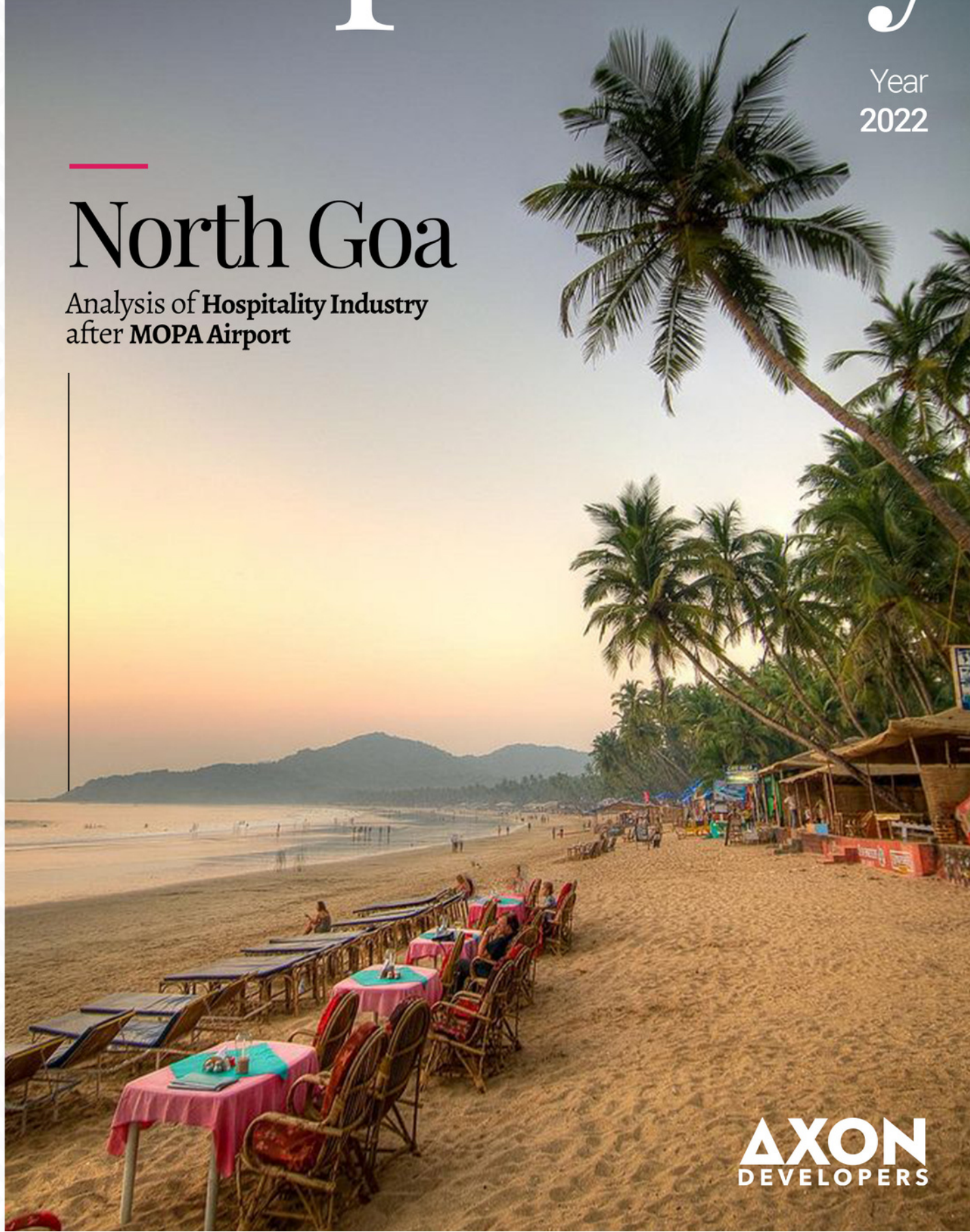


GOA hospitality

Year
2022

North Goa

Analysis of Hospitality Industry
after MOPA Airport



AXON
DEVELOPERS

Foreword



Ankit Kansal

Founder & MD,
Axon Developers

As a part of GOI's infrastructure-backed development roadmap, North Goa and the adjacent Konkan region will see an INR 2,300 Crores airport project. This will not only decongest the existing Dabolim airport but also bring the spotlight on the North Goa and Konkan region. Post the 1st phase of the project, the annual passenger will be 4.4 million, which will rise to 13 million once the project is fully operational.

