

Indian hotels have a new item on the menu: branded luxury homes

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Large legacy Indian hotel companies are warming up to the idea of setting up branded residences, a space that has largely been dominated by international hotel chains such as Four Seasons, Ritz-Carlton and Grand Hyatt.

Despite sluggish sales of luxury homes, a host of branded residences have come up in the past 3-4 years. Besides the popular Trump Towers and Four Seasons Residences, global fashion houses, including Versace and Armani, have also collaborated

with Indian developers to build luxury homes.

For branded residences, fashion houses or hospitality chains lend their brands to a luxury housing project and provide management services for a fee.

Kolkata-based conglomerate ITC Ltd, which operates hotel chains under the ITC brand, has begun construction of its first branded residence in Colombo, Sri Lanka. The company has roped in global luxury brokerage firm Sotheby's

International to sell the project, which comprises 132 luxury apartments, said one person familiar with the matter. Each unit would be priced at \$1.2 million, the person added.

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Amit Goyal, CEO of India Sotheby's International Realty, confirmed the partnership. The project will target the growing wealthy non-resident Indian community in the island country.

Indian Hotels Co. Ltd, or the Taj Group, and EIH Ltd, which runs Oberoi and Trident hotel



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Brand value

Legacy Indian hotels step into branded homes space to extend their brand and customer base

The segment is dominated by global hotel brands, fashion houses

ITC Ltd is launching its first branded residences in Colombo

Taj and Oberoi groups are also exploring the space

Leela Hotel Ventures' first branded residences is nearing completion. It has also tied up with Prestige Group, Indiabulls Real Estate, Raheja Developers Ltd to build homes under the Leela brand

chains, also aim to enter the branded residences segment.

While the Taj Group is looking to set up its first branded

residence at Colombo in partnership with Kathmandu-based conglomerate Chaudhary Group, the Oberoi group

is in talks to launch projects in Bengaluru and Mumbai, said one person, requesting anonymity. Queries emailed to Oberoi, ITC and Taj spokespersons remained unanswered till the time of going to press.

Hotel Leela Venture Ltd, which operates the Leela chain of hotels, is developing four luxury projects across Bengaluru, Mumbai and Delhi.

While its first branded housing project in Bengaluru in partnership with real estate firm Bhartiya City is nearing completion, it has also tied up with Prestige Group to build Leela Residences in the city.

Besides, it is also building Leela Blu Residences in Mumbai with Indiabulls Real Estate, and Leela Skylark with Raheja Developers Ltd in the Delhi-NCR region.

"There is increased interest by Indian hotel companies towards branded residences. This is a logical extension as an asset class," said Mandeep Lamba, managing director, hotels and hospitality group, at real estate advisory JLL India.

According to him, such projects, which are normally part of a luxury hotel development, help in reducing the overall capital cost for the hospitality project and also monetize part of the underlying real estate.