HOSPITALITY INVESTMENT RESEARCH · INDIA

# Branded Budget Residences for Pilgrimage Towns

The white space between the unbranded dharamshala and the full-service hotel — a data-backed feasibility breakdown for a clean, no-frills, ₹2,000–2,500/night branded stay format.

**9**
TOWNS SCREENED

**2**
OPERATING MODELS SIZED

**₹2.0–2.5K**
TARGET ADR / NIGHT

**30–45%**
MODELED EBITDA RANGE

Prepared for hospitality-investment audience research / YouTube deep-dive

August 2026

BEFORE YOU START

# How This Document Is Built

This is a working model, not a press release. Every number below falls into one of three buckets — flagged consistently throughout so you can adapt it into your own underwriting.

### ① Sourced data

Footfall figures, hotel-room supply figures, construction cost benchmarks and OTA commission rates are pulled from government tourism data, temple trust (TTD/Sansthan) releases, and 2025–26 industry cost reports (Hotelivate–Savills, HVS Anarock). Cited in Section 1 and 2 notes.

### ② Reasoned build-up

The capex and opex tables for the specific "no-frills branded" format are **bottom-up estimates** — built by stripping cited industry benchmarks (which cover full-service/midscale prototypes) down to a lean, no-F&B, no-frills spec. Not independently sourced.

### ③ Modeled assumption

Occupancy curves, staffing headcounts, wage bands and the Ayodhya case-study P&L are **explicitly flagged as estimates** — reasonable planning assumptions for a first pass, not guarantees. Validate locally before committing capital.

> *"Every pilgrim town in India has two accommodation extremes — a ₹300 dharamshala bed and a ₹6,000 hotel room — and almost nothing clean, predictable, and branded in between. That gap is the entire thesis of this document."*

## What's inside

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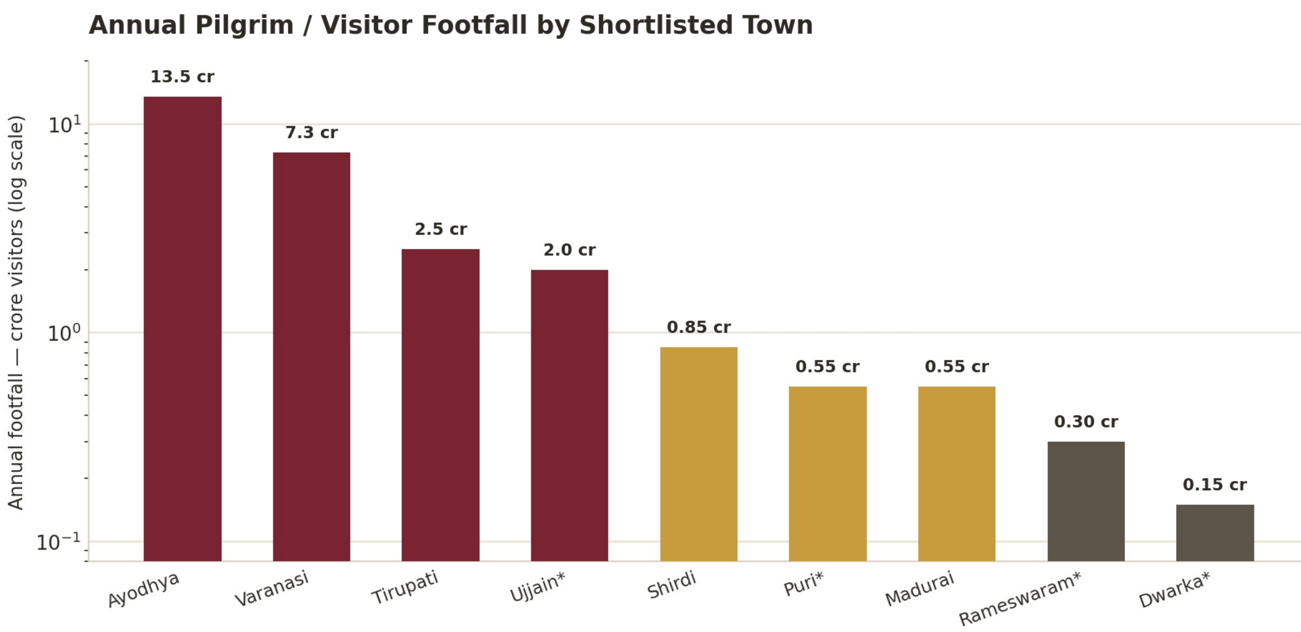
| 1 | **City Shortlist** | 8 towns ranked on footfall, supply gap, ADR headroom, land ease — with opportunity scores |
| 2 | **Operating Models** | 12-key and 25-key builds; ground-up vs. asset-light lease+renovate capex |
| 3 | **Monthly Opex** | Staffing, utilities, housekeeping, OTA, marketing, insurance, municipal costs — both models |
| 4 | **Revenue & Financial Model** | Occupancy curves, ADR, EBITDA margin, breakeven, payback |
| 5 | **Key Risks** | Seasonality, land/regulatory, brand trust, small-town staffing |
| 6 | **Worked Example** | Ayodhya, 15 keys, full 24-month ramp-up P&L |

SECTION 1

# City Shortlist — Where the White Space Is Widest

Six obvious tier-1 pilgrim towns plus three underrated markets, screened on footfall scale, current budget-supply gap, ADR headroom versus the ₹2,000–2,500 target band, and how difficult land/property acquisition realistically is on the ground.