The positive transformative implications of the project will be felt far and wide, as economic interest in the region will soar. Already, a windfall in real estate activities has been registered in North Goa, with a steep jump expected in property prices to the tune of 25-30% yearly.

After real estate, the tourism and hospitality industry of the region is also set to receive a huge thrust in the coming quarters. While the popularity of famous beaches and palm seashores will surely rise, the focus will shift towards the interior.

The North Goa and Konkan region is globally acclaimed for its vast seashores, beautiful palm beaches, turquoise oceans,

mesmerizing coves, and much more. However, the hitherto less explored interiors are equally enthralling and are touted as a nature's paradise. It is known for beautiful green-capped hills, thick eco reserves, stunning mangrove forests, large natural lakes, and much more.

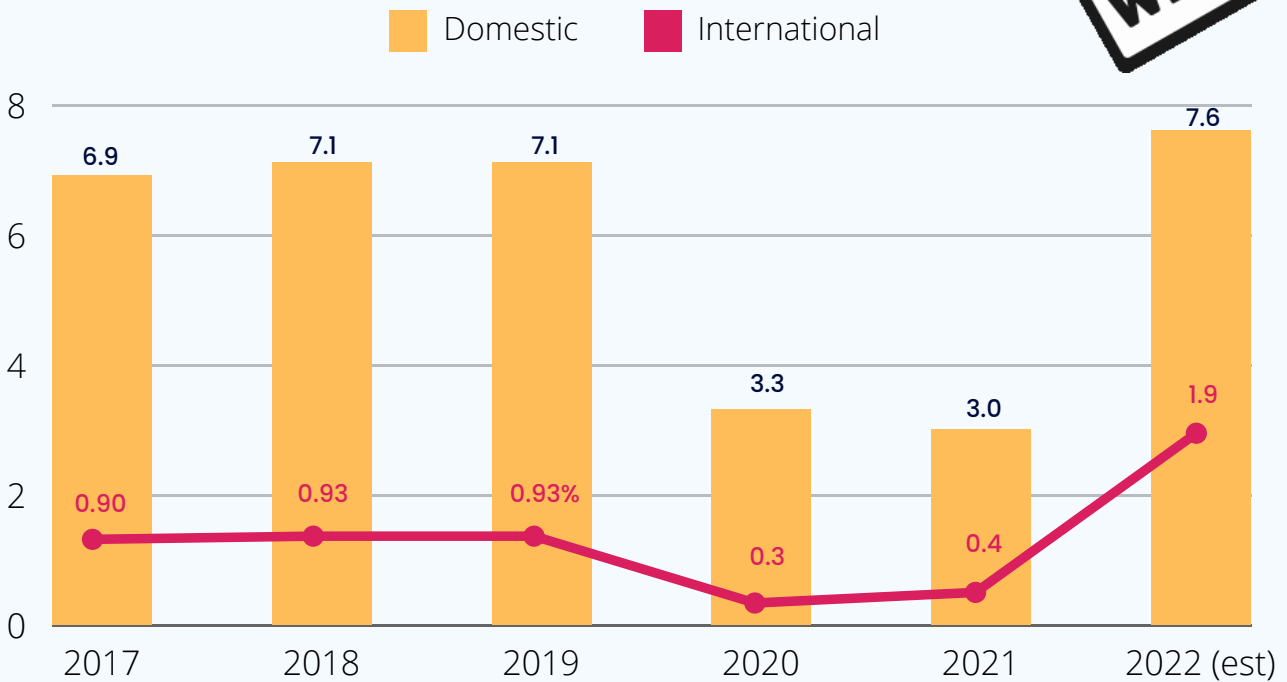
As beach tourism is becoming a cliché, the demand for interiors will pick up fast. It offers tremendous alternate opportunities in concept-based tourism such as nature & eco-resorts, spa & Ayurveda centers, lake resorts, spiritual retreats, and much more. The MOPA airport project can further be a changer. It can catapult hospitality and tourism in the region to new heights by seamlessly connecting with the rest of the world.

It can unlock the natural beauty of the Sahyadri and the Western Ghats and facilitate an unprecedented amount of investments into the hotel, resort, & wellness industry. It can closely link the hospitality, infrastructure, and aviation sector and set a path for momentous regional growth.

