



# General Manager's Sentiment Survey 2020 Outlook



# *General Manager's (GM) Sentiment Survey*



The hotel growth cycle in India abruptly ended after a 5-year stint. **But the larger question is what lies ahead?**



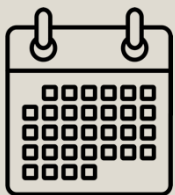
The **anonymous online survey** captured responses of **160 GMs** across **Branded hotels PAN** India covering the following details:



Type of Property



Hotel Positioning



Probable Reopening Timeframe



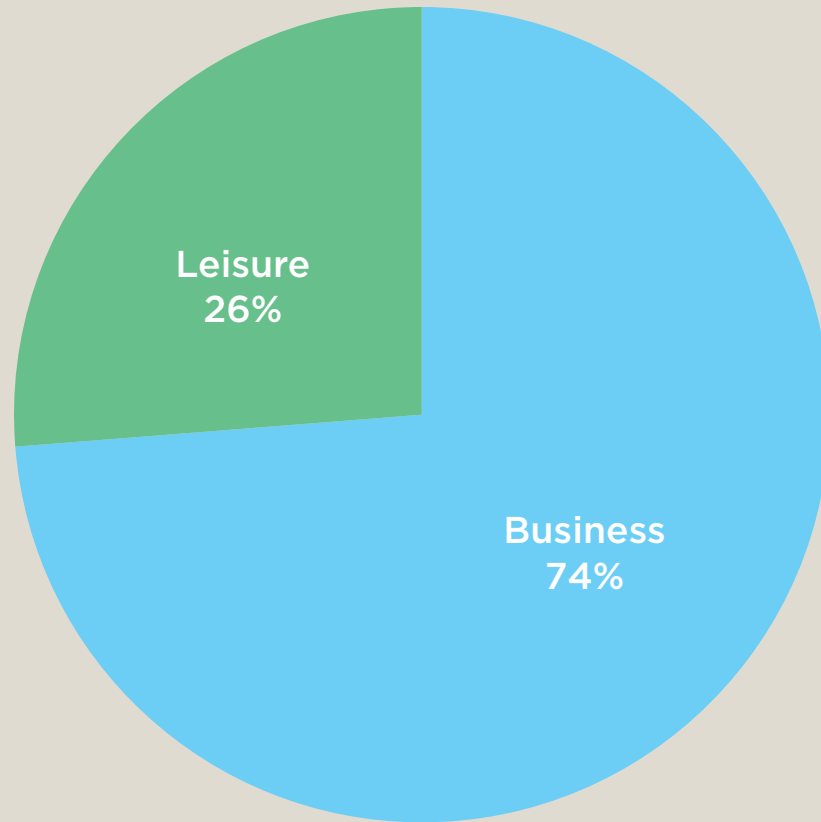
Expected Occupancy by Q4 2020 (CY)



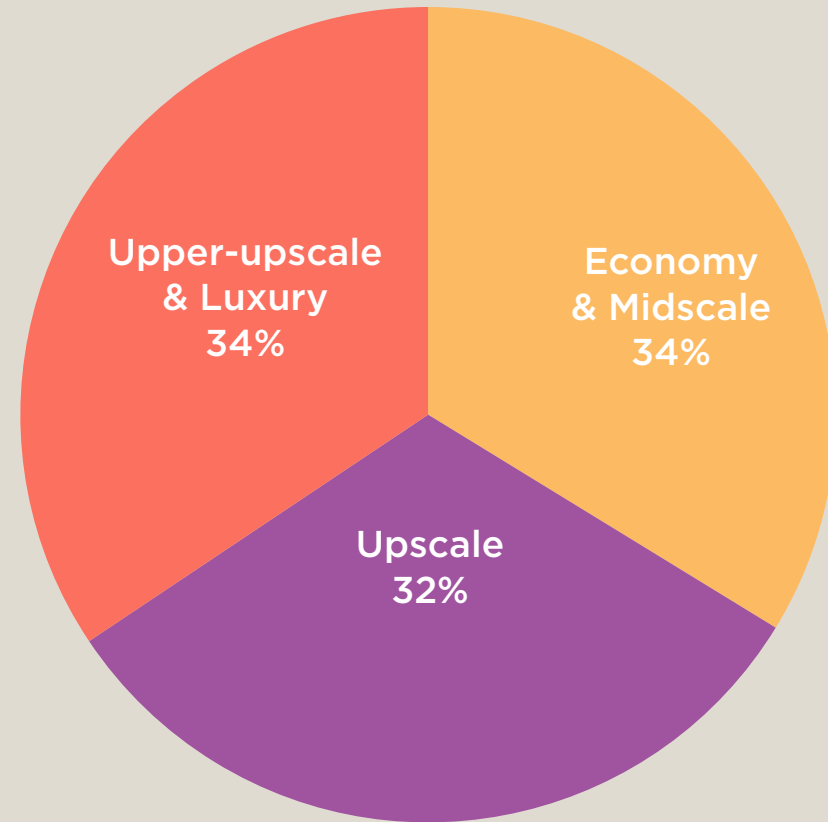
Expected Discount in Average Daily Rate (ADR) in 2020

