

Why International brands should invest in

Indian Branded Residence Market



Market size (INR)
27,000 Crores

Over
2900+ units

20
24

A White Paper by SKYE Hospitality
in Partnership with Axon developers

Forewords



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The Indian branded residence offers a conducive market for numerous international brand who would like to enter the lucrative segment. The Indian branded residence market is presently sized at around INR 27,000 Crores, comprising over 2900 units. It will continue to grow at a staggering pace marked by growing appetite for aspirational living amongst Indian elites.

Over the past 1.5-2 decades, the market size of well-heeled Indian households has risen drastically. Indian HNIs comprising start-up owners, creative mavericks, family business house owners, top corporate honchos have ramified in the recent times. This is also fuelling demand for premium living in the country.

These affluent households look for exclusive spaces with top tier amenities. While opulence and vanity are highly sought-after, there is also growing demand for curated services. They are eyeing aspirational lifestyle decked with wellness, happiness and "me time". They want to strike the right balance between meaningful social interaction and personal space.

This is where, branded residences come into play. These new emblem of premium living and exclusivity can offer opulence and aspirational lifestyle, which new-age Indian elites are craving for. Few years back, thinking about 24 hrs butler services, exclusive concierge, fine dining services, wine cellars, and coffee lounges inside your society would have been fanciful thoughts. Today with the growing popularity of branded residence, this is no more the case. Branded residences are now rewriting the rules of indulgent living in India.

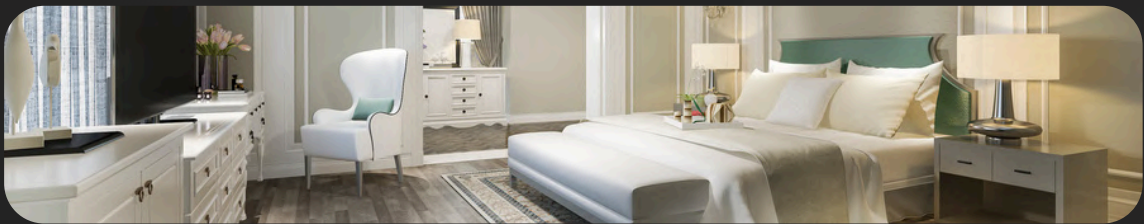
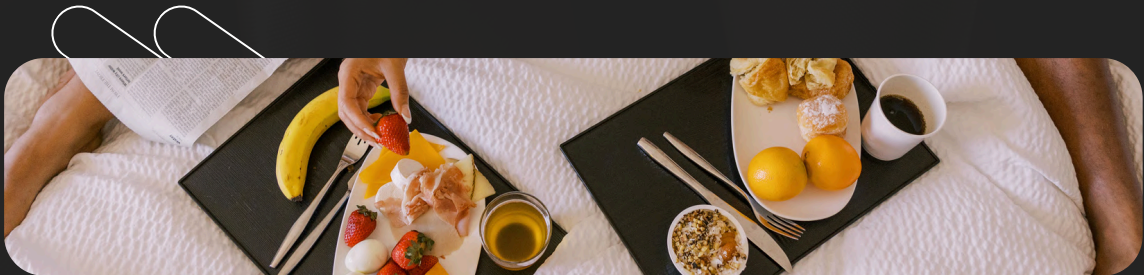
We have seen an active participation from both hospitality and non-hospitality brands, which are pivoting to the segment. Numerous brands such as Trump, YOO, Marriott, Atmosphere Core, Versace, IHCL, Oberoi, Four Seasons, etc. have successfully launched and sold branded projects in the country.

However, what we have seen so far is just a tip of the iceberg. There is tremendous untapped potential in the segment, which brands from all over the world can capitalize on. Interestingly, the phenomenon would not just be limited to Tier-1 cities but will soon proliferate to Tier-2 cities, urban peripheries, tourist destinations.

Apart from generous fees, branded residences offer revenue diversification opportunity to discerning brands. There are numerous other benefits that come with the segment. It can mark a natural progression for brands, which has already made a remarkable name in the market.

To learn more about how the segment is evolving in India, unlocking new opportunities for international brands, we have compiled the White Paper. This research thought piece can offer valuable inputs to brands, developers, real estate advisories. It can also render incisive inputs and perspectives to other consultants, discerning buyers & investors, media, etc.

Hope you will like the report. Feel free to share your valuable feedback with us.

