

## HVS Monday Musings: Homestays in India are Gaining Popularity in the Post-COVID Era

📅 March 28, 2021 / 👤 By Mandeep S Lamba , Dipti Mohan



The popularity of homestays has increased manifold in the post-COVID era when social distancing, cleanliness, hygiene, and privacy have become the top priorities for travelers. Hotels have several touch points and larger footfalls compared to homestays, which has made the latter the preferred 'getaway' accommodation in the current scenario. Moreover, with the advent of the 'work-from-anywhere' environment, homestays at motorable destinations from city centers have been witnessing exponential growth in the past one year driven by long-stay, staycation and workcation packages.

Homestay, however, is not a new concept in India. In the past few years, an increasing number of international and domestic travelers in the country have been preferring cozy homestays over conventional hotels in their quest for authentic, local travel experience. Additionally, the informal environment, flexibility and 'value-for-money' provided by a homestay, especially when travelling in a large group, are other factors that have been driving the growth of this segment. However, the homestays segment is still at a nascent stage and is highly unorganized, with the presence of very few branded hospitality players, especially in the luxury segment.



The Indian government has over the years provided several incentives such as subsidies and relaxation in licensing rules etc. for homestays as it helps in promoting eco-tourism, rural tourism and improves the socio-economic conditions of the region by creating alternate income for the local communities. Moreover, it has also helped in reducing the demand-supply gap at several destinations, especially those at remote locations which are not yet commercially fully developed. For instance, the homestays in Sikkim and Ladakh have played a significant role in boosting tourism to these places. More recently, the Ministry of Tourism also introduced training workshops to enhance the hospitality skills of homestay owners in the country. This initiative is also creating awareness amongst local communities about the benefits of homestays.

Developing a good quality homestays network can help in tapping the full potential of leisure tourism in India in the future. A growing number of travelers are seeking 'memorable experiences' at previously unexplored leisure destinations in the post-COVID era. There are several such unexplored and underdeveloped hill stations, wildlife sanctuaries, beaches and heritage sites in India which can be developed into established tourism destinations but are lagging due to lack of quality accommodation. Homestays can help bridge this gap especially at places where

### Summary

Homestays are not a new concept in India but their popularity has increased significantly in the last one year.

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developing a hotel can be commercially unviable due to the high land and construction costs and the tedious approval process. Developing a luxury homestay at such locations will be a better value proposition due to lower overhead costs and higher profitability compared to a regular hotel and will also help in the holistic development and growth of the destination itself.

### About **Mandeep S Lamba**



Mandeep S. Lamba, President – South Asia, oversees the HVS global hospitality practice for South Asia. He has spent over 30 years in the hospitality industry of which the last 19 have been in CEO positions. Having worked with leading International and domestic Hotel Companies such as IHG, Radisson & ITC Hotels, he also set up joint venture companies with Dawnay Day Group UK and Onyx Hospitality, Thailand to own and operate hotels in India giving him a broader exposure to the hospitality business.

An established industry leader, Mandeep has won several awards and recognitions in India and abroad for his accomplishments and contribution to the hospitality industry. He is a Certified Hospitality Administrator from the American Hotels Association (CHA), a member of the Royal Institute of Chartered Surveyors, UK (MRICS) and a member of the Tourism Council of CII (Northern India). His views are often solicited for television and print media as a spokesperson for the hospitality & tourism sector.

Prior to joining HVS in 2018, Mandeep was the Managing Director, Hotels & Hospitality Group for JLL.

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