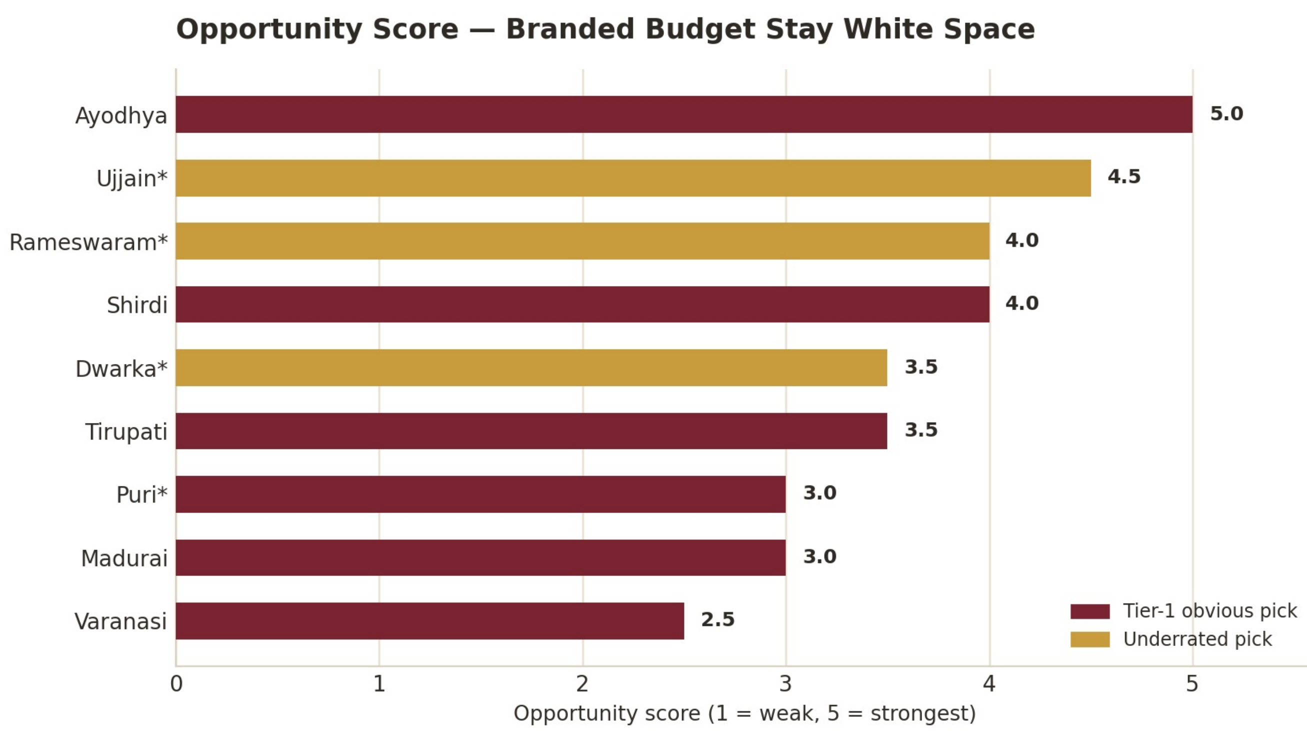

*Underrated picks | Estimates flagged where official single-source data unavailable — see notes in report.

| | | | |
|---|---|---|---|
| **~60x** AYODHYA FOOTFALL GROWTH SINCE TEMPLE OPENING (2024) | **12,500** ROOMS AYODHYA IS PROJECTED TO NEED BY 2031 | **₹1,000–5,000** CURRENT PRIVATE HOTEL RANGE NEAR TIRUMALA | **10–30 cr** PILGRIMS PROJECTED FOR SIMHASTHA 2028 (UJJAIN, ONE MONTH) |

Note on the footfall numbers: government-reported figures for Varanasi and Ayodhya count cumulative visits (including repeat local visits to multiple sites) rather than unique out-of-town pilgrims — useful for gauging scale and hotel-night demand, but not directly comparable person-for-person across cities with different counting methodologies.

SECTION 1 (CONTD.)