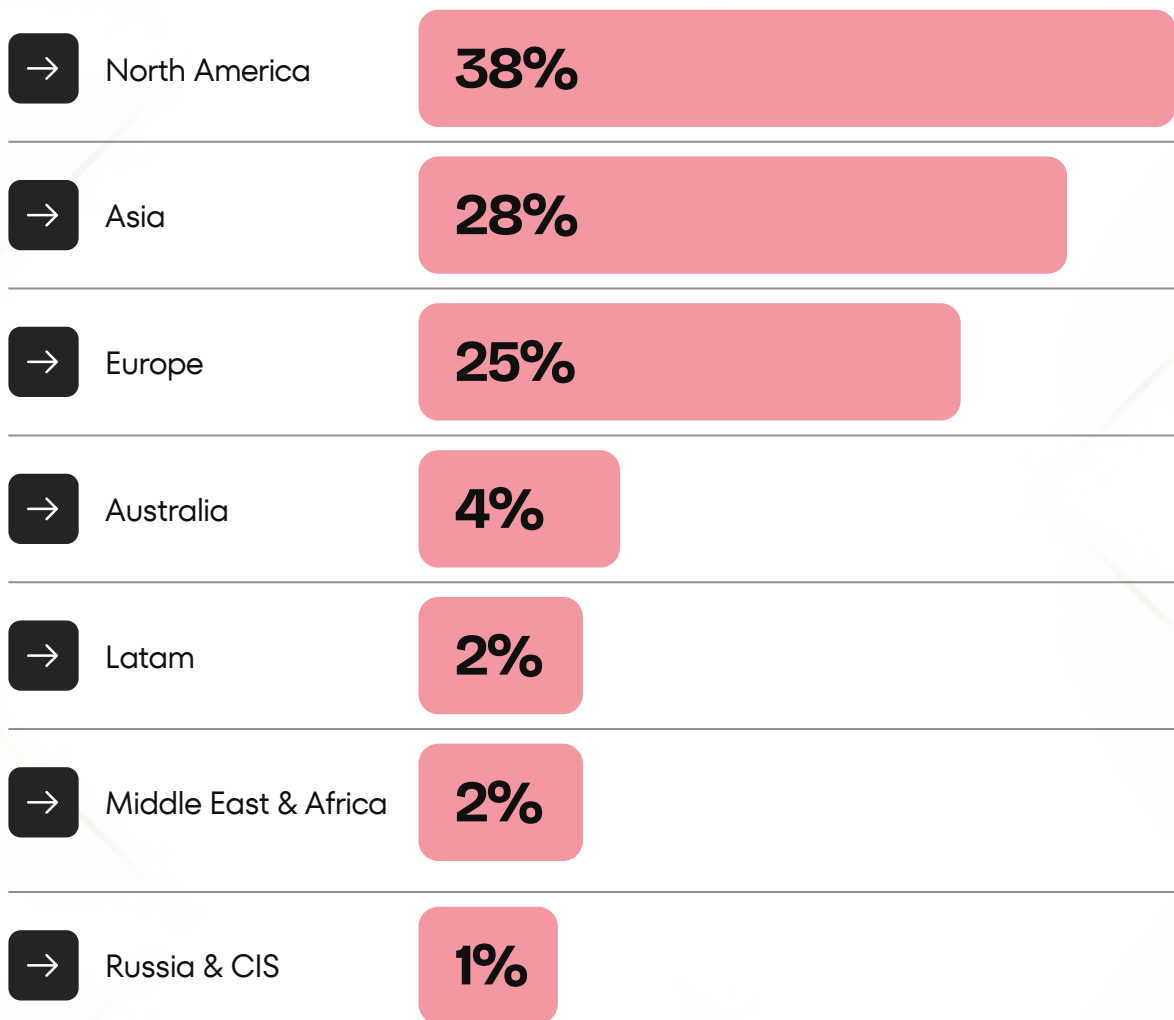


1.0

Branded Residence Global Overview

Break-up of UHNIs Globally

Source: Statista, SKYE Hospitality



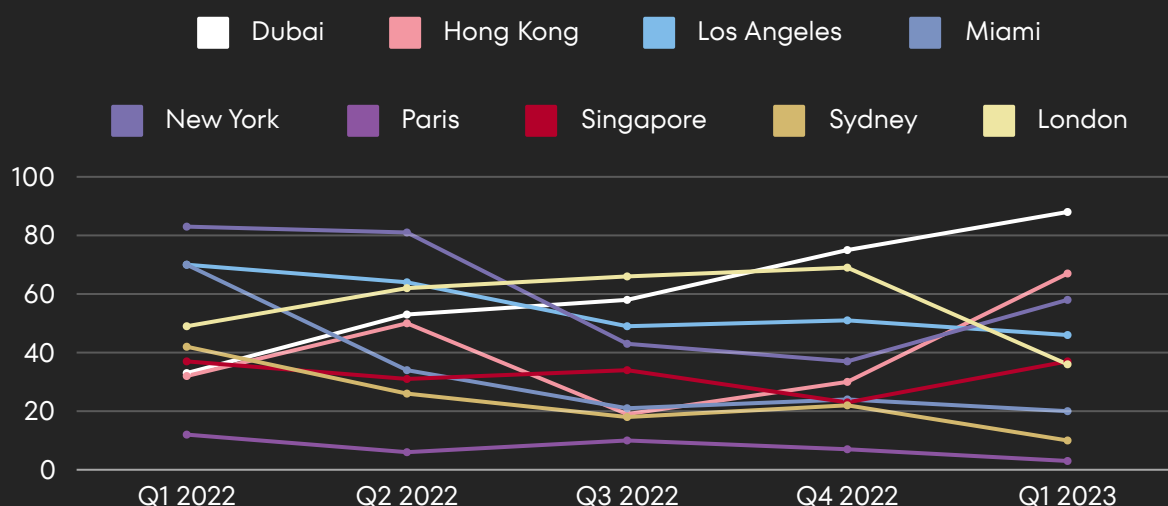
The Global Branded Residence Market is growing at a notable pace. Rise in income, bounce in travel, and growing fascination with premium residential real estate are some of the key factors that are driving the market in the positive direction.

