport (HYD)

HVS

ANAROCK



HYD Airport – Overview

Operated by GMR, the Hyderabad airport has seen steady growth in both domestic and international passenger traffic over the years. The airport's capacity has progressively increased from 12 MPPA to 34 MPPA, with a large-scale **expansion underway to achieve an ultimate capacity of 100 MPPA**. The development plan includes a new integrated terminal, additional runways, and upgraded airside and landside infrastructure with the development of the Aerocity, positioning RGIA as a major aviation hub for South India.

5,495 acres
EXPANSE OF AIRPORT
Located in Shamshabad

11.7%
CAGR
FY14 – FY25

6.2%
CAGR
FY20 – FY25

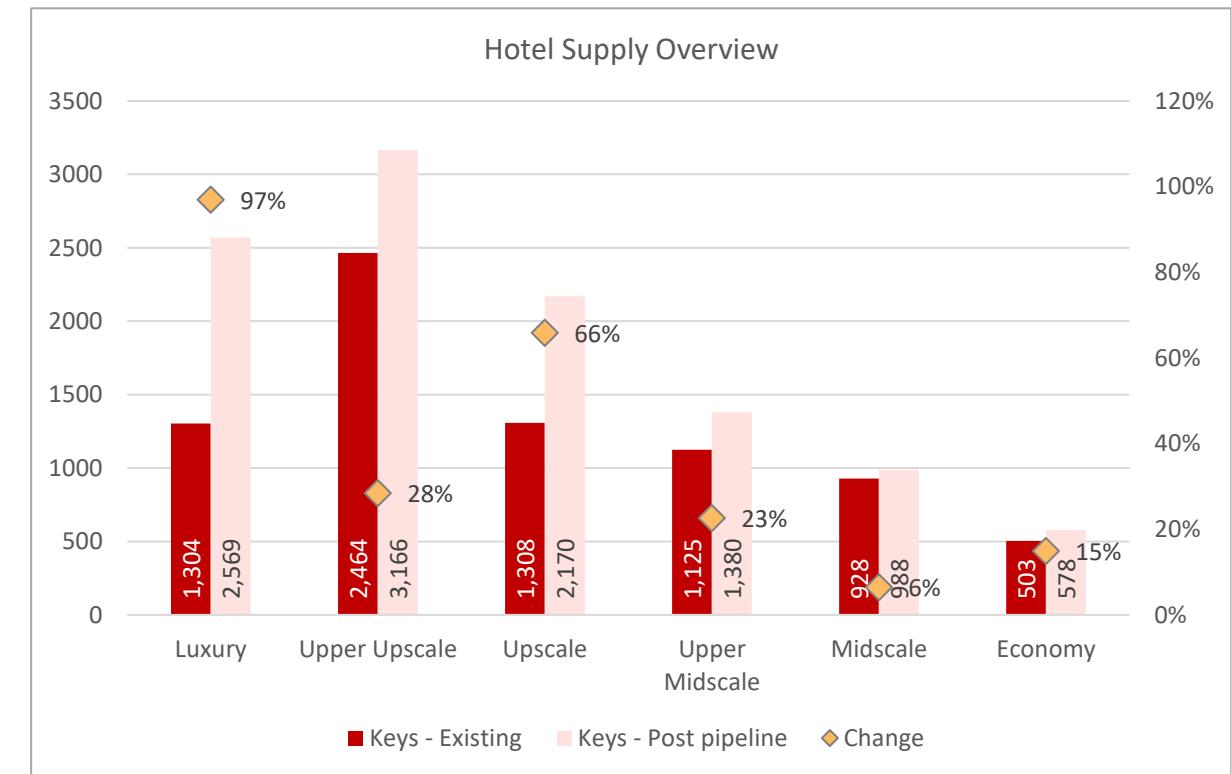
17.9%
CAGR
FY23 – FY25

Hyderabad: Branded Hotel Supply Overview

Hyderabad houses ~7,600 branded keys across 48 hotels, indicating a large supply base. Premium segments (Luxury, Upper Upscale, and Upscale) constitute around ~66% of total supply, while Upper Midscale to Economy accounts for the remaining ~34%. The city's Luxury inventory comprises a mix of legacy hotels with smaller key counts and a limited presence of new-age assets. However, upcoming Luxury developments feature larger inventories within key commercial hubs, reflecting a structural shift in positioning.