# Opportunity Score & Full Screening Table




**How the opportunity score is built**

Each city is scored 1–5 as a weighted read of four inputs: footfall scale (30%), current budget-supply gap relative to demand (30%), ADR headroom versus the ₹2,000–2,500 target band (20%), and ease of land/property acquisition (20%). Ayodhya and Ujjain score highest because they combine explosive or imminent demand growth with the widest, most clearly documented supply gaps. Varanasi scores lower despite huge footfall because heritage-zone land acquisition is genuinely difficult.

SECTION 1 (CONTD.)

# Full Screening Table

| CITY | TIER | ANNUAL FOOTFALL | PEAK MONTHS | CURRENT SUPPLY GAP | SCORE | WHY |
|---|---|---|---|---|---|---|
| **Ayodhya, UP** | Tier-1 | 13.5 cr[1] | Jan (anniversary), Oct–Nov (Deepotsav), Ram Navami (Mar–Apr) | Rooms grew 3,500→5,000 (2020→2025) against a projected need of **12,500 by 2031** — the single widest gap on this list[1] | **5.0** | Fastest-growing footfall base in India post-temple; branded supply still near zero; land prices rising but still below Varanasi |
| **Varanasi, UP** | Tier-1 | 7.26 cr[2] | Oct–Mar (Dev Deepawali, winter season) | Near-full occupancy reported across hotels/guesthouses/homestays year-round[2]; budget segment still fragmented and informal | 2.5 | Massive scale, but land near ghats/corridor is expensive and heritage-zone approvals are slow — acquisition is the binding constraint |
| **Tirupati/Tirumala, AP** | Tier-1 | 2.5 cr[3] | Sep–Oct (Brahmotsavam), Dec–Jan (Vaikuntha Ekadashi) | TTD itself runs most budget cottages/choultries at Tirumala; the real white space is in **Tirupati town** (foothill) where private hotels run ₹1,000–5,000[4] | 3.5 | Predictable, temple-managed queueing gives steady demand; but TTD's own subsidized inventory caps upside on the hill — build in the town, not the hill |
| **Shirdi, MH** | Tier-1 | ~0.85 cr[5] | Sep–Nov (Punyatithi/Ram Navami), Diwali | ~25,000/day average visitors[5] against a small permanent town of 30,000 residents — accommodation is almost entirely private/unbranded lodges | 4.0 | Single-purpose pilgrim town with almost no non-religious distraction, tight radius, road-connected (no altitude/terrain issues) — easy execution |
| **Puri, Odisha** | Tier-1 | *~0.55 cr** | Jun–Jul (Rath Yatra), Dec–Jan | Beach-tourism overlap inflates ADRs near the seafront; budget dharamshala stock is large but unbranded and basic[6] | 3.0 | Dual demand driver (pilgrimage + beach leisure) smooths seasonality somewhat, but coastal-zone (CRZ) land rules add real regulatory friction |
| **Madurai, TN** | Tier-1 | ~0.55 cr[7] | Apr (Chithirai festival), Dec–Jan | ~15,000 devotees/day[7]; Madurai is also a business/education city, so budget supply is comparatively deeper already | 3.0 | Lowest execution risk (established city infra, easy land, good staffing pool) but also the smallest pure-pilgrim white space of the tier-1 set |
| **Ujjain, MP** *(underrated)* | Underrated | *~2.0 cr** | Jul–Aug (Shravan, >100k/day on Mondays)[8] | Government targeting 10,000–15,000 registered homestay rooms by late 2027[8] ahead of | **4.5** | Simhastha 2028 (projected 10–30 crore pilgrims |

SECTION 2

# Two Operating Models, Sized

Both models assume a lean, no-F&B, no-frills branded format: hot water, daily housekeeping, and a 1–2 person "light concierge" desk handling darshan slot bookings, taxi arrangement and luggage help. Two build paths are costed for each size — a ground-up build on owned/long-leased land, and an asset-light lease-and-renovate of an existing structure.

## Model A — 12 Keys

**10-15 KEY FORMAT**

Right-sized for a secondary pilgrim town or a Tier-1 town's secondary micro-market (away from the immediate temple frontage where land is scarcest). Single unit manager can run the property with a lean team.

| ITEM | LEASE+RENOVATE | GROUND-UP |
|---|---|---|
| Land | N/A (leased) | *₹60L–1.4Cr** |
| Civil / interiors | ₹18–22L | ₹1.1–1.3Cr |
| Plumbing & hot water systems | ₹8–11L | ₹16–20L |
| Furniture & FF&E | ₹14–18L | ₹28–34L |
| Branding / signage | ₹3–4L | ₹8–10L |
| Soft costs (design, PM, licenses, contingency) | ₹7–9L | ₹18–22L |
| **Total capex** | **~₹65–75L** | **~₹1.9–2.2Cr** |
| Security deposit (lease model, 6–10 mo rent) | ~₹10–15L | — |