As per the research by Axon by 2030, the total investments in the hospitality industry will amount to INR 2700 Crores (USD 341.1 Million) near the MOPA airport region (based on the current price). This will include premium hotels (4 & 5 stars), 3-star & budget hotels, and nature resorts. The future is surely bright for the Hospitality sector near the MOPA project as well as adjacent areas in North Goa and the Konkan belt.



Tourist Inflow in Goa (In Millions)



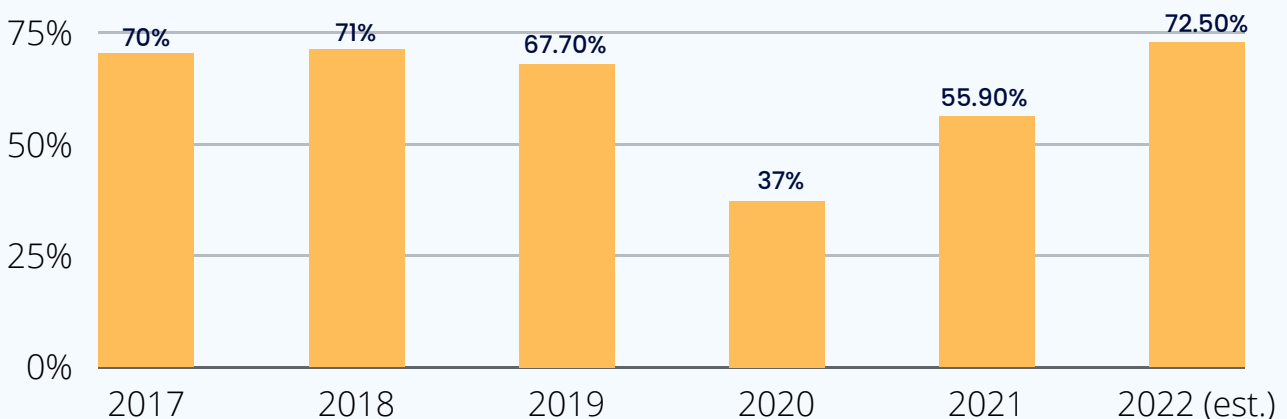
Goa's tourism inflow has been steadily moving upwards over the years. In 2019 the annual inflow reached 7.1 million before going into a tailspin due to the pandemic. Both international and domestic tourist numbers deteriorated in 2020 and 2021 and the Goan tourism industry, like other parts of India, suffered from a lack of business activities.

However, since the end of 2021, the hospitality industry in Goa has started to recover with the sector finally showing

bullish undertones in 2022. The vaccination drive and the moderate Omicron (3rd wave) helped in renewed optimism in the market, which has also helped the Goan hotel industry.

In 2022, the total tourist inflow in Goa is set to reach almost 10 million, wherein one out of every 5 tourists is a foreigner. The international tourism volume in Goa is set to jump by another 375% during the period, thereby further underlining powerful sentiments.

Average occupancy rate of Goan Hotels



In 2022, the hotel occupancy in Goa is expected to reach 72.5%, jumping significantly from 2021, when it was pegged at 56%. Most of the hotels in Goa currently enjoy close to 100% occupancy during extended weekends. Major tourism segments such as leisure, solo, family, etc. are flourishing in Goa. Other crucial

segments such as events & marriages, corporates, etc. are also resurging.

On the back of a bullish hospitality sector, Goa's average tariff has also increased in comparison to the pre-pandemic era, which is further adding to the ascending RevPAR.

The Game Changer: How MOPA will further Change the Fortunes of Northern Go



In the times to come, the fortunes of Goa's tourism industry is further set to evolve. Especially if we talk about the North Goa region, it will be a party to the commencement of the MOPA airport. By the time this report was written, test flights were run in the MOPA project. It is expected that the project will be functional by October. The INR 2300 Crore project with an initial annual capacity of 4.4 million

will be the game changer in North Goa's fortune. By seamlessly connecting the region with the globe, there will be a jump in tourist arrival. Already the region is conveniently connected through railway lines and roadways. However, as the MOPA project takes shape, a momentous shift is expected and the tourist will rise significantly.

The upswing in tourism will also be steered by a rise in alternate tourism spaces such as ecotourism, nature resorts, rural tourism, cultural tours, wellness & spiritual tourism, and much more. While beautiful beaches in North Goa such as Vagator, Anjuna, Morjim, Siolim etc. will continue to remain favourite destinations, there be a hike in tourism in the hinterland as well. North Goa and the adjacent Konkan/ Malvan region are endowed with abundant natural beauties, which makes it a perfect spot to bond with nature, relax, and feel rejuvenated.