# Profile of Respondents

## By Type

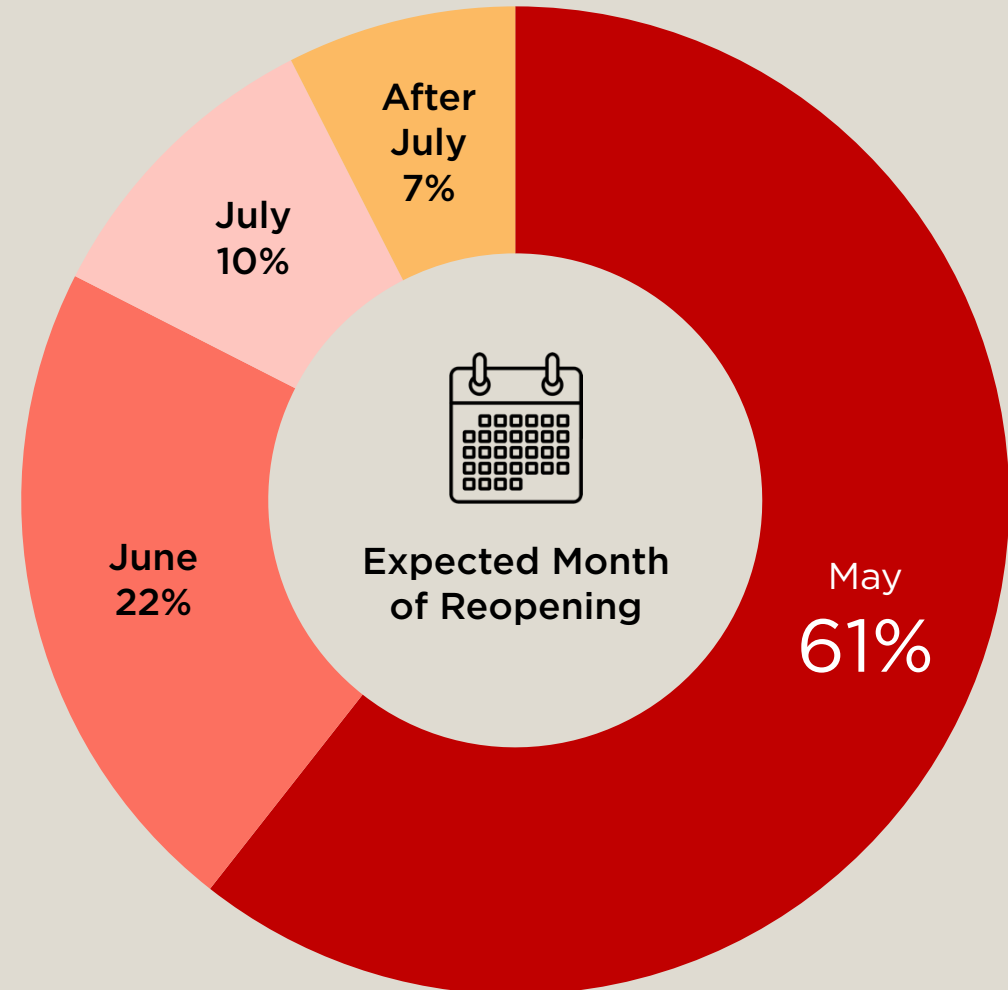


## By Positioning



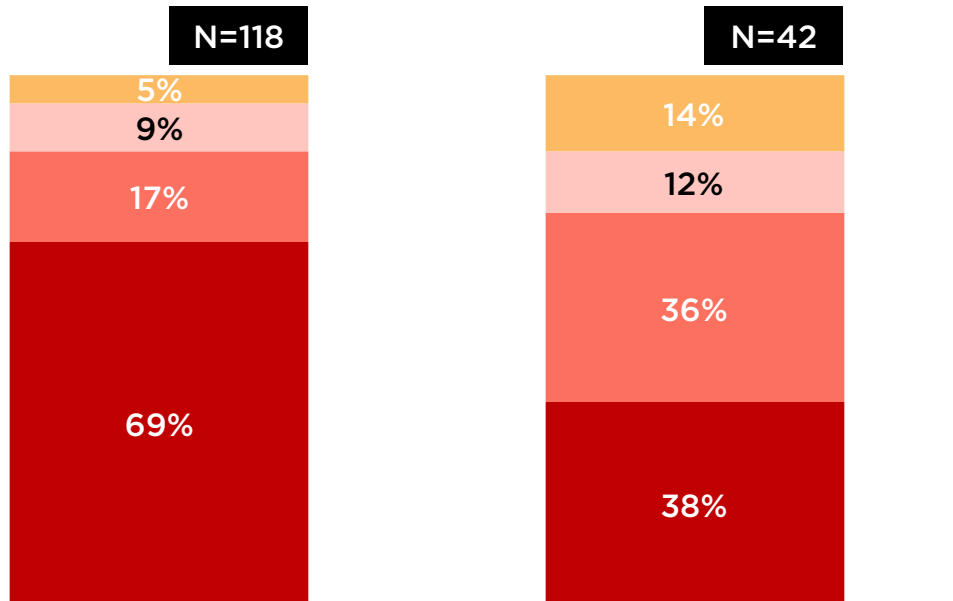
# Probable Reopening Timeframe

**Over 60% of the GMs** are preparing to reopen their hotels as soon as the lockdown is lifted this month.

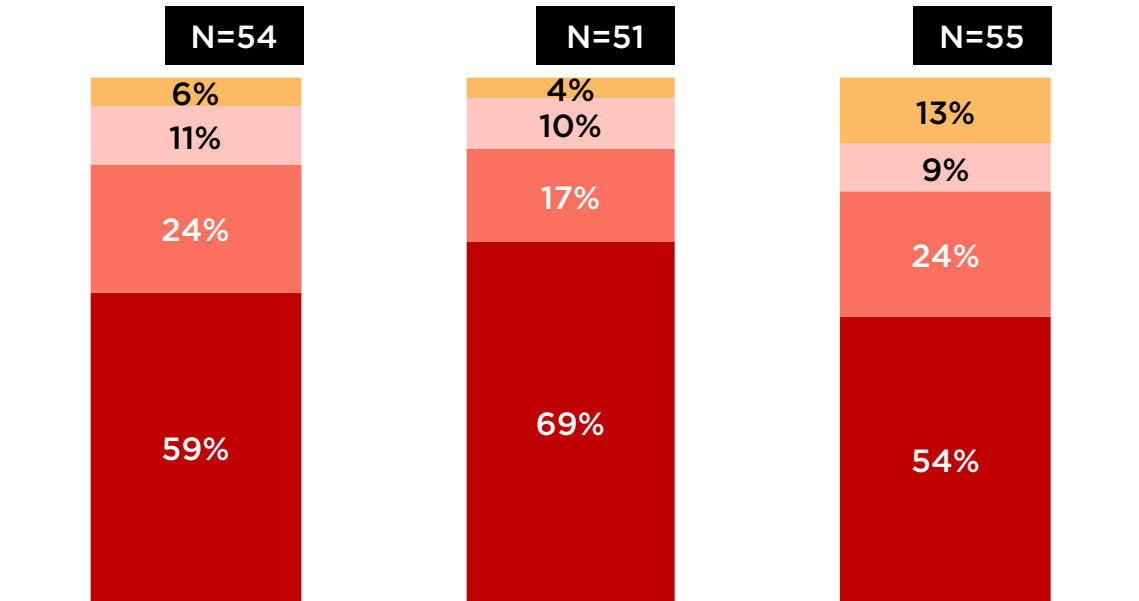


**Upscale Business properties** are expected to open sooner than others.

BUSINESS VS LEISURE PROPERTIES



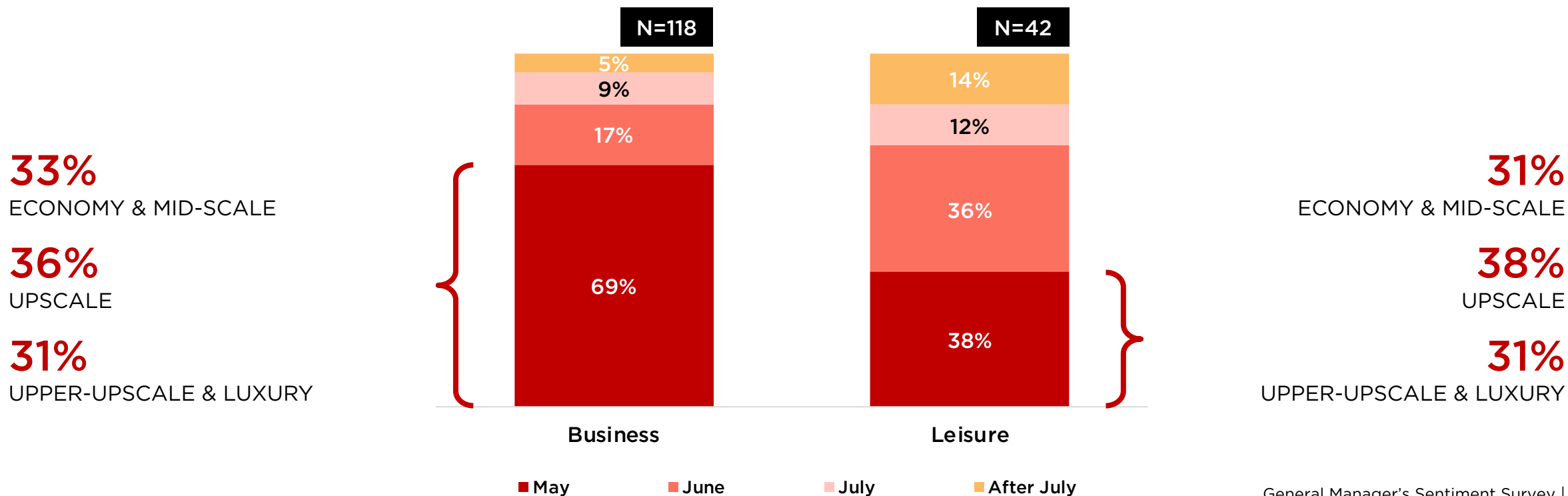
