

REPORT | Q2 2025

# GRI HOSPITALITY INDIA 2025

Key takeaways on development trends, investment strategies, and the importance of design

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# INTRODUCTION

Since 1998, GRI Club's exclusive networking events have been providing unique opportunities for the industry's decision makers to exchange valuable insights and experiences, igniting deal flow and potential using the real estate market.

GRI Club reports provide the key takeaways from these events, including the most valuable insights, the most ardent discussions, and the most intriguing strategies.

This report presents the insights from **GRI Hospitality India 2025**, a **GRI Club India** conference that brought together leading industry experts to explore investment trends in a transforming market, innovative initiatives to maximise returns, and essential factors for preserving long-term asset value.



CHECK OUT ALL THE PHOTOS FROM **GRI Hospitality India 2025**



# HOW ARE DEVELOPERS ADAPTING TO EMERGING TRENDS?

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## » Hospitality as part of integrated developments

In recent years, hotels have increasingly become an integral part of larger, mixed-use developments. These projects, which combine residential, commercial, and retail spaces alongside hospitality offerings, are proving to be a winning formula for developers, operators, and investors alike.

This integration offers significant benefits, not only increasing the property's value but also fostering vibrant, self-sustaining communities. By incorporating hospitality within these developments, developers create synergies where a hotel benefits from the steady footfall generated by the surrounding spaces, ensuring a consistent demand for rooms.

Additionally, a well-placed hotel can enhance the appeal of the entire development, attracting residents and businesses alike. The added convenience of having a hotel on-site makes these developments particularly desirable for both visitors and long-term residents, creating vibrant communities where people live, work, and play.

From a financial perspective, mixed-use developments provide a valuable safeguard for hotel operators. Instead of relying solely on room bookings, they gain income from surrounding commercial and retail spaces, which helps mitigate risks and provides greater financial stability.

## » Greenfield vs. Brownfield projects

When considering investments in hospitality, developers are faced with the choice between pursuing greenfield (new build) projects or brownfield (redevelopment of existing assets) opportunities.

Greenfield projects are often favoured by those seeking to create a completely custom hospitality experience, since it provides developers with greater flexibility in terms of design, location choice, and the ability to cater to a specific target market.

On the other hand, brownfield projects offer the benefit of leveraging existing infrastructure, often at a lower cost than greenfield developments. By repurposing a property, developers can bypass the challenges of securing land and obtain immediate access to a location that already has potential customer foot traffic.

While brownfield projects may involve more complex operational considerations, such as retrofitting older buildings to meet modern standards, they can often be more cost-effective and quicker to market, making them an attractive option for those looking to see faster returns on investment.

Each approach has distinct advantages, and the decision largely depends on market conditions, location, the desired scale of the investment, and the specific goals of the developer at the time.

## » The shift towards luxury

Rather than simply providing lavish décor and premium amenities, hotels now prioritise creating bespoke services, such as tailored concierge services and curated local experiences that reflect the culture of their destinations. This is no longer an optional luxury perk - it's an expectation, particularly among high-end clientele.

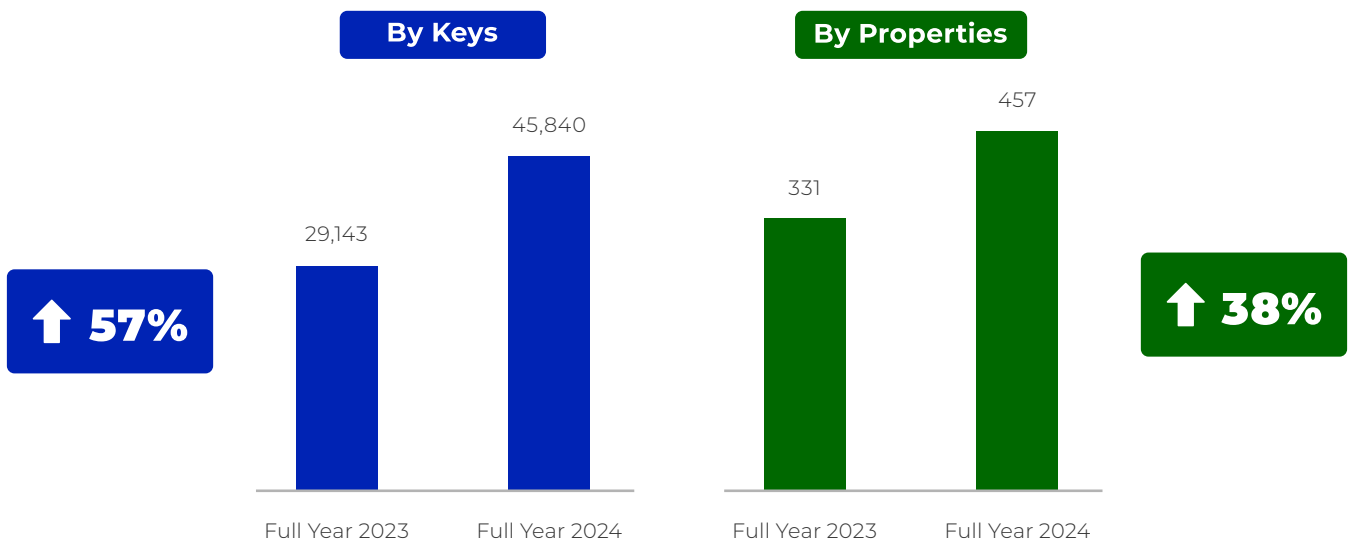
In this new era, technology also plays a pivotal role in elevating the guest experience. From seamless digital check-ins to personalisation tools that can adjust room settings based on guest preferences, these innovations not only enhance the overall stay, but also allow hotel operators to boost efficiency and satisfaction.