MOPA Airport Key Timelines

Year of Inception	2016
Location	Mopa Village

Proximity	~ 35 Kms (Panjim, North Goa), 100 Kms (South Goa), ~ 30 Kms (Konkan region)
Main Developer	GMR International
Nature of Airport	Domestic + International
Tentative date of start	2022 (Phase 1)
Estimated Annual Capacity	~ 4.4 Million
Future Annual Capacity	~ 13.1 Million
Phase wise Capacity	Phase 1 (4.4 million), phase 2 (5.8 million), Phase 3 (9.4), phase 4 (13.1 million)
The Scope of Phase 1	Runways, passenger facilities, taxiways, hangers, catering, parking space, cargo
Cost of Phase 1	INR 2,300 Crores (USD 360 million)
Area	2133 acres
Real Estate activities	232 acres of mixed-use real estate development consisting of hotels, casinos, convention centres, malls & shopping complex, office space, etc

In the past, we have seen how mega projects such as airports have been instrumental in bringing in systematic, holistic, and fast economic growth in North Bangalore, Gurgaon, etc. by cohesively linking infrastructure, manufacturing & trade and tourism & hospitality.

Similar changes are anticipated in the

North Goa, Mopa region, and the adjacent Sindhudurg region with the airport coming into operation. The region is already blessed with a host of enthralling natural beauties, a rich and diverse cultural heritage, and calm and serene weather. It will give a great escape to people who would like to step back from the urban congested lives of Indian metros and

spend some quality time bonding with nature and feeling relaxed and rejuvenated.

Already in the past 12 months, the retirement, second home, and plotted development markets have registered phenomenal growth in the region as buyers & investors from various parts of India and the world are getting drawn

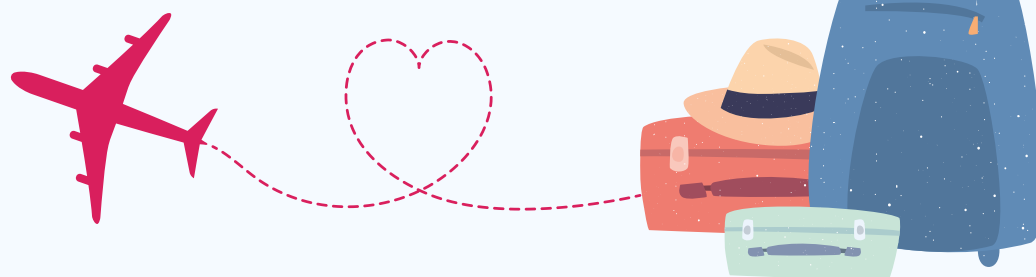


towards mesmerizing greeneries & forest areas, laid back but spellbinding rural backyards, and beautiful mountains and hills in the region. From simply indulging in extended vacations to relax and rejuvenate to registering for holistic and natural health packages to going out for adventure sports in the nearby mountains, the North Goan and Sindhudurg region has a rich mosaic of diverse experiences and indulgences. It is natural that just like the RSH (retirement & second home) sector, the hospitality and tourism markets are set for explosive growth as the airport project will take off. The region's seamless connectivity with the globe and its plethora of natural beauty, integrated with the global recognition that North Goa has always enjoyed, will catalyze massive growth in the region's tourism and hospitality sector.

The Beautiful Interiors will take an Edge

Interestingly, the growth will be more prominent in the beautiful interiors this time rather than the coastline, which is reaching near saturation. Investors, local and national level hospitality companies, travel management operators & enterprises are expected to bet big on the thick forests, green canopied hills, and gigantic natural lakes this time, which are hitherto underutilized and less explored. In the wake of the aviation mega project, soon the region will see a flurry of investment activities.

232 acres of land near the airport region has been already earmarked for commercial developments. The tender for the same has been floated and RFQs have been received. The scope of development will include 5- star hotels, ecotourism resorts, budget hotels, casinos, convention centers, shopping malls, high street retail, commercial offices, and much more in the earmarked area.