Upper Upscale to Economy segments follow a more typical distribution pattern, with a strong concentration across major commercial districts such as HITEC City, Madhapur, Gachibowli, and Banjara Hills. A robust pipeline is also observed in and around the Financial District. The forward supply of ~3,200 keys represents an ~42% growth over existing inventory. This addition is expected to elevate the premium segment share by about 6 percentage points, further widening the gap within the mid-market space.

Positioning	Existing Share	Share Post Pipeline	Existing Average Keys Per Hotel
Luxury	17%	24%	186
Upper Upscale	32%	29%	224
Upscale	17%	20%	218
Upper Midscale	15%	13%	161
Midscale	12%	9%	103
Economy	7%	5%	63



List of existing branded hotels

Hotel Name	Operator	Brand	Keys	Class
ibis Hyderabad HITEC City	Accor	ibis	178	Midscale
Mercure Hyderabad KCP	Accor	Mercure	127	Upper Midscale
Novotel Hyderabad Airport	Accor	Novotel	290	Upscale
Novotel Hyderabad Convention Centre	Accor	Novotel	287	Upscale
The Park Hyderabad	Apeejay	The Park	263	Upscale
Best Western Hotel Ashoka	Best Western	Best Western	88	Midscale
Bloom Hotel - Cyber Towers	Bloom Hotels	Bloom Hotel	60	Economy
Bloom Hotel - DLF Cyber City	Bloom Hotels	Bloom Hotel	51	Economy
Bloom Hotel - Financial District	Bloom Hotels	Bloom Hotel	49	Economy
Bloom Hotel - Gachibowli	Bloom Hotels	Bloom Hotel	38	Economy
Bloom Hotel - HITEC City	Bloom Hotels	Bloom Hotel	60	Economy
Bloom Hotel - Jubilee Hills	Bloom Hotels	Bloom Hotel	60	Economy
Bloom Hotel - DLF Road Gachibowli	Bloom Hotels	Bloom Hotel	64	Economy
Trident Hotel Hyderabad	EIH	Trident	323	Upper Upscale
Hyatt Hyderabad Gachibowli	Hyatt	Hyatt	166	Upper Upscale
Hyatt Place Hyderabad Banjara Hills	Hyatt	Hyatt Place	147	Upscale
Park Hyatt Hyderabad	Hyatt	Park Hyatt	209	Luxury
Taj Deccan Hyderabad	IHCL	Taj	156	Luxury
Taj Falaknuma Palace Hyderabad	IHCL	Taj	60	Luxury
Taj Krishna, Hyderabad	IHCL	Taj	261	Luxury
Vivanta Begumpet Hyderabad	IHCL	Vivanta	181	Upper Upscale
Holiday Inn Express Hyderabad Banjara Hills	IHG	Holiday Inn Express	170	Upper Midscale
Holiday Inn Express Hyderabad HITEC City	IHG	Holiday Inn Express	150	Upper Midscale
ITC Kakatiya, a Luxury Collection Hotel, Hyderabad	ITC	ITC Luxury Collection	188	Luxury
ITC Kohenur, a Luxury Collection Hotel, Hyderabad	ITC	ITC Luxury Collection	274	Luxury
Lemon Tree Hotel, Banjara Hills, Hyderabad	Lemon Tree	Lemon Tree Hotel	85	Midscale
Lemon Tree Hotel, Gachibowli, Hyderabad	Lemon Tree	Lemon Tree Hotel	190	Midscale