BY POSITIONING



■ May    ■ June    ■ July    ■ After July

While there is an almost equal distribution of hotels expected to reopen in May, **Upscale hotels across Business & Leisure** take the lead.

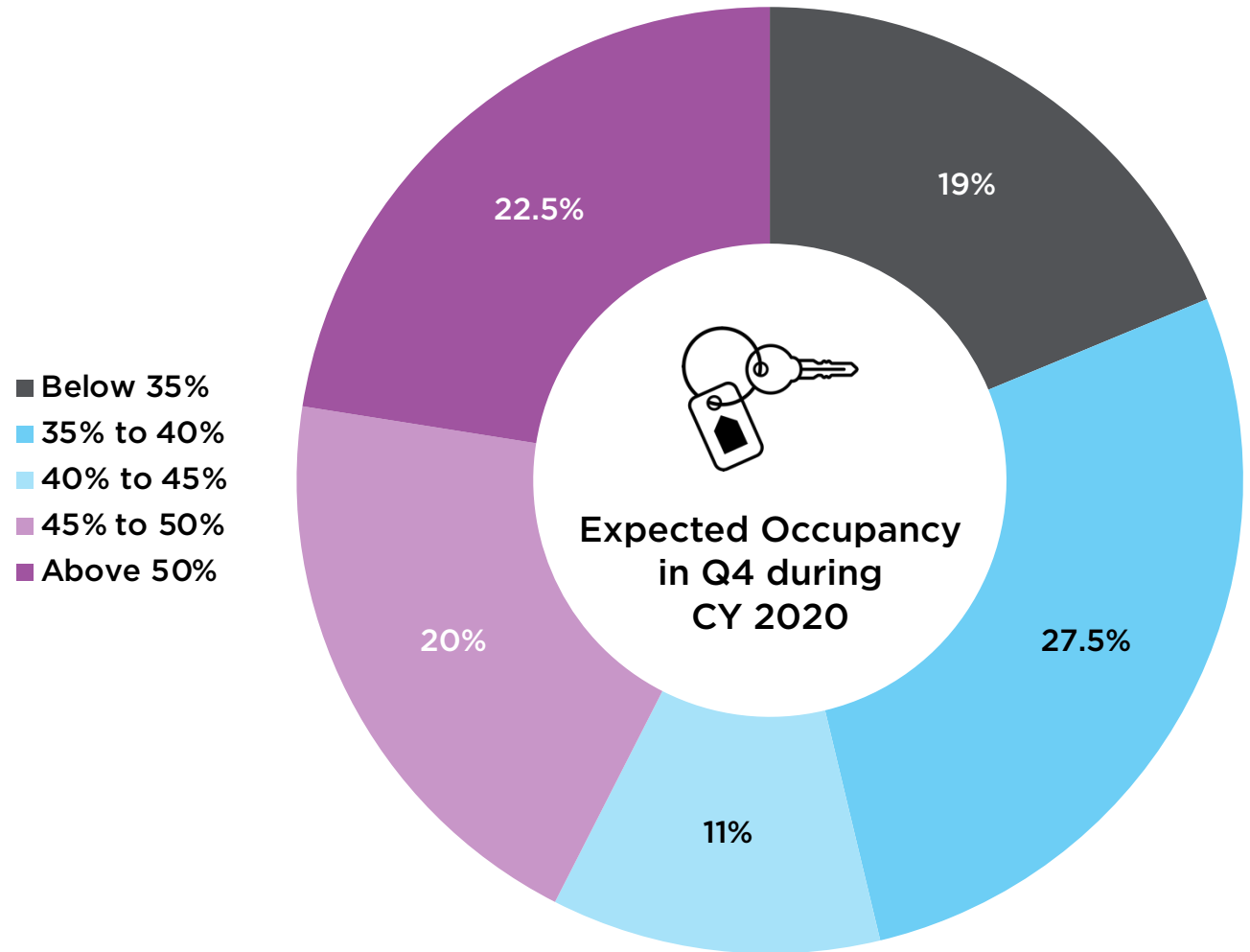
BUSINESS VS LEISURE PROPERTIES



Most GMs expect demand to pick up by Q4 2020:

Over 42% of the GMs believe that occupancy would be close to or higher than 50%.

46% of the GMs believe that occupancy will remain below 40%.