## » Building credibility through branded residences

Branded residences are also playing a significant role in this shift, combining the best of luxury living and hospitality, and providing access to the world-class services that come with renowned hotel brands.

A key advantage of partnering with these brands is the instant credibility they bring to a development. With established trust and recognition, their involvement helps mitigate the risks typically associated with new ventures, assuring both investors and consumers while attracting a steady stream of loyal guests.

### BRANDED HOTEL MARKET - SIGNINGS ANALYSIS



Source: HVS Research; Data collated by HVS from 20 hotel operators and media reports as of 27th January 2025; All data is for the calendar year.

Beyond credibility, brand partnerships open the door to extensive marketing opportunities. With a globally recognised hotel brand, the property gains access to the brand's marketing network, including large-scale campaigns and international reach, helping the property stand out in a crowded market, particularly in highly competitive destinations.

Furthermore, these partnerships raise service standards to new heights. Hotel brands bring years of operational expertise and a robust service model, ensuring a consistently high level of service for guests and the property's long-term success.

# DESIGNING HOSPITALITY ASSETS FOR LONG-TERM SUCCESS

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The importance of design in hospitality projects goes beyond just creating visually appealing properties and spaces. It plays a critical role in the overall guest experience, property value, and long-term success.

Experts emphasised the growing importance of creating spaces that are not only aesthetically pleasing but also functional and adaptable to future needs. This approach ensures that properties can maintain their appeal over a long period, without being tied to fleeting design trends that may not withstand the test of time.

## » **Timeless and human-centric design**

A key theme discussed was the concept of legacy design, which focuses on creating properties that remain relevant for decades. While it's tempting to follow the latest design fads, the most successful hotel projects prioritise longevity by incorporating timeless features and sustainable materials.

Additionally, there is a growing shift toward human-centric design, placing the guest experience at the forefront, and ensuring that spaces are not only functional, but also comfortable and welcoming.

When the design is centred around the needs and expectations of guests, it fosters a memorable experience, making them more likely to return and recommend the property to others. By putting the client at the heart of the design process, hotels can build stronger connections with their visitors.

## » **Telling a story**

The importance of a strong storyline behind a hospitality design was also emphasised. When the design tells a story - whether it reflects the region's cultural heritage, honours local traditions, or aligns with the brand's values - it invites guests to connect with the property on a personal level, enhancing its aesthetic appeal and deeply influencing guest engagement.

For instance, one expert shared a project where local crafts and materials were used to elevate the design. Despite working with limited resources, the property was transformed by integrating regional art and local architecture.

This approach demonstrated that less can often be more, particularly when the design honours the environment and culture. By incorporating authentic, locally inspired elements, the hotel not only reduced costs but also created a more memorable and meaningful experience for its guests, making it intimately connected to its destination.

## » Sustainability meets cost efficiency

As sustainability becomes a central focus in the evolving hospitality industry, it's increasingly recognised that sustainable design doesn't have to come with a hefty price tag. When implemented strategically, sustainable design can prevent costly future changes and provide savings over time.

A prime example is the use of locally sourced materials, which reduces transportation costs, supports the local economy, and enhances the property's authenticity. By incorporating these materials, developers can minimise their environmental footprint while maintaining operational efficiency.

## » Durable designs

Equally crucial is prioritising durability and ease of maintenance. Selecting materials that are both visually appealing and built to last can significantly reduce maintenance costs over the property's lifespan.

For example, finishes that are easy to clean and resistant to wear ensure that the hotel retains its quality, minimising upkeep expenses.

Beyond cost reduction, sustainable design also improves a hotel's profitability. By enhancing energy efficiency, reducing waste, and selecting sustainable materials, hotels can lower operational costs while increasing their long-term value.







# INVESTMENT STRATEGIES IN HOSPITALITY

Hotel investments are increasingly being viewed through the lens of long-term growth and strategic asset management. Operators are prioritising the long-term value of their properties, with many advocating for investment horizons of 30 to 50 years to ensure sustained returns.

In this context, both investors and developers are rethinking how to maximise returns over extended periods, recognising that sustained growth and stable, predictable revenue streams mitigate the risks of volatility and offer greater value than short-term gains.

## INDIA HOTEL SECTOR PERFORMANCE

DEC 2024

 <b>Average Room Rates (ARR)</b>	<b>INR 9,400 - 9,600</b>
 <b>Occupancy</b>	<b>69 - 71%</b>
 <b>Revenue Per Available Room (RevPAR)</b>	<b>INR 6,486 - 6,816</b>

Source: HVS Research; Data for Calendar Year.

Simultaneously, the growing acceptance of franchise models is reshaping the hospitality landscape, with the expanding middle class and increasing demand for international hotel brands making it a viable solution, while enabling operators to expand their footprint and maintain control over brand identity and service quality.

This evolution in business models reflects a broader trend towards greater flexibility, allowing for scalable growth, safeguarding the long-term investment potential of hotel properties, and signalling the industry’s maturation and its capacity to adapt to the changing demands of investors and customers alike.





Founded in 1998 in London, GRI Club currently brings together more than 19,000 senior executives spread across 110+ countries, operating in both real estate and infrastructure markets.

GRI Club's innovative discussion model allows free participation of all executives, encouraging the exchange of experiences and knowledge, networking, and business generation.

GRI Club Members also have access to our exclusive online platform to learn more about other members and their companies, correspond, schedule meetings, and receive unrestricted access to all GRI Club content.

## CONTACT



### **Rodrigo Branchini**

Partner | Managing Director APAC

[rodrigo.branchini@griclub.org](mailto:rodrigo.branchini@griclub.org)

# GRI Club



GRI Club India



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@griclub.apac

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