## Model B — 25 Keys

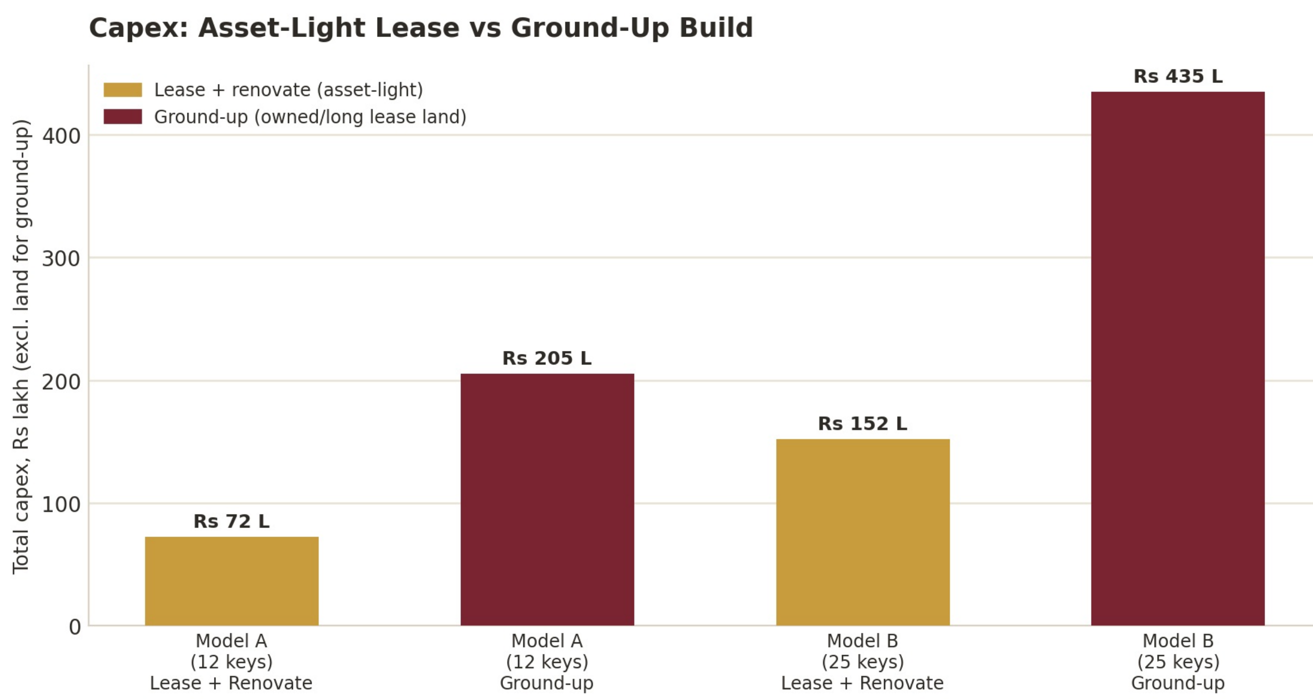
**SCALE FORMAT**

Justifies a full-time unit manager, a dedicated maintenance role, and better OTA/marketing economics per key. Best suited to Tier-1 towns with sustained footfall (Ayodhya, Varanasi, Tirupati, Ujjain pre-Simhastha).

| ITEM | LEASE+RENOVATE | GROUND-UP |
|---|---|---|
| Land | N/A (leased) | *₹1.3–2.8Cr** |
| Civil / interiors | ₹38–45L | ₹2.3–2.7Cr |
| Plumbing & hot water systems | ₹16–20L | ₹34–40L |
| Furniture & FF&E | ₹30–38L | ₹58–68L |
| Branding / signage | ₹5–7L | ₹14–18L |
| Soft costs (design, PM, licenses, contingency) | ₹15–18L | ₹38–45L |
| **Total capex** | **~₹1.4–1.7Cr** | **~₹4.1–4.6Cr** |
| Security deposit (lease model, 6–10 mo rent) | ~₹18–24L | — |

Bottom-up estimates built for a no-frills, no-F&B branded format — deliberately leaner than Hotelivate–Savills' 2025 industry-wide benchmark of ~₹1.04Cr median / ~₹1.36Cr average per key (which spans midscale-to-luxury full-service prototypes with much larger room footprints and public areas). ***Land costs vary 3–5x by town and by proximity to the temple corridor — treat as illustrative only; get 3 local quotes before underwriting.**