Currently there are around ~ 670,000 UHNIs (with a combined asset value of USD 30 million) worldwide. Over the next 5 years, it is expected to swell by another 25-30%.

USA and China are one of the biggest contributors of the global rich & affluent, followed by other key growth drivers such as India, UK, Germany, Middle East, etc.

Global travel has bounced all over the world, with highest growth visible in Asia. In 2019, the total number hotel nights globally amounted to 10.7 billion. This has plummeted by 50% in 2020 in the face of the pandemic. However, the global tourism market is once again on an upswing with 2019 numbers expected to be crossed by 2024.

Rise in international travel and proliferation in wealthy households are driving premium residential real estate all over the world. While investment and propensity to own lifestyle assets are major factors driving the global premium real estate, other factors such as kid's education, reallocation, and perception of real estate as a safe haven are also propelling the trend.



Sales trends of luxury residential real estate (> USD 10 million)

Source: Knight & Frank, SKYE Hospitality

Alongside other premium assets such as holiday homes, vintage mansions, beach houses, farm stays, there is growing inclination towards Branded Residence all over the world. In Asia, India, China, Vietnam, UAE, KSA are thriving markets for Branded residences. In Europe, Italy, Germany, Greece, Portugal, UK, Turkey, etc are growing fast. Other markets like Latam, USA, and Australia are also seeing jump in supply.

Besides hospitality brands such as Ritz Carlton, Marriott, Four Seasons, Mandarin Oriental, Aman, etc.

non-hospitality brands are also getting lured towards the segment. Numerous non-hospitality brands such as Aston Martin, Ducati, Trump, Yoo, Swarovski, Porsche, Fendi, etc. are showing interest in the segment, lured by its long-term high growth potential.

Currently, there are around 29,000 units of Branded Residence (2023) worldwide as per a study by Knight and Frank. The segment will continue to grow at a rate of around 12% yearly.

2.0

Major Branded Residence Projects in the World

Mentioned below are some of the Major branded residence projects worldwide

Viceroy Brickell	Miami	<ul style="list-style-type: none"> • A JV between Related Groups and Viceroy Hospitality • Located at Financial Centre, Miami. • Total 498 units • Swimming pools, spa, pool side cabanas, lifestyle centres, saunas, etc. • Wine tasting salons, private virtual game bars, private theatres, etc. • Business centres and conference facilities. • Studio, 1-BHK, and 2-BHK options available • Prices start from INR 5 crores • Delivery in 2026
Waldorf Astoria Residences	New York	<ul style="list-style-type: none"> • A JV between Waldorf Astoria and Property Market Group • 100 storey building • A total of ~ 380 units. • Suites, 1, 2,3, 4, BHK, Condominiums • Private resort style pools, private cabanas, cafes, etc. • Starting price is around ~ 7.5 crores • Slated to be completed by 2026
Faena, Sao Paolo	Sao Paolo	<ul style="list-style-type: none"> • An Accor and Faena Group JV • The project spread across ~ 20,000 Sq. m area • The swanky property has two tennis courts, swimming pool, gaming zones, etc. • Slated to open in 2026

The Standard Residence, Phuket	Phuket, Thailand	<ul style="list-style-type: none"> • A JV between Standard Hotels and Central Group • Low rise luxury project near the Boat Avenue area • 188 units spread across 6.7 acres of land • 1, 2, 3 BHK, condos, etc. • Facilities include high-end gyms, concierge, spa & sauna, gaming zones, etc. • On demand facilities include housekeeping, in-house dining, laundry, private events, etc. • Prices start from ~INR 2.5 Crores • Slated to be completed by 2026
Banyan Tree Residence	Sichon, Thailand	<ul style="list-style-type: none"> • Beachfront luxury villas (4 & 6 bedrooms) • Located in Sichon, Thailand. • Private pools & terrace • Staff accommodation facility • Clubs, cafes, fitness centres, etc. • Optional wine cellar • Starting price is INR 15.5 crores • Slated to be completed by 2025
Residence 38, Bangkok	Bangkok, Thailand	<ul style="list-style-type: none"> • A JV between Ascott and BTS Group • Located in Thonglor district, Bangkok • 56 units situated in a 36-storey building • 1,2, 3, 4 bedroom and penthouse • Prices start from INR 4.9 crores • Slated to be completed by Dec 2024
Mayfair Park residence, London	London	<ul style="list-style-type: none"> • A JV between Mayfair Group and Clivedale London. • It will have 24 units. • A Georgian style Luxury development • Private pools, Jacuzzi, exclusive therapy rooms • 1-bedroom property starts from INR 42 crores • The project will be completed by 2025