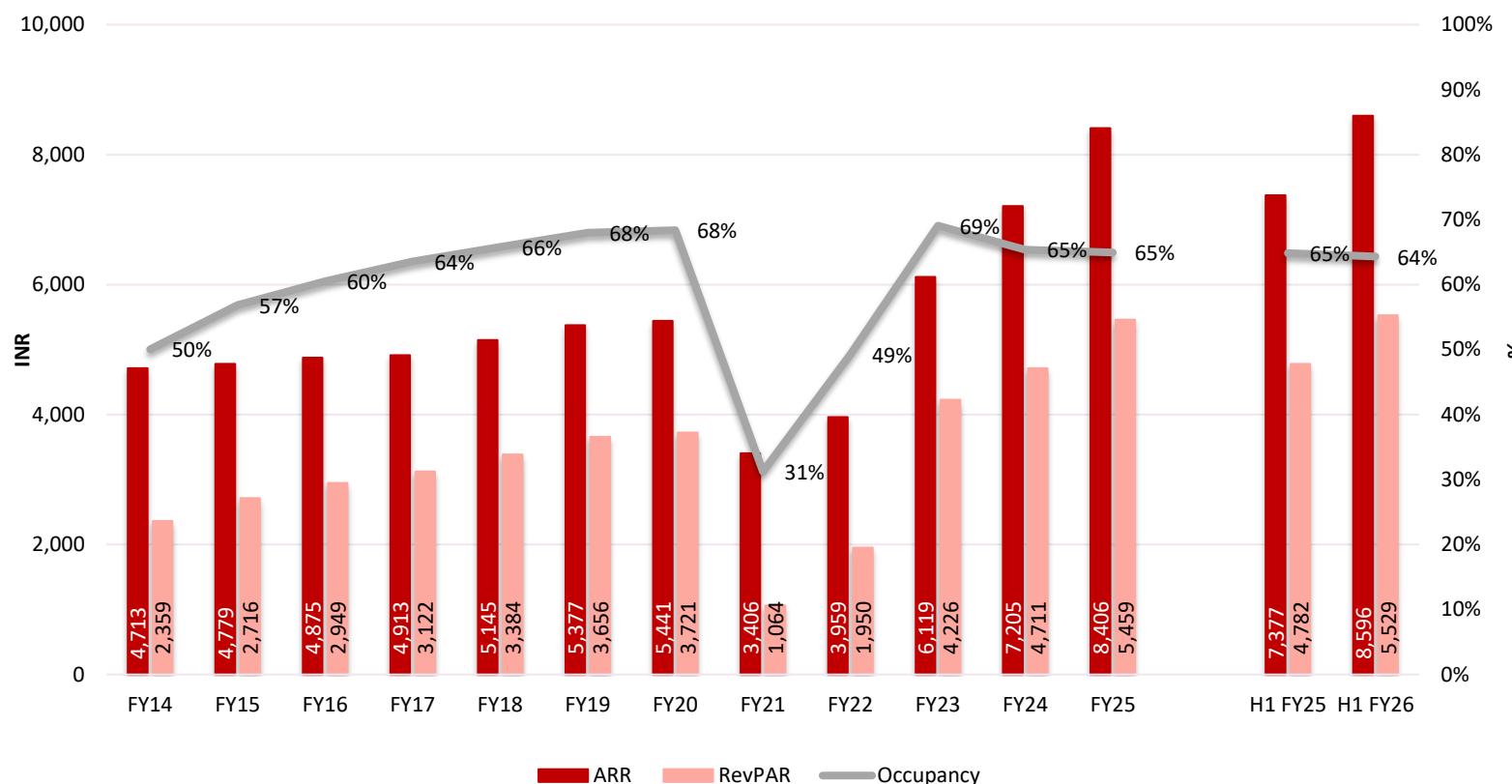
List of existing branded hotels (cond.)

Hotel Name	Operator	Brand	Keys	Class
Lemon Tree Premier, HITEC City, Hyderabad	Lemon Tree	Lemon Tree Premier	267	Upper Midscale
Red Fox by Lemon Tree Hotels, Hyderabad	Lemon Tree	Red Fox	121	Economy
Courtyard Hyderabad	Marriott	Courtyard	112	Upscale
Fairfield by Marriott Hyderabad Gachibowli	Marriott	Fairfield by Marriott	232	Upper Midscale
Le Meridien Hyderabad	Marriott	Le Meridian	241	Upper Upscale
Marriott Hyderabad & Convention Centre	Marriott	Marriott	295	Upper Upscale
Marriott Executive Apartment Hyderabad	Marriott	Marriott Executive Apartment	75	Upper Upscale
Sheraton Hyderabad Hotel	Marriott	Sheraton	272	Upper Upscale
The Westin Hitech City	Marriott	Westin	168	Upper Upscale
The Westin Hyderabad Mindspace	Marriott	Westin	427	Upper Upscale
Radisson Hyderabad Hitec City	Radisson	Radisson	209	Upscale
Radisson Blu Plaza Hotel Hyderabad Banjara Hills	Radisson	Radisson Blu	158	Upper Upscale
Aditya Park, Hyderabad	Sarovar	Aditya Park	102	Midscale
Aditya Hometel, Hyderabad	Sarovar	Hometel	92	Midscale
Clarion Hotel, Hyderabad	Suba Hotels	Clarion	105	Upper Midscale
Click Hotel Shamshabad, Hyderabad	Suba Hotels	Click	62	Midscale
Comfort Inn Park Continental, Hyderabad	Suba Hotels	Comfort Inn	74	Upper Midscale
Quality Inn Residency, Hyderabad	Suba Hotels	Quality Inn	95	Midscale
Oakwood Residence Kapil Hyderabad	The Ascott	Oakwood Residence	158	Upper Upscale
Clarks Inn Suites	The Clarks	Clarks Inn	98	Midscale
The Leela Hyderabad, Banjara Hills	The Leela	Leela	156	Luxury