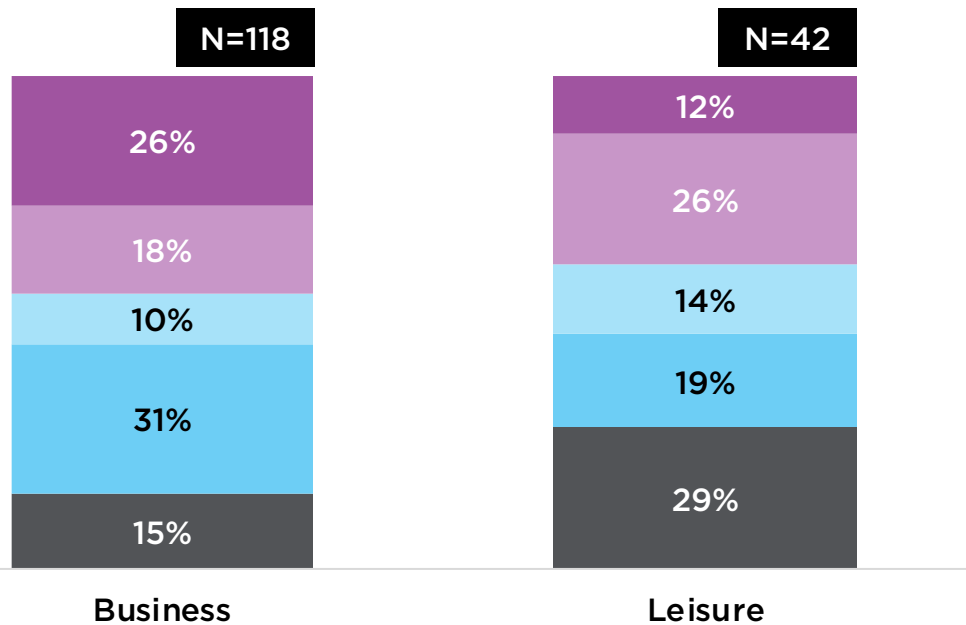
# Expected Occupancy by Q4 2020

By Segments & Positioning

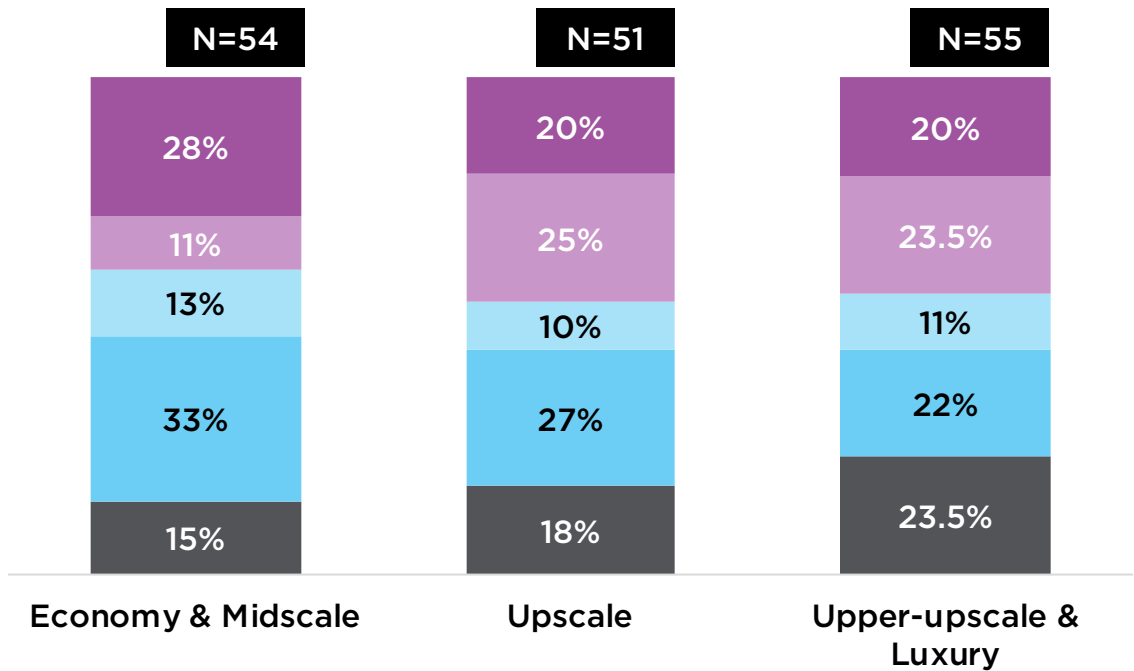
**Business hotels** likely to see quicker recovery.

**Economy & Midscale hotels** most confident of achieving 50% and more occupancy.

BUSINESS VS LEISURE PROPERTIES



BY POSITIONING



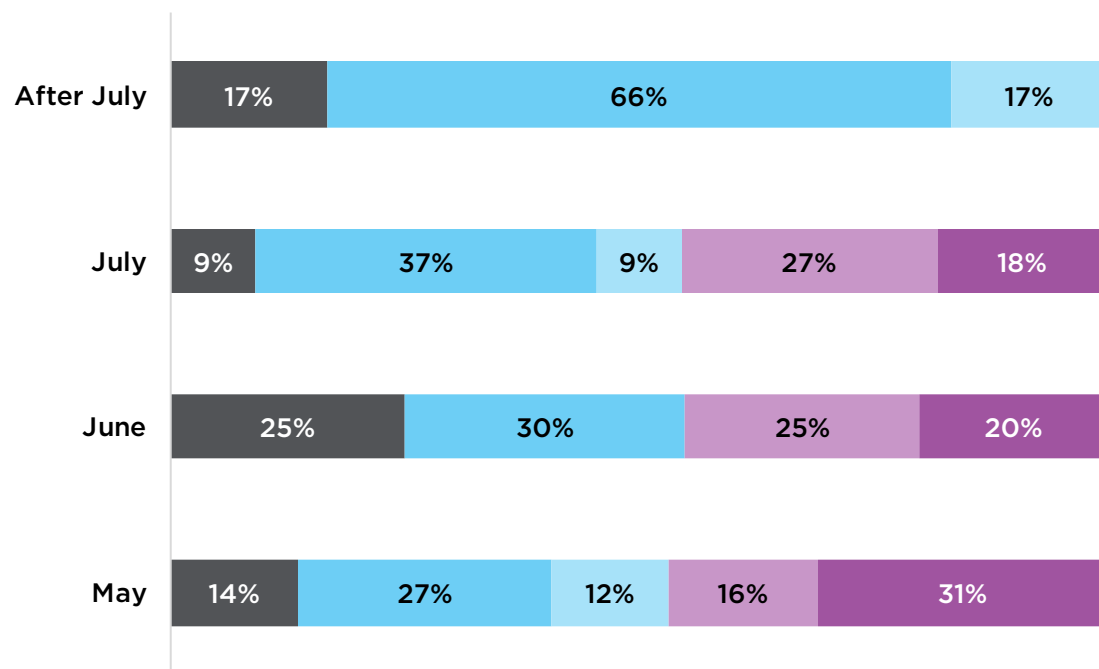
■ Below 35% ■ 35% to 40% ■ 40% to 45% ■ 45% to 50% ■ Above 50%