Kempinski Residence	Balmumcu, Istanbul	<ul style="list-style-type: none"> • A JV between Kempinski and Astas Group • 155 residences • Located near the CBD in the Istanbul • Developed across a 30,000 square meter lush green valley • Breathtakingly Bosphorus views • Facilities & amenities include concierge, lounges, gyms, outdoor pools, valet parking, etc. • Prices start from INR 12.7 crores. • Opened in 2024
Saffire Residence, Sao Paolo	Sao Paolo	<ul style="list-style-type: none"> • A JV between Eli Saab & Laavi group. • The project is spread around 7500 Sq. M area • List of amenities include: private pools, beach pools, gaming zones, fitness centres, toy library, etc.
Kempinski Marina	Dubai Marina	<ul style="list-style-type: none"> • A JV between Kempinski and ABA Group • Located in Dubai Marian region • A total of 453 units • Types of units include: 1,2, 3, 4 BHK, penthouses, sky villas • Facilities & amenities will include modern gyms, clubs, kids' clubs, fine dining, retail, sports complexes, etc. • Prices start from INR 5 crores • Slated to be completed by 2028
Baccarat Residences	Downtown Dubai	<ul style="list-style-type: none"> • A JV between Baccarat and H&H developers • Types of units include: 2, 3 & 4 BHK apartments alongside 4 & 5 BHK penthouses • Beach access, gyms, swimming pool, in-house dining, kids play area, BBQ zones, retail, F&Bs, etc. • Prices start from INR 41 crores • Slated to be delivered by 2026.

Marriott Residence	Ho Chi Minh City	<ul style="list-style-type: none">• A JV between Marriott and Masterise development• Spread across 24 acres• A total of ~ 5000 units• Sporting facilities, clubs, gyms, retail, fine dining, etc• Starting price is around 10 crores
Elounda Hills	Crete, Greece	<ul style="list-style-type: none">• JV between 1 Hotels & Home and Elastic and Makridis Associates• 21 luxury villas• Designed across premium Mediterranean lifestyle• Marina beaches, spa & wellness centres, private yacht clubs• Access to sandy beaches, cafes, F&Bs, etc.• Owner of the property are eligible for permanent residency program (Non-EU residents)• Prices start from INR 21 crores.• Slated to be delivered by 2026

Source: SKYE Hospitality Analysis, project websites, media reports



Some of the major Branded Residences markets are mentioned below

Dubai, UAE



Dubai is undoubtedly the capital of Branded Residence in the world. In the 1ST half of 2023,

around 3800 branded units were sold in the Emirate (35% of the market is run by secondary market while the remaining comprise of primary units.), inching up from 3700 units in 2022, H1.

The Dubai and UAE market has plethora of units spread across branded residences in hotel premise, units/ suites inside hotel buildings, as well as non-hotel stand alone Branded Residences. Major brands such as Raffles, Ritz Carlton, Palm Atlantis, Cavalli, Bulgari, etc. have projects in the Emirate, attracting hordes of local and international homebuyers.

Ho Chi Minh City, Hanoi, Vietnam

The South East Asian economy is becoming a major hub of Branded Residence in Asia. The country is home to around ~ 30 branded projects, with majority of them located in Hanoi, Ho Chi Minh City, and other coastal towns. Numerous big brands such as Marriott, Ritz Carlton, etc. have presence in the Vietnam market.

Over the years, Vietnam has made notable growth in terms of commerce, economy, and travel. This has resulted in a growth of new crop of millionaires and affluent households.

In the past 5 years, the UHNI population in Vietnam has expanded by around ~ 86%. Despite growth in HNIs and UHNIs, the residential market is still unorganized and poorly developed. This has unravelled opportunities for branded residences in the country that can cater to the evolving tastes of the rising elites.



South Florida

The South Florida region is one of the biggest markets for Branded Residence in the Americas. There are close to 40 operational projects alongside a pipeline of ~ 20 projects. Major luxury hospitality brands such as W, Ritz Carlton, Fairmont, Hilton, Waldorf Astoria, etc. are active in the market.

As per research revealed by Savills, around ~ 60% of the market is dominated by luxury hospitality brands. Meanwhile non-hospitality brands from automotive, design, F&B space are also entering the market.

Few of the leading non-hospitality brands active in the segment include Dolce & Gabbana, Bentley, Aston Martin, Armani, Porsche, Major Food Group, Fendi, etc.