List of pipeline branded hotels

Hotel Name	Operator	Brand	Keys	Class	Tentative Opening Date
Hilton Resort & Spa Hyderabad Genome Valley	Hilton	Hilton	115	Upper Upscale	2025
Ginger	IHCL	Ginger	75	Economy	2026
Radisson Blu Resort, Chevella	Radisson	Radisson Blu	160	Upper Upscale	2026
Radisson Collections	Radisson	Radisson Collection	250	Luxury	2026
Oakwood	The Ascott	Oakwood Residence	350	Upscale	2026
Clarks Exotica	The Clarks	Clarks Exotica	60	Midscale	2026
Sarovar Premiere, Medapally, Hyderabad	Sarovar	Sarovar Premiere	100	Upper Midscale	2027
Vivanta	IHCL	Vivanta	170	Upper Upscale	2028
Aloft	Marriott	aloft	182	Upscale	2028
W Hyderabad Hitec	Marriott	W	185	Luxury	2028
Intercontinental Neopolis	IHG	InterContinental	300	Luxury	2029
WelcomHotel	ITC	WelcomHotel	155	Upscale	2029
JW Marriott	Marriott	JW Marriott	280	Luxury	2029
Moxy Hyderabad Gachibowli	Marriott	Moxy	155	Upper Midscale	2029
St. Regis Hyderabad	Marriott	St. Regis	250	Luxury	2030
Oakwood Hotel & Apartments Kapil Hyderabad	The Ascott	Oakwood Residence	175	Upscale	2030

Hyderabad – Hotel Market Performance



Occupancy:

Hyderabad's hotel market has shown a steady improvement in occupancy levels over the past decade, increasing by ~15 percentage points between FY14 and FY25. After a sharp dip during the pandemic reaching down to 31%, the market rebounded strongly from FY22 onwards, driven by robust corporate travel, IT/ITeS demand, GCC demand and a revival in MICE. While occupancy levels have now stabilized in the mid 60% range reflecting sustained demand momentum, we believe that the market has the potential to grow on the back of increase in commercial activity.

ARR:

Room rates in Hyderabad have witnessed healthy growth, expanding at a CAGR of ~5.4% over the period FY14 to FY25. Rates, which had softened during FY21 down to INR 3,400, recovered rapidly as business travel resumed. Current ARR's remain well placed above the pre-pandemic levels crossing the INR 8,500 mark which is expected to gain momentum with the commercial developments witnessed in Hyderabad.

RevPAR:

RevPAR has recorded the strong growth increasing at 7.9% CAGR from FY14 to FY25 driven by both stable occupancy levels as well as consistent rate growth. RevPARs now sit well above pre-COVID benchmarks, indicating that Hyderabad hotel market has not only recovered but also entered a phase of sustained growth, supported by balanced demand and improving rates.

Occupancy PTS
(FY14 – FY25)

14.9%

ARR CAGR
(FY14 – FY25)

5.4%

RevPAR CAGR
(FY14 – FY25)

7.9%

Supply CAGR
(FY14 – FY25)

3.9%

Demand CAGR
(FY14 – FY25)

6.4%

Corporate Demand

Hyderabad is one of the world's leading destination for GCCs and hosts ~355 capability centers across banking, BFSI, healthcare and technology. Key hubs such as HITEC City, Madhapur, Gachibowli, and the Financial District form the core of the city's commercial ecosystem. Madhapur, including HITEC City, accounts for ~62% of Hyderabad's existing office supply and ~13% of the upcoming pipeline, while Gachibowli and the Financial District together contribute ~33% of existing stock ~17% of future supply. The remaining office developments are dispersed across the peripheral eastern parts of the city. By virtue of our assets being located within micro-markets dominated by such set ups and other corporates, we benefit from transient demand.