# Expected Occupancy by Q4 2020

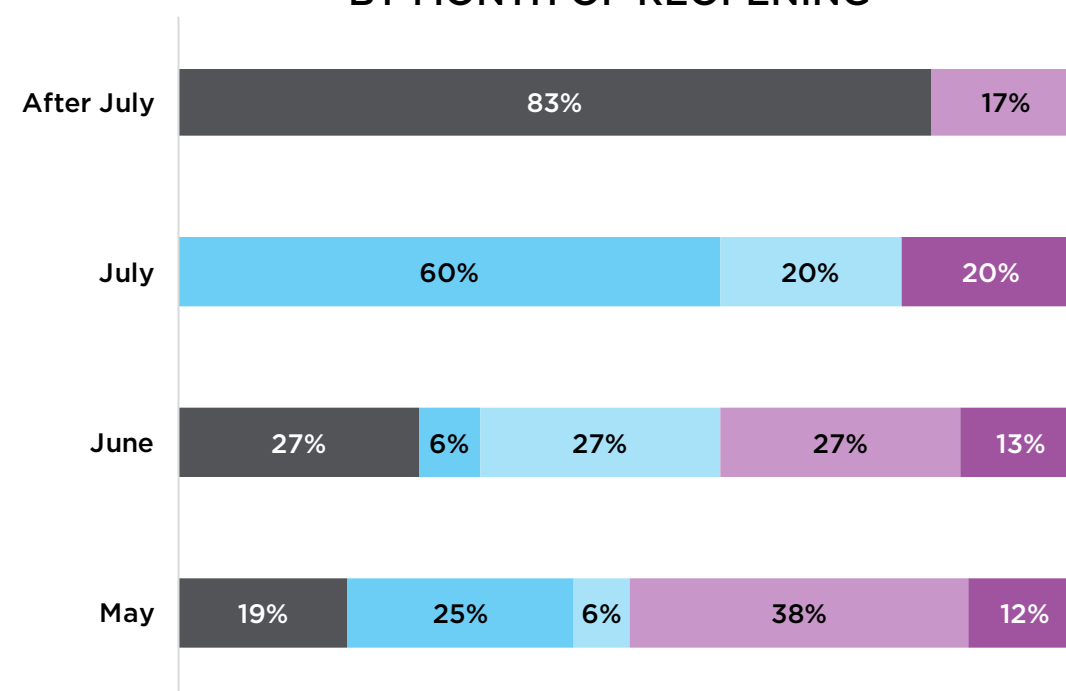
By Property Type & Month of Reopening

**Business hotels opening in May** are more confident of occupancy exceeding 50%. **Leisure hotels** to see a slower build up of occupancy.

### BUSINESS HOTELS OCCUPANCY BY MONTH OF REOPENING



### LEISURE HOTELS OCCUPANCY BY MONTH OF REOPENING



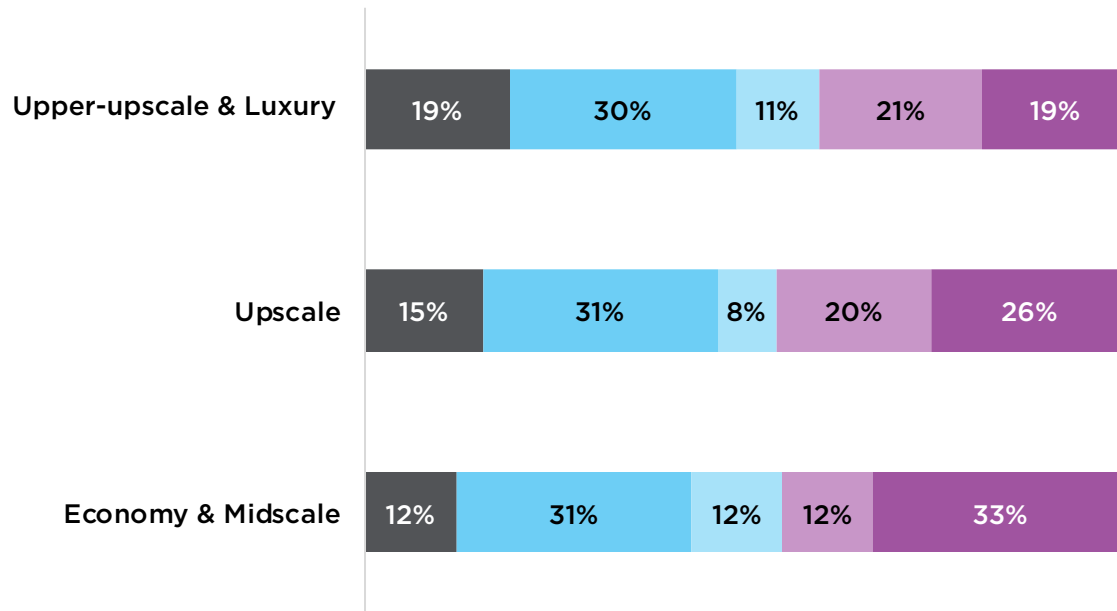
■ Below 35% ■ 35% to 40% ■ 40% to 45% ■ 45% to 50% ■ Above 50%