# Capex Comparison & the Phased Low-Capex Alternative




### Phased "Asset-Light Lease + Renovate" Path

For a first property, or for entering a town where land ownership is contentious (many pilgrim towns have trust-owned or disputed land parcels), a phased lease-and-renovate approach de-risks the entry:

| PHASE | TIMELINE | ACTION |
|---|---|---|
| **0** | Month 0–2 | Identify existing 2–3 star lodge / large residential structure within 1.5km of the main darshan route; negotiate a 9-year lease (Section 106 leave-and-license or registered lease) with a 3-year lock-in |
| **1** | Month 2–4 | Renovate 6–8 rooms first (plumbing, hot water, paint, branding, one shared concierge desk) — open and start generating cash while the rest is under renovation |
| **2** | Month 4–6 | Complete remaining rooms using Phase 1 cash flow + remaining capex; onboard OTA listings and direct booking channel |
| **3** | Month 12–18 | Once the unit is stabilized (proof of concept + local reputation), evaluate a second town or a ground-up build in the same town on freehold land using retained earnings + a smaller debt ticket |

> *This phased path cuts Day-1 capital at risk by roughly 60–70% versus ground-up, at the cost of a rent line that never goes away and a lease-renewal risk at year 9. It is the more realistic entry point for a first-time operator in this category.*

SECTION 3

# Monthly Operating Cost Breakdown

Staffing is the single biggest controllable lever in this format. Wage bands below reflect typical small-town (non-metro Tier-2/3) hospitality pay as of 2025–26 — **flagged as estimate; validate against local minimum-wage notifications**, which vary by state.

### Model A — 12 Keys

| ROLE | COUNT | ₹/MO EACH | MONTHLY TOTAL |
|---|---|---|---|
| Unit Manager | 1 | 20–25K | ₹22K |
| Front desk / concierge (2 shifts) | 2 | 13–15K | ₹28K |
| Housekeeping | 2 | 10–12K | ₹22K |
| Caretaker-cum-night security | 2 | 10–12K | ₹22K |
| **Staffing subtotal** | **7** | | **~₹91K** |
| Utilities (power + water, incl. geysers) | | | ₹35–45K |
| Housekeeping/laundry consumables | | | ₹25–35K |
| Repairs & maintenance | | | ₹15–20K |
| OTA / booking commission (blended) | | | ~11% of rev. |
| Marketing (local + digital) | | | ₹15–20K |
| Insurance (property + liability) | | | ₹8–10K |
| Municipal / trade license / FSSAI / renewals | | | ₹8–12K |
| Brand / franchise royalty (if branded, ~6% of rev.) | | | ~6% of rev. |
| Lease rent *(lease+renovate model only)* | | | ₹80–1.0L |