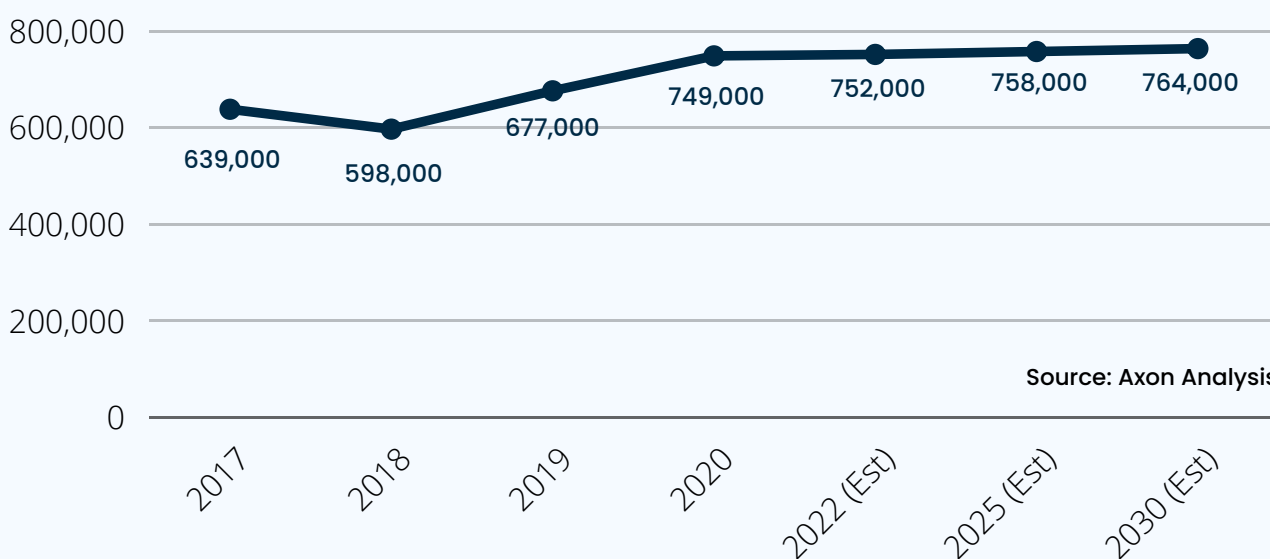
Categories	Growth Drivers
 <p data-bbox="185 439 387 499">Luxury 4 Star & 5 Star Resorts</p>	<ul data-bbox="459 271 1417 472" style="list-style-type: none"> • One of the favorite spot for international & NRI tourists in India • Special place amongst the HNIs & affluent class in India • Proximity to the commercial capital of India, Mumbai • Hosts some of the largest cultural and musical festivals in India • Prominent business tourism, convention, and exhibition center in India
 <p data-bbox="185 757 387 786">Nature Resorts</p>	<ul data-bbox="459 584 1417 757" style="list-style-type: none"> • Endowed with lush green backyards, green hills, riverways, and much more. • Home to beautiful cashew, paddy, and numerous other plantations. • Pristine and unexplored forests with exotic flora and fauna. • A perfect recipe for work vacations and extended weekends
 <p data-bbox="180 1077 392 1137">Wellness Hotels & Resorts</p>	<ul data-bbox="459 853 1401 1128" style="list-style-type: none"> • An ideal destination for Ayurveda centers, massage centers & spa, wellness centers, naturopathy centers, etc. • Calm, serene, and tranquil climate ideal for meditation and spiritual retreats • Wellness packages can be clubbed with regular tourism and business activities. • Tourists who have visited Goan beaches in the past can try out something new
 <p data-bbox="193 1346 381 1464">Forest Lodges, Tree Houses, Jungle Resorts, Cottages, etc</p>	<ul data-bbox="459 1205 1369 1451" style="list-style-type: none"> • North Goa is a fertile ground for offbeat, eco-friendly tourism packages • There are plenty of option(s) for foot trails, nature walks, and sunbathing, swimming, trekking, bird watching. • Tourists can enjoy waterfalls, mountain views, panoramic views, etc. • Plenty of fresh and direct from farm foods, vegetables, fruits, etc.
 <p data-bbox="188 1682 384 1765">Cultural Tourism Hotels & Restaurant</p>	<ul data-bbox="459 1536 1401 1742" style="list-style-type: none"> • The region is a blend of numerous cultural fabrics such as Portuguese, European, Maharashtrian, Konkani, Malvani, etc. • It is well known for handicrafts, temples, churches, mosques, heritage sites, archaeological places, etc. • The North Goan cuisine is a melting pot of numerous food traditions, which makes it one of the most popular cuisines in India
 <p data-bbox="209 2029 365 2058">Homestays</p>	<ul data-bbox="459 1850 1374 2024" style="list-style-type: none"> • Demand will rise from tourists from Mumbai and South Indian cities. • An ideal destination for small gatherings, events, get-together. • Remote workforce, digital nomads, and flexible working will drive demand.