# Expected Occupancy by Q4 2020

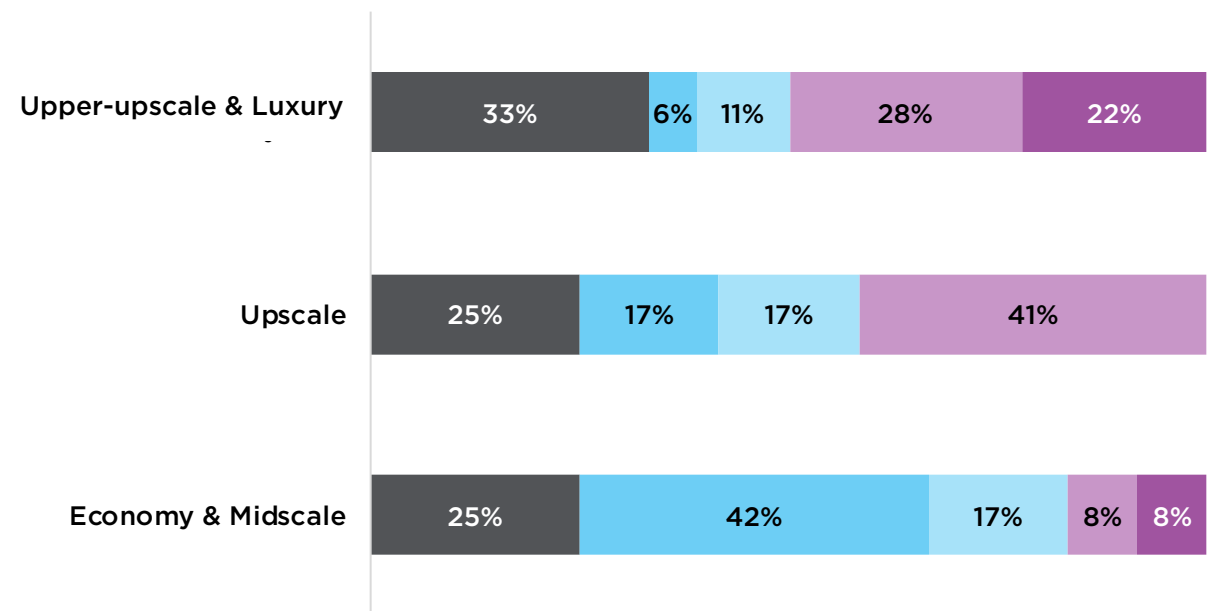
By Property Type & Positioning

**33% of Business Economy & Midscale hotels** are expected to exceed 50% occupancy. **50% of Leisure Upper-upscale & Luxury hotels** are expected to achieve occupancy of around 50% or higher.

### BUSINESS HOTELS EXPECTED OCCUPANCY BY POSITIONING

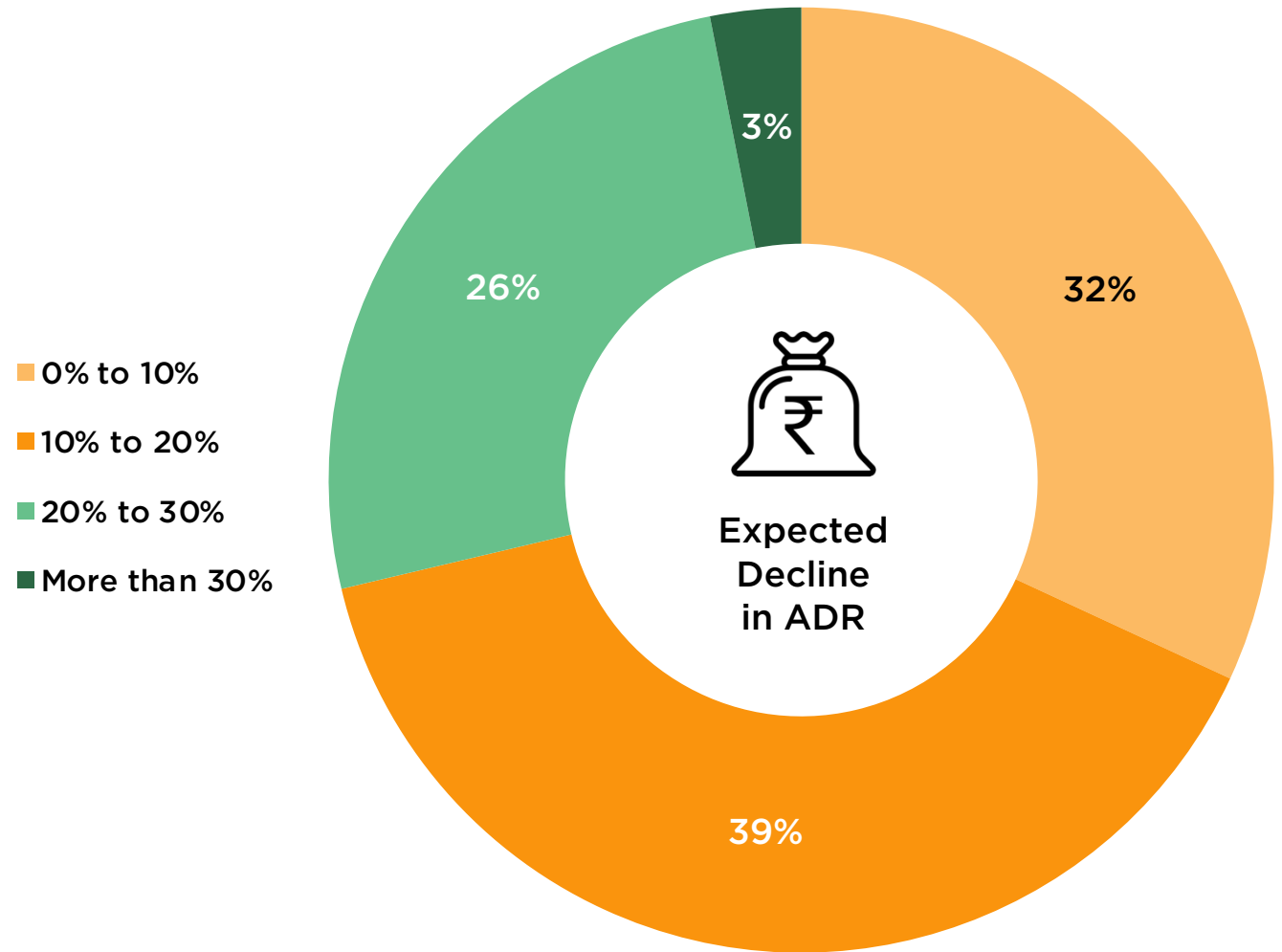


### LEISURE HOTELS EXPECTED OCCUPANCY BY POSITIONING



■ Below 35% ■ 35% to 40% ■ 40% to 45% ■ 45% to 50% ■ Above 50%

With such a drastic fall in occupancy, it is comforting that **over 71% of the GMs won't discount their rates by more than 20%.**



