



“Techno Economic Feasibility of Business Hotels Located Across 10 Cities in the state of Gujarat, India”

Gujarat Tourism Project Development Company Limited (GTPDCL)

SUCCESS STORY

HOTEL FEASIBILITY IN SHORTLISTED LOCATIONS ACROSS GUJARAT

GTPDCL

TEAM

Colliers International (India) Property Services Pvt. Ltd.

REGIONS COVERED

Ahmedabad,
Ankleshwar – Bharuch
- Dahej,
Bhuj,
Gandhinagar,
Gandhidham,
Jamnagar,
Rajkot,
Surat,
Umargaon - Valsad - Vapi
Vadodara,

SERVICES PROVIDED

Techno Economic Feasibility Study

CHALLENGE

GTPDCL is a Joint Venture Company formed between Tourism Corporation of Gujarat Limited (TCGL) with Infrastructure Leasing & Financial Services Ltd. (IL&FS). It was formed with the objective of developing tourism projects across Gujarat. This entity had mandated Colliers to prepare techno-economic feasibility reports for 10 cities/regions across the state. The reports were to be shared with international and domestic investors / developers / hotel operators and thus had to be of the highest quality and prepared within very strict timelines.

Most of the subject cities/regions fall in tier 3 and 4; and thus getting hospitality data was a challenge. Colliers International thus had to undertake detailed field research by visiting all the major hotels, tourism and Income Tax / Entertainment Tax government departments to collect data.

STRATEGY

Colliers undertook an extensive survey of the hospitality industry which included collecting data on key performance indicators such as ARRs, occupancy and RevPAR; composition of guests, purpose of visit (foreign/domestic; business/ leisure/ religious/MICE), average stay, tourism trend analysis and details of proposed hotels in each city.

SERVICES

The report prepared by Colliers recommended whether a hotel should be developed in the 10 proposed regions, timeframe for development, the type of hotel, no. of rooms, detailed product mix as well as three most sellable locations within a city where a hotel project would be successful. This was based on the market survey and a detailed demand assessment exercise that was undertaken on the basis of tourist inflows, and a dip-stick survey of key companies present in the city. The techno-economic feasibility included conducting site specific analysis and financial analysis indicating the estimated IRR, NPV and Debt Service Coverage Ratio for the proposed projects.

RESULTS

The report was accepted by the client and the government of Gujarat. It was subsequently shared with investors, developers, and hotel operators to attract investment in the projects.

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