MOPA Region Turning Into a Goldmine for Hospitality Investors

Goa's hospitality sector is set to rise at a steady pace, steered by growth in the tourism industry and an upswing in other alternative forms of tourism such as wellness, nature & ecotourism, adventure,

etc. Currently, the total number of rooms is around 752,000, and another 12,000 rooms are estimated to be added in the next 8 years, growing at a CAGR of 0.2%

Hotel Rooms Statistics in Goa

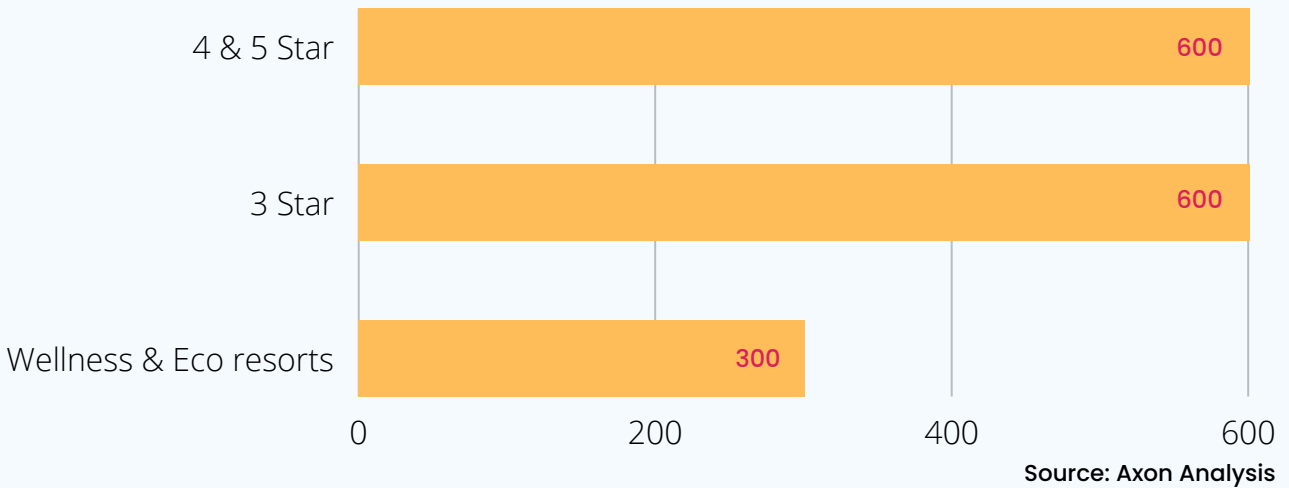


Source: Axon Analysis

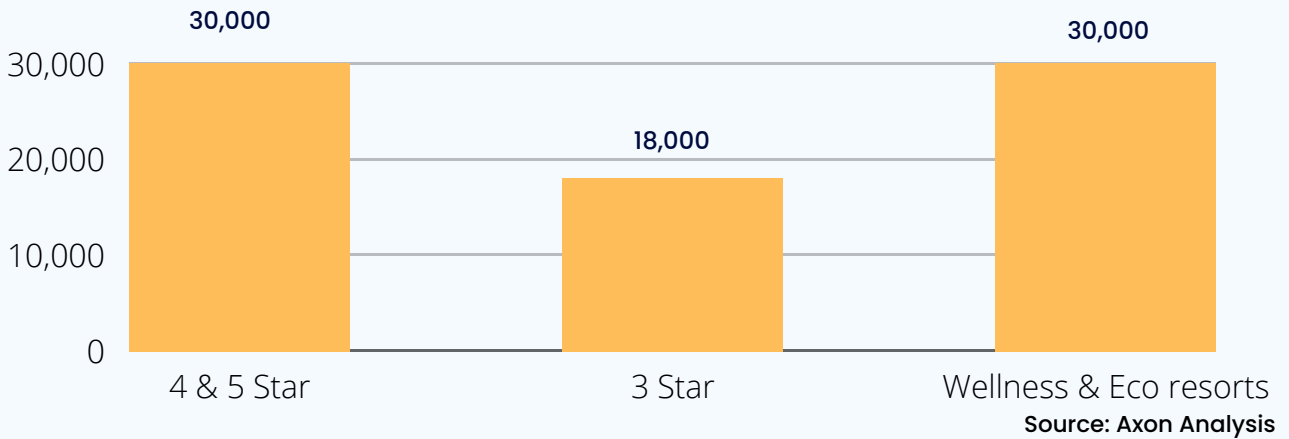
Out of the future pipelines, it is estimated that around 1500 new rooms will be concentrated around the MOPA airport region. 40% of the future pipelines would be 5 star hotels and equal percentages will be 3 star & budget hotels. The remaining would be concept-based ecotourism resorts.