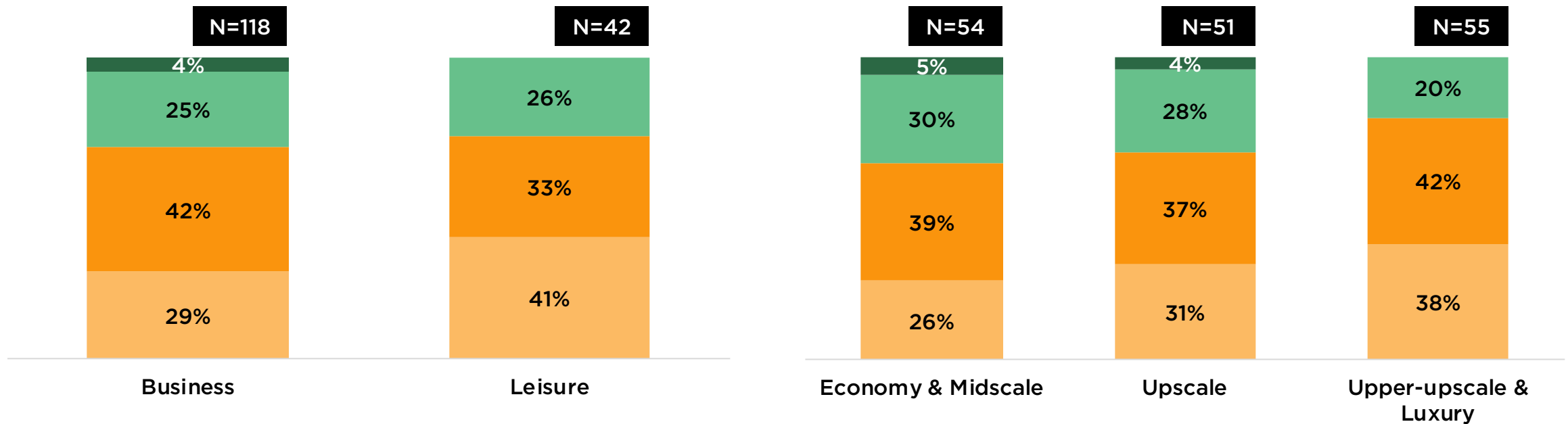
# Expected Discount in ADR

By Segments & Positioning

Leisure hotels to have lower discounting of rates than Business hotels. Economy & Midscale hotels will discount the most, while Upper-upscale & Luxury hotels the least.

BUSINESS VS LEISURE PROPERTIES

BY POSITIONING



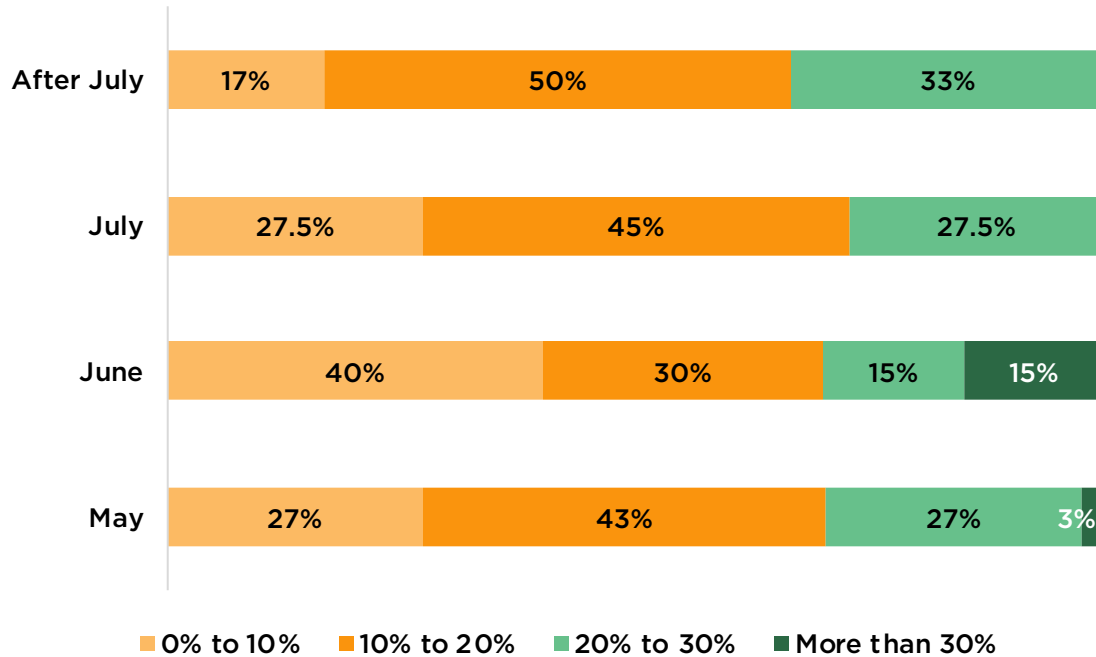
0% to 10% 10% to 20% 20% to 30% More than 30%

# Expected Discount in ADR

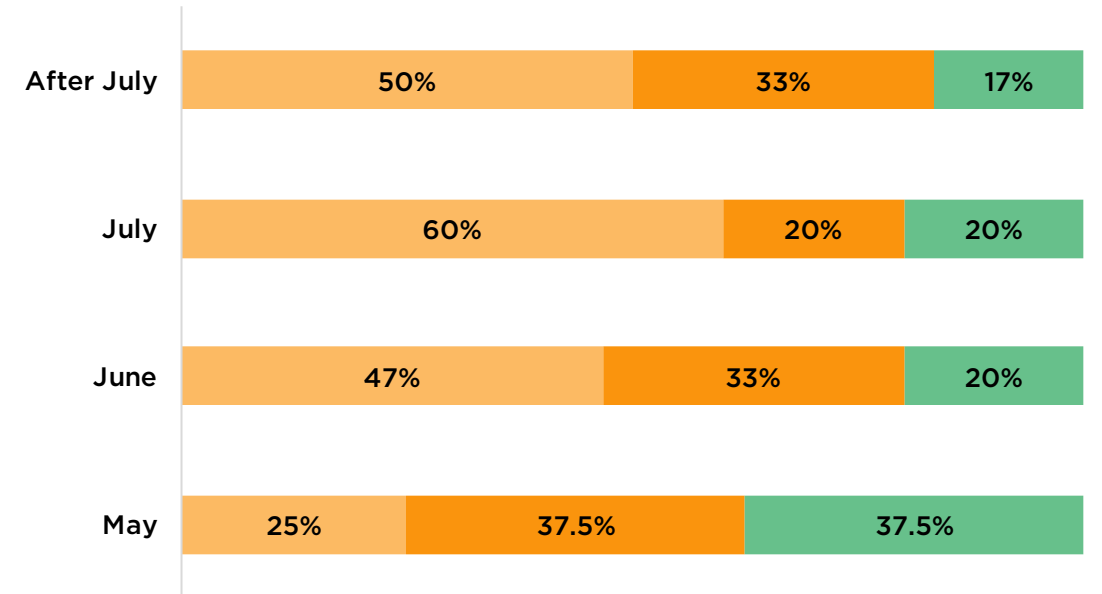
By Property Type & Month of Reopening

Leisure hotels reopening after July are expected to discount the least, while Business hotels reopening after July will discount the most.