Extended Stay Demand

The Gachibowli and Madhapur micro markets are strongly anchored by US Tech and consulting firms and has witnessed a robust second wave of European and Asian corporation, such as Capgemini, HSBC, UBS, IKEA, DBS Bank, and Hyundai Mobis, fostering steady demand for extended-stay accommodations for the purpose of relocation and project-based assignments.

Airline Demand

Hyderabad is one of the fastest growing airports and enjoys strong connectivity to both domestic and international destinations, ~30 million passengers annually. This strong traffic base generates consistent accommodation demand, particularly for airline cockpit and cabin crew layovers. However, while this segment supports steady occupancy levels, it typically contributes at relatively lower rates compared to other demand segments.

MICE & Events

The Hyderabad market caters to strong MICE demand driven by corporate meetings, conventions, and large-scale events anchored by venues such as the Hyderabad International Convention Centre (HICC) and HITEX Exhibition Centre. The city's robust IT and corporate base, coupled with its expanding inventory of upscale hotels offering state-of-the-art banquet and conference facilities, has strengthened its appeal as a leading MICE destination in South India.

Profile of Competitor Hotels

We have defined the competitive set with respect to the Proposed Hotel based on each competitor's similarity with the Proposed Hotel.

Taking into account parameters that include facilities, positioning, quality, location, performance, price point, brand affiliation and target demand segments, we have assigned each competitor a competitive weightage to reflect its degree of 'competitiveness' with respect to the Proposed Development. Through this process, which involves segregating hotels into primary competitors (100% competitive) or secondary competitors (competitive to some degree), we are able to define the overall competitive market for the Proposed Hotel.

By assigning degrees of competitiveness, we can detail more accurately how the Proposed Hotel and its competitors may react to various changes in the market, including new supply, changes to demand generators, and renovations or franchise changes of existing supply.

Other Similar Hotels in Hyderabad



	Sheraton Hyderabad	Trident Hyderabad	Le Meridian Hyderabad	Westin Hyderabad Mindspace
Keys	272 keys	323 keys	241 keys	427 keys
Room Sizes	34 m ² - 170 m ²	41 m ² - 124 m ²	27 m ² - 56 m ²	34 m ² - 204 m ²
Positioning	Upper Upscale	Upper Upscale	Upper Upscale	Upper Upscale
F&B Outlets	1 ADD 1 Specialty Restaurant 1 Deli	1 ADD 2 Specialty Restaurants 1 Bar	1 ADD 2 Specialty Restaurants 1 Lounge 1 BBQ Grill	1 ADD 3 Specialty Restaurants 1 Bar 1 Deli
Indoor Banquet Spaces	5 Event Spaces 642 m ²	3 Event Spaces 885 m ²	5 Event Spaces 993 m ²	5 Event Spaces 1,350 m ²
Largest Indoor Banquet Space	410 m ² ~400 pax theatre style	743 m ² ~700 pax theatre style	486 m ² ~450 pax theatre style	486 m ² ~440 pax theatre style
Other Facilities	Swimming Pool, Fitness Centre, Spa	Swimming Pool, Fitness Centre, Spa	Swimming Pool, Fitness Centre, Spa, Retail Shop	Swimming Pool, Fitness Centre, Spa, Retail Shop
Stabilized Performance				
<i>ARR</i>	₹11,800 – ₹12,200	₹13,800 – ₹14,200	₹10,600 – ₹11,000	₹13,900 – ₹14,400
<i>Occupancy</i>	70% - 74%	75% - 79%	73% - 77%	66% - 70%

Projection of Occupancy & ADR

Average rate and occupancy are the foundations of a hotel's financial performance, and therefore it is imperative that a healthy mix of these two parameters be undertaken to maximize room revenue of a hotel. Our forecast reflects an operating strategy that we consider would be implemented by a typical, professional hotel management team to achieve an optimal mix of occupancy and average rate. Most of a hotel's other revenue sources (such as food, beverages, spa, and other revenue segments) are driven by the occupancy and the profile of the guests.

