

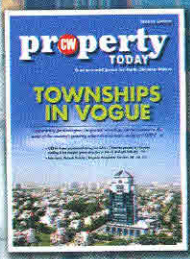
# CW

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# “We plan to invest an additional ₹600 crore in the hotel space.”

Nirupa Shankar, Director, Brigade Hospitality Services Ltd



Having entered the hotel space in 2004 with Brigade Hospitality Services Ltd (BHSL), Brigade Group's confidence in the hospitality sector has gained momentum. With the establishment of Brigade Homestead Serviced Residences earlier in 2001, it has pioneered the concept of professionally managed serviced residences in Bengaluru. It has also been one of the first real estate developers to get involved with lifestyle membership clubs. Moreover, in order to promote cultural activities, the company as a part of its CSR activity, has constructed the MLR Convention Centre in the city. Currently, with two operating hotels – Grand Mercure and Sheraton – in Bengaluru, the dynamic and steadfast **Nirupa Shankar, Director, BHSL**, in conversation with **MONISHA RAO**, says, “We are bullish on the hotel space and want 15 per cent of our business coming in from the hospitality sector.” Elaborating upon the company's plans for the future, she adds, “While we have seven additional hotels in the pipeline, we have also tied up with InterContinental Hotels Group (IHG) to construct 10 more Holiday Inn hotels in India.”

## Key to success

Our hotels have been doing very well! Grand Mercure has had an occupancy rate of 85 per cent in February and March, as against the city's average of 58 per cent. Our room rates are also higher than the city's average – Rs 8,500 as against Rs 6,500. Besides, as a developer we try to limit our per key cost of development for a five-star hotel to

Rs 1-1.25 crore and to Rs 65 lakh for a three to five-star hotel. For a mid-market hotel, like Holiday Inn, the per key cost of development is Rs 35 lakh, which may even escalate to Rs 40 lakh depending on delays in the completion of the project. To avoid such price escalations, we ensure that we budget our raw material

BHSL has invested about Rs 400 crore in the hospitality sector, which also includes clubs and a convention centre.