### BUSINESS HOTELS EXPECTED DISCOUNTING BY MONTH OF REOPENING



### LEISURE HOTELS EXPECTED DISCOUNTING BY MONTH OF REOPENING

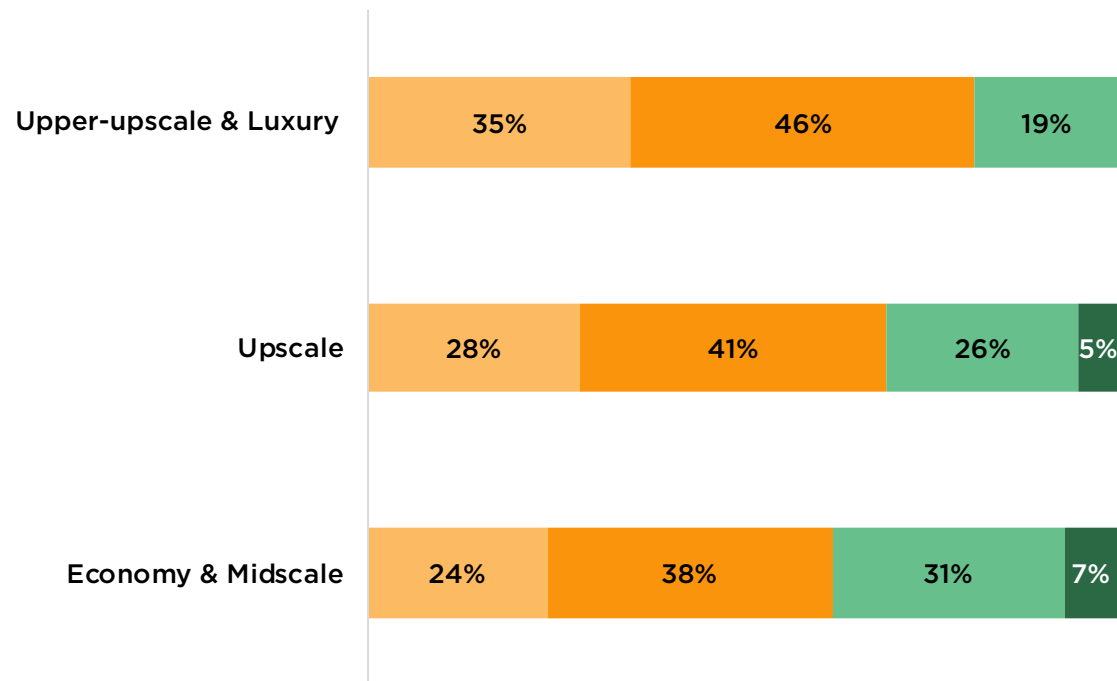


# Expected Discount in ADR

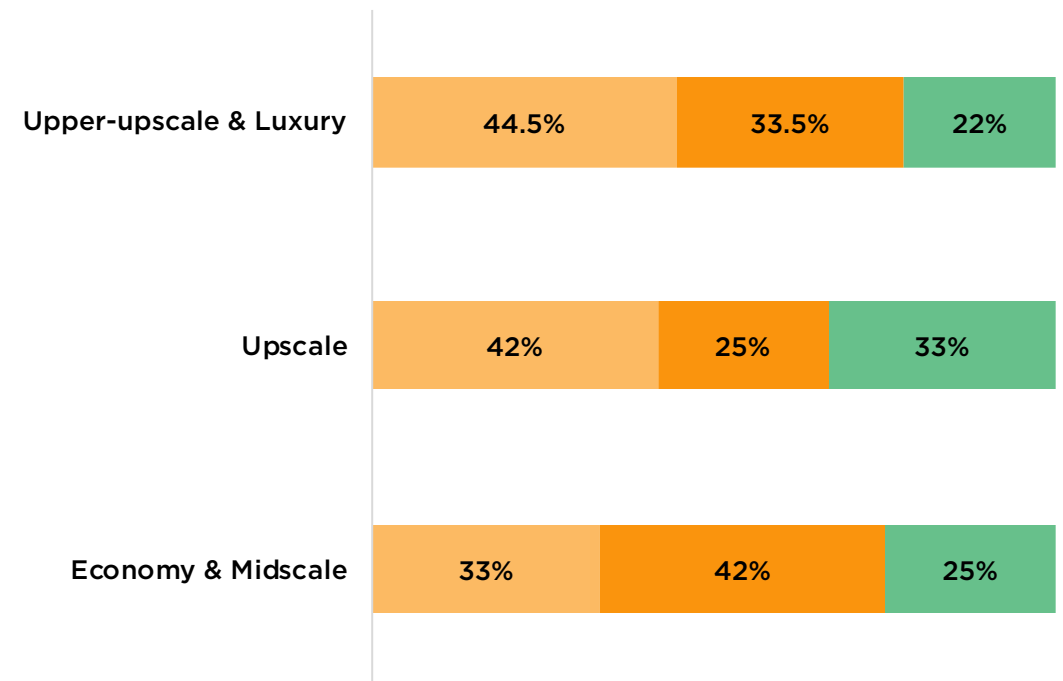
By Property Type & Positioning

Almost 40% of Business Economy & Midscale hotels are likely to discount upto 30%.

### BUSINESS HOTELS EXPECTED DISCOUNTING BY POSITIONING



### LEISURE HOTELS EXPECTED DISCOUNTING BY POSITIONING



0% to 10% 10% to 20% 20% to 30% More than 30%

1 Majority of hotels to reopen in May

2 Occupancy likely to range between 40% to 50% in Q4 2020.

- Business hotels are likely to see quicker recovery in occupancy than Leisure, with those reopening in May being more confident of occupancy reaching 50% or higher in Q4.
- 33% of Business Economy & Midscale hotels are expected to exceed 50% occupancy. 50% of Leisure Upper-upscale & Luxury hotels expect to achieve occupancy of around 50% or higher.

3 Even with such a drastic fall in occupancy, most GMs do not plan to discount their rates by more than 20%.

- Overall Leisure hotels to have lower discounting of rates than Business hotels.
- Higher discounting levels in Economy & Midscale hotels, while Upper-upscale & Luxury hotels will discount the least.
- Leisure hotels reopening after July are expected to discount the least, while Business hotels reopening after July will discount more.



# Stay Safe & Healthy.

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