Forecasted Profit & Loss Statements ('000s)

	Stabilized Year																			
	2025		2026		2027		2028		2029		2030		2031		2032		2033		2034	
No. of Rooms	75		75		75		75		75		75		75		75		75		75	
Occupied Rooms	23,543		23,543		23,543		23,543		23,543		23,543		23,543		23,543		23,543		23,543	
Occupancy	86%		86%		86%		86%		86%		86%		86%		86%		86%		86%	
Average Rate	15,047	% of	15,724	% of	16,432	% of	17,171	% of	17,944	% of	18,752	% of	19,595	% of	20,477	% of	21,399	% of	22,362	% of
RevPAR	12941	Gross	13,523	Gross	14,131	Gross	14,767	Gross	15,432	Gross	16,126	Gross	16,852	Gross	17,610	Gross	18,403	Gross	19,231	Gross
REVENUE																				
Rooms	354,250	72	370,191	72	386,849	72	404,258	72	422,449	72	441,459	72	461,325	72	482,085	72	503,779	72	526,449	72
Food and Beverage	120,227	25	125,637	25	131,291	25	137,199	25	143,373	25	149,825	25	156,567	25	163,612	25	170,975	25	178,669	25
Other Income	17,033	4	17,800	4	18,601	4	19,438	4	20,312	4	21,226	4	22,182	4	23,180	4	24,223	4	25,313	4
Total	491,510	100	513,628	100	536,740	100	560,894	100	586,134	100	612,510	100	640,073	100	668,877	100	698,976	100	730,430	100
DEPARTMENTAL EXPENSES*																				
Rooms	40,470	11	42,291	11	44,194	11	46,183	11	48,261	11	50,433	11	52,702	11	55,074	11	57,552	11	60,142	11
Food and Beverage	56,639	47	59,188	47	61,851	47	64,634	47	67,543	47	70,582	47	73,758	47	77,078	47	80,546	47	84,171	47
Other Expenses	9,014	53	9,420	53	9,844	53	10,287	53	10,750	53	11,234	53	11,739	53	12,267	53	12,819	53	13,396	53
Total	106,123	22	110,899	22	115,889	22	121,104	22	126,554	22	132,249	22	138,200	22	144,419	22	150,918	22	157,709	22
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	36,146	7	37,772	7	39,472	7	41,248	7	43,104	7	45,044	7	47,071	7	49,189	7	51,403	7	53,716	7
Marketing	21,156	4	22,108	4	23,103	4	24,143	4	25,229	4	26,364	4	27,551	4	28,790	4	30,086	4	31,440	4
Prop. Operations & Maint.	22,591	5	23,608	5	24,670	5	25,780	5	26,940	5	28,153	5	29,419	5	30,743	5	32,127	5	33,572	5
Utilities	36,146	7	37,772	7	39,472	7	41,248	7	43,104	7	45,044	7	47,071	7	49,189	7	51,403	7	53,716	7
Total	116,038	24	121,260	24	126,717	24	132,419	24	138,378	24	144,605	24	151,112	24	157,912	24	165,018	24	172,444	24
Gross Operating Profit (GOP)	269,349	55	281,469	55	294,135	55	307,371	55	321,203	55	335,657	55	350,761	55	366,546	55	383,041	55	400,278	55
Management Fee	9,830	2	10,273	2	10,735	2	11,723	2	11,723	2	12,250	2	12,801	2	13,378	2	13,980	2	14,609	2
GOP after Management Fees	259,518	53	271,197	53	283,400	53	295,649	53	309,480	53	323,406	53	337,960	53	353,168	53	369,061	53	385,669	53
FIXED EXPENSES																				
Insurance	1,128	0	1,179	0	1,232	0	1,288	0	1,346	0	1,406	0	1,470	0	1,536	0	1,605	0	1,677	0
Incentive Management Fee	18,166	4	18,984	4	19,838	4	20,695	4	21,664	4	22,638	4	23,657	4	24,722	4	25,834	4	26,997	4
Reserve for Replacement	19,661	4	15,409	3	21,470	4	22,436	4	23,445	4	24,500	4	25,603	4	26,755	4	27,959	4	29,217	4
Total	38,956	8	35,572	7	42,540	8	44,419	8	46,455	8	48,545	8	50,730	8	53,013	8	55,398	8	57,891	8
EBITDA after FF&E Reserve	220,563	45	235,625	46	240,860	45	251,230	45	263,025	45	274,861	45	287,230	45	300,156	45	313,663	45	327,778	45

* Departmental expenses are expressed as a percentage of departmental revenues.