Greece

The Mediterranean country is becoming a thriving ground for branded residences with active participation from leading players such as Aman, Temes, Hilton, etc. Greece is a leading tourist destination in the world, with a sizable market share of luxury tourism.



This is making branded residences very popular with growing demand for condos and villas, inside hotel and resort properties. Most of the buyers are affluent middle aged (40-55) from various international markets such as Middle East, USA, UK, and few other parts of Europe.

While these international investors use these properties for some part of the year, for the remaining part of the year, they are leased out. The Branded Residences of Greece is also loved by celebrities and famous personas.

Thailand

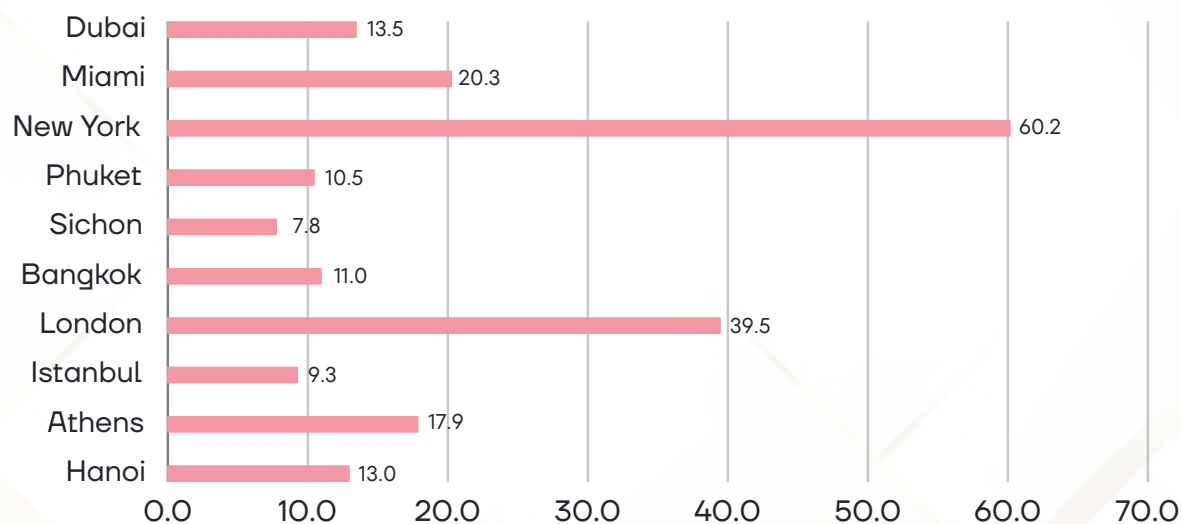


Branded Residences are aggressively expanding its footprint in Thailand backed by idyllic locations, lush greeneries, and exploding tourism market.

The South East Asian economy is expected to receive around ~ 80 million tourists by 2028, which is also driving demand for branded condos, apartments, and beach side villas. Apart from Phuket and Bangkok, other locations such as Hua Hin, Sichon, etc. are also gaining prominence due to picturesque locations coupled with affordable prices. Both international and regional hospitality brands are active in the space. Some of the leading players in the Thailand's Branded Residence industry includes IHG, Dusit, Veranda, Ascott, etc.

Average Ticket Size of Branded Residences (2 BHK Units, INR Crores)

Source: SKYE Hospitality Analysis





3.0

Overview of Branded Residence in India

The Indian branded residence market is gaining strength to strength. At present, there are 2977 branded residence units registered in India. This is around ~ 10% of the global market supply. Delhi NCR is the largest market, contributing ~54% of the supply lines. The size of the total market is around ~ INR 27,000 Crores.

The branded residence market will continue to grow and evolve in India with a host of big 5-star hotel chains entering the space. Major hospitality brands such as IHCL, Oberoi, Marriott, Leela, Four Season etc. have active projects in the country. Besides other big hospitality players such as Atmosphere Core, Wyndham, etc.

are also planning big investments in the Branded Residence segment.

In addition to hospitality chains, other brands such as Yoo, Versace, and Trump Tower are entering the space lured by its long-term prospect. Other brands spanning across F&B, fashion, lifestyle etc. are mulling to enter the space.

A branded residence is not just a trophy asset but also comes with a host of value-added benefits such as valet services, concierge, cafes, wellness centres, clubs, wine cellars, coffee lounges, etc. This further makes them a very popular asset to look into, especially amongst the Indian HNIs.