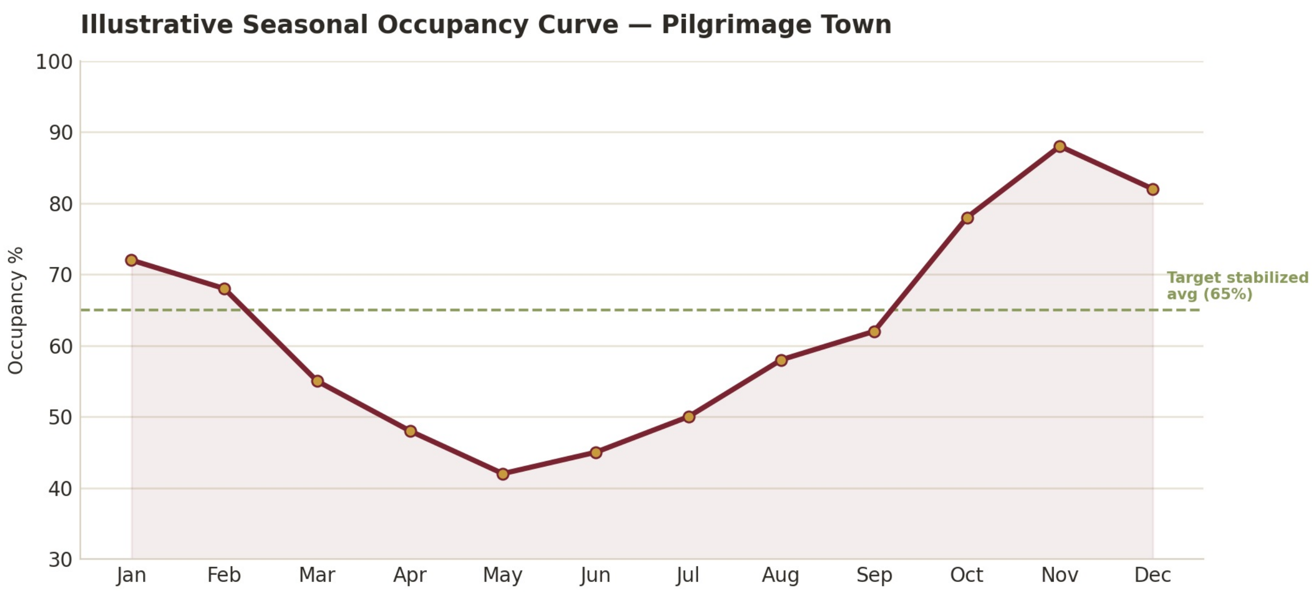
### Model B — 25 Keys

| ROLE | COUNT | ₹/MO EACH | MONTHLY TOTAL |
|---|---|---|---|
| Unit Manager | 1 | 25–30K | ₹28K |
| Front office (3 incl. relief) | 3 | 13–16K | ₹43K |
| Housekeeping | 4 | 10–12K | ₹44K |
| Maintenance / handyman | 1 | 12–15K | ₹13K |
| Security / caretaker (night, 2) | 2 | 10–12K | ₹22K |
| Concierge / guest relations | 1 | 13–15K | ₹14K |
| **Staffing subtotal** | **12** | | **~₹168K** |
| Utilities (power + water, incl. geysers) | | | ₹70–90K |
| Housekeeping/laundry consumables | | | ₹50–70K |
| Repairs & maintenance | | | ₹30–40K |
| OTA / booking commission (blended) | | | ~11% of rev. |
| Marketing (local + digital) | | | ₹25–35K |
| Insurance (property + liability) | | | ₹15–18K |

SECTION 4

# Revenue & Financial Model

Modeled at a blended ADR of **₹2,200** (midpoint of the ₹2,000–2,500 target band). Peak season occupancy of 80–90% and lean season 40–55% blend to a stabilized annual average of ~65%.



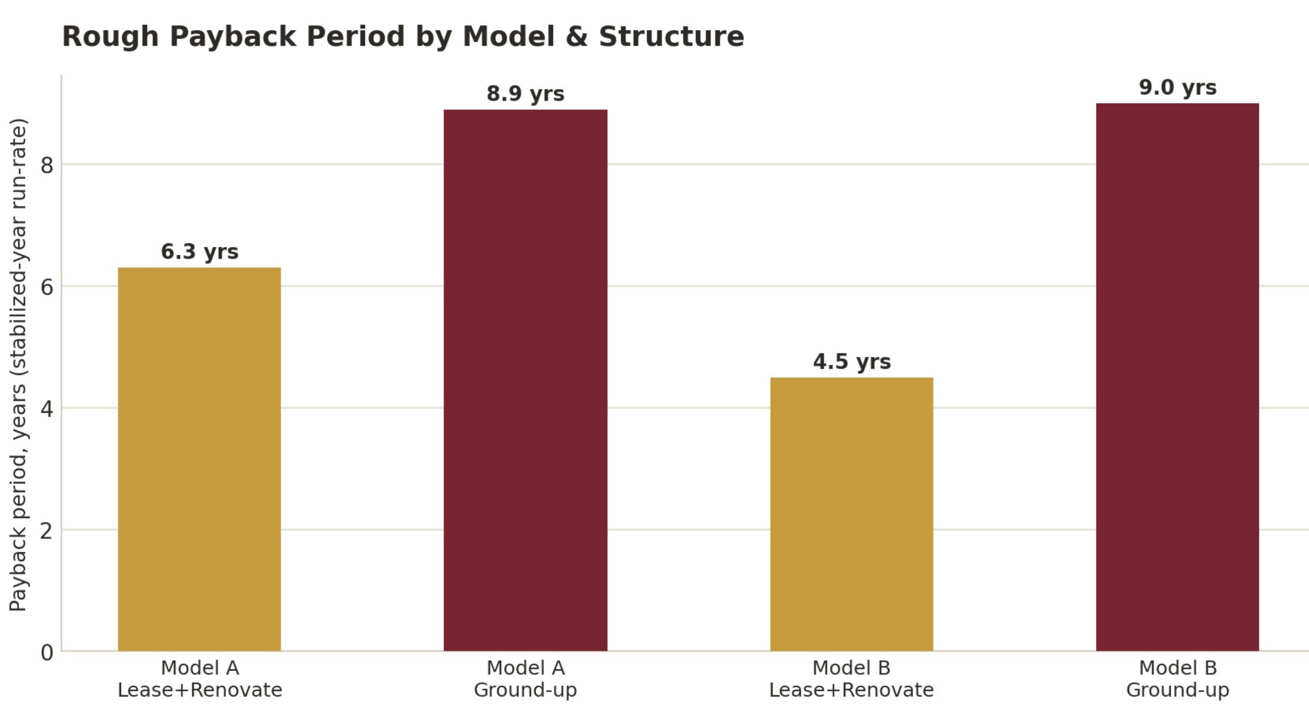

Indicative composite pattern (festival calendar shifts yearly per lunar calendar). Actual peak months vary by city — see Section 1.

| 65–68% | ~40% | 18–24 mo | 30–45% |
|---|---|---|---|
| STABILIZED ANNUAL OCCUPANCY | MONTHLY BREAKEVEN OCCUPANCY (LEASE MODEL) | TIME TO REACH STABILIZED OCCUPANCY | EBITDA MARGIN RANGE (LEASE VS. OWNED) |

SECTION 4 (CONTD.)