ROI Analysis & DCF Valuation

We have made a return-on-investment (ROI) analysis for the project. We note that our ROI analysis is indicative only and should not be relied on solely when making investment decisions.

We have used the net operating income forecast in the ten-year projection of income and expense as the basis for an analysis of cash flow and return on investment. In addition to net operating income, the other key component of this analysis is the development cost estimates.

In the following slides, we illustrate the development cost estimates based on our knowledge of the historic development cost of comparable projects. Although HVS maintains constant contact with developers, lenders and investors and has knowledge of broadly comparable hotel developments, we stress that we are not qualified quantity surveyors or cost engineers, and our broad estimates should not be relied upon as anything other than an indication of potential development cost.

Gross Value: Discounted Cash Flow

VALUATION PARAMETERS	
Stabilised Year	2025
Inflation	4.5%
Debt Equity Ratio	50:50
Term	10 Years
Interest Rate	9.5%
Terminal Cap Rate	8.5%
Cost of Equity	16.0%
Interest	Annual

Acquisition Cost of 215 crores is a good acquisition price because it is meaningfully below the fair market value of approximately 262 crores.

IRR : 16 %

DISCOUNTED CASH FLOWS			
Year	Net Income	Discount Factor @ 12.8%	Discounted Cash Flows
2025	220,562,829	0.88692	195,621,134
2026	235,624,743	0.78662	185,347,953
2027	240,859,965	0.69767	168,040,888
2028	251,229,851	0.61878	155,455,123
2029	263,025,282	0.54880	144,349,320
2030	274,861,253	0.48674	133,787,094
2031	287,230,290	0.43170	123,997,915
2032	300,155,957	0.38288	114,925,013
2033	313,663,117	0.33959	106,515,914
2034	4,297,072,972	0.30119	1,294,217,367
Reversion Analysis			
11 th Year EBITDA after FF&E Reserve			342,528,000
Terminal Value			4,029,741,176
Net Sales Proceeds			3,969,295,059
Gross Value			2,622,257,721

Appendices

Statement of Assumptions & Limiting Conditions

1. No responsibility is assumed for matters of a legal nature, nor do we render any opinion as to title, which is assumed to be marketable and free of any deed restrictions and easements.
2. All information (including financial operating statements, estimates, and opinions) obtained from parties not employed by HVS is assumed to be true and correct. No liability resulting from misinformation can be assumed by HVS.
3. It is assumed that the subject property is in full compliance with all applicable city, local and private codes, laws, consents, licenses and regulations (including an alcohol license where appropriate) and that all licenses, permits, certificates, franchises and so forth can be freely renewed and/or transferred to a purchaser.
4. This report may not be reproduced in whole or in part without the permission of HVS, nor shall the report be distributed to the public through advertising, public relations, news, sales, or other media without our prior written consent.
5. We are not required to give testimony or attendance in court by reason of this study without previous arrangements and only when our standard per diem fees and travel costs are paid prior to the appearance.
6. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material contained in this report it is recommended that the reader contact HVS.
7. The quality of a hotel facility's on-site management has a direct effect on a property's economic viability. The financial forecasts presented in this study assume both responsible ownership and competent management. Any variance from this assumption may have a significant impact on the forecast operating results.
8. The estimated operating results presented in this report are based on an evaluation of the current overall economy of the area and neither consider nor make provision for the effect of any sharp rise or decline in local or economic conditions. To the extent that wages and other operating expenses may advance during the economic life of the property, it is expected that the prices of rooms, food, beverages and services will be adjusted to at least offset these advances. We do not warrant that the estimates will be attained, but they have been prepared based on information obtained during this study and are intended to reflect the expectations of typical investors.
9. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based upon numbers carried out to three or more decimal places. In the interest of simplicity most numbers presented in this report have been rounded to the nearest tenth. Thus, these figures may be subject to small rounding errors in some cases.
10. While the information contained herein is believed to be correct it is subject to change. Nothing contained herein is to be construed as a representation or warranty of any kind.