Delhi, NCR	Trident	<ul style="list-style-type: none">• 19 units• A J/V b/w Oberoi resorts & BI Luxury Residences• Located at Dr. Zakir Hussain Marg• 3600- 9300 sq ft• Price- 20 to 40 crores• Under construction phase (possession date not available)
	Ireo Grand Hyatt Residences, sec 58, Gurgaon	<ul style="list-style-type: none">• 275 units• J/V b/w IREO and Hyatt Regency.• Located in sec-58, Golf Course Road• 4 BHK units and duplex (4600- 10,000)• Delivered

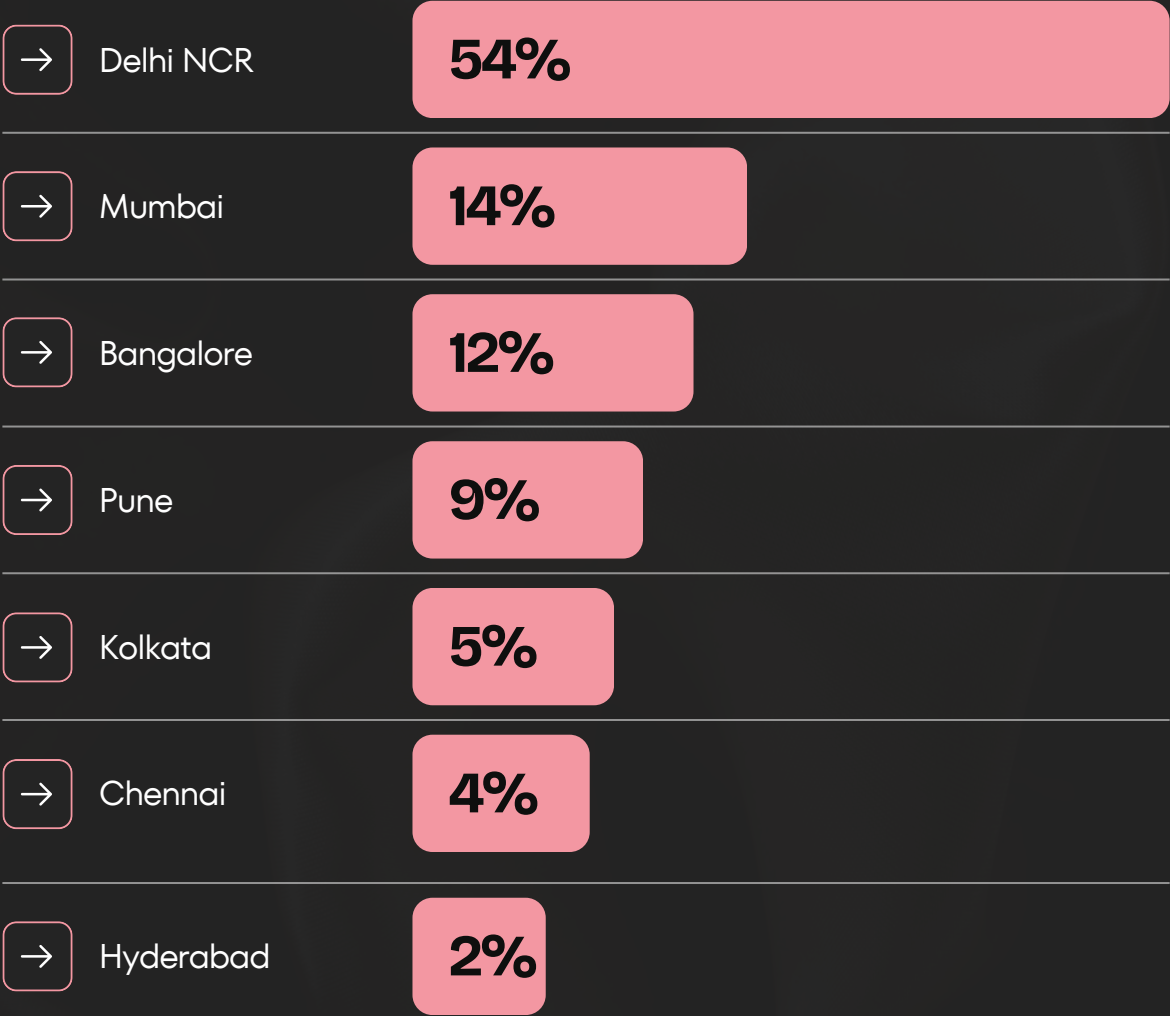
Raheja Leela Sky	<ul style="list-style-type: none"> • 121 units • J/V b/w Raheja and Leela • Located in Navin Minar, New Delhi • 3,4,5 BHK units • 2306-7277 sq ft • Starting price is 6 crores • Under construction phase (possession August 25)
3C Four Season residences	<ul style="list-style-type: none"> • 267 units • J/v b/w 3 C & 4 Season • Located in sec-16 in Noida • 3 to 4 BHK units (4200- 7900 sq ft) • Price – 9 to 17 crores • Ready to move
Trump Tower, sec-65, Gurgaon	<ul style="list-style-type: none"> • 250 units • J/V b/w Trump & M3M. • 3 & 4 BHK units (3500- 6000 sq ft) • Prices in the range of 8-13 crores • Under construction (Possession by Dec 2024)
Unity The Amaryllis Versace	<ul style="list-style-type: none"> • Units not available • J/W b/w Unity Group and Versace • Located at Karol Bagh • 6 BHK units (7050- 7171 sq ft) • Price starts from 19.51 cr • Under construction (2024)
The Westin Residence	<ul style="list-style-type: none"> • 674 units (1st phase) • JV between Westin/ Marriott and Whiteland • Located at Dwarka expressway, NCR • 2 & 3 BHK units • Price starts from around INR5- 6 crore range.