# Stabilized-Year P&L, Both Models

| METRIC | MODEL A (12 KEYS) | MODEL B (25 KEYS) |
|---|---|---|
| Room-nights available / year | 4,380 | 9,125 |
| Stabilized occupancy | 65% | 65% |
| Room-nights sold / year | ~2,850 | ~5,930 |
| Blended ADR | ₹2,200 | ₹2,200 |
| **Annual revenue** | **~₹62.6L** | **~₹1.30Cr** |
| Monthly revenue (avg) | ~₹5.2L | ~₹10.9L |
| Total opex excl. rent (staffing, utilities, HK, OTA, marketing, insurance, license, brand fee) | ~₹36.5L/yr | ~₹71.1L/yr |
| **EBITDA — owned/ground-up (no rent line)** | **~₹25.9L/yr (41%)** | **~₹59.7L/yr (46%)** |
| Lease rent (asset-light model) | ~₹10.8L/yr | ~₹21L/yr |
| **EBITDA — lease+renovate model** | **~₹15.1L/yr (24%)** | **~₹38.7L/yr (30%)** |




Reading the payback chart: the lease+renovate path is **2–2.5 years faster to payback** despite a lower absolute EBITDA margin, because the capital at risk is 60–70% lower. Scale (Model B) improves payback in the lease structure meaningfully more than in the ground-up structure — staffing and utilities don't scale linearly with keys, but land and shell construction do.

SECTION 5

# Key Risks Specific to Pilgrimage Towns

**01** **Extreme, calendar-driven seasonality**

Unlike business or leisure hotels, demand here is tied to lunar-calendar festival dates that shift every year (Ekadashi cycles, Brahmotsavam, Shravan Mondays). A property built for one town's rhythm cannot simply copy another's — Puri's Rath Yatra and Ujjain's Simhastha both concentrate enormous demand into narrow windows, which is a blessing for peak ADR but a real cash-flow risk in the 5–7 lean months. Working capital buffer of at least 3 lean months' fixed costs is a reasonable planning minimum.

**02** **Land title, trust ownership & regulatory friction**

A meaningful share of land near temple corridors is trust-owned, endowment (devasthanam) land, or under heritage/CRZ restrictions (as in Puri's coastal zone or Varanasi's heritage corridor). Title diligence takes materially longer here than in a standard urban market — budget 3–6 extra months versus a typical Tier-2 city acquisition, and prefer leasehold structures until title is fully clean.

**03** **Brand trust has to be earned town by town**

Pilgrims are a conservative, word-of-mouth-driven customer base, often visiting with elderly family members and prioritizing perceived safety and predictability over novelty. A national brand name means little on the ground in month 1 — trust is built through consistent hot water, honest pricing (no festival-week price gouging), and visible cleanliness, reinforced by temple-priest and local travel-agent referral relationships more than digital marketing.

**04** **Small-town staffing depth and turnover**

Trained hospitality staff (multi-skilled housekeeping, basic English/Hindi front-desk service) are scarcer outside metro labor pools, and turnover is higher when staff can shift to family agriculture cycles or migrate to bigger cities. Plan for a longer hiring runway (60–90 days pre-opening), in-house training rather than assuming lateral hires, and modestly above-market wages to reduce churn — the wage bands in Section 3 sit at the higher end of local norms deliberately.

**05** **Concentration/event risk**

Single-deity, single-event towns (Shirdi, Rameswaram, and Ujjain outside Simhastha years) carry more concentrated risk than multi-driver towns (Puri's beach tourism, Madurai's broader city economy). A single adverse event — temple renovation closure, security incident, or a shift in a Sansthan trust's darshan policy — can move footfall materially in a way that diversified-demand cities absorb more easily.

SECTION 6

# Worked Example — Ayodhya, 15 Keys

Ayodhya tops the opportunity score for a reason: footfall crossed 13.5 crore in the most recent full year on record while branded room supply remains under 40% of the room count the market is projected to need by 2031. This case study runs a 15-key lease+renovate property end to end.

