

Hotel chains chase demand, but favour asset-light deals

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The next phase of India's hospitality boom is underway. Indian and global hotel chains signed pacts to manage at least 550 new hotels across the country last calendar year. The push spans pilgrimage towns, hill stations, industrial hubs and airport corridors, as the demand for branded rooms continues to outstrip supply. Hospitality firms are locking in inventory through asset-light deals, without the pressure of owning the properties.

This year too, the number is expected to look strong, early indicators suggest. Data collected by *Mint* from hotel chains and consultancies shows at least three firms—including Radisson and Marriott—have signed over a dozen hotels in 2026, riding the tourism boom and demand for branded experiences.

Last week, Hyatt signed two new hotels with the Brigade group in Chennai and Bengaluru, while IHG Hotels signed one in Nehru Place, Delhi. ITC Hotels signed up a Storii branded hotel in Mukundgarh Fort, Rajasthan.

"In 2026 so far, we've already added nine new hotels signed across markets. Our development strategy remains focused on a balanced mix of tier-1, -2, and -3 markets," said Nikhil Sharma, MD and COO, South Asia, for the Radisson Hotel Group.

That is the appeal of the asset-light model that now dominates much of the branded hotel business. In such arrangements, a developer or property owner builds the property, while the brand,



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such as Sarovar, Lemon Tree, Hyatt or IHG, comes in to run the hotel. The hotel operator typically earns management fees linked to revenue, and in some cases, profits, while also benefiting from room distribution, loyalty plans and brand visibility. For owners, tying up with a known hotel firm can boost occupancy, pricing and customer access.

Per industry estimates, India has only about 220,000 branded hotel rooms, and this is seen rising to 350,400 by 2030. Demand for branded hotel rooms is seen growing at a CAGR of 8-10% during FY25-28 as against the 5-6% rise likely in premium hotel rooms, as per ratings firm Icara.

Many businesses in the sector told *Mint* that over the last decade or so, they have moved to asset-light management contracts rather than owning the properties since it is easier to scale this way. This reflects a simple math: room demand is expected to stay ahead of supply for years, encouraging hotel brands to secure management contracts in markets where travel demand is deepening beyond the top metros.

Kiran Andicot, senior VP for South Asia at Marriott International, said 2025 was a landmark year, with 99 signings. "These were across gateway cities and emerging destinations, across luxury, premium, and select-service segments," he told *Mint*. In the first three months of 2026, the company signed up with 13 hotels.

Hotel signing activity has risen at a smart pace. From 223 contract signings in 2019, the number has doubled to about 550 in 2025. There were 484 signings in 2024. In room count too, the scale-up has been big, from 20,870 keys in 2019 to over 64,000 in 2025.

Sarovar plans 20-odd launches in 2026, while listed player Lemon Tree signed up with 56 hotels in FY26.

EIH Ltd, parent of Oberoi Hotels, said it has added managed properties in Kabini, Hampi and Coorg during the third quarter, while Indian Hotels Co Ltd, parent of Taj, has said a key driver of its next growth phase is a sharper asset management focus. In FY26, ITC Hotels signed for 33 hotels to have 220 hotels by 2030.

A clear theme emerging is that faith, leisure and infrastructure are converging to drive branded stay demand.

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