Pune	YOO ONE	<ul style="list-style-type: none"> • 221 units • J/V b/w Tribeca and Tricon • Sussane Khan is the design partner • Spread across 6.73 acres • 1300- 2400 sq ft • Price range: 1.73- 3.6 crores • Newly launched (Possession by 2027)
	Trump Tower, Pune	<ul style="list-style-type: none"> • 46 units • J/V b/w Trump Tower & Panchshil realty • Located in Kalyan Nagar, Pune. • 2.5-acre project • 1700- 6400 sq ft • Starting price 12 crores • Completed & delivered.
Bangalore	Four Season, City Towers	<ul style="list-style-type: none"> • 109 units • Twin 30-storey towers • J/V b/w Embassy & Four Seasons • Located at Bellary Road • 1900- 4100 sq ft area. • Starting price: 7.5 crores • Delivered
	Leela Prestige residences	<ul style="list-style-type: none"> • 88 units • J/V b/w Leela & Prestige • Located at the Old Airport Road • 3-acre project • 3,4 BHK units (size not available) • Starting price 7.8 crore • Completed & delivered
	Leela Bharitya City	<ul style="list-style-type: none"> • 176 units • J/v b/w Leela & Bhartiya developers. • 3 towers, with 24 levels each • 1- 4 BHK units (807 sq ft – 4200 sq ft) • Located at, Thanisandra, Bangalore. • Delivered

Chennai	Taj Residences	<ul style="list-style-type: none"> • 123 units • A J/V b/w AMPA group and Taj Hotels • Located at Nungambakkam. • The project will be spread across 3.5 acres. • Under construction (Possession date not available)
Hyderabad	Myscape YOO Hyderabad	<ul style="list-style-type: none"> • 55 Units • A J/V b/w Myscape & YOO. • Located at Puppalaguda • 4 BHK units (8300 sq ft) • Prices start at 9.4 crores • Under construction (Possession by Dec 2027)
Mumbai	Four seasons residence	<ul style="list-style-type: none"> • 26 units • A j/v b/w Provenance & Four seasons • Located at Worli • Single tower • 908- 5400 sq ft (7.5- 44.3 Crores) • Price: 25 – 60 crores • Completed
	Lodha Trump Towers	<ul style="list-style-type: none"> • 390 Units • A j/v b/w Lodha & Trump Towers • Located at Worli • 3- 5 BHK units (1373- 2975 sq ft) • Price: 7- 16 crores • Completed
Kolkata	Kolkata Trump Towers	<ul style="list-style-type: none"> • 137 units • A J/V b/w Tribeca, Unimark, and Trump • Located at EM Bypass • Spread across 2 acres • 3- 4 BHK (2452-3123 Sq Ft) • Price: 4.17 crores to 6 crores • Completed

Break-up of Branded Residences in India (2024)

Source: SKYE Hospitality



3.1

Growth Drivers of Branded Residence in India

Mentioned below are the growth drivers of branded residences in India.



Growing percentage of Affluent Indians are driving the demand for marquee and trophy assets in the country. The country has presently around 750,000 HNIs and 12,000 HHNIs.



With the advent of new age HNIs, the demand for curated living with top line amenities such as concierge, home dining services, wine cellars, coffee lounges, cigar clubs, techno gyms, spa etc. is rising at a notable space.



After the pandemic, there is renewed demand for integrating, wellness, sports, entertainment with overall living, giving rise to demand for concept-based projects such as branded residences.



Wellness is now no more a buzz word. Rather the new age achievers are giving too much emphasis on overall wellness and enhance their lifestyle by striking the right balance towards work & life.



Post pandemic, there is an increased demand for spending more towards aspirational lifestyle. People now readily spend generously on aspirational lifestyle and branded living.



There is a shift in the attitude to spend to lead a branded life rather than save and keep the money in bank accounts.



The demand for exclusive and private spaces is rising, where like-minded entrepreneurs, corporate wizards, creative mavericks, top-notch professional advisors can live together, network, and spend quality time together.



Many investors and investment houses are buying branded residences as a part of its long-term investment strategy and portfolio diversification. Branded residences can give higher appreciation and rental yields compared to other premium assets.



Expats prefer to invest in Branded Residences as they can use them during their stay in the country. For the remaining periods the property can be given for long leases.



Indians in the past have heavily invested in prime property markets internationally such as Dubai, Greece, London, Miami, New York, etc. However, now with premium residences available in their own country, many are looking home.