**Site**

1.2 km from the Ram Mandir darshan route, leased 2-star lodge structure, 15 rooms + small lobby/concierge desk

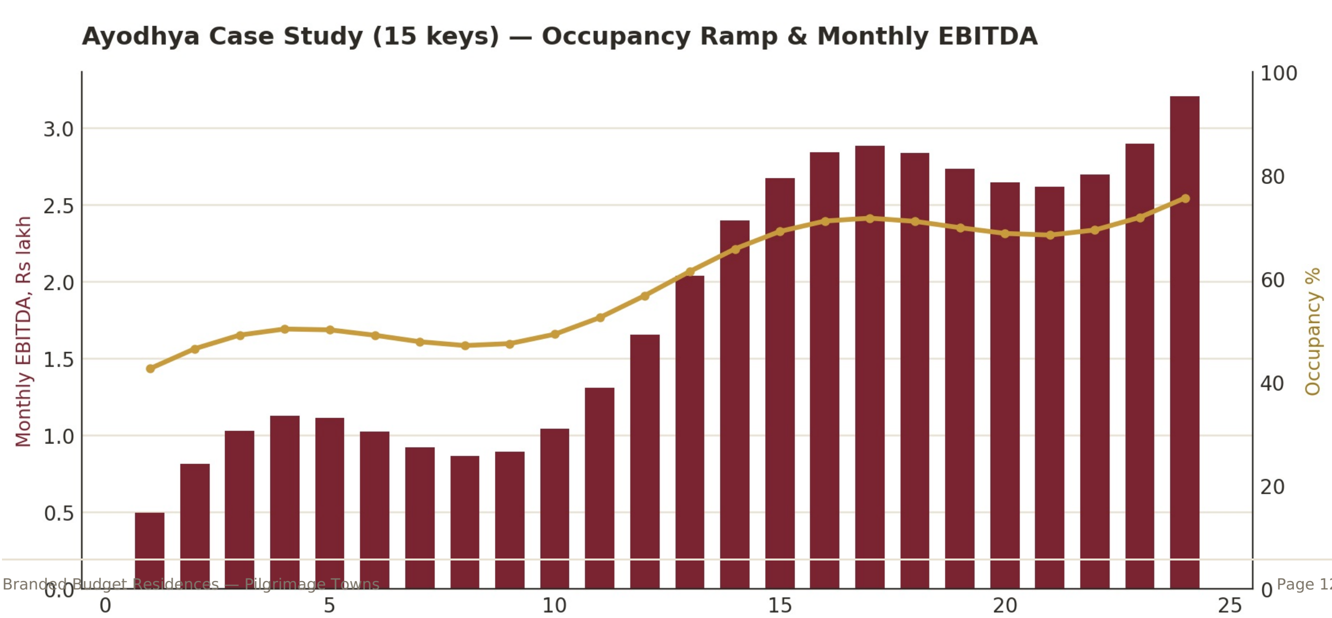
**Capex**

~₹82L total (interiors, hot water/plumbing, FF&E, branding, soft costs) + ₹13L security deposit = **~₹95L all-in**

**Target ADR**

₹2,300 blended (Ayodhya's supply gap supports pricing toward the upper half of the ₹2,000–2,500 band)

| LINE ITEM | MONTHLY (STABILIZED) | ANNUAL (STABILIZED) |
|---|---|---|
| Room-nights sold (15 keys, 66% occupancy) | ~301 | ~3,613 |
| **Revenue** (₹2,300 ADR) | **₹6.92L** | **₹83.1L** |
| Staffing (8 heads incl. dedicated darshan/taxi concierge) | ₹1.05L | ₹12.6L |
| Utilities, housekeeping, maintenance | ₹1.0L | ₹12.0L |
| OTA commission (~11% blended) | ₹0.76L | ₹9.1L |
| Marketing, insurance, municipal/license | ₹0.45L | ₹5.4L |
| Brand/franchise royalty (~6%) | ₹0.42L | ₹5.0L |
| Lease rent | ₹1.05L | ₹12.6L |
| **EBITDA** | **₹2.19L (~32%)** | **~₹26.3L** |



CLOSING NOTE

# Adapting This for Your Own Underwriting

1. **Re-run Section 4's P&L with local numbers.** Get 3 real lease quotes and 2 real construction quotes for your shortlisted town before trusting any capex figure in this document.
2. **Validate footfall with the local tourism department or temple trust directly** — the estimates flagged in Section 1 are reasoned from partial data and can be off by 20–30% either direction.
3. **Talk to 2–3 existing budget lodge owners in the town** about actual achieved ADR and occupancy — posted rates and achieved rates diverge significantly in most of these markets.
4. **Start with the lease+renovate path** unless you already own land in the town — the payback and capital-at-risk math strongly favors it for a first property.
5. **Time your launch to a peak season** — the case study shows how much faster breakeven arrives when month 1–2 coincides with a major festival window rather than a lean month.

> *This document is a starting model for research and content purposes, not investment advice. Land, licensing, and construction costs in pilgrimage towns move quickly with infrastructure announcements (new expressways, airport upgrades, corridor projects) — treat every number here as a planning baseline to be re-verified at the point of decision.*