Category	% Distribution	Rooms	Total Area
5 Star	40%	600	30,000 (Sq M)
3 Start & Budget	40%	600	18,000 (Sq M)
Adventure, wellness/ eco resorts/ etc	20%	300	30,000 (Sq M)
Total	100%	1500	78,000 (Sq M)

The future hospitality pipeline near North Goa: Number of Rooms (2022- 2030)

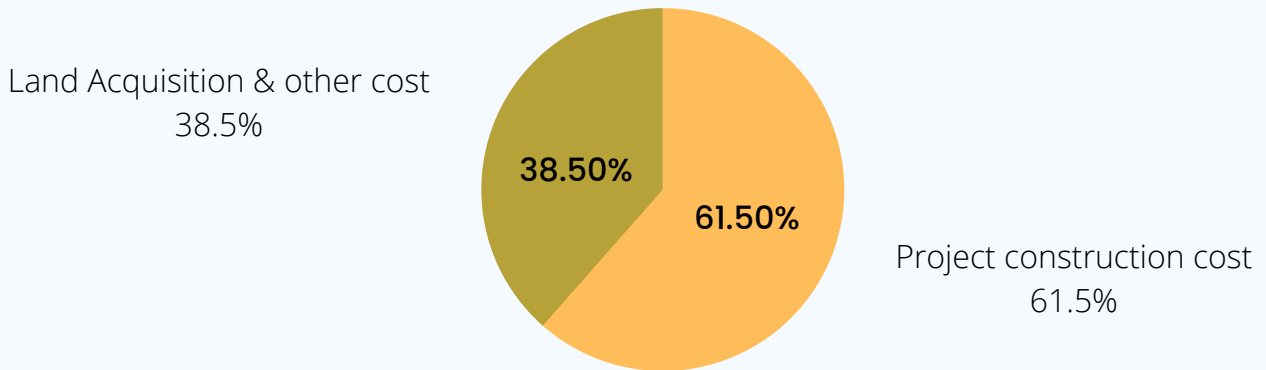


The future hospitality pipeline near MOPA: Total Areas in Sq M (2022- 2030)



In terms of the total amount of investments, close to INR 2,700 Crores (USD 341 million at the current price) will be channelized in and around the MOPA region for tourism and hospitality development projects.

Break up of projected hospitality investment near MOPA (2022: 2030)



Major Hospitality Investment in the region

- Goa-based Sun Estates has acquired 15 acres of land at Aarambol to develop luxury resorts and villas following an investment of INR 100 Crores.
- Lemon Tree hotel will start a 51-key hotel project in Anjuna Beach in 2023.
- In 2021, Hilton opened a new luxury resort in Candolim, North Goa.
- Recently, Maharashtra Tourism Development Corporation (MTDC) signed a deal with Taj hotels to develop a 5 –star property in Sindhudurg district
- Taj has recently opened a new resort and convention center in Dona Paula, North Goa.
- Recently, a luxury Ayurvedic spa and resort has been unveiled at Morjjim, The VEDA 5 Retreat, which is spread across 5 acres, is a wellness premium resort property, spread across 5 acres of land.

Axon is launching a mixed development project spread across 600 acres at Sasoli in Partnership with Ess Vee Developers. The project is just 15 min drive from Mopa airport. Named “The Origin”, it is being built at a grandiose scale and is a mixed mega project with stylish villas, Eco Resort, wellness centres, Hotels , marketplaces, outdoor activities, adventure sports, and innumerable other facilities





**DRIVING
INNOVATION
& BUILDING
COMMUNITIES.**



WWW.AXONDEVELOPERS.COM

AXON DEVELOPERS