Glossary

Hotel Positioning (Segment)	Description	Star Rating
Luxury (Upper Upscale Segment)	Typically refers to top tier hotels. In India, these would generally be classified as five star, deluxe and luxury hotels.	5 Star Deluxe Rating
Upscale Segment	These are hotels which are more moderately positioned and priced, with smaller room sizes, than the top tier hotels. In India, these would generally be classified ideally as four or even in special cases as five-star hotels.	4-5 Star Rating
Upper Midscale (Mid-Market Segment)	These hotels are more moderately positioned and priced than upscale hotels. These may be full service or even select service hotels, typically with fewer public areas and facilities and possibly smaller room sizes, than upscale hotels. In India, these would generally be classified as three- or four-star hotels.	3-4 Star Rating
Midscale (Mid-Market Segment)	These are typically three-star hotels with distinctly moderate room sizes, quality and pricing and a lower quality of services, while domestic brand mid-scale hotels are often more full-service in nature, services tend to be more selectively available among international branded midscale hotels.	3-4 Star Rating
Economy (Budget Segment)	These are typically two-star hotels providing functional accommodations and limited services, while being focused on price consciousness.	1-3 Star Rating

Content	Description
Administrative & General	Administrative & General comprises expenses associated with the payroll related expenses for employees classified as Administrative and General. Administrative & General departments comprise the manager's office, accounting, cost control, purchasing & receiving, information systems, security and human resources. Some non-payroll related expenses that comprise Administrative & General expenses include audit charges, bank charges, centralised accounting charges, credit card charges, licenses & permits, human resources & training, and uniforms.
APC (Average Cost/Person)	This is the average cost a hotel charges per guest for a service rendered in a particular hotel department.
Average Daily Rate (ADR)	Average room rate is the average price a room is sold for in a hotel in a given period, calculated by the room revenue for that period divided by the number of rooms sold/occupied. Also referred to as ADR (Average Daily Rate).
Occupancy	Occupancy is calculated as the number of rooms sold divided by the total number of available rooms throughout the period being analysed.
Base Management Fee	The Base Management Fee is normally calculated off a percentage of Total Revenue for the management services.
Department Costs	Department Costs are expenses in an income statement representing the cost of items consumed in the process of generating revenue. These are direct expenses of the different departments of a typical hotel like the reservations, transportation, laundry, guests supply, cleaning, F&B, hotel stationary.
EBITDA	Earnings before interest, taxes, depreciation and amortization, represents the net income to determine the companies operating performance.
Reserve for Replacement	The Furniture, Fixtures and Equipment reserve is a fund set aside by a hotel, normally around 1% to 3% of total revenue, for cyclical renovation works to guest bedrooms, public areas and back of house and any replacement of plant and machinery.

Content	Description
Gross Operating Profit (GOP)	The Gross Operating Profit is calculated as Total Departmental Income Less Undistributed Expenses.
Incentive Management Fee	The Incentive Management Fee is normally calculated off a percentage of the Adjusted Gross Operating Profit and may be contingent upon achieving certain pre-defined levels of profitability or owner return. .
Management Fees	Management Fees represent the cost for management services performed by a management company to operate the property as a whole. Management Fees may be divided into a Base Management Fee and Incentive Management Fee.
MICE	Meetings, Incentives, Conferences and Events
MPI (Market Penetration Index)	Market penetration index measures the hotel's penetration of its fair market share in a set of hotels. It is calculated as room nights sold/occupied at the hotel divided by the total room nights sold/occupied of the set of hotels and divided by the fair market share. If the MPI of a hotel is 0.9, it is performing 10% below its fair market share when compared to the set of hotels.
Property Tax	Property Tax is all taxes assessed against the real property by the government.
Repairs & Maintenance	Repairs & Maintenance expenses include the costs associated with the payroll, materials and third party costs associated with maintaining the property and contents at an operational standard.
RevPAR / Room Yield	Revenue per available room or room yield is a measure of the revenue earned per hotel room derived by dividing the total Rooms Revenue by the number of rooms available in a given period.
Sales & Marketing	Sales & Marketing expenses includes the costs of property specific advertising, centralised / brand advertising costs and payroll related to Sales & Marketing employees.
Undistributed Expenses	Undistributed Expenses are those expenses that are considered applicable to the entire property and are not able to be appropriately split between the operating departments. Administrative & General, Systems Costs, Sales & Marketing, Heat, Light & Power and Repairs & Maintenance comprise the Undistributed Expenses.
Utilities	Heat, Light & Power expenses include the costs associated with the purchase of electricity, gas, oil, steam, water, other fuels and utility taxes (including sewer taxes).

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