Branded residences have high resale value. Many times, Brands are involved in the management and maintenance of the property, which makes the overall management more professional.



Since a renowned brand is already associated, it works as a guarantee towards high quality, premium aesthetics, and timely delivery.

3.2

Benefits for Developers to Explore the Branded Residence Segment

Many leading Indian developers are vying to partner with big brands to venture in the Branded Residence segment. There are numerous factors that are driving the trend in the positive direction



Developers enjoy price premium in the branded segment. Branded residence enjoys higher price compared to other premium projects and non-branded developments.



Developers can leverage the marketing bandwidth, digital ecosystem, and powerful databases of the brand to reach out to potential customer base.



Branded residences require lower sales & marketing costs and overheads.



Due to presence of a remarkable brand, the project enjoys higher sales velocity.



Working together with a leading partner can help in creating a world class products whose brand sensibilities, interiors, and aesthetics can match of the original brand.



3.3

Why International Brands should enter the Lucrative Indian Branded Residence Market

The branded residence offers plenty of opportunities for brands from all over the world (cutting across hospitality & non-hospitality categories to create meaningful business proposition.)



India offers a stable, robust, and expansive market for brands to play out loud. The market is backed by high prevailing demand, growing preference for branded living, and a willingness to pay premium.



The Indian branded residences are poised to grow vigorously in near future as well. Besides strong demographic profiles and rebound in real estate, India's stable political environment integrated with upbeat macroeconomy will further boost the segment.



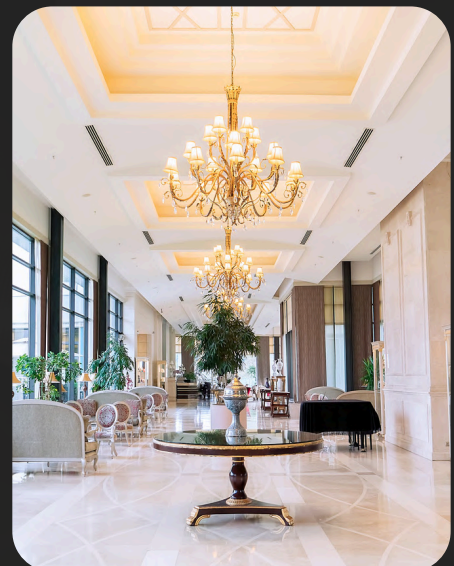
Even affordable markets like Dubai (13.5 crores) and Bangkok (11 crores) are dearer than India.



In certain projects the brands can directly get involved with the management & maintenance of the property, unlocking a new revenue stream.



Brands can offer specialized consultation towards fitouts, interiors, aesthetics, furnishings, layouts, etc.

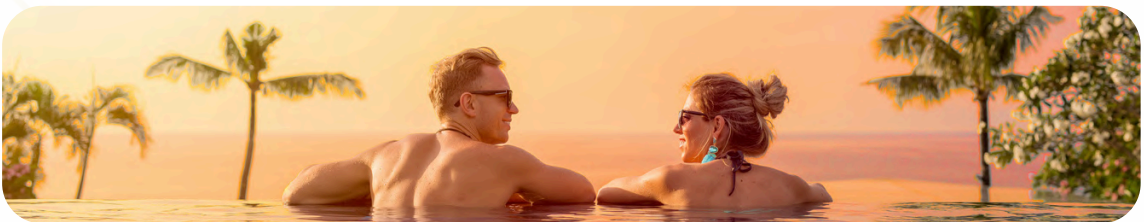
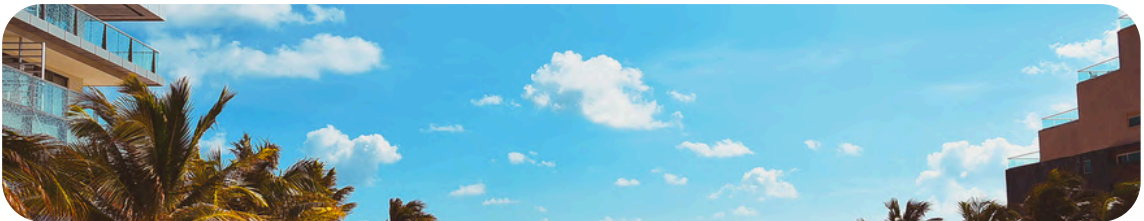


Indian cities are cost effective in comparison to other global metropolises such as London, New York, Miami, Bangkok. The relative affordable ticket size coupled with a vast market can help in better revenue realization.

The average ticket size of branded residence in India is around INR 8-9 crores, with plenty of potential in the lower end of the market (INR 6-7 crores). Compare this with other big markets like Athens (18 crores), New York (60 crores), and London (40 crores).

Brands can earn via a wide range of on-demand services such as in-house dining, housekeeping, pet care, wine cellars, spa & wellness, etc.

Brands can earn generous license/ brands fees. The brand fees can range anywhere between 2- 6% of the project values.



Source

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